

GEORGIA BAPTIST FOUNDATION, INC.

Annual Report 2010-2011

PARTNERS *In The Harvest*

*“This Christian Ministry is Mandated by the Scripture,
Authorized by the Georgia Baptist Convention,
Chartered by the State of Georgia,
Directed by an Elected Board of Ten Trustees,
and Managed by an Executive Staff”*



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FROM THE PRESIDENT



The Georgia Baptist Foundation completed its fiscal year ending 6/30/2011 in excellent financial condition. Our recently completed audit was, as usual, clean and resulted in an unqualified opinion. While economic growth remained slow, unemployment high, and with either inflation or a double-dip recession looming, the Foundation's investment returns for the year ending June 30 were excellent. Our equity portfolio earned a 39.3% for the twelve months ending June 30th. Our fixed income portfolio generated a very healthy 4.82%, quite nice for a bond market mired in uncertainty. The weighted average annual return for the total portfolio was a robust 23.90%. Of equal importance to this one-year return is the fact that our five year average return is headed towards its historical norm, supporting continued income payout at the desired rate.

The year was a resounding success from the perspective of development, also. Despite the weak economic times, new accounts and additions to exist-

ing accounts for the same period totaled over \$8,000,000, which is exactly in line with our long term average. Georgia Baptists, as always, remain faithful even in the tough times!

The effect of both of these taken together was that total assets at June 30th rose to \$279,558,260, up from \$239,923,210 at the same time in the prior year.

We added two new money managers in the past year, bringing the total to seven. We are strengthening our strategy by bringing in new asset classes and adding resources in existing ones. All of our managers continue to work in the top two quartiles of their peer groups, while remaining at or above their respective benchmarks.

We continue to do the work of the Foundation with our existing staff of seven, plus two part-time workers. In addition to myself, Doug Couch and Ray Sullivan continue to cover the northern and southern halves of the state (respectively), working with individuals, churches and associations and helping them meet their financial needs.

Susan DePasquale, Candy Cannon, Pam Mills and Ruth Ruiz continue their excellent work in accounting, trustor services, and administration. Nancy Patterson is hard at work visiting donors and building relationships, while Rachel Pinard shoulders more of the in-office load as needed.

We still face uncertain times. The big news in July was that the debt ceiling debate heated up. It seemed for a while that meaningful efforts

to address annual deficits might begin, but again our leaders compromised and created a "super committee" to deal with the problem in the future.

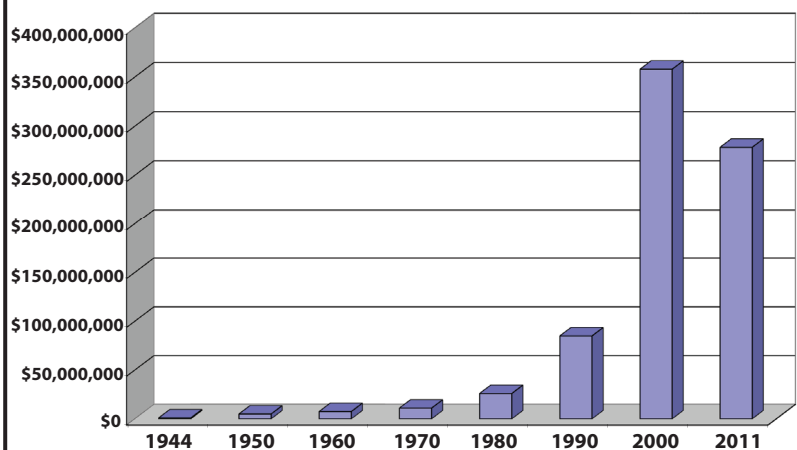
Unemployment is stuck at over 9%, Gross Domestic Product growth is barely positive, deficits are again well over \$1,000,000,000,000 (that is "trillion"), the Federal Reserve is about out of tools as it struggles to right the economy, and the financial markets are flailing aimlessly and violently as they await policy decisions of the President and Congress. We can't forget the debt crisis in Greece and its effect on the rest of Europe and the euro. As I write this the headlines tell me that Italy is in trouble and Spain is not far behind. The fallout from any defaults will surely affect the U.S. financial markets. Worst of all, our leadership can't seem to agree on what needs to be done to get us out of this mess, which leads business to batten down the hatches and refuse to hire or expand. Until the government figures this out, uncertainty in the economy and the markets will be the rule rather than the exception.

The good news is that the Foundation has weathered all storms to date through the grace of God, and we know that He is in ultimate control and will take care of His. Thank you for allowing us to serve you. Please call on us if we can fill any need for you or your church or institution.

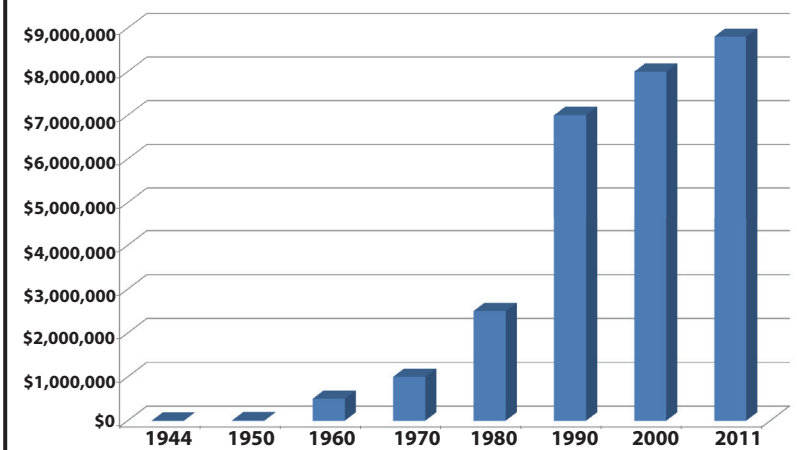
A handwritten signature in black ink, appearing to read "Pete Rockett". The signature is fluid and cursive, written over a white background.

By Pete Rockett,
President, CEO

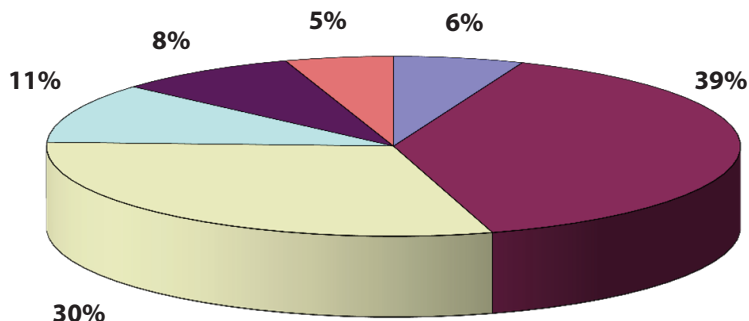
Foundation Growth In Principal



Income Dollars Distributed



Foundation Income Recipients 2010 - 2011



Colleges	6%
Benevolent	39%
Missions	30%
Churches	11%
Individuals	8%
Scholarship	5%

DEVELOPMENT HIGHLIGHTS

July 1, 2010 - June 30, 2011

Provided services to and assisted churches, associations, and related organizations.....105

Pastors, associational missionaries, development officers, and other professionals contacted or assisted.....283

Number of individuals attending Foundation events of church and associational speaking engagements, etc.....8,032

Prospects discovered and assisted with wills and trusts for development purposes.....347

Trusts created for Baptist causes.....31

Value of bequests via Estate Planning Services.....\$8,804,500

Gifts and funds received for investment administration.....\$8,152,024

TRUSTS UNDER MANAGEMENT

At June 30, 2011

Life income-Irrevocable.....132

Irrevocable endowment.....700

Revocable life income.....7

Management agreements.....495

TOTAL TRUSTS **1,334**

FOUNDATION PROFESSIONAL STAFF

Grady L. Rockett, *President/CEO*

Susan T. DePasquale, *Vice President/CFO*

Douglas G. Couch, *Vice President/
Director of Development*

Ray Sullivan, *Director of Development,
South Georgia*

Pamela S. Mills, *Vice President/
Trust Services Manager*

Candace E. Cannon, *Director of Trust Accounting*

Ruth R. Ruiz, *Executive Administrative Assistant/
Records Administrator/Corporate Secretary*

FOUNDATION BOARD OF TRUSTEES

DOUGLAS E. HOWARD, Co-Owner, Howard Brothers, Inc.	Dacula	2015
KIRK J. JARRETT, Partner, Whittington, Jones & Rudert, CPAs	Rome	2015
STEVE L. COCKERHAM, President, Blue Ridge Mountain Investments	Blairsville	2014
KENT W. SANFORD, VP/Gilmer Co. Market Executive, Citizens South Bank	East Ellijay	2014
J. PRESTON CONNER, CEO & Chairman of Board, Southern Bank	Sardis	2013
JOHN M. FRADY, Senior VP, Field Support, Primerica	Dawsonville	2013
WES AGNEW, Minister of Administration, First Baptist Church	Jonesboro	2012
DEWITT T. COX, Independent Consultant	Hoschton	2012
P. OWEN HERRIN, JR. President, Southeast GA Affiliates, SunTrust Bank	Waycross	2011
HUGH A. HORTON, SR. CEO, Wilkes Finance Corporation	Douglasville	2011
Ex-Officio Member:		
J. ROBERT WHITE, Executive Director, Georgia Baptist Convention	Duluth	

ENDOWMENT COMMITTEE MEMBERS At-Large

GUIL MATTISON, Farmers and Merchants Bank	Lincolnton	2013
BARBARA Z. COPELAND, Co-Owner, Copeland Properties, Inc.	Clarkesville	2012
FRED O. PITTS, JR., Pastor, Clairmont Hills Baptist Church	Decatur	2012
DOUG MULKEY, Pastor, Mt. Zion Baptist Church	Canton	2011

ENDOWMENT COMMITTEE MEMBERS Ex-Officio

J. ROBERT WHITE, Executive Director, Georgia Baptist Convention	Duluth
DAN SPENCER, President, Georgia Baptist Convention	Thomasville

INSTITUTIONAL ADMINISTRATORS

EMIR CANER, President, Truett-McConnell College	Cleveland
DONALD V. DOWLESS, President, Shorter College	Rome
JAMES S. HARPER, President/CEO, Georgia Baptist Children's Home & Family Ministries, Inc.	Palmetto
DELOS L. SHARPTON, President/CEO, Baptist Village, Inc.	Waycross
MIKE SIMONEAUX, President, Brewton-Parker College	Mt. Vernon
FRANK UPCHURCH, President/CEO, Georgia Baptist Health Care Ministry Foundation	Duluth
LAURA WILLIS, President/CEO, Baptist Retirement Communities of Georgia	Decatur

development@gbfoundation.org

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