Agenda

I. Call to Order – Drew Ernst

II. Review and Approval of Minutes – Drew Ernst

III. President’s Remarks – Dr. Jaimie Hebert

IV. Advancement/Development Report – Bill Kelso

V. Finance Committee Report – Jessica Henderson & Tina Adams
   • Q2 Financials – Action Required

VI. Other Business – Drew Ernst

VII. Adjourn

Next Meeting is Friday, May 18, 2018 – Burnett Hall Board Room
Meeting Minutes

The Board of Trustees for the Armstrong Foundation met in the Burnett Hall Board Rm. #125.

Board attendees were: Chair Drew Ernst, Jennifer Frum, Ellen Bolch, Carlton Hodges, Eric Johnson, William Kelso, Quentin Marlin, Diana Morrison, Ben Price, Alex Salgueiro, James Shore, Roger Smith, John Sobke, James Thomas, James Vaughn.

Representing the University were: Chris Curtis, Amy Heaston, Jessica Henderson, Samantha Levine, Georj Lewis, Hope Fuller, Valerie Garrison.

Call to Order - Drew Ernst

Chairman Ernst called the business meeting to order at 8:15 a.m. A quorum was present.

Review and Approval of Minutes - Drew Ernst

Chairman Ernst asked for a motion to approve the September 22, 2017, meeting minutes. Ben Price Moved. James Vaughn seconded. The minutes were approved as presented with no amendments.

Chairman Ernst recognized President Frum for her service as interim President and thanked her for outstanding leadership over the past six months.

President’s Remarks – Jennifer Frum

Dr. Frum thanked Drew Ernst and the foundation members for their service to the Foundation and Armstrong and attending today’s meeting. Dr. Frum did note the heightened security around campus as a second graffiti incident did occur. University leadership is working with local and state law enforcement officials who continue to investigate and evaluate the threat to the campus.

Dr. Frum also noted the following points regarding consolidation:

- Consolidation CIC meetings will continue into 2018 with the focus on implementation of plans.
- Consolidation staffing plan is almost complete with letters of appointment going out to employees through the week and continuing into next week.
- Very few staff (under 10) currently do not have jobs. The Human Resources department continues to work with the employees to help place them in positions.
- Currently, five to six million dollars in consolidation savings have been realized. Working with President Hebert, university leadership will look to reinvest those savings towards student success initiatives specific to recruitment, retention, and progression efforts.
- Amy Heaston is working with teams of academic and administrative leadership at the three campuses to begin implementation of vital academic programs previously reported.
• Fall 2017 enrollment is only down 100 students from Fall 2016. University System of Georgia central office staff has noted that our enrollment performance has been the best of any institution of all the consolidations. She gave credit to the recruitment, admissions, and enrollment management staff who did an outstanding job bringing in a solid class for Fall 2017.
• Regarding the 2018 state legislative session, Georgia Southern has budget requests for $2.7 million in equipment for the new Waters College of Health Professions building and $50 million for a new engineering building. Should Trustees interact with legislative delegation members throughout the region, Dr. Frum asked that folk point to these two projects as crucial to the consolidated university.

Dr. Frum thanked the Trustees for their support over the past few months. She noted how much she has enjoyed learning about Savannah and treasured her time serving Armstrong. She noted that Chris Curtis will be the campus lead for the Armstrong campus and asked for Trustees and the community to support him and so many other Armstrong faculty and staff who are moving forward with the new university.

Development Report – Bill Kelso

Mr. Kelso provided a handout showing fundraising results through 11/16/17:

<table>
<thead>
<tr>
<th></th>
<th>Through 11/16/17</th>
<th>Through 11/17/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Raised:</td>
<td>$250,015</td>
<td>$505,582</td>
</tr>
<tr>
<td>Major Gifts:</td>
<td>$28,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>Annual Giving:</td>
<td>$45,894</td>
<td>$260,280</td>
</tr>
<tr>
<td>Corp/Found:</td>
<td>$172,971</td>
<td>$211,629</td>
</tr>
<tr>
<td>In-Kind:</td>
<td>3,150</td>
<td>$1,473</td>
</tr>
</tbody>
</table>

Mr. Kelso briefly noted the following:
• Annual giving, as expected, has bottomed out. We have not actively asked our Alumni for gifts as we continue through the consolidation planning process.
• Major gifts are slow. However, a few five and six-digit gifts are still on the table for the 3rd and 4th quarter of FY18.
• Corporate and foundation giving is moderately strong and should still perform well into the 3rd and 4th quarter as we look to book several gifts for the health professions building project.

Finance Committee Report - Jessica Henderson

Statement of Activities: Total Revenue for the first quarter as of September 30, 2017, was $371,569. This was $139,447 less than the same period last year. This decrease was mainly due to several major gifts that occurred in FY17 and has not occurred in FY18. Total Expenses for the first quarter as of September 30, 2017, was $270,754.
• Overall contribution revenue was $88,313 which was $283,966 less than the same period last year. This is mostly due to several major gifts that have not been renewed or have not been received yet; Athletics related $60K (Tennis Court Facility), faculty pledges during campus campaign-FY17, Follett contribution-FY17, BOR-FY17.
• Unrealized Gains / Losses on Investments: 2017-18 has been positive for the investment market. The total gain of $230,313 for the year compared to a gain of $90,802 recorded at September 30, 2016.
• Expenses increased $67,797 for the year: Program Expenses increased by $50,822, mainly due to a redirection of an athletic gift per donor’s wishes to the Georgia Southern Athletic Foundation.
• The total combined changes in revenue and expenses create a Net Surplus for 2018 of $100,815.

Statement of Financial Position: Total assets increased by $100,815 as of September 30, 2017.
• Cash increased by $164,173. This increase is mostly due to receiving ½ of our scholarship drawdown from our endowment and it is remaining unspent.
• Pledge Receivable decreased $102,051. This is largely due to two major gifts, Lettie Pate Whitehead and BOR that were booked as pledges at 7/1/17 that have been paid, reducing their pledge amount.
• Investments increased by $38,694. Investments increased despite taking ½ of our scholarship drawdown in August.
• Liabilities were unchanged.
• Armstrong State University Foundation, Inc. FY18 with an overall increase in ending fund balance of $100,815. Ending Fund Balance of $14,568,692.

Jessica Henderson also noted that the 2016 990 Tax Return as prepared by Warren Averett was reviewed and approved by the foundation finance committee in October.

Jim Vaughn asked if there was an increase in expenses beyond the $50,000 gift redirect. Ms. Henderson stated no.

Mr. Kelso notified the Trustees that this is most likely Jessica Henderson’s last board meeting and thanked her service to the foundation. He noted that Ms. Henderson helped bring clarity and consistency to foundation financial reporting and policy development. Ms. Henderson will be assuming a new role with the university beginning January 1, 2018.

Educational Properties Foundation, Inc., (EPFI) – James Shore

Mr. Shore noted the following:

• The EPFI board will hold its final meeting in December 2017. It will be a joint meeting with the Georgia Southern University Housing Foundation as the two boards prepare to consolidate. The resulting foundation will retain the name Georgia Southern Housing Foundation, Inc.
• EPFI and Georgia Southern Housing Foundation officers and respective university presidents will sign appropriate documents to transfer all assets to the Georgia Southern Housing Foundation. In addition, amended Georgia Southern University Housing Foundation bylaws will be reviewed and approved.
Lastly, EPFI will nominate two Savannah area community members to serve on the resulting foundation. Chris Curtis, Armstrong VP for Operations – Armstrong and Liberty Campuses, will also serve on the consolidated foundation.

Other Business – Drew Ernst

Armstrong Foundation Bylaws Amendment – Discussion and Action


Mr. Kelso noted the following:

- The Trustees discussed at the September 22 board meeting the need to re-introduce Armstrong Alumni Board membership to the Board of Trustees of the Armstrong Foundation via a bylaw change.
- Mr. Kelso met with Cheryl Ciucevich and Roger Smith as directed by the Trustees to develop draft language adding an alumni board representative to foundation membership as a non-voting ex-officio member.
- Mr. Kelso reviewed the draft language to be added to Section 2 of the Armstrong Foundation bylaws as outlined in the notice of intent document.

Hearing no questions, Chairman Ernst asked for a motion to approve the bylaw change as stated. Carlton Hodges Moved. Ben Price seconded. Bylaw change was approved unanimously.

Armstrong State College Commission: Draft Commission Fund Gift Agreement

Chairman Ernst outlined the history of the Armstrong Commission, the subsequent original fund/endowment the commission established back in the 1950’s, and Dr. Irving Victor’s leadership with the Armstrong Commission for several decades. The Armstrong Commission transferred the fund to the Armstrong Foundation establishing the Armstrong State College Commission Fund in the 1990’s.

Chairman Ernst reminded the Trustees, per September 22, 2017, board meeting minutes, of the desire to repurpose the Commission Fund ensuring the investment income benefits the Armstrong and Liberty Campuses of the new George Southern University. It was agreed that he along with Carlton Hodges and Irving Victor would meet and develop a recommendation for Trustees to consider at the November 17 board meeting.

Chairman Ernst presented to the Trustees a draft gift agreement between the Armstrong College Commission and the Armstrong State University Foundation, Inc., for review and action. The draft gift agreement was emailed to Trustees in advance of the meeting.

Chairman Ernst asked for a motion to approve the gift agreement as presented. Jim Thomas Moved. Ben Price seconded. Gift agreement was approved unanimously.

Chairman Ernst thanked everyone for attending.

The meeting was adjourned at 9:21 am.
Respectfully submitted,

[Signature]

William P. Kelso

Interim Foundation Secretary