ANNUAL REPORT 2019 PDF DOWNLOAD

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- Five Fundraisers in Five States Across Two Nights

Our Mission

UNCF envisions a nation where all Americans have equal access to a college education that prepares them for rich intellectual lives, competitive and fulfilling careers, engaged citizenship and service to our nation.

UNCF's mission is to build a robust and nationally recognized pipeline of underrepresented students who, because of UNCF support, become highly qualified college graduates and to ensure that our network of member institutions is a respected model of best practices in moving students to and through college.

UNCF's North Star is to increase the total annual number of African American college graduates by focusing on activities that ensure more students are college-ready, enroll in college and persist to graduation. This is done through a three-pillar strategy:

• Positioning member institutions as a viable college option for students and investing in institutional capacity to improve student outcomes.

• Creating transformational support programs to ensure that students are enrolling and persisting through college completion.

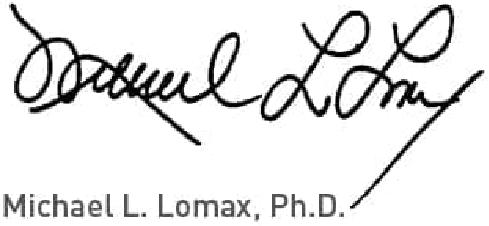
• Building awareness of educational attainment and cultivating college-going behaviors within the African American community.

UNCF: Building a Pathway of Educational Support From K-12 Through College and Career

Dear friend of UNCF, Welcome to UNCF's annual report for the 2019 fiscal year. We are often asked the secrets behind UNCF's success: 75 years and counting, more than $5 billion in contributions and 500,000 graduates from UNCF-member HBCUs with UNCF scholarships. "No secret," we reply, "It's all in the Annual Report." This year's report is no exception. As we told a packed house in our first-ever annual address about the health and well-being of HBCUs (read "The State of the HBCUs"), ever since UNCF was founded in 1944,"HBCUs have persisted, producing educational results far beyond what would be predicted based on their size and funding." Another story, "A Scholarships Scoop," reports on the second lane of UNCF's work: the 400 scholarship, internship and fellowship programs UNCF offers each year, programs whose recipients have an average graduation rate of 70%, almost double the average rate for all African American students and significantly higher than the rate for students of all races and ethnicities. UNCF is also active and effective in securing passage by Congress of legislation providing increased funding and flexibility for HBCUs and for low-income, first-generation college students—"Why UNCF Matters now More than Ever," and UNCF research provides a rigorous and impactful foundation for UNCF's advocacy of the right of every student to a K-12 education that prepares them for college and career.

> "Another story, "A Scholarships Scoop," reports on the second lane of UNCF's work: the 400 scholarship, internship and fellowship programs UNCF offers each year, programs whose recipients have an average graduation rate of 70%, almost double the average rate for all African American students and significantly higher than the rate for students of all races and ethnicities.

None of this would be possible, as this Annual Report documents, without the support and partnership of companies, like JPMorgan Chase, ExxonMobil and Coca Cola, that have been with UNCF since it was founded (read "75 Years of Schools, Students and Stewardship"); organizations like Alpha Kappa Alpha Sorority, Inc. (read "The Enduring Power of Partnership") and Top Ladies of Distinction (read "Volunteering to Make a Difference") and loyal supporters like UNCF-member institution Morehouse College graduate Herbert Horner, who generously included UNCF in his estate plan (read "A Legacy Of Education"). These are just a few of the "secrets" of UNCF's success, and just a few of the articles in this Fiscal Year 2019 Annual Report. Read this Report straight through or browse through the articles that most interest you. We hope that whether you've invested in UNCF's schools and students for years, or this is the first time you're considering helping us send students to and through college, you'll be inspired to make UNCF's motto, "A mind is a terrible thing to waste"®, your own. Sincerely,



Michael L. Lomax, Ph.D.
President and CEO, UNCF

William F. Stasior
Chair, UNCF Board of Directors

IMPACT

42 Years and Counting: Anheuser-Busch Foundation Makes UNCF HBCUs and Students a Priority

Creativity and inventive tracks to keep the train moving forward are hallmarks of how UNCF has managed to make an indelible mark across its years of empowering as many deserving students as possible to earn a college degree. Since 1977, Anheuser-Busch and the Anheuser-Busch Foundation (ABF) have helped fuel several projects and business activities that have become legendary parts of the UNCF business model over the years.

With passionate desire and fervor of vision, Anheuser-Busch and its foundation have gotten behind UNCF's efforts, making investing in better futures a priority. Through scholarships, unrestricted donations, event sponsorships and in-kind donations, the industry's leading brewery best known for brands like Budweiser, Bud Light, Michelob ULTRA and Stella Artois, has helped untold thousands of students of color get to and through college. Over the 42-year partnership, donations to UNCF by Anheuser-Busch and its foundation total more than $4.7 million and counting. The storied history of the two organizations working together began in the late '70s with a generous donation to help students attend historically black colleges and universities (HBCUs). Since then, the support of UNCF by Anheuser-Busch and its foundation has taken off substantially:

1980: "The Lou Rawls Parade of Stars"™

When Anheuser-Busch signed Lou Rawls as a national spokesperson, the corporation asked which charity he wanted Anheuser-Busch to support as part of his contract. Rawls told them, UNCF. While the company had donated generously to UNCF in previous years, the financial investment that came from its support of UNCF's telethon, "The Lou Rawls Parade of Stars,"™ went on to raise more than $200 million for UNCF from 1980-2006.

2010: Anheuser-Busch Foundation Scholarship Program

The Anheuser-Busch Foundation began a named scholarship program focusing on college juniors and seniors with a financial need. Donations under the program have now reached more than $1.58 million in scholarships, which have been awarded to nearly 350 students to date. Under the 2019-2020 program, 38 talented students received scholarships valued at $4,000 each.

2013: "The Great Kings and Queens of Africa"

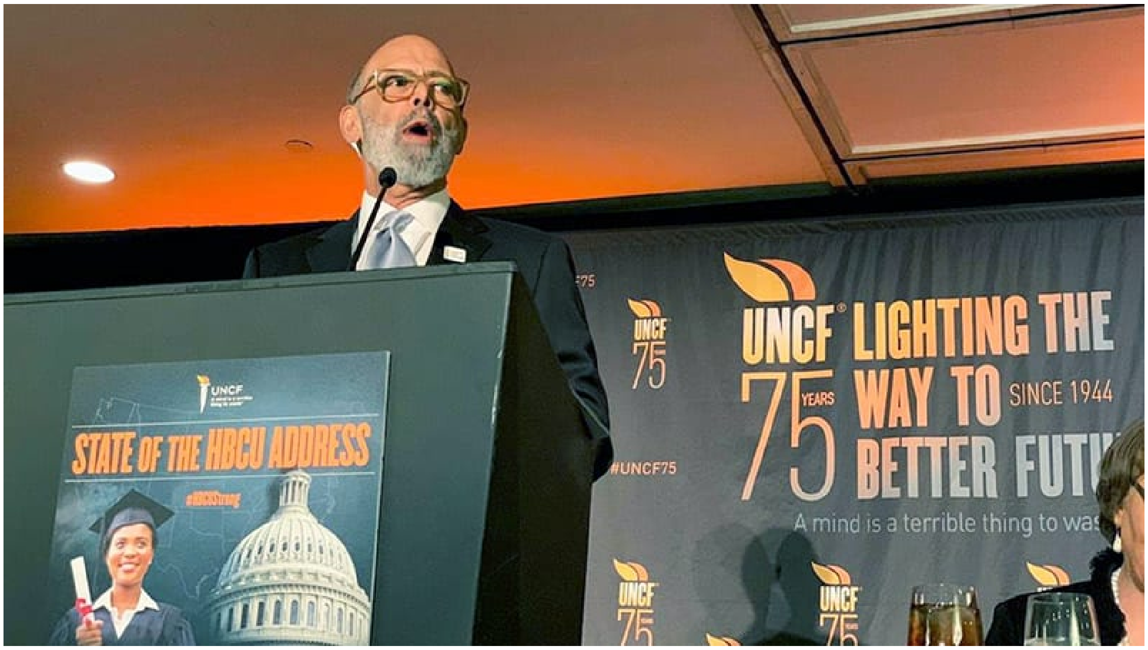
In 2013, Anheuser-Busch donated "The Great Kings and Queens of Africa" art collection to UNCF, a group of paintings valued at more than $1 million, that had been commissioned by Anheuser-Busch in 1975-2000. UNCF distributed pieces from the collection to six UNCF-member colleges and universities: Morehouse, Clark Atlanta, Dillard, Fisk, Xavier and Benedict. "The donation by Anheuser-Busch of 'The Great Kings and Queens of Africa' paintings to UNCF-member HBCUs is an important contribution to the artistic and cultural education that has always been a hallmark of the HBCU experience," said Michael L. Lomax, Ph.D., president and CEO, UNCF. "These works of art help students appreciate both the paintings' artistry and the stories they tell, while the Anheuser-Busch scholarships continue to keep the promise of the paintings alive by helping outstanding up-and-coming student leaders overcome the financial obstacles that so many of our HBCU students face."

Today

The current relationship between UNCF and the Anheuser-Busch Foundation remains quite strong. The Anheuser-Busch Foundation continues to support UNCF through scholarship funding, unrestricted donations and by supporting events at UNCF local offices in New York and St. Louis—cities where the company has large numbers of employees. "We are grateful to the Foundation for its steadfast, generous and continued support of our mission," Lomax explained. "The gifts by Anheuser-Busch and its foundation enable us to serve our institutions and our students not only financially, but through new and inventive experiences which have been mainstays of UNCF's efforts for many years. We look forward to continuing to do great things with this great partner."

IMPACT

Dr. Lomax on the 'State of the HBCU': "Our Aspiration Is To Lead, Not To Follow"



DR. MICHAEL LOMAX, UNCF PRESIDENT AND CEO, DELIVERS THE FIRST-EVER "STATE OF THE HBCU" ADDRESS ON CAPITOL HILL TO MEMBERS OF CONGRESS, MEMBER PRESIDENTS AND OTHER SUPPORTERS OF HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.

Everybody recognizes what "state of the" speeches are all about: mayors' "State of the City" addresses, governors' "State of the State" speeches, and, of course, presidents' "State of the Union" address, reports on an organization's achievements and the challenges they face.

So the crowd that gathered in the a room near the United States Capitol in March 2019 to hear UNCF president and CEO Dr. Michael L. Lomax report on the "State of the HBCU" knew they would get a candid assessment of where HBCUs stood as UNCF began celebrating its 75^{th} anniversary, and where the organization was going in the months and years ahead. Dr. Lomax did not disappoint. "During nearly 250 years of slavery, the enslaved were forbidden to learn to read and write," he told the gathered audience of educators, policy makers and HBCU leaders, "while white institutions like Harvard were developing into elite colleges. Even after the first HBCUs were founded, they languished another century-and-a-half, during which they were under-resourced, undervalued and disparaged—subjected to a gap in resources compared to white institutions, a gap reflected in the Black-White wealth gap in the larger society today." But "despite obstacles and barriers, assaults and attacks, underinvestment and devaluation," Lomax said, "the state of HBCUs is resilient." HBCUs have persisted, producing educational results far beyond what would be predicted based on their size and funding. "HBCUs," he explained, "represent just 3% of all colleges, but 10% of all Black college students, almost 20% of all Black college graduates and 25% of all graduates in the crucial and highly valued STEM disciplines of science, technology, engineering and mathematics." And now, after 75 years of UNCF resilience and persistence, "Our aspiration is to lead, not to follow." Citing what HBCUs contribute to local, state and national economies—including 50,000 college graduates every year and almost $15 billion in economic impact—he called on the federal government to invest in increased student aid for low-income students; increased funding for HBCU operations; $1 billion in HBCU infrastructure; and fairness in accreditation practices. "Since our founding in 1944, UNCF has had two major constituent groups—our historically Black colleges and universities and our students," he concluded. "We are more determined and more committed than ever, believing as we do, in the power of our cause and our shared belief that 'a mind is a terrible thing to waste,'® but a wonderful thing to invest in." Following his address, major federal policy ideas have seen significant movement in Congress and beyond. Major presidential campaigns have embraced Dr. Lomax's call to help underserved students by doubling the Pell Grant award for those who need it the most. And both the United States House and Senate have acted on top priority legislation for HBCUs—increasing necessary resources for our institutions and their students.

IMPACT

A Legacy of Education: Herbert Horner—From the "Greatest Generation" to Today's HBCU Students

UNCF LEGACY DONOR HERBERT HORNER, JR., WITH HIS BELOVED MOTHER, JOHNNIE LESTER SEALS HORNER

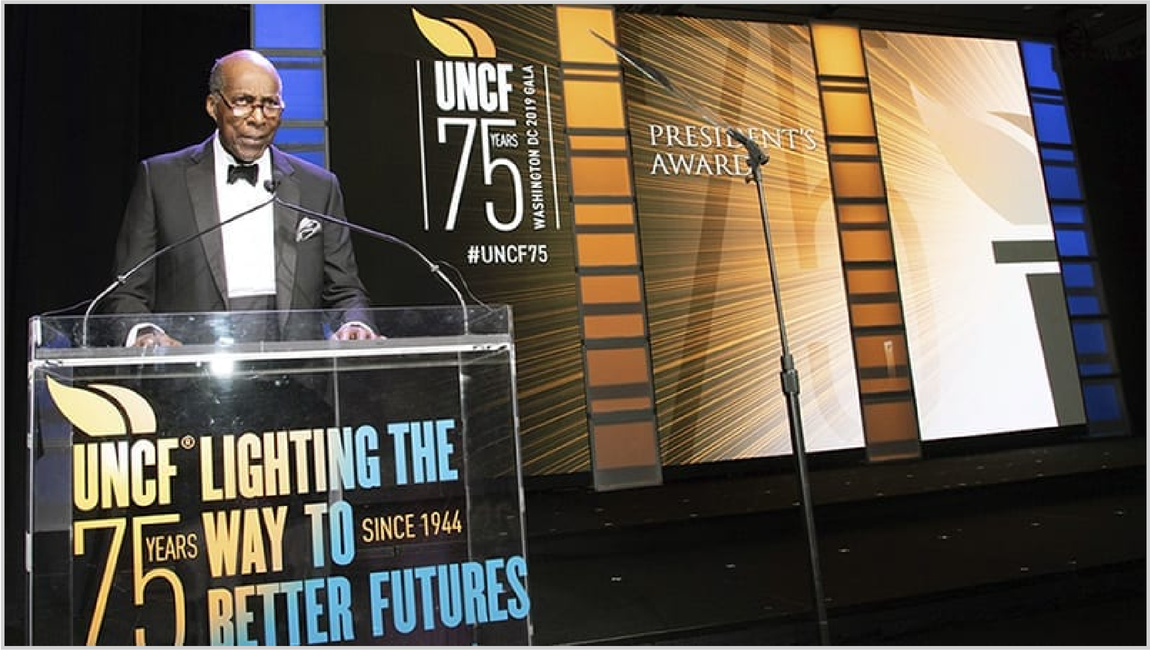
They call Johnnie Lester Seals Horner's generation the "greatest generation," the generation of Americans who won World War II, both on the battlefield and on the home front.

Economic hardship was severe in rural North Carolina in the 1920s, so Johnnie Seals was sent with her sisters to live with grandparents in Washington, DC. She was an excellent student who aspired to a college education, so she returned to her home state and enrolled in Shaw University, the first HBCU in the south (which would later become a founding member institution of UNCF). After her freshman year of college, World War II broke out, and Johnnie Seals ended her college journey to return to Washington to support the war effort working for the United States War Department (now called the

U.S. Department of Defense). She transferred to the Veterans Administration (the VA, now called the Department of Veterans Affairs), whose mission, in Abraham Lincoln's words, was "to care for him who shall have borne the battle and for his widow, and his orphan." She served at the VA for 35 years, during which time she married Herbert Horner and had a son, Herbert Horner, Jr. Like his mother before, Herbert Horner, Jr., enrolled in an HBCU, UNCF-member Morehouse College, only to leave college early to follow in his father's footsteps as a personal assistant to high-ranking Washington officials such as former Secretary of the Treasury James A. Baker and Dan Snyder, former owner of the Washington Redskins National Football League team. And, like his mother's college dreams, Herbert Horner, Jr.'s HBCU educational aspirations had been deferred—but far from forgotten. The junior Horner included in his estate plan a gift of $205,411 to UNCF to be awarded as scholarships in the name of his mother to HBCU students. Thanks to his gift, 199 students at nine UNCF-member institutions were able to get the college education that had been lost to the Horners. Candyce White, a student at the Morehouse School of Religion, was one of the deserving, talented recipients. "This UNCF scholarship has made a difference," she said. The scholarship is a "tremendous blessing because it helps supplement tuition and the cost of living. I am so thankful and appreciative, and I will never forget the lifeline that this scholarship has given me." From the greatest generation to the current span of HBCU students, mother Johnnie Lester Seals Horner and son Herbert Horner, Jr., have left a long-sought-after legacy of education—a gift of impact to UNCF-supported students.

IMPACT

75 Years of Schools, Students and Stewardship: UNCF Celebrates its Diamond Anniversary with a Gala in Washington, DC



VERNON JORDAN ACCEPTS THE PRESIDENT'S AWARD DURING THE UNCF 75TH ANNIVERSARY GALA IN WASHINGTON, DC, IN MARCH 2019.

UNCF'S 75 ANNIVERSARY GALA BROUGHT TOGETHER A GATHERING OF HEROES, BOTH PAST AND PRESENT; (L TO R) DR. MICHAEL LOMAX, UNCF PRESIDENT AND CEO; FORMER U.S. AMBASSADOR AND CIVIL RIGHTS ACTIVIST ANDREW YOUNG; FUND II UNCF STEM SCHOLARS PROGRAM FUNDER ROBERT SMITH; AND FORMER UNCF PRESIDENT, PRESIDENTIAL ADVISOR AND CIVIL RIGHTS ACTIVIST VERNON JORDAN.

ROBERT SMITH, ONE OF THE UNCF 75TH ANNIVERSARY GALA HONOREES, SPEAKS TO THE GATHERED CROWD IN WASHINGTON, DC.

What do you do when you hit an anniversary of major importance? You celebrate in style of course. And for UNCF, the initial celebration of 75 years of hard work and devotion to HBCUs and their students came on March 7, 2019, in the nation's capital.

Dignitaries and celebrities, politicians and students, those with a long history of support and those new to the game—all gathered to celebrate the accomplishments of UNCF's long service to students of color, historically Black colleges and universities and the United States. Their charge? To recognize not only the United Negro College Fund and its national impact, but those that have paved the way for more than 500,000 students who've earned college degrees during UNCF's 75 years. With history so deep, UNCF took time to honor some of the integral and long-standing organizational donors during the event, bringing both donors and currently supported students to the stage to help tell their stories.

JPMorgan Chase

Winthrop Aldrich, chairman of Chase National Bank, was a member of the mobilizing board for the first UNCF Capital Campaign in 1944. UNCF's connection with what is now JPMorgan Chase dates back to Chase National Bank, with bank employees raising money around "The Lou Rawls Parade of Stars"™ telethon. JPMorgan Chase currently runs a very impressive UNCF program staffed internally and funded by the Chase Foundation, called The Fellowship Initiative, out of three cities: Chicago, Los Angeles and New York. It was launched in 2010 in New York, and enrolls young men of color in a comprehensive, hands-on enrichment program that includes academic, social and emotional support to help them achieve personal and professional success.

ExxonMobil

UNCF was established in 1944, and Standard Oil (now ExxonMobil) generously donated $16,000 to UNCF to help found the organization—equivalent to $228,393 today. John D. Rockefeller, Jr., Standard Oil's chairman, publicly endorsed UNCF and personally wrote letters to other wealthy individuals asking for support. In 1948, Rockefeller further provided UNCF $70,000 in Standard Oil stock, which enabled the fledgling organization to purchase its first headquarters. A few year later, Rockefeller again donated cash to UNCF, this time $5 million in support of its first capital campaign. During his lifetime, John D. Rockefeller, Jr.'s contributions to UNCF totaled more than $6 million. In 2009, ExxonMobil's support was crucial to issuing a challenge grant that created UNCF's on-going Campaign for Emergency Student Aid (CESA), which provides final-year undergraduate students at UNCF-member HBCUs with the funds they need to complete their education. Since ExxonMobil's initial challenge grant, more than $30 million has been raised for more than 13,000 CESA scholarships averaging $2,500 each.

Coca-Cola

For 35 years, Coca-Cola has been a presenting sponsor of UNCF's Atlanta Mayor's Masked Ball. And, since 2006, Coca-Cola has been a sponsor of the UNCF Coca-Cola First Generation Scholarship Program, helping more than 600 students go to and through college, and join the ranks of successful careered Americans. As the night's celebration wrapped up, the impressive donor audience was recognized by Dr. Michael L. Lomax, UNCF's president and CEO. "We are so pleased to have this impressive group of donors gathered tonight. Their legacies live on through the students who have earned their college degrees thanks to their generosity over the years," he said. Schools, students and stewardship—all keys to the longevity of an organization whose history has impacted a nation and will continue to do so for years to come. Through 75 years of service and support, UNCF's mission remains a critical part of our nation's ability to be competitive, as diversity is truly our national strength. Long-term friends and donors make it possible to mark major milestones like 75 years, but student success is the ultimate dividend paid to all Americans that every one of us can celebrate.

SCHOLAR PARTICIPANTS AT GALA

RAY CHARLES Brenika Ashe Beltinor Bethune Cookman University, 2019 EXXONMOBIL Imani Holman Virginia Union University CHASE Amikka Smith Burl JPMorgan Chase/UNCF scholar Bennett College for Women, 2009 Graduate Communications Director for Wayne County, Michigan WELLS FARGO Scholars Cierra and Imani Graham Bennett College Graduates COCA-COLA DuJuan Morris Morehouse College Graduate Current Graduate Student at Clark Atlanta University UNCF/Coca-Cola First Generation Scholar FUND II FOUNDATION Soinkne Morant Xavier University

IMPACT

Why UNCF Matters Now More than Ever

Some things never change despite swings in political leadership. Throughout the ebb and flow of our modern history, developments in federal policy and those at the top don't change the need for educated people from across all parts of our society to move the country toward success. Particularly in today's unique landscape, UNCF's relevance is as important as ever.

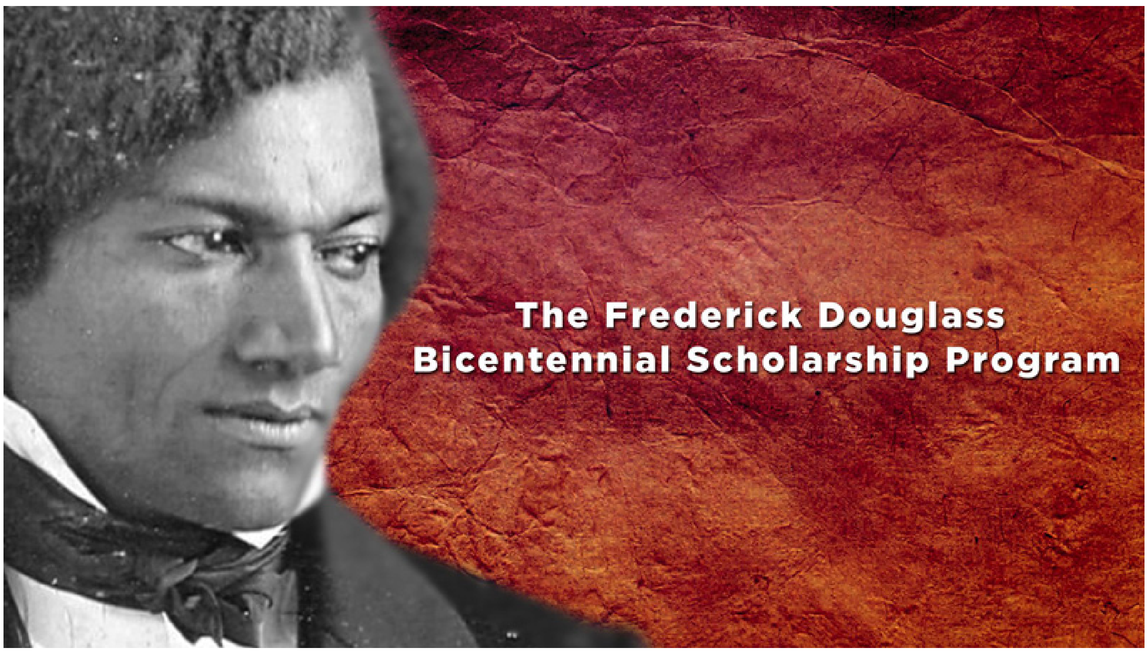
The organization continues its tradition of nonpartisan advocacy for the country's HBCUs, for first-generation, low-income African American students pursuing college degrees and for K-12 education reform despite political change. Providing a quality education for all Americans is a bipartisan cause, especially when it comes to improving the lives of students who lack the resources and guidance that make a quality education accessible in the face of those who question the need. UNCF has long been on the frontlines of progress, especially when it comes to government policies affecting our students. For example, it provides lawmakers with necessary information to help them make smart decisions about UNCF's students and member HBCUs. Foreseeing ways in which a pending budget proposal could leave students in need, UNCF issued a report to help the new Trump administration understand how that proposal could affect HBCUs and their students: "UNCF will support policies that improve the college readiness of African American students; to provide early and personalized college advising that includes financial aid information; that simplify and streamline the federal student aid process; and other efforts that help ensure that students obtain the postsecondary education and workforce skills they need to be successful in today's economy." UNCF regularly puts those words to action. During 2018, UNCF worked with a bipartisan coalition with U.S. Rep. Ted Budd (R-NC), U.S. Rep. Alma Adams (D-NC) and U.S. Rep. Bobby Scott (D-VA) and with the U.S. Department of Education and Trump administration to acquire financial relief for institutions that were deeply affected by the economic downturn in 2008 and by the Parent Plus Loan crisis. The U.S. Department of Education announced the names of the eight private HBCUs that were first significantly and positively impacted by the "deferment authority" of the HBCU Capital Finance Program. The organization pointed out the ways in which these factors placed a financial burden on its member institutions. It worked with bipartisan partners to place language enabling the secretary of education to grant loan deferment with a $10 million appropriation added to the FY 2018 Omnibus Appropriations Law, which President Trump signed into law in March 2018. In addition to deferments made for future fiscal years, the awarded institutions were also refunded by the federal government for the payments they had already made during this current fiscal year. Those payments were some of the largest donations received by the eight institutions that year and they significantly improved their financial standing. In September 2018, the U.S. Congress passed the law funding the Department of Education for FY 2019. This law provided increased funding and flexibility for HBCUs and for low-income, first-generation college students. Thanks to UNCF's efforts, it included language to keep the government funded which authorized these budget increases:

- Strengthening HBCUs: $282.42 million ($2.796 million above FY2018 enacted level)
- HBCU Capital Financing Program: $40.484 million with $20 million specifically to defer loans ($10 million above FY2018 enacted level)
- Public Service Loan Forgiveness: $350 million set aside for students to award student loan forgiveness and $2.3 million set aside for outreach efforts

Because the U.S. Department of Education was open for business, and not subjected to the government shutdown like other departments, HBCUs were able to access that funding without missing a beat and continued providing high-value services to their students. In light of these funding increases, UNCF President and CEO Dr. Michael L. Lomax said, "We are thrilled with this appropriations outcome, which is the second consecutive year we have seen significant increases to the programs we prioritize. We have worked tirelessly with this Congress and Administration to emphasize the needs of HBCUs and the low-income, first-generation college students we serve. The federal support our institutions and students receive is integral to ensuring each student's fair opportunity to achieve his or her dreams to get to and through college." Victories such as these serve as a significant reminder that striving to enact positive change is completely possible and practical. They also demonstrate UNCF has a vital role to play in our country based on today's political changes.

INNOVATE

A Scholarships Scoop: Three New Named Scholarship Programs Add Power to Purpose



UNCF's mission of getting students to and through college successfully is driven through a three-pronged approach: supporting HBCUs; supporting legislative and policy changes that enable access to and proper funding of those schools; and supporting students directly. The last piece, helping students directly, is often what comes to mind when people look to UNCF.

That student support comes through more than 400 scholarships, internships, fellowships and other related academic and mentoring programs that UNCF has created with the help of thousands of donors. Research has shown that UNCF scholarship recipients have an average graduation rate of 70%, almost double the average rate for all African American students and significantly higher than the rate for students of all races and ethnicities. And, more than 7,200 students each year receive scholarships from UNCF, which are used at more than 1,100 colleges and universities across the United States, including nearly all 100-plus HBCUs. Those impressive statistics notwithstanding, much more remains to be done: only one out of 10 students who apply for scholarship assistance from UNCF are able to be funded. With a need as great as that, any new funding for scholarships is vital. And, in 2018, UNCF landed three new well-funded programs to help more students of color earn their college credentials.

Boulé Foundation Scholarship

How can an organization like the Boulé Foundation, founded through the work of the historic Sigma Pi Phi Fraternity, carry on a commitment to educating new generations of black leaders, supporting others working to protect and advance the civil rights of Black citizens and improving the quality of life for Black people? One answer jumps out: By helping African American and other students of color get the college education that they deserve and that today's economy demands. And, by extending that helping hand through the new Boulé Foundation Scholarship. The new program awards $4,000 merit-based, renewable scholarships to rising college freshmen. The program will conclude in 2029 with an expected total of 84 students awarded.

Panda Cares UNCF Scholars Program

Food diversity often brings an awareness that people from all backgrounds are part of our national fabric. Delicious dishes from national restauranteur Panda Express not only make the U.S. richer for its unique spin on Asian cuisine, but the yen Americans have for great Chinese meals helps The Panda Cares Foundation invest in education. Panda Cares is the philanthropic arm of Panda Restaurant Group, and its mission is to assist with health and education in communities that have Panda Express restaurants. In June 2018, Panda Cares partnered with UNCF to form the Panda Cares UNCF Scholars Program, worth approximately $5.14 million. The foundation expanded its mission to include higher education and launch its support of UNCF. The program's $2,500-per-year scholarship feeds students' academic success, offers professional development services and helps students enter their chosen career field. The partnership provides 400 students annually with scholarships, support and career navigation services.

Frederick Douglass Bicentennial Scholarship

One of the men recognized as a pioneer for African American rights is the legendary Frederick Douglass, an author, abolitionist, statesman and escaped slave. To honor and commemorate the 2018 bicentennial of the birth of Frederick Douglass, a scholarship program was established in support of students attending accredited HBCUs nationwide. The Frederick Douglass Bicentennial Scholarship Program was established by Tony Signore, whose knowledge, respect and deep admiration for Douglass was instilled in him more than 35 years ago by the Jesuits at Fordham University. To honor Douglass, the Signore family designed and funded the 20-year program to recognize the historic leader. "It's an incredible honor and privilege for our family to celebrate the life of a true American hero," said Signore, founder and chairman of the Frederick Douglass Bicentennial Scholarship. "On the 200th anniversary of his birth, it is with great reverence that we reflect upon the legacy of a great man and leader, who had such a profound impact on our nation's history. We also understand the importance and responsibility of supporting HBCU scholars who demonstrate their passion for education." New and unique scholarship programs like these three help us all answer the call for workers that can thrive in a 21st century job market and economy. There was a time when a high school diploma and a strong work ethic were enough to qualify for the kinds of jobs that could support families and thriving communities. Not anymore. Today, however, the best-paying and fastest growing jobs and career paths require at least a college degree. For the students who are awarded a UNCF scholarship, the money is a down payment toward major success. New programs like these are an investment in better futures for Black students and, through their success, for all of us. Graduating students are the return on that investment. They are our dividends.

INNOVATE

Making a Path for STEM: The Fund II Foundation Continues to Invest in Talented Students

When Fund II Founding Director and President Robert F. Smith and the Fund II Foundation's Executive Director Linda Wilson committed to changing the lives and trajectory of 500 African American students seeking degrees in the science, technology, engineering and mathematics fields (STEM), they were firm in their belief that more Black Americans needed the opportunity to make their contributions to the high-demand, high-paying careers of our future.

Thus, in 2016, Fund II Foundation and UNCF collaborated to jumpstart and improve low undergraduate graduation rates of minority STEM students. With a $48 million grant to UNCF, the UNCF STEM Scholars Program was created, focusing on building a robust pipeline of African American students well-prepared for careers in the STEM industries. The program provides scholarships to enable students to focus on studying without worrying about paying for college; gives extracurricular education, tutoring support and mentorship opportunities; and opens the door to corporate internships that students might not otherwise be able to find. Now in its third year, the program has selected 300 highly motivated and academically talented African American high school students who are pursuing a STEM major in college and a STEM career. These students are advancing their educations thanks to the generosity of the Fund II Foundation. An example of the talented students who benefit from the UNCF STEM Scholars Program is Soinkne Morant, a sophomore at Xavier University of Louisiana. Soinkne was recognized by UNCF at its 2019 National Annual Gala in Washington, DC, for her academic achievements. In front of a large audience, which included Fund II Foundation guests of honor, Smith and Wilson, Soinkne shared how her close network of peers within the UNCF STEM Scholars Program community and the program's support services have helped her successfully navigate personal challenges during her first two years of school. And, with the benefit of that crucial support, Soinkne excelled in her courses and will graduate one year early with plans to attend medical school. Thanks to the Fund II Foundation, students like Soinkne are an investment in better futures for us all.

INNOVATE

UNCF K-12 Advocacy, working to ensure ***A Seat at the Table***

THE UNCF K-12 ADVOCACY DEPARTMENT RELAYED THE FINDINGS OF “A SEAT AT THE TABLE” THROUGH A TWO-PANEL DISCUSSION IN APRIL 2018 IN WASHINGTON, DC. PANEL ONE WAS MADE UP OF (L TO R) TANZI WEST BARBOAR, MODERATOR; ERIKA MCCONDUIT, ESQ., CHIEF EXECUTIVE OFFICER, URBAN LEAGUE OF LOUISIANA; ERIKA HARRELL, PAVE & ERN, DC; KHALIA MURRAY, FORMER UNCF-WALTON K-12 FELLOW AND DC PREP PRE-K TEACHER; AND JAMAR MCKNEELY, CHIEF EXECUTIVE OFFICER AND CO-FOUNDER, INSPIRENOLA.

PANEL TWO PARTICIPANTS WERE (L TO R) DR. WIL DE PILAR, VICE PRESIDENT, HIGHER EDUCATION POLICY AND PRACTICE, THE EDUCATION TRUST; DR. MEREDITH ANDERSON, SENIOR RESEARCH ASSOCIATE, UNCF; DR. JOSEPH DAVIS, SUPERINTENDENT, FERGUSON-FLORISSANT SCHOOL DISTRICT; DR. MICHAEL LOMAX, PRESIDENT AND CEO, UNCF, MODERATOR; AND DR. RODERICK L. SMOTHERS, SR., PRESIDENT, PHILANDER SMITH COLLEGE (NOT PICTURED).

Getting students to and through college is the primary mission of UNCF. Often times, the focus is on the "through college," as preparation for and access to college is often not the first thing that comes to mind when it comes to earning a degree. Increasingly UNCF has found it vital to ensure that students of color are prepared before they reach high school to succeed and "get to college." As one of the leading voices in K-12 education reform, UNCF's K-12 Advocacy department released a new report, *A Seat at the Table: African American Youth's Perceptions of K-12 Education*©, that examines changes needed to improve K-12 education for African American students—to ensure they are college- and, eventually, career-ready.

The report, authored by the UNCF Frederick D. Patterson Research Institute, is the latest in a research report series that studies the current state of K-12 education. We've all heard the saying "If you're not at the table, you're on the menu"—suggesting that if you're not represented during the decision-making process, you're in a vulnerable position and are at great risk of being left out of critical decisions and long-term outcomes. Because little research includes minority youth voices about education reform, this study examines the perspectives of low-income African American youth from select cities throughout the nation. Key findings in *A Seat at the Table* include:

- Slightly more than one-third of African American youth felt race may limit their opportunities in life.

- Nearly half of youth reported being placed in detention at some point in their education.
- 35% of African American youth indicated that having more engaging teachers would improve their high schools.

The report also outlines key recommendations for policymakers and school administrators which include reducing barriers to college attendance; address widespread student discipline issues that create unequal opportunities to learn; challenge the deficit narrative about educational aspirations of low-income African American youth; and improve school-based practices and partnerships to increase African American student achievement. Parallel to the report's release, the, K-12 Advocacy team also hosted an UNCF Education Summit. The event served as a face-to-face discussion point for the student perspective on education, a call to action on P-16 issues and a platform for engagement and exploration of the role of African American voices—specifically HBCUs—in education reform efforts. The summit brought together a distinct group of African American leaders, advocates and K-12 education reformers, including Jamar McNeeley of Inspire NOLA, Mendell Gringer of Campaign for School Equity, Erika Harrell, parent advocate, and Khalia Murray, current elementary classroom teacher—all with the mission to make the "getting to" part of the college journey all that much more possible.

INNOVATE

Changing of the Guard: Learning and Leading A New Group of Presidents Taking Over UNCF-Member HBCUs

DR. A. ZACHARY FAISON, JR., PRESIDENT, EDWARD WATERS COLLEGE

Impact is important for UNCF's member presidents. And ensuring you leave your institution stronger than when you arrived is vital to every president, especially those that lead historically black colleges and universities (HBCUs). A number of presidents of UNCF's HBCUs have been leaving through retirement recently, and a new generation of leaders are stepping up to the plate, continuing to advance our institutions.

Many of the younger presidents see their youth as an advantage to on-campus leadership, yet still believe it's critical to continue to receive the mentorship and counsel from the seasoned UNCF-member presidents. Dr. A. Zachary Faison, Jr., the 39-year-old president of Edward Waters College in Florida, says being closer to his students' age gives him at least one benefit that many of his counterparts haven't been able to enjoy. "As a millennial born in the 1980s, my generation—and now the post-millennials that are our current students—are largely defined by a desire to 'be heard' and feel 'understood' in terms of their expectations from the collegiate experience," said Dr. Faison. "With that said, I do believe that new and innovative delivery and implementation models being offered by new, young presidents to support student success can prove to be highly effective in translating to greater student retention and enrollment outcomes," Dr. Faison added. Many of the new group of younger presidents are taking the helm of UNCF HBCUs after their predecessors served for a long tenure. When a president serves a long-term, they often become the institution, making a transition to a new leader is sometimes difficult. However, this has not been the experience of Dr. Dwaun J. Warmack, president of Claflin University. Dr. Warmack, another one of the new younger leaders, says that he connects with seasoned presidents to help address issues at

Claflin, and the more seasoned presidents are invested in his growth as a higher education professional. Prior to accepting calls from the firm tasked with the presidential search, Dr. Warmack did his homework on the university. He learned more about Dr. Henry Tisdale, who served as president at Claflin for 25 years. Dr. Warmack was familiar with Dr. Tisdale, but not did not have a full understanding until he did research. "I was impressed. I thought he had done an amazing job over 25 years of transforming Claflin. As the search firm said to me, they think that I would be a good person to continue that legacy on," Warmack said. In his previous role as president of Harris-Stowe State University, Dr. Warmack centered his role around a quote that he lives by: "Students don't know you care, until you show you care." He was actively involved in making sure that students felt included in decisions of the campus. "Students spend over 70% of their time outside the classroom, and we make it a priority to ensure they are actively engaged on campus," he said. "Including students in the decision-making process ensures their buy-in and shared governance is at the forefront. From decisions related to homecoming, commencement speakers and institutional budget discussions, I make sure students are included in the process." Dr. Warmack acknowledges that the institution's progress and future rests on the past accomplishments set forth by experienced presidential predecessors. "With that being said," he said, "I have been fortunate to develop strategic strategies that integrates the past, embraces the relevant present and soars towards the future." And, as these two new UNCF presidents exemplify, your impact is only as good as those who benefit from your growth as a leader. With a new growing group of younger UNCF-member presidents taking the helm of its HBCUs, that impact will continue and deepen for years to come because while they are leading, they are still open to learning and growing themselves —and making an important impact for our students.

INSPIRE

#STANDWITHBENNETT and Deliver: Strength Through Numbers Saved Bennett College When it was Most Needed

When then-Bennett College President Dr. Phyllis Dawkins visited UNCF in early 2018, she had no idea how strong an ally and advocate the organization truly was for its members HBCUs. She discovered that and more: UNCF gets into the trenches and helps when needed most.

During that meeting, Dawkins informed UNCF President and CEO Dr. Michael L. Lomax, Vice President of Research and Member Engagement Dr. Brian Bridges and Vice President of Public Policy and Government Affairs Lodriguez Murray that her institution faced a looming deadline—just about a year away—to fix a set of financial and accreditation issues to be solved or face possible closure. Working with President Dawkins, UNCF's leadership devised a plan to cure all she laid bare that day, starting with the financial piece which directly tied to the federal HBCU Capital Financing program. Years before her tenure, Bennett College accessed a loan from the U.S. Department of Education, and that loan was now causing financial stress for the institution. Working as a team, UNCF and Bennett College contacted and worked with U.S. Secretary of Education Betsy DeVos and several members of Congress, including Rep. Ted Budd (R-NC) and Rep. Alma Adams (D-NC), to create a first-of-its-kind deferment authority to provide relief for the historic women's college in North Carolina. That authority didn't just benefit Bennett College; it impacted 12 other private HBCUs with a similar need. With a loan deferment secured, UNCF then turned its attention to accreditation issues that, despite the North Carolina college's best efforts, the HBCU couldn't solve alone. Bennett had corrected all but one issue—fundraising—and asked for UNCF's expertise and guidance. Thus, the #STANDWITHBENNETT campaign was born. In order to overcome its accreditation issue entirely, the college needed to prove that it had a solid cash reserve that was over $5 million. The college had some success generating funds to boost its reserves, but the early February 2019 accreditation deadline drew near quickly. Thanks to UNCF's nationwide assistance and large, visible platform, the college received more than $8 million in donations in a little over a month. Aiding Bennett College wasn't just a responsible thing to do, but more importantly, it was the right thing to do. HBCUs are an essential part of the American educational and economic infrastructure of the United States. So, preserving this member institution's legacy wasn't just important—it was vital. Vital to the community-at-large because of its $36 million in annual economic impact. Vital to the faculty and staff that worked tirelessly to enable future generations through education. And, vital to the young women of color who chose the storied institution for its transformative liberal arts programs in a nurturing environment. So, despite the trials, Bennett College remains accredited and open for business, a testament to success. The impact of such a win cannot be understated: HBCUs matter. UNCF matters. And together, the united front stood and delivered on what UNCF's promise is to all its member colleges and universities—combined strength through numbers makes us all stronger.

INSPIRE

More Women Presidents Leading Member HBCUs

(FROM LEFT TO RIGHT) DR. PHYLLIS WORTHY DAWKINS, BENNETT COLLEGE; DR. COLETTE PIERCE BURNETTE, HUSTON-TILLOTSON UNIVERSITY; DR. ROSLYN CLARK ARTIS, BENEDICT COLLEGE; DR. PAULETTE DILLARD, SHAW UNIVERSITY; DR. BEVERLY WADE HOGAN, TOUGALOO COLLEGE; DR. CYNTHIA WARRICK, STILLMAN COLLEGE; DR. DOROTHY COWSER YANCY, PAST PRESIDENT, JOHNSON C. SMITH UNIVERSITY AND SHAW UNIVERSITY; AND DR. ANDREA LEWIS MILLER, LEMOYNE-OWEN COLLEGE; (IN FRONT) DR. LILY MCNAIR, TUSKEGEE UNIVERSITY

In general, higher education—especially Black higher ed—is dominated by female students with approximately 62% of the historically Black college and university (HBCU) student body made up of women. Yet, the top leaders of our colleges and universities, including our HBCUs, still are predominantly men.

In 1904, Dr. Mary McLeod Bethune founded Bethune Cookman College in Daytona Beach, FL, and in April 1944, she was one of the co-founders of UNCF. Dr. Bethune laid the cornerstone that today's female HBCU leaders stand on, paving the way for women to lead HBCUs across the United States. Yet, Dr. Bethune's shining example aside, HBCUs have often been led by men. But that is changing. Even though the number of women HBCU presidents is still lower compared to men, there has been an increase recently. And as they take the helm of these institutions, many of them are praised for creating new partnerships or wrangling financially troubled institutions to push them to success. "In an industry such as higher education that has been male-dominated for many years, it's critically important to acknowledge diversity and the accomplishments of women, more specifically women of color," says Michael L. Lomax, Ph.D., UNCF President and CEO. "They work hard each and every day to improve educational outcomes for students." Additionally, many of these women leaders are breaking barriers, serving as their institutions' first female president. In 2015, Dr. Colette Pierce Burnette became the first female president of Huston-Tillotson University. In 2017, Dr. Roslyn Clark Artis became the first female president of Benedict College, and Dr. Cynthia Warrick became the first female president of Stillman College. Under Dr. Burnette's leadership, Huston-Tillotson was awarded a $1 million grant from UNCF in partnership with the Lilly Endowment as part of the UNCF® Career Pathways Initiative. With the grant, Huston-Tillotson will be able to provide better resources for students, from internships and mentorships to development of better curriculum. "I work very hard as an administrator to create an environment where students have a voice, and we don't always get it right," Pierce Burnette says. "This is a safe space in that students have a voice to tell you when you're not getting it right." Dr. Artis has been praised by Benedict College's Board of Trustees for the tremendous progress the institution has made under her leadership. She has launched bold initiatives to position Benedict as a competitive institution where transformative learning, innovation and a commitment to community all merge. Dr. Artis has reduced tuition costs, increased enrollment and developed the first master's of business administration program at the college, in which its 2,200 students can major in subjects ranging from cyber security to sports management. Benedict is also among grantees of the Lily Endowment gift, the UNCF® Career Pathways Initiative. "We want to provide learning experiences that prepare students to enter the modern workforce and global marketplace," Artis says. Dr. Warrick raised roughly $2 million through alumni outreach in March 2017—impressively done during her transition from interim president to president, no less—to cover debt and summer operating expenses and boost recruiting efforts. She has also been instrumental in securing partnerships to ensure opportunities for Stillman students are increased. “Really open the campus to the community at large to participate and support our students and our academic programs and even the use of our facilities,” says Dr. Warrick. Under Dr. Warrick’s leadership, Stillman has been able overcome accreditation issues and improve enrollment, a credit to her commitment to connect Stillman to the local community. And, with 37 member HBCUs, here’s a list of the great women presidents at UNCF-member institutions for 2018 to 2019:

- Roslyn Clark Artis, Benedict College
- Phyllis Worthy Dawkins, Bennett College
- Colette Pierce Burnette, Huston-Tillotson University
- Andrea Lewis Miller, LeMoyne-Owen College
- Paulette R. Dillard, Shaw University
- Mary Schmidt Campbell, Spelman College
- Cynthia Warrick, Stillman College
- Beverly Wade Hogan, Tougaloo College
- Lily D. McNair, Tuskegee University

UNCF salutes all of the women presidents for breaking barriers at UNCF-member institutions and their commitment to advancing black higher education. Their stories, just like the HBCUs they lead, enable better futures for us all.

INSPIRE

Senator Doug Jones: A Friend, Champion and Hero of HBCUs

SEN. DOUG JONES WITH DR. LILY D. MCNAIR, PRESIDENT OF TUSKEGEE UNIVERSITY

It's no secret that heroes often come from the most unlikely places and face insurmountable odds to get there. Winning a long-shot seat in the United States Senate has made Senator Doug Jones just that.

Sen. Jones knows his supporters trust him to get things that matter to them done in Washington. Since his election in December 2017, Sen. Jones has worked tirelessly to support the people who got him elected. He's been a staunch advocate for minorities in Alabama and for historically Black colleges and universities (HBCUs). During his first year in office, Sen. Jones supported federal budget increases for HBCU-specific programs totaling more than $100 million (FY18 and FY19). He advocated for the passage of a loan deferment authority for the HBCU Capital Financing Program and, most courageous of all, he stood before his colleagues on the U.S. Senate floor and spoke about the value of HBCUs, their legacy and their importance. It's no wonder the people of Alabama celebrate Sen. Jones. As heroes often do, he backs his words up with action. He has shown time and again that the HBCU, Black, Hispanic and other communities can depend on him to be their voice. He fearlessly navigates the partisan divide to secure the best possible outcomes for his constituency and others—no thanks needed. It's all in a day's work for a hero like Sen. Doug Jones.

A “Moses” Among HBCU Leaders: Dr. Billy C. Hawkins

DR. BILLY HAWKINS TALKS TO STUDENTS ON THE TALLADEGA COLLEGE CAMPUS.

When you’re an HBCU president, you are often a multi-tasking, high-energy conductor who must tackle a myriad of challenges to deliver education, impact and change. As the Chair of the UNCF Members, Dr. Billy C. Hawkins is just such a transformational person. And as the 20th president of UNCF-member Talladega College, Hawkins has taken on the mountain—Talladega—and moved it back to a place of preeminence and laudability.

Hawkins has worked in education for 36 years, beginning his successful career as a teacher in the Lansing, MI, Public Schools System. His passion for teaching led him to the field of higher education where he served in various administrative roles at Mississippi Valley State, Saint Paul’s College, Ferris State University and State University of New York at Morrisville College. On Jan. 1, 2008, Hawkins started his term at Talladega College, rejuvenating the venerable institution piece by piece. Since his arrival, student enrollment has increased more than 70%, the entire physical plant has been upgraded and one classroom building has been renovated, restored and reopened. Successively, three dormitories were refurbished, a new police station was built, a $4.5 million rehabilitation/restoration of Foster Hall Dormitory began, finances have been restructured and stabilized, and new academic programs have been added. He successfully guided the institution through a 10-year SACS accreditation. And, under his term, Talladega has been reinstated to the National Athletic intercollegiate Association (NAIA), winning three national championships in men's and women's basketball. During 2008, Dr. Hawkins implemented rigorous plans for renovation and growth at Talladega. As a result of his vision, enrollment doubled from just over 300 students to 601 students in a single semester, athletic programs were reinstated for the first time in 10 years, and major campus beautification projects were undertaken. Talladega has enjoyed record-high enrollment in both the 2018-2019 and 2019-2020 academic years. The college currently has 1,230 students and is listed among the Princeton Review's best colleges in the Southeast and U.S. News and World Report's most innovative colleges. The college continues to expand its mission and reach, recently launching its first-ever graduate program—an online master of science degree in computer information systems. Talladega's campus is undergoing a major physical transformation. A 45,000-square-foot, state-of-the-art residence hall opened in 2019. In 2020, two new facilities will open: a new state-of-the-art student center and the Dr. William R. Harvey Museum of Art, which will house six critically-acclaimed Hale Woodruff murals, including the renowned Amistad Murals. To construct the museum for Woodruff's murals, which are valued at $50 million, Hawkins secured Talladega's largest-ever financial gift, a $1 million donation from alumnus Dr. William R. Harvey. Hawkins also secured a $1.5 million contribution from Alabama Gov. Kay Ivey and the state of Alabama. While he's juggernauting ahead as the Talladega College President and the Chair of the UNCF Members, Hawkins continues to juggle many other priorities quite successfully. He was appointed to serve on the Historically Black Colleges and Universities Capital Financing Advisory Board by former U.S. Secretary of Education Rod Page. He is also a current member of the NAIA President's Council. Hawkins is the recipient of numerous honors and awards. Most recently in 2011, he was a recipient of the "Ultimate 50 Who's Who of Birmingham" Award. He received the Omega Century Award of Excellence in Education from the National Omega Psi Phi Fraternity, Inc. He also received the National Associate of Colored Women's Clubs, Inc., Achievement Award and the Texas Alliance of Black School Educators Leadership Award. Hawkins was inducted into the Kent City Schools Hall of Fame in both 2004 and in 2007. And, Hawkins is a proud member of Omega Psi Phi Fraternity, Inc. As an energetic mover and shaker, Hawkins uses his years of experience to strengthen UNCF's 37 member institutions as the new Chair of the Members. His leadership is making a difference for all of UNCF by helping to develop opportunities for all members in the areas of accreditation, financial management and institutional advancement. His experience and talents, much like the biblical figure of Moses, are helping to transform UNCF to ensure better futures for all.

"My Friends, My Friends": Oswald P. Bronson, a Beacon of Light at Bethune-Cookman

DR. OSWALD BRONSON, SR., PRESIDENT OF BETHUNE-COOKMAN COLLEGE, MARCH 22, 1995.

DR. OSWALD P. BRONSON, SR., PRESIDENT OF BETHUNE-COOKMAN COLLEGE, WALKS ACROSS THE CAMPUS WITH FORMER U.S. REP. CORINNE BROWN AND THE REV. JESSE JACKSON DURING A VISIT TO THE CAMPUS ON OCT. 14, 1996.

DR. OSWALD BRONSON, SR., PRESIDENT OF BETHUNE-COOKMAN COLLEGE, JUNE 1, 2004.

DR. OSWALD BRONSON, SR., CONGRATULATES A STUDENT DURING A CONVOCATION.

A renowned educator, visionary administrator, well-respected theologian and celebrated community leader, Dr. Oswald Perry Bronson, Sr., led a life dedicated to service. His charismatic essence and warm embrace for all humanity continues to be recounted by his family, friends, former students, mentees and colleagues who shared in his 91 years of life.

In 1950, he earned his bachelor of science degree in social science from Bethune-Cookman College (now University) in Daytona Beach, FL. He completed studies for a bachelor of divinity degree at Gammon Theological Seminary (now part of UNCF's Interdenominational Theological Center, or ITC) in Atlanta, GA, in 1959. In 1965, he then earned a doctor of philosophy degree in religious and higher education from Northwestern University in Evanston, IL. Dr. Bronson began his career in academia by serving as a lecturer and teacher in numerous mission schools, clinics, pastoral institutes and leadership training schools. He advanced from director of field education at the Interdenominational Theological Center (ITC) in 1964 to becoming vice president in 1966. Dr. Bronson ended his ITC tenure as president in 1975. While serving at ITC, he helped expand the number of denominational affiliations the seminary houses as part of its mission to foster ecumenical fellowship. After completing his time at ITC, in 1975, Dr. Bronson began an appointment as the fourth president of his alma mater, Bethune-Cookman University, a position he held for 29 years. Dr. Bronson, like the university's founder Dr. Mary McLeod Bethune, wielded innate diplomacy, persuasive skills and canny collaboration to advance the institution and ensure more African American students had access to quality education. Under his leadership, the university's enrollment grew from 1,520 students to 2,794, the endowment increased from $1 million to $28 million, and the operations budget went from $6.2 million to $51.4 million. Major fields of study at the institution increased from 12 to 37. Dr. Bronson spearheaded investments in faculty development, student achievement and retention. The physical appearance of the campus improved with 15 new buildings—most notably, the Mary McLeod Bethune Performing Arts Center. After Dr. Bronson's retirement he was sought out by Edward Waters College in Jacksonville, FL, as its interim president where he served from 2005-2007. During his tenure at Edward Waters, he restored trust and increased academic integrity to ensure the institution's continued growth, securing nearly $6.4 million in federal grants and re-engaging stakeholders of the college. These actions led to him being deemed a "Turnaround President." Dr. Bronson was on the forefront of civic engagement throughout his entire life. As a leader who espoused the values of Dr. Bethune, he marched with Dr. Martin Luther King, Jr., and championed causes for equality and justice. Much of his life's work is memorialized in the book, *Chief Servant Leader: The Life and Leadership of Dr. Oswald P. Bronson, Sr., President of Bethune Cookman*. Dr. Bronson received numerous distinguished awards and honors. Together with his wife, Helen Carolyn Williams Bronson, they impacted the lives of thousands of people in the communities in which they lived and served throughout the country. Dr. Bronson was regarded as a friend because he embraced everyone with whom he came in contact as "friends." In fact, a signature phrase in his formal and informal greeting was "my friends, my friends." And, at the very mention of those words, people became impassioned with gratitude for the authenticity of his delivery. Dr. Bronson, just like many of the great UNCF HBCU leaders, is now missed by all those friends and the those whose lives he touched.

INVEST

UNCF HBCU 'Funding Evangelists' Secure More Than $100 Million for HBCUs

Finding support to keep a college degree affordable and available to as many deserving students as possible, yet still providing a quality education can often seem like a high-wire act to legislatures. Working across the aisle, as they say in the parlance of Capitol Hill, is important to get anything done, particularly when it comes to supporting the nation's historically black colleges and universities (HBCUs). But, because of UNCF's tenacity and persistence, the point was made that HBCUs need more to do more.

And, so in a single calendar year, 2018, thanks in large part to UNCF's dedicated team of HBCU funding evangelists—its government affairs department—HBCUs across the United States received funding increases from Congress signed into law by the president of more than $100 million due to the late passage of fiscal year (FY) 2018 spending bills. FY2018 was funded in March of 2018, and FY2019 was funded in September 2018. "We had to tell it like it is. Our HBCUs needed more funding. Period. And, though, we had little time to get this done because of the two funding cycles colliding, we were diligent and pressed our points with staffers and members of Congress on both sides," said Lodriguez V. Murray, senior vice president, UNCF Public

Policy and Government Affairs. “Lodriguez and his team are our ‘ministers’ to Capitol Hill,” said Dr. Michael L. Lomax, UNCF’s president and CEO. “They bring the good news HBCU message the Hill desperately needs to hear about our colleges and universities.” Pressing an advantage during the relatively short back-to-back funding cycles, UNCF met with U.S. Representatives, U.S Senators and their staffs to (1) prioritize the capital needs of HBCUs and (2) the need to better use federal funds to help low-income, first-generation college students finance their education, engaging both Republicans and Democrats in its efforts to win support for HBCUs and their students. Programs such as Title III—which directly impacts students in the science, technology, engineering and math (STEM) disciplines—the Pell Grant, federal work study program and the federal Supplemental Education Opportunity Grant received increases during 2018 that were greatly needed by many HBCU students. “UNCF focused on building a bipartisan coalition and educating Congress on the value and needs of HBCUs, which led to a 15% increase in overall HBCU-related spending from FY2017,” Murray added. “With continued advocacy efforts focused on HBCUs and the students they serve instead of partisanship, UNCF is now poised to impact higher education in a way that will generate the future workforce and leaders the country needs sooner rather than later.”

INVEST

The Enduring Power of Partnership: AKA and UNCF

A POWERFUL INVESTMENT IN BETTER FUTURES®

For more than 40 years, the partnership of Alpha Kappa Alpha Sorority, Inc. (AKA), the nation's first African American sorority, and UNCF, America's first cooperative fundraising venture in higher education, has been a powerful sustaining force for historically Black colleges and universities (HBCUs). It is a partnership built on missions that are highly aligned in their dedication to ensuring the longevity and success of these vital academic institutions.

Throughout the fruitful partnership, AKA presidents have served on the UNCF Board of Directors which, today, is strengthened by Dr. Glenda Baskin Glover, AKA International President. Support for HBCUs is an AKA priority, and AKA and its members have invested in UNCF to date. According to Glover, "Alpha Kappa Alpha's 111-year history is deeply interwoven into the history of HBCUs, and therefore it is imperative that we continue to invest in these treasured institutions." To commemorate their longstanding commitment at the start of UNCF's 75th anniversary, AKA powerfully demonstrated its desire to invest in HBCUs. In partnership with the Educational Advancement Fund, it launched the AKA-HBCU Endowment Fund and pledged to distribute $10 million to 96 accredited institutions over four years. Thirteen of the 32 participating HBCUs are UNCF-member institutions. And during the national "A Mind Is…" Gala, responding to UNCF's 75th anniversary call to action, AKA pledged $1 million to UNCF, presenting a $1 million check at the national event in Washington, DC. Later in 2019, AKA also raised $1 million to secure fiscal sustainability and success for all HBCUs during its one-day fundraising drive, AKA HBCU Impact Day. The UNCF/AKA partnership reflects UNCF's iconic motto, "A mind is a terrible thing to waste"® and AKA's pledge "to become an indomitable force for good." Together, UNCF and AKA are increasing investments in HBCUs, ensuring their long-term sustainability and capacity to continue to serve as economic and education engines that power America.

INVEST

Volunteering to Make a Difference: Top Ladies of Distinction Lending a Distinctive Touch to Workplace Fundraising

TOP LADIES OF DISTINCTION, INC., IS PROUD TO WORK WITH UNCF ON ITS WORKPLACE INITIATIVE.

When two graduates of UNCF-member HBCU Texas College joined forces to begin a service organization for African American women that wanted to make a difference in their local communities, they never thought their impact would spread so far and wide. Top Ladies of Distinction, Inc., (TLOD), founded in 1964 by eight women to help alleviate many of the problems confronting youth in communities of color in Texas, has grown to more than 7,000 members spread across the globe, acting as an organizational volunteer powerhouse. TLOD's volunteers fuel many causes, including its marquis offering, the Top Teens of America, a program that encourages young women to find volunteer projects and causes to get behind and share their time with—causes like UNCF, the March of Dimes and St. Jude Children's Hospital.

Having its roots grounded in the soil of an UNCF HBCU, however, brought TLOD leadership knocking on UNCF's door to renew its commitment to the organization in 2017. Former President Lady Drema Woldman was approached by UNCF's national development director for workplace initiatives, Mya Dyson and out of that meeting was born a new service option that truly matters: help UNCF throughout the United States carry out its workplace fundraising campaigns. "Top Ladies of Distinction, Inc., is proud to work with UNCF on its workplace initiative," said Woldman. "Education is the key to success, but it costs. More often than not funds are not there or readily available for our children. Most of us did not have the opportunities that are afforded today." Workplace fundraising campaigns are on-the-ground operations which require UNCF to be present at local employers' offices, talk to prospective donors that may be able to support

UNCF financially through gifts that are made through their paychecks, and convince the employees that UNCF is worthy of their donation. This seems simple enough, but it's time consuming and is often only possible with the help of volunteer arms and legs. The solution? More volunteers. And, that's where a powerful, well-organized partner like TLOD makes a difference. Volunteers are always needed and helpful but having volunteers that hit the ground running who are knowledgeable and highly organized makes their support of UNCF, well, distinct. Dyson explained how the partnership works: "We began the workplace volunteer partnership in 2017 assisting us with rallies, fairs and kick-offs. As it has grown, the TLOD workplace volunteer partnership has provided a tremendous boost to UNCF. In an industry that requires us to attend multiple and simultaneous events, their support on the ground helps us to get in front of more employees to educate them on our mission than we could ever do alone. It also helps us to keep administrative costs low by utilizing volunteers to help us with this important work of raising funds to get students to and through college." And, while this may sound like a lot of work, Woldman wanted the job. "For TLOD to be given the opportunity to go into places of employment and enlighten others about UNCF's mission and the need to raise funds to assist our future leaders is something that we wanted to be a part of. I think we are a great match for each other because part of our service plan focuses on youth and academic excellence," she explained. Dyson added that the help of TLOD is more than just a few volunteers added to her ranks. "They are just amazing. We couldn't be as successful as we are without the Top Ladies of Distinction." The pay-off? Woldman has high praise for the volunteer work TLOD is doing because, "It is important for our children to know their culture and be taught by and learn alongside others just like them. Attending a UNCF college or university is a once-in-a-lifetime opportunity, and the workplace initiative helps make that a reality."

INVEST

Five Fundraisers in Five States Across Two Nights—Fueling UNCF's Work, Rapid-Fire

KENNY “BABYFACE” EDMONDS PERFORMS AT THE 2019 NEW ORLEANS UNCF MAYOR’S MASKED BALL

The end of any year is always exciting, especially when the countdown is to the launch of UNCF’s 75th anniversary year. And as the anniversary drew closer, the excitement spread from city to city, culminating in the March 15-16, 2019, weekend, when UNCF supporters in five cities—New Orleans, Birmingham, Milwaukee, Los Angeles and Raleigh—set off to have a good time for a great cause raising $2.8 million to help UNCF-member HBCUs move their students to and through college.

The two-day celebration was led by UNCF New Orleans, where host Mayor LaToya Cantrell, a Xavier University graduate and New Orleans’ first female mayor, and nearly 1,000 UNCF supporters filled the Hyatt Regency ballroom to help New Orleans’ own UNCF-member institutions, Dillard and Xavier universities, and UNCF’s 35 other HBCUs. Revelers included celebrities like singer-songwriter-producer Babyface; Morehouse graduate and New Orleans native PJ Morton, also a singer-songwriter-producer; and actor-writer Jonathan Slocumb, a graduate of UNCF HBCU Oakwood University. Masked Award recipients for the event were Morton and New Orleans Saints and New Orleans Pelicans owner Gayle Benson. Up the road in Birmingham, Mayor Randall Woodfin, a Morehouse graduate, welcomed a record-breaking crowd of 1,000 to support the seven UNCF HBCUs close to Birmingham and all of UNCF’s HBCUs. “By giving our students an opportunity to learn, grow and mature at these schools,” said Mayor Woodfin, “we are ensuring that Birmingham’s future is strong.” It wasn’t just cities that are home to UNCF HBCUs that did their part and more in celebrating the 75th anniversary. UNCF’s Milwaukee Mayor’s Masked Ball was hosted by Mayor Tom Barrett and chaired by Dr. Joan Prince, United States Ambassador Emeritus to the United

Nations and vice chancellor at the University of Wisconsin Milwaukee; and Celia J. Shaughnessy, vice president of human resources and chief human resources officer at Ascension Wisconsin. Mayor Eric Garcetti hosted UNCF Los Angeles's star-studded 8th annual Mayor's Masked Ball, where the Masked Award was presented to producer Jesse Collins, who has produced high-profile programming like the Grammy® Awards, BET Awards and Soul Train Awards, as well as our *UNCF An Evening of Stars®*. The crowd included celebrities like actors Robert Ri'chard and Pooch Hall, and choreographer, dancer, actor, director and producer Darrin Dewitt Henson. At the Triangle UNCF Mayors' Masked Ball in Raleigh, *Spectacular* magazine called the Masked Ball "the area's premier fundraising gala and major social event." Knightdale, NC, mayor James Roberson welcomed the crowd, and the mayors of Raleigh, Chapel Hill and Durham appeared via video. Masked Awards were presented to community leaders and activists Eileen and Jim Welch and to Dr. Everett Ward, past president of St. Augustine's University and prior general president of Alpha Phi Alpha Fraternity, Inc. Dee McDougal, senior vice president of Pacific Western Bank, served as a co-chair of the event. So what did all the spectacular soirees across the country that weekend add up to? All in all, five elegant, high-profile events yielded nearly $3 million in support for UNCF-member HBCUs. But perhaps the most important number of all? The more than 15,000 students from those five states, and the nearly 50,000 students from across the country, who attend UNCF HBCUs, on their way to graduation and careers of success and service—thanks to two days and five very special UNCF events.

KPMG

UNITED NEGRO COLLEGE FUND, INC.

Financial Statements

March 31, 2019 and 2018

(With Independent Auditors’ Report Thereon)

UNITED NEGRO COLLEGE FUND, INC.

Table of Contents

KPMG LLP
1676 International Drive
McLean, VA 22102

Independent Auditors' Report

The Board of Directors and Members
United Negro College Fund, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of the United Negro College Fund, Inc., which comprise the statement of financial position as of March 31, 2019, and the related statements of activities, functional expenses, 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 U.S. generally accepted accounting principles; 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 auditors' 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 organization'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 organization'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 United Negro College Fund, Inc. as of March 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 2(t) to the financial statements, in 2019 the United Negro College Fund, Inc. adopted new accounting guidance, Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958)*: *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the United Negro College Fund, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 30, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived before the adjustments to adopt ASU 2016-14. As part of our audit of the 2019 financial statements, we also audited the adjustments described in Note 2(t) that were applied to adopt ASU 2016-14 retrospectively in the 2018 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

KPMG LLP

McLean, Virginia
July 29, 2019

UNITED NEGRO COLLEGE FUND, INC.

Statements of Financial Position

March 31, 2019 and 2018

Assets		**2019**	**2018**
Cash and cash equivalents	$	11,057,845	14,966,607
Short-term investments (notes 5 and 9)		14,883,611	14,091,990
GMSP short-term investments (notes 5 and 9)		57,036,415	48,066,010
Receivable for unsettled investment trades (notes 7 and 8)		12,938	—
Pledges receivable, net (note 6)		35,769,594	31,785,052
Accrued investment income		1,510,848	2,708,141
Long term investments (notes 7 and 9)		179,380,474	188,117,352
GMSP long term investments (notes 8 and 9)		271,882,601	349,618,250
Property and equipment, net (note 10)		26,205,796	27,054,396
Collections acquired (note 11)		1,414,250	1,414,250
Other assets		4,974,708	6,342,727
Total assets	$	604,129,080	684,164,775
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	6,347,218	6,132,991
Accrued wages, vacation, and other related expenses		2,951,417	2,673,172
Payable for unsettled investment trades (notes 7 and 8)		—	14,297
Accrued distribution to member institutions		7,651,660	7,288,830
Notes payable (note 13)		889,620	1,925,455
Bonds payable (note 14)		28,032,770	28,876,518
Total liabilities		45,872,685	46,911,263
Net assets (deficit): (note 16)			
Without donor restrictions		(2,278,596)	(3,909,847)
With donor restrictions (note 15)		560,534,991	641,163,359
Total net assets		558,256,395	637,253,512
Commitments and contingencies (note 20)			
Total liabilities and net assets	$	604,129,080	684,164,775

See accompanying notes to financial statements.

UNITED NEGRO COLLEGE FUND, INC.

Statement of Activities

Year ended March 31, 2019
(with summarized financial information for fiscal year 2018)

	2019 Without donor restrictions	2019 With donor restrictions	2019 Total	2018 Total
Revenue, gains, and other support:				
Support:				
Contributions for grants and scholarships	$ —	22,984,325	22,984,325	29,134,387
Contributions and gifts (notes 2 and 18)	33,056,594	31,104	33,087,698	31,861,166
Bequests and legacies	3,803,607	910,662	4,714,269	6,943,709
Gifts-in-kind and donated services (note 17)	—	912,233	912,233	1,105,047
Total support	36,860,201	24,838,324	61,698,525	69,044,309
Investment Income:				
Interest and dividends	410,080	11,225,404	11,635,484	13,080,748
Amortization of investment premium and discount	—	2,311,670	2,311,670	2,128,865
Realized gains/(losses)	94,031	(2,065,719)	(1,971,688)	4,538,105
Unrealized gains/(losses)	441,414	5,987,970	6,429,384	(2,137,585)
Total investment income	945,525	17,459,325	18,404,850	17,610,133
Net assets released from restrictions (note 15)	122,926,017	(122,926,017)	—	—
Total revenue, gains, and other support	160,731,743	(80,628,368)	80,103,375	86,654,442
Expenses:				
Program services:				
GMSP	81,511,729	—	81,511,729	97,137,103
Scholarships and special projects	41,528,867	—	41,528,867	36,046,087
Distributions to member institutions	14,565,561	—	14,565,561	14,163,241
Institutional services	1,885,649	—	1,885,649	2,022,170
Other program services	705,423	—	705,423	795,566
Total program services	140,197,229	—	140,197,229	150,164,167
Supporting services:				
Management and general	5,493,407	—	5,493,407	6,411,504
Fundraising	13,409,856	—	13,409,856	13,789,183
Total supporting services	18,903,263	—	18,903,263	20,200,687
Total expenses	159,100,492	—	159,100,492	170,364,854
Change in net assets	1,631,251	(80,628,368)	(78,997,117)	(83,710,412)
Net assets, beginning of year	(3,909,847)	641,163,359	637,253,512	720,963,924
Net assets (deficit), end of year	$ (2,278,596)	560,534,991	558,256,395	637,253,512

See accompanying notes to financial statements.

UNITED NEGRO COLLEGE FUND, INC.

Statement of Functional Expenses

Year ended March 31, 2019
(with summarized financial information for 2018)

	Program services – assistance to member and nonmember institutions					
	GMSP	**Scholarships and special projects**	**Distribution to member institutions**	**Institutional services**	**Other program services**	**Total program services**
Distributions:						
Capital and operational support	$ —	—	14,565,561	—	—	14,565,561
Grants and scholarships	77,211,833	25,019,007	—	—	—	102,230,840
Total distributions	77,211,833	25,019,007	14,565,561	—	—	116,796,401
Expenses before depreciation, amortization, and bad debts:						
Salaries and wages	1,364,517	3,473,387	—	1,142,907	192,274	6,173,085
Employee benefits	352,626	815,558	—	312,906	53,371	1,534,461
Advertisements and promotions	364	159,361	—	14,974	7,648	182,347
Professional and consulting fees	243,512	2,575,911	—	230,375	84,834	3,134,632
Information technology support	565,223	1,046,023	—	(445,172)	6,668	1,172,742
Office expenses	63,365	85,720	—	8,868	4,678	162,631
Telephone	1,765	623	—	2,840	—	5,228
Postage and shipping	7,535	29,775	—	718	9	38,037
Occupancy	301,903	646,435	—	195,392	83,400	1,227,130
Printing and publications	62,875	190,743	—	35,512	10,327	299,457
Travel	401,660	2,028,943	—	38,239	50,476	2,519,318
Meetings	406,023	1,848,297	—	15,263	207,108	2,476,691
Equipment rental and maintenance	9,859	25,616	—	7,340	1,295	44,110
Interest expense	—	—	—	—	—	—
Indirect cost recovery	217,641	2,799,884	—	—	3,335	3,020,860
Total expenses before depreciation, amortization, and bad debts	81,210,701	40,745,283	14,565,561	1,560,162	705,423	138,787,130
Depreciation and amortization expense	301,028	—	—	325,487	—	626,515
Bad debt expense	—	783,584	—	—	—	783,584
Total expenses	$ 81,511,729	41,528,867	14,565,561	1,885,649	705,423	140,197,229

See accompanying notes to financial statements.

UNITED NEGRO COLLEGE FUND, INC.

Statement of Functional Expenses

Year ended March 31, 2019
(with summarized financial information for 2018)

	Supporting services			Total program service and supporting service expenses	
	Management and general	Fund-raising	Total supporting services	2019	2018
Distributions:					
Capital and operational support	$ —	—	—	14,565,561	14,163,241
Grants and scholarships	—	—	—	102,230,840	116,106,913
Total distributions	—	—	—	116,796,401	130,270,154
Expenses before depreciation, amortization, and bad debts:					
Salaries and wages	4,611,619	5,597,945	10,209,564	16,382,649	16,011,174
Employee benefits	1,228,309	1,440,987	2,669,296	4,203,757	4,097,799
Advertisements and promotions	17,008	64,286	81,294	263,641	296,771
Professional and consulting fees	1,782,101	724,124	2,506,225	5,640,857	5,516,835
Information technology support	(1,747,457)	574,715	(1,172,742)	—	—
Office expenses	160,783	249,794	410,577	573,208	839,985
Telephone	729,095	12,178	741,273	746,501	888,373
Postage and shipping	38,293	1,065,403	1,103,696	1,141,733	1,993,413
Occupancy	(610,879)	983,491	372,612	1,599,742	1,636,472
Printing and publications	58,951	2,123,742	2,182,693	2,482,150	1,787,530
Travel	124,738	333,626	458,364	2,977,682	1,646,485
Meetings	35,494	128,665	164,159	2,640,850	1,654,240
Equipment rental and maintenance	85,997	95,844	181,841	225,951	246,408
Interest expense	1,126,193	—	1,126,193	1,126,193	1,188,372
Indirect cost recovery	(3,020,860)	—	(3,020,860)	—	—
Total expenses before depreciation, amortization, and bad debts	4,619,385	13,394,800	18,014,185	156,801,315	168,074,011
Depreciation and amortization expense	874,022	—	874,022	1,500,537	1,456,553
Bad debt expense	—	15,056	15,056	798,640	834,290
Total expenses	$ 5,493,407	13,409,856	18,903,263	159,100,492	170,364,854

See accompanying notes to financial statements.

UNITED NEGRO COLLEGE FUND, INC.

Statements of Cash Flows

Years ended March 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ (78,997,117)	(83,710,412)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Realized gains/(losses) on investments	1,971,688	(4,538,105)
Unrealized losses (gains) on investments	(6,429,384)	2,137,585
Amortization of investment premium and discount	(2,311,670)	(2,128,865)
Bad debt expense	798,640	834,290
Depreciation and amortization	1,500,537	1,456,553
Collections and gifts-in-kind	—	175,000
Contributions restricted for investment in endowment funds	(675,106)	(1,804,776)
(Increase) decrease in assets:		
Pledges receivable	(4,101,178)	(8,330,914)
Accrued investment income	1,197,293	540,409
Other assets	2,002,846	607,717
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	214,227	938,882
Accrued wages, vacation, and other related personnel expenses	278,243	(131,898)
Accrued distributions to member institutions	362,830	40,788
Net cash used in operating activities	(84,188,151)	(93,913,746)
Cash flows from investing activities:		
Purchases of investments	(2,181,984,986)	(1,965,948,824)
Proceeds from sales of investments	2,263,231,443	2,062,197,002
With donor restrictions (note 15)	237,409	(471,149)
Net cash provided by investing activities	81,483,866	95,777,029
Cash flows from financing activities:		
Repayments of note payable	(1,035,835)	(1,002,304)
Repayments of bonds payable	(843,748)	(818,748)
Contributions restricted for investment in endowment funds	675,106	1,804,776
Net cash used in financing activities	(1,204,477)	(16,276)
(Decrease) increase in cash and cash equivalents	(3,908,762)	1,847,007
Cash and cash equivalents, beginning of year	14,966,607	13,119,600
Cash and cash equivalents, end of year	$ 11,057,845	14,966,607
Cash paid for interest	$ 1,099,941	1,214,624

See accompanying notes to financial statements.

(1) Organization

The United Negro College Fund, Inc. (UNCF) is organized as a not-for-profit entity established to assist its 37 current member institutions of higher education to raise funds from the public for their mutual support.

All participating member institutions receive distributions of unrestricted support and revenues pursuant to a formula. Support and revenue, net of expenses, raised in accordance with joint campaign agreements, is distributed 75% to the member institutions conducting the campaign. The remaining 25% is included in the regular campaign formula distribution to all member institutions. Member institutions participate in both the regular and joint campaigns.

In addition, UNCF administers grants, scholarships, and other programs benefiting students, member institutions, and nonmember institutions, based on donor stipulations.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements of UNCF are presented in conformity with accounting principles generally accepted in the United States of America and have been prepared on the accrual basis of accounting.

(b) Cash and Cash Equivalents

Cash and cash equivalents are liquid investments with original maturities at the date of purchase of three months or less and consist primarily of money market funds and repurchase agreements used for overnight investment purposes. All other highly liquid instruments, which are to be used for the long-term purposes of UNCF, are classified as investments. Cash and cash equivalents are valued at their carrying amount which approximates fair value due to their short maturities.

(c) Investments

Investments are reported at fair value based on quoted market prices, or, in the case of alternative investments, at estimated values provided by the fund managers or general partners based on quoted market prices, if available, at estimated fair value utilizing net asset values, or other valuation methods. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, net asset value is used as a practical expedient to estimate fair value of these funds. Net asset value, in many instances may not equal fair value that would be calculated pursuant to FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures* (see note 9).

Investments classified as short-term are available for operations in the next fiscal year. The cost assigned to investments received by gift is the fair value at the date the gift is received. Unrealized and realized gains and losses are included in the accompanying statements of activities.

UNCF has authorized its investment managers to utilize financial future derivative instruments, to either hedge risk or alter the exposure to certain asset classes. UNCF has established procedures to monitor and manage the use of these derivative instruments and the related market, interest and counterparty credit risks. These derivative instruments are recognized at fair value, using quoted market prices for similar instruments, within investments in the statements of financial position.

Investment income is reported net of related expenses, such as custodial fees, commission, investment advisory fees, and direct internal investment expenses.

(d) Pledges Receivable

Pledges receivable consist primarily of amounts due from unconditional promises to give by various donors. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises to give are received. Amortization of the discounts is included in contributions and gifts revenue. An allowance for uncollectible pledges receivable is provided based on management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

(e) Property and Equipment

Property and equipment is recorded at cost, or if donated, such assets are recorded at the estimated fair value at the date of receipt. Depreciation is computed using the straight-line method over estimated useful lives ranging from three to ten years. Buildings are depreciated over an estimated useful life of 40 years. Leasehold improvements are amortized over the lesser of the remaining life of the lease or the estimated useful life of the improvements. Property and equipment purchased with donor-restricted funds are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Expenditures for repairs and maintenance are charged to expense as incurred. UNCF follows the policy of capitalizing interest as a component of property and equipment constructed for its own use and depreciation or amortization of an asset begins when the asset is available for its intended use.

(f) Capitalized Software

Certain costs to develop or obtain internal use software are capitalized in accordance with FASB ASC Topic 350-40, *Accounting for the Costs of Software for Internal Use*. After all substantial testing and deployment is completed and the software is ready for its intended use, internally developed software costs are amortized using the straight-line method over the estimated useful life of the software.

The balance of capitalized software at March 31, 2019 and 2018, included in other assets in the accompanying statements of financial position pertains largely to the costs incurred for the Gates Millennium Scholars Program (GMSP) project implementation of its Enterprise Scholarship Application and UNCF Student Tracking, Award and Response (STAR) system. Amortization expense for the years ended March 31, 2019 and 2018 amounted to $634,828 and $632,057, respectively.

(g) Impairment of Long-Lived Assets

UNCF reviews the carrying amounts of assets whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced, by a charge to the accompanying statements of activities, to its current fair value.

(h) Collections Acquired

Accessions of collection items are capitalized at cost, if the items are purchased, or at their fair value on the accession date, if the items are contributed. Gains or losses from deaccessions of these items are reflected in the accompanying statement of activities as changes in the appropriate net asset classes, depending on the existence and type of donor-imposed restrictions.

(i) Distributions to Member Institutions

UNCF accrues expenses due to member institutions and, occasionally, nonmember institutions of higher education up to the amount by which support and collections of pledges, including the values attributed to gifts-in-kind, exceeds program, fundraising, and administrative expenses. Regular distributions and other distributions, such as joint campaign and designated gifts, are made on an ongoing basis.

(j) Net Assets – Without Donor Restrictions

Net assets without donor restrictions consist of undesignated and board designated net assets and include gifts, grants, investment income, or other resources where donors have not specified any purpose for which such resources are to be used. Undesignated net assets are funds that are currently available to support UNCF’s daily operations. Board designated net assets consist of unrestricted funds designated by the Board of Directors for scholarships and capital projects.

(k) Net Assets – With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The organization is permitted to use or expend the donated assets in accordance with donor restrictions. When a time and/or purpose restriction expires or is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions.

Donor restricted contributions and gifts whose restrictions are met in the same year of receipt are classified as revenues without donor restrictions in the accompanying statement of activities.

Included in net assets with donor restrictions category are gifts and bequests where donors have stipulated that the principal be maintained permanently by UNCF. These gifts are invested by UNCF’s management. Generally, there have been no permanent restrictions placed upon UNCF’s investment earnings. However, most of the earnings are specified by the donors to support scholarships or program development. Net gains with no permanent restrictions, and that are not specified by the donors to support scholarships or program development, may be used for general purposes at the discretion of the Board of Directors.

(Continued)

FASB ASC Topic 958-205, *Reporting Endowment Funds*, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UNCF is subject to the State of New York's UPMIFA and has adopted FASB ASC Topic 958-205, as required. UNCF has interpreted the State of New York's 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, UNCF classifies as net assets with donor restrictions held in perpetuity (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment.

The associated gains and income on donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by UNCF in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, UNCF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of UNCF.

(2) The purposes for which UNCF will appropriate funds from 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 UNCF.

(7) The investment policies of UNCF.

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 UNCF to retain as a fund of perpetual duration. UNCF had no such deficits at March 31, 2019 and 2018.

(l) Endowment Investment and Spending Policies

Endowment assets include those assets of donor-restricted funds that UNCF must hold in perpetuity or for a donor-specified period. UNCF has adopted investment and spending polices for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments.

Preservation of capital is foremost, followed by preservation of purchasing power and growth of assets. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to attain an average annual real return (net of investment and management fees) of 5% above the Consumer Price Index (CPI). It is recognized that the real return objective will be difficult to attain in every period, but it should be attainable over the long-term. To satisfy its long-term rate-of-return objectives, UNCF relies on a total return strategy, deigned to deliver superior risk adjusted returns in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). UNCF targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

UNCF's fiscal policy governs the use of resources in the various endowed funds for program expenses and administrative costs. Endowment funds are used for the specified purposes, or over the specified time period, designated by the donors. The amount of endowment funds available for use is based on the realized and unrealized cumulative investment income gains and losses in excess of the respective endowment's principal balance multiplied by 5% of the average 3-year market value. These funds are used, with respect to any endowment restrictions, to support new initiatives or new one-time or short-term (2–3 years) activities, subject to the submission of a business plan that has been reviewed and endorsed by executive management and approved by UNCF's Board of Directors. Once approval of an initiative or activity is obtained from the Board of Directors, the use of the endowment funds is incorporated into the operating budget process and distributions are based on the budgeted amounts.

(m) Revenue Recognition

Revenue is recognized during the period in which it is earned. Revenue received in advance and not yet earned is deferred to the applicable period.

(n) Donated Services

The value of certain services provided to and/or paid on behalf of UNCF's programs, that are susceptible to objective measurement or valuation have been reflected in the financial statements (see note 17). Additionally, a substantial number of volunteers have donated significant amounts of time to UNCF's program services and to its fund-raising campaigns. Although the value of these services is significant, UNCF does not record such value in its financial statements since the criteria for recognition is not met in accordance with FASB ASC Topic 958-605-25, *Not-For-Profit Entities – Revenue Recognition*.

(o) Expenses

Expenses are recognized by UNCF during the period in which they are incurred. Expenses paid in advance and not yet incurred are deferred to the applicable period.

(p) Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the accompanying statement of activities. The statement of functional expenses presents expenses by function and natural classification. Certain categories of expenses are attributable to both program services and supporting activities. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, salaries and benefits, and cost of technology, which are allocated based on a square-footage, estimates of time and effort, and direct consumption methodology, respectively.

(q) Use of Estimates

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 the 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.

(r) Financial Instruments and Credit Risk

Financial instruments which potentially subject UNCF to concentrations of credit risk consist principally of investments, pledges receivable, and certain revenue sources. UNCF places its investments at creditworthy financial institutions. By policy, these investments are kept within authorized limits designed to prevent risks caused by concentration. Credit risk with respect to pledges receivable is generally limited, except as follows, because UNCF deals with a large number of donors and has maintained long-term relationships with these donors. Approximately 52% and 67% of pledges receivable for fiscal years ended March 31, 2019 and 2018, respectively, were from two major donors.

As of March 31, 2019, UNCF had no other significant concentration of credit risk, except as described in note 4.

(s) Fair Value Measurements

UNCF follows FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, which requires additional footnote disclosures about the inputs used to develop the measurements of fair value and the effect of certain measurements reported in the accompanying statements of activities and as described in note 9.

(t) Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 requires an entity to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Five key steps will be required to assess revenue recognition along with enhanced disclosures. The amendment is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. UNCF is currently evaluating the effect that the provisions of ASU 2014-09 will have on the financial statements.

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all not-for-profits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of not-for-profit financial statements. UNCF adopted this ASU for the fiscal year ended March 31, 2019 with a retrospective application for fiscal year 2018.

Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances. UNCF net assets previously reported in 2017 as temporarily restricted of $570,929,962 and permanently restricted of $70,233,397 are now reported as net assets with donor restrictions. Likewise, UNCF net assets previously reported as unrestricted of ($3,909,847) are now reported as net assets without donor restrictions. In addition, new disclosures were added regarding liquidity and the availability of resources.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contribution Made of Not-for-Profit Entities* (Topic 958). ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and made, primarily by not-for-profit organizations. It provides guidance for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. In addition, it clarifies whether a contribution is conditional and better distinguishes a donor-imposed condition from a donor-imposed restriction. The standard is effective for annual reporting periods beginning after December 15, 2018. UNCF has not elected to early adopt the guidance and is currently evaluating the impact on financial statements and related disclosures.

(u) Summarized Financial Information for 2018

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. 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 UNCF's financial statements for the year ended March 31, 2018, from which the summarized information was derived.

(v) Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

(3) Income Taxes

UNCF has been granted exemption by the Internal Revenue Service (IRS) from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The IRS has also determined that UNCF is not a private foundation. UNCF is required to report and pay taxes on unrelated business income to the IRS and other local jurisdictions. There was no liability for unrelated business income taxes as of March 31, 2019 and 2018.

UNCF also follows the provisions of FASB ASC Topic 740-10, *Income Taxes*. Management believes it has no material uncertain tax positions or any related penalties and interest to accrue for the years ended March 31, 2019 and 2018, and, accordingly, there is no liability for unrecognized tax benefits. UNCF files IRS Form 990 annually with the Federal Government and is still open to examination by taxing authorities for fiscal year 2012 and later.

(Continued)

On December 22, 2017, the President of the United States of America signed H.R.1, the Tax Cuts and Jobs Act, which includes several changes relevant to tax exempt organizations, primarily related to unrelated business income, net operating losses, certain new excise taxes, and changes affecting the deductibility of certain expenses. Management has determined that the new law does not have a significant impact on the organization’s financial statements.

(4) Uninsured Cash Balances

UNCF places its cash and cash equivalents with high credit quality financial institutions that are federally insured for $250,000 and for $500,000 under the Federal Depository Insurance Corporation Act (FDICA) and the Securities Investor Protection Corporation (SIPC), respectively. Amounts held in excess of the FDICA limits were $9,775,534 and $13,466,246 at March 31, 2019 and 2018, respectively. Amounts held in excess of the SIPC limits were $8,798,009 and $8,289,114 at March 31, 2019 and 2018, respectively. UNCF has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

(5) Short-Term Investments

Short-term investments are held, invested, and managed by UNCF and financial institutions, subject to guidelines established by UNCF, GMSP, and its respective Investment Committees. Short-term investments, at fair value, consist of the following at March 31:

	2019	
	UNCF	GMSP
Money market funds	$ 14,206,684	57,036,415
Certificates of deposit, commercial paper, and other short-term investments	676,927	—
Total short-term investments	$ 14,883,611	57,036,415

	2018	
	UNCF	GMSP
Money market funds	$ 13,417,511	48,066,010
Certificates of deposit, commercial paper, and other short-term investments	674,479	—
Total short-term investments	$ 14,091,990	48,066,010

(6) Pledges Receivable

Pledges receivable are unconditional promises to pay certain amounts and consist of the following at March 31:

		2019	2018
Unconditional pledges receivable before unamortized discount and allowance for uncollectible amounts	$	36,891,174	33,322,440
Less:			
Unamortized discount		251,764	522,117
Allowance for uncollectible amounts		869,816	1,015,271
Net unconditional pledges receivable	$	35,769,594	31,785,052

Management evaluates the collectability of its receivables and records an allowance for estimated uncollectible amounts. Pledges due beyond one year were discounted at an annual rate ranging from 0.85% to 2.73%. The discount will be recognized as contributions and gifts revenue in fiscal years 2020 through 2026, as the discount is amortized using an effective yield over the duration of the contributions.

The expected future cash receipts for UNCF are as follows:

		2019	2018
Amounts due in:			
Less than one year	$	24,428,682	17,604,060
One to five years		12,462,492	15,718,380
Pledges receivable before discount and allowance	$	36,891,174	33,322,440

(7) Long-Term Investments

Investments held for long-term purposes and at fair value consist of the following at March 31:

		2019	2018
Fixed income	$	11,488,656	11,586,096
U.S. and global equities		63,634,082	63,772,200
Portfolio cash		913,894	2,790,727
Hedge funds		21,804,392	20,420,383
Designated fixed income		40,412,629	51,454,536
Private equities		41,126,821	38,093,410
Total long-term investments	$	179,380,474	188,117,352

(Continued)

Investments held for long-term purposes include investments for which the Board of Directors and member institutions have earmarked the proceeds from the liquidation of such investments to be utilized primarily for distribution equalization in low-income years and endowment funds for which donors have stipulated that the principal remain intact.

Investments in various funds held in fixed income, U.S. and global equities, hedge funds, designated fixed income and private equities are valued based on UNCF's share of net assets in the underlying investment portfolios. The underlying investment portfolios are valued by the respective investment managers at quoted market prices or estimated fair values for positions for which there is a limited market. Management reviews and evaluates the values provided by the fund managers and general partners and agrees with the valuation methods and assumptions used in determining the fair value of these alternative investments.

During fiscal year 2016, UNCF received a restricted contribution in the form of private stock valued at $29,967,200. This contribution is included in investments valued using NAV as a practical expedient (see note 9), along with UNCF's other holdings of illiquid private equities. The fair value of the stock at March 31, 2019 and 2018 was $35,297,711 and $33,610,405, respectively.

(8) GMSP Long-Term Investments

Investments in this portfolio are all fixed income securities, are held for long-term purposes and at fair value, and are composed of the following at March 31:

		2019	2018
U.S. government securities	$	137,484,089	174,138,639
Commercial mortgage-backed securities		804,741	1,018,097
Asset-backed securities		290,790	384,166
Corporate debt securities		124,792,589	165,985,621
Cash and cash equivalents		8,510,392	8,091,727
Total investments held for long-term purposes		271,882,601	349,618,250
Receivable for unsettled investment trades		12,938	—
Payable for unsettled GMSP investment trades		—	(14,297)
Total GMSP investments held for long-term purposes – net of receivable and payable for unsettled investment trades	$	271,895,539	349,603,953

As a dedicated defeasance portfolio, all of these securities have definite stated maturities and predictable cash flows. GMSP long-term investments are accounted for based on the trade date. Consequently, there were $12,938 receivable for unsettled trades at March 31, 2019 and $14,297 payable for unsettled trades at March 31, 2018. This investment receivable is reported separately in the accompanying statements of financial position.

(9) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). UNCF utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. UNCF primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, UNCF utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. UNCF is able to classify fair value balances based on the observability of those inputs.

UNCF's assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of fair value of assets and liabilities and their placement within the fair value hierarchy levels. Also, the time between inception and performance of the contract may affect the fair value. The determination of fair value may, therefore, affect the timing of recognition of revenues and change in net assets.

FASB ASC Topic 820 establishes a fair value hierarchy that gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

Level 1 Inputs: Valuation based on quoted prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date, and where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Inputs: Valuation based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, that is markets in which there are few transactions, prices are not current, or prices vary substantially over time.

Level 3 Inputs: Valuation based on inputs that are unobservable for an asset or liability and shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. This input therefore reflects UNCF's, and other independent third parties' if and where available, assumptions about what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. This classification does not imply a lack of liquidity of the investment.

UNCF has a target allocation of approximately 20% nonmarketable alternative investments (private equity). Further, 46% and 20% of the UNCF long-term portfolio has monthly or better liquidity while approximately 22% and 50% of this portfolio has quarterly liquidity via its marketable alternative investments held at March 31, 2019 and 2018, respectively. UNCF carefully monitors these positions as it conducts periodic reviews of both asset allocation and performance.

All short-term investments (see note 5) are classified as Level 1 investments under the FASB ASC Topic 820 hierarchy.

(Continued)

The following tables present UNCF's long-term investments (see note 7) that are measured at fair value on a recurring basis as of March 31, 2019 and 2018:

	Level 1	Level 2	Level 3	NAV	2019 Totals
Investments:					
U.S. and global equities	$ 11,408,632	—	—	—	11,408,632
Designated fixed income	40,412,629	—	—	—	40,412,629
Portfolio cash	913,894	—	—	—	913,894
Investments valued using NAV as a practical expedient	—	—	—	126,645,319	126,645,319
Total	$ 52,735,155	—	—	126,645,319	179,380,474

	Level 1	Level 2	Level 3	NAV	2018 Totals
Investments:					
U.S. and global equities	$ 11,947,857	—	—	—	11,947,857
Designated fixed income	51,454,536	—	—	—	51,454,536
Portfolio cash	2,790,727	—	—	—	2,790,727
Investments valued using NAV as a practical expedient	—	—	—	121,924,232	121,924,232
Total	$ 66,193,120	—	—	121,924,232	188,117,352

The following table presents the GMSP's long-term investments (see note 8) that are measured at fair value on recurring basis as of March 31, 2019 and 2018:

	Level 1	Level 2	Level 3	2019 Totals
Investments:				
U.S. government securities	$ 137,484,089	—	—	137,484,089
Commercial mortgage-backed securities	—	804,741	—	804,741
Asset-backed securities	—	290,790	—	290,790
Corporate debt securities	124,792,589	—	—	124,792,589
Cash and cash equivalents	8,510,392	—	—	8,510,392
Total	$ 270,787,070	1,095,531	—	271,882,601

		Level 1	Level 2	Level 3	2018 Totals
Investments:					
U.S. government securities	$	174,138,639	—	—	174,138,639
Commercial mortgage-backed securities		—	1,018,097	—	1,018,097
Asset-backed securities		—	384,166	—	384,166
Corporate debt securities		165,985,621	—	—	165,985,621
Cash and cash equivalents		8,091,727	—	—	8,091,727
Total	$	348,215,987	1,402,263	—	349,618,250

For both years ended March 31, 2019 and 2018, there were no transfers in and out of Level 3 measurements. The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value:

Equities – UNCF's holdings of equity securities refer to both *U.S.* and *Global Equities* and thus represent the publicly listed shares on regulated exchanges of various companies or commingled investment funds holding these types of securities. As publicly listed securities, prices and thus valuations are readily available via regular trading between specialists, market makers and multiple principals and agents. Bid and offer quotes are continuously available. The commingled investment funds are valued using net asset value.

Fixed Income – *Fixed Income* and *designated fixed income* securities are comprised of U.S. and global government bills, notes and bonds (including agency issues, Treasury Inflation Protection Securities and various zero coupon issues) and also various types of corporate bonds (including asset-backed securities, both residential and commercial mortgage-backed securities and debentures) or commingled investment funds holding these types of securities. A portion of the designated fixed income securities are readily determinable marketable securities whose quoted prices are available in the open market. The remaining fixed income securities are based on net asset values as a practical expedient for fair value.

Alternative Investments – UNCF's alternative investments fall into one of two categories – *Private Equity* and *Hedge Funds*. Individual holdings within the alternative investments may include investments in both nonmarketable (unlisted) and marketable (listed, publicly traded) securities. UNCF's alternative investments are held in various classes of investments. Given the absence of market quotations for some of these investments, fair value is estimated using net asset value as a practical expedient.

While these financial instruments contain varying degrees of risk, UNCF's exposure with respect to each such investment is limited to its carrying amount (fair value as described above) in each investment. The financial statements of the investees are audited annually by nationally recognized independent auditors. In addition, UNCF has implemented a system whereby its own master custodian performs monthly and/or quarterly reconciliations with all of its outside managers and a comprehensive annual review that is timed to coincide with UNCF's fiscal year-end.

Cash & Cash Equivalents – *Cash & Cash Equivalents* are invested in traditional money market funds that target a stable, daily net asset value and that are regulated under the Investment Company Act of 1940. These traditional money market funds are restricted to invest only in those securities permissible under Rule 2a-7 of the Investment Company Act of 1940 and typically refer to the high-quality rated debt instruments of various issuers that have maturities of 3-months or less, with a weighted average maturity of 60 days or less and with no more than 5% in any one issuer. These money market instruments include Treasury Bills, Certificates of Deposit, commercial paper, repurchase agreements and other acceptable short-term debt instruments.

Investment Derivatives – UNCF's investment managers may employ derivatives in order to manage market risks, arbitrage mispricing of securities, or replicate long or short positions in a cost-effective manner. In no instance are derivatives used to speculate or leverage positions. All derivative investments are carried at fair value and are reported in investments on the statement of financial position. The derivatives are held with two different counterparties and are subject to master netting agreements. The master netting agreements allow UNCF to offset net positions by counterparty and available collateral held.

Financial futures contracts have fair value of $($5,714,063) and $(7,389,578) at March 31, 2019 and 2018, respectively. The fair value for these contracts are reported as GMSP long-term investments.

Methodology and Process

UNCF's Management and UNCF's investment advisor, both working in conjunction, (i) performs on-going due diligence on outside managers including, among other things, vetting, monitoring developments involving operations, firewalls and best practices, and compliance oversight; (ii) ensures proper benchmarking where applicable against certain indexes (e.g., MSCI EAFE, MSCI Emerging Markets, Barclays Aggregate Bond Index, HFR, S&P 500 Index, and Dow Jones Industrial Average, among others); and (iii) reports on changes in overall market conditions. The investment advisor and UNCF Management also have regular calls with management of the outside fund managers, conduct intermittent in-person and on-site meetings, and conduct periodic and ad hoc meetings with the investment committee, as necessary.

UNCF's Management and the investment advisor also analyze and report to the investment committee on the portfolios' overall performance and compliance. Finally, the UNCF Management and the advisor make regular proactive recommendations for the investment committee to consider with a view towards improving the overall management and performance of the portfolio.

(Continued)

The following table summarizes UNCF's investments with a reported NAV as of March 31, 2019:

Investment type		Fair value	Redemption frequency	Redemption notice period (days)
U.S. and global equities	$	52,225,450	Monthly, quarterly	1–180 days
Hedge funds		21,804,392	Quarterly, monthly, annually	8–95 days
Fixed income		11,488,656	Daily, annually	10–90 days
Private equities		41,126,821	N/A	N/A
	$	126,645,319		

The following table summarizes UNCF's investments with a reported NAV as of March 31, 2018:

Investment type		Fair value	Redemption frequency	Redemption notice period (days)
U.S. and global equities	$	51,824,343	Monthly, quarterly	1–180 days
Hedge funds		20,420,383	Quarterly, monthly, annually	8–95 days
Fixed income		11,586,096	Daily, quarterly annually	10–90 days
Private equities		38,093,410	N/A	N/A
	$	121,924,232		

UNCF's investments in U.S. and global equities, and fixed income asset classes, which are recorded at net asset value, and represent investments in various commingled investment funds and other marketable securities.

UNCF's investments in hedge funds seek to provide investors with maximum appreciation of capital while limiting down-side risk. It does so by investing with a diversified group of hedge funds and fund-of-funds. Where hedge funds take direct positions, fund-of-funds invest with underlying sub-managers that employ various hedging strategies typically by simultaneously investing in long and short positions in various securities. These funds may utilize leverage to magnify the effects of securities selection and especially price movements. Additionally, most of UNCF's hedge fund positions were out of the mandatory lock-up periods.

UNCF's investments in private equities seek to provide investors with reasonable returns compared to comparable market indexes utilizing a pool of nonmarketable private equity funds. The funds have different lock-up structures that lead to varying withdrawal restrictions or possible redemptions of capital. The typical cycle provides for an initial investment period usually ranging anywhere from 1-5 years, followed by a growth and management phase that typically runs anywhere from 2-10 years, or longer. Over this entire period, capital is both periodically called and distributed according to the realization/distribution of investment earnings and/or returns.

UNCF does not intend to sell any of the funds at an amount different from net asset value per share at March 31, 2019 and 2018. Outstanding funding commitments for nonmarketable alternative investments, based on the terms of the underlying investment agreements, amounted to $8,820,233 and $1,369,000 as of March 31, 2019 and 2018, respectively.

(10) Property and Equipment

Property and equipment utilized at national headquarters and regional field offices are summarized as follows:

		2019	2018
Land	$	6,350,000	6,350,000
Building		23,281,722	22,958,557
Furniture and fixtures		950,755	950,755
Computers and equipment		3,441,363	3,367,109
Construction in progress		7,294	387,603
Total property and equipment		34,031,134	34,014,024
Less accumulated depreciation and amortization		(7,825,338)	(6,959,628)
	$	26,205,796	27,054,396

Depreciation and amortization expense for the years ended March 31, 2019 and 2018, was approximately $1,500,537 and $1,456,553.

(11) Collections Acquired

UNCF's collection items amounting to $6,929,250 consisted of donated works of art received from the Estate of Benny Andrews Foundation, Inc. An independent appraisal was used to measure the fair value at date of gift. During the fiscal year ended March 31, 2019 and 2018, in accordance with the donor's intent, UNCF distributed $5,340,000 and $175,000 of this artwork to member colleges and other entities. As of March 31, 2019, UNCF held the remaining $1,414,250 of this collection within a secured environment for future planned distribution.

(12) Gates Millennium Scholars Program

During the fiscal year ended March 31, 2000, UNCF received a grant from the Bill and Melinda Gates Foundation (the Foundation) for $1 billion over a 20-year period or approximately $50,000,000 per year to administer the GMSP.

(Continued)

The purpose of the grant is to provide scholarships, fellowships, and leadership opportunities for approximately 20,000 outstanding low-income African-American, Native-American, Hispanic-American, and Asian-American students to attend the undergraduate and graduate educational institutions of their choice. This grant is conditioned on UNCF's successful annual administration of the GMSP as determined by the administration agreement and the Foundation.

During the fiscal year ended March 31, 2004, the original grant agreement was restated to increase the grant amount by $42,000,000 and eliminate the previous arrangement of annual installments, replacing it with a lump-sum payment and a series of annual payments. The cumulative payments through March 31, 2005, were $1,042,000,000. During the fiscal year ended March 31, 2006, the Foundation approved enhancements to the original program and awarded the GMSP an additional amount not to exceed $58,003,043, of which $35,000,000 was received during fiscal year 2006. The balance of $23,003,043 was received during the fiscal year ended March 31, 2007. An additional enhancement grant of $10,681,794 to support Early Outreach, Male Initiative, Alumni Development, and other leadership initiatives was awarded and received as of the fiscal year ended March 31, 2007. Cumulative enhancement grant payments through March 31, 2007 were $68,684,837. Additionally, during the fiscal year ended March 31, 2007, the original cost estimates for the GMSP were evaluated, and it was determined that additional funding would be required in order for the GMSP to achieve its original objectives. Consequently, the Foundation agreed to provide additional funding up to a maximum of $472,699,156. The cumulative payments received through March 31, 2012 totaled $1,322,879,941.

At a meeting with the Foundation in December 2012, the Foundation determined that no further funding was required based on an anticipated value for the program of $439,032,187. If the terminal surplus does not accrue as anticipated, the payment dates and amounts of future installments, if any, will be determined by the Foundation in collaboration with UNCF. The Foundation will provide UNCF with no less than thirty (30) days prior written notice of the date and amount of each disbursement.

During the fiscal year ended March 31, 2015, the Gates Foundation asked UNCF in its role as GMSP Administrator to present a ramp down plan for the program projecting student enrollment and scholarship and administrative expenditures through the program's terminus in the spring 2029. Working collaboratively with the GMSP partner organizations and UNCF's leadership, the GMSP staff submitted the final plan to the Foundation in February 2017. As of March 31, 2019, the plan accepted by the Foundation, anticipates $230,608,973 in scholarship expenses and $40,649,888 in administrative expenses. When compared against long-term investment, the plan anticipates a terminal surplus of $18.0 million, including future interest earnings through 2029.

GMSP funds are invested and held in separate investment accounts by UNCF, and all investment gains and losses and interest and dividends earned are restricted for the purpose of the grant (see notes 8 and 9).

In accordance with FASB ASC Topic 958-605-25, revenue recognition is based on the unconditional/conditional promise to give. The restated grant agreement requires UNCF to abide by specific performance metrics. If performance metrics are not met, the grant agreement may be terminated, and any unspent funds, including the accumulated returns on invested assets, will be returned to the Foundation.

In addition, the agreement also outlines general conditions that stipulate (i) in the event of a modification, enlargement, frustration, or the impossibility of achieving the purposes of the grant agreement and/or (ii) UNCF's continued failure to perform any of its duties under the restated grant agreement and/or (iii) UNCF's failure to submit an acceptable annual budget and/or (iv) a significant leadership or other material change that may adversely threaten the administration and success of the GMSP, the Foundation has the discretion to cancel the grant agreement, suspend any further payments outstanding under the grant agreement, and/or require that any portion of the funds, including the accumulated returns on invested assets, that were distributed but unexpended to be repaid or transferred to another administrator.

Due to the conditions placed in the restated grant agreement, the funding was treated as a conditional promise to give. Therefore, the funding received was not recorded as revenue in the year received, but rather as a liability (refundable advances from donor) with revenue being recognized in the year in which the conditions are met. Returns on the GMSP investments are recognized as revenue and an increase in temporarily restricted net assets in the period such returns are generated by the underlying investments. As of March 31, 2017, all relevant conditions placed on the grant agreement had been met, or management determined that it was remote that they would not be met, and therefore all amounts received from the Foundation had been recognized as revenue.

(13) Line of Credit, Term Loan, and Note Payable

Line of Credit and Term Loan

With the Board of Directors authorization, in December 2015, UNCF transferred a term loan with an outstanding balance of $4,337,396 for a term of four years with an interest rate of 3.25% per annum from JP Morgan Chase N.A. to Investors Bank. Under this arrangement, UNCF is required to make monthly principal and interest payments of $90,319.

As a result of this modification, UNCF also established a revolving line of credit (LOC) for a maximum amount of $4,000,000 with Investors Bank, with a yearly renewable cycle, subject to no material changes in UNCF's financial condition. Amendment No. 1 of the LOC expired on the maturity date of January 1, 2019, and was renewed under the original agreement, with a maturity date of January 1, 2020. There were no borrowings against the line of credit at March 31, 2019 and 2018.

Both the line of credit and term loan arrangement have restrictive covenants. At the end of each fiscal year, UNCF must maintain unrestricted and temporarily restricted cash plus investments, excluding assets designated for the GMSP to funded long term debt ratio of 1.25. In addition, there are certain financial reporting covenants that UNCF must comply with. UNCF was in compliance with its financial covenants as of March 31, 2019 and 2018.

Total incurred interest expense on the term loan arrangement amounted to $47,997 and $81,527 for the fiscal years 2019 and 2018, respectively.

At March 31, 2019, the total outstanding principal balance on the term loan arrangement was $889,620, due to be fully paid on December 1, 2019.

(14) Bonds Payable

(a) Series 2010 Bonds

On June 14, 2010, UNCF signed a Purchase and Sale Agreement for the acquisition of approximately 50,000 square feet of commercial condominium units in a building to be constructed for the relocation of its headquarters. The total net acquisition cost was expected to be $28,965,000. The acquisition and build out of the space has been financed through the issuance of $26,000,000 in tax-exempt bonds (Series 2010 Bonds) and a contribution of approximately $2,900,000, drawn from UNCF's long-term investment fund.

These tax-exempt bonds were issued on December 23, 2010, and bear interest at a fixed percentage rate between 5% and 6.875% with maturities ranging from one to thirty years.

As provided by the Indenture Trust, UNCF exercised the option of defeasance on the Series 2010 Bonds. On August 6, 2015, $31,565,000 of the District of Columbia special obligation bonds (Series 2015 Bonds) with an interest rate of 3.61% were issued to advance refund $25,195,000 of the Series 2010 outstanding bonds. The net proceeds of $30,931,769 (after payment of $633,231 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds through July 1, 2020. As a result, the bonds are defeased and the liability for those bonds and related unamortized deferred financing costs have been removed from the financial statements.

(b) Series 2015 Bonds

Investors Bank purchased the Series 2015 Bonds, pursuant to and upon the terms and conditions set forth in the Bond Purchase and Continuing Covenants Agreement as of August 6, 2015 between Investors Bank and UNCF. The Series 2015 Bonds are special obligations of the District of Columbia (the District), the principal of, redemption premium, if any, and interest on which are payable solely from the revenues received under the Loan Agreement for the Series 2015 Bonds between the District and UNCF (Loan Agreement) and, to the extent provided in the Indenture Trust, dated August 1, 2015, between the District and the Trustee, pursuant to which the Series 2015 Bonds are currently issued and outstanding. Actual interest expenses incurred in 2019 amounted to $1,049,323 and is included in the accompanying statements of activities.

To evidence and secure its obligations under the Loan Agreement, UNCF has executed a promissory note (Series 2015 Note) in the principal amount of $31,565,000.

Commencing September 1, 2015 both principal and interest payments are due monthly, with all outstanding amounts related to the 2015 Series Note due on August 1, 2040. The Series 2015 Note is an unconditional general obligation of UNCF.

At March 31, 2019, the total amounts outstanding on the Series 2015 Bonds were as follows:

Year ending March 31:		
2020	$	900,000
2021		930,000
2022		970,000
2023		1,055,000
2024		1,035,000
Thereafter		23,142,770
	$	28,032,770

(c) Restrictive Covenants

UNCF must maintain a liquidity ratio of 1.25 to 1. Compliance will be based solely on the assets of UNCF, exclusive of the GMSP. In addition, there are also certain financial reporting covenants that UNCF must comply with. UNCF was in compliance with all of its financial covenants as of March 31, 2019 and 2018.

(d) Deferred Financing Costs

UNCF's bond financing costs for the years ended March 31, 2019 and 2018, such as underwriter fees, legal fees, and other direct costs, amounted to $562,230 and $588,482, respectively, and are included in the accompanying statements of financial position. These costs are being amortized using the straight-line method, which approximates the effective interest method, over the maturity of the respective debt. Amortization expense amounted to $26,252 for the years ended March 31, 2018 and 2019.

(15) Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the unspent portion of contributions and gifts received by UNCF which have been restricted by the donor to be used for the purposes summarized below:

		2019	2018
Scholarships and special projects	$	161,292,987	171,407,189
Perpetual in nature		70,310,029	70,233,397
GMSP (note 12)		328,931,975	399,522,773
	$	560,534,991	641,163,359

Net assets with donor restrictions were released from restrictions for the following purposes:

		2019	2018
Scholarships and special projects	$	41,414,288	28,415,601
GMSP (note 12)		81,511,729	97,137,102
	$	122,926,017	125,552,703

(16) Endowment Net Asset Classifications

UNCF’s endowments consist of 171 programs established for the purpose of funding scholarships. Net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Changes in endowment net assets for the year ended March 31, 2019, are as follows:

		Without donor restrictions	With donor restrictions		
		Board designated	**Purpose restricted**	**Perpetual in nature**	**Total**
Net assets, beginning of year	$	4,779,321	28,721,368	70,233,397	103,734,086
Investment return:					
Investment income (loss)		2,459	74,151	—	76,610
Net realized and unrealized gains		79,759	1,495,421	—	1,575,180
Total investment return		82,218	1,569,572	—	1,651,790
Contributions		2,564	—	672,543	675,107
Transfers		—	—	(595,911)	(595,911)
Appropriation of endowment income for expenditure		(242,905)	(4,480,332)	—	(4,723,237)
Net assets, end of year	$	4,621,198	25,810,608	70,310,029	100,741,835

Changes in endowment net assets for the year ended March 31, 2018, are as follows:

	Without donor restrictions	With donor restrictions		
	Board designated	**Purpose restricted**	**Perpetual in nature**	**Total**
Net assets, beginning of year	$ 4,566,857	24,535,072	68,412,365	97,514,294
Investment return:				
Investment income (loss)	(4,625)	(69,121)	—	(73,746)
Net realized and unrealized gains	454,224	8,512,737	—	8,966,961
Total investment return	449,599	8,443,616	—	8,893,215
Contributions	—	—	1,804,776	1,804,776
Transfers	—	—	16,256	16,256
Appropriation of endowment income for expenditure	(237,135)	(4,257,320)	—	(4,494,455)
Net assets, end of year	$ 4,779,321	28,721,368	70,233,397	103,734,086

(17) Gifts-In-Kind and Donated Services

Donated services represent certain specialized services provided to UNCF for the various annual events and other UNCF programs and are comprised of advertising services, mailing, and marketing services. For the years ended March 31, 2019 and 2018, the fair value of these specialized services amounted to $912,233 and $1,105,047, respectively.

(18) Other Fundraising Activities

(a) Special Events

UNCF raised $16,494,857 and $14,083,466 in contributions from special fund-raising events and incurred related direct expenses of $5,278,019 and $5,298,007 in fiscal years 2019 and 2018, respectively. These amounts are reported in the accompanying statements of activities as contributions and gifts, net of the related direct expenses.

(b) Direct Mail

UNCF raised $7,567,407 and $7,347,400 in contributions through its direct mail campaigns and incurred related direct expenses of $3,251,033 and $3,292,434 in fiscal years 2019 and 2018, respectively.

(19) Retirement Plans

All full-time and part-time employees are eligible to participate in the retirement plan on the first day of employment. After completing one year of service, employees are eligible to receive employer contributions into the retirement plan. The plan consists of participant voluntary and contributory tax-deferred annuity plans through AXA-Equitable and Teachers Insurance and Annuity Association and/or the College Retirement Equities Funds (TIAA-CREF). Based on the percentage an employee defers, UNCF makes an additional matching contribution of up to 7%.

UNCF also has supplemental agreements with certain current and past key executives. In order to meet these obligations, UNCF maintains annuity contracts amounting to $1,838,364 and $1,891,375 as of March 31, 2019 and 2018, respectively, and these are included within other assets in the accompanying statements of financial position. The liabilities associated with these agreements amounted to $1,143,234 and $1,065,734 as of March 31, 2019 and 2018, respectively, and are included within accrued wages, vacation, and other related personnel expenses in the accompanying statements of financial position. UNCF believes it has sufficient operating cash to account for any shortfalls between the annuity contracts and the liability owed under these agreements.

UNCF’s expense related to the retirement plan and the supplemental agreements was $774,951 and $847,299 for 2019 and 2018, respectively.

(20) Commitments and Contingencies

Operating Leases

UNCF leases space for its 21 regional field offices at various locations throughout the United States. Generally, the leases carry renewal provisions and require UNCF to pay maintenance costs. The lease for the various office leases for the regional locations expire at varying times through fiscal year 2025.

On February 22, 2012, UNCF entered into a lease agreement for a portion of its new headquarters space commencing in November 2012 for a five-year period through October 2017 at an annual escalation rate of 5%. In November 2017, the lease was extended for an additional five years under the same agreement through October 2022.

At March 31, 2019, aggregate net minimum annual rental commitments under the noncancelable operating leases, having an initial or remaining term of more than one year are as follows:

	Rental commitment	Rental income	Net minimum annual rental
Year ending March 31:			
2020	$ 899,314	265,715	633,599
2021	715,413	300,802	414,611
2022	515,711	—	515,711
2023	286,191	—	286,191
2024	295,638	—	295,638
Thereafter	8,965	—	8,965
Total	$ 2,721,232	566,517	2,154,715

Rent expense under these leases amounted to $1,537,640 and $1,583,807 for the years ended March 31, 2019 and 2018, respectively.

Other

UNCF is party to various legal actions and claims arising in the ordinary course of its business. UNCF's management believes that their ultimate disposition will not have a material adverse effect on UNCF's financial position or results of its operations.

(21) Liquidity and Availability of Resources

UNCF's financial assets available within one year of the statement of financial position date for general expenditures follows:

		March 31, 2019
Cash and cash equivalents	$	11,057,845
Short-Term investments		71,920,026
Long-Term investments		451,263,075
Accrued investment income		1,523,786
Receivables, net		35,769,594
Assets held for supplemental employee benefits, net		505,540
Other receivables		600,000
Total financial assets, end of year		572,639,866
Less those unavailable for general expenditure within one year, due to:		
Time restricted pledges due in greater than one year		(12,462,492)
Perpetual and term endowments and accumulated earnings, net		(96,120,637)
Purpose restricted grants, net		(442,295,607)
Unfunded capital commitments		(8,820,233)
Distribution commitments to UNCF member institutions		(7,651,660)
Refunds to partner organizations, net		(1,322,820)
Total financial assets unavailable for general expenditures within one year		(568,673,449)
Total financial assets available for general expenditures within one year	$	3,966,417

UNCF's current year revenue adequately covers current year operating expenditures. The Board has approved the fiscal year 2020 operating budget which projects $35 million in unrestricted revenue. UNCF maintains cash and highly liquid securities sufficient to meet anticipated cash needs for operations, capital commitments and member distributions. To help manage unanticipated liquidity needs, UNCF has a committed line of credit in the amount of $4,000,000, which it could draw upon. UNCF will pay off its existing term loan by December 2019 with the goal of setting aside equivalent amounts in future budgets to enhance its cash position.

(22) Related Parties

UNCF receives contributions from donor organizations that have representatives on UNCF's Board of Directors and from Board members themselves. UNCF received $8,402,178 and $12,867,120 in contributions from such related parties during the years ended March 31, 2019 and 2018, respectively. The contributions receivable from these related parties were $2,568,690 and $10,423,484 as of March 31, 2019 and 2018, respectively.

Commencing on November 5, 2018, UNCF entered into a lease agreement with a major donor for a portion of its office space for a five-year period through November 2023 at an annual escalation rate of 3%. The total revenues earned under this agreement for the fiscal year ended March 31, 2019, was $27,501.

(23) Subsequent Events

Risks and Uncertainties

Due to the level of uncertainty related to changes in interest rates, market volatility, and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of investments reported in the accompanying statements of financial position as of March 31, 2019 and 2018.

However, management is of the belief that the diversification of UNCF's invested assets among various asset classes should mitigate the impact of dramatic change on any one class. Further, because the values of UNCF's individual investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. These trends may also have an effect on the ability of donors to fulfill their pledges on a timely basis. Management has reviewed its contributions and gifts outstanding at March 31, 2019 and does not believe that the effects of the market conditions will have a material effect on the financial position of UNCF.

In May of 2019, the original grant agreement between the Bill and Melinda Gates Foundation (the Foundation) and UNCF to administer the Gates Millennium Scholars Program (GMSP) was amended and restated. The purpose of the original grant was to provide scholarships, fellowships, and leadership opportunities for approximately 20,000 outstanding low-income African-American, Native-American, Hispanic-American, and Asian-American students to attend the undergraduate and graduate educational institutions of their choice. The revised agreement kept the purpose of the original grant and modified the reporting schedule and due dates as well as added a payment schedule for the return of terminal surplus funds. UNCF agreed to return terminal surplus funds in the amount of $39,000,000 over five years. The funds are to be paid to the Foundation in August of each year as follows: $5M in 2020, $8M in 2021, $10M in 2022, $10M in 2023, $6M in 2024 with any remaining surplus to be paid at the terminus of the program in 2029.

Management's Evaluation

In accordance with FASB ASC Topic 855, Subsequent Events, management has evaluated any events or transactions occurring after March 31, 2019, the statement of financial position date, through July 29, 2019, the date the financial statements were available to be issued, and noted that except for the above, there have been no such events or transactions which would require adjustments to or disclosure in UNCF's financial statements for the year ended March 31, 2019.