



**ASSOCIATION OF GRADUATES
OF THE
UNITED STATES AIR FORCE ACADEMY**

Financial Statements

For the Year Ended June 30, 2018

And

Independent Auditors' Report

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Association of Graduates of the United States Air Force Academy
Colorado Springs, Colorado

We have audited the accompanying financial statements of the Association of Graduates of the United States Air Force Academy (the Association), which comprise the statement of financial position as of June 30, 2018 and the related statements of activities and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association of Graduates of the United States Air Force Academy as of June 30, 2018 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Association of Graduates of the United States Air Force Academy's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 29, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Temporarily Restricted and Permanently Restricted Funds 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 audit 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.

Stockman Kast Ryan + Co. LLP

November 8, 2018

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018 (with comparative totals for 2017)**

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 521,136	\$ 784,168
Accounts receivable	30,072	56,205
Contributions receivable, net	533,599	251,991
Grant receivable from USAFA Endowment	400,000	60,839
Investments	48,888,647	44,627,378
Investments – agency	1,454,690	1,157,419
Inventory and prepaid expenses	255,406	279,643
Property and equipment, net	4,636,896	5,043,757
Other assets	<u>278,148</u>	<u>381,783</u>
TOTAL ASSETS	<u>\$ 56,998,594</u>	<u>\$ 52,643,183</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 218,819	\$ 228,058
Agency deposits	1,454,690	1,157,419
Deferred revenue	10,015,936	9,591,325
Other liabilities	<u>318,707</u>	<u>422,247</u>
Total liabilities	<u>12,008,152</u>	<u>11,399,049</u>
NET ASSETS		
Unrestricted:		
Board designated for endowment	13,104,225	10,821,823
Board designated for reserve	2,795,961	2,000,000
Board designated for short term purposes	500,000	1,190,000
Available for operations	5,306,149	6,250,229
Invested in property and equipment	<u>4,636,896</u>	<u>5,043,757</u>
Total unrestricted	26,343,231	25,305,809
Temporarily restricted	14,178,834	11,888,259
Permanently restricted	<u>4,468,377</u>	<u>4,050,066</u>
Total net assets	<u>44,990,442</u>	<u>41,244,134</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 56,998,594</u>	<u>\$ 52,643,183</u>

See notes to financial statements.

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018 (with comparative totals for 2017)**

	2018			2017 Total	
	Unrestricted	Temporarily Restricted	Permanently Restricted		Total
SUPPORT AND REVENUE					
Contributions	\$ 286,448	\$ 2,969,435	\$ 418,311	\$ 3,674,194	\$ 2,868,538
Subsidy and grant from USAFA Endowment	447,854	800,000		1,247,854	756,175
Membership dues	904,463			904,463	841,797
Publications and advertising	434,778			434,778	485,535
Homecoming and reunions	271,886			271,886	228,883
Merchandise, net of costs of \$422,910 and \$329,336	176,451			176,451	312,322
Royalties	121,243			121,243	132,545
Investment income, net	2,632,400	665,222		3,297,622	7,590,252
Other revenue	575,989			575,989	551,723
Total support and revenue before net assets released from restrictions	5,851,512	4,434,657	418,311	10,704,480	13,767,770
Net assets released from restrictions	2,144,082	(2,144,082)			
Total support and revenue	7,995,594	2,290,575	418,311	10,704,480	13,767,770
EXPENSES					
Program services	5,661,157			5,661,157	9,701,903
Supporting services:					
General and administrative	1,201,998			1,201,998	1,090,407
Fund raising	95,017			95,017	107,758
Total expenses	6,958,172	—	—	6,958,172	10,900,068
CHANGE IN NET ASSETS	1,037,422	2,290,575	418,311	3,746,308	2,867,702
NET ASSETS, Beginning of year	25,305,809	11,888,259	4,050,066	41,244,134	38,376,432
NET ASSETS, End of year	\$ 26,343,231	\$ 14,178,834	\$ 4,468,377	\$ 44,990,442	\$ 41,244,134

See notes to financial statements.

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018 (with comparative totals for 2017)**

	2018	2017
OPERATING ACTIVITIES		
Change in net assets	\$ 3,746,308	\$ 2,867,702
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	(2,380,854)	(6,878,483)
Depreciation	580,911	580,070
Contributions restricted for long-term purposes	(3,387,746)	(2,500,911)
Other		3,424
Changes in operating assets and liabilities:		
Accounts receivable	26,133	2,721
Subsidy receivable from USAFA Endowment	(339,161)	8,288
Inventory and prepaid expenses	24,237	(110,642)
Other assets	103,635	(67,271)
Accounts payable and accrued expenses	(9,239)	12,144
Agency deposits	297,271	(63,006)
Deferred revenue	424,611	344,723
Other liabilities	<u>(103,540)</u>	<u>75,468</u>
Net cash used in operating activities	<u>(1,017,434)</u>	<u>(5,725,773)</u>
INVESTING ACTIVITIES		
Proceeds from sales of investments	17,558,286	29,525,385
Purchases of investments	(19,735,972)	(27,308,618)
Purchases of property and equipment	<u>(174,050)</u>	<u>(244,766)</u>
Net cash provided by (used in) investing activities	<u>(2,351,736)</u>	<u>1,972,001</u>
FINANCING ACTIVITIES		
Net cash provided by financing activities —		
Collection of contributions restricted for long-term purposes	<u>3,106,138</u>	<u>2,482,214</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(263,032)	(1,271,558)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>784,168</u>	<u>2,055,726</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 521,136</u>	<u>\$ 784,168</u>

See notes to financial statements.

ASSOCIATION OF GRADUATES OF THE UNITED STATES AIR FORCE ACADEMY

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization — The Association of Graduates of the United States Air Force Academy (the Association) is an organization serving the youngest of the service academies and its graduates. The Association is chartered to support the ideals, values and heritage of the United States Air Force Academy (the Academy); to encourage exceptional candidates to attend the Academy; to encourage and support fundraising for use in furthering the objectives of the Academy and the Association; to foster camaraderie; and to provide a wide variety of services to graduates, cadets and their parents. The Association is an important conduit for the support that exists throughout the country for the Academy and its mission. It provides the "extra margin of excellence", supporting worthy programs not supported by federal funds.

To ensure observance of any limitations or restrictions placed on the use of resources available to the Association, the financial records of the Association are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund.

Basis of Presentation — The following financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Association reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at management's discretion; temporarily restricted net assets, which represents resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represents resources whose use by the Association is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Association.

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Use of Estimates — The preparation of the 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.

Cash and Cash Equivalents — The Association considers all liquid investments with original maturities of three months or less, and which are not held for long term investment purposes, to be cash equivalents. Cash and highly liquid financial instruments held for long term purposes, regardless of original length to maturity, are reported as investments and are excluded from this definition. The net amount of operating cash added to, or withdrawn from, the long-term investments is reported as an investing activity in the statement of cash flows.

Accounts Receivable — Accounts receivable are stated at the invoice amount. Management provides for probable uncollectible amounts through a provision for bad debts and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2018 and 2017, management considers all accounts receivable to be fully collectible and, accordingly, there is no valuation allowance.

Contributions Receivable — Contributions receivable are recognized in the period received. The Association uses the allowance method to account for uncollectible contributions receivable. The allowance is based on historical experience and management's analysis of individual promises.

Investments — Investments are recorded at fair value. Realized and unrealized gains and losses are reflected in the statement of activities. Earnings and losses on investments are recognized as increases or decreases in unrestricted or temporarily restricted net assets according to the nature of the restrictions on the original gift. Donated investments are recorded at fair market value on the date of donation. See Note 4 for information on fair value measurements.

Investments – Agency — The Association holds and invests monies for certain graduate classes of the Academy for those classes' activities at future dates and for other organizations. These funds are classified as agency deposits and are recorded at fair value.

Inventories — Inventories consist of items held for sale and are stated at the lower of first-in, first-out (FIFO) cost or net realizable value.

Property and Equipment — Property and equipment are recorded at cost for assets purchased by the Association and at estimated fair value at the date of donation for contributed assets. Depreciation of property and equipment is recorded using the straight-line method over estimated useful lives of 3 to 31½ years. The Association's policy is to capitalize assets costing \$1,000 or more with a useful life of one year or more.

Deferred Revenue — Deferred revenue is comprised of receipts for the Life Membership Fund (LMF) and royalties and dues.

The LMF contains the accounts used to invest, monitor and control fees received as a result of the Association's agreement to provide lifetime services to members who have chosen this membership option. The LMF and the current life membership fees are maintained and determined on a basis that is designed to ensure that the original fee is adequate to fund the annual cost of membership over the average life of participants in the program. Current life membership fees are treated as additions to deferred revenue. The LMF fees are amortized over an assumed average life expectancy of 55 years after graduation.

Royalties and dues collected in periods before being earned are presented on the financial statements as deferred revenue.

Revenue Recognition — Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a donor restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Goods, Services and Facilities — Donated material and equipment are recorded as contributions at their estimated value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use 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 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.

Functional Allocation of Expenses — The cost of providing various program services and other activities has been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the program and supporting services expense categories based on management's estimates.

Income Taxes — The Association is a qualified Association exempt from federal income taxes under the provisions of §501(c)(3) of the Internal Revenue Code. In addition, the Association qualifies for the charitable contribution deduction. The Association believes that it does not have any uncertain tax positions that are material to the financial statements.

Subsequent Events — The Association has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

2. **AGREEMENTS WITH THE USAFA ENDOWMENT**

The Association and USAFA Endowment, Inc. (the Endowment), have entered into a Memorandum of Understanding (the MOU) to establish a collaborative, comprehensive friendraising and fundraising process designed to raise increasing levels of charitable support for the Academy and to better serve the needs of the graduate community. There were two MOUs in effect during the year ended June 30, 2018. The initial MOU was effective on January 1, 2014 and remained in effect for a minimum of four years expiring on December 31, 2017. The subsequent MOU was effective January 1, 2018 and remains in effect through December 31, 2018. Either party may terminate the MOU with 60 days written notice.

Under the 2014 MOU, 34% of annual fund cash receipts received by the Endowment are distributed to the Association. Under the 2018 MOU, the Endowment will make a grant of \$800,000 to the Association.

The Association received \$847,854 and \$756,175 during the years ended June 30, 2018 and 2017, respectively, from the Endowment as a result of the MOUs. As of June 30, 2018 and 2017, the Association had receivables from the Endowment of \$400,000 and \$60,839, respectively, related to income from the MOUs. The receivable as of June 30, 2018 is due in six equal monthly installments through December 31, 2018.

The Association and the Endowment had an Operating Support Contract (the Contract) under which the Endowment agreed to pay the Association for services provided, to include rent of office space, furniture and equipment, data entry services, information technology support for hardware and software system and utilities. Payment was made in equal monthly installments. The fee for services provided in the six months ended December 31, 2017 was \$27,852 and in the year ended June 30, 2017 was \$53,614. Beginning on January 1, 2018, the Association and the Endowment entered into a new Contract under which the services have remained similar to the prior contract, however the Endowment no longer makes payments to the Association for those services.

3. CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at June 30:

	2018	2017
Due in less than one year	\$ 265,244	\$ 21,197
Due in one to five years	<u>284,499</u>	<u>258,994</u>
Total	549,743	280,191
Allowance for doubtful contributions receivable	<u>(16,144)</u>	<u>(28,200)</u>
Contributions receivable, net	<u>\$ 533,599</u>	<u>\$ 251,991</u>

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Association is required to use a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Association has the ability to access.

Level 2: Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no significant changes in the methodologies used at June 30, 2018 and 2017.

Mutual Funds and Money Market Funds — Valued at quoted market prices.

Partnership Interests — Valued based on the net asset value (NAV) per share. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it was determined to be probable that the investment would be sold at an amount different from the reported NAV. NAV is based upon the fair value of the underlying investments as determined by fund's management and its underlying investment managers. The partnership interests are invested in investment funds, limited partnerships, and private investment companies. The fair values of the underlying investments may differ significantly from the values that would have been used had a ready market for the underlying funds existed.

The following tables set forth by level, within the fair value hierarchy, the Association's assets stated at fair value as of June 30:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
2018:				
Investments:				
Mutual funds:				
Fixed income	\$ 16,687,954			\$ 16,687,954
Domestic equity	15,493,239			15,493,239
International equity	14,491,926			14,491,926
REIT/Real estate	2,031,424			2,031,424
Money market	<u>1,458,418</u>			<u>1,458,418</u>
Total investments in the fair value hierarchy	<u>\$ 50,162,961</u>	<u>\$ —</u>	<u>\$ —</u>	\$ 50,162,961
Investments measured at net asset value				<u>180,376</u>
Total				<u>\$ 50,343,337</u>

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
2017:				
Investments:				
Mutual funds:				
Domestic equity	\$ 13,000,232			\$ 13,000,232
International equity	13,304,028			13,304,028
Fixed income	13,844,904			13,844,904
REIT/Real estate	811,337			811,337
Money market	<u>700,009</u>			<u>700,009</u>
Total investments in the fair value hierarchy	<u>\$ 41,660,510</u>	<u>\$ —</u>	<u>\$ —</u>	\$ 41,660,510
Investments measured at net asset value				<u>4,124,287</u>
Total				<u>\$ 45,784,797</u>

Assets measured at fair value are included in the following amounts on the balance sheets as of June 30:

	2018	2017
Investments	\$ 48,888,647	\$ 44,627,378
Investments – agency	<u>1,454,690</u>	<u>1,157,419</u>
Total	<u>\$ 50,343,337</u>	<u>\$ 45,784,797</u>

There are no unfunded commitments related to the investments measured at net asset value. The following table summarizes investments measured at net asset value per share as of June 30:

Investment	Redemption Fair Value	Redemption Frequency	Notice Period
2018:			
Phoenix Global Real Estate Fund LP	\$ 95,201	On the last day of any quarter, after 3 years	180 day advanced written notice
Sandalwood Overseas Liquidating SPV SPC, Ltd	<u>85,175</u>	Annually, at the end of the fiscal year	95 day advanced written notice
Total	<u>\$ 180,376</u>		

Investment	Redemption Fair Value	Redemption Frequency	Notice Period
2017:			
Sandalwood Overseas Fund SPC, LTD	\$ 3,839,134	Annually, at the end of the fiscal year	95 day advanced written notice
Phoenix Global Real Estate Fund LP	166,341	On the last day of any quarter, after 3 years	180 day advanced written notice
Sandalwood Overseas Liquidating SPV SPC, Ltd	<u>118,812</u>	Annually, at the end of the fiscal year	95 day advanced written notice
Total	<u>\$ 4,124,287</u>		

Phoenix Global Real Estate Fund L.P. (Phoenix Global): The Phoenix Global investment strategy is to provide a superior long-term growth of capital through investments in portfolios concentrated in real estate and real estate related interest through various strategies. The Phoenix Global fund is in liquidation.

Sandalwood Overseas Liquidating SPV SPC, Ltd (Sandalwood): Sandalwood is a Cayman Islands exempted company and was organized for the purpose of facilitating in-kind redemptions related to certain illiquid positions of Sandalwood Overseas Fund SPC, Ltd. Sandalwood is invested in one affiliated private investment company.

Sandalwood Overseas Fund SPC, Ltd (Sandalwood Overseas): Sandalwood Overseas is a Cayman Islands exempted company and was organized for the purpose of investing in private investment companies and other entities. The Association was invested in their Class D Fund, Sandalwood Debt Fund A, L.P. (Debt fund). The Debt fund invests its assets in convertible hedging, capital structure arbitrage, distressed investing, and long and short positions in high yield debt.

Net investment income was composed of the following for the years ended June 30:

	2018	2017
Interest and dividends	\$ 924,418	\$ 718,592
Net realized and unrealized gains	2,380,854	6,878,483
Investment management and custodial fees	<u>(7,650)</u>	<u>(6,823)</u>
Investment income, net	<u>\$ 3,297,622</u>	<u>\$ 7,590,252</u>

Included in total investments are investments of \$95,201 and \$166,341 that were in liquidation as of June 30, 2018 and 2017, respectively. Final liquidation of these investments is expected during the year ending June 30, 2019. Accordingly, these amounts may not be readily redeemable for cash and may not be fully recoverable.

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2018	2017
Buildings and improvements	\$ 10,159,251	\$ 10,009,756
Equipment	<u>2,206,544</u>	<u>2,181,775</u>
Total	12,365,795	12,191,531
Less accumulated depreciation	<u>7,728,899</u>	<u>7,147,774</u>
Total	<u>\$ 4,636,896</u>	<u>\$ 5,043,757</u>

Depreciation expense was \$580,911 and \$580,070 during the years ending June 30, 2018 and 2017, respectively.

6. BOARD DESIGNATED NET ASSETS

Board designated net assets consists of the following at June 30:

	2018	2017
The Long Blue Line Endowment Fund is designated to provide operating funds for services and support to the Academy, cadet programs of the Academy and graduate programs of the Academy. The Board of Directors designated \$1,500,000 and \$100,858 of unrestricted net assets to the Fund during the years ended June 30, 2018 and 2017, respectively. An additional \$290,520 was transferred to the Fund from the balance of board designated funds held for short term purposes during the year ended June 30, 2018.	\$ 6,261,659	\$ 4,432,905
The Francis C. Bennett Soaring Margin of Excellence Fund is designated to provide funds to support the Soaring program of the Academy. There were no unrestricted net assets designated to the Fund during the years ended June 30, 2018 and 2017.	3,561,444	3,386,027
The Board Designated AOG Reserve Fund was established to provide emergency support to AOG operations when other funds might not be readily available. There were no new unrestricted net assets designated to the Fund during the years ended June 30, 2018 and 2017. A separate investment security was purchased during the year ended June 30, 2018, and reflects the value of the reserve.	2,795,961	2,000,000

	2018	2017
The Francis C. Bennett Scholarship Enhancement Fund is designated to supplement other existing post-graduate scholarships, which are presently underfunded as identified by the Graduate Scholarship Committee. There were no new unrestricted net assets designated to the Fund during the years ended June 30, 2018 and 2017.	1,167,620	1,134,735
The AOG Heritage and Initiatives Preservation Fund is designated to provide maintenance funds for properties on land leased to the AOG, to fund planning needs for future heritage programs, and to support potential donor heritage initiatives. The Board of Directors designated \$500,000 of unrestricted net assets to the Fund during the year ended June 30, 2018. There were no new funds designated during the year ended June 30, 2017.	1,029,637	535,665
The Cadet Commanders' Leadership Enrichment Seminar Fund (CLES) is designated to support the Dean's education program at the Academy. There were no unrestricted net assets designated to the Fund during the years ended June 30, 2018 and 2017.	441,781	426,104
The Graduate Dependent Scholarship Endowment Fund is designated to provide a service to the graduate community by supporting post-secondary education for children of Academy graduate members. There were no unrestricted net assets designated to the Fund during the years ended June 30, 2018 and 2017.	349,120	338,928
The Francis C. Bennett Aviation Support Fund is designated to provide operating funds to the Academy to support the non-soaring aviation programs of the Academy. There were no new unrestricted net assets designated to the Fund during the years ended June 30, 2018 and 2017.	292,964	567,459
Board designated funds for short term purposes. There were no new unrestricted net assets designated to the Fund during the years ended June 30, 2018 and 2017.	<u>500,000</u>	<u>1,190,000</u>
Total	<u>\$ 16,400,186</u>	<u>\$ 14,011,823</u>

7. RESTRICTED NET ASSETS

Temporarily restricted net assets may be expended for the following purposes at June 30:

	2018	2017
Program and support services	\$ 13,775,500	\$ 11,751,234
Time restrictions	400,000	14,644
Building maintenance and improvements	<u>3,334</u>	<u>122,381</u>
Total	<u>\$ 14,178,834</u>	<u>\$ 11,888,259</u>

Permanently restricted net assets consist of endowment fund assets to be held indefinitely. The income from the assets can be used for future needs of the Association.

8. ENDOWMENT FUNDS

The Association's endowment funds consist of unrestricted funds functioning as endowments through designations by the Board of Directors of the Association and donor restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Colorado has adopted an investment policy based on the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Association has interpreted 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, and (b) 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 funds 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 Association in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Association 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 Association 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 (depreciation) of investments
- 6) Other resources of the Association
- 7) The investment policies of the Association

Endowment net asset composition by type of fund as of June 30, 2018 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (117)	\$ 1,204,840	\$ 4,468,377	\$ 5,673,100
Board-designated endowment funds	<u>13,104,225</u>	<u> </u>	<u> </u>	<u>13,104,225</u>
Total funds	<u>\$ 13,104,108</u>	<u>\$ 1,204,840</u>	<u>\$ 4,468,377</u>	<u>\$ 18,777,325</u>

Changes in endowment net assets for the year ended June 30, 2018 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, Beginning of year	\$ 10,819,659	\$ 1,242,289	\$ 4,050,066	\$ 16,112,014
Investment return:				
Net appreciation (realized and unrealized) and investment gains	627,450	321,556		949,006
Contributions	2,291,377		418,311	2,709,688
Board designation of unrestricted net assets	(634,261)			(634,261)
Appropriation of Endowment assets for expenditures	<u>(117)</u>	<u>(359,005)</u>	<u> </u>	<u>(359,122)</u>
Endowment net assets, End of year	<u>\$ 13,104,108</u>	<u>\$ 1,204,840</u>	<u>\$ 4,468,377</u>	<u>\$ 18,777,325</u>

Endowment net asset composition by type of fund as of June 30, 2017 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (2,164)	\$ 1,242,289	\$ 4,050,066	\$ 5,290,191
Board-designated endowment funds	<u>10,821,823</u>	<u> </u>	<u> </u>	<u>10,821,823</u>
Total funds	<u>\$ 10,819,659</u>	<u>\$ 1,242,289</u>	<u>\$ 4,050,066</u>	<u>\$ 16,112,014</u>

Changes in endowment net assets for the year ended June 30, 2017 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, Beginning of year	\$ 9,399,379	\$ 814,710	\$ 4,024,340	\$ 14,238,429
Investment return:				
Net appreciation (realized and unrealized) and investment gains	1,424,579	711,875		2,136,454
Contributions			25,726	25,726
Board designation of unrestricted net assets	100,858			100,858
Appropriation of Endowment assets for expenditures	<u>(105,157)</u>	<u>(284,296)</u>	<u> </u>	<u>(389,453)</u>
Endowment net assets, End of year	<u>\$ 10,819,659</u>	<u>\$ 1,242,289</u>	<u>\$ 4,050,066</u>	<u>\$ 16,112,014</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Association to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in unrestricted net assets were \$117 and \$2,164 as of June 30, 2018 and 2017, respectively.

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 as well as board-designated funds. Under this policy the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk. The Association expects its endowment funds, over time, to provide a rate of return sufficient to keep pace with the rate of inflation. Actual returns in any given year may vary from this amount.

9. PROGRAM SERVICE EXPENSES

Program service expenses consisted of the following for the years ended June 30:

	2018	2017
Academy and other services	\$ 3,203,097	\$ 7,003,384
Cost of publications	1,035,239	1,310,729
Special events and chapter support	633,010	536,276
Member services	327,416	406,984
Reunions	186,050	207,262
Career opportunities	149,130	138,371
Special functions	<u>127,215</u>	<u>98,897</u>
Total program service expenses	<u>\$ 5,661,157</u>	<u>\$ 9,701,903</u>

10. EMPLOYEE RETIREMENT PLAN

The Association established a qualified 401(k) profit sharing plan (the Plan) covering all employees who are twenty-one years of age or older, have completed one year of service, and are not covered by a collective bargaining agreement. The employees may make elective contributions of up to 100% of compensation, subject to statutory limitations, and the Association will make matching contributions equal to 25% of the employee's elective deferrals of up to 5% of compensation. In addition, the Association may make discretionary contributions to the Plan. The Plan provides for full vesting of matching and discretionary contributions after six years of service. The Association made contributions of \$65,301 and \$69,587 for the years ended June 30, 2018 and 2017, respectively.

Additionally, the Association established a qualified 457(b) deferred compensation plan (Deferred Compensation Plan) for key employees. Participants of the Deferred Compensation Plan are allowed to make voluntary salary reduction contributions with no limitations. Under the Deferred Compensation Plan, the employer is allowed to make discretionary non-elective contributions to each participant's account. Contributions to the Deferred Compensation Plan are immediately vested. The Association made discretionary non-elective contributions to the Deferred Compensation Plan of \$9,000 during the year ended June 30, 2017. No contributions were made to the Deferred Compensation Plan during the year ended June 30, 2018.

11. SIGNIFICANT CONCENTRATIONS

The Association maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits.

As of June 30, 2018 and 2017, the Association received approximately 82%, of the contributions from one donor. Additionally, as of June 30, 2018 and 2017, the Association had contribution receivables, net, of approximately 100% and 92% due from one donor, respectively.

The Association invests in investment securities which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the recorded amount of investments in the Association's financial statements.

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

SUPPLEMENTAL SCHEDULES

ASSOCIATION OF GRADUATES OF THE UNITED STATES AIR FORCE ACADEMY

**SCHEDULE OF TEMPORARILY RESTRICTED FUNDS - NON-ENDOWMENT
FOR THE YEAR ENDED JUNE 30, 2018**

	Beginning Balance	Contributions and Reclassifications	Investment Earnings	Total Revenue	Expenses and Releases	Grants and Allocations	Ending Balance
Campaign Fund:							
Academics	\$ 61,040					\$ (61,040)	
Athletics	62,406					(62,406)	
Character	80,087					(80,087)	
Nutter Scholarship Fund	235,960	\$ 11,777		\$ 11,777			\$ 247,737
Superintendent's Discretionary Fund	59,189	55,825		55,825		(27,307)	87,707
Superintendent's Other Discretionary Fund	3,289,658	2,735,425		2,735,425		(550,000)	5,475,083
Men's Rugby Fund	70				\$ (70)		
DFAS (Astronautics Dept)	22,029	5,912		5,912		(8,400)	19,541
Wing Open Boxing	1,368						1,368
Comprehensive Campaign Fund for the Superintendent	17,981						17,981
Friends of Basketball	133,907	25,785		25,785	(86)	(30,400)	129,206
Tony M. Johnson Math Teaching Award	3,288					(180)	3,108
Olmsted Foundation-ROTC Cultural Immerse	34,402					(34,402)	
Academics General - License Plates	40,800	1,850		1,850		(40,800)	1,850
AOG SEA Plaques and Memorials	6,737	18,745		18,745	(300)	(15,180)	10,002
Unspecified Donor Restricted Funds		300		300	(300)		
Class of '59 Gift		23,809		23,809			23,809
Class of '60 Gift	469						469
Class of '61 Gift	2,614	240		240			2,854
Class of '62 Gift	14,523					(2,400)	12,123
Class of '63 Gift	1,504						1,504
Class of '64 Gift	77,647	25		25			77,672
Class of '65 Gift	4,014	100		100			4,114
Class of '66 Gift	134,588				(1,150)		133,438
Class of '67 Gift	1,062	100		100		(1,162)	
Class of '68 Gift	16,125	1,515		1,515		(1,980)	15,660
Class of '69 Gift	6,379						6,379
Class of '70 Gift	2,523	54,102		54,102		(56,625)	
Class of '72 Gift	5,921						5,921
Class of '73 Gift	26,981	750		750	(1,338)	(25,744)	649
Class of '74 Gift	57,835						57,835
Class of '75 Gift	225	150		150			375
Class of '76 Gift	9,774						9,774
Class of '77 Gift	10,506						10,506
Class of '78 Gift	8,053						8,053

(Continued)

ASSOCIATION OF GRADUATES OF THE UNITED STATES AIR FORCE ACADEMY

**SCHEDULE OF TEMPORARILY RESTRICTED FUNDS - NON-ENDOWMENT
FOR THE YEAR ENDED JUNE 30, 2018**

	Beginning Balance	Contributions and Reclassifications	Investment Earnings	Total Revenue	Expenses and Releases	Grants and Allocations	Ending Balance
Class of '80 Gift	46				(46)		
Class of '81 Gift	72,142				(400)		71,742
Class of '82 Gift	138,884						138,884
Class of '83 Gift	1,837				(75)		1,762
Class of '84 Gift	16,753						16,753
Class of '85 Gift	20,732						20,732
Class of '87 Gift	1,664				(100)		1,564
Class of '88 Gift	14,753						14,753
Class of '89 Gift	5,154						5,154
Class of '90 Gift	20,195						20,195
Class of '91 Gift	103,120	470		470			103,590
Class of '92 Gift	92,702						92,702
Class of '94 Gift	1,100						1,100
Class of '95 Gift	163						163
Class of '96 Gift	850						850
Class of '02 Gift	51						51
Class of '10 Gift	186,937	19,249		19,249			206,186
Quasi-endowments							
Visiting Lecturer Systems Engineering	711,719		\$ 43,501	43,501	(5,653)		749,567
McConn Scholarship	935,246		55,062	55,062	(6,684)	(145,656)	837,968
Academic Research	53,001		3,240	3,240	(421)		55,820
Kruzel Defense Policy	25,846		1,580	1,580	(205)		27,221
Falcon Foundation	232,356		13,858	13,858	(1,812)	(8,132)	236,270
Falcon Foundation Ackerman	448,977		26,780	26,780	(3,443)	(15,714)	456,600
Admissions - Hennek	54,957		3,359	3,359	(436)		57,880
Football - Hennek	62,441		3,822	3,822	(488)	(2,100)	63,675
LaCrosse and Fencing	35,850		2,195	2,195	(280)	(1,316)	36,449
Warrior Remembrance	496,419		30,446	30,446		(38,500)	488,365
Storyteller Exhibit Maintenance Endowment	85,225		5,209	5,209	(677)		89,757
Falcon Heritage Forum Keynote Speaker	98,245		5,908	5,908	(755)	(3,350)	100,048
Falcon Heritage Forum Travel	49,453		2,975	2,975	(380)	(1,650)	50,398
Class of 65 endowment	134,315		8,209	8,209	(1,067)		141,457
Character - Legasey	185,581		11,159	11,159	(1,425)	(6,350)	188,965
Character - Schlossberg	279,603		16,813	16,813	(2,147)	(9,550)	284,719
Character - Moore	61,779		3,715	3,715	(474)	(2,100)	62,920

(Continued)

ASSOCIATION OF GRADUATES OF THE UNITED STATES AIR FORCE ACADEMY

**SCHEDULE OF TEMPORARILY RESTRICTED FUNDS - NON-ENDOWMENT
FOR THE YEAR ENDED JUNE 30, 2018**

	Beginning Balance	Contributions and Reclassifications	Investment Earnings	Total Revenue	Expenses and Releases	Grants and Allocations	Ending Balance
Character - West	164,005		9,861	9,861	(1,259)	(5,625)	166,982
ACES Program	50,276		3,000	3,000	(386)	(1,725)	51,165
Honor Education - Class of '75	362,339		21,787	21,787	(2,782)	(12,400)	368,944
Roslyn Schulte Character/Leadership	78,735	10,964	4,786	15,750	(1,256)	(2,750)	90,479
Class of '80 Excellence in Ethics	144,793		8,438	8,438	(1,074)	(9,747)	142,410
Joseph D. Helton Memorial Award	7,020		429	429	(56)		7,393
O'Malley Award	30,676		1,875	1,875	(244)		32,307
Character - AOG	139,229		8,309	8,309	(1,069)	(4,750)	141,719
Class of '80 Oral History/Cadet CLD Fund	211,647		12,936	12,936	(2,525)		222,058
Chuck Bush Memorial Fund	6,667		407	407	(53)		7,021
Friends of Boxing	85,541	1,200	4,597	5,797	(682)		90,656
AOG Class of 2023 Legacy Program	41,379		2,529	2,529	(329)		43,579
CGA-Coleman	22,922		1,551	1,551	(24,473)		
AOG Heritage Preservation Fund	228,339	1,142	25,330	26,472	(35,881)	1,373	220,303
Unrestricted pledges receivable, net	14,641	800,000		800,000	(414,641)		400,000
Total	\$ 10,645,970	\$ 3,769,435	\$ 343,666	\$ 4,113,101	\$ (516,922)	\$ (1,268,155)	\$ 12,973,994

(Concluded)

ASSOCIATION OF GRADUATES OF THE UNITED STATES AIR FORCE ACADEMY

SCHEDULE OF TEMPORARILY RESTRICTED FUNDS - RESTRICTED ENDOWMENT FOR THE YEAR ENDED JUNE 30, 2018

	Beginning Balance	Contributions and Reclassifications	Investment Earnings	Total Revenue	Expenses and Releases	Grants and Allocations	Ending Balance
General Ira C. Eaker Endowment for Defense Policy Lecture Series	\$ 37,174		\$ 6,228	\$ 6,228	\$ (801)	\$ (3,550)	\$ 39,051
Frank E. & H. E. Hedrick Endowment for Cadet and Faculty Enrichment	77,557		13,671	13,671	(1,758)	(7,850)	81,620
Dr. Henry Kissinger Endowment for National Security Studies	15,203		2,155	2,155	(276)	(1,200)	15,882
John K. Gerhart Scholarship for French Study	181,738		27,475	27,475	(3,534)	(15,750)	189,929
Donald R. Backlund Endowment for USAFA Military Symposium	8,483		1,235	1,235	(160)		9,558
Roger Stringer Award for Outstanding Cadet in Intercollegiate Speech	9,393		1,268	1,268	(162)	(575)	9,924
Henry S. Walker Endowment for POW Museum	29,052		2,613	2,613	(340)		31,325
Col. Franklin C. Wolfe Humanities Scholarship	14,462		3,461	3,461	(445)	(1,950)	15,528
WWI Overseas Flyers - American Aviation in WWI	35,676		3,034	3,034	(394)		38,316
Cadet Leadership Enrichment	79,625		13,988	13,988	(1,810)	(3,550)	88,253
A.J. Mione Cadet Award for Outstanding Physics Research	15,966		2,164	2,164	(281)		17,849
Graduate Dependent Scholarship			6,271	6,271	(835)	(2,258)	3,178
Joseph A. Reich, Sr. Lecture Series	35,275		7,569	7,569	(973)	(4,350)	37,521
305th Bombardment Group Memorial Association - Leadership Education	70,378		8,887	8,887	(1,155)		78,110
Richard Lawson - Award for Outstanding Cadet in Communications	64,848		16,879	16,879	(2,169)	(9,975)	69,583
Jerry C. Lindh - Cadet Honor Awards	8,686		1,075	1,075	(140)		9,621
Ross A. LaTorra - Men's Rugby	4,364		920	920	(118)	(525)	4,641
Computer Science Department Awards	3,262		703	703	(90)	(300)	3,575
Warren Sneed - Wings of Blue Jump Team	12,866		2,468	2,468	(314)	(1,978)	13,042
General Kenneth L. Tallman - Liaison Officer Service Awards			716	716	(89)	(627)	-
General & Mrs. L.I. Davis - Astronautics Community Projects	21,128		3,289	3,289	(420)	(1,825)	22,172
Graduate and Non-Graduate Awards	33,399		5,486	5,486	(703)	(2,111)	36,071
Laura A. Piper - Squadron Award	2,596		295	295	(38)		2,853
Class of '62 - Academy and AOG Projects	16,592		2,451	2,451	(315)	(1,400)	17,328
Robert B. Spear - Men's Basketball Player Award	9,107		1,078	1,078	(140)		10,045
William R. Grace - Maintenance of the Sand Volleyball Court	18,321		2,332	2,332	(306)		20,347
William F. Goodner - Biology Teaching Excellence	7,519		1,057	1,057	(136)	(300)	8,140
Pace Weber - Outstanding Men's Lacrosse Player Award	3,529		512	512	(66)	(136)	3,839
Kenneth Thiele - Graduate History Scholarship	12,755		1,613	1,613	(210)		14,158
William Heiser - Senior Faculty Teaching Award	10,250		1,849	1,849	(240)		11,859
Q. C. Snyder - Management Department Support	1,242		241	241	(31)	(130)	1,322
Richard Buschmann - Graduate Dependent Scholarship	4,032		879	879	(112)	(500)	4,299
Class of '74 - Award for Character Development	11,060		1,990	1,990	(259)		12,791
Class of '59 - NCLS Keynote Speaker	36,691		8,218	8,218	(1,057)	(4,700)	39,152

(Continued)

ASSOCIATION OF GRADUATES OF THE UNITED STATES AIR FORCE ACADEMY

**SCHEDULE OF TEMPORARILY RESTRICTED FUNDS - RESTRICTED ENDOWMENT
FOR THE YEAR ENDED JUNE 30, 2018**

	Beginning Balance	Contributions and Reclassifications	Investment Earnings	Total Revenue	Expenses and Releases	Grants and Allocations	Ending Balance
Cadet Chapel	4,050		840	840	(108)	(450)	4,332
Tober Family - Astronautics Programs	131,464		22,253	22,253	(2,842)	(12,650)	138,225
Peter Brown - Summer Research Institute	8,312		1,393	1,393	(179)	(750)	8,776
Harold Gilbert Character/Leadership Endowment	50,765		10,870	10,870	(1,369)	(6,000)	54,266
Building Operations and Maintenance	122,374		119,197	119,197	(238,245)		3,326
Long Blue Line Endowment	33,095		12,933	12,933	(10,995)		35,033
	<u>\$ 1,242,289</u>	<u>\$ -</u>	<u>\$ 321,556</u>	<u>\$ 321,556</u>	<u>\$ (273,615)</u>	<u>\$ (85,390)</u>	<u>\$ 1,204,840</u>

(Concluded)

ASSOCIATION OF GRADUATES OF THE UNITED STATES AIR FORCE ACADEMY

**SCHEDULE OF PERMANENTLY RESTRICTED FUNDS - RESTRICTED ENDOWMENT
FOR THE YEAR ENDED JUNE 30, 2018**

	Beginning Balance	Contributions and Reclassifications	Investment Earnings	Total Revenue	Expenses and Releases	Grants and Allocations	Ending Balance
General Ira C. Eaker Endowment for Defense Policy Lecture Series	\$ 67,168						\$ 67,168
Frank E. & H. E. Hedrick Endowment for Cadet and Faculty Enrichment	151,524						151,524
Dr. Henry Kissinger Endowment for National Security Studies	20,058						20,058
John K. Gerhart Scholarship for French Study	278,158	\$ 500		\$ 500			278,658
Donald R. Backlund Endowment for USAFA Military Symposium	11,725						11,725
Roger Stringer Award for Outstanding Cadet in Intercollegiate Speech	11,550						11,550
Henry S. Walker Endowment for POW Museum	13,695						13,695
Col. Franklin C. Wolfe Humanities Scholarship	43,511						43,511
WWI Overseas Flyers - American Aviation in WWI	13,957						13,957
Cadet Leadership Enrichment	145,853						145,853
A.J. Mione Cadet Award for Outstanding Physics Research	19,435						19,435
Graduate Dependent Scholarship	94,644	459		459			95,103
Joseph A. Reich, Sr. Lecture Series	91,557						91,557
305th Bombardment Group Memorial Association - Leadership Education	75,020						75,020
Richard Lawson - Award for Outstanding Cadet in Communications	218,000						218,000
Jerry C. Lindh - Cadet Honor Awards	8,898						8,898
Ross A. LaTorra - Men's Rugby	11,053						11,053
Computer Science Department Awards	8,338						8,338
Warren Sneed - Wings of Blue Jump Team	27,542	200		200			27,742
General Kenneth L. Tallman - Liaison Officer Service Awards	13,508						13,508
General & Mrs. L.I. Davis - Astronautics Community Projects	32,676						32,676
Graduate and Non-Graduate Awards	57,084						57,084
Laura A. Piper - Squadron Award	2,235						2,235
Class of '62 - Academy and AOG Projects	24,470						24,470
Robert B. Spear - Men's Basketball Player Award	8,535						8,535
William R. Grace - Maintenance of the Sand Volleyball Court	19,741	500		500			20,241
William F. Goodner - Biology Teaching Excellence	9,805						9,805
Pace Weber - Outstanding Men's Lacrosse Player Award	4,900						4,900
Kenneth Thiele - Graduate History Scholarship	13,628						13,628
William Heiser - Senior Faculty Teaching Award	20,000						20,000
Q. C. Snyder - Management Department Support	2,700						2,700
Richard Buschmann - Graduate Dependent Scholarship	10,345						10,345
Class of '74 - Award for Character Development	21,500						21,500
Class of '59 - NCLS Keynote Speaker	101,000						101,000

(Continued)

ASSOCIATION OF GRADUATES OF THE UNITED STATES AIR FORCE ACADEMY

**SCHEDULE OF PERMANENTLY RESTRICTED FUNDS - RESTRICTED ENDOWMENT
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Beginning Balance</u>	<u>Contributions and Reclassifications</u>	<u>Investment Earnings</u>	<u>Total Revenue</u>	<u>Expenses and Releases</u>	<u>Grants and Allocations</u>	<u>Ending Balance</u>
Cadet Chapel	10,000						10,000
Tober Family - Astronautics Programs	238,615						238,615
Peter Brown Endowment	15,000						15,000
Harold Gilbert Character/Leadership Endowment	124,328						124,328
Building Operations and Maintenance	1,787,806	340,000		340,000			2,127,806
Long Blue Line Endowment	220,504	51,466		51,466	25,186		297,156
	<u>\$ 4,050,066</u>	<u>\$ 393,125</u>	<u>\$ -</u>	<u>\$ 393,125</u>	<u>\$ 25,186</u>	<u>\$ -</u>	<u>\$ 4,468,377</u>

(Concluded)