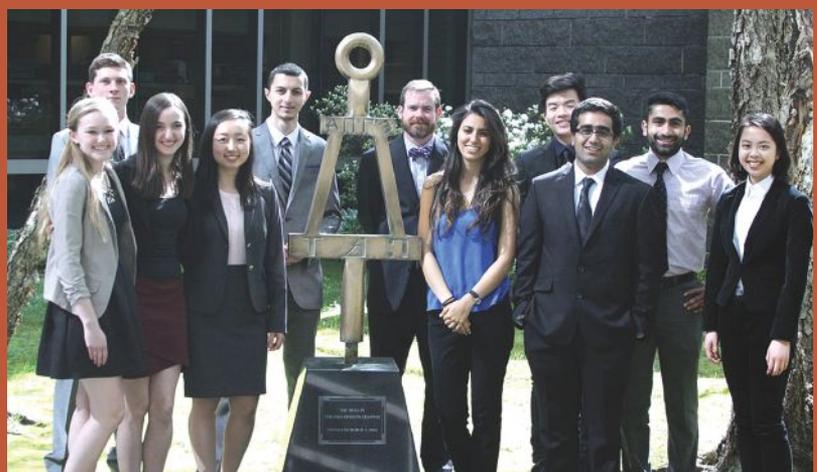


Executive Director's Report

By: **Curtis D. Gomulinski**, Michigan Epsilon '01



Members of Virginia Epsilon gather around their Bent monument following their spring initiation. Photo from the chapter's twitter account @TauBetaPiatVCU.

OVERALL, the year 2017-18 went well in many respects as trust investments reached new record levels. Support by alumni through volunteer efforts and annual contributions continues to remain strong, although additional growth in financial support is necessary to existing programming. Corporate and university financial support of the Convention remains strong while advertising in *The Bent* has dried up. The number of new members dropped after crossing 10,000 just three years ago. The 5th annual *Tau Beta Pi Day* was held on March 14. Over 135 collegiate and alumni chapters again held events in conjunction with the celebration. Over 15,000 members receive *The Bent* electronically which is an increase of 43% over last year. Over 1,600 members joined a new networking and mentoring platform called *TauBeta-Pi4Life* which launched last October. Alumni continue to demonstrate an interest in maintaining their affiliation with the Association through engagement in alumni chapter activities and attending conferences and alumni events.

CHAPTERS

The 2017 Convention granted a charter to the Oregon Institute of

Technology, formally installed as Oregon Delta on April 14, 2018. An article about the installation was published in the Summer 2018 issue of *The Bent*.

A petition from Tau Beta Xi, the local engineering honor society at the University of Texas at Dallas, was received during the summer. An inspection committee will visit the school this fall. No additional petitions for new chapters were received and the 2018 Convention has no petitions to consider this year.

Four alumni chapters were chartered (Albuquerque, NM; Los Angeles, CA; Orange County, CA; and Pioneer in OK), one was reactivated (Central FL in Orlando), and two went inactive (Baltimore, MD, and Treasure Valley in Boise, ID); 44 of 78 alumni chapters are active.

A total of 212 collegiate chapters (229 in 2017) completed annual surveys that listed approximately 1,627 projects. A report on the contents of the survey will be published in the November 2018 issue of *The Bulletin*.

MEMBERSHIP

The chapters initiated 9,336 members in 2017-18, down 506 (5.1%) from last year. This included 8,994 undergraduates, 244 graduate students, 64 alumni, and 34 eminent

engineers. Tau Beta Pi's initiated membership on July 31, 2018, was 592,858, and an estimated 67,000 are deceased.

During the year, about 51,000 engineering students in the 247 TBPI chapter schools were scholastically eligible for membership in the top fifth of their senior or the top eighth of their junior classes. About 32% of these were members of TBPI at the close of the year—down from 33% last year. About 2% were not initiated, chiefly because of their chapters' failure to hold spring ceremonies. The remaining 66% indicated a lack of interest in membership, up from 64% last year.

Tau Beta Pi chapter schools graduate about 93% of all B.S. engineers at 443 schools with ABET EAC-accredited programs and four schools without accreditation. Twenty-nine chapters held only one election and initiation of new members, no school did not conduct an initiation, and all others held two or more. Five chapters held an initiation without approval. Seven members resigned during the year, and one was expelled.

CONVENTION

The 112th Convention was held October 12-14, 2017, in Ann Arbor and Dearborn with Michigan Gamma and the Ann Arbor Area Alumni Chapter serving as hosts. The meeting was fully reported in the Winter 2018 issue of *The Bent* and the November 2017 issue of *The Bulletin*. The 2018 Convention will be hosted by Colorado Alpha, Beta, and Epsilon and the Front Range Alumni Chapter in Denver.

The 2017 Convention: approved a General Revision to replace existing Constitution and Bylaws; increased the allowed reimbursement rate for en-route dinners for the 2018 Convention and left the other rates at the levels set for the 2017 Convention; made three changes to the Ritual; charged the Director of Rituals to update the ritual to

accommodate initiates with special needs, and directed the Executive Council to create a database of members who can serve as sign language interpreters; accepted the invitation from Georgia Alpha and the Atlanta Alumni Chapter to host the 2020 Convention; requested that new template materials be developed for member recruitment, a website task force be chartered, and there be a committee on image and marketing at the 2018 Convention; granted three curriculum appeals; requested a committee on alumni chapters be chartered for the 2018 Convention; elected three new members of the Executive Council; suggested an electronic project reporting system be developed; and made several recommendations to the Executive Council for further study.

OFFICIALS

The TBP Executive Council with term expirations includes Secretary J.P. Blackford, President S.L.R. Holl, and Treasurer G.J. Morales (2018); Vice President W.B. Paugh, and Councillors G. Youssef and M. Youssef (2019); and Councillors S.E. Fable, S.L. King-Monroe, and C.C. Smith (2020). Council meetings were held on Aug. 12, Sep. 21, Oct. 11, and Dec. 21, 2017, and Jan. 13, Apr. 28, and July 26, 28, and 31, 2018. Tau Beta Pi has five appointed directors with responsibilities in major areas of its interest: K.L. Colby as Director of Engineering Futures, E.J. D'Avignon as Director of Rituals, T.E. Gomulinski as Director of Alumni Affairs, K.J. Hammar as Director of the District Program, and S.J. Steadman as Director of Fellowships. Members of the Fellowship Board include C.W. Caldwell, M.M. Darrow, S.C. Fantozzi, and R.E. Efimba. The Trust Advisory Committee, which directs investment activities of the corporate trustee, includes R.F. Smith (chair), H.W. Lange, and J.W. Johnson Jr.

The current list of District Directors and Engineering Futures Facilitators is available on page 52 and at www.tbp.org/about.cfm.

The International Headquarters staff, which is located on the Knoxville campus of the University of Tennessee, includes members Executive Director C.D. Gomulinski, Director of Chapter Programs R.E.

Hawks, Major Gifts Officer S.D. Jennings-King, Data Entry Specialist A.P. Karnauch, and twelve additional employees listed at www.tbp.org/about/hqStaff.cfm.

AWARDS

Tau Beta Pi's top chapter prize, the R.C. Matthews Outstanding Chapter Award, was bestowed on Alabama Epsilon for the excellence of its total program in 2016-17; honorable mentions went to Florida Alpha and Iowa Alpha. The R.H. Nagel Most Improved Chapter Award was given to Wisconsin Delta; an honorable mention went to Illinois Alpha. J.D. Froula Most Improved Membership honors were extended to California Upsilon; an honorable mention was presented to Texas Gamma.

The Headquarters staff gave 47 Chapter Excellence Awards to chapters for high quality reporting, excellent chapter operations, and a commitment to improving initiation rates. Chapter Project Awards were presented to 34 chapters for ingenuity and creativity in activities.

MEMBER AWARDS

No chapters submitted a nomination for the Outstanding Advisor Award for the first time in the program's 25-year history.

The Alumnus Recognition Selection Committee consists of three District Directors: E.P. Gorzkowski III, (chair), M.C. Ferrall-Fairbanks, and T.D. Anderson. They were charged with selecting the recipients of the TBP-McDonald Mentor Award and the Distinguished Alumnus Award. The 2018 TBP-McDonald Mentor will be presented to James C. Hill, Ph.D., *CA Γ '62*. The 2018 Distinguished Alumnus Awards will be presented to William L. Collins Jr., *FL Γ '75*; Aprille J. Ericsson, *DC A '86*; James E. Halligan, Ph.D., P.E., *IA A '62*; and Gary D. Hoover, *IA A '61*. [See pages 10, 12-13.]

The 2018 Laureates were selected by a committee of three District Directors: J.A. Keiser, (chair), J. Hilerio-Sanchez, and C.C. McComb. They chose two Laureates from four nominees made by three chapters. The 2018 Laureates are Amy C. Kurr, *IA A '18*, and Krista L. Stribling, *IN Δ '18*. [See page 11.]

During the year, the Execu-

tive Council gave 14 Resolutions of Appreciation and 2 Distinguished Service Awards to collegiate chapter advisors and Association Officials for service to TBP.

PROGRAMS

Sixteen districts held at least one conference last year and conducted meetings during the 2017 Convention and directors visited many chapters during the year. The Directors and the Council again cancelled the normal June 2018 meeting to reduce expenses.

ENGINEERING FUTURES

The Engineering Futures Program presented a total of 176 training sessions to 3,757 individuals by 36 volunteer facilitators to develop the leadership skills of student members during 2017-18. This award-winning program helps prepare engineering students for their careers by enhancing their overall personal effectiveness through interpersonal-skills and teamwork-development seminars.

FELLOWSHIPS

The 85th fellowship group, comprising 31 students, 30 with a \$10,000 stipend and 1 with a \$5,000 stipend, will do graduate work in 2018-19 and was announced in the Summer 2018 *Bent*.

GRANTS

The Council made no grant under either of the Greater Interest in Government (GIG) and the Student Assistance Programs.

MINDSET PROGRAM

MindSET promotes efforts to support math and science programs that contribute to enhanced preparation of students in the K-12 system. More than 26 TBP chapters hosted hands-on activity sessions with local schools. At the close of the fiscal year, nearly 8,500 elementary, middle, and high school students had participated in MindSET sessions. In 2017-18, 12 grants totaling \$750 were issued to 8 chapters for MindSET projects. Nearly 27% of collegiate chapters report participating in K-12 and tutoring activities last year.

SCHOLARSHIPS

The 20th group of 288 TBPI Scholars, who will complete their undergraduate engineering studies in 2018-19, are announced in this issue. [See page 28.] All Scholars receive a cash grant of \$1,000 or \$2,000 for their senior academic year. Since the program began in 1999, Tau Beta Pi has given and committed \$5,475,000 to 2,798 students.

In the TBPI Chapter Performance Scholarship Program, \$10,000 in scholarships were available to students selected by 20 chapters.

Six \$1,000 scholarships were funded by the Society (for a 20-year total of 124) in 2018-19 for incoming freshman engineering students through the national program conducted by the Society of Automotive Engineers (SAE).

OTHER ACTIVITIES

Tau Beta Pi has maintained its affiliations with the American Association for the Advancement of Science and the Association of College Honor Societies and its association membership in the American Society for Engineering Education. The Executive Director is Tau Beta Pi's official representative to these organizations.

Tau Beta Pi partners with JobTarget to offer a web-based job board—The Best People—and maintains other valuable benefits for members. Nearly 5,000 jobs were posted on July 31.

The Association was a contributing society to DiscoverE 2018 (formerly National Engineers Week).

Tau Beta Pi was a titanium sponsor and hosted a booth at the 2018 USA Science & Engineering Festival in Washington, DC. Approximately 370,000 people attended the April event which celebrated and promoted the STEM disciplines. Our booth featured paper and clothespin airplane activities.

Members of the Executive Council and other Association Officials met with alumni at receptions and gatherings at 16 District Conferences and 11 other events held across the country.

Tau Beta Pi has maintained its classification under Section 501(c)(3) of the U.S. Internal Revenue Code as a tax-exempt, charitable and educational, non-private organization

and is exempt from sales tax in 16 states. Alumni and collegiate chapters are separately classified under Section 501(c)(7) of the code, except Michigan Gamma, which is classified under Section 501(c)(4).

FINANCES

The financial condition of TBPI at the close of the fiscal year was strengthened by substantial capital gains in the trust and giving by alumni remained strong. Excess revenue over expenses was \$2,138,000. Assets increased in 2017-18 by \$2,189,000 to a total of \$31,367,000.

FINANCIAL POSITION STATEMENT

The several named trust funds are commingled and invested under the jurisdiction of the TBPI Trust Advisory Committee. The trustee is the trust department of the PNC Bank in Cleveland, OH, and performed satisfactorily during the year.

Investment earnings of the funds, less trustee fees and including capital gains, are used for the purposes indicated by the fund titles: paying fellowship and scholarship stipends, paying for *Bent* magazines delivered to life subscribers, paying project grants to chapters in the MindSET and Greater Interest in Government Programs, supporting the Convention, and financing many useful activities of the collegiate chapters. A breakdown of the portion of the trust for each major program area is shown to the right. Overall, net earnings of the investments, including security sales and market gains, were 18.2%; the previous year's figure was 10.6%. Paid investment earnings were \$1,398,000; net investment market gains were \$1,461,438.

Securities held by the trustee on July 31, 2018, are carried at market value of \$29,420,000, an increase of 9.1% from the previous year, and comprise holdings in 14 non-overlapping, no-load mutual funds. Equity securities constituted 90% of the total trust funds.

The current liability in fellowships and scholarships is for those stipends committed in 2017-18 for payment in 2018-19 to student recipients. The 2018 Convention liability includes the assessments paid by new initiates during the year and \$66,000 in gifts from corporate and university sponsors. The

deferred *Bent* subscription liability is for both annual subscriptions and the four-year subscriptions for new members included in the Association's initiation fee. The liability for delivering future magazines under four-year subscriptions is entered on the books at the time of initiation.

The decrease in *Bent* life subscription liability was countered by 80 new life subscribers. Life subscription fees are recorded as a liability because of the commitment against the annual earnings of those fees to pay for copies of *The Bent* to be delivered. This liability represents the total value of all life subscriptions in force on July 31, 2018, at their enrollment-fee prices, less an actuarial proportion of \$1,325,000 recognized as revenue since 2004. Upon the death of a life subscriber, their paid fees are transferred on the books to the Fellowship Fund and are reported as revenue.

The net assets of the Association increased by \$2,138,000 mainly due to the gain of value in the trust of \$2,456,000 which was partially offset by lower cash assets of \$187,000 and higher fellowship and scholarship liability of \$77,000. A subsidiary report details the changes during the year in individual funds which posted mixed results due to market volatility.

STATEMENT OF ACTIVITIES

Chapter and initiation fees (shown less *The Bent* subscription and Convention support) decreased by \$15,000 primarily due to the lower number of new members this year.

Convention revenue consists of assessments for the 2017 Convention, \$77,000 in gifts, and \$86,000 from alternate delegates and visitors.

Bent publication revenue decreased by \$28,000 due to reduced recruitment advertising; expenses fell slightly due to more members switching to electronic delivery and lower advertising costs. Total investment earnings and market gain on the Life Subscription Fund decreased by \$163,000. In 2017-18, the invested fund gained \$1.12 per life copy delivered, compared with the previous year's gain of \$1.78. Earnings per life copy exceeded expenses by \$0.18, versus last year's gain of \$0.84 per copy.

The total of interest and

THE TAU BETA PI ASSOCIATION
STATEMENT OF FINANCIAL POSITION
 On July 31, 2017 and 2018

ASSETS

<i>Current Assets</i>	2018	2017
Cash and cash equivalents	\$ 551,834	\$ 738,939
Accounts receivable		
Chapters	66,494	91,935
Student loans	20,092	23,564
<i>Bent</i> life subscription installments	1,707	1,574
Pledges	299,248	177,500
Trust contributions	0	200,000
Other	28,170	12,375
<i>Total Receivables</i>	415,711	506,948
Inventory	47,538	54,557
Split-interest agreements, cur. portion	82,424	81,791
Prepaid expenses	27,664	36,008
<i>Total Current Assets</i>	1,125,171	1,418,243
<i>Depreciable: Furniture and equipment</i>	144,084	122,028
Less accumulated depreciation	(113,634)	(112,068)
<i>Total Depreciable</i>	30,450	9,960
<i>Other Assets</i>		
Investments	29,430,631	26,975,072
Split-interest agreement, net of cur. portion	781,151	775,151
	\$30,211,782	\$27,750,223
TOTAL ASSETS	\$31,367,403	\$29,178,426

Financial statements have been audited.

LIABILITIES AND NET ASSETS

<i>Current Liabilities</i>	2018	2017
Accounts payable		
Chapters	\$ 5,300	\$ 0
Member awards	7,000	11,500
Fellowships/Scholarships	873,800	797,000
Other	13,718	10,834
Accrued expenses	56,107	56,751
Deferred Convention revenue	158,910	137,020
Deferred <i>Bent</i> revenue, current	99,120	100,371
Annuities payable, current portion	19,037	19,037
<i>Total Current Liabilities</i>	1,232,992	1,132,513
Deferred <i>Bent</i> subscription revenue	123,241	125,764
<i>The Bent</i> life subscriptions	1,085,037	1,126,723
Annuities payable, net of cur. portion	79,353	84,475
<i>Total Long-term Liabilities</i>	1,287,631	1,336,962
TOTAL LIABILITIES	2,520,623	2,469,475
<i>Net Assets</i>		
Unrestricted:		
Undesignated	347,723	533,232
Designated	8,888,999	8,381,261
Temporarily restricted	11,166,910	10,052,099
Permanently restricted	8,443,148	7,742,359
TOTAL NET ASSETS	28,846,780	26,708,951
TOTAL LIABILITIES & NET ASSETS	\$31,367,403	\$29,178,426

dividends in 2017-18 increased by \$780,000. The net gain on investments was \$1,461,000 reflecting reported changes in market value.

The 11 major chapter programs (denoted with a (C) in front of their name under Expense) usually reflect an operating loss. Convention expenses dropped by \$77,000 and include the cost of attendance by one student delegate from each collegiate chapter, alternate delegates, alumnus delegates, chapter advisors, and visitors—but not by Association Officials. Most of the decrease reflects a less expensive Convention location.

Expenses for fellowships and scholarships rose by \$88,000 because more scholarships and fellowships were given. Revenue for these awards includes matching gifts from corporations, alumni contributions specifically earmarked by donors, and trust earnings. Fellowships and scholarships comprise the major philanthropic program of TBI.

CONTRIBUTIONS FROM ALUMNI

Total contributions and bequests decreased by \$478,000 during the fiscal year. The Association received

\$499,000 less in bequests and designated gifts which was offset primarily by \$53,000 in additional unrestricted gifts. Tau Beta Pi's Annual Giving Campaign brought in gifts of \$1,162,000 (up 1.2%) from 9,576 donors (down 7.7%), including 358 new donors (down 35.3%). Their names were published in each issue of *The Bent*. Included in the total is \$56,000 allocated to the Chapter Endowment Initiative and the Fellowship, Scholarship, and Engineering Futures Programs from 261 companies that match gifts from employees.

INITIATION FEES

Tau Beta Pi's low Association initiation fee covers the cost of the official badge, membership card and certificate, copies of the *Constitution and Bylaws* and *Information Book*, and a four-year subscription to *The Bent*. The initiation fee has been \$55 since August 1, 2016, and includes \$10 that is used for partial support of the annual Convention.

STUDENT LOANS

Two new loans were made to members in 2017-18. Five loans were repaid, none were written off during

the year, leaving 11 outstanding on July 31, 2018, with a principal balance of \$20,092. Since inauguration in 1932 of the program, 1,804 loans have been made to student members for a total of \$903,000.

PUBLICATIONS

During 2017-18, the four issues of *The Bent* contained a total of 208 pages, and 395,000 copies were delivered to paid subscribers. This represents a 0.4% decrease in paid copies below the previous year's circulation total. Engineering and graduate-school recruitment advertising for the year totaled 7 pages, a 19% decrease from the previous year. Total production cost of the magazine per paid copy was \$0.94, unchanged from the preceding year.

New *Bent* life subscribers numbered 80 (up from 64), bringing total life subscriptions to 80,474. Of all the life subscribers enrolled since 1929 when the plan was instituted, 14,329 are deceased, and their fees totaling \$424,200 have been transferred to the Fellowship Fund in accord with the Constitutional requirement.

An average of 71 copies per issue

THE TAU BETA PI ASSOCIATION

STATEMENT OF ACTIVITIES

For the years ended July 31, 2018 and 2017

REVENUE	Unrestricted	Temporarily	Permanently	2018	2017
		Restricted	Restricted		
Initiation and chapter fees and fines	\$ 312,203			312,203	327,685
Chapter and individual sales	184,877			184,877	183,769
Contributions and bequests	1,153,056	11,193	694,156	1,858,405	2,336,018
Convention	261,660			261,660	278,674
<i>Bent</i> publication	143,221			143,221	171,567
Net life subscription fee transfer	47,241			47,241	37,983
Student loan interest	2,229			2,229	1,232
Miscellaneous/ Net gain on equipment sales	11,923			11,923	14,363
Interest and dividends	539,613	914,874		1,454,487	674,697
Net gain (loss) on investments	564,597	896,386		1,460,983	3,566,951
Change in value of split-interest agreements			6,633	6,633	(25,670)
Net assets released from restrictions	<u>707,642</u>	<u>(707,642)</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE	3,928,262	1,114,811	700,789	5,743,862	7,567,269
EXPENSE					
Program services					
(C) Advisor Program	24,967			24,967	24,244
Alumni Program	63,907			63,907	78,835
<i>Bent</i> publication	369,821			369,821	372,819
(C) <i>Bulletin</i> production	22,056			22,056	20,613
(C) Chapter and initiate supplies	385,780			385,780	362,175
(C) Convention	575,484			575,484	652,025
(C) Cost of chapter and individual sales	160,529			160,529	147,285
(C) District Program	238,843			238,843	226,265
(C) Engineering Futures Program	133,887			133,887	143,127
Fellowship & Scholarship Program	955,164			955,164	867,495
(C) Greater Interest in Government Program	5,723			5,723	5,428
(C) K-12 MindSET Program	37,534			37,534	33,064
(C) Laureate Program	11,609			11,609	14,728
McDonald Mentor Program	4,633			4,633	5,820
(C) Student Assistance Program	2,449			2,449	4,132
Student Loan Program	<u>6,783</u>			<u>6,783</u>	<u>6,682</u>
Total program services	2,999,169			2,999,169	2,964,737
General and administrative	319,756			319,756	271,947
Alumni Giving Program	<u>287,109</u>	<u>0</u>	<u>0</u>	<u>287,109</u>	<u>265,412</u>
TOTAL EXPENSE	3,606,034			3,606,034	3,502,096
CHANGE IN NET ASSETS	322,228	1,114,811	700,789	2,137,828	4,065,174
Net assets, beginning of year	<u>8,914,494</u>	<u>10,052,099</u>	<u>7,742,359</u>	<u>26,708,952</u>	<u>22,643,778</u>
Net assets, end of year	\$9,236,722	11,166,910	8,443,148	28,846,780	26,708,952

Financial statements have been audited.

in 2017-18 was delivered to annual renewal subscribers, 38,328 copies to original four-year subscribers, and 60,427 copies to life subscribers, for a total of 98,826 paid copies per issue. The total number of paid copies for the Summer 2018 magazine was 98,973.

The Association is indebted to the alumni who serve as judges and writers of the Brain Ticklers column: H.G. McIlvried III, Ph.D. (chair), J.C. Rasbold, J.R. Stribling, Ph.D., and F.J. Tydeman.

THE BULLETIN

During 2017-18, the four issues

contained a total of 41 pages, and no copies were printed. All issues are available on the website. Published chiefly for sharing information with student members, officers, and advisors of the collegiate chapters, the newsletter is a valuable means of exchanging project ideas and distributing advice and guidelines related to chapter operations.

OTHER COMMUNICATIONS

New editions of the *Constitution and Bylaws and Eligibility Code* and the *Information Book* were printed in 2018 and 2017 respectively. Other brochures and mate-

rials were updated and reprinted throughout the year.

Tau Beta Pi's presence on social media continued to increase. Nearly 27,300 members are part of our LinkedIn group, over 1,000 people follow @taubetapi on Twitter, 4,300 people "like" TBPI, and 400 people are in the "Tau Beta Pi for Members" group on Facebook, and over 3,600 people read our blog with daily news over 5,500 times last year. The website has received over 71 million visits since its creation and contains a wealth of operational and historical information about the Society. Visit tbp.org to find the latest TBPI news!