



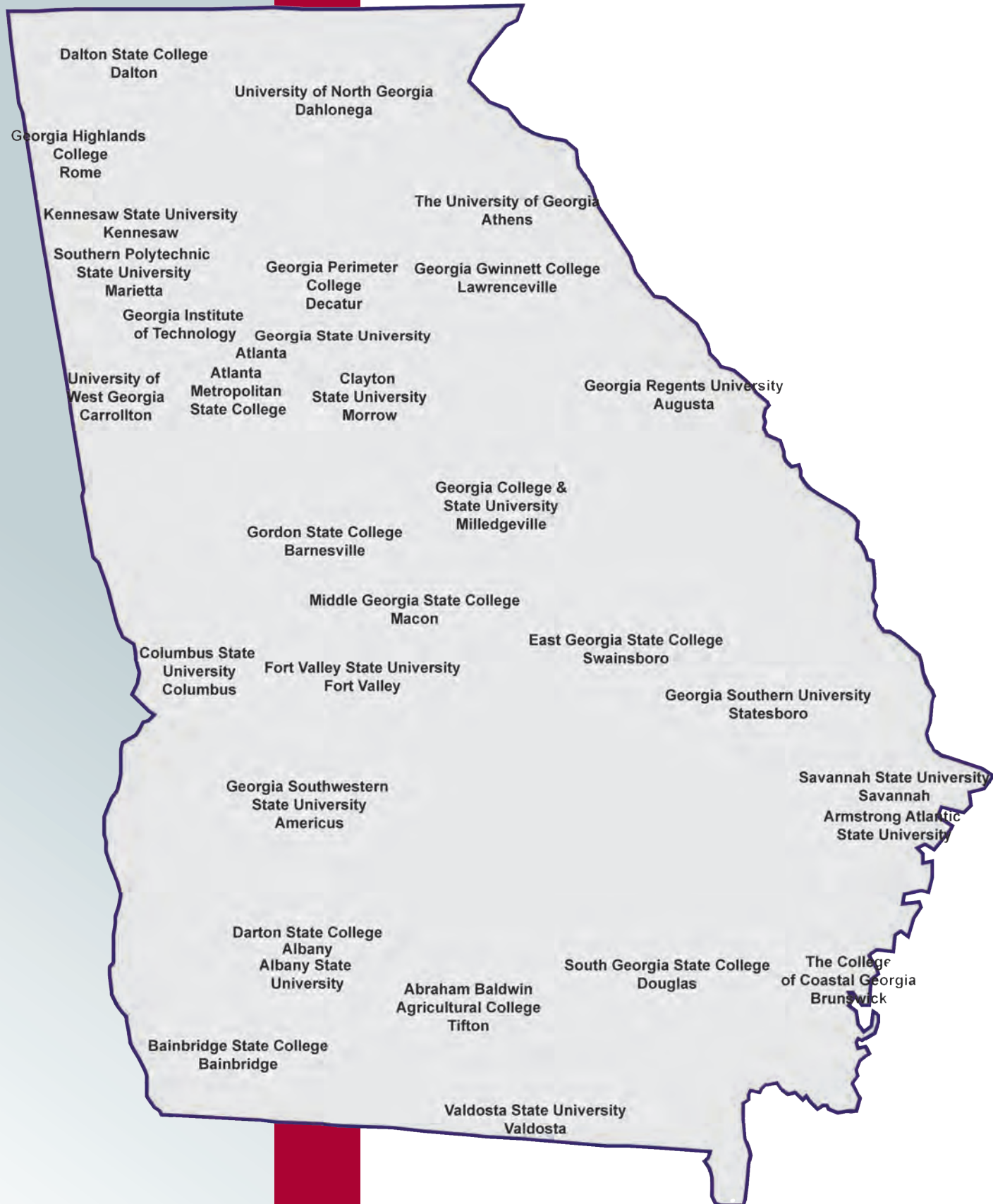
## Annual Report

July 1, 2012 - June 30, 2013

UNIVERSITY SYSTEM  
OF GEORGIA  
FOUNDATION, INC.



# University System of Georgia Colleges and Universities



Dear Friends of the USG Foundation,

June 30, 2013 marked the end of my three-year term as chairman of the University System of Georgia Foundation. I will be forever grateful for my opportunity to serve alongside you, and humbled by what I have learned from generous and caring people. It is with great excitement that I pass on the baton to incoming chairman Neil Pruitt.

During my term, our focus has been about improving the Foundation so it could be in a better position to support the USG, its institutions, and our people. Each year the USG Foundation Board of Trustees has worked diligently to support access to a quality public college education for Georgians. This annual report provides an overview of the culmination of our efforts: the scholarship programs, the fiscal management of programmatic grants and the financial oversight of the Real Estate LLCs held within the USG Foundation. The report also highlights the 2013 Regents' Salute to Education, and spotlights the recipients of the alumni and faculty awards and the prestigious Elridge McMillan lifetime achievement award.

As a result of your generous contributions, the USG Foundation was able to substantially build on our scholarship programs. In 2013 the Foundation awarded a record amount in President's Choice Scholarships — more than \$270,000 — to all USG institutions. And for the second straight year, the Foundation contributed \$50,000 to support Governor Deal's REACH program. In 2013 the Foundation received many generous gifts earmarked for scholarships. Notably, SunTrust Bank provided funding for a second round of SunTrust Scholar awards to 10 metro-Atlanta institutions. And former USG Chancellor Erroll Davis and his wife Elaine provided a major boost to our scholarship programs by establishing the first endowed scholarship fund to be held in the USG Foundation, ensuring ongoing scholarship support to all USG institutions for many years to come.

I want to also acknowledge the advances made by the Foundation during the last three years were made possible by the overwhelming support of Chancellor Huckaby, the Trustees of the Foundation, the Board of Regents, and our donors. Most notably, I want to thank Georgia Crown Distributing and the Leebern family for their unwavering support of our mission.

It has been a true honor and privilege to serve as chairman of this organization. I thank each USG institution president for their extraordinary leadership in educating Georgia's students. Without the committed support of the presidents, we could not have made necessary changes in the Foundation to further our commitment to our 31 institutions, the faculty and staff, and our students. I also thank our loyal supporters in the corporate and philanthropic communities who contribute so generously to higher education in Georgia. Together, we are building a stronger future for our students and our state, and I am proud to say that your USG Foundation is headed in the right direction.

I present to you with pleasure the 2013 University System of Georgia Foundation annual report.

Sincerely



Kenneth R. Bernard, Jr.  
Chairman



## FY 2013 BOARD OF TRUSTEES

### EXECUTIVE COMMITTEE

CHAIRMAN - Kenneth R. Bernard, Jr.

VICE CHAIRMAN - Neil L. Pruitt, Jr.

SECRETARY & TREASURER - Gita  
Hendessi Gardner

CHANCELLOR - Henry M. Huckaby

DEVELOPMENT CHAIRMAN - Philip  
A. Wilheit

### BOARD MEMBERS

C. Dean Alford

Hugh A. Carter, Jr.

R. A. "Rusty" Griffin, Jr.

Julie E. Hunt

Nancy Juneau

Donald M. Leebern III

Elridge W. McMillan

Neil L. Pruitt, Jr.

Mitesh "Mit" Shah

Kirby A. Thompson

James D. Yancey

### FY 2013 STAFF

Candace Sommer, Executive Director

Ben Riden, Assistant Treasurer

Christina Paloski, Director of Business Services

# Audited Financials FY 2013

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

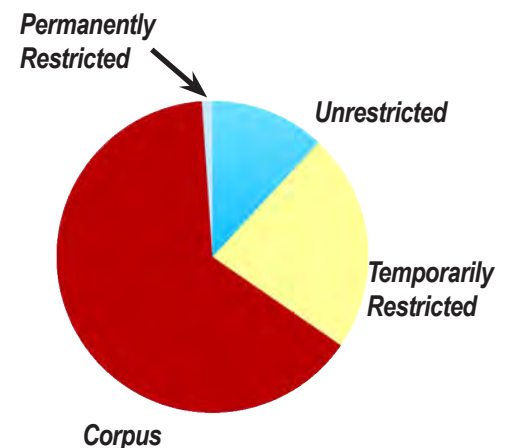
### ASSETS AND LIABILITIES

Total Assets	\$6,856,456
Liabilities	\$ 109,279
Total Net Assets	\$6,747,177
Total Liabilities and Net Assets	\$5,960,787

### TOTAL CAPITAL

Capital Balances	
Unrestricted	\$ 801,999
Temporarily Restricted	\$1,533,127
Corpus	\$4,338,260
Permanently Restricted	\$ 73,791
Total	\$ 6,747,17

*Below, Savannah State University stadium, a capital project funded through the Georgia Higher Education Finance Authority*



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



**The University System of Georgia Foundation, Inc.  
Including Real Estate Foundation LLCs**

**ASSETS**

Cash and Cash Equivalents	\$ 261,730
Agency Fund Assets	-
Pledges Receivable	36,907
Accrued Interest Receivable	1,301,392
Investments	6,557,819
Net Investments in Direct Financing Leases	270,213,547
Construction in Progress	-
Debt Issuance Costs, Net	4,421,965
Assets Limited as to Use	13,087,020
<b>Total Assets</b>	<b>\$295,880,380</b>

**LIABILITIES AND NET ASSETS**

Accounts Payable	\$ 109,279
Construction Payable	-
Agency Funds Payable	-
Bonds Payable, Net	283,007,750
Accrued Interest Payable	578,540
Total Liabilities	\$ 283,695,569
Total Net Assets	\$12,184,811
<b>Total Liabilities and Net Assets</b>	<b>\$ 295,880,380</b>

**USG Foundation Statement of Activities  
(Excluding the Real Estate Foundation LLCs)**

**REVENUES AND OTHER SUPPORT**

Regents' Event and Other Contributions	\$ 1,257,476
Private Grants and Contracts	850,000
Donated Services and Materials	16,899
Registration Fees	40,912
Management Fee Income	244,232
Investment Income	98,378
Net Realized and Unrealized Gain on Investments	415,931
Other Income	66,866
<b>Total Revenue and Other support</b>	<b>\$2,990,694</b>

**EXPENSES**

Scholarships and Awards	\$ 310,436
R & D Programmatic Grants	416,362
USO & BOR Support	444,010
GHEFA Support	3,769
General & Administrative	295,611
Fundraising	349,813
<b>Total Expenses</b>	<b>\$1,820,001</b>

<b>Change in Net Assets</b>	<b>\$1,170,693</b>
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*Above, Bainbridge College Wellness Center, a capital project funded through the Georgia Higher Education Finance Authority (GHEFA)*

**FY 2013 REAL ESTATE  
LLCs HELD WITHN THE  
USG FOUNDATION**

Bainbridge State College

College of Coastal Georgia

Columbus State University

Dalton State College

Darton State College

East Georgia State College

Fort Valley State University

Georgia College & State University

Georgia State University

Savannah State University

Southern Polytechnic State University

University of North Georgia

University of West Georgia

The University System of Georgia Foundation, Inc. was established as a nonprofit corporation under the applicable provisions of the Georgia Nonprofit Corporation Code. The corporation is a voluntary association of individuals and organizations organized exclusively for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code. The corporation was organized as a cooperative organization of the Board of Regents.

# Supporting the Work of the University System of Georgia

## THE MISSION

The mission of the University System of Georgia Foundation, a cooperative organization of the Board of Regents, is to support and advance the work of the University System of Georgia consistent with the University System's Strategic Plan.

## CORE VALUES

The USG Foundation core values are: vision, stewardship, collaboration, communication, integrity and excellence.

## THE GOALS

Goal 1. Cultivate private support for scholarships to be awarded to all USG institutions.

Goal 2. Provide professional, financial and administrative support to institutions, the System Office, the Office of the Chancellor and the Board of Regents.

Goal 3. Promote relationship building and collaboration between USG institutions and financial supporters.

Goal 4. Demonstrate a high level of fiduciary responsibility and maximize fund growth at an acceptable risk.



In FY 2013, 314,365 students enrolled at a University System of Georgia college or university. More than 58,000 awards and degrees were conferred.



# Providing Fiscal Management Services

## UNIVERSITY SYSTEM ACCOUNT MANAGEMENT

*The USG Foundation provides fiscal management for USG offices and departments. During FY 2013 these accounts included:*

### The Regents' Per Diem Account

Regent contributions to cover expenses incurred through their work on behalf of the University System and to provide support for University System programs.

### The Office of Educational Access and Success Account

Private funds designated to advance the work of the University System.

### Georgia Public Library System and Library Services Accounts

Private funding received to support the Georgia Public Library and Library Services.

### The Office of the Chancellor Account

Private funds designated for the Chancellor and designated USG staff to advance the work of the University System.

### The Office of Information and Technology Account

Providing fiscal administration of revenue and expenses generated by USG Annual Computing Conference at Rock Eagle and Georgia Summit Conference.

### The African-American Male Initiative Account

Private funding received to support implementation of the Task Force on Enhancing College Access for African-American Males.

## PRIVATE GRANTS

*The USG Foundation provides fiscal management for private grants administered by the USG Central Office in partnership with USG institutions and USG Educational Agency partners. During FY 2013, these grants included:*

### AEAH Capacity Building and Strategy Support

#### Funder: The Bill and Melinda Gates Foundation

Administered by the Alliance of Education Agency Heads to build organizational effectiveness in implementing Georgia's college and career-ready agenda by providing strategic planning support.

### The Hispanic/Latino College Completion Grant

#### Funder: The Goizuetta Foundation

Administered by USG Academic Affairs to improve access and success in higher education for Latinos/as in Georgia.

### The National Clearinghouse Grant

#### Funder: The Bill and Melinda Gates Foundation

Administered by the Alliance of Education Agency Heads to determine high school to college transitions in Georgia and to develop usable data reporting tools and professional learning opportunities for teachers and administrators.



## FY 2013 AWARDS AND SYSTEM SUPPORT

### SCHOLARSHIP AWARDS

Regents' President's Choice Scholarships - \$277,000

Regents' Foundation Need-Based Scholarships - \$52,212

SunTrust Scholars - \$47,500

The Governor's REACH Program - \$50,000

### FACULTY AWARDS

The Felton Jenkins, Jr. Faculty Awards - \$20,000

### SYSTEM SUPPORT

USG Chief Advancement Officer Professional Development - \$30,000



## 2013 Award Recipients

### Elridge McMillan Lifetime Achievement Award

Dr. Michael Adams

### Felton Jenkins, Jr. Hall of Fame Faculty Award

Dr. Paul Cerpovicz  
East Georgia State College

Dr. Kathleen Lowney  
Valdosta State University

Dr. Steve Potter  
Georgia Institute of Technology

Dr. Susan Hrach  
Columbus State University

### Regents' Hall of Fame Alumni Award

Ms. Allison Batson  
Georgia Perimeter College

Mr. A. Paul Cadenhead  
University of West Georgia

Mr. Richard McNeely  
East Georgia State College

Dr. Lawton McDonald "Mac" Nease III  
Georgia Institute of Technology  
Georgia State University



# Regents' Salute to EDUCATION

On March 23, 2013, more than 800 individuals representing the USG's 31 institutions, supporters, donors, and alumni attended the Regents' Salute to Education. Among the crowd were state elected officials, including the governor, members of the Board of Regents and presidents from the USG's colleges and universities.

This distinguished group gathered to raise much needed funds for student scholarships and to honor those who bring excellence to higher education in Georgia. Held at the Marriott Marquis Atlanta, guests were assisted throughout the evening by student ambassadors from Georgia Tech, the University of Georgia and the University of West Georgia.

The evening was hosted by Chairman and Regent Ken Bernard and featured comments by Chancellor Hank Huckaby and Governor Nathan Deal, who also accepted a \$50,000 contribution from the USG Foundation to the REACH scholarship program.

Presenting Sponsor Donald M. Leebern III from Georgia Crown Distributing Company announced the Felton Jenkins, Jr. Hall of Fame Faculty Awards and the Regents' Hall of Fame Alumni Awards. The prestigious Elridge McMillan Lifetime Achievement award was presented by Chairman Bernard and Donald M. Leebern, Jr. to Dr. Michael Adams. They were joined on stage by the Chancellor, Regent Richard Tucker and Regent Emeritus Elridge McMillan.

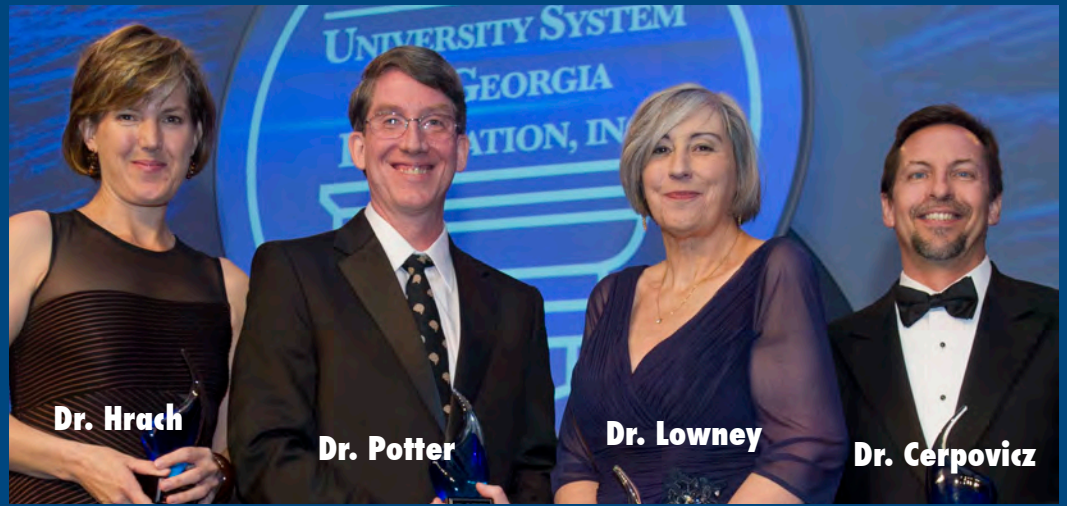


### *Accepting their awards*

*This page: Left, Dr. Michael Adams, holding the Elridge McMillan Award, and the award presenters*

*Opposite page: Above right, Faculty Award recipients. Bottom left, Alumni Award recipients*





# With appreciation to our contributors

July 1, 2012 - June 30, 2013

## **\$30,000 and above**

The Coca-Cola Company  
Elaine and Erroll Davis, Jr.  
Georgia Crown Distributing  
Company  
SunTrust Bank

## **\$15,000 - \$29,999**

Georgia Regents University  
Foundation  
Georgia State University  
Foundation  
The Georgia Tech Foundation  
The Tides Center  
Wells Fargo

## **\$10,000 - \$14,999**

Aflac  
Ajax Building Corporation  
Arnall Golden Gregory, LLC  
Anonymous  
Balfour Beatty Construction  
Bank of North Georgia/  
Synovus  
BB&T  
Brasfield & Gorrie, LLC  
Coleman Talley LLP  
Georgia Health Care Association  
Georgia Power Company  
Juneau Construction Company  
Middle Georgia College  
Foundation  
Niles Bolton Associates  
Noble Investment Group  
Parrish Construction  
Peck Shaffer & Williams, LLP  
The Potts Company  
Alec and Doreen Poitevint  
TIAA-CREF  
Total System Services, Inc.  
UHS-Pruitt Corporation  
The University Financing  
Foundation  
UPS  
W.C. Bradley Company  
UHS-Pruitt Corporation  
The UPS Foundation  
Valdosta State University  
Foundation  
W.C. Bradley Company

## **\$5,000 - \$9,999**

Albany State University  
Foundation  
Armstrong Atlantic State  
University Foundation  
BDR Partners, LLC  
Hugh and Glenna Carter/Darby  
Printing  
Clayton State University  
Foundation  
Columbus State University  
Foundation  
East Georgia State College  
Foundation  
Fort Valley State University  
Foundation  
Georgia College and State  
University Foundation  
Georgia Gwinnett College  
Foundation  
Georgia Southern University  
Foundation  
Georgia Southwestern  
University Foundation  
Julie E. Hunt  
Kennesaw State University  
Foundation  
Lord, Aeck & Sargent  
MAU  
Mauldin & Jenkins  
McKenna, Long and Aldridge  
McKnight Construction Company  
North Georgia State University  
Foundation  
Savannah State University  
Foundation  
Southern Polytechnic State  
University Foundation  
Betsy and Ben Tarbutton III  
The University of Georgia  
Alumni Association  
The University of Georgia  
Athletic Association  
The University of Georgia  
Foundation  
The University of Georgia  
Research Foundation  
Union Pacific  
University of West Georgia  
Foundation  
Valdosta State University  
Foundation  
James D. and Ruth Yancey

## **\$500 - \$4,999**

Abraham Baldwin Agricultural  
College Foundation  
Atlanta Metropolitan State  
College Foundation  
Bainbridge College Foundation  
Ken and Carolyn Bernard  
Curt and Eileen Carver Jr.  
College of Coastal Georgia  
Foundation  
Dalton State College  
Foundation  
Tom and Lynn Daniel  
Dartmouth State College  
Foundation  
Houston Davis  
Tim and Lori Durden  
Larry Ellis  
Georgia Highland College  
Foundation  
Georgia Perimeter College  
Foundation  
Georgia Public Web  
Gordon College Foundation  
R. A. "Rusty" Griffin  
Mr. and Mrs. Robert F. Hatcher  
Hank and Amy Huckaby  
George Hooks  
Dr. and Mrs. C. Thomas Hopkins  
The Joel and Geraldine Cowan  
Fund  
Jim and Judy Jolly  
Joyce Jones  
JP Morgan Chase  
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Eldridge W. McMillian  
Dink NeSmith  
Kim and Burns Newsome  
ProQuest  
Richard Tucker  
Willis and Glenda Potts  
Mr. and Mrs. Neil L. Pruitt, Jr.  
Sherrod & Bernard, PC  
Skidaway Marine Science  
Foundation  
Candace Sommer  
South Georgia State College  
Foundation  
STAT Courier Service, Inc.  
Kessel Stelling, Jr.  
Sabrina Thompson  
Richard L. Tucker  
Uzan & Case Engineers, LLC  
Larry Walker  
Don L. Waters

Philip and Mary Hart Wilheit  
Steve and Lynne Wrigley

## **Other Donations and Gifts**

The Atlanta Falcons  
Georgia Crown Distributing  
Company  
Steve Penley  
Mary Hart Wilheit

## **Gifts in Memory of Eleanor Boykin Davis**

Jon and Carol Adler  
Alexis Kirijan  
Kami Benson Luigs  
Wilma McNeese  
Linda Simpson  
Candace Sommer  
Union Pacific

## **Gifts in Honor of the Marriage of Gita Hendessi and Joseph Gardner**

Marcia Abernathy  
Betty Arnold  
Gregory Brown  
Virginia Carson  
Mary Crenshaw  
Elizabeth Crosby  
Erroll and Elaine Davis  
Gay Dull  
Patricia Federinko  
Pearl Friendenberg  
Sherry Ann Friedenberg  
R. A. Griffin  
Catherine Hudson  
Julie E. Hunt  
Frioos Israel  
Donald Leeburn Jr.  
Wanda Lloyd  
Cristobal Mayendia  
Patrick McCord  
Elridge W. McMillan  
Jill Sewell Price  
Usha Rackliffe  
Nebil Sedki  
John Schwenn  
Dunning Sillman  
Candace Sommer  
Martha Todd  
J. S. Vasen  
Paul Vickers, Jr.  
Becky Watts  
Michael Whipple  
George Wingblade  
Nancy Zimmerman



# USGF Scholarships Funds

Provide financial assistance to students who demonstrate financial need. Unless designated by the donor, funds are available to support students at all USG institutions.

## ★ **The Eleanor Boykin Davis Scholarship Endowment Fund**

An endowed fund established by Erroll and Elaine Davis to provide scholarships to students who demonstrate financial need. Funds will be used to support students at all USG institutions.

## ★ **The Elridge McMillan Scholarship Fund for Atlanta Metropolitan State College**

Funds are managed through the African-American Male Initiative.

## ★ **The President's Choice Scholarship Fund**

Providing need- and merit-based scholarships generated by the earned interest in the USG Corpus and proceeds from the Regents' annual event, funds are allocated annually to support students at all USG institutions.

## ★ **The SunTrust Scholars Fund**

Providing need-based scholarships for the 2012-2013 school year for students attending 10 metro-Atlanta institutions.

## ★ **The USGF Need-Based Scholarship Fund**

Comprised of designated contributions, this fund provides need-based scholarships to USG institutions as determined by the Board of Trustees.

## In Appreciation



In 2013 Erroll and Elaine Davis established the Eleanor Boykin Davis Scholarship Endowment Fund to honor the memory of Mr. Davis' mother. The Eleanor Boykin Davis Endowment Fund is the first permanent endowment to be established in the USG Foundation. The fund will provide need-based scholarships for students to attend USG colleges and universities for many years to come.



*USGF scholarship recipients attending Kennesaw State University (KSU) and the KSU mascot Scrappy pose with USGF Executive Director Candace Sommer (center) at the KSU scholarship luncheon*





University System of Georgia Foundation, Inc.  
270 Washington Street, SW  
Suite 5175  
Atlanta, Georgia 30334  
[www.usgfoundation.org](http://www.usgfoundation.org)