

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2016

with

INDEPENDENT AUDITORS' REPORT

Audited Financial Statements

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

June 30, 2016

Independent Auditors' Report.....	1
Statements of Financial Position .....	3
Statement of Activities--Year Ended June 30, 2016.....	4
Statement of Activities--Year Ended June 30, 2015.....	5
Statements of Cash Flows .....	6
Notes to Financial Statements .....	7

## INDEPENDENT AUDITORS' REPORT

Officers and Directors  
Georgia State University Alumni Association, Inc.  
Atlanta, Georgia

We have audited the accompanying financial statements of Georgia State University Alumni Association, Inc. (“the Association”), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### *Management’s Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors’ Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgia State University Alumni Association, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Williams Benatar + Libby, LLP*

Atlanta, Georgia  
October 17, 2016

STATEMENTS OF FINANCIAL POSITION

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

	June 30	
	2016	2015
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 301,613	\$ 353,847
Accounts receivable	56,750	38,361
Investments--Note B	1,314,681	1,280,652
Prepaid expenses	53,183	58,164
<b>TOTAL CURRENT ASSETS</b>	<u>1,726,227</u>	<u>1,731,024</u>
<b>PROPERTY AND EQUIPMENT</b>		
Leasehold improvements	8,960	8,960
Furniture	35,651	35,651
Equipment	874	874
	<u>45,485</u>	<u>45,485</u>
Less accumulated depreciation and amortization	15,602	7,787
	<u>29,883</u>	<u>37,698</u>
<b>CASH VALUE OF LIFE INSURANCE POLICY</b>		
	<u>22,859</u>	<u>22,122</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,778,969</u></u>	<u><u>\$ 1,790,844</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 28,951	\$ 36,313
Accounts payable to related party--Note D	16,488	16,567
Deferred revenues	2,275	1,450
<b>TOTAL CURRENT LIABILITIES</b>	<u>47,714</u>	<u>54,330</u>
<b>NET ASSETS</b>		
Unrestricted:		
Undesignated	1,341,128	1,376,989
Board designated--Note C	356,294	312,831
	<u>1,697,422</u>	<u>1,689,820</u>
Temporarily restricted--Note C	33,833	46,694
<b>TOTAL NET ASSETS</b>	<u>1,731,255</u>	<u>1,736,514</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,778,969</u></u>	<u><u>\$ 1,790,844</u></u>

See notes to financial statements.

STATEMENT OF ACTIVITIES

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and support:			
Alumni and student member dues	\$ 191,660	\$ -0-	\$ 191,660
Affinity program income	257,626	17,690	275,316
Support from Georgia State University--Note D	122,805	-0-	122,805
Special programs	38,445	-0-	38,445
Contributions	10,400	16,143	26,543
Other income	22,384	-0-	22,384
Sponsorships	20,900	-0-	20,900
Dividends and interest--Note B	17,387	-0-	17,387
Net realized gains on investments--Note B	8,935	-0-	8,935
Net unrealized gains on investments--Note B	38,863	-0-	38,863
Net assets released from restrictions--Note C	46,694	(46,694)	-0-
	<u>776,099</u>	<u>(12,861)</u>	<u>763,238</u>
TOTAL REVENUES AND SUPPORT			
Expenses:			
Program expenses:			
Scholarships--Notes C and D	46,694	-0-	46,694
University relations	53,815	-0-	53,815
	<u>100,509</u>	<u>-0-</u>	<u>100,509</u>
Supporting services:			
Management and general--Note D	333,766	-0-	333,766
Fundraising:			
Membership program	91,466	-0-	91,466
Alumni relations	143,563	-0-	143,563
Public relations	99,193	-0-	99,193
	<u>334,222</u>	<u>-0-</u>	<u>334,222</u>
	<u>768,497</u>	<u>-0-</u>	<u>768,497</u>
TOTAL EXPENSES			
	7,602	(12,861)	(5,259)
INCREASE (DECREASE) IN NET ASSETS			
Net assets at beginning of year	<u>1,689,820</u>	<u>46,694</u>	<u>1,736,514</u>
	<u>\$ 1,697,422</u>	<u>\$ 33,833</u>	<u>\$ 1,731,255</u>
NET ASSETS AT END OF YEAR			

See notes to financial statements.

STATEMENT OF ACTIVITIES

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and support:			
Alumni and student member dues	\$ 184,895	\$ -0-	\$ 184,895
Affinity program income	264,757	16,830	281,587
Allocation from Georgia State			
University Foundation, Inc.--Note D	110,000	-0-	110,000
Support from Georgia State University--Note D	110,597	-0-	110,597
Special programs	29,567	-0-	29,567
Contributions	-0-	29,864	29,864
Other income	8,598	-0-	8,598
Sponsorships	2,500	-0-	2,500
Dividends and interest--Note B	18,441	-0-	18,441
Net realized gains on investments--Note B	9,442	-0-	9,442
Net unrealized gains on investments--Note B	8,859	-0-	8,859
Net assets released from restrictions--Note C	62,746	(62,746)	-0-
	<u>810,402</u>	<u>(16,052)</u>	<u>794,350</u>
TOTAL REVENUES AND SUPPORT			
Expenses:			
Program expenses:			
Scholarships--Notes C and D	63,246	-0-	63,246
University relations	49,156	-0-	49,156
	<u>112,402</u>	<u>-0-</u>	<u>112,402</u>
Supporting services:			
Management and general--Note D	307,019	-0-	307,019
Fundraising:			
Membership program	76,326	-0-	76,326
Alumni relations	143,764	-0-	143,764
Public relations	100,057	-0-	100,057
	<u>320,147</u>	<u>-0-</u>	<u>320,147</u>
	<u>739,568</u>	<u>-0-</u>	<u>739,568</u>
TOTAL EXPENSES			
	70,834	(16,052)	54,782
INCREASE (DECREASE) IN NET ASSETS			
Net assets at beginning of year	<u>1,618,986</u>	<u>62,746</u>	<u>1,681,732</u>
	<u>\$ 1,689,820</u>	<u>\$ 46,694</u>	<u>\$ 1,736,514</u>
NET ASSETS AT END OF YEAR			

See notes to financial statements.

STATEMENTS OF CASH FLOWS

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

	Year Ended December 31	
	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Decrease) increase in net assets	\$ (5,259)	\$ 54,782
Adjustments to reconcile (decrease) increase in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	7,815	7,547
Net realized and unrealized gains on investments	(47,798)	(18,301)
Increase in cash value of life insurance policy	(737)	(743)
Increase in accounts receivable	(18,389)	(14,836)
Decrease (increase) in prepaid expenses	4,981	(16,852)
(Decrease) increase in accounts payable	(7,441)	28,144
Increase (decrease) in deferred revenues	825	(1,155)
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<u>(66,003)</u>	<u>38,586</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash paid for purchase of investments	(459,675)	(726,035)
Proceeds from sale of investments	473,444	683,259
Cash paid for additions to property and equipment	-0-	(35,651)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u>13,769</u>	<u>(78,427)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(52,234)	(39,841)
Cash and cash equivalents at beginning of year	<u>353,847</u>	<u>393,688</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 301,613</u></u>	<u><u>\$ 353,847</u></u>

See notes to financial statements.



## NOTES TO FINANCIAL STATEMENTS

### GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

June 30, 2016

#### NOTE A--DESCRIPTION OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Georgia State University Alumni Association, Inc. ("the Association") is a not-for-profit organization that offers programs to inform alumni of Georgia State University ("the University") about the life and vitality of the University and to promote and advance the interests of the University. The Association depends on Georgia State University to provide the staff and facilities for its operations.

The following accounting policies are presented to assist the reader in understanding the Association's financial statements:

Accounting Standards Codification: The Association has adopted the Financial Accounting Standards Board Accounting Standards Codification as its sole source of authoritative guidance.

Revenue Recognition: Alumni member dues revenues are recognized upon receipt. Student member dues revenues are recognized in the period in which services are performed. Contributions and pledges are recognized in the period in which they are made by the donors.

The Association enters into various licensing agreements in the normal course of business. Affinity program income is recognized when earned in accordance with the licensing agreements. The agreements provide nonexclusive rights and licenses to market products to University alumni and to use mailing lists and certain trademarks owned by the University. In return, the Association receives royalties based on specific criteria regarding certain sales and revenues generated from marketing using the mailing lists and trademarks. Total affinity program income included 89% derived from two organizations for each of the years ended June 30, 2016 and 2015.

Financial Statement Presentation: The Association reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Association had no permanently restricted net assets at June 30, 2016 and 2015.

Recognition of Donor Restrictions: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

NOTES TO FINANCIAL STATEMENTS--Continued

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTE A--DESCRIPTION OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Income Taxes: The Association is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Accounts Receivable: Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to an allowance for doubtful accounts, based on their assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through the allowance for doubtful accounts. At June 30, 2016 and 2015, management expected full collection on outstanding accounts receivable. Therefore, there was no allowance for doubtful accounts. During the years ended June 30, 2016 and 2015, the Association recognized no bad debt expense.

Investments: Investments are stated at fair value. The fair value of investments in securities that are traded on national securities exchanges is determined based on the closing price on the last business day of the year. Securities traded on the over-the-counter market are valued at the last reported bid price. Sales and purchases are recognized on a trade-date basis. The fair value of investments in common trust and hedge funds is based on per unit net asset values provided by the funds, and these investments are redeemable immediately or within a period up to 30 days. Investments in common trust funds include private equity funds that employ a fund of funds approach and invest, both domestically and internationally, in common stock, mutual funds, venture capital, buyouts, and other areas of private equity. The hedge fund in which the Association is invested has investments in various domestic and international derivative instruments, including forward foreign currency contracts, futures, written and purchased options and swaps. The Association's investments are subject to various market and other risks and are not covered by insurance. Adverse market conditions could materially affect the investment balances reported in the statements of financial position.

In valuing investments at fair value, the Association uses current accounting guidance, which provides for the use of Level 1 inputs, which are quoted prices in active markets for identical assets, Level 2 inputs, which are quoted market prices for similar instruments traded in active markets, quoted prices of identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market, and Level 3 inputs, which are unobservable inputs for the assets that rely on management's own estimates of assumptions that market participants would use in pricing the assets. At June 30, 2016 and 2015, the Association's investments were valued using a combination of Level 1, Level 2, and Level 3 inputs.

NOTES TO FINANCIAL STATEMENTS--Continued

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTE A--DESCRIPTION OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Property and Equipment: Property and equipment is stated at cost. Depreciation and amortization is computed using the straight-line method over the assets' estimated useful lives of ten years for equipment and fifteen years for leasehold improvements.

Life Insurance Policy: The recorded cash value of life insurance policy approximates fair value as the instrument bears interest at market rates. The face value of the insurance policy is \$25,000.

Advertising: Advertising costs are expensed as incurred. Advertising costs totaled \$28,239 and \$37,480 during the years ended June 30, 2016 and 2015, respectively.

Cash and Cash Equivalents: For purposes of reporting cash flows, the Association considers demand deposits and all highly liquid investments with an original maturity of three months or less which can be readily converted to cash on demand, without penalty, to be cash equivalents. At times, bank balances may exceed federally insured limits.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recent Accounting Pronouncements: In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-09 ("ASU 2014-09"), "Revenue from Contracts with Customers", which will supersede most of the existing revenue recognition guidance. The core principle of the new standard is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for years beginning after December 15, 2018, with early adoption permitted, with certain restrictions, for years beginning after December 15, 2016. The new standard allows for either full retrospective or modified retrospective adoption. The Association is currently evaluating which transition approach to use and the impact, if any, of implementation of this new standard on its financial statements.

In August 2016, the FASB issued Accounting Standards Update No. 2016-14 ("ASU 2016-14"), "Presentation of Financial Statements of Not-for-Profit Entities", that will change how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. ASU 2016-14 requires amended presentation and disclosures to help not-for-profits provide more relevant information about their resources, which includes qualitative and quantitative requirements

NOTES TO FINANCIAL STATEMENTS--Continued

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTE A--DESCRIPTION OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

related to net asset classes, investment return, expenses, liquidity and availability of resources, and presentation of operating cash flows. ASU 2016-14 is effective for annual financial statements issued for fiscal years beginning after December 15, 2017, with early application permitted. The Association is currently evaluating the impact of the adoption of this accounting standard update on its financial reporting.

Subsequent Events: Subsequent events have been evaluated through October 17, 2016, which is the date the financial statements were available to be issued.

Reclassifications: Certain 2015 amounts have been reclassified to conform to the 2016 presentation.

NOTE B--INVESTMENTS

Unrestricted investments consisted of the following at June 30:

	2016		2015	
	Cost	Market	Cost	Market
Equity mutual funds	\$ 137,981	\$ 136,373	\$ 125,664	\$ 141,903
Bond mutual funds	147,792	139,996	147,490	145,553
Hedge fund	90,962	79,199	86,923	82,778
Common trust funds:				
Equities	447,783	604,370	453,847	554,503
Small growth	112,992	105,487	110,329	103,808
Bonds	124,373	138,860	136,159	143,535
Real estate investment trust	44,864	65,948	52,813	63,265
Commodities futures fund	48,462	38,207	47,568	39,816
Cash and cash equivalents	<u>6,241</u>	<u>6,241</u>	<u>5,491</u>	<u>5,491</u>
	<u>\$1,161,450</u>	<u>\$1,314,681</u>	<u>\$1,166,284</u>	<u>\$1,280,652</u>

NOTES TO FINANCIAL STATEMENTS--Continued

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTE B--INVESTMENTS--Continued

The following table summarizes the valuation of the Association's investments by input hierarchy as of June 30, 2016:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity mutual funds	\$ 136,373	\$ -0-	\$ -0-	\$ 136,373
Bond mutual funds	139,996	-0-	-0-	139,996
Hedge fund	-0-	-0-	79,199	79,199
Common trust funds				
Equities	-0-	604,370	-0-	604,370
Small growth	-0-	105,487	-0-	105,487
Bonds	-0-	138,860	-0-	138,860
Real estate investment trust	-0-	65,948	-0-	65,948
Commodities futures fund	-0-	38,207	-0-	38,207
Cash and cash equivalents	<u>6,241</u>	<u>-0-</u>	<u>-0-</u>	<u>6,241</u>
	<u>\$ 282,610</u>	<u>\$ 952,872</u>	<u>\$ 79,199</u>	<u>\$ 1,314,681</u>

The following table summarizes the valuation of the Association's investments by input hierarchy as of June 30, 2015 :

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity mutual funds	\$ 141,903	\$ -0-	\$ -0-	\$ 141,903
Bond mutual funds	145,553	-0-	-0-	145,553
Hedge fund	-0-	-0-	82,778	82,778
Common trust funds				
Equities	-0-	554,503	-0-	554,503
Small growth	-0-	103,808	-0-	103,808
Bonds	-0-	143,535	-0-	143,535
Real estate investment trust	-0-	63,265	-0-	63,265
Commodities futures fund	-0-	39,816	-0-	39,816
Cash and cash equivalents	<u>5,491</u>	<u>-0-</u>	<u>-0-</u>	<u>5,491</u>
	<u>\$ 292,947</u>	<u>\$ 904,927</u>	<u>\$ 82,778</u>	<u>\$ 1,280,652</u>

NOTES TO FINANCIAL STATEMENTS--Continued

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTE B--INVESTMENTS--Continued

The table below sets forth a summary of changes in the fair value of the Association's Level 3 investment assets for the years ended June 30, 2016 and 2015:

<u>Description</u>	<u>Level 3 Hedge Fund</u>
Beginning balance at July 1, 2014	\$ 79,564
Dividend income	4,109
Net unrealized loss	<u>(895)</u>
Ending balance at June 30, 2015	82,778
Purchases	4,039
Net unrealized loss	<u>(7,618)</u>
Ending balance at June 30, 2016	<u>\$ 79,199</u>

Interest and net investment income from these investments consisted of the following during the years ended June 30:

	<u>2016</u>	<u>2015</u>
Interest and dividend income	\$ 17,218	\$ 18,246
Net realized and unrealized gains	47,798	18,301
Investment fees	<u>(19,529)</u>	<u>(15,847)</u>
	<u>\$ 45,487</u>	<u>\$ 20,700</u>

Investment fees were included in management and general expenses during the years ended June 30, 2016 and 2015.

NOTE C--DONOR RESTRICTED AND BOARD DESIGNATED NET ASSETS

At June 30, 2016 and 2015, net assets of \$33,833 and \$46,694, respectively, were temporarily restricted by donors for scholarships.

During the years ended June 30, 2016 and 2015, net assets of \$46,694 and \$62,746, respectively, were released from donor restrictions by incurring expenses to satisfy the restricted purpose by awarding scholarships or contributing the funds to the Foundation for scholarships.

## NOTES TO FINANCIAL STATEMENTS--Continued

### GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

#### NOTE C--DONOR RESTRICTED AND BOARD DESIGNATED NET ASSETS--Continued

At June 30, 2016 and 2015, the Board of Directors had designated unrestricted net assets of \$356,294 and \$312,831, respectively, to be used for Alumni member events and programs.

#### NOTE D--RELATED PARTY TRANSACTIONS

The Association is affiliated with the University as well as Georgia State University Foundation, Inc. ("the Foundation") and various other University associations. Listed below are the various transactions conducted between the Association and the University and the Foundation.

##### Georgia State University

The University shares in the cost of operations of the Association by providing the services of certain University employees. The University approximates the time spent by these employees on the operations of the Association and bills the Association for two fulltime employee equivalents on a monthly basis. During the years ended June 30, 2016 and 2015, the Association incurred expenses of \$132,628 and \$114,994, respectively, related to the salaries of University employees. At June 30, 2016 and 2015, the amount payable related to the salaries and investment management fees incurred by the University on the Association's behalf was \$16,488 and \$16,567, respectively.

In addition, support contributed by the University on behalf of the Association has been recorded at its estimated fair value. Contributed rent in the amount of \$97,588 was recorded for the years ended June 30, 2016 and 2015. Donated supplies in the amount of \$25,217 and \$13,009 for the years ended June 30, 2016 and 2015, respectively, have been reflected in the statements of activities for office supplies, telephone service, printing, copy machine lease charges, and other miscellaneous supplies provided by the University.

##### Georgia State University Foundation, Inc.

The Association had an agreement with the Foundation whereby the Foundation was responsible for marketing and solicitation of contributions on behalf of the Association. The terms of the agreement provided that contributions collected were the property of the Foundation and in return, the Foundation paid an annual allotment to the Association. During the year ended June 30, 2015, the Association received \$110,000 from the Foundation under the terms of this agreement. The agreement was terminated effective June 30, 2015.

The Association has another agreement with the Foundation whereby royalties received from vendors of products for sales of merchandise with any trademarks of the University are initially remitted to the Foundation. The Foundation is then responsible for remitting the agreed upon

NOTES TO FINANCIAL STATEMENTS--Continued

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTE D--RELATED PARTY TRANSACTION--Continued

percentage of the royalties to the Association. During the years ended June 30, 2016 and 2015, the Foundation remitted \$13,855 and \$8,523, respectively, to the Association under the terms of this agreement. These amounts are included in special programs revenue in the statements of activities.

During the years ended June 30, 2016 and 2015, the Association contributed \$46,694 and \$62,746, respectively, to the Foundation for scholarships.