

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
ALUMNI ASSOCIATION
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2008

**Performed as Special Assistant Auditors
for the Auditor General, State of Illinois**



**Clifton
Gunderson LLP**

Certified Public Accountants & Consultants

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008**

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**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION**

AGENCY OFFICIALS

Howard Blietz	President (Through June 30, 2007)
Jack Tierney	President (Effective July 1, 2007)
Rene Hernandez	Vice President (Through June 30, 2007)
Anthony Iosco	Vice President (Effective July 1, 2007)
Jack Tierney	Vice President (Through June 30, 2007)
Mariann Guyon Olivier	Vice President (Effective July 1, 2007)
Robert Kugel	Treasurer
Michael Malone	Interim Executive Director (Through June 30, 2007)
Joseph Matty	Executive Director (Effective July 1, 2007)
Jean Jagodzinski, CPA	NIU Foundation Controller

Agency Office is located at:

Barsema Alumni & Visitors Center
DeKalb, Illinois 60115



March 13, 2009

Clifton Gunderson LLP
301 SW Adams, Suite 900
P.O. Box 1835
Peoria, IL 61656-1835

Ladies and Gentlemen:

Northern Illinois
University
Alumni Association

DeKalb, Illinois
60115-2882

Phone
(815) 753-1452

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(815) 753-0278

Email
alums@niu.edu

Homepage
www.myniu.com

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Northern Illinois University Alumni Association (Association). We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Association's compliance with the following assertions during the two-year period ended June 30, 2008. Based on this evaluation, we assert that during the years ended June 30, 2008 and June 30, 2007, the Association has materially complied with the assertions below.

- A. The Association has obligated, expended, received and used funds in accordance with the purpose for which such funds have been authorized by law.
- B. The Association has obligated, expended, received and used funds in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Association has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The revenues and receipts collected by the Association are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. The money or negotiable securities or similar assets handled by the Association or held in trust by the Association have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Northern Illinois University Alumni Association


Joseph P. Matty
Executive Director
NIU Alumni Association


Jean Jagodzinski
Controller
NIU Association

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
COMPLIANCE REPORT SUMMARY
For the Two Years Ended June 30, 2008**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANT’S REPORTS

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant nonstandard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Findings</u>
Findings	1	2
Repeated Findings	1	0
Prior Recommendations Implemented or Not Repeated	1	0

Details of the findings are presented in the separately tabbed report section of this report.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)			
08-1	10	Fraud Prevention and Detection Program	Significant deficiency

FINDINGS (STATE COMPLIANCE)

In addition, the following finding, which is reported as a current finding relating to *Government Auditing Standards*, also meets the reporting requirements for State compliance.

08-1	10	Fraud Prevention and Detection Program	Significant deficiency Noncompliance
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PRIOR FINDINGS NOT REPEATED

A	12	Financial Statement Preparation
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**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
COMPLIANCE REPORT SUMMARY
For the Two Years Ended June 30, 2008**

EXIT CONFERENCE

The finding and recommendation appearing in this report was discussed with Alumni Association personnel at an exit conference on February 18, 2009. Attending were:

Northern Illinois University Alumni Association

Joseph Matty	Executive Director
Robert Ciszewski	Treasurer - Board of Directors
Jean Jagodzinski	Controller

Clifton Gunderson LLP

Jeffrey R. Bonick, CPA	Partner
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Office of the Auditor General

Jon A. Fox, CPA	Audit Manager
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The response to the recommendation was provided by Jean Jagodzinski in correspondence dated March 2, 2009.

**Independent Accountant's Report on State Compliance, on
Internal Control Over Compliance, and on Supplementary
Information for State Compliance Purposes**

Honorable William G. Holland
Auditor General
State of Illinois

and

Honorable President and
Members of the Board of Directors
Northern Illinois University Alumni Association

Compliance

As Special Assistant Auditors for the Auditor General, we have examined Northern Illinois University Alumni Association's (Association) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2008. The management of the Association is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Association's compliance based on our examination.

- A. The Association has obligated, expended, received, and used funds in accordance with the purpose for which such funds have been authorized by law.
- B. The Association has obligated, expended, received, and used funds in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Association has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The revenues and receipts collected by the Association are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Association or held in trust by the Association have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Association's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Association's compliance with specified requirements.

In our opinion, the Association complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2008. However, the results of our procedures disclosed an instance of noncompliance, which is required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which is described in the accompanying schedule of findings as finding 08-1.

Internal Control

The management of the Association is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Association's internal control over compliance with the requirements listed in the first paragraph of this report in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 08-1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying schedule of findings to be a material weakness.

There were no immaterial findings that have been excluded from this report.

The Association's response to the finding identified in our examination is described in the accompanying schedule of findings. We did not examine the Association's response and, accordingly, we express no opinion on it.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of the Association as of and for the years ended June 30, 2008, 2007, and 2006, and have issued our reports thereon dated March 13, 2009, March 10, 2008, and September 21, 2006, respectively. In our previous reports dated March 10, 2008 and September 21, 2006, we expressed unqualified opinions on the respective financial statements of the Association. The accompanying supplementary information, as listed in the table of contents as Supplementary Information for State Compliance Purposes, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Association. The 2008, 2007, and 2006 Supplementary Information for State Compliance Purposes, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the years ended June 30, 2008, 2007, and 2006 taken as a whole.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and Association Board and management, and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Gunderson LLP

Peoria, Illinois
March 13, 2009

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards***

Honorable William G. Holland
Auditor General
State of Illinois

and

Honorable President and
Members of the Board of Directors
Northern Illinois University Alumni Association

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of Northern Illinois University Alumni Association (Association) as of and for the year ended June 30, 2008, and have issued our report thereon dated March 13, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in finding 08-1 of the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Association's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Association's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and Association Board and management, and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Gunderson LLP

Peoria, Illinois
March 13, 2009

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS*
For the Two Years Ended June 30, 2008**

08-1 - Fraud Prevention and Detection Program

The Alumni Association does not have a formal fraud risk assessment program in place.

The Alumni Association relies on current internal controls that have been put in place as well as several other key policies and practices to prevent and detect fraud but has not established a formal program to assess the specific risks associated with fraud.

The Alumni Association is responsible for the development of internal controls and monitoring of their operating effectiveness. Additionally, it is management's responsibility to establish reasonable controls to prevent and detect fraud. Therefore, the Alumni Association should implement a formal policy regarding evaluation of fraud risk and a system of controls to help prevent and detect fraudulent activity within its organization. Preparing a written policy will serve to document the Alumni Association's awareness and responsibility for fraud prevention and detection. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls.

Management officials stated they believe the Association has adequate policies and procedures in place to address fraud risks.

Without a formal program to identify and address the specific risks associated with fraud, fraudulent activities may go undetected and could result in misstatements in financial reporting or misappropriation of Association assets. (Finding Code No. 08-1, 07-2)

Recommendation:

We recommend that management establish and clearly document a continuous fraud prevention, deterrence and detection program. This program should include evaluating whether appropriate internal controls have been implemented in any areas identified as posing a higher risk of fraudulent activity, as well as controls over the financial reporting process. In addition, the Board of Directors should evaluate management's identification of fraud risks, and implementation of anti-fraud measures.

Alumni Association Response:

The NIU Alumni Association Board of Directors, management, and all employees take seriously the responsibilities for prevention and the detection of fraud. A great deal of time, both at the staff level and at the Board level, has been invested in researching best practices and in creating and implementing policies and practices to prevent and detect fraud. The Association mandates that ethic statements and conflict of interest policy be signed and that internal controls be reviewed yearly. The Association will continue to research, evaluate, and assess a formalized fraud prevention program.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS*
For the Two Years Ended June 30, 2008**

08-1 - Fraud Prevention and Detection Program (Continued)

Auditor's Comment:

The Alumni Association was not able to provide any evidence during the course of our audit work that it had established a formal fraud risk assessment program. In today's business environment, fraud risk assessment is a necessary component of accepted business practices and serves as the basis of our recommendation. We acknowledge that the Alumni Association has adopted internal controls and policies that may work toward mitigating fraud risk but, without a formal fraud risk assessment program, it is unclear if the controls and policies in place fully address the risks associated with fraud for the Alumni Association.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
PRIOR YEAR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2008**

A - Financial Statement Preparation

The Association did not provide the auditors with complete and accurate financial statements and disclosures presented in accordance with generally accepted accounting principles.

During the current fiscal year, the Association provided the auditors with a complete set of financial statements with disclosures. No material or significant adjustments by the auditors to the draft financial statements and disclosures as presented to them by the Association were necessary. (Finding Code No. 07-1)

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
SUPPLEMENTARY INFORMATION FOR STATE
COMPLIANCE PURPOSES
For the Two Years Ended June 30, 2008**

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
 - Comparative Schedule of Revenues
 - Analysis of Significant Variations in Expenses
 - Analysis of Significant Variations in Revenues
 - Analysis of Significant Variations in Account Balances

- Analysis of Operations:
 - Agency Functions and Planning Program
 - Average Number of Employees
 - Service Efforts and Accomplishments (Unaudited)

- University Guidelines 1982, as Amended:
 - Special Data for Audits of Universities
 - Summary of Alumni Association Payments to the University

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the accountant's opinion, except for that portion marked "unaudited," on which no opinion is expressed, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
COMPARATIVE SCHEDULE OF REVENUES
For the Years Ended June 30, 2008, 2007, and 2006**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Gifts	\$ 57,314	\$ 55,050	\$ 19,856
Investment income (loss)	(104,421)	340,147	183,930
Program support from NIU President allocation	-	10,000	-
Royalties	<u>45,371</u>	<u>68,256</u>	<u>51,133</u>
TOTAL	<u>\$ (1,736)</u>	<u>\$ 473,453</u>	<u>\$ 254,919</u>

**STATE OF ILLINOIS
 NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
 ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENSES
 For the Two Years Ended June 30, 2008**

Significant variations in expenses are considered to be those varying between years by 20 percent or more.

<u>Expenses</u>	<u>For the Years Ended June 30,</u>			<u>Comments</u>
	<u>2008</u>	<u>2007</u>	<u>2006</u>	
Alumni relations, outreach, events, and travel	\$ 358,525	\$ 193,542	\$ 266,925	Administrative expenses such as legal professional fees were higher in both 2006 and 2008, and university reception costs increased due to the increasing number of events hosted by the NIUAA.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN REVENUES
For the Two Years Ended June 30, 2008**

Significant variations in revenues are considered to be those varying between years by 20 percent or more.

<u>Revenues</u>	<u>For the Years Ended June 30,</u>			<u>Comments</u>
	<u>2008</u>	<u>2007</u>	<u>2006</u>	
Expendable gifts	\$ 57,314	\$ 55,050	\$ 19,856	Expendable gifts are not accessed in a predictable and repeating pattern.
Investment income (loss)	(104,421)	340,147	183,930	This includes interest income and gain (loss) on investments. Fluctuations in the investment markets affect the investment portfolios. There were significant market improvements in 2007 and significant decline in the broad market results in fiscal years 2008 and 2006.
Program support from NIU President allocation	-	10,000	-	The Association received \$10,000 in fiscal year 2007 from the University's President's unrestricted Foundation account in support of the Association's Black Alumni Council.
Royalties	45,371	68,256	51,133	The Association entered into an agreement in fiscal year 2006 to receive an affinity fee per year with a financial services company and also with an insurance provider to receive an annual sponsorship and fees on each inquiry from an NIU member. This agreement is in effect for a minimum of five years. The decrease in fiscal year 2008 is the result of a \$20,000 per year agreement terminating in fiscal year 2007.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES
For the Two Years Ended June 30, 2008**

Significant variations in account balances are considered to be those varying between years by 20 percent or more.

	<u>For the Years Ended June 30,</u>			<u>Comments</u>
	<u>2008</u>	<u>2007</u>	<u>2006</u>	
Cash and cash equivalents	\$ 42,205	\$ 39,862	\$ -	There were no cash or cash equivalents at June 30, 2006.
Prepaid expenses	-	3,428	2,000	Prepaid expenses rarely occur in the Association. Certain expenses were required to be paid prior to the date of the event during fiscal year 2007.
Accounts payable	23,050	10,398	28,381	Several significant operating expenses were outstanding at June 30, 2008 and 2006.
Deposits	133,670	100,158	36,440	Timing and costs associated with alumni events depend greatly on the number of upcoming trips and participants and these do not occur in a predictable pattern.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2008**

Northern Illinois University Alumni Association (Association) is located at Barsema Alumni & Visitors Center on the campus of Northern Illinois University, DeKalb, Illinois. The President of the Association is John Tierney and the Executive Director is Joseph Matty.

The Northern Illinois University Alumni Association was incorporated under the laws of the State of Illinois on May 19, 1949, as a not-for-profit corporation. The primary functions of the Association are: aiding and assisting the University in achieving its educational research and service goals; providing programs, services, and communications to alumni that will increase alumni support; and interaction with the University. This support is provided by the Association through activities, including scholarships, alumni services and communications.

The Association follows a program of activities under a five-year plan. This plan consists of a budget which describes how funds will be generated and what funds will be expended.

Both the solicitation programs and the activities sponsored by the Association are revised annually. Once the programs have been revised and the current year and five-year budget programs have been updated, the annual budget is then submitted to the Board of Directors for their approval.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
AVERAGE NUMBER OF EMPLOYEES
Years Ended June 30, 2008 and 2007**

The Alumni Association did not have employees in 2008 or 2007.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2008**

(Unaudited)

It is the mission of the Northern Illinois University Alumni Association to build lifelong relationships with NIU alumni and friends by communicating the message of excellence and creating opportunities for alumni and friends of the University to connect and interact with the University community.

To support the mission of the Northern Illinois University Alumni Association, a 30 member Board of Directors oversees and manages a series of programs and activities designed to:

- 1) Advance the interests of Northern Illinois University by:
 - a) Communicating NIU's message of excellence.
 - b) Advocating on behalf of NIU.
 - c) Building pride in NIU's history and accomplishments.
 - d) Building and maintaining strong relationships with NIUAA and NIU.
 - e) Creating a favorable environment for successful fundraising.

- 2) Advance the interests of Northern Illinois University's constituency groups by:
 - a) Providing opportunities for contact and interaction with NIU.
 - b) Helping alumni and students succeed.
 - c) Stimulating interest and involvement.
 - d) Disseminating information and building pride.
 - e) Providing services and support mechanisms.
 - f) Acting as a conduit for communications between NIU and its constituency groups.
 - g) Providing an inviting "Front Door" to the University.

Programs and activities developed to advance the mission and role of the Northern Illinois University Alumni include:

- Scholarships Program - 48 scholarships awarded
- Internet portal page and alumni website pages
- Outstanding Alumni Awards Programs - 10 award recipients
- Outreach to alumni via local, regional, and national group programs/activities
- Student Engagement - includes a mentoring program that pairs current students with alumni mentors and the Student Alumni Association that facilitates interaction and fosters a connection to NIU
- Alumni Travel Program - plan and host 6 to 8 international and domestic travel trips, approximately 200 travelers

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
SPECIAL DATA FOR AUDITS OF UNIVERSITIES
For the Two Years Ended June 30, 2008**

The Auditor General requires that certain special data for audits of universities, specified in a memorandum dated July 25, 2000, be presented. The following information, lettered (a) through (u), although not required to be included in University Related Organization (URO) reports, is provided for information.

(a) Violation of University Guidelines 1982, as Amended

We noted no instances of noncompliance with University Guidelines during our audit of the Alumni Association for the two years ended June 30, 2008.

(b) Sources and Applications of Indirect Cost Recoveries

Does not apply to the Alumni Association.

(c) Calculation Sheet for Indirect Cost Support Carryforward

Does not apply to the Alumni Association.

(d) Amount of Tuition Diverted to Auxiliary Enterprise Operations

Does not apply to the Alumni Association.

(e) List of Accounting Entities and Description of Sources and Purpose of Revenues

Does not apply to the Alumni Association.

(f) Financial Statements for Each Accounting Entity

Does not apply to the Alumni Association.

(g) Calculations of Current Excess Funds for Each Accounting Entity

Does not apply to the Alumni Association.

(h) Support to Auxiliary Enterprise from State Appropriated Funds

Does not apply to the Alumni Association.

(i) Statement of Receipts and Disbursements for Bond Indentures

Does not apply to the Alumni Association.

(j) Conformity of Bond Fund Accounting to Terms of Bond Issues

Does not apply to the Alumni Association.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
SPECIAL DATA FOR AUDITS OF UNIVERSITIES
For the Two Years Ended June 30, 2008**

(k) List of Noninstructional Facilities Reserves

Does not apply to the Alumni Association.

(l) List of Organizations Recognized as University Related Organizations (UROs)

The Alumni Association is recognized as a University Related Organization by Northern Illinois University (University).

(m) Amounts Paid by UROs to the University for Services Provided by the University

A summary of Alumni Association payments to the University is included on page 24 of this report.

(n) Amounts Paid by the University to UROs for Services Provided by the URO

No payments were made by the University to the Alumni Association for services pursuant to the annual agreements between the Alumni Association and the University for the year ended June 30, 2008.

(o) Amount of Unreimbursed Subsidies to UROs

For the years ended June 30, 2008 and 2007, there were no unreimbursed subsidies to the Alumni Association from the University.

(p) Debt Financing of UROs

Does not apply to the Alumni Association.

(q) Schedule of Cash and Investments

Cash and investments of the Alumni Association are held by the Northern Illinois University Foundation (Foundation) in its name. Comparative schedules of cash and investments are not presented.

(r) Allocation Method on Interest from Pooled Investments

Income from investments in pooled funds made by the Foundation has been allocated and credited back to the original sources.

(s) Cost Per Full-Time Equivalent Student

Does not apply to the Alumni Association.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
SPECIAL DATA FOR AUDITS OF UNIVERSITIES
For the Two Years Ended June 30, 2008**

- (t) Acquisition of Real Estate by University or URO Greater Than \$250,000 and Not Specifically Funded

None.

- (u) Issuance of Certificates of Participation (COPs) or Participation in Lease or Purchase Arrangements Involving COPs

None.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
SUMMARY OF ALUMNI ASSOCIATION PAYMENTS TO THE UNIVERSITY
For the Years Ended June 30, 2008 and 2007**

In accordance with a memorandum of understanding between the University and the Alumni Association (Association) with regard to the funding of new staff positions in the alumni relations area, the Association contributed \$48,662 during 2008 and \$57,106 during 2007.

Presented below is a summary of all funds that the Association gave to the University during the periods:

	<u>2008</u>	<u>2007</u>
Funds considered unrestricted for purposes of the Guidelines computations:		
Restricted only as to campus, college, or department and generally available for ongoing University operations:		
Support of University programs and departments	\$ <u>358,525</u>	\$ <u>193,542</u>
Total funds considered unrestricted	<u>358,525</u>	<u>193,542</u>
Funds considered restricted for purposes of the Guidelines computations:		
Endowment Fund	<u>43,000</u>	<u>53,000</u>
Total funds considered restricted	<u>43,000</u>	<u>53,000</u>
Total funds provided to the University by the Association	<u>\$ <u>401,525</u></u>	<u>\$ <u>246,542</u></u>