
THE ENDOWMENT FUND OF THE
PHI KAPPA PSI FRATERNITY
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
Together with Independent Auditors' Report
DECEMBER 31, 2018 AND 2017

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Greenwalt CPAs, Inc.
5342 W. Vermont Street
Indianapolis, IN 46224
www.greenwaltcpas.com

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
The Endowment Fund of the Phi Kappa Psi Fraternity:

We have audited the accompanying consolidated financial statements of The Endowment Fund of the Phi Kappa Psi Fraternity (d/b/a Phi Kappa Psi Foundation; Phi Psi Foundation) and Subsidiaries (the "Foundation"), an Illinois not-for-profit corporation, which comprise the consolidated statement of financial position as of December 31, 2018 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2018, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2017 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 31, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Greenwalt CPAs, Inc.

July 15, 2019

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
Cash	\$ 1,328,066	\$ 610,122
Contributions receivable, net of allowance	1,293,601	1,044,568
Related party receivable	64,488	-
Notes receivable	2,736,281	3,939,259
Other receivables	17,168	6,896
Investments	16,290,401	18,755,501
Cash surrender value of life insurance	2,516,619	4,092,701
Property held as an investment, net	533,847	559,517
Property and equipment, net	1,669,809	1,773,330
Beneficial interest in perpetual trusts	398,590	420,457
Prepaid expenses	60,980	54,593
Deferred tax asset	121,900	-
	<u>\$ 27,031,750</u>	<u>\$ 31,256,944</u>
<i>Total assets</i>		

LIABILITIES AND NET ASSETS

LIABILITIES

Line of credit	\$ 3,675,000	\$ 3,275,000
Accounts payable and accrued expenses	244,740	280,621
Related party payable	-	98,158
Income tax payable	12,454	42,268
Gift annuity payable	8,404	8,756
Mortgage payable	347,090	358,427
Customer deposits	80,500	45,600
Deferred tax liability	-	200,500
	<u>4,368,188</u>	<u>4,309,330</u>
<i>Total liabilities</i>		

COMMITMENTS AND CONTINGENCIES (NOTES 15 AND 18)

NET ASSETS

Without donor restrictions		
Undesignated	1,505,280	2,894,885
Designated	<u>2,653,803</u>	<u>4,857,213</u>
<i>Total net assets without donor restrictions</i>	4,159,083	7,752,098
With donor restrictions	<u>18,504,479</u>	<u>19,195,516</u>
<i>Total net assets</i>	<u>22,663,562</u>	<u>26,947,614</u>
<i>Total liabilities and net assets</i>	<u>\$ 27,031,750</u>	<u>\$ 31,256,944</u>

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions		2018 Total	2017 Total
		Time and Purpose	Perpetual		
REVENUES, GAINS AND OTHER SUPPORT					
Member support and other contributions	\$ 607,143	\$ 2,281,311	\$ 34,200	\$ 2,922,654	\$ 3,651,266
Endowed operating fund grant	23,430	-	-	23,430	21,352
Investment income (loss), net	360,234	(1,232,866)	-	(872,632)	1,731,466
Change in beneficial interest in perpetual trusts	-	-	(21,867)	(21,867)	(74,870)
Change in value of gift annuity	(2,367)	-	-	(2,367)	2,870
Interest income on notes receivable	18,786	198,890	-	217,676	233,531
Rental income	160,906	-	-	160,906	155,676
Decrease in cash value of life insurance	(1,576,083)	-	-	(1,576,083)	(1,939,068)
Events income	362,244	11,928	-	374,172	280,152
Net assets released from restrictions	1,962,633	(1,962,633)	-	-	-
<i>Total revenues, gains and other support</i>	<u>1,916,926</u>	<u>(703,370)</u>	<u>12,333</u>	<u>1,225,889</u>	<u>4,062,375</u>
EXPENSES					
Program	2,699,200	-	-	2,699,200	3,104,170
Management and general	728,180	-	-	728,180	1,249,057
Fundraising	1,348,561	-	-	1,348,561	964,031
<i>Total functional expenses</i>	<u>4,775,941</u>	<u>-</u>	<u>-</u>	<u>4,775,941</u>	<u>5,317,258</u>
LIFE INSURANCE PREMIUMS (NOTE 13)	<u>734,000</u>	<u>-</u>	<u>-</u>	<u>734,000</u>	<u>734,000</u>
<i>Total expenses</i>	<u>5,509,941</u>	<u>-</u>	<u>-</u>	<u>5,509,941</u>	<u>6,051,258</u>
CHANGE IN NET ASSETS	(3,593,015)	(703,370)	12,333	(4,284,052)	(1,988,883)
NET ASSETS, BEGINNING OF YEAR	<u>7,752,098</u>	<u>18,040,077</u>	<u>1,155,439</u>	<u>26,947,614</u>	<u>28,936,497</u>
NET ASSETS, END OF YEAR	<u>\$ 4,159,083</u>	<u>\$ 17,336,707</u>	<u>\$ 1,167,772</u>	<u>\$ 22,663,562</u>	<u>\$ 26,947,614</u>

See accompanying notes to consolidated financial statements.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2018

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>2018 Total</u>	<u>2017 Total</u>
Educational program grants (Phi Kappa Psi Fraternity grants, etc.)	\$ 342,880	\$ -	\$ -	\$ 342,880	\$ 667,825
Grants, fellowships and scholarships	416,256	-	-	416,256	569,413
Educational area grants	574,306	-	-	574,306	656,638
Endowed operating fund grant	-	23,430	-	23,430	21,352
Salary, wages, taxes and benefits	288,282	339,266	744,240	1,371,788	1,103,113
Travel, lodging, meals and entertainment	391,483	108,422	120,942	620,847	445,874
Conferences and professional development	2,940	16,252	6,459	25,651	31,585
Volunteer leadership	-	42,301	2,075	44,376	-
Gifted policy insurance premiums	-	-	1,109	1,109	2,662
Professional services (accounting, legal, consulting, etc.)	132,496	94,090	78,348	304,934	407,653
Supplies	11,960	20,207	15,339	47,506	36,881
Dues, licenses and subscriptions	3,112	11,614	5,753	20,479	21,779
Postage and delivery	3,964	15,066	20,784	39,814	26,786
Advertising, creative, printing and reproduction	70,661	18,589	125,330	214,580	230,364
Depreciation	84,242	55,848	21,794	161,884	158,997
Mortgage interest, banking and financial fees	26,451	125,652	120	152,223	113,720
Property and liability insurance	-	18,618	3,546	22,164	21,318
Utilities	16,991	32,383	11,796	61,170	42,071
Maintenance and repairs	32,622	31,104	12,138	75,864	77,193
Facility services	31,154	29,705	11,593	72,452	99,287
Equipment rental	983	3,699	4,124	8,806	15,816
Vehicle insurance, maintenance and repairs	-	170	26,214	26,384	23,496
Bad debt expense (unfulfilled pledges)	254,163	-	136,857	391,020	229,966
In-kind expense (Note 17)	14,254	-	-	14,254	27,000
Taxes (benefit) on investment income/loss	-	(258,236)	-	(258,236)	286,469
	<u>\$ 2,699,200</u>	<u>\$ 728,180</u>	<u>\$ 1,348,561</u>	<u>\$ 4,775,941</u>	<u>\$ 5,317,258</u>

See accompanying notes to consolidated financial statements.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program	Management & General	Fundraising	2017 Total
Educational program grants (Phi Kappa Psi Fraternity grants, etc.)	\$ 667,825	\$ -	\$ -	\$ 667,825
Grants, fellowships and scholarships	569,413	-	-	569,413
Educational area grants	656,638	-	-	656,638
Endowed operating fund grant	-	21,352	-	21,352
Salary, wages, taxes and benefits	305,047	278,850	519,216	1,103,113
Travel, lodging, meals and entertainment	259,844	114,840	71,190	445,874
Conferences and professional development	12,113	13,583	5,889	31,585
Gifted policy insurance premiums	-	-	2,662	2,662
Professional services (accounting, legal, consulting, etc.)	185,582	148,651	73,420	407,653
Supplies	10,294	16,198	10,389	36,881
Dues, licenses and subscriptions	3,152	7,971	10,656	21,779
Postage and delivery	1,383	17,224	8,179	26,786
Advertising, creative, printing and reproduction	74,158	60,939	95,267	230,364
Depreciation	83,001	54,664	21,332	158,997
Mortgage interest, banking and financial fees	21,729	91,991	-	113,720
Property and liability insurance	-	17,907	3,411	21,318
Utilities	17,378	15,261	9,432	42,071
Maintenance and repairs	33,193	31,649	12,351	77,193
Facility services	42,693	40,708	15,886	99,287
Equipment rental	10,548	4,787	481	15,816
Vehicle insurance, maintenance and repairs	701	(987)	23,782	23,496
Bad debt expense (unfulfilled pledges)	149,478	-	80,488	229,966
In-kind expense (Note 17)	-	27,000	-	27,000
Taxes on investment income	-	286,469	-	286,469
	<u>\$ 3,104,170</u>	<u>\$ 1,249,057</u>	<u>\$ 964,031</u>	<u>\$ 5,317,258</u>

See accompanying notes to consolidated financial statements.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

Page 1 of 2

CHANGE IN CASH

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grantors, contributors and others	\$ 2,593,755	\$ 3,989,794
Cash paid for scholarships and grants	(1,333,442)	(1,893,876)
Cash paid to vendors and employees	(3,149,815)	(2,515,197)
Interest paid	(130,583)	(99,215)
Cash investment income, net of fees	452,159	237,420
Interest income on notes receivable	217,676	233,531
Income taxes paid, net	(93,978)	(43,701)
	<u>(1,444,228)</u>	<u>(91,244)</u>
<i>Net cash used in operating activities</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(14,104,358)	(16,287,307)
Proceeds from sales and maturities of investments	15,441,934	16,712,021
Life insurance premium paid on investment contract	(734,000)	(734,000)
Net receipts (payments) of gift annuity	(352)	651
Purchase of property and equipment	(32,693)	(7,178)
Net decrease in notes receivable	1,202,978	153,305
	<u>1,773,509</u>	<u>(162,508)</u>
<i>Net cash provided by (used in) investing activities</i>		
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from line of credit	400,000	-
Payments on mortgage	(11,337)	(12,740)
	<u>388,663</u>	<u>(12,740)</u>
<i>Net cash provided by (used in) financing activities</i>		
CHANGE IN CASH	717,944	(266,492)
CASH, BEGINNING OF YEAR	<u>610,122</u>	<u>876,614</u>
CASH, END OF YEAR	<u>\$ 1,328,066</u>	<u>\$ 610,122</u>
SCHEDULE OF NON-CASH INVESTING ACTIVITY		
Donated stock	<u>\$ 197,499</u>	<u>\$ 96,419</u>

**RECONCILIATION OF CHANGE IN NET ASSETS TO
 NET CASH USED IN OPERATING ACTIVITIES**

	<u>2018</u>	<u>2017</u>
CHANGE IN NET ASSETS	\$ (4,284,052)	\$ (1,988,883)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
Depreciation	161,884	158,997
Realized gain on sale of investments	(3,384,700)	(1,310,972)
Change in unrealized (gain) loss on investments	4,709,491	(183,074)
Change in value of gift annuity	232	(2,135)
Change in beneficial interest in perpetual trusts	21,867	74,870
Decrease in cash value of life insurance	1,576,082	1,939,068
Investment in life insurance premium	734,000	734,000
Non-cash contributions	(197,499)	(96,419)
<i>(Increase) decrease in operating assets:</i>		
Contributions receivable	(249,033)	187,937
Related party receivable	(64,488)	44,757
Other receivables	(10,272)	(6,297)
Prepaid expenses	(6,387)	290
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable and accrued expenses	(35,881)	7,091
Related party payable	(98,158)	98,158
Income tax payable	(29,814)	42,268
Customer deposits	34,900	8,600
Deferred tax liability	(322,400)	200,500
 <i>Total adjustments</i>	 <u>2,839,824</u>	 <u>1,897,639</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (1,444,228)</u>	<u>\$ (91,244)</u>

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The Endowment Fund of the Phi Kappa Psi Fraternity (d/b/a Phi Kappa Psi Foundation; Phi Psi Foundation) (the "Foundation") is a not-for-profit organization whose mission and principal activities are to foster the development of leaders and to promote academic excellence in higher education by providing students with scholarships and awards and by supporting educational projects and programs for their benefit. The Foundation's revenues and other support are derived principally from contributions and investment returns.

PRINCIPLES OF CONSOLIDATION

These consolidated financial statements include the accounts of the Foundation and its subsidiaries, PKP McMahan Finance Engine, LLC, Property Preservation, LLC, Oneonta-Maple, LLC, Hammer Street Properties, LLC, and Nelson Leadership Institute, LLC. All intercompany transactions have been eliminated in consolidation.

PKP McMahan Finance Engine, LLC (the "Finance Engine") is a single member LLC of which the Foundation is the sole member. The Finance Engine was formed to receive and maintain gifts of life insurance.

Property Preservation, LLC is a single member LLC owned by the Foundation. Oneonta-Maple, LLC and Hammer Street Properties, LLC are single member LLCs owned by Property Preservation, LLC. These limited liability companies own properties currently occupied by house corporations of the Phi Kappa Psi Fraternity, Inc. (the "Fraternity") and are held as investments.

Nelson Leadership Institute, LLC (the "Institute") is a single member LLC of which the Foundation is the sole member. The Institute was formed to provide dynamic leadership training and education to empower, develop and affirm undergraduate members of the Phi Kappa Psi Fraternity in their quest to become ethical, mission-driven leaders of influence and high moral character.

BASIS OF ACCOUNTING AND USE OF ESTIMATES

The accompanying financial statements have been prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total, but not by net asset class and functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

CASH

For purposes of the statements of cash flows, the Foundation considers cash held in money market accounts and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2018 and 2017. Cash held in investment accounts is reported in investments on the statement of financial position. See Note 6. At December 31, 2018 and 2017 the Foundation maintained \$945,054 and \$163,083, respectively, of cash balances in excess of FDIC limits.

CONTRIBUTIONS RECEIVABLE

Unconditional gifts to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

The Foundation uses the allowance method to estimate uncollectible pledges receivable. The allowance is based on historical experience and management's analysis of specific promises made.

NOTES RECEIVABLE

Notes receivable represent outstanding mortgages from various house corporations. Notes receivable are reported at their carrying value. No allowance for doubtful accounts has been recorded against these loans based on their collateralization and prior collection history. Notes receivable represent 10.1% and 12.6% of total assets at December 31, 2018 and 2017, respectively.

INVESTMENTS AND INVESTMENT RETURN

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Investments in open-ended mutual funds are carried at their estimated fair values. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

The Foundation maintains pooled investment accounts for its endowments, Chapter Scholarship Funds, Chapter Leadership Funds, Chapter Housing Funds, Chapter House Operating Funds, Mentor Scholarship Funds, and Individual or Named Funds. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual funds based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts.

CASH SURRENDER VALUE OF LIFE INSURANCE

Donated life insurance policies that are owned by the Foundation have been presented at their realizable value, net of surrender charges.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

PROPERTY AND EQUIPMENT

Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost if purchased or fair market value if donated and expenditures for normal maintenance and repairs are expensed as incurred. Property and equipment are depreciated on a straight-line basis over the estimated useful life of each asset. Depreciation expense was \$161,884 and \$158,997 for 2018 and 2017, respectively. When equipment is purchased under a capital lease, it is included in a property and equipment asset account with corresponding depreciation expense and accumulated depreciation recognized under the same method as the other assets described above.

CUSTOMER DEPOSITS

Customer deposits consist of deposits for the rental of Laurel Hall for future events that have been collected in advance. The revenue from the rental will be recognized when the events occur.

GIFT ANNUITY

The Foundation has a charitable gift annuity program in which donors make irrevocable gifts to the Foundation and receive an annuity payment for their lifetime, their named beneficiary's lifetime, or jointly. Assets are invested, and payments are made in accordance with the respective agreements. Contribution revenue is recognized at the date the agreement is established. In addition, the present values of the estimated future payments to be made under these agreements, calculated using discount rates which represent risk adjusted rates in existence at the date of the gift, are recorded as liabilities.

NET ASSETS

Net assets without donor restriction include revenue and expenses from the regular operations of the Foundation, the uses of which are at the discretion of management and the Board of Trustees.

Designated net assets are voluntary board-approved segregations of net assets without donor restrictions for specific purposes, projects or investments.

Net assets with donor restrictions are those whose use by the Foundation has been limited by donors to a specific purpose, time period or are perpetually restricted amounts. Net assets with time or purpose restrictions primarily represent funds that have been given by donors for Chapter Scholarship Funds, Chapter Leadership Funds, Chapter Housing Funds, Chapter House Operating Funds and Mentor Scholarship Funds. Perpetually restricted net assets include assets of the Foundation for which the donor has stipulated that the contribution be maintained in perpetuity. Donor imposed restrictions limiting the use of assets or their economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose. See Note 3.

CONTRIBUTIONS

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restriction. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restriction. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restriction.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses have been classified as program, management and general, and fundraising based on the actual direct expenditures and cost allocation based on estimates of time and usage by organization personnel and programs.

ADVERTISING

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2018 and 2017 were \$11,684 and \$9,911, respectively.

FAIR VALUE MEASUREMENTS

Accounting Standards for Fair Value define fair value as the price that would be received for an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. These standards also establish a three-level fair value hierarchy for disclosure that prioritizes valuations based on whether the significant inputs used to estimate fair value are observable, giving highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to valuations primarily based on unobservable inputs (level 3 measurements). The methods for determining fair value have not changed in 2018.

Fair values measured on a recurring basis at December 31, 2018 are as follows:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Equity	\$ 9,328,282	\$ 9,328,282	\$ -	\$ -
Equity securities	18,771	18,771	-	-
US Treasury Bills	657,397	657,397	-	-
Hedge funds:				
Gas and oil royalty funds	3,738,663			
Annuity	24,768	24,768	-	-
Beneficial interest in perpetual trusts	398,590	-	398,590	-
Contributions receivable	1,293,601	-	-	1,293,601
	<u>\$ 15,465,072</u>	<u>\$ 10,029,218</u>	<u>\$ 398,590</u>	<u>\$ 1,293,601</u>

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS, CONTINUED

Assets Measured at Fair Value on a Recurring Basis Using Significant Unobservable Inputs (Level 3) are as follows:

	Contributions Receivable
Balances, December 31, 2017	\$ 1,044,568
Realized gain	-
Unrealized loss	-
Proceeds	-
Contributions received, net	303,575
Change in discount to present value	4,758
Change in allowance	<u>(59,300)</u>
Balances, December 31, 2018	<u>\$ 1,293,601</u>

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS, CONTINUED

Fair values measured on a recurring basis at December 31, 2017 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds:				
Fixed Income	\$ 962,776	\$ 962,776	\$ -	\$ -
Equity	4,999,292	4,999,292	-	-
Equity securities	601,458	601,458	-	-
US Treasury Bills	3,796,566	3,796,566	-	-
Hedge funds:				
Gas and oil royalty funds	7,938,580			
Annuity	27,135	27,135	-	-
Beneficial interest in perpetual trusts	420,457	-	420,457	-
Contributions receivable	1,044,568	-	-	1,044,568
	<u>\$ 19,790,832</u>	<u>\$ 10,387,227</u>	<u>\$ 420,457</u>	<u>\$ 1,044,568</u>

Following is a description of the valuation methodologies used for assets measured at fair market value:

Mutual funds - Valued at the net asset value of shares held by the Foundation at year-end quoted in active markets and classified within Level 1 of the valuation hierarchy.

Equity securities and US Treasuries - Valued at the closing price reported on a publicly traded market and classified within Level 1 of the valuation hierarchy.

Hedge funds - Valued based on amounts the Foundation would have received at December 31, 2018 and 2017 had it liquidated its interests. See Note 6.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS, CONTINUED

Beneficial interest in perpetual trusts – The Foundation has an interest in two trusts. One is valued based on the estimated present value of the future cash flows of the interest, and the other is valued at the fair value of the underlying trust assets as reported by the trustee. See Note 9.

Contributions receivable - Valued at their gross amount less an estimated allowance and less an estimated discount to present value as described in Note 4.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through July 15, 2019, which is the date the financial statements were available to be issued.

NEW ACCOUNTING PRONOUNCEMENT

The Foundation has adopted ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended December 31, 2018. The update addressed the complexity and understandability of net asset classification by reducing the three categories of unrestricted, temporarily restricted and permanently restricted to two, net assets with and without donor restrictions. In addition, the update requires a new disclosure regarding liquidity and the availability of resources. Lastly, the pronouncement requires investment fees to be classified with investment income. The Foundation has retroactively adjusted the presentation of these consolidated financial statements accordingly. The update had no impact on net assets as of December 31, 2017.

2. AVAILABLE RESOURCES AND LIQUIDITY

The Foundation considers unrestricted contributions and investment income to be available to meet cash needs for general expenditures. General expenditures include educational grants, scholarships and supporting services expenses expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

Financial assets available for general expenditure, those without donor restrictions or held for others, within one year of the balance sheet date, consist of the following:

	<u>2018</u>	<u>2017</u>
Financial assets at year-end:		
Cash	\$ 1,328,006	\$ 610,122
Contributions receivable, net of allowance	1,293,601	1,044,568
Related party receivable	64,488	-
Notes receivable due in one year or less	2,736,281	3,939,259
Other receivables	17,168	6,896
Investments	16,290,401	18,755,501
Total financial assets	<u>21,729,945</u>	<u>24,356,346</u>
Less net assets designated by the Board for the Finance Engine	(2,653,803)	(4,857,213)
Less net assets with donor restrictions	<u>(18,504,479)</u>	<u>(19,195,576)</u>
Financial assets available within the next year	<u>\$ 571,663</u>	<u>\$ 303,557</u>

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

2. AVAILABLE RESOURCES AND LIQUIDITY, CONTINUED

The Foundation regularly monitors liquidity required to meet its operating needs and other commitments. While the Foundation does not have financial assets available to meet general expenditures over the next 12 months as of December 31, 2018 and 2017, the Foundation has a line of credit available. In the event the need arises to utilize board designated net assets for liquidity purposes, the reserves could be drawn upon through board resolution. During the years ended December 31, 2018 and 2017, the Foundation was able to meet its cash needs utilizing designated reserves. At December 31, 2018 and 2017, the Foundation did not maintain sufficient financial assets to meet donor obligations arising from restrictions.

3. ENDOWMENT FUNDS

The Foundation's endowment includes some perpetually restricted contributions from donors that were made to provide a source of income for scholarships. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

INTERPRETATION OF RELEVANT LAW

The Board of Trustees of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the purchasing power of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2018 AND 2017

3. ENDOWMENT FUNDS, CONTINUED

Changes in Endowment Net Assets for the Year Ended December 31, 2018:

	<u>Time and Purpose</u>	<u>Perpetual</u>
Endowment net assets, beginning of year	\$ 147,942	\$ 1,155,439
Change in value of beneficial interest in perpetual trusts	-	(21,867)
Contributions	-	34,200
Net investment income	(30,373)	-
Appropriated for spending	(5,000)	-
Endowment net assets, end of year	<u>\$ 112,569</u>	<u>\$ 1,167,772</u>

Changes in Endowment Net Assets for the Year Ended December 31, 2017:

	<u>Time and Purpose</u>	<u>Perpetual</u>
Endowment net assets, beginning of year	\$ 84,037	\$ 1,207,809
Change in value of beneficial interest in perpetual trusts	-	(74,870)
Contributions	-	22,500
Net investment income	75,355	-
Appropriated for spending	(11,450)	-
Endowment net assets, end of year	<u>\$ 147,942</u>	<u>\$ 1,155,439</u>

RETURN OBJECTIVES AND RISK PARAMETERS

The Foundation has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

3. ENDOWMENT FUNDS, CONTINUED

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy administered in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on long-term growth and a reasonable return. Under this policy, the endowment assets are invested to preserve capital and focus on the long-term growth of assets with the objective of producing a minimum return of 5% plus the rate of inflation annualized over a market cycle.

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

The Foundation has a policy whereby disbursements may be made up to 5% of the endowment's previous year fund balance for scholarships and grants with the exception of endowed funds governed by fund specific gift agreements. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through investment return.

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31 consisted of the following:

	<u>2018</u>	<u>2017</u>
Due within one year	\$ 557,478	\$ 324,289
Due in one to five years	952,498	773,570
Due in more than five years	<u>40,061</u>	<u>139,087</u>
	1,550,037	1,236,946
Allowance for uncollectible contributions	(183,000)	(123,700)
Unamortized discount	<u>(73,436)</u>	<u>(68,678)</u>
	<u>\$ 1,293,601</u>	<u>\$ 1,044,568</u>

5. NOTES RECEIVABLE

The value of the notes receivable at December 31, 2018 and 2017 was \$2,736,281 and \$3,939,259, respectively. The notes accrue interest annually at rates ranging from 5.34% to 7.00% and have various maturity lengths ranging from 10 years to 33 years.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

6. INVESTMENTS

The Foundation's investments are stated at fair value in the statement of financial position. Fair market value of equity securities, mutual funds, and Treasury Bills is the value of the security, fund, or bill at market close on the date of valuation. The fair value of the hedge fund investments is based on the amount that the Foundation would have received at December 31, 2018 had it liquidated its interests. Hedge funds may be redeemed semi-annually with 6 months advance written notice. Unrealized gains and losses are reported in the statement of activities.

Investments at December 31 consisted of the following:

	<u>2018</u>	<u>2017</u>
Cash	\$ 753,198	\$ 429,693
Gift annuity	24,768	27,135
US Treasury Bills	657,397	3,796,566
Equity securities	18,771	601,458
Mutual funds	9,328,282	5,962,068
Certificates of deposit	1,769,322	-
Hedge funds:		
Gas and oil royalty funds	3,738,663	7,938,581
	<u>\$ 16,290,401</u>	<u>\$ 18,755,501</u>

Investments had a cost basis of \$14,119,572 and \$12,625,984 at December 31, 2018 and 2017, respectively.

Investment income (loss) detail for the years ended December 31:

	<u>2018</u>	<u>2017</u>
Realized gain	\$ 3,384,700	\$ 1,310,972
Change in unrealized gain (loss)	(4,709,491)	183,074
Investment income *	486,453	306,595
Investment fees	(34,294)	(69,175)
	<u>\$ (872,632)</u>	<u>\$ 1,731,466</u>

*Investment income consists of interest, dividends and other investment income.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

7. PROPERTY HELD AS AN INVESTMENT

	<u>2018</u>	<u>2017</u>
Land, buildings and improvements	\$ 844,250	\$ 844,250
Less accumulated depreciation	<u>(310,403)</u>	<u>(284,733)</u>
	<u>\$ 533,847</u>	<u>\$ 559,517</u>

Property Preservation, LLC is the sole member of two limited liability companies that own and actively rent properties. The properties are occupied by house corporations. One of the properties has a mortgage (Note 11). The properties are being depreciated using the straight-line method over 25 years.

8. PROPERTY AND EQUIPMENT

Property and equipment at December 31 consists of:

	<u>2018</u>	<u>2017</u>
Land, buildings and improvements	\$ 3,123,975	\$ 3,117,726
Furnishings and equipment	713,716	687,273
Antiques and works of art	113,951	113,951
Construction in progress	<u>28,036</u>	<u>28,035</u>
	3,979,678	3,946,985
Less accumulated depreciation	<u>(2,309,869)</u>	<u>(2,173,655)</u>
	<u>\$ 1,669,809</u>	<u>\$ 1,773,330</u>

9. BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Foundation is the irrevocable beneficiary of a portion of the income earned on the assets held by two perpetual trusts. The estimated present value of future cash flows of one is \$385,000 and \$406,000 at December 31, 2018 and 2017, respectively. The other trust is valued at the fair market value of the underlying assets as reported by the trustee, which was \$13,590 and \$14,457 at December 31, 2018 and 2017, respectively.

10. LINE OF CREDIT

In March 2016, the PKP McMahan Finance Engine, LLC obtained a line of credit that provides maximum borrowings of \$4,000,000 at an interest rate of prime minus 1.75% (3.75% at December 31, 2018) through March 2020. The line is secured by a \$33,000,000 life insurance policy that had a cash surrender value of \$2,387,062 at December 31, 2018. At December 31, 2018 and 2017, the outstanding balance on the line of credit was \$3,675,000 and \$3,275,000, respectively.

The PKP McMahan Finance Engine, LLC gifted the proceeds from the loan to the Foundation.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

11. MORTGAGE PAYABLE

Long term debt of the Foundation consists of a mortgage payable on Hammer Street Properties, LLC. The mortgage requires monthly payments of \$2,827 including interest at 6.5% through March 1, 2036. The debt outstanding on the mortgage at December 31, 2018 and 2017 was \$347,090 and \$358,427, respectively.

Future maturities of the mortgage payable are as follows for the years ending December 31:

2019	\$	11,423
2020		12,188
2021		13,005
2022		13,875
2023		14,805
Thereafter		<u>281,794</u>
	\$	<u>347,090</u>

12. NET ASSETS

DESIGNATED NET ASSETS

The board has designated net assets of \$2,653,803 and \$4,857,213 at December 31, 2018 and 2017, respectively. The Foundation's investment in the PKP McMahan Finance Engine, LLC (its wholly owned subsidiary) is included in designated net assets at December 31, 2018 and 2017.

NET ASSETS WITH DONOR RESTRICTIONS OF TIME AND PURPOSE

Net assets with donor restrictions of time and purpose of \$16,861,068 and \$18,040,077 at December 31, 2018 and 2017, respectively, are available for the following:

	<u>2018</u>	<u>2017</u>
Chapter specific funds and donor named funds	\$ 16,942,298	\$ 17,571,480
Ruth Lilly Fund (Laurel Hall Operating Fund)	394,409	468,597

NET ASSETS WITH DONOR RESTRICTIONS OF A PERPETUAL NATURE

As described in Note 9, \$398,590 and \$420,457 of net assets with donor restrictions of a perpetual nature represent a beneficial interest in perpetual trusts at December 31, 2018 and 2017, respectively. Net assets with donor restrictions of a perpetual nature also include \$769,182 and \$734,982 for two endowments established as scholarship funds at December 31, 2018 and 2017, respectively.

NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions were \$1,962,633 and \$2,371,507 for the years ended December 31, 2018 and 2017, respectively.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

13. RELATED PARTY TRANSACTIONS

The Foundation and the Phi Kappa Psi Fraternity (the Fraternity) are related parties that are not financially interrelated organizations. During 2018 and 2017, the Foundation granted \$342,880 and \$667,825 respectively, to the Fraternity for educational purposes. Grants are paid when proper documentation is received and approved.

The Foundation has invested in a hedge fund related to a board trustee who passed away in 2017. While the Caritas Royalties Fund is not related to the trustee, he owned Cornerstone Acquisition and Management Company, the investment consultant to the fund. The investment consultant agreement provides for a 20% semi-annual performance fee (if there is a loss, the performance fee is not earned until the loss is recouped in full). At December 31, 2018 and 2017, the Foundation's Caritas investments were valued at \$3,738,662 and \$7,938,580 respectively. The Caritas investments represented 20.4% and 35.0% of the Foundation's investment portfolio (including notes receivable) at December 31, 2018 and 2017, respectively.

For 2018 and 2017, the fund had a total return after performance and management fees as follows:

	<u>2018</u>	<u>2017</u>
Caritas Royalties Fund	9.2%	5.0%

The PKP McMahan Finance Engine, LLC is owner and beneficiary of a \$33,000,000 life insurance policy on a board trustee. The policy and gift agreement provide that the proceeds are to be disbursed as follows: \$6 million to the Nelson Leadership Institute, LLC, \$2 million among all existing Foundation Chapter Scholarship Funds, \$2 million for educational spaces within Phi Kappa Psi facilities, \$9.9 million retained by the Finance Engine and the remaining \$13.1 million to the unrestricted funds of the Foundation. The policy required annual premium payments of approximately \$1,200,000 through 2016 which were generated from earnings on the Caritas investment. At December 31, 2018 and 2017, the policy had a cash surrender value of \$2,387,062 and \$3,964,670, respectively that is included in cash surrender value of life insurance on the statements of financial position. The PKP McMahan Finance Engine, LLC is also the owner and beneficiary of a \$23,000,000 life insurance policy on two board trustees (one of whom passed away in 2017). The policy and gift agreement provide that the proceeds are to be disbursed as follows: \$3 million to a named beneficiary, \$6.9 million retained by the Finance Engine and the remaining \$13.1 million to the unrestricted funds of the Foundation. The policy, according to the current in-force illustration, requires fluctuating annual premium payments of \$734,000 to \$2,200,000. The policy had no cash surrender value at December 31, 2018 and 2017.

14. RETIREMENT PLAN

The Foundation offers a 401(k) retirement plan for all eligible employees who have satisfied the conditions for participation. Employee contributions may be made to the plan up to IRS limits. The Foundation matches employee contributions 100%, up to 6% of pay and also offers discretionary profit-sharing contributions. The Foundation's contributions for 2018 and 2017 were \$47,377 and \$33,237, respectively.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

15. OPERATING LEASES

The Foundation leases office space to the Fraternity under an agreement which began January 1, 2006 and was extended through December 31, 2025. Oneonta-Maple, LLC leases housing space under an agreement which ended October 8, 2012. Hammer Street Properties, LLC leases housing space under an agreement which began November 2007 and ended May 31, 2016. A formal extension has not been put in place for these leases, but the leases continue on a month-to-month basis.

Future minimum lease receipts are as follows for the years ending December 31:

2019	\$	105,923
2020		107,384
2021		108,844
2022		110,305
2023		111,766
Thereafter		<u>227,914</u>
	\$	<u>772,136</u>

The Foundation leases equipment and software under operating leases with expiration dates ranging from July 31, 2021 to January 2023. The Foundation also leased two vehicles under an agreement which ended in April 2017. The Foundation then entered in to a lease for four vehicles which began May 2017 and ends April 2021. Future minimum lease payments are as follows for the years ending December 31:

2019	\$	46,785
2020		46,785
2021		30,900
2022		15,290
2023		<u>853</u>
	\$	<u>140,613</u>

16. INCOME TAXES

The Foundation is partially exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and a similar provision of state law. However, income generated from certain activities not directly related to the Foundation's tax-exempt purposes, is subject to taxation as unrelated business income. In 2018 and 2017, the Foundation had investment income that is subject to federal and state income tax. The Foundation is not considered a private foundation as defined in Section 509(a) of the Internal Revenue Code.

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

16. INCOME TAXES, CONTINUED

The Foundation has adopted Accounting Standards for Income Taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statement and tax bases of assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the period in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce the deferred asset to the amount that will more than likely be realized.

Income tax expense is the current tax payable or refundable for the period plus or minus the net change in the deferred tax assets and liabilities.

Deferred taxes are a result of differences between book and tax expenses related to unrealized gains (losses) on investments.

Summarized below is the income tax expense for the years ended December 31:

	<u>2018</u>	<u>2017</u>
Federal	\$ 52,927	\$ 68,764
State	11,237	17,205
	64,164	85,969
Deferred tax	(322,400)	200,500
	<u>\$ (258,236)</u>	<u>\$ 286,469</u>

17. NON-CASH CONTRIBUTIONS

The Foundation received non-cash contributions of stock of \$197,499 and \$96,419 and non-cash contributions of services of \$14,254 and \$27,000 during 2018 and 2017, respectively. The contributions have been reflected at the fair market value on the date of donation in the statement of activities. These transactions have been treated as non-cash transactions for statement of cash flow purposes.

18. LEGAL AND CONTINGENCIES

Various claims could arise against the Foundation in the normal course of business. However, management believes their insurance coverage is sufficient to pay liabilities, if any. No amounts related to legal issues, litigation or contingencies were recorded in these consolidated financial statements.

19. RECLASSIFICATIONS

Certain balances in the 2017 financial statements have been retroactively reclassified for comparative purposes to conform to the presentation in the 2018 financial statements. These reclassifications had no impact on net assets.



Greenwalt CPAs, Inc.
5342 W. Vermont Street
Indianapolis, IN 46224
www.greenwaltcpas.com

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Trustees of
The Endowment Fund of the Phi Kappa Psi Fraternity:

We have audited the consolidated financial statements of The Endowment Fund of the Phi Kappa Psi Fraternity (d/b/a Phi Kappa Psi Foundation; Phi Psi Foundation) and Subsidiaries (the "Foundation") as of and for the year ended December 31, 2018 and our report thereon dated July 15, 2019, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information shown in Exhibit I is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Exhibit I has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole. Information for the year ended December 31, 2017 was extracted from the consolidated financial statements for that year, on which an unmodified opinion dated July 31, 2018, was expressed.

Greenwalt CPAs, Inc.

July 15, 2019

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

SCHEDULE OF RESTRICTED FUND NET ASSETS

DECEMBER 31, 2018 AND 2017

Exhibit I

Page 1 of 8

	<u>2018</u>	<u>2017</u>
	<u>Total</u>	<u>Total</u>
AL Alpha - Chapter Leadership Fund	\$ 1,270	\$ 1,240
AL Alpha - Chapter Scholarship Fund	22,252	22,572
AL Beta - Chapter Leadership Fund	444	500
AL Beta - Chapter Scholarship Fund	1,674	1,664
AL Gamma - Chapter Leadership Fund	431	486
AL Gamma - Chapter Scholarship Fund	17	(26)
AR Alumni Association - Chapter Scholarship Fund	18,937	16,456
AZ Alpha - Chapter Scholarship Fund	252,537	299,265
AZ Alpha - Chapter Leadership Fund	42	47
AZ Beta - Chapter Leadership Fund	517	583
AZ Beta - Judd Shulak Scholarship Fund	40,130	46,537
CA Beta - Chapter Leadership Fund	8,252	9,291
CA Beta - Endowed Chapter Leadership Fund	35,204	28,199
CA Beta - Chapter Scholarship Fund	71,356	78,844
CA Delta* - Chapter Scholarship Fund	1,685,097	1,742,791
CA Delta - Chapter Leadership Fund	4,925	5,545
CA Delta - Lamson Scholarship Fund	33,725	38,604
CA Delta - McMahan Scholarship Fund	25,200	-
CA Epsilon - Chapter Leadership Fund	131	148
CA Epsilon* - Chapter Scholarship Fund	1,280,361	1,385,953
CA Epsilon - Chapter Housing Fund	743,911	857,017
CA Epsilon - Scott Thomas Scholarship Fund	37,948	44,895
CA Epsilon - James L. Tigner Jr. Scholarship Fund	178,116	209,625
CA Eta - Chapter Leadership Fund	215	242
CA Eta - Chapter Scholarship Fund	38,453	43,043
CA Gamma - Chapter Leadership Fund	4,738	4,253
CA Gamma - Chapter Scholarship Fund	68,206	76,797
CA Gamma - Chapter Housing Fund	64,782	135,708
CA Iota - Chapter Leadership Fund	232	261
CA Iota - Chapter Scholarship Fund	15,323	18,123
CA Kappa - J. Robert Meserve Memorial Scholarship Fund	23,062	26,048
CA Kappa - Chapter Housing Fund	41,674	42,379
CA Kappa - Chapter Leadership Fund	178	201
CA Lambda - Chapter Leadership Fund	210	215
CA Lambda* - Robert W. Bailey Scholarship Fund	285,613	308,275
CA Mu - Chapter Leadership Fund	17	19
CA Mu - Chapter Scholarship Fund	4,891	5,507
CA Nu - Chapter Scholarship Fund	25,354	28,503
CA Theta - Chapter Leadership Fund	1,317	1,037
CA Theta - Chapter Scholarship Fund	8,015	8,652
CA Xi - Chapter Leadership Fund	3,748	4,220

* Balance includes assets invested in loan to chapter

THE ENDOWMENT FUND OF THE PHI KAPPA PSI FRATERNITY AND SUBSIDIARIES

SCHEDULE OF RESTRICTED FUND NET ASSETS

DECEMBER 31, 2018 AND 2017

Exhibit I

Page 2 of 8

	<u>2018</u>	<u>2017</u>
	<u>Total</u>	<u>Total</u>
CA Xi - Chapter Scholarship Fund	\$ 6,976	\$ 7,855
CA Zeta - Chapter Scholarship Fund	969	1,091
CO Alpha - Chapter Leadership Fund	67	76
CO Alpha - Chapter Scholarship Fund	109,916	123,762
DC Alpha - Chapter Scholarship Fund	3,354	3,777
DC Alpha - Chapter Leadership Fund	219	246
DE Alpha - Chapter Leadership Fund	53	60
DE Alpha - Chapter Scholarship Fund	5,080	5,720
FL Alpha - Chapter Leadership Fund	138	155
FL Alpha - Bob Foss Memorial Scholarship Fund	6,851	7,715
FL Beta - Chapter Scholarship Fund	153	173
GA Alpha - Chapter Scholarship Fund	10,590	12,335
GA Alpha - Chapter Housing Fund	5,889	4,621
GA Beta - Chapter Leadership Fund	344	387
GA Beta - Chapter Scholarship Fund	19,640	21,287
Houston Alumni - Chapter Scholarship Fund	19,441	20,987
IA Alpha - Chapter Leadership Fund	509	573
IA Alpha - Chapter Scholarship Fund	60,945	72,494
IA Alpha - Junker Scholarship Fund	28,754	33,423
IA Beta - Chapter Leadership Fund	1,367	1,540
IA Beta - Chapter Scholarship Fund	58,829	63,452
IA Beta - Chapter House Operating Fund	90,567	90,488
IA Beta - Bill & Lindy Good Scholarship Fund	95,879	104,250
IL Alpha - Chapter Leadership Fund	750	396
IL Alpha - Chapter Scholarship Fund	23,341	26,067
IL Beta - Chapter Scholarship Fund	27,746	32,825
IL Delta - Stephen W. Acheson Scholarship Fund	46,667	55,139
IL Delta - C.F. "Dab" Williams Scholarship Fund	82,375	97,285
IL Delta - Chapter Housing Fund	136,093	355,225
IL Delta - Chapter Leadership Fund	358	404
IL Epsilon - Chapter Leadership Fund	155	175
IL Epsilon - Chapter Scholarship Fund	39,437	44,011
IL Eta - Chapter Leadership Fund	198	223
IL Eta - Chapter Scholarship Fund	14,345	16,152
IL Iota - Chapter Leadership Fund	39	44
IL Iota - Chapter Scholarship Fund	3,938	4,434
IL Theta - Chapter Scholarship Fund	16,816	18,484
IL Theta - Chapter Leadership Fund	91	102

* Balance includes assets invested in loan to chapter

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	<u>2018</u>	<u>2017</u>
	<u>Total</u>	<u>Total</u>
IL Zeta - Chapter Leadership Fund	\$ 356	\$ 355
IL Zeta - Chapter Scholarship Fund	47,532	53,042
IN Alpha - Chapter Leadership Fund	585	380
IN Alpha - Chapter Scholarship Fund	190,944	219,698
IN Alpha - Chapter Housing Fund	171,532	192,683
IN Beta - Leadership Fund	83	-
IN Beta - Chapter Scholarship Fund	116,025	129,861
IN Beta - Chapter Housing Fund	56,705	64,008
IN Beta - Bradley Henninger Scholarship Fund	94,579	106,492
IN Beta - Reach for Excellence Scholarship Fund	19,102	20,160
IN Beta - William E. Young Trust Scholarship Fund	13,590	14,457
IN Delta - Chapter Leadership Fund	18,100	19,987
IN Delta* - Chapter Scholarship Fund	159,854	182,330
IN Delta - Chapter House Operating Fund	112,401	56,717
IN Delta - Chapter Housing Fund	-	57,153
IN Epsilon - Chapter Leadership Fund	18,170	21,617
IN Epsilon - Chapter Scholarship Fund	127,786	148,916
IN Epsilon - Chapter Housing Fund	1,529,551	90
IN Epsilon - Donald V. Fites Mentor Scholarship Fund	60,674	68,317
IN Eta - Chapter Leadership Fund	205	230
IN Eta - Chapter Scholarship Fund	15,858	16,888
IN Gamma - Chapter Leadership Fund	721	730
IN Gamma - Edward H. Knight Scholarship Fund	50,462	56,818
IN Iota - Chapter Leadership Fund	491	391
IN Iota - Chapter Scholarship Fund	1,556	1,591
IN Theta - Chapter Leadership Fund	523	589
IN Theta - Chapter Scholarship Fund	6,054	6,751
IN Zeta - Chapter Leadership Fund	507	570
IN Zeta - Chapter Scholarship Fund	62,477	69,792
KS Alpha - Chapter Scholarship Fund	14,378	15,998
KS Alpha - Chapter Leadership Fund	611	663
KS Alpha - Riley Scholarship Fund	21,125	23,786
KY Beta - Chapter Leadership Fund	46	52
KY Beta - Chapter Scholarship Fund	33,269	37,460
LA Alpha - Chapter Leadership Fund	667	531
LA Alpha - Chapter Scholarship Fund	32,988	37,826
LA Alpha - Chapter Housing Fund	187,724	11,534
LA Alpha - Chapter Fellowship Fund	60,861	3,845
LA Beta - Chapter Leadership Fund	843	904
LA Beta - Chapter Scholarship Fund	22,435	27,194

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	<u>2018</u>	<u>2017</u>
	<u>Total</u>	<u>Total</u>
LA Gamma - Chapter Leadership Fund	\$ 398	\$ 448
LA Gamma - Chapter Scholarship Fund	15,427	17,370
MA Beta - Chapter Leadership Fund	63	20
MA Beta - Chapter Scholarship Fund	21,032	23,390
MD Alpha - Chapter Leadership Fund	256	263
MD Alpha* - Chapter Scholarship Fund	424,978	444,384
MD Gamma - Chapter Leadership Fund	84	94
MD Gamma - Chapter Scholarship Fund	4,527	5,097
MI Alpha - Chapter Housing Fund	29,536	32,920
MI Alpha - Chapter Leadership Fund	45	50
MI Alpha - Wolverine Scholarship Fund	57,608	64,348
MI Alpha - Chapter Leadership Fund	67	24
MI Beta - Chapter Leadership Fund	1,848	2,081
MI Beta - Chapter Scholarship Fund	65,221	74,537
MI Beta* - Charles and Estelle Williams Scholarship Fund	352,393	411,025
MN Beta - Chapter Leadership Fund	5,441	6,001
MN Beta - Chapter Scholarship Fund	315,808	220,636
MN Delta - Chapter Leadership Fund	1,184	993
MN Delta - Chapter Scholarship Fund	17,392	18,986
MN Gamma - Chapter Leadership Fund	397	194
MN Gamma - Chapter Scholarship Fund	9,050	9,740
MO Alpha - Chapter Leadership Fund	3,060	3,105
MO Alpha - Chapter Scholarship Fund	165,051	195,309
MS Alpha - Chapter Scholarship Fund	13,307	14,983
MS Alpha - Christopher J. Grimaud Scholarship Fund	26,855	30,238
NC Alpha - Chapter Scholarship Fund	29,050	34,353
NC Beta - Chapter Leadership Fund	246	277
NC Beta - Chapter Scholarship Fund	10,023	11,285
NE Alpha - Chapter Scholarship Fund	28,499	30,928
NE Alpha - Dan Cook Campaign Fund	-	43,791
NE Alpha - Dan Cook Fellowship Fund	37,294	-
NE Alpha - Robert Hamilton Scholarship Fund	37,646	42,388
NE Alpha - Walter and Virginia Henrion Fellowship Fund	80,880	100,662
NE Alpha - Western Nebraska Scholarship Fund	15,623	17,591
NE Beta - Chapter Leadership Fund	18	20
NE Beta - Theodore J. Urban Scholarship Fund	20,971	23,612
NJ Alpha - Chapter Scholarship Fund	358	403
NJ Beta - Chapter Scholarship Fund	6,851	7,689
NJ Beta - Chapter Leadership Fund	366	412
NJ Delta - Chapter Leadership Fund	93	104
NJ Delta - Member Excellence Scholarship Fund	12,650	13,726
NJ Epsilon - Chapter Leadership Fund	320	248
NJ Epsilon - Chapter Scholarship Fund	16,987	18,568

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	<u>2018</u> <u>Total</u>	<u>2017</u> <u>Total</u>
NJ Gamma - Chapter Leadership Fund	\$ 440	\$ 394
NJ Gamma - Chapter Scholarship Fund	5,238	5,671
NM Alpha - Chapter Scholarship Fund	1,866	2,102
NY Alpha - Chapter Leadership Fund	125	141
NY Alpha - Chapter Scholarship Fund	70,388	79,154
NY Beta - Chapter Leadership Fund	700	281
NY Beta - Chapter Scholarship Fund	12,587	13,666
NY Beta - Hunter Brooks Watson Scholarship Fund	84,574	100,286
NY Epsilon - Chapter Scholarship Fund	303	342
NY Eta - Chapter Leadership Fund	847	771
NY Eta - Chapter Scholarship Fund	42,071	49,389
NY Iota - Chapter Leadership Fund	26	30
NY Iota - Chapter Scholarship Fund	2,006	2,259
NY Kappa - Chapter Leadership Fund	198	223
NY Kappa - Chapter Scholarship Fund	46,416	62,258
NY Theta - Brian D. Bauer Scholarship Fund	27,317	30,758
NY Theta - Chapter Scholarship Fund	76,749	86,845
NY Theta - Chapter Leadership Fund	26	1
OH Alpha - Chapter Leadership Fund	127	143
OH Alpha - Chapter Scholarship Fund	32,094	36,157
OH Beta - Chapter Leadership Fund	329	650
OH Beta - Chapter Scholarship Fund	282,687	340,489
OH Delta* - Norman "Norm" M. Spain Scholarship Fund	35,209	34,952
OH Delta* - J. Gilbert Reese Scholarship Fund	768,276	772,430
OH Delta* - Mil Batten Scholarship Fund	35,305	35,074
OH Delta* - Howard L. Hamilton Scholarship Fund	51,863	52,080
OH Delta* - Manning Webster Scholarship Fund	49,015	48,867
OH Delta - Honors Lodge Educational Operating Fund	2,759	1,966
OH Delta* - George S. Frost Scholarship Fund	945,273	1,055,028
OH Delta - Chapter Leadership Fund	40,413	44,484
OH Delta - Chapter House Educational Operating Fund	47,045	166,508
OH Epsilon - Chapter Leadership Fund	4,703	5,339
OH Epsilon - Endowed Chapter Leadership Fund	34,674	36,199
OH Epsilon - Chapter Scholarship Fund	172,965	200,755
OH Epsilon - Medical Education Scholarship Fund	1,447	1,123
OH Eta - Chapter Leadership Fund	529	509
OH Eta - Chapter Scholarship Fund	10,976	12,077
OH Iota - Chapter Leadership Fund	227	255
OH Iota - Chapter Scholarship Fund	10,270	1,468
OH Kappa - Chapter Scholarship Fund	66	74
OH Kappa - Chapter Leadership Fund	46	52
OH Lambda* - Chapter Scholarship Fund	56,056	63,117
OH Lambda - Chapter Leadership Fund	22	25
OH Lambda - Chapter Housing Fund	29,657	-
OH Lambda - Chapter House Operating Fund	306	344
OH Lambda - Leadership Character Strengthening Fund	67,703	22,500

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	<u>2018</u>	<u>2017</u>
	<u>Total</u>	<u>Total</u>
OH Mu - Chapter Leadership Fund	\$ 137	\$ 103
OH Mu - Chapter Scholarship Fund	56,034	63,092
OH Nu - Chapter Leadership Fund	117	131
OH Nu - Chapter Scholarship Fund	2,397	2,699
OH Nu - Chapter Housing Fund	5,861	5,746
OH Omicron - Chapter Leadership Fund	238	180
OH Omicron - Chapter Scholarship Fund	1,736	1,740
OH Theta - Chapter Leadership Fund	10,195	8,637
OH Theta - Chapter Scholarship Fund	12,295	15,463
OH Theta - Helen B. Smith Leadership Fund	9,362	10,541
OH Theta - Jerry and Terrie Dunlap Scholarship Fund	24,013	26,718
OH Xi - Chapter Leadership Fund	90	101
OH Xi - Chapter Scholarship Fund	16,375	17,890
OH Zeta - Chapter Leadership Fund	400	451
OH Zeta - Chapter Scholarship Fund	31,715	35,385
OK Alpha - Chapter Leadership Fund	437	493
OK Alpha - Chapter Scholarship Fund	29,183	33,003
OK Alpha - Wittrock Scholarship Fund	11,942	14,276
OK Beta - Chapter Scholarship Fund	520	585
OR Alpha - Chapter Leadership Fund	446	502
OR Alpha - Chapter Scholarship Fund	23,506	31,417
OR Alpha - Maurice O'Callaghan Scholarship Fund	21,336	23,934
OR Alpha - Hugh B. Oliphant Scholarship Fund	39,893	46,607
OR Alpha - Mo Warnock Scholarship Fund	76,179	84,085
OR Beta - Chapter Leadership Fund	764	810
OR Beta - Chapter Scholarship Fund	178,295	205,984
OR Beta - Chapter Housing Fund	6,534	7,779
PA Alpha - Chapter Leadership Fund	534	448
PA Alpha - Chapter Scholarship Fund	7,926	8,784
PA Beta - Chapter Leadership Fund	209	147
PA Beta - Chapter Scholarship Fund	50,326	55,539
PA Epsilon - Chapter Leadership Fund	291	262
PA Epsilon - Chapter Scholarship Fund	82,984	97,125
PA Eta - Chapter Leadership Fund	859	613
PA Eta - Chapter Scholarship Fund	24,593	28,954
PA Gamma - Chapter Scholarship Fund	52,837	59,492
PA Iota - Chapter Leadership Fund	438	493
PA Iota - Chapter Scholarship Fund	39,723	46,438
PA Iota - Correia Scholarship Fund	24,682	19,223
PA Lambda - Chapter Leadership Fund	558	530
PA Lambda - Chapter Scholarship Fund	28,302	32,094
PA Lambda - Chapter Housing Fund	170,601	191,371
PA Nu - Chapter Leadership Fund	130	133
PA Nu - Chapter Scholarship Fund	30,802	34,530
PA Phi - Chapter Leadership Fund	297	335

* Balance includes assets invested in loan to chapter

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	<u>2018</u>	<u>2017</u>
	<u>Total</u>	<u>Total</u>
PA Phi - Chapter Scholarship Fund	\$ 4,122	\$ 4,642
PA Pi- Chapter Scholarship Fund	149	168
PA Rho - Chapter Leadership Fund	269	303
PA Rho - Chapter Scholarship Fund	7,342	8,267
PA Sigma - Chapter Scholarship Fund	3,701	4,167
PA Tau - Chapter Scholarship Fund	1,670	1,880
PA Theta - Chapter Leadership Fund	2,850	2,779
PA Theta* - Chapter Scholarship Fund	351,393	389,287
PA Theta - Chapter House Operating Fund	135,955	150,061
PA Thea - Endowment Chapter Leadership Fund	61,252	60,671
PA Upsilon - Chapter Leadership Fund	281	316
PA Upsilon - Chapter Scholarship Fund	5,973	6,590
PA Xi - Chapter Leadership Fund	447	503
PA Xi - Chapter Scholarship Fund	1,698	1,691
PA Zeta - Chapter Scholarship Fund	2,008	2,261
RI Alpha - Chapter Scholarship Fund	30,436	34,270
RI Alpha - Dovey Memorial Scholarship Fund	1,710	1,925
RI Beta - Chapter Leadership Fund	346	390
RI Beta - Chapter Scholarship Fund	110,291	128,944
TN Delta - Graham Stone Memorial Scholarship Fund	18,722	22,222
TN Delta - Chapter Housing Fund	42,748	43,568
TN Delta - Chapter Leadership Fund	4,193	3,688
TN Delta - Chapter House Operating Fund	882	991
TN Epsilon - Chapter Leadership Fund	151	119
TN Epsilon - Chapter Scholarship Fund	49,699	55,959
TX Alpha - Centennial Scholarship Fund	255,146	301,322
TX Alpha - Derrick Eakin Memorial Scholarship Fund	15,962	17,973
TX Alpha - Longview Scholarship Fund	90,776	103,302
TX Alpha - St. Tacky Scholarship Fund	65,189	73,401
TX Alpha - Paul Cox Memorial Scholarship Fund	14,651	16,496
TX Alpha - Chapter Leadership Fund	887	998
TX Beta - Bill Collins Scholarship Fund	118,663	137,013
TX Beta - Chapter Leadership Fund	311	299
TX Delta - Chapter Scholarship Fund	2,232	2,513
TX Epsilon - Chapter Leadership Fund	43	49
TX Epsilon - Chapter Scholarship Fund	10,536	11,762
TX Gamma - Chapter Leadership Fund	81	92
TX Gamma - Chapter Scholarship Fund	9,573	10,779
TX Gamma - Chapter Housing Fund	17,300	19,433
TX Zeta - Chapter Leadership Fund	254	235
TX Zeta - Chapter Scholarship Fund	6,525	6,890

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	<u>2018</u> <u>Total</u>	<u>2017</u> <u>Total</u>
VA Alpha - Chapter Scholarship Fund	\$ 7,448	\$ 8,639
VA Alpha - Chapter Leadership Fund	270	-
VA Beta - George S. Lantzas Scholarship Fund	56,720	63,358
VA Beta - C. Stephen Leonard Scholarship Fund	113,241	127,505
VA Beta - Jerry Nelson Mentor Scholarship Fund	71,951	81,015
VA Beta - Chapter House Operating Fund	13,164	14,787
VA Eta - Chapter Scholarship Fund	3,002	3,139
VA Zeta - Chapter Scholarship Fund	8,267	9,741
VA Zeta - Willow Creek/Philpott Memorial Scholarship Fund	1,228	1,383
VA Zeta - Chapter Leadership Fund	44	50
WA Alpha - Chapter Leadership Fund	2,790	2,206
WA Alpha* - Chapter Scholarship Fund	416,813	488,436
WA Alpha - Douglas A. Hora Chapter Scholarship Fund	20,340	20,833
WA Alpha - Chapter House Operating Fund	(6,814)	88,861
WV Alpha - Chapter Scholarship Fund	32,821	36,833
WV Alpha - Chapter Leadership Fund	1,590	1,556
WI Gamma - Chapter Leadership Fund	238	268
WI Gamma - Chapter Scholarship Fund	72,634	81,688
Annual Chapter Leadership Fund	8,373	9,356
Philip M. Cornelius Scholarship Fund	33,471	41,140
Excellence in Advising Grant Fund	41,196	45,617
Ralph D. Daniel Leadership Award Fund	76,250	89,888
Ruddick C. Lawrence Scholarship Fund	98,040	121,060
Leadership and Member Development Fund	2,339	3,276
Health and Wellness Fund	225	-
Gordon S. Letterman Scholarship Fund	5,444	5,343
William H. Blanning Scholarship Fund	152,919	189,254
American Leadership Academy Fellowship Fund	443	499
Terrence "Terry" G. Harper Fellowship Fund	40,208	45,273
Jerry Nelson Scholarship Fund	35,010	43,371
Watkins Christian Scholarship Fund	100,547	81,654
Schroeder Scholarship Fund	25,645	29,856
Boys and Girls Club of America	551	620
Strategic Plan 2020 Campaign	4,737	5,759
Museum & Archives Fund	515	545
Shane Yates Fellowship Fund	26,625	27,237
Interest in Summerfield Foundation	385,000	406,000

* Balance includes assets invested in loan to chapter