



THE UNIVERSITY SYSTEM OF GEORGIA FOUNDATION

2017 Annual Report

BOARD OF TRUSTEES

Philip A. Wilheit, Sr.
Chairman

Wilheit Packaging
P.O. Box 111
Gainesville, Georgia 30503

Don L. Waters
Vice Chair

Waters Capital Partners, LLC
200 E. St. Julian St., Suite 100
Savannah, GA 31401

Kirby A. Thompson
Secretary

SunTrust Bank
1155 Peachtree Street, NE
Suite 900
Atlanta, Georgia 30309

Ty Smith
Treasurer

PNC Capital Markets LLC
1075 Peachtree Street NE
Suite 1800
Atlanta, Georgia 30309

Chancellor
Steve W. Wrigley

(ex officio)
University System of Georgia
270 Washington Street, SW
Atlanta, Georgia 30334

Lynne R. O'Brien, Esq.
Development Chair

The Coca-Cola Company
One Coca-Cola Plaza
Atlanta, Georgia 30313

Roy Dallis "D" Copeland

Synovus
P.O. Box 120
Columbus, Georgia 31902

Danena Gaines

Cambridge Systematics, Inc.
730 Peachtree Street
Suite 500
Atlanta, GA 30308

R. A. "Rusty" Griffin

Griffin Corporation
3821 Skipper Bridge Road
Valdosta, Georgia 31605

William G. "Billy" Hasty, Jr.

Hasty Pope
211 East Main Street
Canton, Georgia 30114

James M. Hull

Hull Property Group
P.O. Box 204227
Augusta, Georgia 30917

Steven L. Kruger

L.E Schwartz & Son, Inc.
279 Reid St. P.O. Box 4223
Macon, GA 31208

Donald M. Leebern III

Georgia Crown Distributing Co.
P.O. Box 308
McDonough, Georgia 30253

Doug MacGinnitie

River Oak Risk
3300 Cumberland Boulevard,
Suite325
Atlanta, Georgia 30339

Neil L. Pruitt, Jr.

PruittHealth
1626 Jeurgens Court
Norcross, Georgia 30093

James R. Robinson

Barnes & Thornburg LLP
3475 Piedmont Road N.E.
Suite 1700
Atlanta, Georgia 30305-332

Pete Robinson

Troutman Sanders LLP
Suite 5200
600 Peachtree Street NE
Atlanta, Georgia 30308-2216

Sachin Shailendra

SG Contracting
1760 Peachtree St., NW
Suite 100
Atlanta, Georgia 30309

Elizabeth A. Terrell

UPS Customer Solutions
12380 Morris Road
Alpharetta, GA 30005



STAFF

Candace Sommer

Executive Director
270 Washington St. SW
Suite 7005
Atlanta, GA 30334

Christina Paloski

Director of Business Services
270 Washington St. SW
Suite 7005A
Atlanta, GA 30334

Ben Riden

Assistant Treasurer (Part-time)
270 Washington St. SW
Atlanta, GA 30334

MESSAGE FROM THE CHAIRMAN

Friends of the USG Foundation,

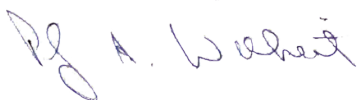
The USG Foundation is dedicated to supporting the work of the University System of Georgia in providing an affordable, quality college education to literally hundreds of thousands of students each year. The USGF Board of Trustees supports this work in many ways, but most significantly in the area of need-based scholarships. The USG Foundation raised more than \$1,494,747 through the Regents' Scholarship Gala and other contributions. Additionally, the Foundation created three new endowments to bring the total endowment portfolio value to \$5,517,862 by the end of the fiscal year. These endowments will provide additional scholarship funds for many years to come.

The USG Foundation also expanded its work in providing support to campus real estate development. A Real Estate Manager Board was formed to better "manage" the Foundation's real estate ventures and investments. Additionally, the Board applied for and was accepted to receive a USDA loan to acquire housing on the Fort Valley State University campus. In the end, student fees remain lower when we are able to keep housing costs down.

The USG Foundation annual report provides detailed information about the Foundation's scholarship awards and endowments, our real estate work, and highlights the Regents' Scholarship Gala. This annual gala is the primary fund-raiser for the Foundation and provides an occasion to recognize outstanding faculty, alumni and friends, and honor a lifetime servant of higher education. It is also our "An Evening of Gratitude" and our chance to thank our very generous sponsors and supporters of higher education.

It is with great pleasure that I present to you the 2017 University System of Georgia Foundation Annual Report and to acknowledge those who gave so generously to the USG Foundation this year. I sincerely thank you for your interest in and support of higher education in Georgia.

Sincerely,



Philip A. Wilheit Sr.
FY17 Chairman



Mary Hart and
USGF Chair Philip Wilheit

GIVE NOW

It is an honor to serve as the Chairman of the 2017 USG Foundation and as a member of the Board of Regents. We know that education is important—that the economic vitality of our state is dependent on a well-educated workforce.

Please join Mary Hart and me in giving to the USG Foundation so that all deserving students can earn a college degree.

For more information on how you can make a difference in the lives of current and future students, contact the USG Foundation at 404-962-3058 or email Christina Paloski at christina.paloski@usg.edu. You can also visit our website at www.usgfoundation.org to learn more about our organization and how you can support this important work.

On behalf of Georgia's students, we thank you for your support.

REAL ESTATE MANAGER

In August 2008, the USG Foundation Board of Trustees created three LLC subsidiaries as a means of bundling construction projects on the USG campuses to achieve the savings associated with larger bond financings. These LLCs are USG Real Estate Foundation I, LLC (LLC I); USG Real Estate Foundation II, LLC (LLC II) and USG Real Estate Foundation III, LLC (LLC III,) of which the USG Foundation was the sole member. All of the projects have a ground lease/rental agreement arrangement and bonds issued by the Georgia Higher Education Facilities Authority (GHEFA). In 2017, the LLCs were comprised of 13 GHEFA projects on 11 campuses at a value of close to \$271 million.

In Fiscal Year 2017, the USG Real Estate Foundation IV, LLC (LLC IV), another LLC whose sole member is the Foundation, acquired housing at Fort Valley State University. The project was acquired at approximately \$41 million through short-term bond financing and a 20-year federal USDA loan at 2.75% interest rate with a ground lease/rental agreement arrangement.

Also in Fiscal Year 2017, the Board of Trustees created a separate Real Estate Manager board to manage the LLC projects. Members of the board are appointed by the full USG Foundation board and serve a 3-year term.

The University System of Georgia Foundation, Inc. and Affiliates are comprised of the USGF, USGREF Manager, LLC, and the following real estate foundations:

USG Real Estate Foundation I, LLC \$75,457,058

Albany State College (West Campus)
Dalton State Foundation
Fort Valley State University
Georgia College & State University
Kennesaw State University (Marietta Campus)
University of North Georgia (Gainesville Campus)

USG Real Estate Foundation II, LLC \$90,591,810

Bainbridge State College
Columbus State University
Kennesaw State University (Marietta Campus)

USG Real Estate Foundation III, LLC \$64,182,217

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

USG Real Estate Foundation IV, LLC \$40,870,630

Fort Valley State University



USG INSTITUTIONS

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
East Georgia State College
Fort Valley State University
Georgia College & State University
Georgia Gwinnett College
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

FINANCIALS - AS OF JUNE 30, 2017

USG Foundation Statement of Activities Including the Real Estate Foundation LLCs

REVENUES AND OTHER SUPPORT

Regents' Event and Other Contributions	\$1,494,747
Donated Services and Materials	7,503
Registration Fees and Other Income	64,002
Service Contract Revenue	500,000
Management Fee Income	22,391
Investment Income	99,123
Net Realized and Unrealized Gain on Investments	488,834
Investment Income from Direct Financing Leases	13,591,837
Rental Income	1,568,333
Total Revenue and Other support	\$17,836,770

EXPENSES

Scholarships and Awards	\$ 1,587,667
R & D Programmatic Grants	751,451
USO & BOR Support	154,190
Real Estate Support	13,009,267
General & Administrative	140,109
Fundraising	404,691
Total Expenses	\$16,047,375

Change in Net Assets	1,789,395
NET ASSETS, BEGINNING	(334,207)
NET ASSETS, ENDING	\$1,455,188

USG Foundation Statement of Financial Position Including the Real Estate Foundation LLCs

ASSETS

Cash and Cash Equivalents	\$ 895,129
Agency Fund Assets	890
Pledges and Grants Receivable	33,096
Investments	5,436,309
Net Investments in Direct Financing Leases	257,423,273
Assets Limited as to Use	13,678,442
Total Assets	\$277,467,139

LIABILITIES AND NET ASSETS

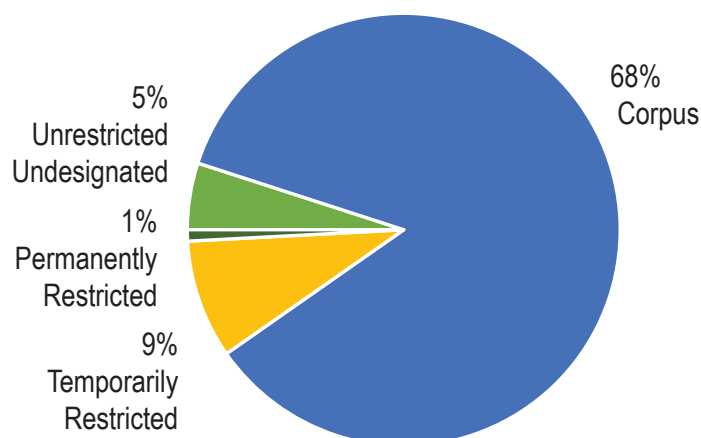
Accounts Payable	\$ 73,634
Scholarships Payable	46,000
Agency Funds Payable	890
Bonds Payable, Net	235,738,309
Bonds Anticipation Note Payable, Net	39,595,688
Accrued Interest Payable	557,430
Total Liabilities	\$ 276,011,951
Total Net Assets	1,455,188
Total Liabilities and Net Assets	\$277,467,139

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

Assets and Liabilities	
Total Assets	\$6,365,424
Liabilities	\$ 120,524
Net Assets	\$6,244,900
Total Liabilities and Net Assets	\$6,365,424

Total Net Assets	
Detail of Net Assets	
Unrestricted - Undesignated	\$ 296,242
Unrestricted - Board Designated (Corpus)	\$5,071,177
Temporarily Restricted	\$ 527,494
Permanently Restricted	\$ 349,987
Total Net Assets	\$6,244,900

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.

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

AN EVENING OF
gratitude
Save the Date

FRIDAY, MARCH 31, 2017
 THE ST. REGIS ATLANTA

The University System of Georgia (USG) 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 fourteenth 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 awards ceremony is the cornerstone of an evening of gratitude that invites the many corporate and community leaders who recognize the importance of a quality, affordable college education. The Chancellor and presidents of the colleges and universities, along with the Regents, Trustees and senior staff come together for a night of networking to show their appreciation to those who are making a college education possible for so many students in Georgia.



USGF Chair and program host Regent Philip Wilheit

2017 Felton Jenkins, Jr. Hall of Fame Faculty Award Recipients



David M. Collard
 Georgia Institute of Technology



Stephen Raynie
 Gordon State College



Miriam Segura-Totten
 University of North Georgia



Anissa Lokey Vega
 Kennesaw State University



Jennifer Brown
 Columbus State University



Hillary H. Steiner
 Kennesaw State University



2017 Regents' Hall of Fame Alumni and Distinguished Friends Award Recipients



Thomas W. Dortch, Jr.
 Fort Valley State University



James Joseph Edwards, Sr.
 Gordon State College



Jerry Jennett
 Valdosta State University



John and Marilyn McMullan
 University of Georgia

Henry "Hank" M. Huckaby is named the 2017 Recipient of the Elridge McMillan Lifetime Achievement Award



Hank Huckaby was awarded the 2017 Elridge McMillan Lifetime Achievement Award for his extraordinary leadership and service to higher education.



Alumna and former scholarship recipient Ms. Malisa Cawood, a graduate of Dalton State College and Georgia State University



Scholarship recipient LaDarius Scott, a student at Augusta University, and his mother Tashun Scott



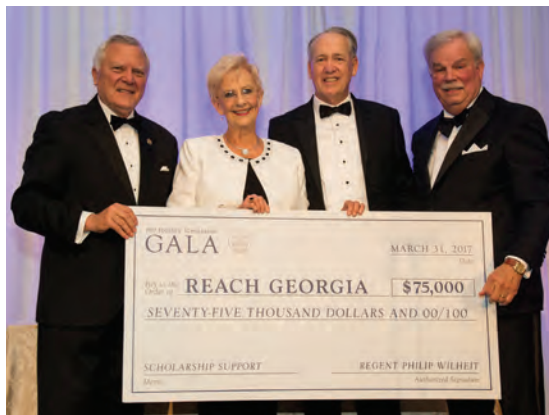
Award presenter and Board of Trustees member Elizabeth Terrell.



Chancellor Steve Wrigley



Governor Nathan Deal



Governor Nathan and First Lady Sandra Deal accept a contribution for REACH Georgia from Regents James Hull and Philip Wilheit.



Hank and Amy Huckaby present LaDarius Scott with the first Henry "Hank" M. and Amy Huckaby Endowed Scholarship during the Regents' Scholarship Gala awards ceremony.

SCHOLARSHIPS AND SYSTEM SUPPORT

NEED-BASED SCHOLARSHIP AWARDS

USGF Need-Based Scholarship

\$924,0000

Scholarships awarded to every USG institution for need-based scholarships in the amount of \$33,000.

Funding made possible through Gala contributions and investment-generated revenue.

James M. Hull Need-Based Scholarship

\$125,000

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 2017 Gala.

Early College Scholarships

\$4,000

Scholarships awarded to 2017 Early College graduates.

Funding made possible through designated contributions.

Henry M. "Hank" and Amy Huckaby Endowment Scholarship

\$1,000

A scholarship awarded to a student demonstrating financial need.

Funding made possible through designated contributions.

Eleanor Boykin Davis Endowment Scholarship

\$5,613

Need-based scholarships awarded to a student attending Armstrong State University.

Funding made possible through an endowed gift from Erroll and Elaine Davis.

Elridge McMillan Lifetime Achievement Award Scholarship

\$30,000

Need-based scholarships awarded to one or more students attending Atlanta Metropolitan State College, Kennesaw State University, Columbus State University and Georgia 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 Program Scholarship

\$68,750

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.

The Corvias Scholarship

\$500,000

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

Cash awards distributed in fiscal year 2017

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.



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 2017, 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.

PRIVATE GRANTS

New Teacher Assistance Grant Mentoring Project

Funder: Georgia Power

Administered by the USG Educator Preparation and Policy (EPP) Team, an electronic mentoring program for the 2016-2017 New Teacher Assistance Grant (NTAG) teachers was developed. The EPP Team identified and trained master classroom teachers and educational leaders who mentored the new teachers through this platform and conducted a survey.

PROGRAM MANAGEMENT

The USG Foundation provides fiscal management for the USG System Office. During FY 2017 these accounts included:

Georgia Film Academy

Private funding received to support the Georgia Film Academy.

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.



ENDOWMENTS

The USG Foundation welcomes contributions to support existing endowments or to establish a new endowment. Donors may direct their endowment to fund a scholarship or other program in perpetuity.

The Eleanor Boykin Davis Endowment

Established: 2013
Value: \$120,233*
Intent: To provide scholarships for a student each year attending a USG institution.

The Elridge McMillan Endowment

Established: 2017
Value: \$136,387*
Intent: To provide need-based scholarships to one or more students attending a USG institution.

The Henry M. "Hank" and Amy Huckaby Endowment

Established: 2017
Value: \$168,811*
Intent: To provide need-based scholarships to one or more students attending a USG institution.

The Dr. Isaac J. Crumbly CDEP Legacy Endowment

Established: 2017
Value: \$36,656*
Intent: To provide scholarships for students at Fort Valley State University enrolled in the CDEP dual degree program.

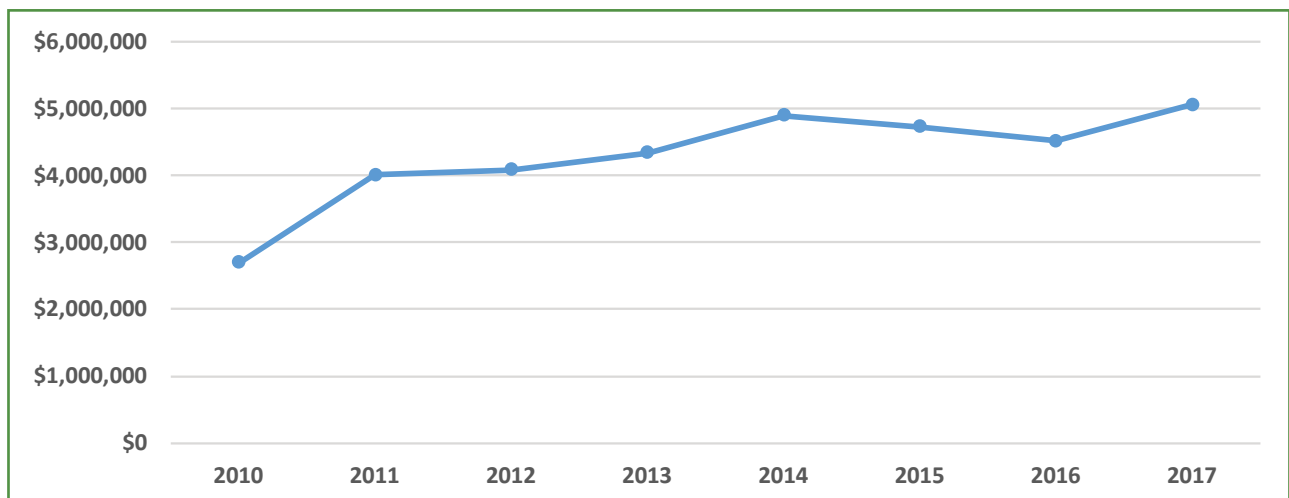
* Value as reported as of June 30, 2017

The University System of Georgia Foundation Quasi-Endowment

Established: 2007
Value: \$5,055,775*
Intent: To provide scholarships for students facing financial barriers at all USG institutions. The amount of the awards is determined annually by the Board of Trustees.



THE UNIVERSITY SYSTEM OF GEORGIA FOUNDATION QUASI-ENDOWMENT INVESTMENT PERFORMANCE*



*Figures include funds withdrawn annually according to the guidelines of the USG Foundation spending policy.

IN APPRECIATION

Scholarships awarded this year and for years to come were made possible through the following donors who contributed to the Regents' Scholarship Gala, a designated fund or to an endowment.

\$250,000

Corvias

\$100,000 - \$249,000

Georgia Power

Regent and Mrs. James M. Hull

PruittHealth

\$50,000 - \$99,999

Georgia Crown Distributing Company

SunTrust Bank

Mr. and Mrs. Don Waters

\$25,000 - \$49,999

PNC Financial Services Group

Synovus

The University Financing Foundation

Wells Fargo

Regent and Mrs. Philip Wilheit, Sr.

\$10,000 - \$24,999

Aflac

Ajax Building Corporation

Carroll Daniel Construction Company

CDW-G

Cisco Systems

The Coca-Cola Company

Coca-Cola North America

Stacey and Andrew Evans

Regent Rusty and Barbara Griffin

Hendessi & Associates

Hunt Development Group, LLC

J. E. Dunn Construction Company

Jones Lang Lasalle

Juneau Construction Company

Lord Aeck and Sargent

Missy and Doug MacGinnitie

MAG Mutual Foundation, Inc.

Mauldin and Jenkins

Northside Hospital

Parker Executive Search

Alec and Doreen Poitevint

The Shailendra family

TIAA

Total System Services, Inc.

Troutman Sanders LLP

Regent Richard and Peggy Tucker

UPS

W.C. Bradley Company

WellStar Health Systems

\$5,000 - \$9,999

Erroll and Elaine Davis

Regent Donald M. Leeburn, Jr.

Betsy and Ben Tarbutton III

Regent Richard L. Tucker

Steve and Lynne Wrigley

Jimmy Yancey

\$1,000 - \$4,999

ABAC Foundation

Anonymous

Baker & Taylor

Mr. and Mrs. Baranco

Mark Becker and Laura Voisinet

Linda and Carl Bleicken

Robert and Joyce Boehmer

Dr. Barbara L. Brown

Dr. Kelli Brown

Dr. Max and Lora Burns

CAPCommunity Foundation

Dr. Richard Carvajal

The Coca-Cola Foundation

Dawn Cooper

Joel H. Cowan

Sheena Davis

Dr. Steve and Carla Dorman

Ginger Durham

EBSCO

Karin Elliott

John and Sherie Fuchko, III

Robert Hatcher

Dr. Jaimie Hebert

Dr. and Mrs. Tommy Hopkins

Dr. Thomas Hynes, Jr.

Joyce Jones

Paul and Sylvia Jones

Brooks Keel and Tammie Schalue

Toby and Kristy Krohn

Richard Loftus

Dr. Kyle Marrero

Christopher McGraw

McGuire Woods

Eric McIntyre

Mr. Jere Morehead

Sandra Neuse

Charles and Colleen Patterson

Merryll S. Penson

G.P. "Bud" and Valerie H. Peterson

Stanley and Jan Preczewski

Regent Neil Pruitt

\$1,000 - \$4,999

Dr. Stuart and David Rayfield

Raymond James

Mark Sanders

Savannah State University Foundation

Lashondria Scott

South Georgia State College Foundation

David Snow

Regent Kessel Stelling Jr.

Elizabeth Terrell

Regent Richard Tucker

Marti Venn

Regent C. Rogers Wade

Regent Larry Walker

Regent Don Waters

Andrea Wilson

Joel Wooten

\$500 - \$999

Albany State University Foundation

Dr. Christopher and Melody Blake

Booster LLC

Sue Ryung Chang

Cheryl Dozier

Arthur N. Dunning

Marion Fedrick

Toby Graham

Patrick Harris

Tracy Ireland

Thomas and Sharon B. Jackson

Dr. Bonita Jacobs

Steven Kruger

Tom and Susan Landrum

Vivian O. Lewis

Dr. Gary McGaha

Elridge W. McMillan

Lynne O'Brien

Sam and Lisa Olens

Greg Parker

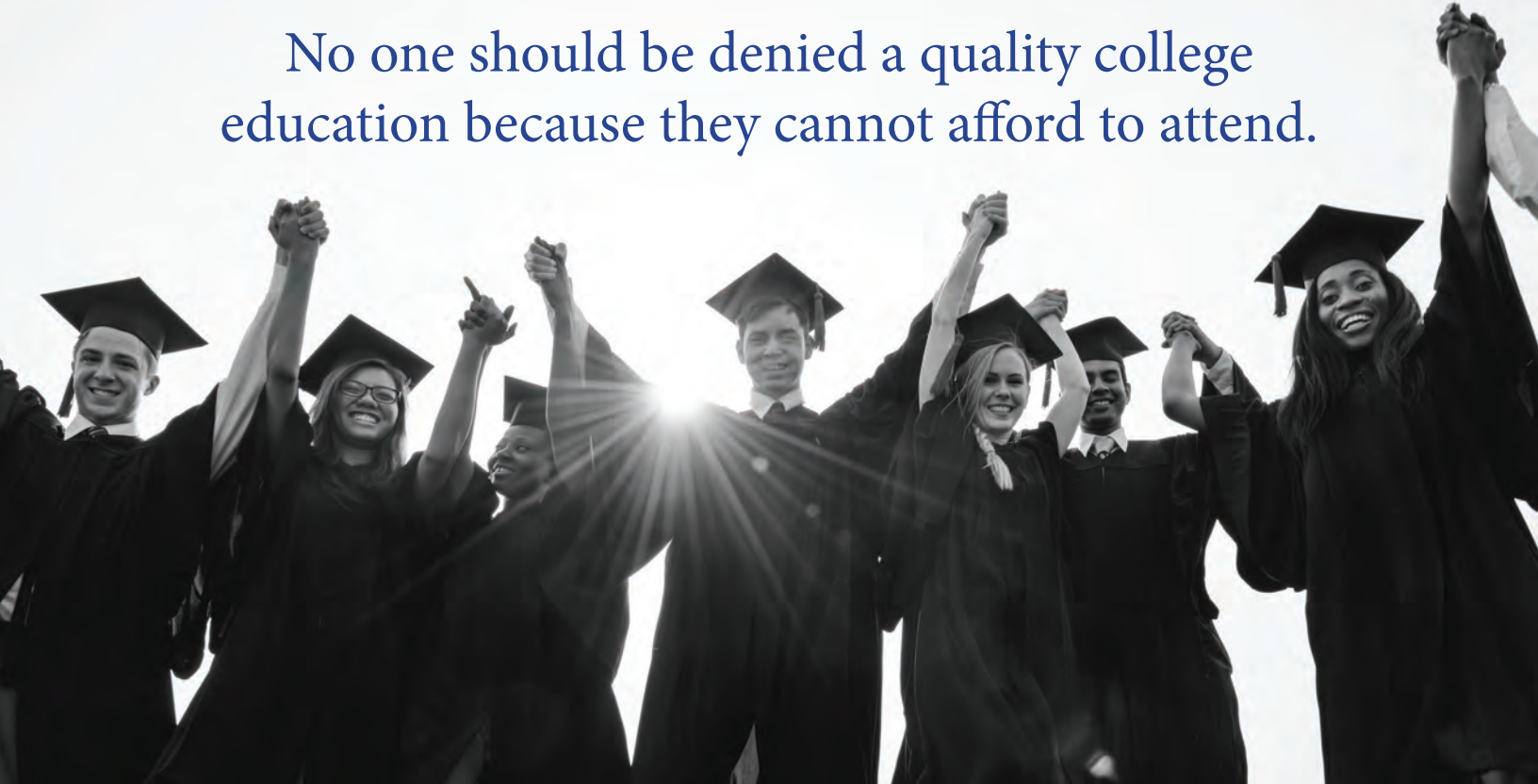
Candace Sommer

Dr. Ingrid Thompson-Sellers

Dr. Margaret Venable

A special note of appreciation to all USG institutions for their contributions of \$1,000 to the Regents' Scholarship Gala 2017.

No one should be denied a quality college education because they cannot afford to attend.



University System of Georgia Foundation, Inc.
270 Washington St. SW
Atlanta, Georgia 30334
www.usgfoundation.org