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Dear Friends of the Foundation:

The University System of Georgia Foundation Board of Trustees is committed to maintaining a solid framework of fundraising, relationship building, and financial management to support the work of the University System of Georgia. It is the reason that the Foundation was established.



In FY 2011, the Trustees continued to build on the accelerating momentum of the past few years. Most notably, the Board's focus on investment growth and the decision to place a portion of the event proceeds in the Corpus has set the Foundation on track to achieve a major milestone: a \$4 million corpus. Additionally, the initiation of the SunTrust Scholars, made possible through a generous gift from the SunTrust Foundation, has added a new level and approach to the Foundation's fund-raising strategy.

It has been a banner year for the Foundation, and I thank all of our corporate and community partners for their financial support. I also express my admiration and thanks to the USG faculty and staff for their hard work and dedication to creating a more educated Georgia.

It is with great appreciation and pleasure that I present to you the 2011 Annual Report.

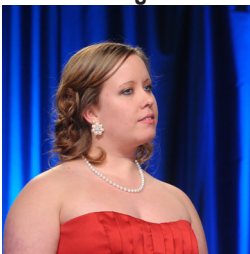
Sincerely,

Kenneth R. Bernard, Jr.
 USGF Chairman, FY 2011

Scholarships



Jeb Dill
 Gordon College



Jessica Hicks
 Kennesaw State University

Scholarship recipients Jeb Dill from Gordon College and Jessica Hicks from Kennesaw State University were on stage at the 2011 Regents' Awards for Excellence in Education to welcome the guests and thank them for the scholarships they received through the proceeds of past events. Jeb and Jessica were two of the 78 students who attended a USG institution in the 2010-11 school year through a USG Regents' Scholarship.

In fiscal year 2011, the USG Foundation provided every USG institution with one or more scholarships, totaling more than \$350,000. The funding for these scholarships was made possible through the proceeds of the 2011 Regents' Awards for Excellence in Education as well as designated proceeds from past events.

In addition to the Regent event awards, ten students attending ten USG institutions in Metro Atlanta, received the new SunTrust Scholars Award, a one-year, full tuition scholarship, made possible through a grant from the SunTrust Foundation.

Scholarships at a Glance (2011-12 Academic Year)

Scholarship Recipients	88
Institutions Receiving Funding	35
Total Scholarships Awarded for 2011-12 Academic Year	\$401,456

To read more, go to www.USGFoundation.org

Financial Report

The USG Foundation Funds and Capital Balance (Excluding the Real Estate Foundation LLCs)

Assets and Liabilities

Total Assets	\$6,268,799
Liabilities	\$954,665
Total Net Assets:	\$5,314,134
Total Liabilities and Net Assets	\$6,268,799

Total Capital

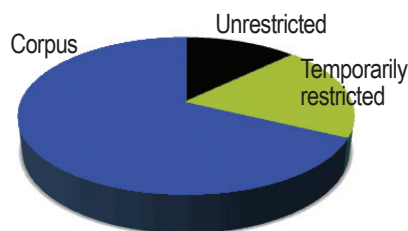
Capital Balances

Unrestricted: Non-grant related funds, general operating funds, and indirect funds from grants

Temporarily Restricted: Grant monies with donor-specific requirements

Corpus: Proceeds from the Gala designated by the Board of Trustees to be held in perpetuity for the support of the USG through scholarships and awards

Unrestricted	\$ 683,864
Temporarily restricted	\$1,024,204
Corpus	\$3,606,066
Total	\$5,314,134



FUNDRAISING*

Regents' Event	\$990,817
Grants, Investments and Other Contributions	\$62,548
Designated Need-Based Escrow Fund	\$158,614
Total Revenue and Reserve	\$1,221,979
Scholarships from Regents' Event Proceeds	\$191,000
Need-Based Scholarships - Designated Funds	\$158,614
Scholarships designated for SunTrust Scholars	\$46,842
Faculty Awards	\$25,000
Funds Designated to Corpus	\$400,000
Event Expenses	\$276,653
SunTrust Grant Expenses	\$3,158
Donated Services and Supplies	\$24,283
Total Expenditures	\$1,125,550
Funds Held in Reserve	\$96,429

FUND AND LLC MANAGEMENT*

LLC Management Fees	\$239,586
Grant Management Fees	\$15,478
Investment Income	\$20,479
Reserve FY10	\$276,799
Total Revenue and Reserve	\$552,342
Operations and Administrative Services	\$159,709
Finance and Audit - Professional Services	\$145,489
Supplies and Miscellaneous Expenses	\$46,832
Funds Designated to Corpus	\$100,000
Total Expenditures and Expenses	\$452,026
Funds Held in Reserve	\$100,316

*These numbers represent transactions during FY 2011

THE UNIVERSITY SYSTEM OF GEORGIA FOUNDATION, INC. INCLUDING THE REAL ESTATE FOUNDATION LLCs

On October 15, 2008, the University System of Georgia Foundation, Inc. formed the USG Real Estate Foundation, LLC with the USG Foundation as the sole member. The USG Real Estate Foundation, LLC was formed for the purpose of constructing projects and renting the projects to colleges and universities within the University System of Georgia on real estate owned by the Board of Regents of the University System of Georgia. Subsequently, USG Real Estate Foundation II, LLC and Real Estate Foundation III, LLC were formed for the same purpose.

The University System of Georgia Foundation, Inc.; the USG Real Estate Foundation I, LLC; the USG Real Estate Foundation II, LLC; and the Real Estate Foundation III, LLC collectively comprise the University System of Georgia Foundation, Inc. and Affiliates.

ASSETS

NET INVESTMENT IN FINANCING LEASES	\$ 183,066,470
CONSTRUCTION IN PROGRESS	73,843,7
RESTRICTED CASH AND CASH EQUIVALENTS	47,919,054
INVESTMENT IN SECURITIES	4,858,506
DEFERRED LOAN COST,	
net of accumulated amortization of \$292,320	3,688,644
CUSTODIAL CASH ACCOUNTS	1,872,330
ACCRUED INTEREST RECEIVABLE	992,617
CASH AND CASH EQUIVALENTS	741,910
RECEIVABLES	668,383
Total assets	\$ 317,651,638

LIABILITIES AND NET ASSETS

BONDS PAYABLE	\$ 292,910,000
LESS UNAMORTIZED DISCOUNT	(4,397,649)
ADD UNAMORTIZED PREMIUM	2,037,563
NET BONDS PAYABLE	290,549,914
ACCOUNTS PAYABLE	18,105,101
ACCRUED INTEREST	1,516,788
CUSTODIAL ACCOUNT LIABILITIES	1,872,330
Total liabilities	312,044,133
NET ASSETS	5,607,505
Total liabilities and net assets	\$ 317,651,638

The financial figures presented here are taken from an audited financial statement with an unqualified opinion.

2011 Regents' Awards for Excellence in Education

ALUMNI AWARD RECIPIENTS



Nancy Buntin



Rosalynn Carter



Anthony Parr



Parker "Pete" Petite

FELTON JENKINS, JR. AWARD RECIPIENTS



Thomas Hugh Crawford



Trent W. Maurer



Melanie Partlow



Sabine Smith



Sheryne Southard

THE ELDRIDGE McMILLAN LIFETIME ACHIEVEMENT AWARD

Donald M. Leebern, Jr. is the recipient of the 2011 Elridge McMillan Lifetime Achievement Award. Regent Leebern, who is Chairman of Georgia Crown, Alabama Crown and Tennessee Crown Distributing Companies, has demonstrated an unfailing commitment to the advancement and improvement of public higher education in Georgia. He is an alumnus of the University of Georgia, a member of many professional and civic organizations, has chaired the Board of Regents and was a founding member of the University System of Georgia Foundation, which he chaired numerous times.



(left-right) Regent Richard Tucker, Regent Ken Bernard, Regent Emeritus Elridge McMillan present the award to Regent Don Leebern

On March 26, 2011, the University System of Georgia Foundation hosted the Regents' Awards for Excellence in Education, a fund-raiser to support the University System of Georgia. This event brought together representatives from all USG colleges and universities, institutional foundations, distinguished faculty and administrators, state and federal elected leaders, and public and private supporters of higher education. Governor Nathan Deal was among the distinguished attendees and offered greetings to the more than 900 guests in attendance.

The evening's host and emcee Regent Ken Bernard explained to the guests that "this event is much more than a fund-raiser and awards ceremony," and added that "this is the one night each year when all 35 colleges and universities come together to celebrate higher education in Georgia." He acknowledged the student scholarship recipients who welcomed the audience and GSU student performers who entertained the guests as they gathered in the ballroom, and noted that "these young people were the shining future of Georgia."

The 2011 event raised more than \$1 million in Silent Auction proceeds and sponsorships to support public higher education in Georgia. The net proceeds were invested in the Foundation's corpus to ensure the sustainability of the Foundation and the continued support of the University System and institutions. Additional funds were used to provide scholarships to deserving students and awards to five outstanding faculty members from various USG institutions.

The Foundation Trustees renamed the faculty awards the "Felton Jenkins, Jr. Hall of Fame Faculty Awards." The awarded was renamed to mark the passing and to honor the memory of esteemed Regent and USG Foundation Trustee Felton Jenkins. Two of Regent Jenkins' children, Emily Followill and Alan Jenkins, attended the event and accepted a memorial gift on behalf of the Jenkins family. Five distinguished faculty members received the Felton Jenkins, Jr. Hall of Fame Awards this year: Thomas Hugh Crawford, Trent Maurer, Melanie Partlow, Sabine Smith, and Sheryne Southard.

As in years past, the Regents' Hall of Fame Alumni Awards honored those who exemplify superb leadership and support of Georgia's higher education. The illustrious recipients of this award were Nancy Buntin, Anthony Parr, Parker "Pete" Petite and former First Lady Rosalynn Carter. Regent Donald M. Leebern, Jr. was selected to receive the Foundation's highest honor: The Elridge McMillan Lifetime Achievement Award.



Emily Followill and Alan Jenkins accept a memorial gift from Regent Dink NeSmith



Former First Lady Rosalynn Carter and President Jimmy Carter take a bow



Fans of all institutions come together and enjoy items for bid at the Silent Auction



Regent Ken Bernard, (left) and wife Carolyne (middle) with guests Senator Johnny Isakson and Governor Nathan Deal

USG FOUNDATION CONTRIBUTORS FY 2011

DONOR LEVELS

Fiscal Year 2011

(July 1, 2010 to June 30, 2011)

\$50,000 and above

Georgia Crown Distributing Company
The SunTrust Foundation

\$20,000 - \$49,999

Anonymous
The Coca-Cola Company
General Motors Corporation
Georgia Health Sciences Foundation
Georgia State University Foundation
Georgia Tech Foundation
Kennesaw State University Foundation
North Georgia College and State University Foundation
SunTrust Banks, Inc.
TIAA CREF
Wells Fargo
Union Pacific Foundation

\$10,000-\$19,999

Aflac
Ajax Construction Company
Albany State University Foundation
Ambling University Development Group
Anonymous
Arch Foundation for the University of Georgia, Inc.
Armstrong Atlantic State University Foundation

Augusta State University Foundation
BB&T
Balfour Beatty
Clayton State University Foundation
Coleman Talley LLP
Columbus State University Foundation
Frederick E. & Helen D. Cooper Charitable Foundation, Inc.
Darby Printing Company/Hugh and Glenna Carter
Erroll and Elaine Davis Foundation
Fort Valley State University Foundation
Georgia College and State University Foundation
Georgia Gwinnett College Foundation
Georgia Power
Georgia Southern University Foundation
Georgia Southwestern State University Foundation
HCA, Inc.
Mr. and Mrs. Robert F. Hatcher
Jim and Judy Jolly
Juneau Construction Company
Lord, Aeck & Sargent
MCG Health System, Inc.
Macy's/Bloomingdale's
Merchant Capital
Place Properties
Doreen and Alec Poitevint/SEM Minerals
Willis and Glenda Potts
The Potts Company
Savannah State University
Southern Polytechnic State University Foundation
Synovus/Bank of North Georgia
Mr. and Mrs. Benjamin J. Tarbuton III
Total System Services

The University Financing Foundation (TUFF), Inc.
The University of Georgia Alumni Association
The University of Georgia Athletic Association
The University of Georgia Research Foundation
University of West Georgia Foundation
UPS
Valdosta State University Foundation
W.C. Bradley Company

\$5,000 - \$9,999

Abraham Baldwin Agricultural College Foundation
Citi
College of Coastal Georgia
Dalton State College Foundation
Equifax
Gainesville State College Foundation
Georgia Highlands College Foundation
Georgia Perimeter College
Gordon College Foundation
H.J. Russell and Company
Julie Hunt
King and Spalding
Macon State College Foundation
McKenna, Long and Alridge
Middle Georgia College Foundation
NewSouth Construction
Parrish Construction
Peck Shaffer & Williams
R. William Funk & Associates, Inc.
Wanda Yancey Rodwell
Richard Tucker Family Foundation
Washington Mutual
James Yancey

\$1,000 - \$4,999

Alston & Bird, LLP
Atlanta Metropolitan College Foundation
Ken and Carolyne Bernard
Bainbridge College
Clement & Wynn
ComSouth
Darton College Foundation
East Georgia College Foundation
Larry Ellis
Freeman, Mathis, & Gary
Gateway Development Services
Gay Construction
R. A. "Rusty" Griffin
The Joel and Geraldine Cowan Fund
Dr. and Mrs. C. Thomas Hopkins
Elridge McMillan
Morgan Keegan and Company
Dink NeSmith
The Orthopaedic & Sports Injury Center of Griffin, P.C.
Skidaway Marine Science Foundation
South Georgia College Foundation
Troutman Sanders
Larry Walker
Philip Wilheit
Waycross College Foundation

Other Donations and Gifts

The Atlanta Braves
The Atlanta Falcons

Grants

\$200,000 and above

The Bill & Melinda Gates Foundation

To contribute to the USG Foundation, contact Candace Sommer at 404-463-1745 or candace.sommer@usg.edu

USG Foundation
270 Washington Street SW
Suite 5175
Atlanta, GA 30334