KPMG

GEORGIA TECH FOUNDATION, INC.

Consolidated Financial Statements

June 30, 2023 and 2022

(With Independent Auditors' Report Thereon)

GEORGIA TECH FOUNDATION, INC.

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KPMG LLP
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Independent Auditors' Report

The Board of Trustees
Georgia Tech Foundation, Inc.:

Opinion

We have audited the consolidated financial statements of Georgia Tech Foundation, Inc. and its subsidiaries (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Atlanta, Georgia
September 19, 2023

GEORGIA TECH FOUNDATION, INC.

Consolidated Statements of Financial Position

June 30, 2023 and June 30, 2022

(In thousands)

Assets		2023	2022
Cash and cash equivalents	$	19,697	26,008
Restricted cash		1	2,224
Capital reserve funds (note 4)		16,630	14,605
Contributions receivable, net (note 2)		95,779	74,365
Investments (notes 3, 10 and 11)		2,681,469	2,643,661
Other assets (notes 4 and 7)		32,710	36,439
Leases receivable (note 4)		87,440	96,445
Contributions receivable from remainder trusts (note 10)		10,630	10,334
Charitable remainder trusts (note 10)		19,966	20,052
Capital assets, net (note 5)		143,550	145,188
Total assets	$	3,107,872	3,069,321
Liabilities and Net Assets			
Accounts payable (note 6)	$	9,098	7,858
Lines of credit (note 7)		11,390	12,840
Bonds payable, net (notes 4 and 7)		311,914	325,825
Notes payable, net (note 8)		26,529	59,091
Amounts due to life beneficiaries		21,417	21,974
Deferred revenue (note 4)		8,967	10,954
Funds held on behalf of other organizations (notes 9 and 10)		162,254	161,874
Other liabilities (note 4)		25,791	22,937
Total liabilities		577,360	623,353
Net assets:			
Without donor restriction (notes 13 and 14)		362,134	348,496
With donor restriction (notes 13 and 14)		2,168,378	2,097,472
Total net assets		2,530,512	2,445,968
Commitments (notes 3, 4, 6, 7, 8, 9, 15, and 19)			
Total liabilities and net assets	$	3,107,872	3,069,321

See accompanying notes to consolidated financial statements.

GEORGIA TECH FOUNDATION, INC.

Consolidated Statements of Activities

Years ended June 30, 2023 and 2022

(In thousands)

	2023			2022		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
Revenues, gains and losses:						
Gift income	$ 8,274	113,385	121,659	8,608	94,517	103,125
Lease revenue	18,288	1,204	19,492	21,750	226	21,976
Hotel operating revenue	21,978	—	21,978	15,257	—	15,257
Investment income, net of fees	3,663	2,847	6,510	1,416	5,077	6,493
Net realized/unrealized gain (loss) on investments	21,713	63,944	85,657	(10,147)	(41,385)	(51,532)
Change in value of trusts and annuities	(3)	432	429	(1)	(3,874)	(3,875)
Other	1,629	805	2,434	1,521	(176)	1,345
Provision for doubtful contributions	—	(996)	(996)	—	(2,183)	(2,183)
Net assets released from restrictions (note 12)	110,715	(110,715)	—	89,802	(89,802)	—
Total revenues	186,257	70,906	257,163	128,206	(37,600)	90,606
Expenses (note 16):						
Program services	126,798	—	126,798	91,934	—	91,934
General and administrative (note 16)	22,125	—	22,125	23,014	—	23,014
Hotel operating expenses	16,711	—	16,711	12,547	—	12,547
Fund-raising	6,985	—	6,985	4,066	—	4,066
Total expenses	172,619	—	172,619	131,561	—	131,561
Change in net assets	13,638	70,906	84,544	(3,355)	(37,600)	(40,955)
Net assets, beginning of year	348,496	2,097,472	2,445,968	351,851	2,135,072	2,486,923
Net assets, end of year	$ 362,134	2,168,378	2,530,512	348,496	2,097,472	2,445,968

See accompanying notes to consolidated financial statements.

GEORGIA TECH FOUNDATION, INC.

Consolidated Statements of Cash Flows

Years ended June 30, 2023 and 2022

(In thousands)

		2023	2022
Cash flows from operating activities:			
Change in net assets	$	84,544	(40,955)
Adjustments to reconcile change in net assets to net cash used in operating activities:			
Depreciation and amortization		3,982	4,869
Amortization of bond discount and premium and issuance costs, net		(1,331)	(1,511)
Provision for doubtful contributions		996	2,183
Net realized/unrealized (gain) loss on investments		(85,657)	51,532
Actuarial (gain) loss on trusts and annuities		(426)	3,845
In-kind contributions		(23,772)	(8,044)
Proceeds from gifts restricted for long-term investment		(27,279)	(34,233)
Proceeds from sale of donated securities not restricted for long-term investment		18,745	1,371
Increase in contributions receivable		(22,410)	(5,160)
Decrease (Increase) in other assets		3,590	(11,476)
Increase (Decrease) in accounts payable		1,240	(2,376)
Decrease in commitment payable		—	(4,835)
Increase in other liabilities		2,854	4,616
Net cash used in operating activities		(44,924)	(40,174)
Cash flows from investing activities:			
Proceeds from the sales and maturities of investments		1,160,570	914,980
Purchases of investments		(1,107,813)	(972,968)
Increase (decrease) in funds held on behalf of other organizations		380	(9,072)
Proceeds from principal repayments of leases receivable		7,018	8,208
Purchase of capital assets		(1,840)	(620)
Net cash provided by (used in) investing activities		58,315	(59,472)
Cash flows from financing activities:			
Proceeds from lines of credit		18,890	27,500
Repayments of lines of credit		(20,340)	(31,250)
Principal repayments of bonds and notes payable		(45,485)	(26,415)
Proceeds from issuance of bonds and notes payable		343	101,246
Payments of bond issuance costs		—	(569)
Receipt of cash from trusts		388	4,957
Payments to life income beneficiaries		(975)	(960)
Proceeds from gifts restricted for long-term investment		27,279	34,233
Net cash (used in) provided by financing activities		(19,900)	108,742
(Decrease) Increase in cash and cash equivalents		(6,509)	9,096
Cash and cash equivalents, restricted cash, and capital reserve funds, beginning of year		42,837	33,741
Cash and cash equivalents, restricted cash, and capital reserve funds, end of year	$	36,328	42,837
Reconciliation of cash and cash equivalents and restricted cash:			
Cash and cash equivalents	$	19,697	26,008
Restricted cash		1	2,224
Capital reserve funds		16,630	14,605
Total cash and cash equivalents and restricted cash	$	36,328	42,837
Supplemental disclosure of cash flow information:			
Cash paid for interest	$	14,910	14,399
Noncash activities:			
Contribution of charitable trusts, annuities	$	—	433
Contributions of securities		23,407	7,611
Contributions of real estate		365	—

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

(a) Organization

The Georgia Tech Foundation, Inc. (the Foundation) was incorporated in the state of Georgia in 1932 as a not-for-profit corporation. The purposes of the Foundation are to promote higher education in the state of Georgia, to receive and manage financial donations for the support and enhancement of the Georgia Institute of Technology (the Institute), and to assist the Institute in its role as a leading educational and research institution. Although the Foundation operates to support the Institute, the Foundation is an entity independent of the Institute and is not legally controlled, directly or indirectly, by the Institute. The Board of Trustees (Board) of the Foundation makes all decisions regarding the business and affairs of the Foundation. The Institute is a component unit of the University System of Georgia and is governed by the Board of Regents of the University System of Georgia (BOR).

(i) Wholly Owned Subsidiaries

The following organizations are all wholly owned subsidiaries of the Foundation and are included in the consolidated financial statements of the Foundation, with all material intercompany accounts and transactions eliminated in consolidation:

The Georgia Tech Foundation Real Estate Holding Corporation (GTFREHC) was incorporated as a not-for-profit corporation in 1990 to hold title to real estate and similar property donated to the Foundation.

The Georgia Tech Foundation Funding Corporation (GTFFC) was incorporated as a not-for-profit corporation in 2000 to serve as the borrower of a portion of Foundation debt.

The Fifth Street Hotel, LLC was formed as a single-member limited liability corporation in 2002 to serve as the holder of the land and building for the Georgia Tech Hotel and Conference Center, the activities of which are subject to unrelated business income tax.

Technology Square, LLC was formed as a single-member limited liability corporation in 2002 to serve as the holder of all other land and buildings of the Technology Square project, which are leased to the BOR and to a third party.

Cypress Academy LLC was formed as a single-member limited liability corporation in 2009 to serve as the holder of land near the Institute's campus.

Georgia Tech Foundation Properties, LLC was formed as a single-member limited liability corporation in 2013 to receive and manage gifts of real estate property.

Biltmore Technology Square LLC was formed as a single-member limited liability corporation in 2016 to serve as the holder of land, an office building, and a parking deck, known as the Biltmore, the activities of which are subject to unrelated business income tax.

GTF 1052, LLC was formed as a single-member limited liability corporation in 2017 to serve as the holder of a building and land near the Institute's campus, the activities of which are subject to unrelated business income tax.

665 Marietta, LLC was formed as a single-member limited liability corporation in 2019 to serve as the holder of a building and land near the Institute's campus, the activities of which are subject to unrelated business income tax.

GTF ATC, LLC was formed as a single-member limited liability corporation in 2019 to serve as the holder of buildings and land near the Institute's campus (Atlanta Technology Center), the activities of which are subject to unrelated business income tax.

600 Means Street, LLC was formed as a single-member limited liability corporation in 2022 to serve as the holder of land and office building near the Institute's campus.

GTF Means Street, LLC was formed as a single-member limited liability corporation in 2022 to serve as the holder of land near the Institute's campus.

GTF Ventures, LLC was formed as a single-member limited liability corporation in 2022 to serve as the holder of investments in companies launched through the Institute's CREATE-X program.

(ii) Affiliated Organizations

The following organizations, while independent from and not controlled by the Foundation, are affiliated with the Institute and are involved in one or more financial transactions with the Foundation and may have one or more common directors, trustees, or officers:

Georgia Tech Facilities, Inc. (GT Facilities) is a not-for-profit corporation formed to oversee and obtain financing for specified construction projects for the Institute.

The Georgia Tech Athletic Association (GT Athletic Association) is a not-for-profit corporation that operates the intercollegiate athletic program of the Institute.

The Georgia Tech Alumni Association (GT Alumni Association) is a not-for-profit affiliate of the Institute organized to serve the needs of the Institute and alumni of the Institute.

Georgia Tech Global, Inc. (GT Global) is a not-for-profit affiliate of the Institute organized to foster and support the global educational and scientific research and economic development activities of the Institute.

Georgia Advanced Technology Ventures (GATV) is a not-for-profit corporation, affiliated with the Institute, focused on technology, commercialization, economic development, and real estate development. GATV provides support for technology transfer and economic activities of the Institute.

Transactions with these affiliated organizations are described in notes 6, 9, 17, and 19.

(b) Basis of Presentation

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting under the financial reporting framework of the Financial Accounting Standards Board (FASB). The Foundation is a nongovernment not-for-profit corporation.

(c) Classification of Net Assets

The Foundation's net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions are not subject to donor-imposed restrictions. Net assets included in this class include revenues, gains, and losses that are not restricted by donors and Board-designated net assets, which are subject to self-imposed limits by action of the Board or by delegated designation decision to management. All expenses are reported as decreases in net assets without donor restrictions.

Net assets with donor restrictions are subject to donor-imposed restrictions that will be met either by actions of the Foundation or passage of time. Net assets included in this class include gifts for donor-restricted purposes and donor-restricted endowment funds. Gifts that include conditions are not recorded by the Foundation until the condition has been met. Generally, the donor-imposed restrictions on endowed assets permit the Foundation to use all or part of the income earned on related investments only for certain general or specific purposes. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions in the consolidated statements of activities.

(d) Fair Value of Financial Instruments

Cash equivalents, restricted cash, capital reserve funds, and accounts payable are carried at amounts that approximate their fair value due to the short-term nature of these instruments. Lines of credit are carried at the amount owed, which approximates fair value. Contributions receivable are estimated by discounting expected future cash flows at risk-adjusted market interest rates, which approximate fair value at the time of the gift. See notes 1(i), 1(j), 3, 9, and 10, regarding fair value disclosure related to investments, charitable remainder trusts, and funds held on behalf of other organizations.

(e) Cash and Cash Equivalents

The Foundation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. This excludes short-term cash investments that may be held by investment managers for future investments and capital reserve funds.

(f) Capital Reserve Funds

The Foundation classifies payments received for the purpose of capital replacement for the Campus Recreation Center (CRC), Technology Square, and the Georgia Tech Hotel and Conference Center as capital reserve funds (note 4). Funds are restricted for the purpose of capital replacement pursuant to the related lease agreements or management designation and are invested in short-term, highly liquid investments. In addition, the Foundation classifies amounts held in escrow for capital improvements as

(Continued)

required by the previously-existing Biltmore note payable (at June 30, 2022) and the Atlanta Technology Center (ATC) loan agreement (at June 30, 2023 and 2022) (note 8) as capital reserve funds.

(g) Restricted Cash

A portion of the balance consists of amounts held by the Foundation in escrow at June 30, 2022 for payment of insurance and taxes, as required by the then-existing note payable associated with the loan assumption of the Biltmore (note 8).

(h) Contributions Receivable, Net

The Foundation records commitments from donors to make future contributions, recognizing these promises to give as gift income in the period the commitments are made, discounted to their present value at a risk-adjusted market interest rate. An allowance for uncollectible contributions receivable is provided based upon management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor, potential impacts of the COVID-19 pandemic, and other relevant factors.

(i) Investments

Investments consist predominantly of marketable securities, privately held limited partnerships, and real estate. Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, with realized and unrealized gains and losses included in the consolidated statements of activities.

Donated gifts of securities are recorded based on estimated fair value at the date the donation is received. Investment income, gains, and losses are presented in the accompanying consolidated statements of activities net of investment fees.

Investments in private partnership interests are valued using the net asset value (NAV) provided by the general partner as of June 30 of each fiscal year. The change in net assets related to partnership interests is presented as realized and unrealized gain and loss based upon the estimated fair value of each partnership as determined by the general partner. General partners of partnerships that invest in privately held companies (such as leveraged buyout and venture capital funds) typically value their assets at cost as adjusted based on recent arm's-length transactions. Partnerships investing in public companies use quoted market prices and exchange rates for the underlying assets, if applicable. General partners of marketable alternative investments provide values based on quoted market prices and exchange rates for publicly held securities and valuation estimates of derivative instruments. General partners of oil and gas partnerships, real estate partnerships, and similar funds value their assets based on periodic appraisals conducted by third-party appraisers. The Foundation uses NAV per share or its equivalent as a practical expedient to estimate fair value, although NAV in many instances may not equal fair value. The NAV per share or its equivalent was applied to certain investments that do not have readily determinable fair values, including hedge funds, private equity, real estate, and natural resources. Valuation processes and methodologies utilized by the general partners and investment managers are reviewed by Foundation management.

Derivatives are used by the Foundation and external investment managers to manage market risks. A derivative is a financial instrument created from, or whose value is derived from, the value of one or more underlying assets, reference rates, indices, or asset values. These instruments may include forwards, futures, options, and currency and interest rate swaps and are recorded at their respective fair values.

The Foundation utilizes various external investment managers to identify specific investment funds and limited partnerships that meet asset allocation and investment management objectives. These managers and related funds are utilized to increase the yield and return on the investment portfolio given the available alternative investment opportunities and to diversify its asset holdings.

Certain of these investments expose the Foundation to market risk by trading or holding direct and indirect derivative securities and by leveraging the securities in the fund. The market risk is similar to holding actual securities equivalent to the notional value of the derivatives. The risk is mitigated by ensuring sufficient collateral is being held to offset adverse market moves.

(i) Indirect Derivatives

Indirect derivatives held by the Foundation (i.e., derivatives held by external investment managers) are primarily used to manage portfolio risk. The Foundation's managers use derivatives primarily to hedge underlying positions or to gain exposure to specific markets in an effort to be more efficient, inexpensive, liquid, and diversified.

By holding derivatives, the Foundation could be exposed to interest rate risk, credit risk, concentration of credit risk, and foreign currency risk. The Foundation considers the risk associated with these holdings to be prudent.

(ii) Direct Derivatives

The Foundation directly invests in derivatives associated with market risk. The purpose of these investment derivatives is to gain additional exposure to U.S. and foreign fixed income and equity markets.

Futures and forward contracts obligate the buyer to purchase an asset (and the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future price.

(j) Charitable Remainder Trusts

The Foundation has been named the beneficiary of cash and property under charitable remainder trust, charitable lead trust, and charitable gift annuity agreements. For trusts where the Foundation is the trustee, assets are recorded at their fair values when received and an annuity payment liability is recognized at the present value of future cash flows expected to be paid to the donor or other designee. This liability is estimated by the Foundation using actuarial assumptions and the Internal Revenue Service discount rate at the time of the donation. For charitable remainder trust agreements where the Foundation is not the trustee, a contribution receivable is recorded based on the present value of estimated future distributions expected to be received over the term of the agreement. A discount rate commensurate with the risk involved is estimated as of June 30 of each fiscal year.

(k) Capital Assets

Capital assets are stated at cost at the date of acquisition less accumulated depreciation. The Foundation capitalizes interest cost as a component of construction in progress. Depreciation is provided on a straight-line basis over the useful lives of the assets, which range from 3 to 50 years. Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(l) Endowment

Interpretation of Relevant Law

The Foundation management has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act of 2008 (UPMIFA or the Act) as providing, among other things, expanded spending flexibility by allowing, subject to a standard of prudence, the institution to spend from an endowment fund without regard to the book value of the corpus of the fund. This flexibility under UPMIFA allows an expenditure that lowers the value of the corpus of an endowment fund below its book value, which was previously not allowed. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The donor-restricted endowment fund is classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by the Act. In accordance with the Act, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

(Dollars in thousands)

(m) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the determination of fair value of certain investments without readily determinable fair values, the allowance for contributions receivable, and the assumptions made in recording liabilities to life beneficiaries.

(n) Tax Status

The Foundation and GTFFC are recognized as organizations exempt from federal income tax under Section 501(a) as an entity described in Section 501(c)(3) of the U.S. Internal Revenue Code, except for taxes on income from activities unrelated to its exempt purpose. GTFREHC is exempt from federal income tax under Section 501(a) as an entity described in Section 501(c)(2) of the U.S. Internal Revenue Code. The single member LLCs are disregarded for tax purposes.

(2) Contributions Receivable, Net

Contributions receivable, which represent promises to give from donors, are due as follows:

		2023	2022
Within one year	$	40,352	24,984
One to five years		64,996	53,194
More than five years		289	3,458
Gross contributions receivable		105,637	81,636
Less allowance for uncollectible contributions		(3,281)	(2,930)
Less present value component		(6,577)	(4,341)
Net contributions receivable	$	95,779	74,365

Contributions receivable for current-year gifts are initially measured at fair value in the year the receivable is recorded based on the present value of future cash flows discounted at a rate commensurate with risks involved, which is an application of the income approach, and net of an allowance for uncollectible contributions. The discount rates used to calculate the present value component as of June 30, 2023 and 2022 range from 2.24% to 7.99%. The Foundation’s allowance for uncollectible contributions is estimated by using past collections of contributions receivable as an indication of future collections. Current-year gifts included in contributions receivable reflected at fair value at June 30, 2023 and 2022 were $44,741 and $27,476, respectively. The Foundation wrote off uncollectable contributions receivable in the amounts of $996 and $2,183 in 2023 and 2022, respectively.

(Dollars in thousands)

The consolidated financial statements do not include conditional pledges, expectancies, and bequests that have not been recognized as revenue. These conditional amounts totaled $538,634 and $514,829 at June 30, 2023 and 2022, respectively. At June 30, 2023 and 2022, the four largest outstanding donor pledge balances represented 53% and 43%, respectively, of the Foundation's gross contributions receivable. The donors of these four pledges are current on their payments as of June 30, 2023 and 2022 and have a history of supporting the Foundation.

(3) Investments

Investments at June 30, 2023 and 2022 are summarized as follows:

	2023		2022	
	Percentage	**Amount**	**Percentage**	**Amount**
Cash and cash equivalents (a)	8.4 %	$ 224,110	11.4 %	$ 302,162
Domestic equities (b)	12.5	334,869	9.2	242,192
International equities (b)	9.3	249,185	15.7	415,416
Bonds and bond funds (c)	4.7	126,124	0.7	19,091
Derivatives (d)	0.3	7,998	(0.9)	(23,721)
Hedge funds (e):				
Long-short funds	0.3	8,646	1.3	34,487
Multi-strategy funds	30.0	804,473	27.6	729,896
Private equities (g):				
Buyout funds	7.3	197,166	6.3	167,164
Venture funds	11.3	302,152	12.9	340,758
Growth equity	5.3	142,523	5.3	139,952
Opportunistic credit	2.6	69,270	2.3	60,359
Real estate and real estate funds (f)	5.7	153,350	5.0	131,878
Natural resources (g)	2.3	61,603	3.2	84,027
	100.0 %	$ 2,681,469	100.0 %	$ 2,643,661

(a) This category includes assets that are cash or readily convertible to cash, such as money market funds.

(b) These categories include investments in funds that take long positions in publicly traded equity securities. Approximately 50% of the investments are in U.S. companies and 50% are in non-U.S. companies. A range of styles, market caps, and geographies is included. The public nature of the securities makes this category very liquid.

(c) This category includes investments in funds that take primarily long positions in corporate bonds, senior loans, private loans, government bonds, and long and short positions in derivatives thereof.

(d) See footnotes 1(i) and 11 for the description of derivative financial instruments.

(e) This category includes investments in hedge funds that take long and short positions primarily in equity securities, credit securities, index derivatives, and event-driven situations. Managers vary in style, market cap focus, geographic focus, sectors of focus, and types of securities, with some having considerable flexibility in each of these areas. The funds also vary in net long/short positioning with most equity funds generally maintaining a low net long position and little or no leverage. Most credit funds generally maintain a moderate net long position and little or no leverage.

(f) This category includes investments in direct real estate investments and real estate equity funds. Direct investments in real estate include investments in land and buildings purchased in the midtown Atlanta, Georgia area. These direct investments are acquired with equity from the investment portfolio and financed with debt under certain parameters approved by the Board, and are carried at fair value based on third-party appraisals. The investments in real estate equity funds take ownership of properties ranging from office, retail, multifamily, land, and hotel. These are investments that cannot be redeemed since the investment is distributed as the underlying investments are liquidated, which generally takes 5–10 years. There are currently no plans to sell any of these investments prior to their liquidation so the real estate equity funds are carried at NAV as estimated by the manager.

(g) These categories include private equity funds that provide growth equity or take full ownership of the companies in which they invest. Venture funds take ownership positions in startup or early stage companies largely in the technology or healthcare spaces. These are private investments, including natural resource investments, that cannot be redeemed since the investment is distributed as the underlying investments are liquidated, which generally takes 4-8 years. There are currently no plans to sell any of these investments prior to their liquidation so the assets are carried at NAV as estimated by the fund manager.

The Foundation has investments, as a limited partner, in 171 and 162 partnerships at June 30, 2023 and 2022, respectively. These partnerships invest in a wide variety of assets, including international equities, venture capital, buyout funds, distressed securities, real estate, fixed income, natural resources, and diversifying strategies. At both June 30, 2023 and 2022, the Foundation's largest ownership interest in a single partnership was 23% and 10% of that partnership's assets, respectively. No individual partnership investment exceeds 2% of the Foundation's assets. The values of the Foundation's partnership investments, as furnished by the general partners, are reviewed by Foundation management, and management believes the values recorded at June 30, 2023 and 2022 are reasonable.

The Foundation's investments are exposed to several risks, such as changes in interest rates, currency fluctuations, market fluctuations, credit risks, and risks associated with the geographic concentration of direct ownership of real estate investments. Changes in financial markets occur daily, and it is quite likely that changes in the carrying values of investments will occur. Such changes could materially affect the amounts reported in the Foundation's consolidated financial statements.

The limitations and restrictions on the Foundation's ability to redeem or sell hedge funds and private investments vary by investment. Notice periods are required for hedge funds. Private investments typically have specified terms at inception (generally 8–10 years) (note 10). Distributions from each private investment will be received as the underlying investments of the funds are liquidated by the general partner. As of June 30, 2023, management estimates the average remaining life of the private investments is approximately 4 years.

(Dollars in thousands)

As of June 30, 2023 and 2022, the Foundation's remaining outstanding commitments to private investments, which are projected to be paid over the succeeding six years, totaled $470,176 and $392,939, respectively, within the following investment strategies:

	2023	2022
Private equities:		
Venture funds	$ 122,042	126,673
Growth equity	46,620	59,352
Buyout funds	125,163	119,379
Opportunistic credit	82,463	12,767
Real estate and real estate funds	78,397	55,852
Natural resources	15,491	18,916
	$ 470,176	392,939

Investments in private equity, natural resources, and real estate funds are generally made through limited partnerships. Under the terms of these partnership agreements, the Foundation is obligated to remit additional funding periodically as capital or liquidity calls are exercised by the general partner. These partnerships have a limited existence and under such agreements may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy, or other factors, the general partner may extend the terms or request an extension of terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The Foundation cannot anticipate such changes because they are based on unforeseen events. As a result, the timing of future capital calls or distributions in any particular year are not certain.

The Foundation charges expenses of its internal investment operation to the investment accounts. During 2023 and 2022, these expenses totaled $6,128 and $5,230, respectively, and are reported as a reduction of investment income in the accompanying consolidated statements of activities.

(4) Leases

(a) Capital Leases

(i) Campus Recreation Center Lease

In support of the Institute, the Foundation borrowed funds and constructed and placed into service the CRC in 2004. It then leased the facility to the BOR under an annual lease that expires on February 28 of each year but is renewable on a year-by-year basis at the option of the BOR until 2031. Under the terms of the lease, payments are used to retire the related debt incurred by the Foundation and provide for a capital replacement reserve. The likelihood of the BOR's failure to exercise its renewal options through 2031 has been determined to be remote, and thus, a lease receivable has been recorded totaling $21,148 and $23,670 as of June 30, 2023 and 2022, respectively. The debt outstanding on the Series 2011A and the CRC portion of 2017B Bonds totaled $20,690 and $22,675 as of June 30, 2023 and 2022, respectively.

In November 2011, the Foundation refunded the Series 2001A Bonds with the proceeds from the Series 2011A Bonds, which resulted in additional debt service requirements (note 7). The rental payments under the lease were increased in 2012 to provide additional rental amounts to pay the additional debt service requirement. The amount of the lease receivable is equal to the net present value of total lease payments to be received, discounted at 3.51% annually, which is the Foundation’s total interest cost of the CRC-related bonds. The Foundation recorded a corresponding deferred revenue liability, representing the revenue to be recognized in future periods from the lease as a result of the additional debt service requirement. The revenue is recognized at a constant periodic rate of return consistent with the amortization of interest cost over the term of the related debt. The deferred revenue balance related to the CRC lease was $2,084 and $2,608 as of June 30, 2023 and 2022, respectively.

The Foundation leases from the BOR the land on which the CRC is located under a 30-year lease, expiring 2031. Upon full payment of the debt incurred by the Foundation to construct the CRC, the ground lease terminates and the CRC will be gifted to the BOR by the Foundation.

(ii) Technology Square Lease

During 2004, in support of the Institute, the Foundation borrowed funds and constructed a development on campus on Foundation-owned land, known as Technology Square. It then leased the facilities and land to the BOR pursuant to an annual lease, which expires on June 30 of each year but is renewable on a year-by-year basis at the option of the BOR until 2032. The likelihood of the BOR’s failure to exercise its renewal options through 2032 has been determined to be remote, and thus, the Foundation has recorded a lease receivable in the amount of $66,292 and $72,775 as of June 30, 2023 and 2022, respectively. Upon retirement of the Technology Square debt, the ownership of the land and improvements to the property, with the exception of the Georgia Tech Hotel and Conference Center, which is not leased to the BOR, will be gifted to the BOR at no cost.

During 2015, the Institute and the Foundation amended the Technology Square lease to allow the Foundation to retain ownership of the retail space within the Georgia Tech Hotel and Conference Center and not gift the retail space to the BOR upon retirement of the Technology Square debt. Instead, the fourth floor of the Economic Development Building will be included with the property gifted to the BOR upon retirement of the Technology Square debt. The lease terms, including lease payments, remained unchanged with the exception of the underlying assets that will be gifted to the BOR. No gain or loss was recognized.

The lease payments are used to retire the related debt incurred by the Foundation and to provide for major replacement and renewal of the buildings. The debt outstanding on the Series 2002B, Series 2012A, and the Technology Square portion of Series 2017B Bonds (collectively, the Technology Square Bonds), not including the debt associated with the Georgia Tech Hotel and Conference Center, totaled $61,185 and $66,365 as of June 30, 2023 and 2022, respectively.

In April 2012, the Foundation refunded the Series 2002A Bonds with the proceeds of the Series 2012A Bonds, which resulted in additional debt service requirements (note 7). The rental payments under the lease were increased in 2012 to provide additional rental amounts to pay the additional debt service requirements on the Technology Square Bonds as well as provide for a capital replacement reserve. The amount of the lease receivable is equal to the net present value of total lease payments to be received, discounted at 3.35% annually, which was the Foundation's total interest cost in the Series 2012 Bonds. The Foundation recorded a corresponding deferred revenue liability, representing the revenue to be recognized in future periods from the lease as a result of the additional debt service requirement. The revenue is recognized at a constant periodic rate of return consistent with the amortization of interest cost over the term of the related debt. The deferred revenue related to the Technology Square lease was $6,883 and $8,346 as of June 30, 2023 and 2022, respectively.

(b) Operating Leases

(i) Georgia Tech Hotel and Conference Center

The Foundation leased the Georgia Tech Hotel and Conference Center to a third party in 2004. The lease was a 30-year operating lease and was automatically renewable for an additional 10 years, unless either party declines to renew. During 2021, the lessee defaulted under the terms of the lease, ceased making payments effective January 1, 2021, and subsequently the lease was terminated. Under the lease agreement, the Foundation received base rent, payments for capital replacement, and incentive rent. During 2022, the Foundation received $425, in lease payments, representing base rent from the third party. No payments were received for capital replacement or incentive rent during 2023 and 2022. The Foundation has debt outstanding totaling $20,860 and $22,495 as of June 30, 2023 and 2022, respectively, related to the Georgia Tech Hotel and Conference Center (note 7). The land and building are considered a capital asset of the Foundation (note 5).

Beginning in 2021, the Foundation assumed operating control of the Georgia Tech Hotel and Conference Center and all operating activity is included in the accompanying consolidated financial statements. As a result, the Foundation recognized related operating revenue of $21,978 and $15,257 in 2023 and 2022, respectively.

(ii) Biltmore

The Foundation recognizes contractual revenues from leases on a straight-line basis over the terms of the respective leases.

(iii) CODA

The Foundation leased approximately 2.2 acres of land adjacent to Technology Square to a third party in November 2016. Improvements on the land currently include a mixed-use development consisting of office space, retail space, parking and associated amenities. The lease is a 99-year operating lease, and the Foundation recognizes revenue from the lease on a straight-line basis over the term of the lease. The Foundation recorded lease income of $4,644 and $3,343 for the years ended June 30, 2023 and 2022, respectively. The Foundation recorded a rent receivable of

(Dollars in thousands)

$17,394 and $15,272 as of June 30, 2023 and 2022, respectively, which is included in other assets in the accompanying consolidated statements of financial position.

(iv) Atlanta Technology Center

In September 2018, the Foundation acquired the ATC, which is a 19 acre office park near the Georgia Tech campus. The property has four office buildings leased to third parties. The Foundation recognizes contractual revenues from leases on a straight-line basis over the terms of the respective leases. The Foundation holds this property as an investment asset and records it at fair value.

Future contractual lease revenue due from leases under noncancelable operating leases at June 30, 2023 is as follows:

		Biltmore	CODA	Atlanta Technology Center	Total
Fiscal year:					
2024	$	2,633	1,246	4,274	8,153
2025		2,669	1,270	4,126	8,065
2026		1,025	1,296	3,929	6,250
2027		458	1,322	3,888	5,668
2028		146	1,348	3,465	4,959
Thereafter		—	319,498	2,907	322,405
	$	6,931	325,980	22,589	355,500

(c) Capital Reserve Funds

At June 30, 2023 and 2022, the Foundation held funds restricted for the purpose of capital replacement for the CRC, Technology Square, the Biltmore, ATC, and the Georgia Tech Hotel and Conference Center totaling $16,630 and $14,605, respectively. Capital reserve funds held for the Institute for capital replacement for Technology Square and the CRC are included in other liabilities in the accompanying consolidated statements of financial position.

(Dollars in thousands)

The Foundation's capital reserve funds are as follows:

	June 30	
	2023	2022
Campus Recreation Center	$ 4,729	3,453
Technology Square	10,802	10,398
Biltmore	—	344
Georgia Tech Hotel and Conference Center	1,099	410
Total capital reserve funds	$ 16,630	14,605

(5) Capital Assets

The Foundation's buildings consist of the Georgia Tech Hotel and Conference Center, including the retail space within the Georgia Tech Hotel and Conference Center building (collectively, the Hotel and Conference Center), and the Biltmore. The Hotel and Conference Center is located in Technology Square on the Institute's campus and was placed into service in 2004. The Biltmore is located adjacent to Technology Square and was placed into service in 2017.

The Foundation's capital assets are as follows:

	June 30	
	2023	2022
Land	$ 68,744	68,154
Buildings	94,163	93,607
Furniture and equipment	17,049	16,746
Less accumulated depreciation	(36,406)	(33,319)
Total capital assets	$ 143,550	145,188

Depreciation expense totaling $3,478 and $3,546 was recognized during 2023 and 2022, respectively. The furniture and equipment are depreciated over useful lives of 3 to 10 years. The buildings are depreciated over useful lives of 40 to 50 years.

(Dollars in thousands)

(6) Accounts Payable

The Foundation’s accounts payable as of June 30, 2023 and 2022 consist of the following:

	June 30	
	2023	2022
Payable to:		
Institute	$ 5,968	5,084
Other	3,130	2,774
	$ 9,098	7,858

(7) Debt

(a) Lines of Credit

Lines of credit as of June 30, 2023 and 2022 consist of the following:

Borrowing entity	Maturity	Line of credit limit	Outstanding as of June 30 2023	Outstanding as of June 30 2022
GTFFC	N/A	$ 26,000	—	12,840
Foundation	July 2025	25,000	11,390	—
Foundation	May 2024	25,000	—	—
			$ 11,390	12,840

The Foundation guaranteed a line of credit in the name of the GTFFC in 2023 and 2022 totaling $26,000. During 2023, GTFFC terminated its existing line of credit. The Foundation had two remaining lines of credit in 2023, collectively totaling $50,000. During 2023, the Foundation executed an extension of the maturity of one line of credit from July 2023 to July 2025. Interest is calculated using LIBOR or SOFR. The average effective interest rate for the lines of credit was 4.4% and 0.89% at June 30, 2023 and 2022, respectively.

(Dollars in thousands)

(b) Bonds Payable

Bonds payable as of June 30, 2023 and 2022 consist of the following:

	Interest rates – fixed	Maturity (serially)	Original issue	Outstanding as of June 30 2023	2022
Campus Recreation Center Bonds:					
Series 2011 A – tax exempt	2.830%–4.125%	2031	$ 32,695	4,950	4,950
Technology Square Bonds:					
Series 2002B – taxable	6.660%	2032	73,190	29,405	31,705
Series 2016 Bond – taxable	2.185%–3.843%	2049	30,180	29,540	29,835
Series 2017 Bond – taxable	2.750%–4.234%	2048	33,510	32,155	32,510
Series 2017B Bond – tax exempt	1.760%–2.570%	2032	74,880	68,380	74,880
Series 2019 Bond – taxable	1.792%–3.134%	2050	51,730	42,730	45,785
Series 2021 Bond – taxable	2.886%	2052	100,000	100,000	100,000
Total bonds payable – gross				307,160	319,665
Unamortized bond issuance costs				(2,306)	(2,510)
Unamortized premium				7,060	8,670
Total bonds payable – net				$ 311,914	325,825

(i) Campus Recreation Center Bonds

During May 2001, the Series 2001A Bonds were issued to provide funds to finance the costs of construction of the CRC, a facility that has been constructed on the Institute’s campus. During November 2011, the Series 2011A and previously-existing 2011B Bonds were issued to refund the outstanding principal amount of $36,840 of the Series 2001A Bonds, pay certain costs of issuance, and finance a portion of the termination of an interest rate swap related to the Series 2001A Bonds.

During December 2017, the Series 2017B Bonds were issued in the amount of $74,880 to refund the outstanding principal amount of the callable bonds of Series 2011A and previously-existing 2012A Series Bonds and pay certain costs of issuance. The principal amount of the callable bonds refunded were $19,220 and $61,100 for the Series 2011A and previously-existing 2012A bonds, respectively. In connection with the issuance of the 2017B Bonds, the Foundation incurred an accounting loss of $2,654 during 2018 related to the early extinguishment of the Series 2011A and 2012A Bonds.

The Foundation has leased the CRC to the BOR under a capital lease effective February 2001 (note 4). These bonds are not secured by any interest in the CRC, the ground lease, or the rental agreement. These bonds are general unsecured obligations of the Foundation.

The 2011A Bonds were issued with a bond premium of $4,805, which is being amortized and had a balance of $175 and $269 as of June 30, 2023 and 2022, respectively.

(ii) Technology Square Bonds

During January 2002, the previously-existing Series 2002A and the Series 2002B Bonds (collectively, the Series 2002 Bonds) were issued to provide funds to finance the costs of the acquisition, construction, and development on the Institute's campus known as Technology Square. Technology Square includes the Scheller College of Business building, a hotel and conference center, a global learning center, a parking deck, an economic development building, retail space, and a bookstore. During April 2012, the Foundation refunded the outstanding principal amount of $91,465 of the Series 2002A Bonds with proceeds received from the issuance of the previously-existing Series 2012A Bonds.

The Foundation leased the Georgia Tech Hotel and Conference Center under an operating lease to a third party in 2004. That lease was terminated in 2021 (note 4). The Foundation has also leased the other components of Technology Square to the BOR, on behalf of the Institute, under a capital lease, effective July 1, 2004 (note 4). These bonds are not secured by any interest in the Technology Square development, in any rental agreement relating to the development, or in any revenue received by the Foundation from the ownership or operation of any portion of the development. These bonds are general unsecured obligations of the Foundation.

(iii) Series 2016 Bonds

In May 2016, the taxable Series 2016 Bonds (2016 Bonds) were issued for the purpose of advance refunding of the previously-existing Series 2009A Bonds, funding capitalized interest, paying certain costs to issue and reimbursement to the Foundation for costs incurred for site improvements and acquisition of the CODA property. The 2016 Bonds are general unsecured obligations of the Foundation.

(iv) Series 2017 Bonds

In February 2017, the taxable Series 2017 Bonds (2017 Bonds) were issued to refinance a loan, the proceeds of which were used for the acquisition of the Biltmore property, and to pay certain costs of issuance. The 2017 Bonds are general unsecured obligations of the Foundation.

(v) Series 2017B Bonds

During December 2017, the Series 2017B Bonds were issued in the amount of $74,880 to refund the outstanding principal amount of the callable bonds of the Series 2011A and the previously-existing 2012A Series Bonds and pay certain costs of issuance. The 2017B Bonds were issued with a bond premium of $15,775, which is being amortized and had a balance of $6,885 and $8,401 as of June 30, 2023 and 2022, respectively.

(vi) Series 2019 Bonds

During December 2019, the taxable Series 2019 Bonds were issued in the amount of $51,730 with proceeds used to refinance the remaining outstanding principal amount of the previously-existing callable Series 2009B Bonds, to refinance a portion of the lines of credit, to pay the final installment of a note payable and to pay certain cost of issuance. The Series 2019 Bonds are general unsecured obligations of the Foundation.

(Continued)

(Dollars in thousands)

(vii) Series 2021 Bonds

During November 2021, the taxable Series 2021 Bonds were issued in the amount of $100,000 with proceeds used for general corporate purposes. The Series 2021 Bonds are general unsecured obligations of the Foundation.

The following represents the mandatory principal redemptions on bonds until maturity:

	Campus Recreation Center Bonds Series 2011A	Technology Square Bonds Series 2002B	Series 2016	Series 2017	Series 2017B	Series 2019	Series 2021	Total
Fiscal year:								
2024	$ —	2,465	325	395	6,840	3,105	—	13,130
2025	2,410	2,635	355	435	4,995	3,165	—	13,995
2026	2,540	2,820	3,090	495	5,245	—	—	14,190
2027	—	3,015	3,195	540	7,980	—	—	14,730
2028	—	3,215	460	585	8,390	—	—	12,650
Thereafter	—	15,255	22,115	29,705	34,930	36,460	100,000	238,465
	$ 4,950	29,405	29,540	32,155	68,380	42,730	100,000	307,160

(8) Notes Payable

Notes payable at June 30, 2023 and 2022 consist of the following:

	Interest rates – fixed	Original issue	Outstanding as of June 30 2023	Outstanding as of June 30 2022
Notes payable:				
Biltmore property	5.037%	$ 36,000	—	32,344
Atlanta Technology Center	3.000%	29,152	26,690	26,983
Total notes payable, gross			26,690	59,327
Unamortized debt issuance costs			(161)	(236)
Total notes payable, net			$ 26,529	59,091

(a) Biltmore Property Note Payable

In October 2016, Biltmore Technology Square, LLC entered into a loan assumption and substitution agreement with the previous borrower and assumed a note payable (Biltmore note payable) from a third-party lender under terms of the existing loan agreement. Biltmore Technology Square, LLC assumed the $35,711 note with a maturity date of February 6, 2024. The Biltmore note payable was a nonrecourse loan, was secured by a first mortgage on the Biltmore property, and bore a fixed interest rate of 5.037%. The Biltmore note payable was repaid during 2023.

(Dollars in thousands)

(b) Atlanta Technology Center

In September 2018, GTF ATC, LLC entered into a loan agreement with a bank, borrowing $25,062. The proceeds were used to acquire the Atlanta Technology Center property (ATC). The original note was a nonrecourse loan, secured by a first mortgage on ATC, and bearing a fixed interest rate of 4.75%. The loan was refinanced in 2023 as a recourse loan, secured by a first mortgage on ATC, and bearing a fixed interest rate of 3.00%. GTF ATC, LLC may borrow an additional $4,090, increasing the loan to $29,152, for renovation and improvements to the property. In September 2022, GTF ATC, LLC borrowed an additional $343 under the terms of the loan agreement. The loan matures on August 31, 2028.

The principal payments due on the notes payable as of June 30, 2023 are as follows:

	Atlanta Technology Center	Total
Fiscal year:		
2024	$ 870	870
2025	896	896
2026	924	924
2027	952	952
Thereafter	23,048	23,048
	$ 26,690	26,690

(9) Funds Held on Behalf of Other Organizations

The Foundation manages certain investments on behalf of GT Athletic Association and GT Alumni Association. The carrying value of funds held on behalf of other organizations approximates the fair value of these underlying investments. These investments total $162,254 and $161,874 at June 30, 2023 and 2022, respectively, and are recorded in the accompanying consolidated statements of financial position as funds held on behalf of other organizations. Investment income, fees, gains, and losses earned on the funds held on behalf of the GT Athletic Association and the GT Alumni Association (collectively, GTAA funds) are allocated on a quarterly basis, based on the value of GTAA funds as a share of the pooled investments. The Foundation's agreement with GT Athletic Association stipulates that a six-month notification of intent to redeem is required. The Foundation's agreement with the GT Alumni Association stipulates that a three-month notification of intent to redeem is required. The funds will be distributed to GT Athletic Association and the GT Alumni Association at the values determined by the Foundation at the end of the next quarter after the six-month and three-month notification periods, respectively.

(Dollars in thousands)

Activity of the funds held on behalf of GT Athletic Association for the years ended June 30, 2023 and 2022 is as follows:

		2023	2022
Balance, beginning of year	$	160,121	169,108
Additions		19,173	11,372
Investment income, (losses) gains, net of fees attributable to balances		5,158	(3,203)
Withdrawals		(23,943)	(17,156)
Balance, end of year	$	160,509	160,121

Activity of the funds held on behalf of the GT Alumni Association for the years ended June 30, 2023 and 2022 is as follows:

		2023	2022
Balance, beginning of year	$	1,753	1,838
Additions		—	17
Investment income, (losses) gains, net of fees attributable to balances		54	(42)
Withdrawals		(62)	(60)
Balance, end of year	$	1,745	1,753

(10) Fair Value Measurements

The Foundation’s estimates of fair value for financial assets and liabilities are based on the framework established in the FASB ASC Topic 820, *Fair Value Measurement*. The framework is based on the inputs used in valuation and gives the highest priority to quoted prices in active markets and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest level, Level 1, is given to unadjusted quoted prices in active markets and the lowest level, Level 3, to unobservable inputs that reflect the Foundation’s significant market assumptions. The three levels of the fair value hierarchy are as follows:

Level 1 – Valuations based on unadjusted quoted market prices for identical assets or liabilities in active markets that the Foundation has the ability to access at fiscal year-end.

Level 2 – Valuations based on pricing inputs that are other than quoted prices in active markets, which are either directly or indirectly observable for substantially the full term of the asset or liability. Examples include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, credit risks, default rates, loss severities, etc.) or can be corroborated by observable market data.

Level 3 – Valuations are based on unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not observable in the market and require significant professional judgment in determining the fair value assigned to such assets and liabilities. Level 3 investments primarily comprise alternative investments that do not have a liquid market at the financial reporting date. Inputs used for Level 3 may include the original transaction price, recent transactions in the same or similar market, completed or pending third-party transactions in the underlying investment or comparable issuers, and subsequent rounds of financing. When observable prices are not available, these investments are valued using one or more valuation techniques described below:

Market Approach: This approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Income Approach: This approach determines a valuation by discounting cash flows.

Cost Approach: This approach is based on the principle of substitution and the concept that a market participant would not pay more than the amount that would currently be required to replace the asset.

Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported NAV.

The fair value hierarchy requires the use of observable market data when available. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The classification of assets and liabilities in the fair value hierarchy is not necessarily an indication of risks or liquidity, but is a measure of the observability of the valuation inputs.

In accordance with ASC Subtopic 820-10, *Fair Value Measurement,* certain investments that are measured at fair value using NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table below are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

(Dollars in thousands)

The following table presents for each level within the fair value hierarchy, the Foundation's recurring and nonrecurring fair value measurements for assets and liabilities as of June 30, 2023:

	Level 1	Level 2	Level 3	Investments measured at NAV	Total	Redemption or liquidation	Days notice
Assets:							
Cash and cash equivalents	$ 19,697	—	—	—	19,697	Daily	1
Restricted cash	1	—	—	—	1	Daily	1
Capital reserve funds	16,630	—	—	—	16,630	Daily	1
	36,328	—	—	—	36,328		
Investments:							
Cash and cash equivalents	224,110	—	—	—	224,110	Daily	1
Domestic equities	329,401	—	—	5,468	334,869	See note (a)	See note (a)
International equities	124,438	—	—	—	124,438	Daily	3–10
International equities-commingled funds	121,298	—	—	3,449	124,747	Monthly	3–10
Bond and bond funds	122,039	—	—	4,085	126,124	Daily	1–3
Derivatives	7,998	—	—	—	7,998	Daily	1–3
Hedge funds	—	—	—	813,119	813,119	See note (b)	See note (b)
Private equities	—	—	—	711,111	711,111	Illiquid	N/A
Real estate and real estate funds	—	—	82,650 [1]	70,700	153,350	Illiquid	N/A
Natural resources	—	—	693 [2]	60,910	61,603	Illiquid	N/A
Total investments	929,284	—	83,343	1,668,842	2,681,469		
Contributions receivable from remainder trusts	—	10,630	—	—	10,630	N/A	N/A
Charitable remainder trusts	—	19,966	—	—	19,966	N/A	N/A
Total	$ 965,612	30,596	83,343	1,668,842	2,748,393		

(1) Real estate and real estate fund balances consist of two directly owned properties, both at fair value determined based on a combination of the income approach and sales comparison approach. The first property was valued at $550 per square foot of land area. The second property was valued with an implied capitalization rate of 8.5% and $215 per square foot of the improved area.

(2) Natural resources balance consists of two funds at fair value determined based on the consideration of the discounted cash flow method valuation technique and discount rate of 10%.

Note (a) – Domestic Equities (June 30, 2023):

Certain investments in domestic equities have restrictions around the liquidation of those equities based on the availability of a potential buyer. The fair values of these domestic equities totaled $5,467. The fair value of domestic equities that are redeemable daily with a one-to-five-day notice period totaled $329,401.

Note (b) – Hedge Funds (June 30, 2023):

Certain investments in hedge funds may be redeemed upon a five-to-ninety-day notice to the fund manager and permit a monthly or quarterly exit from the fund. The fair values of these hedge funds totaled $322,118. Certain other hedge funds have semiannual or annual exit dates, which occur more than 90 days after the

(Dollars in thousands)

Foundation's fiscal year-end. The aggregate fair value of these hedge funds, with a notice and a redemption period exceeding 90 days, which could be redeemed during 2023, totals $416,420. Eleven hedge funds, including one in the bond fund category, with an aggregate fair value of $74,581 contain provisions that they may be redeemed after a one- to three-year period upon notification to the fund manager.

The following table presents for each level within the fair value hierarchy, the Foundation's recurring and nonrecurring fair value measurements for assets and liabilities as of June 30, 2022:

	Level 1	Level 2	Level 3	Investments measured at NAV	Total	Redemption or liquidation	Days notice
Assets:							
Cash and cash equivalents	$ 26,008	—	—	—	26,008	Daily	1
Restricted cash	2,224	—	—	—	2,224	Daily	1
Capital reserve funds	14,605	—	—	—	14,605	Daily	1
	42,837	—	—	—	42,837		
Investments:							
Cash and cash equivalents	302,162	—	—	—	302,162	Daily	1
Domestic equities	242,039	—	—	153	242,192	See note (a)	See note (a)
International equities	165,532	—	—	—	165,532	Daily	3–10
International equities-commingled funds	198,577	—	—	51,307	249,884	Monthly	3–10
Bond and bond funds	19,035	—	—	56	19,091	Daily	1–3
Derivatives	(23,721)	—	—	—	(23,721)	Daily	1–3
Hedge funds	—	—	—	764,383	764,383	See note (b)	See note (b)
Private equities	—	—	—	708,233	708,233	Illiquid	N/A
Real estate and real estate funds	—	—	85,150 (1)	46,728	131,878	Illiquid	N/A
Natural resources	—	—	1,186 (2)	82,841	84,027	Illiquid	N/A
Total investments	903,624	—	86,336	1,653,701	2,643,661		
Contributions receivable from remainder trusts	—	10,334	—	—	10,334	N/A	N/A
Charitable remainder trusts	—	20,052	—	—	20,052	N/A	N/A
Total	$ 946,461	30,386	86,336	1,653,701	2,716,884		

(1) Real estate and real estate fund balances consist of two directly owned properties, both at fair value determined based on a combination of the income approach and sales comparison approach. The first property was valued at $550 per square foot of land area. The second property was valued with an implied capitalization rate of 8.5% and $215 per square foot of the improved area.

(2) Natural resources balance consists of two funds at fair value determined based on the consideration of the discounted cash flow method valuation technique and discount rate of 10%.

Note (a) – Domestic Equities (June 30, 2022):

Certain investments in domestic equities have restrictions around the liquidation of those equities based on the availability of a potential buyer. The fair values of these domestic equities totaled $153. The fair value of domestic equities that are redeemable daily with a one-to-five-day notice period totaled $242,039.

(Dollars in thousands)

Note (b) – Hedge Funds (June 30, 2022):

Certain investments in hedge funds may be redeemed upon a five-to-ninety-day notice to the fund manager and permit a monthly or quarterly exit from the fund. The fair values of these hedge funds totaled $340,284. Certain other hedge funds have semiannual or annual exit dates, which occur more than 90 days after the Foundation's fiscal year-end. The aggregate fair value of these hedge funds, with a notice and a redemption period exceeding 90 days, which could be redeemed during 2023, totals $348,897. Eleven hedge funds, including one in the bond fund category, with an aggregate fair value of $75,202 contain provisions that they may be redeemed after a one- to three-year period upon notification to the fund manager.

During 2023 and 2022, the activity of assets classified as Level 3 in the fair value hierarchy was as follows:

		Natural resources	Real estate
Balance as of June 30, 2021	$	934	68,050
Investment earnings, net of fees		—	313
Realized and unrealized gains, net		432	17,100
Additions during year		—	—
Withdrawals during year		(180)	(313)
Balance as of June 30, 2022		1,186	85,150
Investment earnings, net of fees		—	1,737
Realized and unrealized gains, net		(343)	(2,500)
Additions during year		—	—
Withdrawals during year		(150)	(1,737)
Balance as of June 30, 2023	$	693	82,650

(11) Derivative Financial Instruments

The Foundation directly invests in derivatives associated with market risk, as defined in note 1(i). The purpose of these investment derivatives is to gain additional exposure to U.S. and foreign fixed income and equity markets.

Futures and forward contracts obligate the buyer to purchase an asset (and the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future price.

(Dollars in thousands)

During 2023, the Foundation recognized net realized/unrealized gains and losses on direct positions in Equity Index Futures derivatives and U.S. Treasury Futures derivatives of $53,393 and $(9,161), respectively. As of June 30, 2023, the Foundation held direct positions in derivatives as shown in the following table:

Investment		Fair value at June 30, 2023	Notional exposure
Equity Index Futures	$	7,998	205,217
U.S. Treasury Futures		—	—
Total	$	7,998	205,217

During 2022, the Foundation recognized net realized/unrealized gains and losses on direct positions in Equity Index Futures derivatives and U.S. Treasury Futures derivatives of $2,783 and $(12,501), respectively. As of June 30, 2022, the Foundation held direct positions in derivatives as shown in the following table:

Investment		Fair value at June 30, 2022	Notional exposure
Equity Index Futures	$	(22,423)	106,032
U.S. Treasury Futures		(1,298)	153,363
Total	$	(23,721)	259,395

(12) Net Assets Released from Restrictions

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

The Foundation reports gifts of land, buildings, and equipment as support without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the acquired long-lived assets are placed in service.

(Dollars in thousands)

Net assets were released from restrictions related to accomplishing program activities for the years ended June 30, 2023 and 2022 as follows:

		2023	2022
General use	$	24,415	25,644
Student support		21,180	19,828
Faculty support		21,332	17,404
Program enrichment		19,407	14,027
Academic support		21,651	5,336
Facilities		2,730	7,548
Fundraising		—	15
Total net assets released from restrictions	$	110,715	89,802

(13) Net Assets

Net assets without donor restrictions as of June 30, 2023 and 2022 are as follows:

		2023	2022
Restricted cash	$	1	2,224
Capital reserve funds		(660)	642
Undesignated		239,395	209,951
Board-designated quasi endowment funds:			
General use		108,821	109,737
Student support		16,283	16,327
Faculty support		7,074	7,092
Facilities		2,065	2,071
Academic		817	819
		135,060	136,046
Other board-designated funds:			
Real estate reserves		7,469	8,350
Net investment in capital assets		(19,131)	(8,717)
	$	362,134	348,496

The Board has designated certain net assets without donor restrictions, to function as endowments. The net assets of the Board-designated quasi endowment funds total $135,060 and $136,046 at June 30, 2023 and 2022, respectively, and have been designated for general use, student support, faculty support, facilities, and academic purposes. Although the Foundation does not intend to spend from the Board-designated quasi endowment, other than amounts appropriated as part of the Board's annual budget approval and appropriations processes, these amounts could be made available, if necessary, for general use. The net assets of other Board-designated funds total $7,469 and $8,350 at June 30, 2023 and 2022, respectively, and have been designated as real estate reserves, but could be made available, if necessary, for general use. The net investment in capital assets total $(19,131) and $(8,717) at June 30, 2023 and 2022, respectively, and represent the book value of unrestricted capital assets net of any debt attributable to those capital assets.

(Dollars in thousands)

Net assets with donor restrictions as of June 30, 2023 and 2022 are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purpose:		
Faculty support	$ 36,235	40,394
Student support	7,944	8,122
Academic support	15,125	26,172
Program enrichment	62,350	50,946
Facilities and construction	38,192	21,866
Fundraising	295	241
Contributions receivable restricted by donors	67,145	42,396
	227,286	190,137
Appropriated from endowments, subject to expenditure for specified purpose:		
Faculty support	26,343	22,885
Student support	7,079	4,200
Program enrichment	10,696	9,241
Academic support	15,373	14,909
Facilities and construction	646	577
	60,137	51,812
Subject to the passage of time:		
Contributions receivable from remainder trusts	10,630	10,299
Contributions receivable that are not restricted by donors but which are unavailable for expenditure until receipt	486	575
Charitable remainder trusts	12	15
	11,128	10,889

(Continued)

(Dollars in thousands)

		2023	2022
Endowments:			
Subject to endowment spending policy and appropriation:			
Faculty support	$	535,677	524,862
Student support		538,985	516,718
General use		329,060	328,989
Academic support		254,562	257,587
Program enrichment		159,648	162,567
Facilities and construction		9,809	9,275
Perpetual trusts		807	759
Charitable remainder trusts and gift annuities		13,131	12,483
		1,841,679	1,813,240
Contributions receivable restricted to endowment by donors		28,148	31,394
	$	2,168,378	2,097,472

(14) Endowment Net Assets

Endowment net assets for the year ended June 30, 2023 are as follows:

		Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	$	—	1,841,679	1,841,679
Board-designated endowment funds		135,060	—	135,060
Total endowed net assets	$	135,060	1,841,679	1,976,739

Endowment net assets for the year ended June 30, 2022 are as follows:

		Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	$	—	1,813,240	1,813,240
Board-designated endowment funds		136,046	—	136,046
Total endowed net assets	$	136,046	1,813,240	1,949,286

The Foundation's endowment consists of approximately 3,000 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Return Objectives and Risk Parameters

The primary long-term financial investment objectives are to preserve the real purchasing power of the endowment and to earn an average annual real total return of at least 5.0% per year, net of management fees, over the long term, defined as rolling five-year periods.

(b) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation utilizes a diversified asset allocation strategy designed to achieve its long-term return objectives while minimizing risk. As part of this strategy, the Foundation invests a portion of its funds in assets that have desirable return and/or diversification characteristics but which may be less liquid than other investment assets. The Foundation management constantly monitors its liquidity position to ensure that it has the funds necessary to meet its obligations.

(c) Spending Policy

The Foundation has a policy of appropriating for expenditure, on an annual basis, up to 6.00% of the trailing 12-quarter average market value of its endowment funds. The Foundation appropriated 4.00% in 2023 and 4.15% in 2022, of the 12-quarter trailing average market value of its endowment funds. The amount appropriated for expenditure included an administrative fee of 0.70% in 2023 and 0.72% in 2022 for general overhead costs incurred in connection with the support and management of its endowment funds. In setting the annual appropriation percentage, the Foundation considers both historic and expected returns on its endowment assets, including the effect of inflation. In addition, the Foundation considers providing an appropriate flow of income to the Institute while preserving the future purchasing power of the endowment assets in perpetuity. The appropriation percentage is approved by the Board as part of the Foundation's annual budget process.

(d) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in net assets with donor restrictions were $560 and $719, with an original gift value of $21,945 and $20,353 as of June 30, 2023 and 2022, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of certain recently restricted contributions and continued appropriation for certain programs that were deemed prudent by the Board. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in net assets with donor restrictions.

(Dollars in thousands)

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

		Without donor restriction	With donor restriction	Total
Endowment net assets, July 1, 2022	$	136,046	1,813,240	1,949,286
Investment return:				
Investment income		134	2,102	2,236
Net realized/unrealized gain		4,603	63,803	68,406
Total investment return		4,737	65,905	70,642
Contributions		500	34,667	35,167
Other income		88	1,997	2,085
Change in value of trusts and annuities		—	146	146
Appropriation of endowment assets for expenditure		(5,127)	(74,276)	(79,403)
Withdrawals from board-designated funds, net		(1,184)	—	(1,184)
Endowment net assets, June 30, 2023	$	135,060	1,841,679	1,976,739

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

		Without donor restriction	With donor restriction	Total
Endowment net assets, July 1, 2021	$	147,358	1,869,143	2,016,501
Investment return:				
Investment income		371	5,041	5,412
Net realized/unrealized loss		(2,964)	(41,264)	(44,228)
Total investment return		(2,593)	(36,223)	(38,816)
Contributions		1,440	47,292	48,732
Other income		17	22	39
Change in value of trusts and annuities		—	(2,007)	(2,007)
Appropriation of endowment assets for expenditure		(4,696)	(64,987)	(69,683)
Withdrawals from board-designated funds, net		(5,480)	—	(5,480)
Endowment net assets, June 30, 2022	$	136,046	1,813,240	1,949,286

(Continued)

(Dollars in thousands)

(15) Pension Plan

The Foundation has a mandatory defined-contribution plan for its employees in which the employees contribute 5% of their pretax earnings and the Foundation matches the employees' contributions on a 2-to-1 basis. The funds are invested with a third-party provider in investment options chosen by the employees. During 2023 and 2022, the Foundation recognized pension expense totaling $429 and $411, respectively. The plan has a three-year cliff vesting requirement for each employee to vest in the Foundation's contribution amount. The Foundation also has a supplemental plan in which employees may contribute an additional amount on a voluntary basis. The Foundation does not match these additional amounts.

(16) Expenses

There are certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses, such as property expense, interest on related debt, depreciation, and amortization, are allocated based upon the usage of facilities. Other natural expenses are allocated based on estimates of time and effort.

Expense allocation for the year ended June 30, 2023 is as follows:

	Program services								
Category	Student support	Faculty support	Program enrichment	Academic support	Facilities and construction	Total	General and administrative/ hotel	Fundraising	Total
Scholarships and fellowships	$ 35,119	491	1,838	733	2	38,183	—	—	38,183
Salaries and benefits	1,540	11,045	10,902	2,881	93	26,461	2,386	2,829	31,676
Materials, supplies, and other services	1,699	8,278	15,186	18,163	2,749	46,075	22,507	1,100	69,682
Travel, events, and stewardship	190	3,295	2,696	1,547	3	7,731	690	3,056	11,477
Property expense	—	—	—	—	—	—	4,416	—	4,416
Depreciation and amortization	—	—	—	—	63	63	3,919	—	3,982
Interest	—	—	—	—	8,285	8,285	4,918	—	13,203
	$ 38,548	23,109	30,622	23,324	11,195	126,798	38,836	6,985	172,619

(Dollars in thousands)

Expense allocation for the year ended June 30, 2022 is as follows:

	Program services						General and		
Category	Student support	Faculty support	Program enrichment	Academic support	Facilities and construction	Total	administrative/ hotel	Fundraising	Total
Scholarships and fellowships	$ 33,299	531	2,338	608	—	36,776	—	—	36,776
Salaries and benefits	1,649	9,121	9,388	2,045	137	22,340	2,628	2,015	26,983
Materials, supplies, and other services	596	7,076	10,226	2,758	1,148	21,804	17,573	956	40,333
Travel, events, and stewardship	39	1,238	1,437	767	628	4,109	314	1,095	5,518
Property expense	—	—	—	—	—	—	4,151	—	4,151
Depreciation and amortization	—	—	—	—	63	63	4,806	—	4,869
Interest	—	—	—	—	6,842	6,842	6,089	—	12,931
	$ 35,583	17,966	23,389	6,178	8,818	91,934	35,561	4,066	131,561

The Foundation classifies certain expenses as general and administrative. These expenses relate primarily to the operations of the Foundation, the Georgia Tech Hotel and Conference Center, the Biltmore, and other real estate owned by the Foundation. Details of general and administrative expenses for the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Foundation operations	$ 7,726	5,660
Real estate expenses	22,273	19,006
Depreciation and amortization expense	3,919	4,806
Interest expense	4,918	6,089
	$ 38,836	35,561

General and administrative expenses related to the Georgia Tech Hotel and Conference Center for the year ended June 30, 2023 and 2022 are $16,711 and $12,547, respectively.

(17) Related Parties

One member of the Board of Trustees of the GT Athletic Association is also a voting trustee of the Foundation.

Three members of the Board of Trustees of the GT Alumni Association are also voting trustees of the Foundation.

One member of the Board of Directors of the GATV is also a voting trustee of the Foundation.

One member of the Board of Directors of the GT Facilities is also a voting trustee of the Foundation.

(Dollars in thousands)

(18) Liquidity and Availability

Financial assets available to meet cash needs for general expenditures, without donor or other restrictions limiting their use, within one year of the financial reporting date, are comprised of the following:

		2023	2022
Cash	$	19,697	26,008
Restricted cash		1	2,224
Capital reserve funds		16,630	14,605
Contributions receivable, net		95,779	74,365
Investments		2,681,469	2,643,661
Leases receivable		87,440	96,445
Contributions receivable from charitable remainder trusts		10,630	10,334
Charitable remainder trusts		19,966	20,052
Total financial assets, at year-end		2,931,612	2,887,694
Less financial assets not available for general expenditures, due to nature:			
Restricted cash		(1)	(2,224)
Capital reserve funds		(16,630)	(14,605)
Leases receivable		(87,440)	(96,445)
Contributions receivable from charitable remainder trusts		(10,630)	(10,334)
Charitable remainder trusts		(19,966)	(20,052)
Less financial assets not available for general expenditures within one year:			
Contributions receivable, net		(38,108)	(28,004)
Less contractual or donor-imposed restrictions:			
Endowments funds		(1,841,679)	(1,813,240)
Contributions receivable, net restricted for endowment		(28,148)	(31,394)
Funds held on behalf of other organizations		(162,254)	(161,874)
Less board-designated quasi endowment funds		(135,060)	(136,046)
Less other board-designated funds		(7,469)	(8,350)
Financial assets available to meet cash needs for general expenditures within one year	$	584,227	565,126

Donor restricted endowments, which total $1,841,679 and $1,813,240 as of June 30, 2023 and 2022, respectively, are not available for general expenditures until appropriated by the Board. The funds held on behalf of other organizations are not available for general expenditures of the Foundation. The Board-designated quasi endowment funds total $135,060 and $136,046 at June 30, 2023 and 2022, respectively. Although the Foundation does not intend to spend from the Board-designated quasi endowment, other than amount appropriated as part of the Board's annual budget approval and appropriations, these amounts could be made available, if necessary, for general use. In addition, the net assets of other Board-designated funds total $7,469 and $8,350 at June 30, 2023 and 2022, respectively, and have been designated as real estate reserves, but could be made available, if necessary, for general use.

(19) Commitments and Contingencies

In June 2022, the Foundation approved $32,817 of funds without donor restrictions to support the Institute's program and development operations, with a condition that the funds are to be expended during 2023 and 2024. If the funds are not expended by June 30, 2024, the remainder is retained by the Foundation. As of June 30, 2023, the Foundation expended a total of $29,764 to support the Institute's program and development operations and $3,053 remained as a commitment.

In June 2006, the Foundation entered into a limited guaranty agreement with a bank in the amount of $4,800 to support a letter of credit pertaining to an obligation GATV has under a rental agreement. The letter of credit was scheduled to expire in June 2023, but was amended to expire in June 2024. As consideration for the limited guaranty agreement, GATV pays the Foundation 0.20% of the limited guaranty amount annually.

(20) Tax Matters

The Foundation does not have any material unrecognized tax positions that should be recognized in the consolidated financial statements for 2023 or 2022.

(21) Subsequent Events

In connection with the preparation of the consolidated financial statements, the Foundation management reviewed subsequent events after June 30, 2023 through September 19, 2023, which was the date the consolidated financial statements were available to be issued, and determined that there were no significant subsequent events requiring disclosure in the consolidated financial statements.