

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2019

with

INDEPENDENT AUDITORS' REPORT

Audited Financial Statements

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

June 30, 2019

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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, 2019 and 2018, and the related statements of activities, cash flows and functional expenses 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, 2019 and 2018, 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 Benator + Libby, LLP

Atlanta, Georgia
November 7, 2019

STATEMENTS OF FINANCIAL POSITION

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

	June 30	
	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 253,843	\$ 328,269
Accounts receivable	102,410	53,065
Investments--Note B	1,637,040	1,541,785
Prepaid expenses	36,150	31,257
TOTAL CURRENT ASSETS	<u>2,029,443</u>	<u>1,954,376</u>
PROPERTY AND EQUIPMENT		
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	38,995	31,232
	<u>6,490</u>	<u>14,253</u>
CASH VALUE OF LIFE INSURANCE POLICY	<u>24,952</u>	<u>24,246</u>
TOTAL ASSETS	<u><u>\$ 2,060,885</u></u>	<u><u>\$ 1,992,875</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 27,052	\$ 32,407
Accounts payable to related party--Note D	17,007	27,215
Deferred revenues	18,791	20,086
TOTAL CURRENT LIABILITIES	<u>62,850</u>	<u>79,708</u>
NET ASSETS		
Without donor restrictions--Note C	1,950,806	1,868,580
With donor restrictions--Note C	47,229	44,587
TOTAL NET ASSETS	<u>1,998,035</u>	<u>1,913,167</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,060,885</u></u>	<u><u>\$ 1,992,875</u></u>

See notes to financial statements.

STATEMENTS OF ACTIVITIES

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

	Year Ended June 30	
	2019	2018
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues and support:		
Alumni and student member dues	\$ 129,047	\$ 143,502
Affinity program income	271,486	267,840
Support from Georgia State University--Note D	90,218	50,000
Special programs	72,831	59,210
Contributions	22,786	20,752
Other income	20,382	26,493
Sponsorships	67,256	60,841
Dividends and interest, net--Note B	21,997	6,720
Net realized (losses) gains on investments--Note B	(4,230)	282,353
Net unrealized gains (losses) on investments--Note B	45,338	(240,751)
TOTAL REVENUES WITHOUT DONOR RESTRICTIONS	737,111	676,960
Net assets released from restrictions--Note C	44,727	48,361
TOTAL REVENUES AND SUPPORT WITHOUT DONOR RESTRICTIONS	781,838	725,321
Expenses:		
Program expenses:		
Scholarships--Notes C and D	44,727	48,361
Student relations	24,221	32,639
	68,948	81,000
Supporting services:		
Management and general--Note D	246,668	237,686
Fundraising:		
Membership program--Note D	79,973	71,517
Alumni relations	137,230	152,876
Public relations	166,793	153,317
	383,996	377,710
TOTAL EXPENSES	699,612	696,396
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	82,226	28,925
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Affinity program income	18,280	18,400
Contributions	29,089	26,187
Net assets released from restrictions--Note C	(44,727)	(48,361)
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	2,642	(3,774)
INCREASE IN NET ASSETS	84,868	25,151
Net assets at beginning of year	1,913,167	1,888,016
NET ASSETS AT END OF YEAR	\$ 1,998,035	\$ 1,913,167

See notes to financial statements.

STATEMENTS OF CASH FLOWS

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

	Year Ended June 30,	
	2019	2018
	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 84,868	\$ 25,151
Adjustments to reconcile increase in net assets net cash (used in) provided by operating activities:		
Depreciation and amortization	7,763	7,815
Net realized and unrealized gains on investments	(41,108)	(41,602)
(Increase) decrease in operating assets:		
Cash value of life insurance policy	(706)	(1,387)
Accounts receivable	(49,345)	(1,681)
Prepaid expenses	(4,893)	8,866
Increase (decrease) in operating liabilities:		
Accounts payable	(15,563)	(3,151)
Deferred revenues	(1,295)	8,436
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(20,279)</u>	<u>2,447</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchase of investments	(473,318)	(1,767,592)
Proceeds from sale of investments	419,171	1,724,386
NET CASH USED IN INVESTING ACTIVITIES	<u>(54,147)</u>	<u>(43,206)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(74,426)	(40,759)
Cash and cash equivalents at beginning of year	<u>328,269</u>	<u>369,028</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 253,843</u>	<u>\$ 328,269</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

Year Ended June 30, 2019

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Scholarships</u>	<u>Student Relations</u>	<u>Fundraising and Special Events</u>	<u>Management and General</u>	
Labor costs--Note D	\$ -0-	\$ -0-	\$ 13,923	\$ 125,303	\$ 139,226
Accounting and legal	-0-	-0-	-0-	31,451	31,451
Training	-0-	-0-	-0-	5,549	5,549
Professional services	-0-	-0-	4,263	-0-	4,263
Office and computer supplies	-0-	8,037	-0-	4,341	12,378
Meeting expenses	-0-	3,366	-0-	2,677	6,043
Marketing and advertising	-0-	1,434	28,469	-0-	29,903
Online services	-0-	-0-	37,142	-0-	37,142
Alumni events	-0-	4,515	231,332	-0-	235,847
Promotional items and gifts	-0-	4,948	2,134	1,911	8,993
Scholarships	44,727	-0-	-0-	-0-	44,727
Postage and shipping	-0-	-0-	66,050	121	66,171
Rent--Note D	-0-	-0-	-0-	39,500	39,500
Equipment rental	-0-	-0-	-0-	2,645	2,645
Travel and transportation	-0-	-0-	-0-	17,453	17,453
Insurance	-0-	-0-	-0-	2,509	2,509
Credit card fees	-0-	-0-	-0-	5,235	5,235
Depreciation	-0-	-0-	-0-	7,763	7,763
Other expenses	-0-	1,921	683	210	2,814
Total expenses	<u>\$ 44,727</u>	<u>\$ 24,221</u>	<u>\$ 383,996</u>	<u>\$ 246,668</u>	<u>\$ 699,612</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

Year Ended June 30, 2018

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Scholarships</u>	<u>Student Relations</u>	<u>Fundraising and Special Events</u>	<u>Management and General</u>	
Labor costs--Note D	\$ -0-	\$ -0-	\$ 13,133	\$ 118,201	\$ 131,334
Accounting	-0-	-0-	-0-	17,112	17,112
Training	-0-	-0-	-0-	6,987	6,987
Professional services	-0-	-0-	2,130	-0-	2,130
Office and computer supplies	-0-	-0-	-0-	15,983	15,983
Meeting expenses	-0-	3,535	-0-	2,723	6,258
Marketing and advertising	-0-	1,465	24,538	-0-	26,003
Online services	-0-	-0-	42,304	-0-	42,304
Student and alumni events	-0-	4,577	232,721	-0-	237,298
Promotional items and gifts	-0-	2,289	521	959	3,769
Scholarships	48,361	-0-	-0-	-0-	48,361
Postage and shipping	-0-	1,183	58,613	187	59,983
Rent--Note D	-0-	-0-	-0-	39,500	39,500
Travel and transportation	-0-	16,396	-0-	19,714	36,110
Insurance	-0-	-0-	-0-	2,169	2,169
Credit card fees	-0-	-0-	-0-	5,145	5,145
Depreciation	-0-	-0-	-0-	7,815	7,815
Other expenses	-0-	3,194	3,750	1,191	8,135
Total expenses	\$ 48,361	\$ 32,639	\$ 377,710	\$ 237,686	\$ 696,396

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

June 30, 2019

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 88% and 90% derived from two organizations for the years ended June 30, 2019 and 2018, respectively.

Financial Statement Presentation: The Association reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Contributions and Recognition of Donor Restrictions: Contributions received are recorded as unrestricted or restricted support depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in donor restricted net assets. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions.

NOTES TO FINANCIAL STATEMENTS--Continued

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

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

Functional Allocation of Expenses: The costs of providing the Association's programs and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include labor costs, meeting and event expenses, travel and transportation, and other, which are allocated on the basis of estimates of time and effort. Since the Association's working space is maintained exclusively for the purpose of supporting its administrative activities, rent and depreciation are allocated on the same basis.

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, 2019 and 2018, management expected full collection on outstanding accounts receivable. Therefore, there was no allowance for doubtful accounts. During the years ended June 30, 2019 and 2018, 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 hedge fund in which the Association was invested had investments in various domestic and international derivative instruments, including forward foreign currency contracts, futures, written and purchased options and swaps, as well as asset backed securities and fixed income markets. The investment in the hedge fund was redeemable on June 30 and December 31, with a 95 day written notice and subject to 25% ceiling of total redemptions of the hedge fund for any particular redemption period. Investment in the hedge fund was valued at fair value, which was measured based on the Association's proportionate interest in the net assets of the respective investment funds, and was determined from net asset values, or the equivalent, provided by the private investment funds and the private investment funds' audited financial statements.

NOTES TO FINANCIAL STATEMENTS--Continued

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

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

Because of the inherent uncertainty of valuation, values of positions stated at fair value may differ significantly from what may be realized upon sale or disposition. 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. For the hedge fund investment, the investment was valued at fair value determined using the reported net asset value per share, as a practical expedient for fair value.

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 \$21,825 and \$23,640 during the years ended June 30, 2019 and 2018, 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.

NOTES TO FINANCIAL STATEMENTS--Continued

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

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

Recent Accounting Pronouncements:

Recently Adopted Changes in Accounting Method: In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-14 (“ASU 2016-14”), “Presentation of Financial Statements of Not-for-Profit Entities”, that changes 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 related to net asset classes, investment return, expenses, liquidity and availability of resources, and presentation of operating cash flows. ASU 2016-14 was effective for annual financial statements issued for fiscal years beginning after December 15, 2017. The Organization adopted ASU 2016-14 during the year ended June 30, 2019 and applied it retrospectively to all periods presented.

Not Yet Adopted: 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 June 2018, the FASB issued Accounting Standards Update No. 2018-08 (“ASU 2018-08”), “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made”, which provides not-for-profit organizations with assistance in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, “Not-for-Profit Entities”, or as exchange (reciprocal) transactions, and also provides guidance for determining whether a contribution is conditional. The amendments in ASU 2018-08 will likely result in more grants and contracts being accounted for as either contributions or conditional contributions than under previous guidance. ASU 2018-08 is effective for contributions received in annual periods beginning after December 15, 2018, and for contributions made in annual periods beginning after December 15, 2019. Early adoption of the amendments is permitted. The amendments in ASU 2018-08 may be applied on either a modified prospective basis or a retrospective basis. 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.

NOTES TO FINANCIAL STATEMENTS--Continued

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

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

Reclassifications: Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. These reclassifications had no impact on previously reported consolidated net assets and changes in consolidated net assets.

Subsequent Events: Subsequent events have been evaluated through _____, 2019, which is the date the financial statements were available to be issued.

NOTE B--INVESTMENTS

Unrestricted investments consisted of the following at June 30:

	2019		2018	
	Cost	Market	Cost	Market
Equity mutual funds	\$ 1,183,748	\$ 1,206,083	\$ 1,040,686	\$ 1,028,673
Corporate bond mutual funds	144,466	144,341	93,000	92,514
Government agencies mutual funds	94,534	97,865	108,000	108,000
Fixed income funds	94,092	99,087	120,901	121,574
Real estate investment trust	72,336	75,136	43,911	44,328
Hedge fund	-0-	-0-	115,000	122,109
Cash and cash equivalents	<u>14,528</u>	<u>14,528</u>	<u>24,587</u>	<u>24,587</u>
	<u>\$ 1,603,704</u>	<u>\$ 1,637,040</u>	<u>\$ 1,546,085</u>	<u>\$ 1,541,785</u>

The following table summarizes the valuation of the Association's investments by input hierarchy as of June 30, 2019:

<u>Level 1 Investments:</u>	
Equity mutual funds	\$ 1,206,083
Corporate bond funds	144,341
Government agencies funds	97,865
Fixed income funds	99,087
Real estate fund	75,136
Cash and cash equivalents	<u>14,528</u>
Total investments valued at level 1	<u>\$ 1,637,040</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, 2018:

<u>Level 1 Investments:</u>	
Equity mutual funds	\$ 1,028,673
Corporate bond funds	92,514
Government agencies funds	108,000
Fixed income funds	121,574
Real estate fund	44,328
Cash and cash equivalents	<u>24,587</u>
 Total investments valued at level 1	 1,419,676
 Fund investments valued at net asset value	 <u>122,109</u>
	<u>\$ 1,541,785</u>

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

	<u>2019</u>	<u>2018</u>
Interest and dividend income, net	\$ 45,778	\$ 27,954
Net realized and unrealized gains	41,108	41,602
Investment fees	<u>(23,852)</u>	<u>(21,320)</u>
	<u>\$ 63,034</u>	<u>\$ 48,236</u>

NOTE C--DONOR RESTRICTED AND BOARD DESIGNATED NET ASSETS

At June 30, 2019 and 2018, net assets of \$47,229 and \$44,587, respectively, were restricted by donors for scholarships.

During the years ended June 30, 2019 and 2018, net assets of \$44,727 and \$48,361, respectively, were released from donor restrictions by incurring expenses to satisfy the restricted purpose by awarding scholarships or contributing the funds to Georgia State University Foundation, Inc. ("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, 2019 and 2018, the Board of Directors had designated net assets without donor restrictions of \$470,644 and \$438,566, 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 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, 2019 and 2018, the Association incurred expenses of \$139,226 and \$131,334, respectively, related to the salaries of University employees. At June 30, 2019 and 2018, the amount payable related to the salaries and investment management fees incurred by the University on the Association's behalf was \$17,007 and \$27,215, respectively.

The Association has an agreement with the University whereby royalties received from vendors of products for sales of merchandise with any trademarks of the University are initially remitted to the University. The University is then responsible for remitting the agreed upon percentage of the royalties to the Association. During the year ended June 30, 2019, the University remitted \$35,063 to the Association under the terms of this agreement.

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 \$39,500 was recorded for each of the years ended June 30, 2019 and 2018. Donated supplies in the amount of \$50,718 and \$10,500 for the years ended June 30, 2019 and 2018, respectively, have been reflected in the statements of activities for office supplies, telephone service, printing, postage, copy machine lease charges, and other miscellaneous supplies provided by the University.

Georgia State University Foundation, Inc.

The Association has an 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 percentage of the

NOTES TO FINANCIAL STATEMENTS--Continued

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTE D--RELATED PARTY TRANSACTIONS--Continued

royalties to the Association. During the years ended June 30, 2019 and 2018, the Foundation remitted \$3,046 and \$18,764, 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, 2019 and 2018, the Association contributed \$44,727 and \$48,361, respectively, to the Foundation for scholarships.

NOTE E--LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, comprise the following:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 206,614	\$ 283,682
Accounts receivable	102,410	53,065
Investments	<u>1,166,396</u>	<u>1,103,219</u>
	<u>\$ 1,475,420</u>	<u>\$ 1,439,966</u>

As more fully described in Note C, as of June 30, 2019 and 2018, the Association's Board of Directors had designated net assets of \$470,644 and \$438,566, respectively, to be used for Alumni member events and programs. These funds could be made available if necessary.