

**Georgia Tech Foundation, Inc.**  
Minutes of the Meeting of the Board of Trustees  
March 5-6, 2015

The Board of Trustees of Georgia Tech Foundation, Inc. met at 3:00 p.m. on Thursday, March 5, 2015, in the Global Learning Center, Room 222.

Elected trustees present were: Robert A. Anclien, Jerome A. Atkinson, John C. Bacon, Laurie D. Bagley, G. Niles Bolton, James R. Borders, John F. Brock III, Steve W. Chaddick, Walter G. Ehmer, Joseph W. Evans, D. Fort Flowers Jr., Thomas M. Holder, Michelle E. Jarrard, Christopher W. Klaus, Roger A. Krone, Andrea L. Laliberte, George W. Levert, Deborah A. Nash, H. Ronald Nash Jr., Michael A. Neal, Thomas E. Noonan, Gregory J. Owens, N. Allen Robertson, Frances G. Rogers, Albert S. Thornton Jr., Karen C. Thurman and Janice N. Wittschiebe.

Ex-officio voting trustees present were: Benton J. Mathis Jr., G. P. Peterson and Robert N. Stargel Jr.

Board Officers present were: Gary T. Jones, James R. Lientz Jr. and Charles D. Moseley. Corporate Officers present were: Mark W. Long and Al Trujillo.

Ex-officio non-voting trustees present were: Rafael L. Bras, Barrett H. Carson, Stephen E. Cross and Steven G. Swant.

Trustees Emeriti present were: Ronald W. Allen, Bobby Joe Anderson, Kenneth G. Byers Jr., J. Randall Carroll, A. Russell Chandler III, Don L. Chapman, William R. Collins Jr., H. Allen Ecker, Jack J. Faussemagne, George C. Guynn, Hubert L. Harris Jr., G. William Knight, Aaron J. Land Jr., David M. McKenney, Wade T. Mitchell, Joe W. Rogers Jr., Earl L. Shell Jr., John C. Staton Jr., William J. Todd and John H. Weitnauer Jr.

Others present were: Jean M. Ballenger, Thomas J. Barranco, Cailen A. Belanger, Michael A. Bobinski, Reginald DesRoches, Dwight D. Dozier, Lynn M. Durham, Leslie M. Evans, Steven P. French, Patricia S. Futrell, Laura Giglio, Joseph P. Irwin Jr., Paul Johnson, Michelle L. Jones, Jonathan D. Karcsh, K. Patrick Liu, Catie McCoy, Mary Montgomery, Darshan Patel, Jeffrey F. Scott, Dene H. Sheheane, Steven Sylvester, James B. Taylor, James Tio, Patricia H. Wichmann and Dorcas G. Wilkinson.

**Welcome:** Mr. Lientz welcomed the trustees and visitors. Mr. Lientz introduced Coach Paul Johnson, the head football coach at Georgia Tech.

**Georgia Tech Athletics Presentation:** Coach Johnson stated that he was extremely proud of the football players, assistant coaches and staff during the past season. Coach Johnson was exceptionally pleased with the growth and development of the players this year. He recognized three outstanding players from this past season: Mr. DeAndre Smelter, Mr. Synjyn Days and Mr. Zach Laskey. The schedule became increasingly challenging as the season came to a close, with games against Clemson, Georgia, Florida State and Mississippi State. The Georgia Tech vs. Georgia game had many highs and lows. Coach Johnson stated that even though there was a 14 point swing in the second quarter in favor of Georgia, the team did not allow it to bother them and they kept on playing. After Georgia Tech was back in the lead in the

fourth quarter, a pump fake led to a Georgia touchdown, putting Georgia ahead. Mr. Harrison Butker kicked a 53-yard field goal for Georgia Tech, which caused the game to go into overtime. The team was victorious in overtime and went on to win in the Orange Bowl vs. Mississippi State. Coach Johnson reported that this year's recruiting class is the largest to date. After spring break, the football team will begin spring practice. Coach Johnson read an email from Mr. Preston Lyons, a former b-back at Georgia Tech. Mr. Lyons thanked Coach Johnson for inspiring him to not give up in a difficult situation. Coach Johnson stated that Georgia Tech may not always get the first round draft picks, but Georgia Tech attracts football players with character, integrity, perseverance, and team-building skills. Coach Johnson thanked the trustees.

**Georgia Tech Intercollegiate Athletics Update:** Dr. Peterson stated that it has been an exciting spring for Georgia Tech Athletics. He described the successes that the teams have had, along with individual accomplishments. Dr. Peterson introduced Dr. Reginald DesRoches, the Karen and John Huff School Chair and Professor of the School of Civil and Environmental Engineering. Dr. DesRoches also serves as the faculty athletic representative, acting as the liaison between Georgia Tech athletics and Georgia Tech faculty. He also represents Georgia Tech in ACC and NCAA affairs.

**Faculty Athletic Representative Update:** Dr. DesRoches stated that he has been the faculty athletic representative for almost a year. He serves as a key member of the Georgia Tech eligibility certification team, which ensures student-athletes meet all NCAA, conference and institutional requirements for eligibility for practice, financial aid and intercollegiate competition. As the faculty athletic representative, Dr. DesRoches serves as Vice Chair of the Georgia Tech Athletic Association (GTAA) Board of Trustees, the Chair of the GTAA Compliance and Equity Committee, and participates in Georgia Tech student-athlete related boards and committees, as well as institutional investigations of allegations of rules violations. Dr. DesRoches reported that the NCAA Division I Board of Directors approved a new governance structure, which will allow for autonomous rule-making in certain areas for the 65-member institutions in the ACC, Big 12, Big 10, Pac-12 and the SEC. Autonomy was granted on the following issues: health and wellness, meals and nutrition, financial aid, expenses and benefits, academic support, insurance and career transition, time demands, recruiting and personnel. Dr. DesRoches stated that these changes are very positive from a student perspective, especially due to the changes in health and wellness and meals and nutrition. He described the tutorial services provided to the athletes, as well as academic advising and training in time management, communication skills and study structure. Dr. DesRoches reported that in the fall of 2014, the mean GPA of the student-athletes was 3.01, which is the highest in Georgia Tech history. The trustees applauded this accomplishment. Dr. DesRoches reported the Academic Progress Rate (APR) is an assessment tool used to measure a team's academic performance. This metric is used by the NCAA to measure the success or failure of collegiate athletic teams in moving their student-athletes towards graduation. Dr. DesRoches reported that the golf team, the men's swimming team and the women's tennis team all had perfect scores for multiyear APR. The APR for the men's basketball team has improved significantly in recent years. He reported that 159 Georgia Tech student-athletes were selected to the 2013-2014 ACC Academic Honor Roll.

Dr. DesRoches described the Total Person Program at Georgia Tech, which is an athletics-led multifaceted program focused on students' personal well-being outside of

academics and athletics. The Total Person Program focuses on career development, community outreach, personal health and well-being, and nutritional advising. The Total Person Program sponsored the 3<sup>rd</sup> annual Georgia Tech student-athlete career fair. The 14<sup>th</sup> annual Michael Isenhour Toy Drive was held and student-athletes collected nearly \$11,000 and more than 2,400 toys. He reported that twenty student-athletes made a service trip to the Dominican Republic during winter break.

Mr. Bobinski described one important project - the renovation of the Edge Facility. The building has not been refreshed since it was constructed. The academic support area is significantly lacking in space and resources. Mr. Bobinski stated that the building can be reconfigured to serve the needs of today's student-athlete as well as future generations. A fundraising campaign is being launched for the renovations on the Edge Facility. Sports Medicine and the Sports Nutrition areas will also be renovated.

Dr. Peterson stated that due to the ACC's autonomy ruling, Georgia Tech will now be able to be more creative in providing nutrition to the student-athletes. Georgia Tech has created stations to feed student-athletes in off-hours and before and after practices. This additional nutrition costs approximately \$300,000 a year.

Dr. Peterson announced that President Barack Obama will be speaking on college affordability at Georgia Tech in the McCamish Pavilion on Tuesday, March 10, 2015.

**Meeting Adjourned/Reconvened:** There being no further business, the meeting adjourned at approximately 4:15 p.m. on Thursday, March 5, and reconvened at 8:30 a.m. on Friday, March 6, in the Global Learning Center, Room 222.

**Welcome:** Mr. Lientz welcomed trustees to the 548<sup>th</sup> meeting of the Board of Trustees. He introduced Dr. Peterson.

**Campus Update:** Dr. Peterson stated that it was a tremendous honor for Georgia Tech and for the State of Georgia to have President Obama on campus to speak about college affordability. The State of Georgia and Georgia Tech have many programs to help make college more affordable, including the Hope Scholarship and the Georgia Tech Promise Scholarship Program.

Dr. Peterson stated that the admissions office is in the final stages of completing the fall 2015 admissions. He reported that Georgia Tech received 11,700 applications for early admission and a total of 27,500 applications for the freshman class of 2,700. In the past six years, the number of applications for enrollment has increased 250%. The average SAT score of this year's entering freshman class will be approximately 1480. Dr. Peterson stated that the most important factor in the admissions is the student's leadership involvement and extracurricular activities. The Engineered Biosystems Building will be ready for occupation later this month, and faculty and staff will move into the building in June. The \$34 million goal in private philanthropy has been met; however, a naming opportunity for the building still remains. Dr. Peterson reported that the SACS accreditation team arrives at Georgia Tech on March 10. This will coincide with President Obama's visit. The Quality Enhancement Plan this year is "Serve. Learn. Sustain." Ten years ago, the QEP was undergraduate research and study abroad. Technology Square has attracted numerous companies, including WorldPay, Home Depot and NCR. Technology Square has become a center for innovation and brings companies and students together in one location. He stated that the expansion of Technology Square, which

includes the High Performance Computing Center, will increase the square footage of Technology Square by more than 40%, will cost approximately \$300 million, and is scheduled to open in 2018. The Board of Regents has approved the plans. Dr. Peterson reported on a campus-wide wellness initiative and a mental health task force, as well as a sexual violence task force. He stated that safety continues to be a concern and a priority. Georgia Tech has more than 1,000 security cameras and 500 emergency phones. The cameras are manned 24/7. The Georgia Tech Police Department now has more than 80 officers and the department has a good working relationship with Midtown Blue and the State Patrol. He reported that four additional campus units reached their campaign goals: Alumni Association, the College of Sciences, Foundation Relations and Athletics. Dr. Peterson announced that Dr. Wayne Clough is returning to the Georgia Tech campus and he will be working with the G. Wayne Clough Georgia Tech Promise students. Dr. Clough will be the commencement speaker in May and will receive an honorary Ph.D. from Georgia Tech.

**College of Architecture Presentation:** Ms. Wittschiebe introduced Dr. Steven French, Dean and John Portman Chair and Professor of City and Regional Planning in the College of Architecture at Georgia Tech. His research has focused on sustainable urban development and land use.

Dr. French stated that the study of architecture began at Georgia Tech in 1908. As of 2015, the College of Architecture has five schools, seven research centers and 8,550 living alumni. Georgia Tech's College of Architecture performs more sponsored research than any college of architecture in the country. Notable alumni include Mr. John Portman, an internationally known outstanding architect, and Mr. Michael Arad, designer of the World Trade Center Memorial. Dr. French also recognized Mr. Bolton, Mr. Ventulett and Ms. Wittschiebe, as trustees who are alumni of the college. Architecture has three grand challenges: energy and climate change, major demographic changes, and an information technology revolution. Buildings utilize 40% of the world's energy. They can be built to be more energy efficient. Climate change also has an impact on where and how buildings are built, including designing buildings that are earthquake and hurricane resistant. Location based technologies and construction and design technologies are constantly improving. New buildings must have technology already incorporated into them. In 2013 and 2014, the College of Architecture developed its first new strategic plan for the College in 20 years. The College of Architecture's mission is to foster innovators in design and technology who create culturally relevant and responsible places, products and experiences. The College of Architecture will be the wellspring of creativity on campus. The strategic plan features three basic concepts: design, technology and engagement. The Georgia Tech Innovation and Design Collaborative is an interdisciplinary center to foster design, creativity and innovation across campus. Dr. French stated that Industrial Design professors and students are working on a research project to create gloves for stroke patients that assists the patients in regaining the use of their damaged limb. He described the exciting activities of the Digital Building Lab, the Interactive Product Design Lab and the SimTigrate Design Lab. The Margaret Guthman Musical Instrument Competition was part of Tech ARTS week. EarSketch uses music technology to get students interested in STEM education and computing technology. The College of Architecture has raised \$39.55 million towards a goal of \$40 million for Campaign Georgia Tech. The Naval Reserve Garage building has been renovated into an interdisciplinary space with a \$3.34 million gift by John and Joyce Caddell.

**Arts Initiative:** Dr. Peterson stated that Georgia Tech has been encouraging the arts and technology at Georgia Tech to inspire creativity on campus. Dr. Bras has been leading the effort to increase the arts at Georgia Tech.

Dr. Bras stated that the Arts Initiative has really taken off within the past two years. The Art Crawl was on March 5. The Arts Initiative has impacted the way the campus looks, with the addition of new art. The Einstein Memorial is located at the National Academy of the Sciences in Washington, D.C. The statue of Einstein is 24 feet. A second Einstein statue, 12 feet in size, is in the National Academy of Arts and Sciences in Jerusalem. The Einstein sculptures were designed and built by a famous sculptor, Mr. Robert Berks. Mr. Berks' most famous sculpture is the Kennedy Bust. Dr. Bras stated that there are only three known Berks Einstein sculptures in existence. The third Einstein sculpture is a 12 foot sculpture, and is owned by Mr. Berks' estate. Dr. Bras stated that Georgia Tech would like to acquire the third Einstein sculpture. He discussed the cost and the fundraising initiative underway for the acquisition.

Mr. Lientz thanked Mr. Stargel and Mr. Irwin for reaching the campaign goal for unrestricted funds. Mr. Lientz noted that the Foundation's Unrestricted Fund makes Georgia Tech unique among public universities and provides Georgia Tech with greater flexibility.

**Georgia Tech Alumni Association Update:** Mr. Stargel stated that one of the goals of the Alumni Association is to connect today's students to past alumni. The strategic focus for 2015 is focused on Roll Call, alumni, and students and campus. For Roll Call, the Alumni Association wants to increase participation, protect and build unrestricted monies and cultivate the future "harvest." For alumni, the Alumni Association wants to improve Career Services, build engagement and be "the voice." For students and campus, the Alumni Association wants to enhance the experience, teach philanthropy and preserve traditions. The Gold and White 2015 Honors Gala was on February 12 and raised \$434,988 for student programs. Five Foundation members received the alumni distinguished service award at the event: Mr. Bolton, Mr. Evans, Mr. Sutterfield, Mr. Tellepsen and Ms. Wittschiebe. Mr. Stargel reported that the career fair is on April 14, 2015, and 90 employers are registered. The 2015 Greek Hall of Fame Inductees include Mr. Rodney Adkins, Mr. James Borders, Mr. Joseph Evans, Ms. Janice Wittschiebe and Ms. Valerie Montgomery Rice. The "Wreck the Irish" Tour will feature the Notre Dame vs. Georgia Tech game and will be September 18-20, 2015. Registration for this event is open. The goal for the 68<sup>th</sup> Roll Call is 33,930 donors and \$9.3 million. He reported that year-to-date, a total of 27,593 donors have contributed \$6.318 million to the Roll Call. The Student Alumni Association won the Most Outstanding Organization and the Most Outstanding Internal Program at the CASE ASAP District III Conference. The Georgia Tech Student Foundation won Most Outstanding Organization, Most Outstanding External Program, Most Outstanding Internal Program and Outstanding Student Leader. The Alumni Board of Trustees nomination process will be completed in April.

**Moment of Silence:** Mr. Lientz requested a moment of silence in memory of Mr. Julius C. "Bud" Shaw, who passed away on January 16, 2015.

**Approval of Minutes:** Mr. Lientz stated that copies of the minutes of the quarterly meeting of the Board held December 11-12, 2014, had been distributed to the trustees. Mr.

Lientz asked if there were any comments or changes. On motion, the minutes of the meetings held on December 11-12, 2014, were unanimously approved as distributed.

**Treasurer's Report:** Mr. Jones reported that as of January 31, 2015, the assets of the Foundation totaled \$1.877 billion, the liabilities were \$463 million, and the net assets totaled \$1.415 billion. The liabilities total less than 25% of the total assets. The unrestricted funds totaled \$164 million. Mr. Jones reported that as of January 31, the investment assets were \$1.525 billion, leases receivable totaled \$163 million, contributions receivable was \$93 million, and charitable remainder trusts totaled \$40 million. Mr. Jones reported that due to successful fundraising, contributions receivable increased from \$49 million to \$93 million during the first seven months of the fiscal year. He reported on the major liability categories: bonds payable totaled \$248 million, the funds invested for the Georgia Tech Athletic Association totaled \$112 million, and the EBB Loan totaled \$22 million. The Foundation's debt balances continue to decline, due to the scheduled principal payments being made on the debt. Mr. Jones compared the total revenue for the first seven months of fiscal years 2013, 2014 and 2015. The total revenue has declined from year-to-year, mostly due to declining investment earnings. Through January 31, 2015, for the first seven months, expenses are as projected. Program services totaled \$62.2 million, general and administrative totaled \$6.3 million, and development and fund raising totaled \$1.8 million. Mr. Jones reviewed a projection of total expenses for the year. The financial statements are attached hereto as Exhibit A.

**Finance Committee Report:** Ms. Thurman reported the expenditures are within the budgeted amounts for fiscal year 2015. The Committee reviewed projections of the unrestricted budget for the next five years, which indicate modest increases. She reported that gifts have been received for the EBB project and the receipts were used as payments toward the principal on the loan, reducing the balance to \$21.9 million. The Committee reviewed a report of anticipated future principal payments and a projection of the loan balance. Ms. Thurman reported that the Committee reviewed a five-year projection of the GTFFC debt capacity. Ms. Thurman reported the Finance Committee recommended approval of an income allocation percentage of 5.00%, which includes a fee of .85% for fiscal year 2016. The percentages are consistent with the prior year. The unrestricted budget is projected to increase 4.0%, to \$36.2 million. The unrestricted budget provides funding for the Institute Support budget, the Alumni Association budget and the Georgia Tech Foundation operations budget. On motion, the Board approved a resolution to allocate for expenditure, 5.00% from the endowment funds for fiscal year 2016. A copy of the resolution is attached hereto as Exhibit B.

**Audit Committee Report:** Mr. Atkinson reported the Audit Committee completed its self-evaluation to determine how well the Committee functions. The Committee members completed an online survey and reviewed and discussed the results. The survey indicated the Committee performs well. He reported the Committee engaged KPMG to conduct the fiscal year 2015 audit. The audit fee will increase by \$3,000. Mr. Atkinson stated that Mr. Milford McGuirt, the partner on the Foundation's audit, has been promoted to managing partner of the Atlanta office. Mr. McGuirt will still be involved in the Foundation's audit. Mr. Atkinson also reported that Ms. Dasha Radder, who has been on the audit team for the past several years, has also been promoted and will be responsible for signing the audit this year. Mr. Atkinson reported that the Committee engaged KPMG to conduct Agreed Upon Procedures (AUP) work.

The AUP assures the accuracy of the conversion of the Foundation's accounting records from the FASB accounting standards to the GASB standards. Georgia Tech issues its statements under the GASB standards. KPMG performs certain procedures on the conversion and reports any issues to the Committee. Mr. Atkinson reported that the Committee completed its review of all of the conflict-of-interest disclosure forms. He reminded the trustees to submit a new disclosure form if there is a change in their situation. The Committee recommended that the Foundation establish a policy for trustees who are employees of Georgia Tech. The Committee also discussed improving the conflict-of-interest policy. He stated that Ms. Nash agreed to draft a new policy, as well as a new disclosure form, for review by the Executive Committee and the Board of Trustees.

**Committee on Trustees Report:** Mr. Moseley thanked the trustees for submitting their nominations. He reported that the Committee's recommendations are as follows:

Corporate officers to serve a one-year term, commencing on July 1, 2015: Al Trujillo, President and Chief Operating Officer; Mark W. Long, Secretary.

Board officers to serve a two-year term that will commence on July 1, 2015: James R. Lientz Jr., Past Chair; Gary T. Jones, Chair; John F. Brock III, Vice Chair-Chair Elect; and Joseph W. Evans, Treasurer.

Trustees to serve a second four-year term, commencing on July 1, 2015: Jerome A. Atkinson, Laurie D. Bagley, David W. Dorman, Thomas A. Fanning and David D. Flanagan.

Trustees to serve a four-year term, commencing on July 1, 2015: Pamela W. Arlotto, Kelly H. Barrett, Paul J. Brown, Steve W. Chaddick and John S. Markwalter Jr.

Trustee to serve a three-year term, commencing on July 1, 2015: John B. Carter Jr.

Trustees emeriti: George W. Levert.

Audit Committee to serve a one-year term, commencing on July 1, 2015: Jerome A. Atkinson, Kelly H. Barrett, Deborah A. Nash, N. Allen Robertson and Karen C. Thurman.

On motion, the voting trustees unanimously approved the recommendations of the Committee on Trustees.

Mr. Moseley reported that the trustees whose first term expires on June 30, 2015, are: Jerome A. Atkinson, Laurie D. Bagley, David W. Dorman, Joseph W. Evans, Thomas A. Fanning, David D. Flanagan, George W. Levert and Patrick H. Nettles. Mr. Moseley stated that the trustees whose second term expires on June 30, 2015, are: John F. Brock III, Thomas E. Noonan and Frances G. Rogers.

Mr. Lientz nominated Mr. Charles D. Moseley to serve as a trustee emeritus. On motion, the voting trustees unanimously approved the nomination of Mr. Moseley to serve as an emeritus trustee.

**Development Committee Report:** Mr. Brock reported that Georgia Tech has met the \$34 million fundraising goal for the Engineered Biosystems Building (EBB). He stated the overall Campaign goal has been surpassed; however, there are numerous sub-goals remaining to be met. Mr. Brock reported that the College of Sciences exceeded its \$80 million goal and Athletics exceeded its \$250 million goal. He also reported that the \$180 million goal for fundraising from Foundations has been met and the goal of \$100 million for unrestricted giving has been achieved. As of February 28, Campaign Georgia Tech has raised a total of \$1,557.4 billion. The Campaign still has ten months to go. The trustees applauded the results of Campaign Georgia Tech. Mr. Brock reported that one important sub-goal is fundraising for endowed chairs and professorships. Georgia Tech still needs ten endowed chairs and professorships to reach 100. Mr. Brock reported that 2014 was the best fundraising year in Georgia Tech history, as a total of \$262 million was raised. The trustees applauded the record-breaking year. The Campaign has three key goals remaining: to meet each of the remaining four college and five school goals; to secure the remaining ten endowed faculty chairs and professorships; and to meet the remaining goals for the facility campaigns, including the Noonan Golf Facility, the Edge Building and Chandler Baseball Stadium, as well as securing the naming donor for EBB. Mr. Brock reminded the trustees about the Gold Standard for Trustee Giving. The trustees are on track to hit 100% participation for unrestricted roll call and for Campaign participation; however, both the current and emeritus trustees have not reached their goals for planned giving. An effort is underway to encourage trustees to make a planned gift.

Mr. Lientz thanked Mr. and Mrs. Brock for their hard work during the Campaign. The trustees applauded Mr. and Mrs. Brock.

**Investments Committee Report:** Mr. Evans reported that the investment pool assets have increased from \$1.464 billion in January 2014 to \$1.512 billion in December 2014. He reviewed the growth of the investment pool during the past year, through December 31, including the cash inflows and outflows. The investment return for the one-year period through December 31, 2014, was +5.6% on a time-lagged basis. The total fund annualized returns for the three-year, five-year and ten-year periods were +8.9%, +8.0% and +6.3%, respectively. The fund's relative performance as compared with the Higher Education Price Index (HEPI) plus 5%, was -2.4%, +2.8%, +1.7% and -1.2% for the one-year, three-year, five-year and ten-year periods, respectively. Mr. Evans stated that the Foundation's funds have performed well compared with the policy portfolio over the three, five and ten year periods. However, the portfolio was impacted by underperformance of natural resources in the past year. Mr. Evans reported the Committee has continued to implement the plan to achieve a reallocation of the investments to the new ranges. He reported the Committee reviewed \$28 million of asset flows between accounts needed to keep the investment pool on the path to its new allocation targets. The Committee approved two new private equity commitments totaling \$35 million and terminated a commodities manager.

**Real Estate Committee Report:** Mr. Borders provided an update on development of the 771 Spring Street block. He reported that Georgia Tech will select two finalists, who will



compete for the project. Georgia Tech's plan is to select the finalist in April. Mr. Borders reported the building will be approximately 700,000 to 750,000 square feet and approximately half the building will be occupied by Georgia Tech. Mr. Flanagan assisted with the developer selection process. The Foundation is working with a consultant to negotiate the land lease of the property to the developer. The Foundation received a check totaling \$91,000 as incentive rent from the Georgia Tech Hotel and Conference Center. He stated that Dr. Peterson has been working with the City of Atlanta regarding the police precinct.

Dr. Peterson stated that the situation around the police precinct property is complex. The Foundation pays \$20,000 a year in taxes on the property, and the city of Atlanta rents the property for \$1.00 a year. However, the police department building on the property needs approximately \$100,000 of repair, maintenance and improvements.

Mr. Borders reported that the Goldin property, which was an asset of a charitable remainder trust, in which the Foundation is the trustee, was sold recently for \$650,000. The Tennenbaum property in California has had some issues due to rain and flooding. Mr. Borders stated that they have been in contact with the city regarding the easements and that the Committee is trying to have the city take care of the drainage issues. He reported the Foundation received an offer to purchase 50,000 square feet of development rights for \$12/square foot associated with the Academy of Medicine.

**Stewardship Committee Report:** Mr. Bacon reported that Dr. Frank T. Rothaermel, the Angel and Stephen M. Deedy Professor in the Scheller College of Business, made a presentation to the Committee on the impact of his professorship. Dr. Rothaermel is an internationally-recognized scholar in the field of innovation and strategy in business. His research is labor-intensive and requires a significant amount of funding from his professorship. Mr. Bacon stated that the impact reporting and the GThanks Initiative are well underway. The development staff is working on a process to invite donors to the Georgia Tech campus and campus events, which might hold special interest for certain donors, based on the donors' profiles and areas of interest. The Provost's Office, under the policy of returning unspent funds to corpus, returned approximately \$800,000 of endowed chair and professorship funds to corpus. Mr. Bacon thanked the Foundation staff for the good work in producing the tax and trust letters for the donors and endowment contacts. Mr. Bacon reminded the trustees that as the Campaign winds down and as Georgia Tech moves into the future, in order to maintain Georgia Tech's competitiveness, there will need to be more and more scholarship funding. The unmet need for Georgia Tech's students is increasing.

**Executive Committee Report:** Mr. Lientz stated that the Executive Committee had an excellent meeting with no action items to report other than the previously approved motion regarding the endowment income allocation.

**President's Report:** Mr. Trujillo stated that the Georgia Tech Hotel and Conference Center continues to do well. He reviewed the occupancy data for 2014 and for 2015, as well as the increase in revenue and cash flow over the past few years. He stated that 5% of the Hotel's revenues are set aside for replacement of capital and refreshment of the Hotel. The 2015 capital budget for these items has been set at \$1.3 million. He stated the public areas are being refreshed with new carpeting and new furniture. The entire 2<sup>nd</sup> Floor will be remodeled, including the ballroom and the airwalls. The internet service has been completely modernized and improved.

A study was commissioned on the state of the Hotel's interior equipment, such as chillers, kitchen systems and elevators. The study found that the Hotel's machinery is in impeccable condition and well-maintained. Mr. Trujillo thanked the Hotel's staff.

Mr. Trujillo introduced Mr. Dwight D. Dozier, the Foundation's new Chief Information Officer. Mr. Dozier was previously at George Washington University, and he has a distinguished career in higher education and development operations. Mr. Trujillo stated that Mr. Dozier brings many skills and diversity to the Foundation staff.

Mr. Dozier stated that it was a pleasure to attend the Foundation Board meeting and to get a chance to meet many trustees. Mr. Dozier stated that he hoped to bring excellence to the Information Technology structure and operation, as well as security, strategy and success in terms of what the staff can deliver. Mr. Dozier thanked the trustees. The trustees applauded Mr. Dozier.

Mr. Trujillo announced that the Foundation will be rolling out a board portal, called BoardEffect, in June 2015. Mr. Trujillo stated that he hopes that most of the trustees will use the BoardEffect app for smart phone and tablet to access their meeting materials. He stated there will be training sessions available at the Foundation annual meeting in June. The annual meeting response and reservation forms have been provided to the trustees. Mr. Trujillo thanked the trustees for their support of Georgia Tech. Mr. Trujillo recognized that today was Mr. Thornton's 70<sup>th</sup> birthday.

The next meeting of the Board of Trustees will be June 4-6, 2015, in Sea Island, Georgia.

**Meeting Adjourned:** There being no further business, the meeting was adjourned.

Respectfully submitted,

Mark W. Long  
Secretary

Approved:

James R. Lientz Jr.  
Chair

**Minutes of the Meeting of the Board of Trustees**  
**March 5-6, 2015**  
**Exhibit A, Page 1 of 2**

**GEORGIA TECH FOUNDATION, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**UNAUDITED JANUARY 31, 2015, JUNE 30, 2014 AND**  
**JANUARY 31, 2014**

*(in thousands)*

	January 31, 2015	June 30, 2014	January 31, 2014
<b>ASSETS</b>			
Cash and cash equivalents	\$3,397	\$3,617	\$2,031
Capital reserve funds	7,282	7,429	6,454
Contributions receivable, net	93,309	49,118	46,534
Investments	1,524,726	1,564,798	1,478,585
Other assets	10,261	10,209	10,151
Lease receivable	163,155	171,552	171,552
Contributions receivable from remainder trusts	16,460	15,756	12,657
Charitable remainder trusts	23,625	24,402	23,338
Capital Assets, net of accumulated depreciation	35,157	35,906	36,144
	<u>\$1,877,372</u>	<u>\$1,882,787</u>	<u>\$1,787,446</u>
Total assets			
<b>LIABILITIES</b>			
Accounts payable	\$9,108	\$5,328	\$12,008
Commitments payable	8,323	8,765	8,833
Lines of credit	21,497	23,747	23,660
Note payable (EBB)	21,847	27,715	29,888
Bonds Payable, net of discount and premium	239,770	250,043	250,712
Amounts due to life beneficiaries	11,919	12,846	13,810
Deferred revenue	28,510	31,321	31,321
Funds held on behalf of GTAA	111,949	109,862	106,578
Revocable gift (IPST)	0	0	43,065
Other liabilities	9,618	8,784	8,939
	<u>462,541</u>	<u>478,411</u>	<u>528,814</u>
Total liabilities			
<b>NET ASSETS</b>			
	<u>\$1,414,831</u>	<u>\$1,404,376</u>	<u>\$1,258,632</u>
Total liabilities and net assets	<u>\$1,877,372</u>	<u>\$1,882,787</u>	<u>\$1,787,446</u>
Unrestricted Fund Balance	\$164,200	\$169,200	\$161,500
Unrestricted Fund Reserve	\$81,100	\$81,100	\$76,600

**GEORGIA TECH FOUNDATION, INC.  
 CONSOLIDATED STATEMENT OF  
 ACTIVITIES UNAUDITED FOR THE SEVEN  
 MONTH PERIOD ENDED JANUARY 31, 2015,  
 AS COMPARED WITH THE YEAR ENDED  
 JUNE 30, 2014 AND THE SEVEN MONTH PERIOD ENDED  
 JANUARY 31, 2014**

*(in thousands)*

	Unrestricted Fund	Temporarily Restricted Fund	Permanently Restricted Fund	7 months Total 1/31/15	12 months through 6/30/14	7 months through 1/31/14
<b>Revenue</b>						
Gift income	\$3,856	\$46,474	\$40,596	\$90,926	\$61,947	\$38,114
Other gift income (IPC Foundation)	0	0	0	0	44,456	0
Lease revenue	7,708	0	0	7,708	13,624	7,744
Investment income (net of fees)	3,177	10,264	99	13,541	19,365	11,895
Net realized/unrealized gain (loss) on investments	(6,702)	(25,206)	(312)	(32,220)	164,680	68,713
Change in value of trusts and annuities	0	0	77	77	3,311	22
Other	683	7	0	690	1,627	949
Net assets released from restrictions	62,281	(62,281)	0	0	0	0
Total revenues	<u>\$71,003</u>	<u>(\$30,741)</u>	<u>\$40,459</u>	<u>\$80,722</u>	<u>\$309,010</u>	<u>\$127,437</u>
<b>Expenses</b>						
Program services	\$53,754			\$53,754	\$73,534	\$49,523
Alumni Association	3,408			3,408	4,314	3,236
General and administrative	4,173			4,173	6,993	4,339
Interest expense	6,422			6,422	11,070	6,596
Fund raising	1,752			1,752	4,137	1,520
Depreciation Expense	758			758	1,653	658
Total expenses	<u>70,267</u>	<u>0</u>	<u>0</u>	<u>70,267</u>	<u>101,701</u>	<u>65,872</u>
Changes in net assets	\$736	(\$30,741)	\$40,459	\$10,455	\$207,309	\$61,565
Net assets, beginning of period	<u>\$100,413</u>	<u>\$715,583</u>	<u>\$588,380</u>	<u>\$1,404,376</u>	<u>\$1,197,067</u>	<u>\$1,197,067</u>
Net assets, end of period	<u>\$101,149</u>	<u>\$684,842</u>	<u>\$628,839</u>	<u>\$1,414,831</u>	<u>\$1,404,376</u>	<u>\$1,258,632</u>

**Minutes of the Meeting of the Board of Trustees  
March 6, 2015  
Exhibit B**

Resolution regarding income allocation to recommend to  
Executive Committee and the Board of Trustees

RESOLVED, that the Georgia Tech Foundation shall allocate for expenditure for fiscal year 2016 from the restricted or unrestricted endowment funds five percent (5%) of the twelve (12) quarter average market value per unit for the period ending December 31, 2014, which includes a 0.85 percent allocation for recovery of direct and indirect costs.