

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

**FINANCIAL AUDIT  
YEAR ENDED JUNE 30, 2007**

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

**State of Illinois  
Northern Illinois University Alumni Association**

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**State of Illinois  
Northern Illinois University Alumni Association**

*Agency Officials*

Howard Blietz	President
Rene Hernandez	Vice President
Jack Tierney	Vice President
Robert Kugel	Treasurer
Michael Malone	Interim Executive Director - through June 30, 2007
Joseph Matty	Executive Director - effective July 1, 2007

*Agency Office is located at:*

Barsema Alumni & Visitors Center  
Dekalb, Illinois 60115

**State of Illinois  
Northern Illinois University Alumni Association**

**Financial Statement Report Summary**

The audit of the accompanying financial statements of the Northern Illinois University Alumni Association (Association) was performed by Clifton Gunderson LLP.

Based on the audit, the auditor expressed an unqualified opinion on the Association's financial statements.

## Independent Auditor's Report

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 accompanying basic financial statements of Northern Illinois University Alumni Association (Association), a component unit of Northern Illinois University and a component unit of the State of Illinois, as listed in the table of contents, as of and for the year ended June 30, 2007. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the Association's June 30, 2006 financial statements and in our report dated September 21, 2006 we expressed an unqualified opinion on those financial statements.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northern Illinois University Alumni Association as of June 30, 2007, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a separate report dated March 10, 2008 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and on compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 6 to 9 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Clifton Gunderson LLP*

Peoria, Illinois  
March 10, 2008

**State of Illinois  
Northern Illinois University Alumni Association**

**Management’s Discussion and Analysis  
For the Year Ended June 30, 2007**

Introduction

The following discussion and analysis provides an overview of the financial position and activities of the Northern Illinois University Alumni Association (the “Association”) for the year ended June 30, 2007. The financial statements are prepared in accordance with *Governmental Accounting Standards Board* (GASB) principles.

Statement of Net Assets

The Statement of Net Assets includes all assets and liabilities. A summarized comparison follows:

**Condensed Statement of Net Assets**

	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Current Assets	\$ 43,290	\$ 2,000
Non-current Assets	<u>2,579,917</u>	<u>2,348,561</u>
	<u>\$ 2,623,207</u>	<u>\$ 2,350,561</u>
<b>Liabilities</b>		
Current Liabilities	<u>\$ 110,556</u>	<u>\$ 64,821</u>
<b>Net Assets</b>		
Non-expendable donor		
Restricted	\$ 136,466	\$ 120,945
Expendable donor		
Restricted	291,224	236,462
Unrestricted	<u>2,084,961</u>	<u>1,928,333</u>
	<u>\$ 2,512,651</u>	<u>\$ 2,285,740</u>

Current assets consist of cash equivalents and prepaid expenses. Non-current assets consist of investments held by Northern Illinois University Foundation reported at market value.

Current liabilities consist primarily of trade accounts with vendors and deposits from the travel program.

**State of Illinois  
Northern Illinois University Alumni Association**

**Management's Discussion and Analysis, Continued  
For the Year Ended June 30, 2007**

Net assets represent the residual interest in the Association's assets after liabilities are deducted. During the year ended June 30, 2007, there was an increase in net assets of \$226,911. The increase is primarily the result of the very favorable investment results for the fiscal year. In addition, expendable gifts and income from royalties continue to increase.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets presents the operating results of the Association, as well as nonoperating revenues.

A summarized comparison of this statement follows:

**Condensed Statement of Revenues, Expenses,  
and Changes in Net Assets**

	<u>2007</u>	<u>2006</u>
Operating expenses	\$ (246,542)	\$ (312,925)
Net nonoperating revenues	<u>473,453</u>	<u>254,919</u>
Increase (decrease) in net assets	226,911	(58,006)
Net assets – beginning of year	<u>2,285,740</u>	<u>2,343,746</u>
Net assets – end of year	<u>\$ 2,512,651</u>	<u>\$ 2,285,740</u>

Changes in total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Assets.

Royalties are affinity program revenues received by the Association in exchange for the Association's official sponsorship of the financial and insurance products that are offered to alumni. Currently, the Association has agreements with a credit card provider, a financial institution and an insurance provider. The Association also contracts with independent tour operators that market travel opportunities to our members. During the year ended June 30, 2002, the Association entered into a multi-year contract resulting in a guaranteed royalty of \$1,500,000 received at the beginning of the contract. In addition, the Association received royalties from a graduation photographer and a graduation product supplier during 2007.

# **State of Illinois Northern Illinois University Alumni Association**

## **Management's Discussion and Analysis, Continued For the Year Ended June 30, 2007**

Net investment income totaled \$340,147 in 2007. This is the result of favorable market conditions that existed during 2007. In return for a fee for services, the NIU Foundation provides investment management oversight and administration for a portion of the Association's funds, including endowment funds and funds acting as endowment. This structure allows for a very efficient and cost effective investment management function. The majority of the investment income results from unrestricted funds that the Alumni Association has chosen to treat as endowment to create a lasting stream of income to fund both the scholarship and general programs each year. The endowment rate of return for the fiscal year exceeded 16%, which is the highest return since the technology boom of the late 1990's.

Scholarship support increased to \$53,000 in the year ended June 30, 2007 as compared to \$46,000 provided for the previous year, demonstrating the Association's continuing dedication to provide scholarship support to current NIU students.

### Statement of Cash Flows

The Statement of Cash Flows reports \$39,862 Cash and Cash Equivalents at June 30, 2007 and \$202,235 net cash used in operating activities.

### Other Association Attributes

The NIU Alumni Association is dedicated to supporting the growth and development of Northern Illinois University and to serving as a communication link between alumni and the university community by offering programs and services which foster pride in the university, support its goals, and meet alumni needs.

Along with a pool of committed alumni volunteers, the Association is active in developing alumni clubs and other constituency groups which further alumni affiliation with the university and sponsors programs for students designed to develop university loyalty and to encourage a life long relationship with the university as active alumni.

In developing and sponsoring programs which foster financial support for the university, the Association strives to represent alumni interests on university policy-making committees.

**State of Illinois  
Northern Illinois University Alumni Association**

**Management's Discussion and Analysis, Continued  
For the Year Ended June 30, 2007**

Economic Factors That Will Affect The Future

Looking toward the future, management believes that the Association is well positioned to continue providing its outstanding level of service to alumni, students and the entire Northern Illinois University community.

**State of Illinois**  
**Northern Illinois University Alumni Association**  
**Statement of Net Assets**  
**June 30, 2007**  
**With Comparative Totals for June 30, 2006**

	<b>June 30,</b>	
	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 39,862	\$ -
Prepaid expenses	3,428	2,000
Total current assets	43,290	2,000
Noncurrent assets:		
Investments administered by NIU Foundation	2,579,917	2,348,561
<b>TOTAL ASSETS</b>	<b>2,623,207</b>	<b>2,350,561</b>
 <b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	10,398	28,381
Deposits	100,158	36,440
<b>TOTAL LIABILITIES</b>	<b>110,556</b>	<b>64,821</b>
 <b>NET ASSETS</b>		
Restricted:		
Non-expendable donor restricted (Note 1B)	136,466	120,945
Expendable donor restricted (Note 1B)	291,224	236,462
Unrestricted (Note 1B)	2,084,961	1,928,333
<b>TOTAL NET ASSETS</b>	<b>\$ 2,512,651</b>	<b>\$ 2,285,740</b>

See accompanying notes to financial statements.

**State of Illinois**  
**Northern Illinois University Alumni Association**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Year Ended June 30, 2007**  
**With Comparative Totals for the Year Ended June 30, 2006**

	<b>Year Ended June 30,</b>	
	<b>2007</b>	<b>2006</b>
<b>EXPENSES</b>		
Operating expenses:		
Expenses on behalf of NIU		
Scholarships and fellowships	\$ 53,000	\$ 46,000
Alumni relations, outreach, events and travel	193,542	266,925
Total operating expenses	246,542	312,925
Net operating loss	(246,542)	(312,925)
 <b>NONOPERATING REVENUES</b>		
Expendable gifts	55,050	19,856
Investment income	340,147	183,930
Program support from Northern Illinois University		
President allocation	10,000	-
Royalties (Note 4)	68,256	51,133
Net nonoperating revenues	473,453	254,919
Increase (decrease) in net assets	226,911	(58,006)
 <b>NET ASSETS</b>		
Net assets, beginning of year	2,285,740	2,343,746
Net assets, end of year	\$ 2,512,651	\$ 2,285,740

See accompanying notes to financial statements.

**State of Illinois**  
**Northern Illinois University Alumni Association**  
**Statement of Cash Flows**  
**Year Ended June 30, 2007**  
**With Comparative Totals for the Year Ended June 30, 2006**

	<b>Year Ended June 30,</b>	
	<b>2007</b>	<b>2006</b>
<b>Cash flows from operating activities</b>		
Scholarships and fellowships on behalf of NIU	\$ (53,000)	\$ (46,000)
Payments for alumni relations, outreach, events and travel program	(149,235)	(301,628)
Net cash (used in) operating activities	<u>(202,235)</u>	<u>(347,628)</u>
<b>Cash flows from noncapital financing activities</b>		
Expendable gifts received	55,050	19,856
Program Support from NIU President Allocation	10,000	-
Royalties received	68,256	51,133
Net cash provided by noncapital financing activities	<u>133,306</u>	<u>70,989</u>
<b>Cash flows from investing activities</b>		
Sale (purchase) of investments administered by NIU Foundation	(231,356)	92,709
Investment income on investments administered by NIU Foundation	340,147	183,930
Net cash provided by investing activities	<u>108,791</u>	<u>276,639</u>
<b>Net increase in cash and cash equivalents</b>	39,862	-
<b>Cash and cash equivalents, beginning of year</b>	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 39,862</u>	<u>\$ -</u>
<b>Reconciliation of net operating loss to cash flow used in operating activities</b>		
Net operating loss	\$ (246,542)	\$ (312,925)
Adjustments to reconcile operating loss to cash flow used in operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in prepaid expenses	(1,428)	(2,000)
Increase (decrease) in accounts payable	(17,983)	25,295
Increase (decrease) in deposits	63,718	(57,998)
<b>Net cash flow used in operating activities</b>	<u>\$ (202,235)</u>	<u>\$ (347,628)</u>

See accompanying notes to financial statements.

# **State of Illinois Northern Illinois University Alumni Association**

## **Notes to Basic Financial Statements June 30, 2007**

### **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

Northern Illinois Alumni Association (the “Association”) is an Illinois nonprofit corporation established to build relationships between alumni and Northern Illinois University (the “University”), a State agency.

The Alumni Association is a “University Related Organization,” as defined under the University Guidelines adopted by the Legislative Audit Commission in 1982, as amended in 1997, and a component unit of the State of Illinois for financial reporting purposes. Due to the significance of the financial relationship with the University, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*, an amendment to GASB Statement No. 14, the Alumni Association is included as a component unit of the University for financial reporting purposes. The financial balances and activities included in these financial statements are therefore also included in the University’s comprehensive annual financial report. All funds of the Alumni Association are locally administered and are neither subject to the State of Illinois appropriation process nor held in the State treasury.

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association’s financial statements for the year ended June 30, 2006, from which the summarized information was derived. In addition, certain reclassifications have been made to the 2006 financial statements to conform to the 2007 presentation.

These financial statements include all financial activities over which the Alumni Association exercises direct responsibility.

For financial reporting purposes, the Alumni Association is considered a special-purpose government engaged only in business-type activities. In addition, the Association applies all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The Association has elected not to apply FASB pronouncements issued after November 30, 1989. Accordingly, the accompanying financial statements of the Alumni Association have been prepared on the accrual basis of accounting using the economic resources measurement focus. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

# State of Illinois

## Northern Illinois University Alumni Association

### Notes to Basic Financial Statements

#### June 30, 2007

- A. In accordance with the requirements of Governmental Accounting Standards Board (“GASB”) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments, except limited partnerships, are reported at fair value. Changes in unrealized gain (loss) are reported as a component of investment income in the statement of revenues, expenses and changes in net assets. Investments in limited partnerships are reported at net asset value.
- B. Net assets of the Alumni Association are classified as follows:
- Restricted net assets-non-expendable* - represents endowment funds, where the donor has provided a gift where the principal must remain invested in perpetuity and only the income may be utilized to support the restricted purpose the donor has indicated.
- Restricted net assets-expendable* - represents the resources for which the Alumni Association is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties. The Association first applies restricted net assets when an expense or outlay is incurred for purposes for which both restricted and unrestricted net assets are available.
- Unrestricted net assets* - represent resources used for transactions relating to the general operations of the Alumni Association and may be used at the discretion of the board to meet expenses for any purpose.
- C. The Alumni Association is a not-for-profit entity as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC.
- D. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenditures during the reporting period. Actual results could differ from those estimates.
- E. Revenues are classified as operating revenues if they have the characteristics of exchange transactions. Non-operating revenues include revenues that have the characteristics of non-exchange transactions as defined in GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and by GASB Statement No. 34.

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**Notes to Basic Financial Statements  
June 30, 2007**

- F. The Alumni Association is exposed to various risks of loss related to torts, theft of, damages to, and destruction of assets. The Alumni Association purchases commercial insurance for these risks of loss. During the year ended June 30, 2007, there were no significant reductions in coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 2 – NORTHERN ILLINOIS UNIVERSITY FOUNDATION AGREEMENT**

The Association works collaboratively with the NIU Foundation to aid Northern Illinois University in achieving its mission and in adding excellence. In order to avail itself to a broader array of investment opportunities and to realize inherent administrative efficiencies the Association has contracted with the NIU Foundation to provide accounting and financial services for funds of the Association. On February 27, 2004, the Association entered into an agreement, renewable annually, with the Northern Illinois University Foundation for these services. The agreement designates the Foundation as the investment and accounting agent for the assets of the Association. The Foundation receives compensation for services rendered in the amount of \$55,000 annually.

**NOTE 3 – FUNDS HELD BY OTHERS**

According to the services agreement, Association funds are invested in accordance with NIU Foundation investment management policies.

The investment policy statement indicates the intended use of funds shall determine how they will be invested. The funds of the NIU Alumni Association are invested in two primary investment strategies executed in different investment pools. Endowed funds and funds initially received as expendable but acting as endowed are invested with a long-term horizon. Based upon historical patterns of usage, expendable gift funds are invested with an intermediate strategy.

If a donor has not provided specific instructions, state law directs the Board of Directors to authorize for expenditure the net appreciation, both realized and unrealized, of the investments of endowment funds.

# **State of Illinois Northern Illinois University Alumni Association**

## **Notes to Basic Financial Statements June 30, 2007**

The Finance Committee adopted a spending policy for fiscal year 2007 of four percent of the three year moving average market value of the endowment investments of the three preceding years to be expendable.

The net appreciation on investments of donor-restricted endowments available for authorization for expenditure approximates \$71,956 at June 30, 2007. These amounts are included in the net assets section of the Statement of Net Assets as restricted for nonexpendable purposes.

All of the Alumni Association's funds are managed by the Foundation in commingled accounts. The Alumni Association considers all liquid investments with original maturities of three months or less to be cash equivalents. Below is a summary of the Foundation's investment policies and holding as of June 30, 2007.

The Board of Directors of the Foundation is responsible for the management of the Foundation's investments. The Board has approved authority to the Finance Committee to formulate an investment policy for funds and assets of the Foundation. The Finance Committee shall submit that policy to the Board for approval, periodically recommend changes in policy as appropriate, interpret the policy to the Foundation's investment managers, and oversee implementation of that policy. Investment performance is reviewed quarterly by the Finance Committee and reported to the Board of Directors.

The Foundation's permissible investment categories include:

- 1) Equities;
- 2) Fixed income securities;
- 3) Cash equivalents;
- 4) Venture capital/private equity;
- 5) Equity real estate;
- 6) Hedge funds.

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**Notes to Basic Financial Statements  
June 30, 2007**

Details of investment balances at June 30, 2007 are as follows:

	<u>Cost</u>	<u>Market</u>
Mutual funds	\$ 42,768,890	\$ 49,382,576
Stock	1,600,944	2,218,730
Limited partnerships	4,665,357	5,753,947
Guaranteed investment contract & certificates of deposit	3,653,008	3,653,008
Charitable remainder trusts	<u>1,239,874</u>	<u>1,236,427</u>
	<u>\$ 53,928,073</u>	62,244,688
Cash surrender value of life insurance		<u>98,995</u>
		<u>\$ 62,343,683</u>

In fulfilling its responsibilities, the Board has contracted with an independent investment advisory firm as well as 16 investment management firms to execute the strategy it has established.

Custodial Credit Risk

Custodial credit risk is the potential for a financial institution or counterparty to fail such that the Foundation would not be able to recover the value of deposits, investments or collateral securities that are in the possession of an outside party. The Foundation's policy does not address custodial credit risk. All of the Foundation's deposits and investments are insured or collateralized with securities held in the Foundation's name.

Concentration Risk

The Foundation's policy calls for no investment purchases that would cause a position in the portfolio to exceed five percent of the outstanding voting shares of the company or invest with the intent of controlling management. The Foundation does not have any investments in any single issuer representing five percent or more of the Foundation's assets.

**State of Illinois  
Northern Illinois University Alumni Association**

**Notes to Basic Financial Statements  
June 30, 2007**

Currency Risk

Currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Foundation's investment policy calls for individual international managers to maintain an appropriate diversification with respect to currency and country. The Foundation's investments at June 30, 2007 were distributed among the following currencies:

<b>United States Dollar</b>			<b>Currency</b>
<u>Equivalent</u>			
\$ 55,281,433	88.2%		United States Dollar
2,637,269	4.2		Euro Current Unit
733,851	1.2		Japanese Yen
889,918	1.4		British Pound
443,072	0.7		Swiss Franc
<u>2,714,685</u>	<u>4.3</u>		Other currencies, individually less than 0.5% of deposits and investments
<u>\$ 62,700,228</u>	<u>100.0%</u>		Total Currencies

Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. The Foundation's policy calls for managers to maintain an overall credit rating of AA or better by Moody's or AA or better by Standard & Poor's and to hold no more than 15% of the portfolio in below investment grade issues (below Baa/BBB).

Fixed income securities are held through mutual funds. Foundation assets subject to credit risk are shown with a current credit rating below:

<u>Credit Risk</u> <u>Quality Rating</u>	<u>Fixed</u> <u>Income</u> <u>Mutual Fund</u> <u>Balance</u>
AA	\$ 5,177,466
AA <sup>+</sup>	8,509,362

**State of Illinois  
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**Notes to Basic Financial Statements  
June 30, 2007**

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy statement indicates that each manager shall maintain a duration +/- 20% of the effective duration of its benchmark index. The same assets as detailed with respect to credit risk above are subject to interest rate risk as detailed below:

<b>Weighted Average Duration (years)</b>	<b>Fixed Income Mutual Fund Balance</b>
3.0	\$ 4,526,686
3.9	5,177,466
5.1	3,115,696
7.2	<u>866,980</u>
Total	<u>\$ 13,686,828</u>

Commitments

The Foundation has four limited partnership agreements which are not fully funded. Of the \$4,917,874 committed, \$2,805,575 was not funded at June 30, 2007.

**NOTE 4 - ROYALTIES**

The Alumni Association entered into a royalty agreement with a bank in December 2001. The agreement provides for the bank to pay the Alumni Association royalties for collaborating in the offering of services to alumni. The agreement guarantees a minimum of \$1,500,000 over the seven-year term of the agreement.

The Association entered into a licensing agreement with a bank in March 2005 to receive an affinity fee of \$20,000 per year for the three year initial term of the agreement also for collaborating in the offering of financial services to alumni.

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**Notes to Basic Financial Statements  
June 30, 2007**

The Association and an insurance company entered into an agreement effective July 1, 2005 which promotes the company's insurance program to alumni. The company agrees to pay an annual \$20,000 sponsorship as well as a fee on each inquiry from a NIU member. This agreement is in effect for a minimum of five years.

**NOTE 5 - LEASE**

The Association had an operating lease agreement for additional office space in Chicago, IL which was terminated effective March 22, 2007. Total rental expense for the year ended June 30, 2007 under this lease was \$11,934.

**NOTE 6 - NORTHERN ILLINOIS UNIVERSITY AGREEMENT**

The Alumni Association and Northern Illinois University, operating under an agreement dated June 30, 1983, work cooperatively to enhance and expand the educational, research and service goals of the University. The Association provides counsel and advice to the University through the Association's Board of Directors relating to University graduates. In exchange, the University provides the Association with University services, facilities, and resources.

This information is an integral part of the accompanying financial statements.