

THE TAU BETA PI ASSOCIATION, INC.
Knoxville, Tennessee

FINANCIAL STATEMENTS
July 31, 2016 and 2015

THE TAU BETA PI ASSOCIATION, INC.

FINANCIAL STATEMENTS

July 31, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Tau Beta Pi Association, Inc.
Knoxville, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of The Tau Beta Pi Association, Inc., which comprise the statements of financial position as of July 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Tau Beta Pi Association, Inc. as of July 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of analysis of fellowship program, collegiate chapter accounts receivable, analysis of convention revenue and expenses, and investment analysis and assets held by trustee are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Knoxville, Tennessee
November 29, 2016

THE TAU BETA PI ASSOCIATION, INC.
 STATEMENTS OF FINANCIAL POSITION
 July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 665,426	\$ 550,067
Accounts receivable		
Chapters	91,523	61,088
Student loans	25,528	21,582
Pledges receivable, net	152,336	151,722
<i>The Bent</i> life subscription installments	2,130	3,620
Other	<u>21,228</u>	<u>8,065</u>
	292,745	246,077
Inventory	43,517	44,364
Beneficial interest in assets held by others, current portion (Note 6)	80,928	83,085
Prepaid expenses	<u>76,191</u>	<u>37,193</u>
Total current assets	1,158,807	960,786
Furniture and equipment, net of accumulated depreciation of \$111,790 and \$108,474 at July 31, 2016 and 2015, respectively	12,813	18,803
Other assets		
Investments (Note 2)	23,062,160	24,210,806
Beneficial interest in assets held by others, net of current portion (Note 6)	<u>801,684</u>	<u>823,061</u>
	<u>23,863,844</u>	<u>25,033,867</u>
	<u>\$ 25,035,464</u>	<u>\$ 26,013,456</u>

(Continued)

THE TAU BETA PI ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable		
Chapters	\$ 1,815	\$ 3,991
Laureate awards	7,500	12,500
Fellowship and scholarship stipends	637,000	827,500
Other	<u>72,870</u>	<u>8,780</u>
	719,185	852,771
Accrued expenses	58,405	56,682
Deferred convention revenue	126,010	128,940
Deferred <i>The Bent</i> subscription revenue, current portion	104,894	84,651
Annuity payable, current portion (Note 7)	<u>19,037</u>	<u>19,037</u>
Total current liabilities	1,027,531	1,142,081
Long-term liabilities		
Deferred <i>The Bent</i> subscription revenue, net of current portion	114,429	119,372
<i>The Bent</i> life subscriptions	1,159,991	1,179,373
Annuity payable, net of current portion (Note 7)	<u>89,735</u>	<u>95,126</u>
	1,364,155	1,393,871
Net assets		
Unrestricted		
Undesignated	471,820	770,196
Designated (Note 3)	7,388,759	8,175,042
Temporarily restricted (Note 3)	7,764,728	8,241,211
Permanently restricted (Note 3)	<u>7,018,471</u>	<u>6,291,055</u>
	<u>22,643,778</u>	<u>23,477,504</u>
	 <u>\$ 25,035,464</u>	 <u>\$ 26,013,456</u>

See accompanying notes to financial statements.

THE TAU BETA PI ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
Years ended July 31, 2016 and 2015

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues and gain on investments				
Initiation and chapter fees and fines	\$ 229,698	\$ -	\$ -	\$ 229,698
Chapter and individual sales	196,495	-	-	196,495
Contributions and bequests	1,025,646	70,439	750,950	1,847,035
Annual convention	265,026	-	-	265,026
<i>The Bent</i> publication	201,334	-	-	201,334
Net life subscription fee transfer	23,895	-	-	23,895
Student loan interest	1,306	-	-	1,306
Miscellaneous	13,889	-	-	13,889
Interest and dividends	483,814	662,881	-	1,146,695
Net gain(loss) on investments	(620,700)	(794,432)	-	(1,415,132)
Beneficial interest in assets held by others	-	-	(23,534)	(23,534)
Net assets released from restrictions (Note 3)	415,371	(415,371)	-	-
Total revenues and gains on investments	<u>2,235,774</u>	<u>(476,483)</u>	<u>727,416</u>	<u>2,486,707</u>
Expenses				
Program services				
Chapter supplies and operations	327,638	-	-	327,638
Cost of chapter and individual sales	192,748	-	-	192,748
Annual convention	626,067	-	-	626,067
District program	238,606	-	-	238,606
Engineering futures program	156,471	-	-	156,471
Greater interest in government program	5,075	-	-	5,075
BULLETIN publication	19,947	-	-	19,947
Student assistance program	2,090	-	-	2,090
Laureate program	13,562	-	-	13,562
Advisor program	24,939	-	-	24,939
<i>The Bent</i> publication	362,512	-	-	362,512
Fellowship and scholarship program	685,824	-	-	685,824
Alumnus program	69,992	-	-	69,992
Student loan program	6,062	-	-	6,062
K-12 mindset program	35,223	-	-	35,223
McDonald mentor program	6,225	-	-	6,225
Total program services	<u>2,772,981</u>	<u>-</u>	<u>-</u>	<u>2,772,981</u>
Support services				
General and administrative	298,655	-	-	298,655
Alumni giving program	248,797	-	-	248,797
Total support services	<u>547,452</u>	<u>-</u>	<u>-</u>	<u>547,452</u>
Total expenses	<u>3,320,433</u>	<u>-</u>	<u>-</u>	<u>3,320,433</u>
Change in net assets	(1,084,659)	(476,483)	727,416	(833,726)
Net assets at beginning of year	<u>8,945,238</u>	<u>8,241,211</u>	<u>6,291,055</u>	<u>23,477,504</u>
Net assets at end of year	<u>\$ 7,860,579</u>	<u>\$ 7,764,728</u>	<u>\$ 7,018,471</u>	<u>\$ 22,643,778</u>

See accompanying notes to financial statements.

THE TAU BETA PI ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
Years ended July 31, 2016 and 2015

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues and gain on investments				
Initiation and chapter fees and fines	\$ 238,350	\$ -	\$ -	\$ 238,350
Chapter and individual sales	183,035	-	-	183,035
Contributions and bequests	1,123,202	262,788	854,929	2,240,919
Annual convention	223,227	-	-	223,227
<i>The Bent</i> publication	196,664	-	-	196,664
Net life subscription fee transfer	28,670	-	-	28,670
Student loan interest	2,510	-	-	2,510
Miscellaneous	9,621	-	-	9,621
Interest and dividends	506,584	685,179	-	1,191,763
Net gain(loss) on investments	(158,641)	(175,335)	-	(333,976)
Beneficial interest in assets held by others	-	-	17,683	17,683
Net assets released from restrictions (Note 3)	<u>669,844</u>	<u>(669,844)</u>	<u>-</u>	<u>-</u>
Total revenues and gains on investments	<u>3,023,066</u>	<u>102,788</u>	<u>872,612</u>	<u>3,998,466</u>
Expenses				
Program services				
Chapter supplies and operations	313,687	-	-	313,687
Cost of chapter and individual sales	169,577	-	-	169,577
Annual convention	666,261	-	-	666,261
District program	227,036	-	-	227,036
Engineering futures program	165,493	-	-	165,493
Greater interest in government program	5,007	-	-	5,007
BULLETIN publication	20,468	-	-	20,468
Student assistance program	2,150	-	-	2,150
Laureate program	17,955	-	-	17,955
Advisor program	25,001	-	-	25,001
<i>The Bent</i> publication	414,923	-	-	414,923
Fellowship and scholarship program	907,801	-	-	907,801
Alumnus program	86,047	-	-	86,047
Student loan program	6,183	-	-	6,183
K-12 mindset program	35,539	-	-	35,539
McDonald mentor program	<u>5,135</u>	<u>-</u>	<u>-</u>	<u>5,135</u>
Total program services	<u>3,068,263</u>	<u>-</u>	<u>-</u>	<u>3,068,263</u>
Support services				
General and administrative	284,027	-	-	284,027
Alumni giving program	<u>300,400</u>	<u>-</u>	<u>-</u>	<u>300,400</u>
Total support services	<u>584,427</u>	<u>-</u>	<u>-</u>	<u>584,427</u>
Total expenses	<u>3,652,690</u>	<u>-</u>	<u>-</u>	<u>3,652,690</u>
Change in net assets	(629,624)	102,788	872,612	345,776
Net assets at beginning of year	<u>9,574,862</u>	<u>8,138,423</u>	<u>5,418,443</u>	<u>23,131,728</u>
Net assets at end of year	<u><u>\$ 8,945,238</u></u>	<u><u>\$ 8,241,211</u></u>	<u><u>\$ 6,291,055</u></u>	<u><u>\$ 23,477,504</u></u>

See accompanying notes to financial statements.

THE TAU BETA PI ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
Years ended July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ (833,726)	\$ 345,776
Adjustments to reconcile change in net assets to net cash from operating activities		
Net life subscription fee transfer	(23,895)	(28,670)
Net (gain)/loss on investments	1,416,076	333,976
Depreciation	7,589	7,502
Annuity expense	13,646	13,556
Change in value of beneficial interest in assets held by others	23,534	(17,683)
Permanently restricted contributions received	-	(854,929)
Changes in operating assets and liabilities		
Accounts receivable	(46,668)	(131,897)
Inventory	847	(6,047)
Prepaid expenses	(38,998)	12,207
Accounts payable	(133,586)	81,941
Accrued expenses	1,723	8,157
Deferred convention revenue	(2,930)	30,682
Net cash from operating activities <i>The Bent</i> subscription revenue	15,300	29,699
<i>The Bent</i> life subscriptions	<u>4,513</u>	<u>5,258</u>
Net cash from operating activities	<u>403,425</u>	<u>(170,472)</u>
Cash flows from investing activities		
Proceeds from sale of investments	4,204,200	4,474,483
Payments for purchase of investments	(4,471,630)	(4,963,111)
Payments for the purchase of equipment	<u>(1,599)</u>	<u>(2,441)</u>
Net cash from investing activities	<u>(269,029)</u>	<u>(491,069)</u>
Cash flows from financing activities		
Payments on annuity payable	(19,037)	(19,037)
Permanently restricted contributions received	<u>-</u>	<u>854,929</u>
Net cash from financing activities	<u>(19,037)</u>	<u>835,892</u>
Net change in cash and cash equivalents	115,359	174,351
Cash and cash equivalents at beginning of year	<u>550,067</u>	<u>375,716</u>
Cash and cash equivalents at end of year	<u>\$ 665,426</u>	<u>\$ 550,067</u>

See accompanying notes to financial statements.

THE TAU BETA PI ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
July 31, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: The Tau Beta Pi Association, Inc. (the "Association"), a national engineering honor society, was founded at Lehigh University in 1885 by Dr. Edward Higginson Williams, Jr., "to mark in a fitting manner those who have conferred honor upon their Alma Mater by distinguished scholarship and exemplary character as undergraduates in engineering, or by their attainments as alumni in the field of engineering, and to foster a spirit of liberal culture in engineering colleges." - Preamble to the Constitution.

The Association consists primarily of collegiate members and chapters whose purposes are to encourage and recognize superior scholarship and/or leadership achievement.

Method of Presentation: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America.

Basis of Presentation: Under FASB ASC 958, the Association's basic financial statements consist of a statement of financial position, a statement of activities and a statement of cash flows. Additionally, net assets and revenues, expenses, gains and losses are classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of donor-imposed restrictions.

In accordance with FASB ASC 958, contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Use of Estimates in the Preparation of Financial Statements: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Endowment Funds: The Association has endowment funds that are included in permanently restricted net assets to ensure the observance of limitations and restrictions placed on the use of contributions and support to the Association. These endowed contributions are permanently invested and the related investment income is temporarily restricted for the intended purpose, such as providing fellowships and scholarships to deserving students.

Inventory: Inventory of chapter supplies, individual insignia and certificates is valued at cost, with cost being determined using the first-in, first-out method.

Investments and Investment Income: Investments in marketable equity securities and all investments in debt securities are reported at their fair values based on quoted market prices in the statements of financial position. Unrealized gains and losses in fair value are recognized as changes in net assets in the period such gains and losses occur.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

THE TAU BETA PI ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
July 31, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment income is recorded on the accrual basis and considered unrestricted unless specifically restricted by the donor. Realized gains and losses on investment transactions are recorded as the difference between proceeds received and cost, net of any commissions or related management expenses.

Furniture and Equipment: Purchased furniture and equipment are stated at cost. Donations of furniture and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose or time of use. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Association reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is computed on the straight-line method over the estimated useful lives of the assets and is considered a cost of operations. Depreciation expense for the years ended July 31, 2016 and 2015 amounted to \$7,589 and \$7,502, respectively.

Initiation Fees: New initiates are charged a fee that is recorded as revenue in the period when the fee is due. In addition, new initiates are charged an assessment for the following year's convention. The convention assessment is deferred and recognized as revenue in the period that the convention occurs.

The Bent Subscriptions: The Association publishes a quarterly magazine, titled *The Bent*. Members of the Association may purchase the magazine under one of three different subscription plans.

New initiates purchase a separate four-year subscription to the *The Bent* in conjunction with their initiation fee. The Association also sells annual subscriptions. The revenue from these two subscription plans is deferred and recognized over the periods that the subscriptions are distributed.

Members may also purchase life subscriptions to the magazine. The life subscription fee revenue is deferred and recognized as revenue over the average remaining life expectancy of the member.

Donated Services: A substantial number of members have made significant contributions of their time to the Association. The value of this time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

Income Taxes: The Association is a not-for-profit corporation pursuant to Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related income pursuant to Section 501(a). Accordingly, no provision for income taxes is required for the Association in the financial statements.

A tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. The Association does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Association is no longer subject to examination by taxing authorities for years ending before July 31, 2013.

The Association recognizes interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. The Association has no amounts recorded for unrecognized tax benefits or interest and penalties at July 31, 2016 or July 31, 2015.

THE TAU BETA PI ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
July 31, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation: Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Association.

Cash and Cash Equivalents: For the purpose of the statement of cash flows, cash includes cash and cash equivalents with original maturities of 90 days or less.

In-Kind Contributions and Expenses: Donated in-kind rent and audit services were received in the current year. The value of these contributions has been recorded as in-kind revenue and expense in the amounts of \$28,470 and \$28,470 for the years ending July 31, 2016 and 2015, respectively. The rental agreement is informal and has an indefinite term.

Concentrations of Credit Risk: Financial instruments that potentially subject the Association to concentrations of credit risk consist primarily of cash on deposit and investments. The Association's cash deposits are in financial institutions in Tennessee and may at times exceed federally insured amounts. Investments consist primarily of publicly-traded securities in an open market. Management does not believe the Association has any significant credit risk related to its financial instruments other than normal market volatility.

Allowance for Doubtful Accounts: The allowance for doubtful accounts is determined by management based on the Association's historical losses, specific customer circumstances, and general economic conditions. Periodically, management reviews accounts receivable and adjusts the allowance based on current circumstances and charges off uncollectible receivables when all attempts to collect have failed.

Subsequent Events: The Association has performed an analysis of the activities and transactions subsequent to July 31, 2016 to determine the need for any adjustments to and/or disclosures within the financial statements for the year ended July 31, 2016. Management has performed their analysis through November 29, 2016, the date the financial statements were available to be issued.

Fair Value of Financial Instruments: Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in Note 8. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates and other factors. Changes in assumptions or in market conditions could significantly affect these estimates.

NOTE 2 - INVESTMENTS

The following are the major types of investments held by the Association at July 31, 2016 and 2015:

	2016			2015		
	Cost	Fair Value	Unrealized Gain	Cost	Fair Value	Unrealized Gain
Mutual funds - equity	\$ 14,131,903	\$ 21,206,133	\$ 7,074,230	\$ 13,805,161	\$ 22,203,986	\$ 8,398,825
Mutual funds - fixed income	1,601,082	1,822,828	221,746	1,750,443	1,985,272	234,829
Money markets	33,199	33,199	-	21,548	21,548	-
	<u>\$ 15,766,184</u>	<u>\$ 23,062,160</u>	<u>\$ 7,295,976</u>	<u>\$ 15,577,152</u>	<u>\$ 24,210,806</u>	<u>\$ 8,633,654</u>

THE TAU BETA PI ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
July 31, 2016 and 2015

NOTE 3 - RESTRICTED AND ASSOCIATION OR EXECUTIVE COUNCIL DESIGNATED ASSETS

A summary of restricted net assets as of July 31, 2016 is as follows:

	<u>Permanently Restricted</u>	<u>Temporarily Restricted</u>
Fellowships and scholarships	\$ 6,983,471	\$ 7,676,698
Student assistance	<u>35,000</u>	<u>88,030</u>
	<u>\$ 7,018,471</u>	<u>\$ 7,764,728</u>

A summary of restricted net assets as of July 31, 2015 is as follows:

	<u>Permanently Restricted</u>	<u>Temporarily Restricted</u>
Fellowships and scholarships	\$ 6,256,055	\$ 8,151,503
Student assistance	<u>35,000</u>	<u>89,708</u>
	<u>\$ 6,291,055</u>	<u>\$ 8,241,211</u>

Permanent restrictions represent contributions to endowment funds. Temporary restrictions represent investment return on endowment funds and contributions for fellowships, which have not been awarded in fellowships, scholarships or student assistance as of July 31, 2016 and 2015, respectively.

Expenses related to meeting the donor restrictions are presented as unrestricted expenses in the statement of activities, and net assets released are presented as satisfaction of program restrictions. Net assets released from donor restrictions by awarding fellowships, scholarships and student assistance amounted to \$415,371 and \$669,844 during the years ended July 31, 2016 and 2015, respectively.

A summary of Executive Council designated net assets as of July 31, 2016 and 2015 is as follows:

	<u>2016</u>	<u>2015</u>
<i>The Bent</i> life subscriptions	\$ 1,219,458	\$ 1,501,554
Future conventions	1,851,411	2,029,789
Program development	29,856	30,246
Engineering futures program	189,667	306,600
GIG chapter project program	45,000	45,000
Fellowships and scholarships	3,795,711	3,950,020
Student loans	141,198	142,168
Gift annuity	46,185	62,830
K-12 mindset program	<u>70,273</u>	<u>106,835</u>
	<u>\$ 7,388,759</u>	<u>\$ 8,175,042</u>

THE TAU BETA PI ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
July 31, 2016 and 2015

NOTE 4 - PENSION PLAN

The Association sponsors a defined contribution plan under Internal Revenue Code 403(B) covering substantially all of its employees to which the Association contributes monthly amounts based on the employee's current salary. The related pension expense amounted to \$27,422 and \$26,735 for the years ended July 31, 2016 and 2015, respectively.

NOTE 5 - RELATED PARTY TRANSACTIONS

The chair of the Association's trust advisory committee is also a trustee appointed according to SEC regulations to represent the shareholders of a mutual fund company in which the Association's trust assets are invested. As of July 31, 2016 and 2015, the Association held investments with this mutual fund company totaling \$17,990,502 and \$19,227,752, respectively.

NOTE 6 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Association was identified in a trust agreement whereby the donor irrevocably transferred assets at fair value to a perpetual trust naming the Association as a beneficiary in the income earned on the trust assets. Contributions revenue was recognized in the period in which the trust was established to the extent of the estimated present value of the income to be earned during the life of the assets. Annual income received from the trust must be used to provide fellowships and scholarships to students. Based on a discount rate of 10%, the present value of future benefits expected to be received by the Association was estimated to be \$882,612 and \$906,146 at July 31, 2016 and 2015, respectively.

A summary of expected future collections from the trust agreement as of July 31, 2016 is as follows:

Year ending <u>July 31,</u>	
2017	\$ 80,928
2018	73,570
2019	66,882
2020	60,801
2021	55,274
Thereafter	<u>545,157</u>
	<u>\$ 882,612</u>

NOTE 7 - CHARITABLE GIFT ANNUITY

The Association entered into an agreement on August 31, 2007 in which it received assets from an individual and in turn is required to pay the donor's spouse \$13,137 annually during her lifetime. These assets are recognized at their fair value at the time of their receipt. The value of these assets received was \$177,527. The value of the annuity payable is the actuarial present value of the obligation based on terms of the annuity, including the donor's present age. As of July 31, 2016 and 2015 the present value of these payments was \$58,108 and \$61,175, respectively, using a discount rate of 6.2%.

THE TAU BETA PI ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
July 31, 2016 and 2015

NOTE 7 - CHARITABLE GIFT ANNUITY (Continued)

The Association entered into an agreement on April 30, 2011 in which it received assets from an individual and in turn is required to pay the donor \$1,475 quarterly during his lifetime. These assets are recognized at their fair value at the time of their receipt. The value of these assets received was \$100,000. The value of the annuity payable is the actuarial present value of the obligation based on terms of the annuity, including the donor's present age. As of July 31, 2016 and 2015 the present value of these payments was \$50,664 and \$52,988, respectively, using a discount rate of 3.0%.

NOTE 8 - FAIR VALUE MEASUREMENTS

Generally accepted accounting principles requires the categorization of financial assets and liabilities, based on the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to the quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable inputs. The various levels of the fair value hierarchy are described as follows:

Level 1: Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the company has the ability to access.

Level 2: Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable substantially the full term of the asset or liability.

Level 3: Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The use of observable market data, when available, is required in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

The fair values of mutual funds - equity, mutual funds - fixed income, and money markets are determined by obtaining quoted prices on nationally recognized securities exchanges (level 1 inputs). The fair value of the Association's beneficial interest has been estimated based upon (level 3 input) the present value of future benefits expected to be received by the Association.

The following tables present the fair value hierarchy for those assets measured at fair value on a recurring basis as of July 31, 2016 and 2015:

	Fair Value Measurements at July 31, 2016		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Mutual funds - equity	\$ 21,206,133	\$ -	\$ -
Mutual funds - fixed income	1,822,828	-	-
Money markets	33,199	-	-
Beneficial interest	-	-	882,612
	<u>\$ 23,062,160</u>	<u>\$ -</u>	<u>\$ 882,612</u>

THE TAU BETA PI ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
July 31, 2016 and 2015

NOTE 8 - FAIR VALUE MEASUREMENTS (Continued)

	Fair Value Measurements at July 31, 2015		
	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Assets:			
Mutual funds - equity	\$ 22,203,986	\$ -	\$ -
Mutual funds - fixed income	1,985,272	-	-
Money markets	21,548	-	-
Beneficial interest	-	-	906,146
	<u>\$ 24,210,806</u>	<u>\$ -</u>	<u>\$ 906,146</u>

The table below presents a reconciliation of the asset measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the years ended July 31, 2016 and 2015.

	Fair Value Measurements Using Significant <u>Unobservable Inputs (Level 3)</u> Beneficial <u>Interest</u>
Beginning balance, August 1, 2014	\$ 888,463
Total realized and unrealized gains or losses	17,683
Transfers in and/or out of Level 3	<u>-</u>
Balance, July 31, 2015	906,146
Total realized and unrealized gains or losses	(23,534)
Transfers in and/or out of Level 3	<u>-</u>
Ending balance, July 31, 2016	<u>\$ 882,612</u>

THE TAU BETA PI ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 July 31, 2016 and 2015

NOTE 9 - ENDOWMENT

The Association's endowment consists of approximately 30 individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Association has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value 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 Association classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) 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 organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the organization 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 organization 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 organization
- (7) The investment policies of the organization

Endowment Net Asset Composition by Type of Fund as of July 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,380,584	\$ 6,135,859	\$ 7,516,443

Endowment Net Asset Composition by Type of Fund as of July 31, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,612,310	\$ 5,467,900	\$ 7,080,210

THE TAU BETA PI ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
July 31, 2016 and 2015

NOTE 9 - ENDOWMENT (Continued)

Changes in Endowment Net Assets for the years ended July 31, 2016 and 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, August 1, 2014	\$ -	\$ 1,658,285	\$ 4,529,980	\$ 6,188,265
Investment return:				
Investment income	-	273,595	-	273,595
Net appreciation (realized and unrealized)	<u>-</u>	<u>(85,678)</u>	<u>-</u>	<u>(85,678)</u>
	-	-	-	-
Total investment return	-	187,917	-	187,917
Contributions	-	12,000	854,929	866,929
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(245,892)</u>	<u>-</u>	<u>(245,892)</u>
Endowment net assets, July 31, 2015	-	1,612,310	5,384,909	6,997,219
Investment return:				
Investment income	-	316,319	-	316,319
Net depreciation (realized and unrealized)	<u>-</u>	<u>(405,616)</u>	<u>-</u>	<u>(405,616)</u>
Total investment return	-	(89,297)	-	(89,297)
Contributions	-	9,540	750,950	760,490
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(151,969)</u>	<u>-</u>	<u>(151,969)</u>
Endowment net assets, July 31, 2016	<u>\$ -</u>	<u>\$ 1,380,584</u>	<u>\$ 6,135,859</u>	<u>\$ 7,516,443</u>

Return Objectives and Risk Parameters: The Association has adopted investment and spending 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 Association must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce long-term results that provide inter-generational equity and exceeds returns of readily available benchmarks in a combination of widely diversified securities while assuming a moderate level of risk.

Strategies Employed for Achieving Objectives: The purpose of the Endowment Fund is to facilitate donors' desires to make substantial long-term gifts to the community and to develop a new and significant source of revenue for the Association. In so doing, the Endowment Fund will provide a secure, long-term source of funds to: (i) stabilize the Association funding during periods of below normal annual campaigns; (ii) ensure long-term growth; (iii) enhance our ability to meet changing community needs in both the short and long-term; and, (iv) support the administrative expenses of the Association as deemed appropriate.

THE TAU BETA PI ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
July 31, 2016 and 2015

NOTE 9 - ENDOWMENT (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy: Distributions from the endowment are according to a spending policy calculated as 5% of the 48 month rolling averaged trust market value. The Association Board of Directors reserves the right to amend or change this spending policy at any time, including the ability to elect to take no distribution in any given year.

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Association to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, there were no deficiencies of this nature that are reported in unrestricted net assets July 31, 2016 and July 31, 2015. Deficiencies can result from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that were deemed prudent by the Board of Directors.

SUPPLEMENTARY INFORMATION

THE TAU BETA PI ASSOCIATION, INC.
SCHEDULE 1 - ANALYSIS OF FELLOWSHIP PROGRAM
Year ended July 31, 2016

FIFE FELLOWSHIPS/SCHOLARSHIPS

Balance July 31, 2015	\$ 170,228
Less: Fellowship stipends paid in 2015-16	<u>(160,000)</u>
Balance	10,228
Received during 2015-16 from William Fife Trust No. 1	41,545
Held for Fellowships to be paid during 2016-17	(22,474)
Expenses assessed against Fife Fellowship Program in 2013-14	(365)
Less: Payments made for 2016-17 Fife Fellowships	<u>-</u>
Balance July 31, 2016	28,934
Held for Fellowships to be paid during 2017-18	(8,934)
Fellowships to be paid during 2016-17 to:	
Tau Beta Pi-James Fife Fellows Nos. 209 - 210	<u>(20,000)</u>
Scholarships to be paid during 2016-17	<u>\$ -</u>

REGULAR FELLOWSHIPS

Balance July 31, 2015			\$ 150,000
Less: Partial resignation for 2015-16 Fellows			(5,500)
Less: Stipends paid 2015-16			<u>(129,500)</u>
Balance			15,000
Allocated from alumnus contributions and matching gifts - \$48,381, and Fellowship Fund earnings for 2016-17 awards			175,000
Less: Payments made for 2016-17 Fellowships			<u>-</u>
Balance July 31, 2016			<u>\$ 190,000</u>
Fellowships to be paid during 2015-16:			
TBP-Anderson Fellow No. 10	\$ 10,000	TBP-Nagel Fellow No. 19	10,000
TBP-Arm Fellow No. 8	10,000	TBP-Sigma Tau Fellow No. 43	10,000
TBP-Best Fellow No. 6	10,000	TBP-Spencer Fellow No. 61	10,000
TBP-Centennial Fellow No. 31	10,000	TBP-Stark Fellow No. 39	10,000
TBP-Dodson Fellow No. 3	10,000	TBP-Tau Beta Pi Fellows 810	10,000
TBP-Forge Fellow No. 5	10,000	TBP-Tau Beta Pi Fellows 811	10,000
TBP-GEICO Fellow No. 1	10,000	TBP-Tau Beta Pi Fellows 812	10,000
TBP-King Fellow No. 55	10,000	TBP-Williams Fellow No. 37	10,000
TBP-Matthews Fellow No. 19	10,000	TBP-Zimmerman Fellow No. 5	<u>5,000</u>
			<u>\$ 175,000</u>

THE TAU BETA PI ASSOCIATION, INC.
SCHEDULE 2 - COLLEGIATE CHAPTER ACCOUNTS RECEIVABLE
July 31, 2016

Chapter	Debit	Credit	Chapter	Debit	Credit	Chapter	Debit	Credit
AL B	1,655	Note 2,4	FL D	324		ME A	5	
AL D		(82)	FL E	26		MI A	12	
AR A	2,300	Note 2,4	FL I	10		MI D	360	
AZ A	1,516	Note 2,4	FL T	2,231	Note 2,4	MI E	116	
AZ B	38		GA B	234		MI E	9	
AZ D	70		ID A	293		MI G		(87)
AZ G	545	Note 4	ID B	22		MI I	730	Note 2,4
CA A	892	Note 2	ID G	2,777	Note 2,3,4	MI K	9	
CA AA	72		IL A	12		MI L	360	
CA AD	428		IL B	799	Note 2,4	MI Z	1,554	Note 4
CA AE	10		IL E		(53)	MN A	9	
CA C	1,122	Note 2,4	IL G	2,010	Note 2,4	MN B	9	
CA D	76		IL Z	584	Note 4	MO B	61	
CA E		(25)	IN A	737	Note 4	MO D	261	
CA E	2,655	Note 2,4	IN B	30		MO E	466	
CA G	1,293	Note 2	IN D	8		MO G	475	
CA I	725	Note 4	IN G	9		MS A	354	
CA K	13		IN Z	279		MS B	1,287	Note 2,4
CA L	405		KS A	9		MT A	10	
CA M	720	Note 4	KS B	576	Note 4	MT B	528	Note 4
CA N	85		KS G	2,075	Note 4	NC A	2,064	Note 2,4
CA O			KY A	10		NC E	426	
CA P	380		KY G	1,354	Note 2,4	NC G	9	
CA P	1,036	Note 2	LA A	1,445	Note 4	NC Z	18	
CA R	31		LA D	13		ND A		(437)
CA U		(98)	LA E	418		ND B	29	
CA X	2,273	Note 2,4	LA G	9		NH A	1,321	Note 2,4
CA Z	151		MA A	1,395	Note 4	NJ A	370	
CO A	2,078	Note 4	MA B	8		NJ B	315	
CO D	10		MA E	1,815	Note 2,4	NJ D	21	
CO Z	2,736	Note 3,4	MA E	45		NJ E		(125)
CT B	1,130	Note 2,4	MA I		(265)	NJ G	450	
CT G	795	Note 3,4	MA Z	786	Note 4	NM B	70	
DC A	495		MD A	139		NV A	13	
DC B	8		MD B	748	Note 2	NY A	552	Note 2
DE A		(620)	MD D	917	Note 2	NY B	315	
FL A		(473)	MD E	8		NY D	1,305	Note 2,4
FL B	1,101	Note 2,4	MD G	324		NY E		(29)

(Continued)

THE TAU BETA PI ASSOCIATION, INC.
SCHEDULE 2 - COLLEGIATE CHAPTER ACCOUNTS RECEIVABLE
July 31, 2016

Chapter	Debit	Credit	Chapter	Debit	Credit
NY G	27		SC G	18	
NY I	349		SD A		(882)
NY M	652	Note 4	TN B		(131)
NY N	790	Note 4	TN D	9	
NY O	1,035	Note 4	TN G	909	Note 4
NY R	1,426	Note 2,4	TN Z	107	
NY S	549	Note 4	TX B		(1,050)
NY U	511	Note 4	TX D	3,276	Note 2,4
NY X	586	Note 2	TX E	3,470	Note 2,4
OH A	3,080	Note 2,4	TX E	23	
OH E	1,140	Note 2,4	TX G	10	
OH E	1,053	Note 4	TX I	26	
OH G	9		TX K		(160)
OH K	999	Note 2,4	TX L	37	
OH L	9		TX N	1,463	Note 2,4
OH N		(35)	TX T	25	
OH Z	832	Note 2,4	TX Z	608	Note 2,4
OK A	1,159	Note 2,4	UT A	13	
OK B	37		UT B	11	
OK G	720	Note 4	UT G	19	
OR A	10		VA A	694	Note 2,4
PA A	1,457	Note 2,4	VA E	25	
PA E	344		VA G	999	Note 2,4
PA E	140		WA A	264	
PA G	225		WA B	467	
PA L	285		WA G	270	
PA Z	540	Note 4	WI B	9	
PR A	1,076	Note 2,4	WI E	11	
RI A	242		WI G	799	Note 2,4
RI B	121		WY A	11	
SC B		(117)		<u>96,192</u>	<u>(4,669)</u>

Significant debit balances of chapter accounts are explained as follows:

- Note 1) Chapter reported its Spring 2016 initiation late and/or failed to pay initiation fees.
- Note 2) Charge for Graduation Stoles/Honor Cords/Bent Castings/Bent Monument
- Note 3) Poor financial management/no or minimal payments made during fiscal year
- Note 4) Chapter failed to pay Fall 2015 and/or Spring 2016 initiation fees
- Note 5) Paid a substantial amount or in full after close of fiscal year

THE TAU BETA PI ASSOCIATION, INC.
SCHEDULE 3 - ANALYSIS OF CONVENTION REVENUE AND EXPENSES
Year ended July 31, 2016

2015 Convention

Revenue

Convention assessments for 2014-15 collegiate chapter initiates	\$ 101,690
Fees for 2015-16 Sigma Tau initiates	14
Ticket sales and billed airfares	99,496
Corporate and other gifts	63,840
Convention Fund dividends	92,670
Market gains, realized & unrealized	<u>(118,831)</u>
	<u>238,879</u>

Expenses

Collegiate chapter	
Voting delegates	254,295
Non-voting delegates	125,646
Advisors	33,826
Voting delegates	15,111
Association officials	75,166
Award recipients	6,853
Headquarters and consultants	12,732
Visitors, guests, and other reimbursed expenses	4,950
Other on-site expenses	21,755
Trustee fees	1,163
Allocated share of national headquarters	<u>151,113</u>
	<u>702,610</u>

Excess of expenses over revenue \$ 463,731

THE TAU BETA PI ASSOCIATION, INC.
SCHEDULE 4 - INVESTMENT ANALYSIS
Year ended July 31, 2016

<u>Investments held by PNC Bank (Tau Beta Pi Trust)</u>	
Balance on July 31, 2015	\$ 24,189,114
Additions	
Dividends Earned on Investments	1,104,351
Capital Gifts (donations directly to trust)	
K. Knox Stock Gift (Chevron)	1,057
J. Arnold Gift (Lockheed, Leffett)	8,145
E. Brigham Stock Gift (Pfizer)	322
J. Boldender Stock Gift (Berkshire Hathaway)	5,045
D. Rundell Stock Gift (3M)	5,072
W. Sinclair Stock Gift (Northrop Grumman)	5,550
	25,191
Donations held at the Office of the Secretary-Treasurer	
Richard Smith CEI (Bequest)	40,000
Chapter Endowment Gifts (35)	550,027
Brems Scholarship (Bequest)	59,421
	649,448
Total Additions	1,778,990
Deductions	
Net Loss on Investments	1,416,247
Net Transfer to Office of Executive Director	1,499,311
Trustee Fees	13,856
Total Deductions	2,929,414
Balance on July 31, 2016	\$ 23,038,690
<u>Investments held by Fidelity Investments</u>	
Balance on July 31, 2015	\$ 12,037
Additions	
Dividends Earned on Investments	159
Net Gain on Investments	1,340
Total Additions	1,499
Balance on July 31, 2016	\$ 13,536
<u>Investments held by T. Rowe Price</u>	
Balance on July 31, 2015	\$ 9,655
Additions	
Dividends Earned on Investments	640
Total Additions	640
Deductions	
Net Loss on Investments	361
Total Deductions	361
Balance on July 31, 2016	\$ 9,934

(Continued)

THE TAU BETA PI ASSOCIATION, INC.
SCHEDULE 4 - INVESTMENT ANALYSIS
Year ended July 31, 2016

Total Tau Beta Pi Investments as of July 31, 2016

Balance on July 31, 2015	\$ 24,210,806
Additions	1,781,129
Deductions	2,929,775
Balance on July 31, 2016	<u>\$ 23,062,160</u>

Assets Held by PNC Bank as of July 31, 2016

<u>Shares</u>	<u>Mutual Fund</u>	<u>Balance</u>
148,678	DFA Emerging Markets Value Portfolio (DFEVX)	\$ 3,517,727
8,927	Dodge & Cox Stock Fund (DODGX)	1,497,263
55,958	Harbor Bond Fund (HABDX)	670,382
50,109	Harbor Capital Appreciation Fund (HACAX)	3,025,592
202,398	Harbor International Growth Fund (HAIGX)	2,661,539
65,164	Harbor International Fund (HAINX)	3,991,280
21,086	Harbor International Small Cap Fund (HAISX)	227,938
129,391	Harbor Mid Cap Growth Fund (HAMGX)	1,150,283
56,912	Harbor Mid Cap Value Fund (HAMVX)	1,149,061
46,633	Harbor Real Return Fund (HARRX)	441,619
37,527	Harbor Small Cap Value Fund (HASCX)	1,024,867
85,479	Harbor Small Cap Growth Fund (HASGX)	1,036,004
120,273	Harbor Large Cap Value Fund (HAVLX)	1,482,960
114,038	Harbor High-Yield Bond Fund (HYFAX)	1,128,976
33,199	PNC Government Money Market Fund (PKIXX)	33,199
	Total PNC Investments	<u>\$ 23,038,690</u>

Assets Held by Fidelity of July 31, 2016

<u>Shares</u>	<u>Mutual Fund</u>	<u>Balance</u>
332	Fidelity International Enhanced Index Fund (FEINX)	\$ 2,711
187	Fidelity Long-Term Treasury Bond Index (FLIBX)	2,765
56	Fidelity Extended Market Index Fund (FSEMXX)	2,997
183	Fidelity Tax Free Bond (FTABX)	2,196
37	Fidelity 500 Index Fund (FUSEX)	2,866
1	Fidelity Cash	1
	Total Fidelity Investments	<u>\$ 13,536</u>

Assets Held by T. Rowe Price of July 31, 2016

<u>Shares</u>	<u>Mutual Fund</u>	<u>Balance</u>
264	T. Rowe Price Corporate Income Fund (PRPIX)	\$ 2,618
72	T. Rowe Price Dividend Growth Fund (PRDGX)	2,702
63	T. Rowe Price Equity Income Fund (PRFDX)	1,951
168	T. Rowe Price International Stock Fund (PRITX)	2,663
	Total T. Rowe Price Investments	<u>9,934</u>

Total Tau Beta Pi Investments as of July 31, 2016	<u>\$ 23,062,160</u>
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