



USG FOUNDATION

Annual Report

2021

From the Acting Chancellor

Dear USG Foundation supporters,



The impact you have on our students throughout the state truly amazes me. Your generous support of the University

System of Georgia Foundation provides opportunities they otherwise would not have, and can mean the difference between wanting a college degree and being able to attain one.

The past two years have brought enormous challenges, yet did not change the simple fact that students are at the center of

everything we do. They are why we exist, who we serve and at the core of our mission – from the moment they celebrate their admission to the monumental achievement of finishing their degree.

Yet financial barriers can prevent many students from completing a degree or taking part in college experiences that both enrich their education and provide connections that serve them the rest of their lives. That is why we are so grateful for your help.

In Fiscal Year 2021, USG awarded a record 72,929 degrees – the most in our 90-year history. Four-year graduation rates are also rising, up 20% since the groundbreaking Momentum Year initiative began

in 2017 to help first-year students focus on completion.

Tuition increases since 2016 have averaged less than 1% a year (0.75%) with no increase in four of the last six years. Students also now save almost \$49 million annually using no-cost and low-cost online educational resources.

As USG continues to focus on affordability, efficiency and degree attainment, you help us make a difference. On behalf of our students, thank you for all you do to help truly transform their lives.

Sincerely,
Teresa MacCartney
Acting Chancellor, University System of Georgia

From the Chair

Our vision at the USG Foundation is to partner with University System of Georgia leadership, 26 public institutions, and donors to provide resources for a college education that has the power to transform



lives. Our number one priority is to raise funds and awareness and award need-based scholarships for Georgia's students. Student support is key to the pillars of USG's strategic plan of degree attainment, affordability and efficiency – investing in Georgia.

Time and again we have seen individuals and organizations respond to our requests even during these unprecedented times. By giving above and beyond to endowed funds, our generous donors help prepare USG for the future and ensure the continued excellence of the campus and community.

The Foundation is committed and works hard to

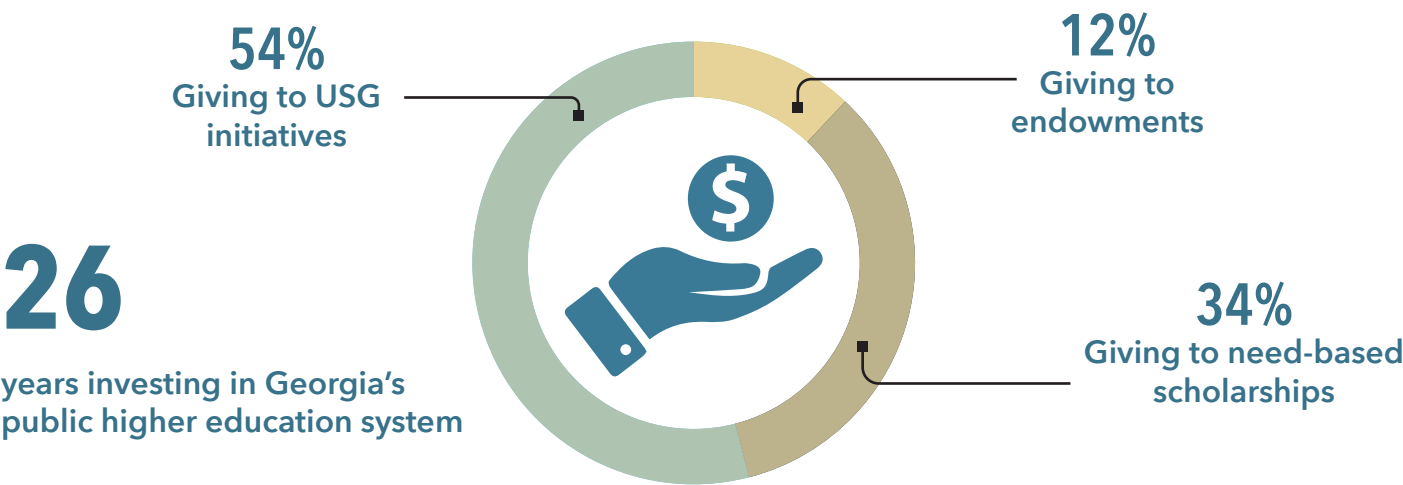
ensure the long-term health of the USG across the state with the power of philanthropy. As we plan for the future, the Foundation will continue to focus on increasing scholarship funding and enhancing professional development, providing capacity-building grants, supporting campus housing projects and expanding the culture of philanthropy.

The USG Foundation is led by an engaged, diverse and dedicated Board of Trustees, as well as diligent staff who devote their time and resources to strengthen public higher education in Georgia. On behalf of the USG Foundation Board of Trustees, we offer our sincere gratitude to Georgia's leaders in support of public higher education. We pay tribute to our philanthropic contributors whose financial support provides opportunities for students to pursue their dreams of attaining a college degree.

Best regards,
Neil L. Pruitt Jr.,
Chairman, USG Foundation Board of Trustees

Year in Review

Each year, loyal donors support the Foundation through gifts of all sizes. These gifts demonstrate their dedication and provide vital resources for a multitude of initiatives and programs. Here is a highlight of the positive impact of your philanthropy.



26
years investing in Georgia's public higher education system

187
donors

\$326,000
raised for Hometown Scholarships

\$886,500
in student need-based scholarship support awarded

\$1,847,000
in gifts and pledges

\$7,072,244
endowment (fair market value)

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Who We Serve

The USG Foundation is committed to advancing the work of the University System of Georgia by maintaining a solid framework of fundraising, professional development, relationship building and financial management. The Foundation accomplishes this by:

- **Providing institutional advancement services, including capacity-building grants and professional development training.**
- **Cultivating donors to provide need-based scholarships to students across USG's institutions.**
- **Managing USG real estate foundations to facilitate financing of capital projects at USG institutions.**
- **Partnering with USG and USG initiatives.**
- **Hosting the annual Regents' Scholarship Gala, an event that raises funds for need-based scholarships.**

Thank you for making an invaluable investment in the lives of students determined to seek an educational degree. This investment is a powerful demonstration of your commitment to the University System of Georgia and to its institutions. It will certainly have a profound impact, not only on the scholarship recipients but also the communities in which they will live and work throughout their lives.



Institutional Advancement: Growing Our Impact

Strong organizations have greater impact.

The USG Foundation recognizes the importance of developing and strengthening resources to survive and adapt in today's challenging environment. Building capacity to optimize services represents a vital part of our strategy.

Capacity building is fundamentally about improving effectiveness, often at the organizational level, impacting sustainability, growing impact and helping a foundation accomplish its mission and goals.

By building the competence and professionalism of an organization, the expected outcome is significantly increasing philanthropic investments from donors to institutional advancement or development offices.

Grants for capacity building may include activities such as increased data analytics, talent strengthening or campaign planning.

Capacity-Building Grants Spotlight

Money from The University Financing Foundation funded our inaugural year of this program.



**Total
grants
awarded:
\$170,000**

**\$85,000 to
Georgia State
University
Foundation**

**\$85,000 to
Gordon State
College
Foundation**

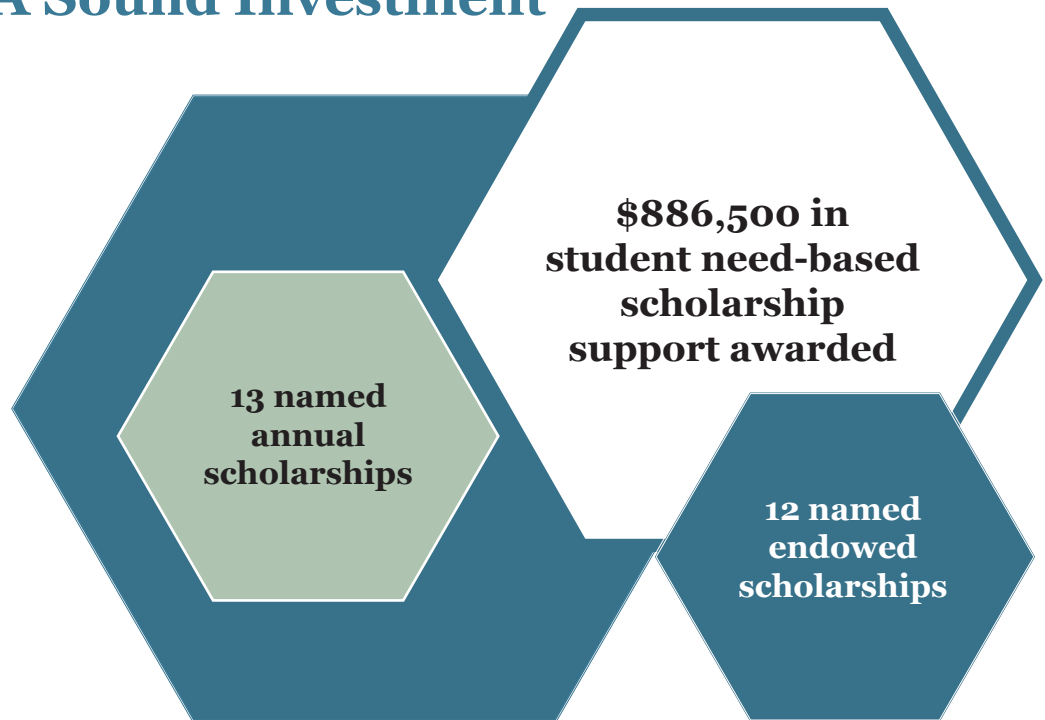
**Investing in
training division
development
officers**

**First capital
campaign
planning**

Scholarships: A Sound Investment

We believe the life-changing benefits of a USG education must be equally available to talented, determined students across the broadest range of socioeconomic backgrounds. **Students can confidently reach their academic goals when benefactors like you support and encourage them with philanthropic contributions towards their educational future.**

Your generosity enriches the academic experience for our students and helps us fulfill this vision and commitment to our students.



An endowed contribution/investment to the Foundation provides the opportunity to serve the current generation and countless generations to come by preserving the principal. By managing the endowment fund to maintain purchasing power over the long term, we can maximize investment return and minimize risk to provide a consistent stream of income to support scholarships.

For every scholarship awarded, there are hundreds more students waiting to make their college dreams a reality. It is our goal to make it possible for deserving students who would not otherwise be able to attend a public college or university anywhere across the state, because it is an investment in Georgia's future.

Capital Productivity and Endowment Returns

73%

growth in the past year

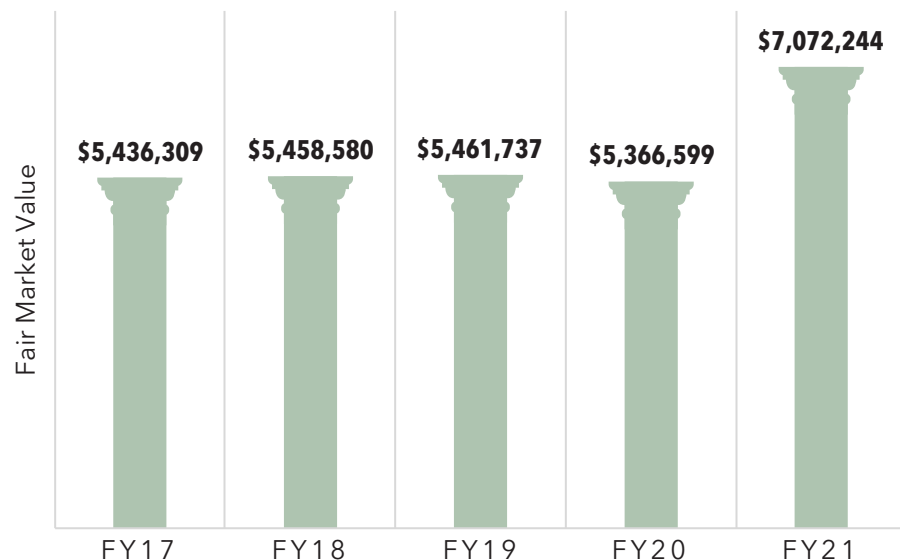
30%

ROI in the past year

31%

growth in the past 5 years

Endowment Results by Year



For more detailed information about our scholarships and endowment portfolio, please view our Scholarship Report at usgfoundation.org/foundation_reports.



My mother was born over 100 years ago in Lagrange, Georgia. Because of the Depression, she had to drop out of college without completing her degree. She learned of the power of education as well as the pain of dropping out. My wife Elaine and I started the Eleanor Boykin Davis Endowment to help as many students as we can to avoid the pain my mother experienced.”

**Erroll and Elaine Davis,
Eleanor B. Davis Endowment donors**



The Wilheit Family Foundation has always had a philanthropic interest in healthcare, education and young people. The USG Foundation provides us with the perfect vehicle to help our foundation meet its objectives. We can achieve all three goals with gifts to the USG Foundation and have total confidence that it will be well managed.”

**Philip and Mary Hart Wilheit,
Hometown Scholarship donors**



Higher education is the gateway to bright futures, fulfilled dreams and, for some, a way forward from generational poverty. There is no greater responsibility nor rewarding opportunity than helping to close gaps and remove barriers for students who have the ambition and qualifications, but not fully the means to start or complete a college education.”

**Kessel D. Stelling Jr.,
need-based scholarships donor**



Real Estate Manager: Innovative Financing Solutions

Our 501(c)(3) operating structure gives the Foundation broad flexibility for achieving financial efficiency and support to USG institutions across Georgia. As a charitable foundation, we provide below-market lease terms to finance expansion or renovation of existing facilities and refinance existing debt through tax-exempt bond financings. The Foundation's focus on partnering with the USG helps maintain a high level of asset management, reporting compliance and extends the life of projects across many campuses to lower overall borrowing costs, which ultimately reduces student fees.

Corporate Structure

USG Real Estate Foundation Manager, LLC (USGREFM) is the parent entity of numerous limited liability company affiliates that own and operate various real estate assets. USGREFM activities include:

- Ownership of real property
- Construction and development of real property
- Management of real property

Smart Growth

USGREFM works in concert with its partners at USG to provide comprehensive real estate solutions that meet the needs of USG end-users in a timely and cost-effective manner. Since its founding in 2008, USGREFM and its 12 LLC affiliates have maintained:



9,965

housing beds



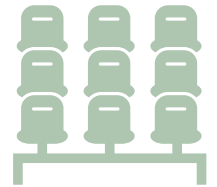
1,642

parking spaces



600,000 ft²

of student centers, bookstores,
theaters and recreation centers



2

stadiums with
18,000 seats



Partnerships: Flexibility for Greater Impact

The Foundation partners with USG to provide fiscal management services to many of USG's initiatives designed to enhance the quality of education and research in Georgia. The Foundation supports these programs with efficient operations, so they focus on furthering the USG strategic plan in increasing their economic impact and competitiveness.

African-American Male Initiative: The AAMI is a systemwide initiative designed to increase the number of African-American males who complete their postsecondary education at a USG institution.

Georgia Film Academy: The Georgia Film Academy is a collaboration of USG and the Technical College System of Georgia created by state leadership to meet education and workforce needs for careers in Georgia's film and creative industries.

\$86,500

to support USG Initiatives

Georgia FinTech Academy: The Georgia FinTech Academy brings together USG and the fintech industry, offering education and training on a wide range of fintech topics and career pathways. The academy's structure allows employers to

partner with multiple institutions, whether in close proximity or elsewhere in Georgia.

Georgia Public Library Service: Libraries make communities better. Georgia's public libraries provide access to movies, music, books, foreign language lessons, career readiness tools, college test prep materials... and a whole lot more. Millions of Georgians enjoy these resources every year, in-person and virtually!

Georgia Archives: The Georgia Archives identifies, collects, provides access and preserves Georgia's historical documents.

Recognizing Outstanding Faculty

Six USG faculty members were honored as 2021 recipients of the Felton Jenkins Jr. Hall of Fame Faculty Award.

\$30,000

to recognize outstanding faculty across the system

This prestigious teaching award recognizes faculty's important contributions to their schools and fields of study and

their strong commitment to teaching and student success. The awardees were:

- **Dr. Kimberly A. Hays**, associate professor, Department of Life Science, School of Arts & Sciences, Dalton State College.
- **Dr. Michele B. Hill**, associate department head and associate professor, Department of Psychological Science, College of Arts & Letters, University of North Georgia.
- **Dr. Caroline L. Munoz**, associate professor, Mike Cottrell College of Business, University of North Georgia.
- **Dr. Arpita Saha**, associate professor, Department of Chemistry and Biochemistry, Georgia Southern University.
- **Dr. Michael F. Schatz**, interim chair and professor, School of Physics, College of Sciences, Georgia Institute of Technology.
- **Dr. Julie D. Stanton**, associate professor, Department of Cellular Biology, Franklin College of Arts and Sciences, University of Georgia.



Community Spotlight: Regents' Scholarship Gala

This premier event is Georgia's largest celebration recognizing its students and faculty, as well as individuals who make a true difference in the lives of students.

Distinguished guests include the Governor, the Board of Regents, the Chancellor, presidents of the colleges and universities within the University System of Georgia, and corporate and community leaders.

The Foundation has set increasing need-based scholarship aid to USG-bound students as our number one priority and raised more than \$17 million over the past 17 years.

Students assisted by generous donors with scholarship funding are each grateful for the gift of higher education.

We're committed to making postsecondary success possible for students, and we're thrilled if you can join us in making that a reality for thousands of Georgia students statewide.

\$625K

raised for need-based
scholarships during the
2021 gala



USG Foundation Board Chairman Neil L. Pruitt Jr. presented the Elridge McMillan Lifetime Achievement Award to Governor Brian Kemp for his leadership and service to public higher education and the state of Georgia. This is the highest honor the USG Foundation bestows.



The Foundation recognized the following recipients of the Regents' Hall of Fame Alumni and Distinguished Friends Award. This award is presented to outstanding alumni and friends for their dedicated service and support to a USG institution:

- **Lt. Gen. Leslie C. Smith**, nominated by Georgia Southern University.
- **Rep. Calvin Smyre**, dean of the Georgia House, nominated by Fort Valley State University.
- **Larry Thompson** and **Dr. Brenda A. Thompson**, nominated by the University of Georgia.
- **Daniel White**, nominated by Gordon State College.

“The gala offers an opportunity to celebrate excellence in many forms at the University System of Georgia. The celebration is centered on our students and the positive impact their college experiences are making on their lives today and will continue to make on their future endeavors. For 17 years, the gala has supported USG’s mission by generating funds for need-based scholarships through the unwavering generosity of our donors who make this possible.”

**USG Foundation Board
Chairman Neil L. Pruitt Jr.**



“As alumni and parents of one graduate and two current University System of Georgia students, Marty and I will always value the role USG plays in keeping our state the best place in the nation to live, work, and raise a family. We are also grateful for those who have generously contributed to scholarships, which help more Georgians pursue their higher education goals.”

Georgia Governor Brian Kemp



“The good work of the University System of Georgia Foundation provides students with opportunities that can mean the difference between wanting a college degree and being able to attain one. I’m grateful to all our alumni, donors, faculty and friends including Governor and First Lady Kemp for their generosity and support. It makes all the difference for students seeking a world-class education.”

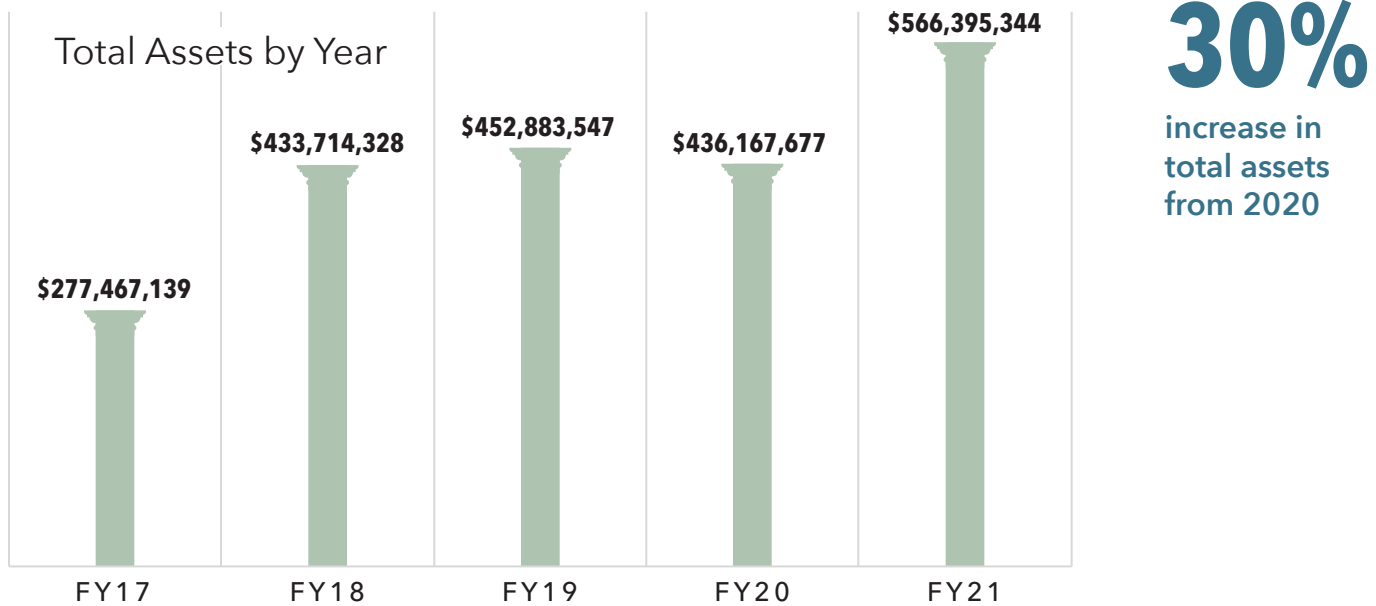
**Acting USG Chancellor
Teresa MacCartney**



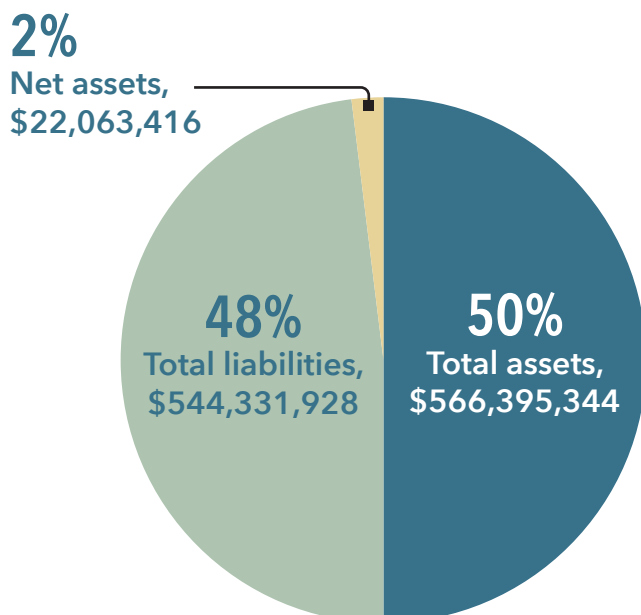
Financial Highlights

Thanks to the hard work and generosity of so many, 2021 was a very impactful year. We were able to raise more money, send more money to the institutions, and change more lives than ever before. With the ability to operate with flexibility and being financially resilient, we can continue to influence and impact generations of students and communities. By targeting strategic growth, we can expand the impact of our mission and emerge on a stronger footing from today's challenges.

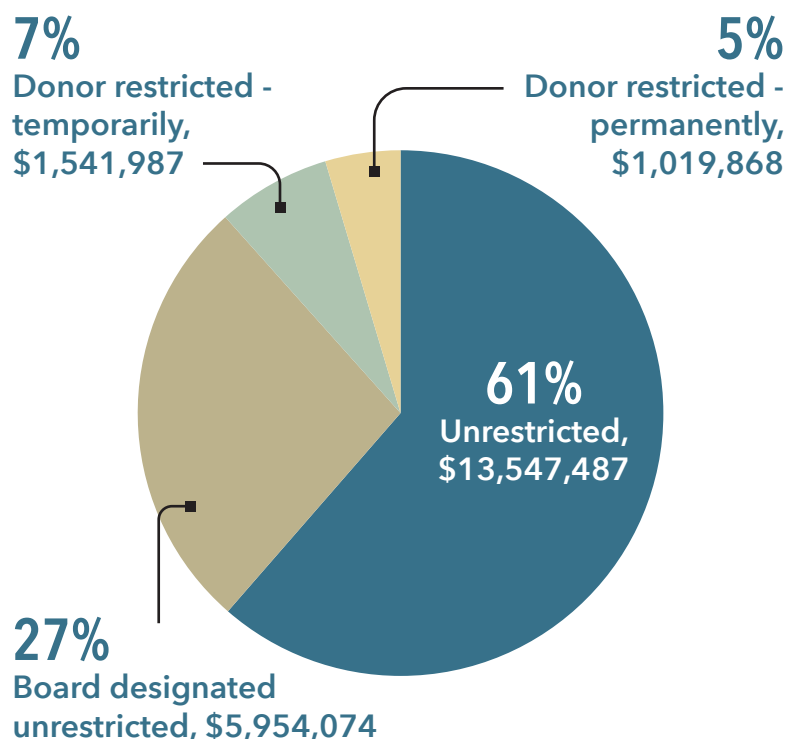
Statement of Financial Position



Breakdown of Statement of Financial Position

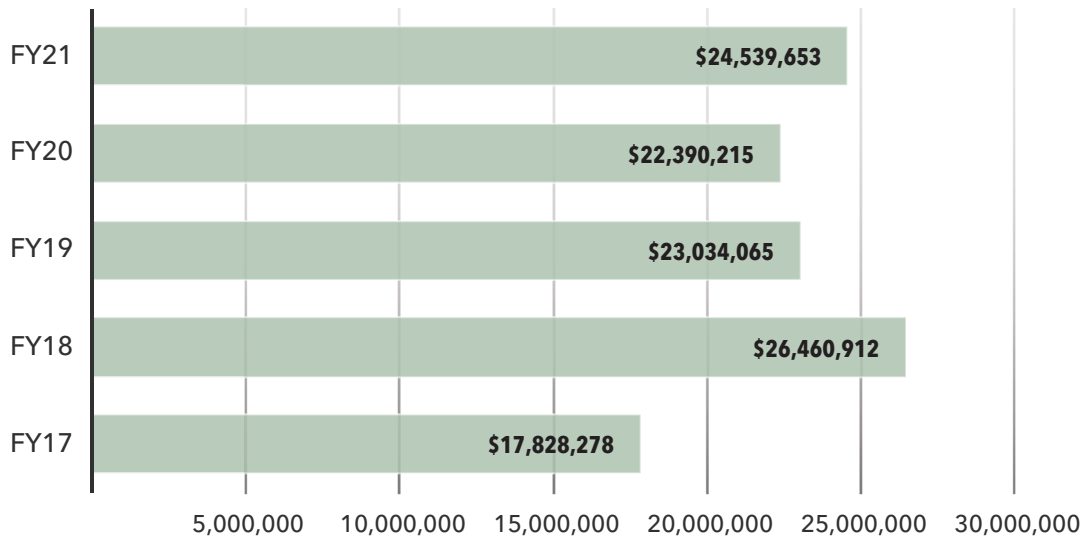


Breakdown of Net Assets



Statement of Revenues and Expenses

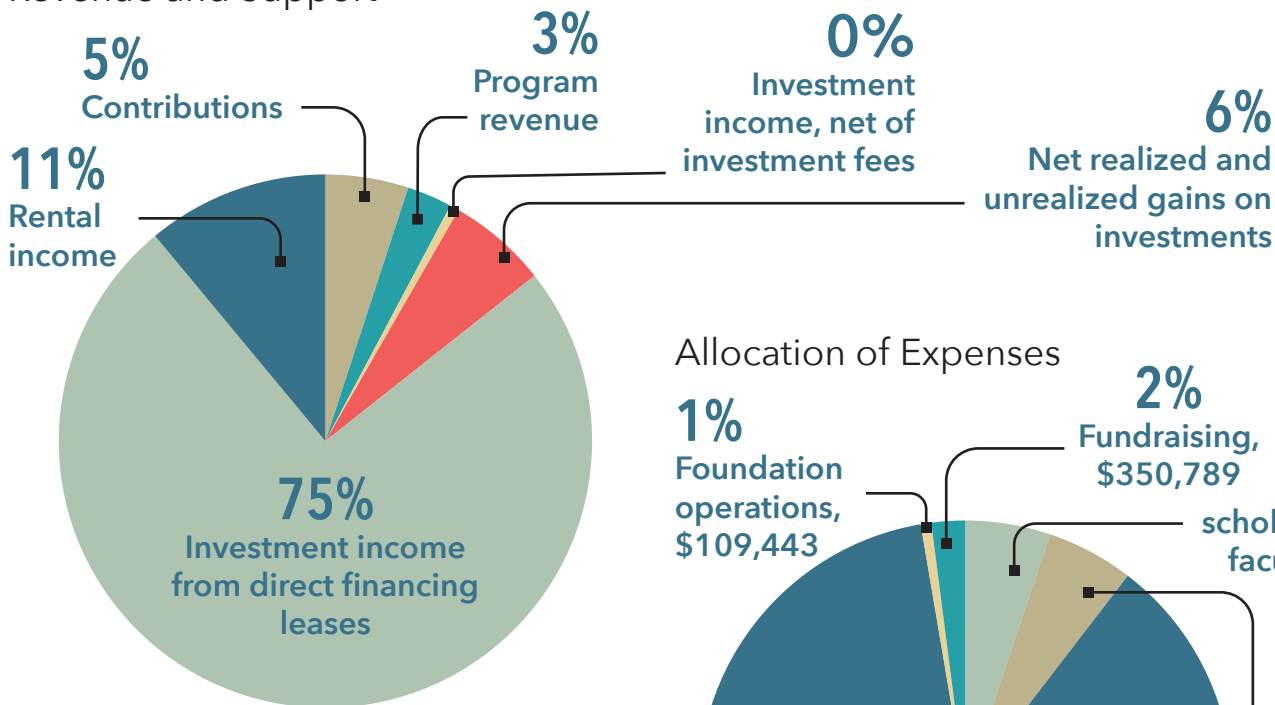
Revenue by Year



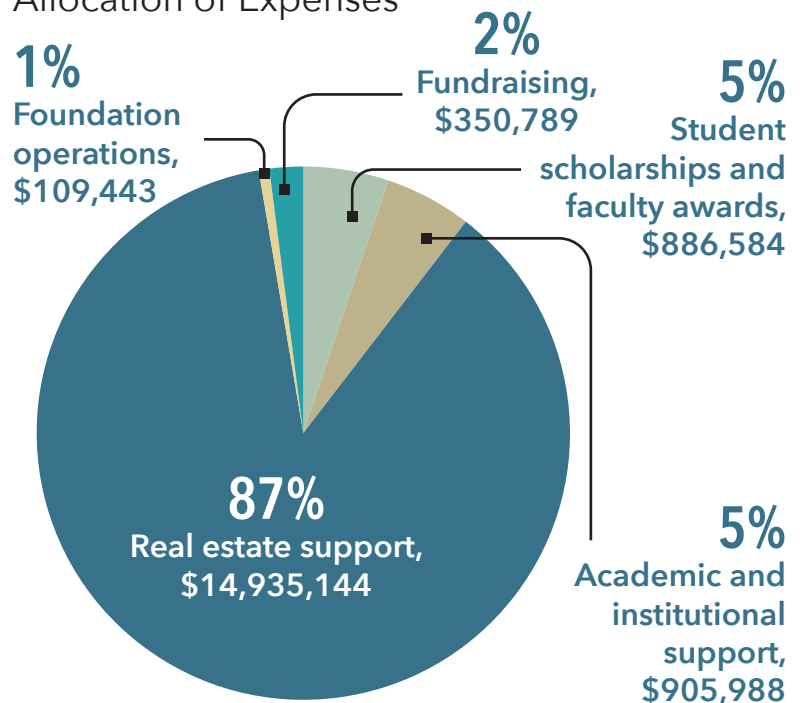
8%

increase
from 2020

Revenue and Support



Allocation of Expenses



For more detailed information about our financial position, please view our audited financial statements at usgfoundation.org/foundation_reports.

Board of Trustees



**Neil L.
Pruitt Jr.,
Chairman**



**Teddy
Russell,
Vice Chair**



**Ty
Smith,
Treasurer**



**Kirby A.
Thompson,
Secretary**



**Philip A.
Wilheit Sr.,
USGREFM President**



**George
Brooks**



**Roy Dallis "D"
Copeland Jr.**



**Walt
Ehmer**



**Cade
Joiner**



**Steven L.
Kruger**



**Donald
Leebern III**



**Jere
Morehead**



**Sarah-Elizabeth
Langford Reed**



**John W.
Robinson III**



**Pete
Robinson**



**Rodney K.
Sanders**



**T. Dallas
Smith**



**Elizabeth A.
Terrell**



**Don L.
Waters**



**Steve W.
Wrigley,
Former Chancellor**

Staff



Karen McCauley,
*Vice Chancellor for
Development*



Christina Paloski, CPA,
*Director of Finance and
Operations*



**Jaime Cloud, Executive
Assistant/Assistant to
Secretary to the Board**



Lawanda Coleman,
Accountant

How You Can Help



The Foundation offers a variety of convenient giving options to accommodate donors' philanthropic interests:

- **Provide unrestricted support, allowing your gift to be used where it is most needed.**
- **Fund an annual scholarship.**
- **Support financial aid advising.**
- **Establish a permanent endowed fund.**
- **Create a legacy gift through the Scholars Circle.**

One-hundred percent of contributions to scholarship funds goes directly to students. The Foundation does not charge a fee to manage scholarship funds.

Visit usgfoundation.org/give to make a donation. You can donate one time or set up a recurring gift. If you are interested in a specific program, program designations are available. Donations can also be made in honor or member of a friend or loved one.

USG FOUNDATION

SERVING THE UNIVERSITY SYSTEM OF GEORGIA

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facebook.com/universitysystemofgeorgiafoundation

The University System of Georgia Foundation, Inc. was established in 1995 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.