

THE UNIVERSITY SYSTEM OF GEORGIA FOUNDATION, INC.



ANNUAL REPORT FY 2016



No one should be denied a quality college education

THE CHAIRMAN'S MESSAGE

Dear Friends,

In 2006, the University System of Georgia (USG) Foundation awarded \$133,000 in scholarships to students attending every public college and university in Georgia. Ten years later, the student scholarships topped \$1.7 million. This is a tremendous accomplishment made possible by our generous corporate and philanthropic partners and the commitment and dedication of the University System of Georgia Foundation Board of Trustees.

The Board's primary goal is to raise money for scholarships and we could not be prouder of our fund-raising accomplishments this year. At the same time, the USG Foundation continued to support the work of the Chancellor, staff and faculty; provide fiscal management for private grants and education agency funds; and manage real estate projects held within the USG Real Estate Foundation LLCs.

This annual report provides detailed information on the work of the USG Foundation and the results of our efforts. The report also highlights the 2016 Regents' Scholarship Gala where we thanked and recognized our corporate partners, outstanding faculty, distinguished alumni and friends in "An Evening of Gratitude" at the St. Regis Hotel.

It has been my great privilege to serve as Chairman of this organization. I especially want to thank the USG Foundation Trustees and the Board of Regents for their leadership in our scholarship efforts and our loyal supporters in the corporate and philanthropic communities who contribute so generously to higher education in Georgia.

Sincerely,



Sachin Shailendra
FY 2016 Chairman



2016 USG FOUNDATION CHAIRMAN
Sachin Shailendra

BOARD OF TRUSTEES FY 2016

EXECUTIVE COMMITTEE

CHAIRMAN - Sachin Shailendra
VICE CHAIRMAN - James M. Hull
SECRETARY - Kirby Thompson
TREASURER - Dallis "D" Copeland
CHANCELLOR - Henry M. Huckaby
DEVELOPMENT CHAIR - Donald M. Leebern III

BOARD MEMBERS

Hugh A. Carter, Jr.
Warren "Bo" Daniels
R. A. "Rusty" Griffin, Jr.
William G. "Billy" Hasty, Jr.
Douglas MacGinnitie
Elridge W. McMillan
Pete Robinson
Neil L. Pruitt, Jr.
Philip A. Wilheit, Sr.

STAFF

Margo J. Wolanin, V.C. of Development
Candace Sommer, Executive Director
Christina Paloski, Director of Business Services
Ben Riden, Assistant Treasurer

education because they cannot afford to attend.

AUDITED FINANCIALS FY 2016

July 1, 2015 - June 30, 2016

USG Foundation Statement of Activities Including the Real Estate Foundation LLCs

REVENUES AND OTHER SUPPORT

Regents' Event and Other Contributions	\$ 1,331,548
Private Grants and Contracts	832,625
Donated Services and Materials	6,789
Registration Fees and Other Income	39,012
Service contract revenue	500,000
Management Fee Income	60,934
Investment Income	99,256
Net Realized and Unrealized Gain on Investments	(54,812)
Investment Income from Direct Financing Leases	12,007,285
Rental Income	888,673
Total Revenue and Other support	\$15,711,310

EXPENSES

Scholarships and Awards	\$ 1,791,044
R & D Programmatic Grants	1,201,001
USO & BOR Support	122,390
Real Estate Support	13,452,651
General & Administrative	386,979
Fundraising	277,847
Total Expenses	\$17,231,912

Change in Net Assets	(\$1,520,602)
NET ASSETS, BEGINNING	\$1,186,395
NET ASSETS, ENDING	(\$334,207)

USG Foundation Statement of Financial Position Including Real Estate Foundation LLCs

ASSETS

Cash and Cash Equivalents	\$ 2,156,851
Agency Fund Assets	16,690
Pledges and Grants Receivable	47,025
Accrued Interest Receivable	-
Accounts Receivable - other	24,913
Prepaid Expenses	-
Investments	4,621,573
Net Investments in Direct Financing Leases	222,553,196
Debt Issuance Costs, Net	2,539,799
Assets Limited as to Use	10,513,625
Total Assets	\$242,473,402

LIABILITIES AND NET ASSETS

Accounts Payable	\$ 158,694
Scholarships Payable	59,818
Agency Funds Payable	16,690
Bonds Payable, Net	242,132,129
Accrued Interest Payable	440,278
Total Liabilities	\$ 242,807,609
Total Net Assets	(\$334,207)

Total Liabilities and Net Assets	\$242,473,402
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The financial figures presented above are taken from an audited financial statement with an unqualified opinion.

The USG Real Estate Foundation

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 USG Real Estate Foundation III, LLC were formed for the same purpose.

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

The USG Foundation supports the students and faculty at the 2

Abraham Baldwin Agricultural College
Albany State University
Armstrong State University
Augusta University
Atlanta Metropolitan State College

Bainbridge State College
Clayton State University
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 Gwinnett College

AUDITED FINANCIALS FY 2016

July 1, 2015 - June 30, 2016

Real Estate Held within The USG Foundation

USG R. E. Foundation LLC I

Dalton State College
Darton State College
Fort Valley State University
Georgia College & State University
Kennesaw State University
University of North Georgia

USG R. E. Foundation LLC II

Bainbridge State College
Columbus State University
Kennesaw State University

USG R. E. Foundation LLC III

College of Coastal Georgia
Georgia College & State University
Savannah State University
University of West Georgia

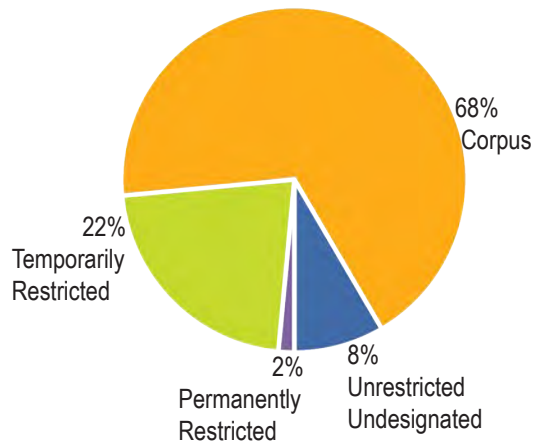


USG Foundation Summarized Statement of Financial Position Excluding Real Estate Foundation LLCs

Assets and Liabilities		
Total Assets		\$6,866,782
	Liabilities	\$ 235,202
	Net Assets	\$6,631,580
Total Liabilities and Net Assets		\$6,866,782

Total Net Assets		
Detail of Net Assets		
	Unrestricted - Undesignated	\$ 559,265
	Unrestricted - Board Designated (Corpus)	\$4,513,196
	Temporarily Restricted	\$1,460,328
	Permanently Restricted	\$ 98,791
Total Net Assets		\$6,631,580

USG Foundation Net Assets



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.

9 colleges and universities in the University System of Georgia.

Georgia Highlands College
Georgia Institute of Technology
Georgia Southern University
Georgia Southwestern State University
Georgia State University

Gordon State College
Kennesaw State University
Middle Georgia State University
Savannah State University
South Georgia State College

University of Georgia
University of North Georgia
University of West Georgia
Valdosta State University



AN EVENING OF

gratitude

THE REGENTS' SCHOLARSHIP GALA 2016



The Regents' Hall of Fame Alumni and Distinguished Friends Award Recipients

(L-R) Dan Amos nominated
by The University of Georgia,
Allan Vigil nominated by
Clayton State University, and
Joel Wernick nominated by
Darton State College
presented by Regent James
M. Hull



The University System of Georgia Foundation established the Regents' Awards for Excellence in Education in 2005 to recognize the contributions and achievements of its students, faculty, alumni and distinguished friends and to raise money for scholarships. Now in its thirteenth year, the Regents' Scholarship Gala, as it is now known, continues this tradition of honoring the USG family's finest while raising unprecedented funds for scholarships.



**The Elridge McMillan
Lifetime Achievement
Award Recipient
Mr. William B. Turner**

Accepting the award on behalf of their grandfather are (L-R) John Martin, McKnight Brown and Jay Brown with Regent Emeritus Elridge McMillan, Regent James Hull, Governor Nathan Deal and Regent Sachin Shailendra.



**The Felton Jenkins, Jr.
Hall of Fame Faculty
Award Recipients**

(L-R) Margaret Baldwin, Richard Deaner, Mei Zhang, Sarah Kuck, Bonnie Ferri, and Vanessa Slinger-Friedman presented by Regent Sachin Shailendra

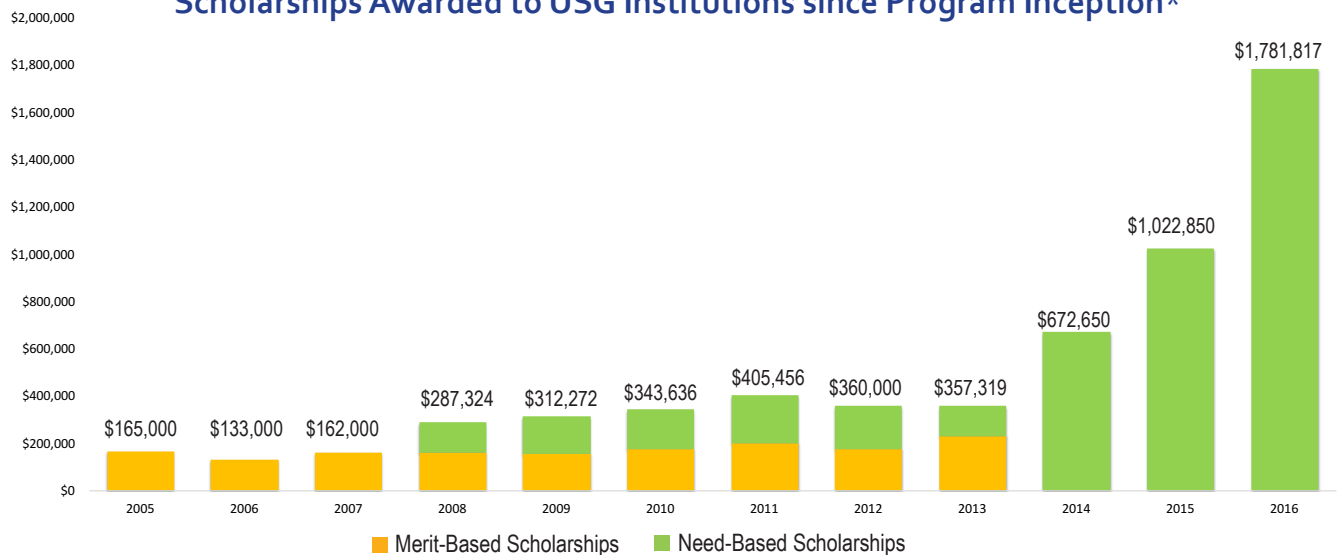


“...on behalf of every student, every scholarship recipient in the state of Georgia, from recipient to donor, from dreamer to believer, I would like to applaud you and say thank you. Your contributions into all of our lives will not go to waste and we hope...we hope we make you proud.”

Timothy Alston
KSU 2017



Scholarships Awarded to USG Institutions since Program Inception*



*These figures do not include future award accruals and expenses.

301,396

Students enrolled
in a USG institution
in Spring 2016

29

Public colleges and
universities in the
University System
of Georgia

AWARDS AND SYSTEM SUPPORT

Cash awards distributed in fiscal year 2016

NEED-BASED SCHOLARSHIP AWARDS

USGF NEED-BASED SCHOLARSHIPS

\$1,160,000

Scholarships awarded to every USG institution for need-based scholarships in the amount of \$40,000. Funding made possible through Gala contributions and the USG Foundation endowment.

JAMES M. HULL NEED-BASED SCHOLARSHIPS

\$75,000

Scholarships in the amount of \$5,000 awarded to individual institutions for need-based aid. Funding made possible through Regent James Hull's contribution to the 2016 Gala.

EARLY COLLEGE SCHOLARSHIPS

\$6,000

Scholarships awarded to 2016 Early College graduates. Funding made possible through designated contributions.

JAMES M. HULL INNOVATIVE EXCELLENCE SCHOLARSHIP

\$1,000

A scholarship awarded to a middle school student who takes first prize in the a robotics competition that encourages interest in the STEM subjects. The award is held on behalf of the student for future assistance to a USG institution. Funding made possible through a gift from James M. Hull.

ELEANOR BOYKIN DAVIS SCHOLARSHIP

\$318

Need-based scholarships awarded to a student attending Armstrong State University. Funding made possible through an endowed gift from Erroll and Elaine Davis.

RUTH HELEN DIEHL STUDENT TEACHER SCHOLARSHIPS

\$9,500

Scholarships awarded to four USG institutions to assist students during their student teaching terms. Funding made possible through a gift from Ms. Darcy Silvia.

NEED-BASED SCHOLARSHIP AWARDS

ELDRIDGE MCMILLAN LIFETIME ACHIEVEMENT AWARD SCHOLARSHIPS

\$22,500

Need-based scholarships awarded to one or more students attending Atlanta Metropolitan State College, Kennesaw State University and Columbus State University (\$7,500 to each institution.) Awards are given in honor of the Elridge McMillan Lifetime Achievement Award recipient. Funding made possible through Gala contributions.

THE GOVERNOR'S REACH SCHOLARSHIPS

\$125,000

Renewable awards of \$2,500 to students who meet the REACH Scholarship requirements to be used at any HOPE-eligible institution. Funding made possible through designated Gala contributions.

CORVIAS CAMPUS LIVING SCHOLARSHIPS

\$500,000

Scholarships awarded to students attending an institution where Corvias Campus Living has developed, managed and maintained student housing as part of a P3 initiative.

FACULTY AWARDS

THE FELTON JENKINS, JR. FACULTY AWARDS

\$30,000

Awards in the amount of \$5,000 given to outstanding faculty selected by a USG Academic Affairs committee. Funding made possible through the Gala and USG Foundation investment income.

SYSTEM SUPPORT

OFFICE OF THE CHANCELLOR

\$60,000

Funds designated for the Chancellor's office to advance the work of the University System. Funding made possible through Gala and private contributions.

45%

Percentage of USG students who receive a Pell grant

\$ 21,145

Median adjusted gross income of USG Pell recipients in 2014-15

FISCAL MANAGEMENT SERVICES

PRIVATE GRANTS

The USG Foundation provides fiscal management for private grants administered by the USG System Office in partnership with USG institutions and USG Education Agency partners. During FY 2016, these grants included:

CREDIT WHEN CREDIT IS DUE

FUNDER: THE LUMINA FOUNDATION

Administered by the USG Office of Educational Access and Success to increase degree attainment in Georgia through policy changes and technical support to award reverse transfer Associate degrees.

COMPLETE COLLEGE GEORGIA PHASE II

FUNDER: THE BILL AND MELINDA GATES FOUNDATION

Administered by the USG Office of Educational Access and Success, the project will develop and begin implementation of a framework which would address policies and issues that impede graduation rates.

HISPANIC/LATINO COLLEGE COMPLETION

FUNDER: THE GOIZUETA FOUNDATION

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

MULTI-STATE NEW MODELS ENGAGEMENT: BUILDING MOMENTUM

FUNDER: THE BILL AND MELINDA GATES FOUNDATION

Administered by the USG Office of Educational Access and Success, the project convened senior academic leaders from ten state systems to establish relationships that would enable increased collaborative understanding of, and approaches to, rapidly emerging opportunities e.g. Massive Open Online Courses (MOOCs) and shared problem-solving and co-development of responses and policy.

NETWORK TO TRANSFORM EDUCATOR PREPARATION

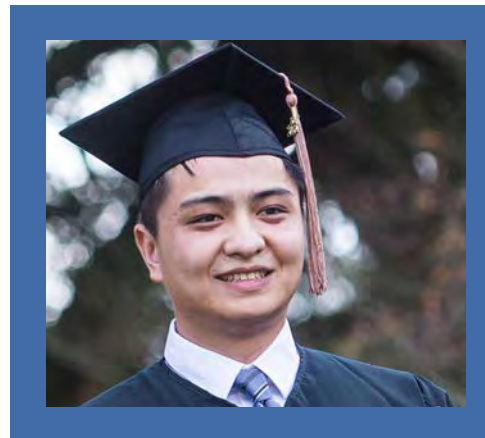
FUNDER: THE BILL AND MELINDA GATES FOUNDATION

Administered by Council of Chief State School Officers in collaboration with the Georgia Department of Education, the Georgia Professional Standards Commission and the University System of Georgia to provide on-going support and continued coordination to advance the state's educator preparation transformation agenda.

WALK GEORGIA AND GEORGIA SHAPE

Funder: THE COCA-COLA COMPANY

Administered by the Georgia Department of Public Health and the University of Georgia this grant uses a two-pronged approach to address childhood obesity and encourage healthy lifestyles through preventive care, disease care, and early intervention.



PROGRAM MANAGEMENT

The USG Foundation provides fiscal management for the USG System Office and USG Education Agency partners. During FY 2016 these accounts included:

THE GOVERNOR'S REACH PROGRAM

Private funds held by USGF on behalf of Georgia Student Finance Commission to ensure that Georgia's academically promising students have the support needed to graduate from high school, access college and achieve postsecondary success.

GEORGIA PUBLIC LIBRARY SYSTEM GLASS

Private funding received to support Georgia's Public Libraries.

THE OFFICE OF THE CHANCELLOR

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

REGENTS' PER DIEM

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

Students across Georgia express their appreciation

“What you have done for me goes beyond a mere financial donation. It has given me the opportunity to reach for the greatness that is within my grasp. Your actions have filled me with the optimism and hope that I can graduate with a degree in electrical engineering. ”

— Jimmie

“I am a senior currently majoring in construction management. I am also a full-time husband, father, employee, and student. I was about \$500 short of the full bill, and I didn't know how I was going to pay it out of pocket on a budgeted income. I didn't know angels blessed people in this form. I am truly grateful. ”

— Anthony

IN APPRECIATION

Scholarships were made possible through gifts from the following donors:

Give

The University System of Georgia (USG) is grateful to all individuals, organizations, and businesses who make generous contributions to our institutions. We appreciate your support of the primary mission of USG to educate our students to become outstanding contributors to society and create a more educated Georgia. Together we will increase degree completion and embrace the concept of "students first". There are many ways to support the University System of Georgia. For more information on how you can make a difference in the lives of current and future students contact our Vice Chancellor of Development Margo Wolanin at 404-962-3056 or via e-mail at margo.wolanin@usg.edu or USG Foundation Executive Director Candace Sommer at 404-962-3057 or via e-mail at candace.sommer@usg.edu.



Margo J. Wolanin Candace C. Sommer

\$250,000

Corvias Campus Living

\$100,000 - \$249,999

PruittHealth
Regent and Mrs. James M. Hull

\$50,000 - \$99,999

Brasseler USA Inc., Regent and Mrs.
Don Waters
Georgia Crown Distributing Company
Georgia Power
SunTrust Bank
Wells Fargo

\$25,000 - \$49,999

PNC Financial Group
Synovus
Total System Services
The University Financing Foundation

\$10,000 - \$24,999

Aflac
Ajax Building Corporation
CDW-G
CISCO Systems
The Coca-Cola Company
CorrectHealth
Alec and Doreen Poitevint
Google
Mr. and Mrs. Rusty Griffin
J. E. Dunn Construction Company
Jones Lang LaSalle
Juneau Construction Company
Lord Aeck Sargent
Doug and Missy MacGinnitie
Mauldin & Jenkins
Dentons
MGM Resorts International
Northside Hospital
Parker Executive Search
Parrish Construction Group
S. G. Evans Law, LLC

\$10,000 - \$24,999 cont.

Darcy Silvia
Troutman Sanders LLP
Regent and Mrs. Richard Tucker
UPS
W.C. Bradley Co.
WellStar Health Systems
The Wilheit Family Foundation

\$5,000 - \$9,999

Steve and Kent Butler
Erroll & Elaine Davis
EBSCO
Mr. and Mrs. Billy Hasty
SG Contracting
Betsy and Ben Tarbutton III

\$1,000 - \$4,999

Anonymous
Ashley Brokerage Company, Inc.
Baker & Taylor
Barbara Brown
Clear Strategy LLC
Joel H. Cowan
Ryan Curry
Regent Larry Ellis
Ex Libris
John and Sherie Fuchko, III
GPALS
Samuel Hollis, Jr.
Hank and Amy Huckaby
IntegralGude
Toby and Christy Krohn
Richard Loftus
Mark Lytle
McGuire Woods
Elridge W. McMillan
Navigator Management Partners
Mark Sanders
Cecil Staton
Regent Kessel Stelling Jr.
Regent Larry Walker
Regent Don Waters
Steve and Lynne Wrigley

\$500 - \$999

Dawn Cooper
Karin Elliott
Kristi Fuss
Christopher McGraw
Sandra Neuse
Regent Neil Pruitt
David Snow
Candace Sommer
Regent T. Rogers Wade
Andrea Wilson

Other Contributions

Georgia Crown Distributing
Company



for the financial assistance they have received.

“ I am forever grateful for the foundation scholarship because it means that someone else has acknowledged and validated my hard work. It means that I can truly rise from anything and any dream is reachable. I will do well to carry out your generous investment. ”

– Kamaria

“ This scholarship is important to me because it shows that people believe in me and want to help me. It is also important because I live in a single parent household. My mom works hard to get my brother and me where we need to be in life to be successful. ”

– Ky Andra

University System of Georgia Foundation, Inc.
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Atlanta, Georgia 30334
www.usgfoundation.org