

**Georgia Tech Foundation, Inc.**  
Minutes of the Meeting of the Board of Trustees  
June 6, 2015

The Board of Trustees of Georgia Tech Foundation, Inc. met at 8:30 a.m. on Saturday, June 6, 2015, in Ballroom II of The Cloister at Sea Island, Georgia.

Elected trustees present were: Rodney C. Adkins, Jerome A. Atkinson, John C. Bacon, Laurie D. Bagley, Richard L. Bergmark, G. Niles Bolton, James R. Borders, John F. Brock III, Steve W. Chaddick, Karl F. Dasher, Walter G. Ehmer, Joseph W. Evans, Thomas A. Fanning, David D. Flanagan, D. Fort Flowers Jr., J. Louis Fouts, Thomas M. Holder, John R. Huff, Michelle E. Jarrard, Christopher W. Klaus, Roger A. Krone, Andrea L. Laliberte, George W. Levert, Charles W. Moorman IV, Deborah A. Nash, N. Allen Robertson, Frances G. Rogers, C. Meade Sutterfield, Albert S. Thornton Jr., Karen C. Thurman, John R. Wells and Janice N. Wittschiebe.

Ex-officio voting trustees present were: William W. George, 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 and Steven G. Swant.

Trustees Emeriti present were: Ronald W. Allen, Bobby Joe Anderson, Kenneth G. Byers Jr., J. Randall Carroll, Don L. Chapman, William R. Collins Jr., Joel H. Cowan, Marcus J. Dash, Jere A. Drummond, Ben J. Dyer, Jack J. Faussemagne, Geoffrey C. Gill, Sherman J. Glass Jr., Marion B. Glover Jr., Frances S. Godbold, Jere W. Goldsmith IV, J. William Goodhew III, George C. Guynn, Garnett L. Keith Jr., G. William Knight, David M. McKenney, Thomas H. Muller Jr., Lawton M. Nease III, Parker H. Petit, Joe W. Rogers Jr., Oliver H. Sale Jr., John C. Staton Jr., Richard J. Taylor, Howard T. Tellepsen Jr., William J. Todd and John H. Weitnauer Jr.

Others present were: Michael K. Anderson, Pamela W. Arlotto, Thomas G. Arlotto, Nancy Ayres, Melanie Bagley, Jean M. Ballenger, Thomas J. Barranco, Kelly H. Barrett, Cailen A. Belanger, Toni M. Bergmark, Kathleen Bolton, Paul J. Brown, Shawna Butler, John B. Carter Jr., Steve W. Chaddick, Dwight D. Dozier, Lynn M. Durham, Elizabeth M. Gallant, Elizabeth Gill, Marta H. Garcia, Alana C. Glass, Gail S. Glover, Joanne Guynn, James S. Hall, Joseph P. Irwin Jr., James S. Jarrard, Michelle L. Jones, Jonathan D. Karcsch, K. Patrick Liu, John S. Markwalter Jr., Bonnie W. Moorman, David A. Perdue, Valerie H. Peterson, Janet Petit, Dene H. Sheheane, Philip D. Spessard, Mary Ann Stith, Susan J. Sutterfield, James B. Taylor, William J. Thompson, Mary Tiong, June H. Weitnauer, Cheryl J. Weldon, Patricia H. Wichmann, Dorcas G. Wilkinson and Spencer W. Wilkinson.

**Welcome:** Mr. Lientz welcomed the trustees and visitors to the 548<sup>th</sup> meeting of the Board of Trustees. He reminded the trustees that it was the 71<sup>st</sup> anniversary of D-Day. Mr. Lientz introduced Dr. Peterson.

**Georgia Tech Campus Update:** Dr. Peterson stated that Georgia Tech surveys the students every five years. In the 2009 student survey, 62% of out-of-state students would have recommended Georgia Tech. This percentage increased to 72% in the 2015 survey. He reported that in the past five years, enrollment of African-American and Hispanic students increased 32% and 19%, respectively. He reported the average SAT score for entering freshman this year was 1450 and the entering students have completed more than nine AP or college courses. Georgia Tech received 27,250 applications for 2,750 openings for the freshman class. Dr. Peterson reported that Chancellor Huckaby created a USG Campus Safety Committee, which makes recommendations to the Chancellor related to public safety, including Title IX compliance and campus law-enforcement agency assessment and training. The Engineered Biosystems Building (EBB) is Georgia Tech's largest single investment in a building. The focus of the building is interdisciplinary research and the formal opening will be September 11, 2015. He described the new development for the expansion of Technology Square, which includes the High Performance Computing Center. The development is a 750,000 square foot, mixed-use development and Georgia Tech will lease approximately half of the space. Dr. Peterson introduced Dr. Bras.

Dr. Bras stated that during the strategic planning process, it became clear that art, design and creativity play an important role in higher education. As a result, an Office of the Arts was created and it has renewed and re-energized Georgia Tech students, faculty and staff. Mr. Robert Berks, an internationally-recognized sculptor, created three Albert Einstein sculptures, two of which are located in Jerusalem and Washington, D.C. The third sculpture is owned by Mr. Berks' widow. Dr. Bras stated that she has offered to sell the sculpture to Georgia Tech. The proposed site of the Einstein sculpture is on the Tech Green. The cost of the sculpture will be approximately \$1.5 million, including the installation costs. He reported on the fundraising efforts to raise funds for the purchase of the sculpture.

Dr. Peterson stated that at the May 2015 commencement, Georgia Tech graduated 2,700 new alumni. He introduced Mr. Carson.

Mr. Carson stated that as part of a stewardship initiative, Georgia Tech created the Hill Society, to honor donors who have contributed \$1,000,000 or more to Georgia Tech during their lifetimes. He reported that the Hill Society now has close to 500 members. Dr. Peterson thanked the new members of the Hill Society and presented each with a plaque, recognizing their support for Georgia Tech.

Mr. Lientz stated that Mr. Perdue was previously a member of the Foundation Board of Trustees and the Treasurer. Mr. Perdue was elected a junior State Senator from Georgia. He welcomed Mr. Perdue.

**A View from Washington:** Senator Perdue provided an overview of his first few months of service as a Senator. He stated that he is one of thirteen freshman senators. He serves on the Agriculture, Budget and Foreign Relations Committees, as well as the Special Committee on Aging. Mr. Perdue discussed the challenges facing our country, including those related to the increasing size of the national debt and foreign relations in the Middle East.

**Georgia Tech Alumni Association Update:** Mr. Stargel stated that the mission of the Alumni Association is to create programs, foster lifelong participation and engage the alumni and campus community. This past year has been an amazing year for the Alumni Association, from Homecoming to the Pi Mile Race to the Orange Bowl game. The new Alumni Association

website is more responsive than the old website. He reported that 62,000 Georgia Tech alumni have graduated in the last 15 years, or 43% of the alumni body. The Alumni Association sent six million emails, seven million social media messages and one million pieces of direct mail this year. Mr. Stargel reported the Student Alumni Association (SAA) grew to a total of 5,285 student members, or 27% of the student body. As a result of the success of the SAA, recently-graduated, young alumni are giving at a higher rate. He reported that the 68<sup>th</sup> Roll Call had three weeks remaining and the goal is 33,940 donors and \$9.3 million. Mr. Stargel reported that year-to-date, a total of 31,811 donors have contributed a total of \$7.47 million. Mr. Stargel thanked the trustees and stated that it was an honor to serve as Chair of the Alumni Association.

**Georgia Tech Advisory Board (GTAB) Update:** Mr. George stated that the focus of the fall meeting of GTAB was biosciences and the spring meeting was leadership at Georgia Tech. The Fall 2014 meeting began with a tour of the Bio Quad. A faculty panel, including Dr. Ravi Bellamkonda, Dr. M. G. Finn and Dr. Manu Platt, spoke to GTAB, as well as a panel of student entrepreneurs. The Spring 2015 meeting began with presentations from Dr. Maryam Alavi and Dr. Wesley Wynans, as well as a panel of student leaders. He stated that the GTAB members divided into work groups to focus on enhancing Georgia Tech leadership development. Mr. George reported on the 14 new members of GTAB, as well as the incoming Chair, Mr. Michael K. Anderson.

**Meeting Adjourned/Reconvened:** Mr. Lientz asked for a motion to adjourn the regular meeting of the Board for the purpose of meeting in executive session. On motion, the Board approved the adjournment of the regular meeting at approximately 10:00 a.m. The regular meeting of the Board reconvened at approximately 10:25 a.m.

**Moment of Silence:** Mr. Lientz requested a moment of silence in memory of Mr. John P. Imlay Jr., who passed away on March 25, 2015.

**Approval of Minutes:** Mr. Lientz stated that copies of the minutes of the quarterly meeting of the Board held March 5-6, 2015, 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 March 5-6, 2015, were unanimously approved as distributed.

**Treasurer's Report:** Mr. Jones reviewed the history of the growth of the Foundation's assets and net assets since the establishment of the Foundation in 1932. He stated that as of April 30, 2015, the assets of the Foundation totaled \$1.94 billion, liabilities totaled \$467 million, and net assets were \$1.473 billion. The Unrestricted Fund increased to \$169 million. The investment assets totaled \$1.58 billion, leases receivable was \$163 million, contributions receivable was \$97 million, and charitable remainder trusts totaled \$41 million. The liabilities totaled \$480 million as of April 30, 2015. Mr. Jones reported that bonds payable totaled \$248 million, the funds invested for the Georgia Tech Athletic Association totaled \$118 million, and deferred revenue was \$28 million. The total revenue for the ten-month period ending April 30, 2015, as compared with two prior fiscal years, indicated significant growth in gift income and a decline in investment earnings in the current year as compared with prior years. Gift income and investment earnings totaled \$118 million and \$29 million, respectively, for the ten-month period ending April 30, 2015. Total revenue was \$161 million. Mr. Jones reported that in the first ten

months of the fiscal year, expenditures totaled \$93 million. The projected expenses for the year were \$111 million, including \$96 million in program service expenses. He reviewed the program services expenses, including student support and faculty support, which totaled \$22.6 million and \$18.3 million, respectively. The financial statements are attached hereto as Exhibit A.

**Finance Committee Report:** Ms. Thurman reported the Committee reviewed the status of the fiscal year 2015 budgets through April 30, 2015. The expenditures are within the budgets approved by the Board. The Committee received an update on the EBB loan. The fundraising has been successful and pledges are now in place to repay the loan balance. She stated the loan balance is currently less than \$20 million, taking into account the loan payments made in May. By the end of this calendar year, it is expected the loan balance will be reduced to \$13 million and it will be paid in full by December 2020. The Committee reviewed its operating procedures, but did not have any recommended amendments at this time. Ms. Thurman reported that the Finance Committee and the Executive Committee approved the annual unrestricted budget proposals submitted by the Institute, the Alumni Association and Foundation Operations. She reviewed the sources of funding for the budgets, as well as the budget proposals, which totaled \$36.23 million. Ms. Thurman also reviewed a proposed budget for the Fifth Street Hotel, LLC, which included a budget of \$142,452 and a withdrawal of \$1,206,000 as a source of funding for the annual budgets. On motion, the Board approved the fiscal year 2016 budget for the Fifth Street Hotel, LLC and the fiscal year 2016 budgets for the Institute, the Alumni Association and Foundation Operations in the amount of \$36,229,869. The approved motions are attached hereto as Exhibit B.

**Audit Committee Report:** Mr. Atkinson reported the Audit Committee will meet in July with KPMG, LLP to review the fiscal year 2015 audit plan. The preliminary portion of the audit has been completed, as KPMG auditors have already been working at the Foundation. The remaining audit work will take place in August and September. Mr. Atkinson expects KPMG to issue the audit report on September 18.

**Committee on Trustees Report:** Mr. Moseley stated that the new elected trustees are Ms. Arlotto, Ms. Barrett, Mr. Brown, Mr. Carter, Mr. Chaddick and Mr. Markwalter. The trustees applauded the new trustees. The new Board officers' term will be July 1, 2015, through June 30, 2017. The new officers are Mr. Lientz, Past Chair; Mr. Jones, Chair; Mr. Brock, Vice Chair-Chair Elect; and Mr. Evans, Treasurer.

He reported the Committee nominated Mr. Michael T. Duke as a voting trustee to serve a four-year term, commencing on July 1, 2015. On motion, the voting trustees unanimously approved the recommendation of the Committee on Trustees.

**Development Committee Report:** Mr. Brock reported on the Gold Standard for Trustee Giving as of May 31, 2015. He reviewed the participation rates of the current and emeritus trustees for unrestricted roll call, campaign participation and cumulative planned giving. He stated that planned gifts to the Campaign now total more than \$350 million. Mr. Brock asked the trustees to consider making a planned gift during the last seven months of the Campaign. As of May 31, 2015, the Campaign has raised \$1.677 billion. Mr. Brock stated that while the \$1.5 billion goal has been reached, the Campaign still has several goals to attain. He stated that a

primary goal was for each school and college to meet their individual Campaign goal. Another goal was securing 100 endowed chairs and professorships. To date, a total of 93 endowments have been established and seven remain. He mentioned that there are several naming opportunities, including the naming donor for the Engineered Biosystems Building (EBB). Additional goals remain to complete the funding for the Noonan Golf Facility, the Edge Center and Chandler Baseball Stadium. The Campaign will officially end December 31, 2015. Mr. Brock presented a video in which donors discuss the importance of giving to the Campaign.

**Governance Committee Report:** Mr. Jones stated that each Committee has reviewed its operating procedures. The Governance Committee will meet to review the recommended amendments and will make a recommendation to the Board at the September meeting.

**Investments Committee Report:** Mr. Fanning reported that the investment pool assets have increased from \$1.523 billion in May 2014 to \$1.557 billion in April 2015. He reviewed the growth of the investment pool during the past year, including the cash inflows and outflows. The investment return for the one-year period through March 31, 2015, was +5.2% on a time-lagged basis. The total fund annualized returns for the three-year, five-year and ten-year periods were 7.7%, 7.6% and 6.4%, respectively. The fund's relative performance as compared with the Higher Education Price Index (HEPI) plus 5%, was -2.4%, 2.2%, 1.3% and -0.8% for the one-year, three-year, five-year and ten-year periods, respectively. Mr. Fanning reported that the fund had performed well vs. the policy portfolio each period. The Investments Committee has continued to move its asset allocations to new targets. He stated that investment in public equities has increased and decreases have been in investments in private equities, natural resources and cash. Mr. Fanning reported that the Interim Action Subcommittee approved the proposed ground lease terms for the 771 Spring Street block. The Investments Committee reviewed new funding to existing hedge fund managers and an emerging equity manager. The Investments Committee also reviewed commitments to three partnerships. The Investments Committee also reviewed and approved changes to the Investment Objectives and Policies document.

**Real Estate Committee Report:** Mr. Borders reported the Committee received an update from Mr. Swant on the status of the planned development on the 771 Spring Street block. He reported that the Georgia Tech Hotel and Conference Center continues to do well financially. The Foundation will be working with the municipality in California, where the Tennenbaum property is located, to address issues related to the property. The Real Estate Committee will be preparing a memo and doing some work regarding the property, including obtaining a broker's opinion of value. He reported that a developer will be purchasing approximately 54,000 square feet of transferable development rights from the Foundation. The transaction is expected to close in the fall. The Committee reviewed and discussed a new real estate listing, which provides a description of each property, its location and book value. The liability associated with each asset will be added to the report for the next meeting. The Committee discussed possible land acquisitions for the future expansion of campus.

**Stewardship Committee Report:** Mr. Bacon reported the Committee reviewed the restricted fund reports and the amounts returned to the corpus of the endowment. He reported that the underwater amounts increased slightly. The Office of Development has a goal to

provide impact reporting to all endowment donors and significant progress has been made toward that goal. He reported that the Committee reviewed its operating procedures and approved an amendment to include a donor's bill of rights.

**Mr. Lientz's Remarks:** Mr. Lientz stated that it has been a pleasure working with Mr. Trujillo during the past two years. He introduced Mr. Trujillo.

**President's Report:** Mr. Trujillo shared the Foundation's goals for the fiscal year. The goals for Investments included exceeding the policy portfolio performance benchmarks and the implementation of a new asset allocation model. For Finance, the goals were to efficiently arrange and process receipts and disbursements and to complete a debt refinancing study. He stated that the goals for Information Systems included the implementation of the IT risk audit recommendations, the roll out the new board portal, and hiring a new Chief Information Officer. For Real Estate, a goal was to arrange efficient receipt and disposal of real estate assets and to successfully negotiate the 771 Spring Street land lease. He reviewed the success in achieving each of the goals. Mr. Trujillo reviewed the understanding the Foundation reached regarding the lease of the property located on the 771 Spring Street block. Construction on the development is expected to begin in 2016 and will be completed in 2018.

Mr. Trujillo stated that a survey was conducted after the annual meeting last year. The results were overwhelmingly positive. One area that needed improvement was the new trustee orientation. Mr. Trujillo stated that the new trustee orientation has been changed this year to one-on-one sessions to facilitate engagement. Each trustee was able to ask questions. Another area that needed improvement was recreational activities – only one-third of trustees participated. Mr. Trujillo stated that the Foundation offered two other field trip options: FLETC and Broadfield Farms. Several trustees recommended an electronic format for the meeting materials and the Foundation is now using a board portal. Mr. Trujillo stated that he hoped by this time next year, the trustees would primarily be using the portal rather than paper. Mr. Trujillo thanked the trustees for their generosity to Georgia Tech and for their hard work and wisdom.

**Executive Committee Report:** Mr. Lientz thanked the members of the Executive Committee for their good work the past two years. Mr. Lientz stated that it was time to renew the five-year cooperative agreement between the Foundation and the Board of Regents. The Board of Regents made a few changes to the agreement. He stated that the Foundation has an excellent relationship with the Board of Regents. On motion, the Board approved the new Cooperative Organization Guiding Principle Memorandum of Understanding between the Board of Regents of the University System of Georgia and the Georgia Tech Foundation.

Mr. Lientz stated that the Executive Committee recommended a new Conflict of Interest Policy. Mr. Lientz thanked Ms. Nash for her efforts in developing the new policy. On motion, the Board approved the revised Conflict of Interest Policy and Disclosure Form for the Georgia Tech Foundation.

Mr. Lientz stated that the Board of Directors of the Georgia Tech Foundation Funding Corporation (GTFFC) and the Georgia Tech Foundation Real Estate Holding Corporation (GTFREHC) are elected by the Board of Trustees of the Georgia Tech Foundation to serve two-year terms. He requested approval of the following trustees to serve in this capacity. On motion,

the Board unanimously elected the boards as follows, to serve two year terms, commencing on July 1, 2015.

GTFFC

Gary T. Jones  
John F. Brock III  
Joseph W. Evans  
David D. Flanagan  
James R. Lientz Jr.

GTFREHC

Gary T. Jones  
John F. Brock III  
Joseph W. Evans  
David D. Flanagan  
James R. Lientz Jr.

**Chair's Remarks:** Mr. Lientz presented framed seals to the trustees who completed their terms. Mr. Moseley was presented with a Crystal award. He completed two four-year terms and served as an officer. He will serve as a trustee emeritus. Mr. Lientz thanked Mr. George and Mr. Chaddick for their time as ex-officio trustees and presented them with certificates.

Mr. Lientz stated that he has enjoyed serving as Chair of the Foundation. The Foundation is in very good shape for the future, and many issues have been resolved. The 771 Spring Street block of property, which will be the High Performance Computing Building, will have a very positive effect on Georgia Tech and Midtown. Mr. Lientz thanked Ms. Jarrard for her assistance on the McKinsey Study. This Study will be good for the Institute and hopefully impact the entrepreneurial community here in Atlanta and throughout the State. The Campaign and the associated fundraising efforts are the best in Georgia Tech history. Mr. Lientz stated that Georgia Tech's leadership under Dr. Peterson has never been better. Mr. Lientz stated that it has been an honor and a privilege to serve as Chair. He thanked the trustees for the gift in his honor given to Children's Healthcare of Atlanta. Mr. Lientz introduced the incoming Chair of the Foundation, Mr. Jones.

Mr. Jones thanked Mr. Lientz for his service. He stated that Mr. Lientz's leadership has been quiet, thoughtful and measured, as well as inspirational. Mr. Jones thanked Mr. Lientz for his service as Chair. Mr. Jones stated that he is humbled and honored to be the next Chair. The trustees applauded Mr. Lientz.

**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**  
**June 6, 2015**  
**Exhibit A, Page 1 of 2**

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

*(in thousands)*

|   | April 30,<br>2015  | June 30,<br>2014   | April 30,<br>2014  |
|---|--------------------|--------------------|--------------------|
| <b>ASSETS</b>                                   |                    |                    |                    |
| Cash and cash equivalents                       | \$6,625            | \$3,617            | \$2,673            |
| Capital reserve funds                           | 8,346              | 7,429              | 7,505              |
| Contributions receivable, net                   | 97,025             | 49,118             | 44,013             |
| Investments                                     | 1,580,287          | 1,564,798          | 1,517,657          |
| Other assets                                    | 9,187              | 10,209             | 10,434             |
| Lease receivable                                | 163,155            | 171,552            | 171,552            |
| Contributions receivable from remainder trusts  | 16,460             | 15,756             | 12,657             |
| Charitable remainder trusts                     | 23,845             | 24,402             | 23,605             |
| Capital Assets, net of accumulated depreciation | 34,778             | 35,906             | 35,815             |
|   | <u>\$1,939,708</u> | <u>\$1,882,787</u> | <u>\$1,825,911</u> |
| Total assets                                    |                    |                    |                    |
| <b>LIABILITIES</b>                              |                    |                    |                    |
| Accounts payable                                | \$4,295            | \$5,328            | \$3,843            |
| Commitments payable                             | 8,323              | 8,765              | 8,833              |
| Lines of credit                                 | 21,540             | 23,747             | 23,708             |
| Note payable (EBB)                              | 21,847             | 27,715             | 29,935             |
| Bonds Payable, net of discount and premium      | 239,435            | 250,043            | 250,377            |
| Amounts due to life beneficiaries               | 11,923             | 12,846             | 14,081             |
| Deferred revenue                                | 28,510             | 31,321             | 31,321             |
| Funds held on behalf of GTAA                    | 117,963            | 109,862            | 104,802            |
| Revocable gift (IPST)                           | 0                  | 0                  | 43,556             |
| Other liabilities                               | 13,346             | 8,784              | 12,738             |
|   | <u>467,182</u>     | <u>478,411</u>     | <u>523,194</u>     |
| Total liabilities                               |                    |                    |                    |
| <b>NET ASSETS</b>                               | <u>\$1,472,526</u> | <u>\$1,404,376</u> | <u>\$1,302,717</u> |
| Total liabilities and net assets                | <u>\$1,939,708</u> | <u>\$1,882,787</u> | <u>\$1,825,911</u> |
| Unrestricted Fund Balance                       | \$169,300          | \$169,200          | \$161,300          |
| Unrestricted Fund Reserve                       | \$81,100           | \$81,100           | \$76,600           |

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

*(in thousands)*

|  | Unrestricted<br>Fund | Temporarily<br>Restricted<br>Fund | Permanently<br>Restricted<br>Fund | 10 months<br>Total<br>4/30/15 | 12 months<br>through<br>6/30/14 | 10 months<br>through<br>4/30/14 |
|--|----------------------|-----------------------------------|-----------------------------------|-------------------------------|---------------------------------|---------------------------------|
| <b>Revenue</b>                                     |                      |                                   |                                   |                               |                                 |                                 |
| Gift income  | \$5,233              | \$65,293                          | \$47,030                          | \$117,556                     | \$61,947                        | \$45,965                        |
| Other gift income (IPC Foundation)                 | 0                    | 0                                 | 0                                 | 0                             | 44,456                          | 0                               |
| Lease revenue                                      | 12,779               | 0                                 | 0                                 | 12,779                        | 13,624                          | 12,791                          |
| Investment income (net of fees)                    | 4,550                | 13,597                            | 123                               | 18,270                        | 19,365                          | 17,392                          |
| Net realized/unrealized gain (loss) on investments | 2,579                | 8,524                             | 130                               | 11,233                        | 164,680                         | 114,398                         |
| Change in value of trusts and annuities            | 0                    | 0                                 | 126                               | 126                           | 3,311                           | 108                             |
| Other  | 958                  | 13                                | 0                                 | 971                           | 1,627                           | 1,255                           |
| Net assets released from restrictions              | 78,210               | (78,210)                          | 0                                 | 0                             | 0                               | 0                               |
| Total revenues                                     | <u>\$104,309</u>     | <u>\$9,218</u>                    | <u>\$47,408</u>                   | <u>\$160,935</u>              | <u>\$309,010</u>                | <u>\$191,909</u>                |
| <b>Expenses</b>                                    |                      |                                   |                                   |                               |                                 |                                 |
| Program services                                   | \$69,876             |                                   |                                   | \$69,876                      | \$73,534                        | \$63,658                        |
| Alumni Association                                 | 4,544                |                                   |                                   | 4,544                         | 4,314                           | 4,314                           |
| General and administrative                         | 5,694                |                                   |                                   | 5,694                         | 6,993                           | 5,882                           |
| Interest expense                                   | 9,085                |                                   |                                   | 9,085                         | 11,070                          | 9,337                           |
| Fund raising                                       | 2,449                |                                   |                                   | 2,449                         | 4,137                           | 2,081                           |
| Depreciation Expense                               | 1,137                |                                   |                                   | 1,137                         | 1,653                           | 987                             |
| Total expenses                                     | <u>92,785</u>        | <u>0</u>                          | <u>0</u>                          | <u>92,785</u>                 | <u>101,701</u>                  | <u>86,259</u>                   |
| Changes in net assets                              | \$11,524             | \$9,218                           | \$47,408                          | \$68,150                      | \$207,309                       | \$105,650                       |
| 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>\$111,937</u>     | <u>\$724,801</u>                  | <u>\$635,788</u>                  | <u>\$1,472,526</u>            | <u>\$1,404,376</u>              | <u>\$1,302,717</u>              |

**Minutes of the Meeting of the Board of Trustees**  
**June 6, 2015**  
**Exhibit B, Page 1 of 3**

Georgia Tech Foundation, Inc.  
Motion to Approve Fiscal Year 2016 Budgets

WHEREAS, the Georgia Institute of Technology, the Georgia Tech Alumni Association, and the Georgia Tech Foundation have requested resources for the support of their respective programs during fiscal year 2016; and

WHEREAS, the Finance and Executive Committees recommend approval of budgets totaling \$36,229,869 for fiscal year 2016; and

NOW THEREFORE, be it resolved that, the Board of Trustees approve the following budgets for the fiscal year 2016:

|                       |              |
|-----------------------|--------------|
| Institute             | \$25,054,000 |
| Alumni Association    | \$ 4,725,800 |
| Foundation Operations | \$ 6,450,069 |
| Total                 | \$36,229,869 |

**Minutes of the Meeting of the Board of Trustees**  
**June 6, 2015**  
**Exhibit B, Page 2 of 3**

Georgia Tech Foundation, Inc.  
Fifth Street Hotel, LLC  
Motion to Approve Fiscal Year 2016 Budget

WHEREAS, the Georgia Tech Foundation provides services for the management, accounting and administrative activities of Fifth Street Hotel, LLC, and

WHEREAS, the Executive Committee approved a policy in which expenses incurred by the Foundation related to the activities of the Fifth Street Hotel, LLC, shall be reimbursed to the Foundation, provided that a budget for such expenses is approved by the Board of Trustees prior to each fiscal year; and

NOW THEREFORE, be it resolved, that the Board of Trustees approve a budget of \$142,452 for the expenses related to the Fifth Street Hotel, LLC for fiscal year 2016, a copy of which is attached hereto, and

FURTHER RESOLVED, that the Board of Trustees approve a withdrawal of \$1,206,000 from the Fifth Street Hotel, LLC to support the fiscal year 2016 budgets.

**Minutes of the Meeting of the Board of Trustees**  
**June 6, 2015**  
**Exhibit B, Page 3 of 3**

**Georgia Tech Foundation, Inc.**  
Fifth Street Hotel, LLC  
FY15 Budget and FY16 Proposed  
Budget

The GTF Operating Budget includes expenditures made on behalf of the operations of the Fifth Street Hotel, LLC and costs are reimbursed to the Foundation by Fifth Street Hotel, LLC.

*Policy approved by the Executive Committee on June 4, 2005.*

| <u>Budget Category</u>               | <u>Approved<br/>FY15<br/>Budget</u> | <u>Proposed<br/>FY16<br/>Budget</u> |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Personnel Services                   | \$69,935                            | \$72,877                            |
| Insurance                            | \$23,500                            | \$23,500                            |
| Audit & tax return preparation costs | \$14,990                            | \$15,075                            |
| Legal expenses                       | \$0                                 | \$0                                 |
| Office expenses                      | \$1,000                             | \$1,000                             |
| Consultant/Legal                     | \$5,000                             | \$30,000                            |
| Total                                | <u>\$114,425</u>                    | <u>\$142,452</u>                    |