

MU CHAPTER OF SIGMA PI
EDUCATIONAL FOUNDATION

ANNUAL REPORT

YEAR END JUNE 31, 2014



Mu Chapter of Sigma Pi Educational Foundation

Executive Team - Year End July 31, 2014

Aaron Klein '12

President & Treasurer

Sean MacGregor '07

Vice President & Secretary

Joshua Goldman '07

Vice President & Assistant Secretary

Tom Garr '76

Director

Bert Harrop '61

Director

James Keene '57

Director

Kurt Rasmussen '80

Director

Jarett F. Wait '80

Director

Notes: Tom Garr was elected to serve as a Director of the Board during the Foundation's meeting on January 13, 2014. The Foundation then voted on March 17, 2014 to add Sean MacGregor and Joshua Goldman to serve as Vice President & Secretary and Vice President & Assistant Secretary respectively. After six years of dedicated service to the Mu Chapter of Sigma Pi Educational Foundation Steven Hobbes stepped down from his position as Vice President & Secretary of the Board. In order to avoid any conflict of interest that would jeopardize the Educational Foundation's status as a 501c(3) tax exempt organization, Jarett Wait resigned from his position as President and Chairman of the Foundation following his election as President of the Mu Chapter of Sigma Pi Alumni Board. Aaron Klein was elected to the position of President of the Foundation at the March 17, 2014 meeting of the Board and will serve in this role in addition to his previous role of Treasurer.

Letter from the President:

Dear Friends of the Sigma Pi Educational Foundation:

The past year has been one of increased activity for our foundation. Enclosed you will find the Fall 2013- Spring 2014 annual report for the Mu Chapter of Sigma Pi Educational Foundation.

In the past year we provided the remainder of the seed money needed to bring the College Mentors for Kids organization to Cornell and support its first year of programming. In the last few months we have placed added emphasis on scholarships by bringing the James H. Keene III Sage Endowment Fund under the umbrella of the Educational Foundation and establishing an annual scholarship that will award \$9,000 per year to an upperclassmen sage who chooses to live inside the Sigma Pi fraternity. The Foundation also created the David Harrop Memorial Scholarship, which will provide a scholarship of \$1,000 to a brother completing his Junior year of college with the highest GPA for that year.

The Foundation has continued to support leadership and educational experiences for the brothers of Sigma Pi. This year we funded two speakers to come to 730 University Ave and address the undergraduates on the topics of Diversity and Stress Management and Relaxation. Additionally, the Foundation covered the expenses of an undergraduate who traveled to Indiana for leadership training with the College Mentors program, Robert Attia '16 will be a co-President of the organization next year.

We look forward to continuing to increase our impact on the undergraduates of Mu Chapter this upcoming year through the establishment of a speaker series and a forging a tighter partnership with undergraduate leadership.

Aaron Klein '12
President & Treasurer

Mission Statement:

The Sigma Pi Mu Chapter Educational Foundation is a 501(c)(3) Internal Revenue Service-approved organization. The Foundation was established in 2007 with the mission of funding educational programs for the members of Mu Chapter and, from time to time, for the Cornell student community. These programs are intended to be activities that enhance the Greek experience that would not be otherwise available. Such educational programs are expected to be similar to programs that will be offered to non-Greek students in the living and learning houses that are becoming the center of the Cornell student experience.

The Foundation would like to recognize the following men for their generous contributions over the past year:

M. Smith '48
Peter Wright '77
Winthrop Cody '55
Harlan Wengert '48
Jarett Wait '80
Richard Frey '62

To make a donation to please visit our webpage:

<http://www.sigmapicornell.org/150-giving-edufound.asp>

Financial Report– Year End Dec 31, 2013

Overall, the year was a very good year for the Foundation financially. The organization experienced increases in donation and fair market value of securities held, which contributed to the \$56,017 in income received. This amounts to an increase of \$19,484 over the previous year. The increased revenue allowed for additional programs to be funded, such as the College Mentors Program. The program, through year-end, accrued expenses of \$19,804. Accounting fees were reduced by over fifty-percent compared to the previous year. All other expenses were less than last year, other than bank fees and brokerage fees.

The Foundation's annual tax return was filed by the May 15, 2014 deadline. On that return it was noted that the Foundation passed the Public Support test with a score of 37.25%. We will look to continue to increase our donors and donations in the current year to keep the public support test above the 33 1/3% needed to qualify as a public foundation, and to continue to expand our impact on the undergraduates brothers of the Sigma Pi fraternity and the greater Cornell and Ithaca community.

For additional information on the please see the financial statements compiled for the Foundation by our accountants at Sciarabba Walker & Co., LLP.

Update on Educational Foundation Portfolio:

The Foundation's portfolio is managed by Credit Suisse LLC. The portfolio returned 17.19% over the period, growing from \$204,707 to \$225,556. The equity managers returned 22.60% - just over the S&P 500's 22.04% performance over the same period.

Within the equity segment (currently 87.8% of the portfolio), the sectors performed as follows:

- Domestic/Large Cap: 19.20%
- Domestic/Small Cap: 18.75%
- International: 28.08%

The Short-term fixed income/cash portion of the portfolio were essentially flat for the year and served primarily to service the Foundation's expenditures and reduce the overall portfolio volatility.

The best performing managers were Dodge and Cox (30.31%) and Fairholme (27.19%). Dodge and Cox was well positioned in European large cap stocks and benefitted from the strong equity market recovery there, particularly in 2013. Fairholme has maintained a high allocation to financial stocks in the US and participated in those stocks' recovery from several years of underperformance. They were particularly low in June 2013, due to the Federal Reserve's initial discussion on tapering their very easy monetary policies.

Mu Chapter of Sigma Pi Educational Foundation, Inc.
Statement of Financial Position - Prev Yr. Comparison
As of December 31, 2013

| | <u>Dec 31, 13</u> | <u>Dec 31, 12</u> | <u>\$ Change</u> |
|---------------------------------------|-----------------------|-----------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| 1200 · Securities - at Cost | 165,015 | 165,015 | 0 |
| 1203 · Securities - FMV | 44,190 | 10,821 | 33,369 |
| 1204 · Credit Suisse - Cash/MM Funds | 12,186 | 16,250 | (4,064) |
| Total Checking/Savings | <u>221,390</u> | <u>192,085</u> | <u>29,305</u> |
| Other Current Assets | | | |
| 1403 · Due from IRS - Federal W/H | 0 | 0 | (0) |
| Total Other Current Assets | <u>0</u> | <u>0</u> | <u>(0)</u> |
| Total Current Assets | <u>221,390</u> | <u>192,086</u> | <u>29,305</u> |
| TOTAL ASSETS | <u>221,390</u> | <u>192,086</u> | <u>29,305</u> |
| LIABILITIES & EQUITY | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | | |
| 2101 · Accounts Payable | 0 | 2,995 | (2,995) |
| Total Accounts Payable | <u>0</u> | <u>2,995</u> | <u>(2,995)</u> |
| Total Current Liabilities | <u>0</u> | <u>2,995</u> | <u>(2,995)</u> |
| Total Liabilities | 0 | 2,995 | (2,995) |
| Equity | | | |
| 3900 · Net Assets, Beginning of Year | 189,091 | 183,691 | 5,400 |
| Net Income | 32,300 | 5,400 | 26,900 |
| Total Equity | <u>221,390</u> | <u>189,091</u> | <u>32,300</u> |
| TOTAL LIABILITIES & EQUITY | <u>221,390</u> | <u>192,086</u> | <u>29,305</u> |

Mu Chapter of Sigma Pi Educational Foundation, Inc.
Statement of Activity -Prev Year Comparison
 January through December 2013

| | <u>Jan - Dec 13</u> | <u>Jan - Dec 12</u> | <u>\$ Change</u> |
|--------------------------------------|----------------------|---------------------|----------------------|
| Income | | | |
| 4502 · Donations | 11,525 | 4,050 | 7,475 |
| 4601 · Capital Gain Distribution | 7,324 | 4,358 | 2,965 |
| 4703 · Dividends/Int - Cr Suisse | 1,588 | 2,380 | (793) |
| 4997 · FMV - Stock | 35,581 | 25,745 | 9,836 |
| Total Income | <u>56,017</u> | <u>36,533</u> | <u>19,484</u> |
| Expense | | | |
| 5644 · Administrative Expense | 200 | 400 | (200) |
| 5645 · Grant - Mu of Sigma Pi Alumni | 230 | 12,750 | (12,520) |
| 5646 · Educational Speaking Events | 19,804 | 0 | 19,804 |
| 5670 · Accounting | 1,116 | 2,995 | (1,879) |
| 5673 · Brokerage Fee | 2,057 | 1,941 | 116 |
| 5804 · Bank Fees | 311 | 0 | 311 |
| 5991 · IRS Late Filing Fee | 0 | 1,664 | (1,664) |
| 5994 · Prior Year Expense | 0 | 0 | 0 |
| 5997 · FMV Stock | 0 | 11,284 | (11,284) |
| 5998 · NY State Charities Bureau | 0 | 100 | (100) |
| Total Expense | <u>23,718</u> | <u>31,133</u> | <u>(7,416)</u> |
| Net Income | <u><u>32,300</u></u> | <u><u>5,400</u></u> | <u><u>26,900</u></u> |

**For tax purposes financial statements for the Mu Chapter of Sigma Pi Educational Foundation are generated based on the calendar year.*