

**GEORGIA STATE UNIVERSITY
ALUMNI ASSOCIATION, INC.**

FINANCIAL REPORT

JUNE 30, 2022

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

FINANCIAL REPORT

JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Georgia State University Alumni Association, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of the **Georgia State University Alumni Association, Inc.** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Georgia State University Alumni Association, Inc. as of June 30, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Georgia State University Alumni Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Georgia State University Alumni Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Georgia State University Alumni Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Georgia State University Alumni Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Mauldin & Jenkins, LLC

Atlanta, Georgia
October 14, 2022

**GEORGIA STATE UNIVERSITY
ALUMNI ASSOCIATION, INC.**

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021**

ASSETS	<u>2022</u>	<u>2021</u>
Cash	\$ 508,140	\$ 548,312
Accounts receivable	57,768	29,371
Investments	1,883,492	2,136,413
Prepaid expenses	16,576	34,377
Property and equipment, net	962	1,646
Cash value of life insurance policy	<u>27,031</u>	<u>26,326</u>
 Total assets	 <u><u>\$ 2,493,969</u></u>	 <u><u>\$ 2,776,445</u></u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 28,340	\$ 11,022
Deferred revenues	<u>-</u>	<u>1,478</u>
 Total liabilities	 <u>28,340</u>	 <u>12,500</u>
 Net assets		
Without donor restrictions		
Board-designated fund	578,217	538,186
Undesignated	<u>1,843,568</u>	<u>2,184,915</u>
	<u>2,421,785</u>	<u>2,723,101</u>
With donor restrictions	<u>43,844</u>	<u>40,844</u>
 Total net assets	 <u>2,465,629</u>	 <u>2,763,945</u>
 Total liabilities and net assets	 <u><u>\$ 2,493,969</u></u>	 <u><u>\$ 2,776,445</u></u>

See Notes to Financial Statements.

**GEORGIA STATE UNIVERSITY
ALUMNI ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Lifetime member dues	\$ 49,722	\$ -	\$ 49,722
Affinity program income	160,662	20,090	180,752
Support from Georgia State University	184,562	-	184,562
Special programs	44,170	-	44,170
Contributions	20,753	23,893	44,646
Sponsorships	75,664	-	75,664
Net realized and unrealized loss on investments	(335,367)	-	(335,367)
Dividends and interest, net	43,289	-	43,289
Other income	4,026	-	4,026
Total revenues	<u>247,481</u>	<u>43,983</u>	<u>291,464</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>40,983</u>	<u>(40,983)</u>	<u>-</u>
Total revenues and other support	<u>288,464</u>	<u>3,000</u>	<u>291,464</u>
EXPENSES			
Program services			
Scholarships	111,183	-	111,183
Student and alumni relations	<u>340,973</u>	<u>-</u>	<u>340,973</u>
Total program services	<u>452,156</u>	<u>-</u>	<u>452,156</u>
Supporting services			
Administration and general	107,951	-	107,951
Fundraising	<u>29,673</u>	<u>-</u>	<u>29,673</u>
Total supporting services	<u>137,624</u>	<u>-</u>	<u>137,624</u>
Total expenses	<u>589,780</u>	<u>-</u>	<u>589,780</u>
CHANGE IN NET ASSETS	<u>(301,316)</u>	<u>3,000</u>	<u>(298,316)</u>
NET ASSETS, BEGINNING	<u>2,723,101</u>	<u>40,844</u>	<u>2,763,945</u>
NET ASSETS, ENDING	<u>\$ 2,421,785</u>	<u>\$ 43,844</u>	<u>\$ 2,465,629</u>

See Notes to Financial Statements.

**GEORGIA STATE UNIVERSITY
ALUMNI ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Alumni and student member dues	\$ 72,712	\$ -	\$ 72,712
Affinity program income	179,644	20,070	199,714
Support from Georgia State University	134,316	-	134,316
Special programs	249	-	249
Contributions	24,369	20,914	45,283
Sponsorships	23,570	-	23,570
Net realized and unrealized gains on investments	442,063	-	442,063
Dividends and interest, net	27,969	-	27,969
Other income	417	-	417
Total revenues	<u>905,309</u>	<u>40,984</u>	<u>946,293</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>40,079</u>	<u>(40,079)</u>	<u>-</u>
Total revenues and other support	<u>945,388</u>	<u>905</u>	<u>946,293</u>
EXPENSES			
Program services			
Scholarships	48,718	-	48,718
Student and alumni relations	<u>145,602</u>	<u>-</u>	<u>145,602</u>
Total program services	<u>194,320</u>	<u>-</u>	<u>194,320</u>
Supporting services			
Administration and general	77,422	-	77,422
Fundraising	<u>-</u>	<u>-</u>	<u>-</u>
Total supporting services	<u>77,422</u>	<u>-</u>	<u>77,422</u>
Total expenses	<u>271,742</u>	<u>-</u>	<u>271,742</u>
CHANGE IN NET ASSETS	<u>673,646</u>	<u>905</u>	<u>674,551</u>
NET ASSETS, BEGINNING	<u>2,049,455</u>	<u>39,939</u>	<u>2,089,394</u>
NET ASSETS, ENDING	<u>\$ 2,723,101</u>	<u>\$ 40,844</u>	<u>\$ 2,763,945</u>

See Notes to Financial Statements.

**GEORGIA STATE UNIVERSITY
ALUMNI ASSOCIATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>Scholarships</u>	<u>Student and alumni relations</u>	<u>Total program services</u>	<u>Administration and general</u>	<u>Fundraising</u>	
Labor costs	\$ 5,532	\$ 8,840	\$ 14,372	\$ 24,299	\$ -	\$ 38,671
Accounting and legal	-	-	-	16,906	-	16,906
Professional services	-	3,980	3,980	-	-	3,980
Meeting expenses	-	7,953	7,953	574	-	8,527
Online services	-	21,018	21,018	-	-	21,018
Student and alumni events	-	186,270	186,270	-	-	186,270
Promotional items and gifts	-	93,337	93,337	-	-	93,337
Scholarships	100,000	-	100,000	-	-	100,000
Rent	5,651	9,030	14,681	24,819	-	39,500
Equipment rental	-	9,095	9,095	-	29,673	38,768
Insurance	-	-	-	3,103	-	3,103
Credit card fees	-	-	-	12,536	-	12,536
Depreciation	-	-	-	684	-	684
Other expenses	-	1,450	1,450	25,030	-	26,480
Total Expenses	\$ 111,183	\$ 340,973	\$ 452,156	\$ 107,951	\$ 29,673	\$ 589,780

See Notes to Financial Statements.

**GEORGIA STATE UNIVERSITY
ALUMNI ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Program Services</u>			<u>Supporting Services</u>	<u>Total</u>
	<u>Scholarships</u>	<u>Student and alumni relations</u>	<u>Total program services</u>	<u>Administration and general</u>	
Labor costs	\$ 5,091	\$ 41,419	\$ 46,510	\$ 22,159	\$ 68,669
Accounting and legal	-	-	-	26,827	26,827
Professional services	-	5,790	5,790	-	5,790
Meeting expenses	-	1,696	1,696	628	2,324
Online services	-	18,979	18,979	-	18,979
Student and alumni events	-	30,940	30,940	-	30,940
Promotional items and gifts	120	21,778	21,898	-	21,898
Scholarships	40,079	-	40,079	-	40,079
Rent	2,928	23,826	26,754	12,746	39,500
Equipment rental	-	-	-	2,257	2,257
Insurance	-	-	-	3,088	3,088
Credit card fees	-	-	-	7,057	7,057
Depreciation	-	-	-	952	952
Other expenses	500	1,174	1,674	1,708	3,382
Total Expenses	\$ 48,718	\$ 145,602	\$ 194,320	\$ 77,422	\$ 271,742

See Notes to Financial Statements.

**GEORGIA STATE UNIVERSITY
ALUMNI ASSOCIATION, INC.**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (298,316)	\$ 674,551
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	684	952
Unrealized and realized loss (gain) on investments, net	292,078	(470,642)
(Increase) decrease in accounts receivable	(28,397)	18,222
(Increase) in cash value of life insurance policy	(705)	(693)
Decrease in prepaid expenses	17,801	5,929
Increase in accounts payable	17,318	5,699
(Decrease) in deferred revenues	(1,478)	(11,875)
Net cash (used in) provided by operating activities	<u>(1,015)</u>	<u>222,143</u>
INVESTING ACTIVITIES		
Purchases of investments	<u>(39,157)</u>	<u>(35,030)</u>
Net cash (used in) investing activities	<u>(39,157)</u>	<u>(35,030)</u>
Net (decrease) increase in cash	(40,172)	187,113
Cash at beginning of year	<u>548,312</u>	<u>361,199</u>
Cash at end of year	<u>\$ 508,140</u>	<u>\$ 548,312</u>

See Notes to Financial Statements.

GEORGIA STATE UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of activities:

The Georgia State University Alumni Association, Inc. (the "Association"), is a not-for-profit association exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). The Association was formed and incorporated under the laws of the State of Georgia in 1929 to offer 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.

Significant accounting policies:

Basis of presentation:

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Association presents its financial statements in accordance with the Financial Accounting Standards Board (FASB)'s Not-For-Profit presentation and disclosure guidance. Under this guidance, the Association is required to report information regarding its financial position and activities according to two categories of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions consists of net assets that are not subject to donor-imposed stipulations, which are used to account for resources available to carry out the purposes of the Association. The principal sources of funds generated for net assets without donor restrictions are contributions and program revenues. Board designated net assets are without donor restriction but are designated by the Board to be spent for specific purposes.

As of June 30, 2022 and 2021, the Board of Directors had designated net assets without donor restrictions of \$578,217 and \$538,186, respectively, to be used for Alumni member events and programs.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Basis of presentation: (Continued)

Net assets with donor restrictions consists of net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Membership dues revenue and program and event registration income:

Alumni and student member dues revenues are recognized upon receipt, as they are considered contributions. Membership dues revenue are not considered to be renewed nor revenue earned until dues are paid. Therefore, receivables are not recorded for unpaid dues.

Affinity Program Income:

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 59% and 83% derived from one organization for the years ended June 30, 2022 and 2021, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Contributions:

Contributions received, including unconditional promises to give, are recognized as revenues in the period received at their estimated fair value. Conditional promises to give are recognized when the conditions are substantially met.

Cash and cash equivalents:

Cash and cash equivalents include cash and highly liquid investments that are readily convertible into cash and have a maturity of ninety days or less when purchased. At times, cash and cash equivalents may exceed federally insured amounts. The Association believes it mitigates risks by depositing cash and investing in cash equivalents with major financial institutions.

Donated facilities and services:

Donated facilities and services revenue is reflected under revenues and other support in the accompanying statements of activities at their estimated values at the date of receipt. Donated facilities and services expense, which primarily represents use of office space, salaries, and supplies paid by the University on behalf of the Association, is reflected in the accompanying statements of activities and statements of functional expenses. Donated facilities and supplies totaled \$184,562 and \$134,316 for the years ended June 30, 2022 and 2021, respectively.

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, 2022 and 2021, management expected full collection on outstanding accounts receivable. Therefore, there was no allowance for doubtful accounts. During the years ended June 30, 2022 and 2021, the Association recognized no bad debt expense.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Investments:

The Association's investments are held on its behalf by the Georgia State University Foundation, Inc., with its long-term investment Trustee, Northern Trust, and is accounted for as an agency relationship.

Investments consist primarily of equity mutual funds and are carried at fair value. Investment expenses incurred totaled \$15,922 and \$21,610, for the years ended June 30, 2022 and 2021, respectively.

Interest income is included in the accompanying statements of activities.

Use of estimates:

The Association prepares its financial statements in accordance with generally accepted accounting principles which require management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements, as well as the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Fair value of financial instruments:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents - The carrying amount approximates fair value because of the short-term maturity of these instruments.

Investments - Investments are carried at fair value based on quoted market prices for those or similar investments, third party pricing service for identical or similar investments, or from other valuation methodologies including option pricing models, discounted cash flows, and similar techniques.

The Association follows FASB's fair value measurements and disclosure guidance, which provides a framework for measuring fair value under generally accepted accounting principles. This guidance applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in the FASB issued guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Association uses various methods including market, income, and cost approaches.

Based on these approaches, the Association often utilizes certain assumptions that market participants would use in pricing the assets or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Association utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Association is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Fair value of financial instruments: (Continued)

Level 1 – Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of these instruments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

For the years ended June 30, 2022 and 2021, the application of valuation techniques applied to similar assets and liabilities has been consistent.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Income tax status:

The Association qualifies as a tax-exempt organization as described in Internal Revenue Code Section 501(c)(3) and has been classified by the Internal Revenue Service as a publicly supported organization and not as a private Association. However, income from certain activities not directly related to the Association's tax-exempt purpose is subject to taxation as unrelated business income. The Association follows the statutory requirements for its income tax accounting and generally avoids risks associated with potentially problematic tax positions that may be challenged upon examination. Management believes any liability resulting from taxing authorities imposing additional income taxes from activities deemed to be unrelated to the Association's tax-exempt status would not have a material effect on the Association's financial statements.

The Association files Form 990 in the U.S. federal jurisdiction and the State of Georgia.

Functional allocation of expenses:

The cost of providing the various programs and other activities have been summarized on a functional basis on the statements of activities and statements of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Furthermore, all other costs have been allocated among the programs and supporting services benefited as required by FASB's *Not-for Profit* presentation and disclosure guidance. Donated labor costs, rent, and postage and shipping include certain expenses that are allocated on the basis of estimates of time and effort.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Recent accounting pronouncements:

In September 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* to increase the transparency through enhancements to financial statement presentation and disclosure of contributed nonfinancial assets, or gifts in-kind.

For the year ending June 30, 2022, the Association adopted ASU 2020-07 and has adjusted the presentation in these financial statements accordingly. This adjustment did not have an effect on total net assets or the change in net assets for the years ended June 30, 2022 and 2021.

NOTE 2. LIQUIDITY AND AVAILABILITY

The Association manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the Association are expected to be met on a monthly basis from the program and event registration income revenues generated, affinity revenues, and contributions. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position as of June 30, 2022 and 2021, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 508,140	\$ 548,312
Accounts receivable	57,768	29,371
Investments	<u>1,883,492</u>	<u>2,136,413</u>
Total financial assets	2,449,400	2,714,096
Cash restricted by donor with purpose restrictions	<u>(43,844)</u>	<u>(40,844)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,405,556</u>	<u>\$ 2,673,252</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LIQUIDITY AND AVAILABILITY (Continued)

The Association's investments are held on its behalf by the Georgia State University Foundation, Inc. with its long-term investments Trustee, Northern Trust, and is invested as described in Note 1. As of June 30, 2022 and 2021, the market value of these investments was \$1,883,492 and \$2,136,413, respectively. Included in that amount as of June 30, 2022 and 2021, is the Association's board designated funds of \$578,217 and \$538,186, respectively, to be used for Alumni member events and programs. These funds could be made available if necessary.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2022 and 2021, consists of the following:

	2022	2021
Equipment	\$ 874	\$ 874
Furniture	16,036	16,036
Leasehold improvements	8,960	8,960
	25,870	25,870
Less accumulated depreciation	24,908	24,224
	\$ 962	\$ 1,646

Depreciation expense totaled \$684 and \$952 for the years ended June 30, 2022 and 2021, respectively.

NOTE 4. FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, the Association's investments at fair value as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Equity mutual funds	\$ 1,225,230	\$ -	\$ -	\$ 1,225,230
Government agencies mutual funds	68,100	-	-	68,100
Fixed income funds	343,175	-	-	343,175
Real estate investment trust	44,512	-	-	44,512
Corporate bond mutual funds	193,887	-	-	193,887
Cash and cash equivalents	8,588	-	-	8,588
Total investments	\$ 1,883,492	\$ -	\$ -	\$ 1,883,492

NOTES TO FINANCIAL STATEMENTS

NOTE 4. FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Association's investments at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Equity mutual funds	\$ 1,737,812	\$ -	\$ -	\$ 1,737,812
Government agencies mutual funds	53,514	-	-	53,514
Fixed income funds	107,257	-	-	107,257
Real estate investment trust	41,908	-	-	41,908
Corporate bond mutual funds	182,555	-	-	182,555
Cash and cash equivalents	13,367	-	-	13,367
Total investments	\$ 2,136,413	\$ -	\$ -	\$ 2,136,413

NOTE 5. 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, the University, and the Foundation.

Georgia State University

The University shares the cost of operations of the Association by providing the services of certain University employees. The University allocated the salaries of two full time employees based on their estimated time spent on Association activities. During the years ended June 30, 2022 and 2021, the University contributed services of \$37,335 and \$68,669, respectively, to the Association.

The Association has an agreement with the University whereby royalties received from vendors for 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 years ended June 30 2022 and 2021, the University remitted \$44,843 and \$18,398, respectively, to the Association under the terms of this agreement.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RELATED PARTY TRANSACTIONS (Continued)

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 both the years ended June 30, 2022 and 2021. Donated supplies in the amount of \$67,044 and \$26,147 for the years ended June 30, 2022 and 2021, 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.

During the years ended June 30, 2022 and 2021, the Association contributed \$100,000 and \$40,079, respectively, to the Foundation for scholarships.

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following as of June 30, 2022 and 2021:

	2022	2021
Subject to expenditure for specified purpose:		
Scholarships	\$ 43,844	\$ 40,844
Total subject to expenditure for specified purpose:	\$ 43,844	\$ 40,844

At June 30, 2022 and 2021, net assets with donor restrictions consisted of cash.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2022 and 2021:

	2022	2021
Satisfaction of purpose restrictions:		
Scholarships	\$ 40,983	\$ 40,079
Total subject to expenditure for specified purpose:	\$ 40,983	\$ 40,079

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CONTRIBUTED SERVICES AND MATERIALS

For the years ended June 30, 2022 and 2021, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2022</u>	<u>2021</u>
Salaries and benefits	\$ 37,335	\$ 68,669
Special events	97,017	21,347
Online services	10,710	4,800
Rent	39,500	39,500
	<u>\$ 184,562</u>	<u>\$ 134,316</u>

The Association recognized contributed nonfinancial assets within revenue, including contributed supplies, equipment, promotional materials, online subscriptions, and other services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services and materials is included in Management and General on the Statement of Functional Expenses.

In valuing contributed materials, the Association estimated fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States. In valuing contributed services, the Association estimated fair value based on current rates for similar services.

NOTE 8. SUBSEQUENT EVENTS

The Association has evaluated subsequent events occurring through October 14, 2022 the date on which the financial statements were available to be issued.