

**EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.**  
(A COMPONENT UNIT OF EASTERN ILLINOIS UNIVERSITY)

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2021 AND 2020**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Eastern Illinois University Alumni Association, Inc.  
Charleston, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Eastern Illinois University Alumni Association, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, 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 and 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 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 auditor considers 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.

Board of Directors  
Eastern Illinois University Alumni Association, Inc.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eastern Illinois University Alumni Association, Inc. as of June 30, 2021 and 2020, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2021, on our consideration of Eastern Illinois University Alumni Association, Inc.'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Eastern Illinois University Alumni Association, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eastern Illinois University Alumni Association, Inc.'s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Peoria, Illinois  
October 4, 2021



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Eastern Illinois University Alumni Association, Inc.  
Charleston, Illinois

We have audited, in accordance with the 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, the financial statements of Eastern Illinois University Alumni Association, Inc. which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 4, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Eastern Illinois University Alumni Association, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eastern Illinois University Alumni Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Eastern Illinois University Alumni Association, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Peoria, Illinois  
October 4, 2021

**EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

|   | 2021         | 2020         |
|---|--------------|--------------|
| <b>ASSETS</b>   |              |              |
| <b>CURRENT ASSETS</b>                                   |              |              |
| Cash and Cash Equivalents                               | \$ 199,165   | \$ 68,219    |
| Investments   | 2,553,860    | 2,221,348    |
| Accounts Receivable                                     | 6,710        | 5,149        |
| Prepaid Expenses  | 692          | 895          |
| Total Current Assets                                    | 2,760,427    | 2,295,611    |
| <b>NONCURRENT ASSETS</b>                                |              |              |
| Accounts Receivable, Noncurrent Portion                 | 13,790       | 9,500        |
| Property and Equipment, Net of Accumulated Depreciation | 137,314      | 142,281      |
| Total Noncurrent Assets                                 | 151,104      | 151,781      |
| Total Assets  | \$ 2,911,531 | \$ 2,447,392 |
| <b>LIABILITIES AND NET ASSETS</b>                       |              |              |
| <b>CURRENT LIABILITIES</b>                              |              |              |
| Accounts Payable  | \$ 3,960     | \$ 8,204     |
| Deferred Revenue  | 24,807       | 22,127       |
| Total Liabilities                                       | 28,767       | 30,331       |
| <b>NET ASSETS</b>                                       |              |              |
| Without Donor Restrictions                              | 2,882,764    | 2,417,061    |
| Total Net Assets  | 2,882,764    | 2,417,061    |
| Total Liabilities and Net Assets                        | \$ 2,911,531 | \$ 2,447,392 |

See accompanying Notes to Financial Statements.

**EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2021 AND 2020**

|                                     | Without Donor Restrictions |                            |
|-------------------------------------|----------------------------|----------------------------|
|                                     | <u>2021</u>                | <u>2020</u>                |
| <b>REVENUE, SUPPORT, AND GAINS</b>  |                            |                            |
| Contributions                       | \$ 2,075                   | \$ 2,118                   |
| Membership Dues                     | 71,835                     | 52,775                     |
| Royalties                           | 20,000                     | 20,000                     |
| Investment Income, Net of Fees      | 62,079                     | 60,623                     |
| Realized Gain (Loss) on Investments | 26,754                     | (13,204)                   |
| Unrealized Gain on Investments      | 445,429                    | 3,763                      |
| Service Contract With University    | 153,634                    | 107,692                    |
| Other Operating Income              | -                          | 2,218                      |
| Total Revenue, Support, and Gains   | <u>781,806</u>             | <u>235,985</u>             |
| <b>EXPENSES</b>                     |                            |                            |
| Program Services                    | 250,719                    | 183,651                    |
| Management and General              | 65,384                     | 60,008                     |
| Total Expenses                      | <u>316,103</u>             | <u>243,659</u>             |
| <b>CHANGE IN NET ASSETS</b>         | 465,703                    | (7,674)                    |
| Net Assets - Beginning of Year      | <u>2,417,061</u>           | <u>2,424,735</u>           |
| <b>NET ASSETS - END OF YEAR</b>     | <u><u>\$ 2,882,764</u></u> | <u><u>\$ 2,417,061</u></u> |

See accompanying Notes to Financial Statements.

**EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

|                                  | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Total</u>      |
|----------------------------------|-----------------------------|-----------------------------------|-------------------|
| Scholarship Awards               | \$ 5,000                    | \$ -                              | \$ 5,000          |
| Gifts/Grants to the University   | 77,870                      | -                                 | 77,870            |
| Personnel Services               | 109,619                     | 45,515                            | 155,134           |
| Printing                         | 16,254                      | 92                                | 16,346            |
| Postage, Telephone, and Supplies | 8,828                       | 785                               | 9,613             |
| Professional Fees                | -                           | 10,675                            | 10,675            |
| Meetings and Travel              | 17,064                      | 20                                | 17,084            |
| Insurance                        | 1,617                       | 2,312                             | 3,929             |
| Bank Fees                        | -                           | 548                               | 548               |
| Building Repairs and Maintenance | 10,171                      | 4,766                             | 14,937            |
| Depreciation                     | 4,296                       | 671                               | 4,967             |
|                                  | <u>          </u>           | <u>          </u>                 | <u>          </u> |
| Total Expenses by Function       | <u>\$ 250,719</u>           | <u>\$ 65,384</u>                  | <u>\$ 316,103</u> |
| Functional Expense Percentage    | <u>79.3%</u>                | <u>20.7%</u>                      | <u>100.0%</u>     |

See accompanying Notes to Financial Statements.

**EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

|                                  | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Total</u>      |
|----------------------------------|-----------------------------|-----------------------------------|-------------------|
| Scholarship Awards               | \$ 5,000                    | \$ -                              | \$ 5,000          |
| Gifts/Grants to the University   | 37,520                      | -                                 | 37,520            |
| Personnel Services               | 77,442                      | 31,857                            | 109,299           |
| Printing                         | 17,068                      | 100                               | 17,168            |
| Postage, Telephone, and Supplies | 8,069                       | 1,210                             | 9,279             |
| Professional Fees                | -                           | 9,701                             | 9,701             |
| Meetings and Travel              | 30,693                      | 8,615                             | 39,308            |
| Insurance                        | 1,629                       | 2,824                             | 4,453             |
| Bank Fees                        | -                           | 763                               | 763               |
| Building Repairs and Maintenance | 1,894                       | 4,307                             | 6,201             |
| Depreciation                     | 4,336                       | 631                               | 4,967             |
|                                  | <u>183,651</u>              | <u>60,008</u>                     | <u>243,659</u>    |
| Total Expenses by Function       | <u>\$ 183,651</u>           | <u>\$ 60,008</u>                  | <u>\$ 243,659</u> |
| Functional Expense Percentage    | <u>75.4%</u>                | <u>24.6%</u>                      | <u>100.0%</u>     |

*See accompanying Notes to Financial Statements.*

**EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

|   | 2021        | 2020        |
|---|-------------|-------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |             |             |
| Membership Dues   | \$ 68,664   | \$ 49,950   |
| Gifts   | 2,075       | 2,118       |
| Royalties   | 20,000      | 20,000      |
| Other Receipts  | -           | 2,218       |
| Payments of Scholarships and Grants/Awards to Others                                    | (82,870)    | (42,520)    |
| Payments to Supplies and Vendors  | (78,673)    | (92,003)    |
| Net Cash Used by Operating Activities   | (70,804)    | (60,237)    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |             |             |
| Interest on Investments   | 62,079      | 60,623      |
| Proceeds from Investments Sold  | 413,891     | 1,121,537   |
| Purchase of Investments   | (274,220)   | (1,080,567) |
| Net Cash Provided by Investing Activities   | 201,750     | 101,593     |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>  | 130,946     | 41,356      |
| Cash and Cash Equivalents - Beginning of Year   | 68,219      | 26,863      |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>  | \$ 199,165  | \$ 68,219   |
| <b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES</b>  |             |             |
| Change in Net Assets  | \$ 465,703  | \$ (7,674)  |
| Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities: |             |             |
| Depreciation  | 4,967       | 4,967       |
| Realized (Gain) Loss on Sale of Investments   | (26,754)    | 13,204      |
| Unrealized Gain on Sale of Investments  | (445,429)   | (3,763)     |
| Investment Income, Net of Fees  | (62,079)    | (60,623)    |
| Change in Assets and Liabilities:   |             |             |
| Accounts Receivable   | (5,851)     | (3,349)     |
| Prepaid Expenses  | 203         | 477         |
| Accounts Payable  | (4,244)     | (4,000)     |
| Deferred Revenue  | 2,680       | 524         |
| Net Cash Used by Operating Activities   | \$ (70,804) | \$ (60,237) |

See accompanying Notes to Financial Statements.

**EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Eastern Illinois University Alumni Association, Inc. (the Association), located in Charleston, Illinois, was incorporated under the laws of the state of Illinois as a nonprofit organization. The primary function of the Association is to support and foster the overall mission of the Eastern Illinois University by inspiring the loyalty and commitment of all alumni. The Association is supported primarily through membership dues, royalty income, and the service contract with Eastern Illinois University.

**Financial Reporting Entity**

The Association is a component unit of Eastern Illinois University, and the Association's financial statements are also included as part of Eastern Illinois University's financial statements and the state of Illinois Comprehensive Annual Financial Report.

**Basis of Presentation**

The financial statement presentation follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not-for-Profit Entities*. Under FASB ASC 958, the Association is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets with donor restrictions can be temporary in nature, which includes contributed net assets for which donor-imposed time and/or purpose restrictions have not been met. Other donor-imposed restrictions are permanent in nature, which includes contributed net assets which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions. For the years ended June 30, 2021 and 2020, no net assets with donor restrictions existed.

**Use of Estimates**

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

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Association considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**Investments**

Investments are comprised of mutual funds. Unrealized gains and losses are included in the change in net assets.

The Association follows FASB ASC 820-10 *Fair Value Measurements*, which provides a framework for measuring fair value under accounting principles generally accepted in the United States of America. FASB ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

**EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments (Continued)**

FASB ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. FASB ASC 820-10 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels as described below.

*Level 1* – Inputs to the valuation methodology derived from unadjusted quoted prices for identical assets or liabilities in active markets.

*Level 2* – Other observable inputs including quoted prices for similar assets or liabilities in active or inactive markets, and inputs that are principally derived from or corroborated by observable market data by correlation or other means.

*Level 3* – Inputs to the valuation methodology which are unobservable and significant to the fair value measurements. These inputs are only used when Level 1 or Level 2 inputs are not available.

**Accounts Receivable**

The Association records uncollateralized amounts owed on installment membership as receivables. It has adjusted these receivables for all known uncollectible accounts and no allowance for bad debts is considered necessary at June 30, 2021 and 2020.

**Revenue Recognition**

Revenue from contracts with customers is recognized when the services are performed in an amount that reflects the consideration expected to be received in exchange for these services.

The timing of revenue recognition, billings, and cash collections can result in receivables, contract assets, and contract liabilities. Accounts receivable are recorded when the right to consideration becomes unconditional and are presented separately in the statements of financial position. The Association does not have significant contract assets as of June 30, 2021 and 2020. Contract liabilities, which relate to amounts that are received as of June 30, 2021 and 2020, prior to a portion of the membership period, were \$24,807 and \$22,127, respectively, and are included in deferred revenue on the statements of financial position.

The following describes the Association's significant revenue streams:

***Contributions***

Contributions received are recognized as net assets without or with donor restrictions, depending on the absence or existence and nature of any donor-imposed restrictions.

***Royalties***

The Association receives royalty revenue annually based on an annual contract that allows USI Affinity to use the Association's name in promoting it to the Association members. The revenue amount is based on competition and is a constantly changing environment and is recorded when received.

**EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

*Service Contract with University*

The Association has an agreement with Eastern Illinois University (University) to coordinate the University's alumni activities. The University provides the Association with in-kind services in an amount not to exceed the Association's cost of coordinating these activities.

*Membership Dues*

Membership revenue is recognized during the time when the membership term falls. The remaining membership revenue is deferred and then recognized in the fiscal year for which that period of the membership term falls.

**Income Taxes**

The Association is a nonprofit corporation and is exempt from income taxes under Section 501(c)3 of the Internal Revenue Code and has been determined not to be a private foundation.

**Accounting for Uncertain Tax Positions**

The Association accounts for uncertainty in income taxes in accordance with FASB ASC 740-10 *Accounting for Uncertainty in Income Taxes*. FASB ASC 740-10 provides guidance for the financial statement recognition, measurement and disclosure of tax positions when it is more likely than not that the positions will be sustained upon examination of tax authorities.

The Association files informational returns in the U.S. federal jurisdiction and the state of Illinois. The Association's federal and state informational returns are subject to possible examination by the regulatory authorities until the related statutes of limitations on those information returns have expired. In general, both the federal informational return and state informational return have three-year statutes of limitations. The Association is not currently subject to an examination of the Association's informational returns by these regulatory authorities. As of June 30, 2021, the Association has no unrecognized tax benefits.

**Property and Equipment**

Property and equipment are recorded at cost at the date of acquisition, or fair value at the date of donation in the case of gifts. For equipment, the Association's capitalization policy includes all items with a unit cost of \$500 or more and for land, buildings, and improvements its capitalization policy is \$5,000 or more. Renovations to buildings and equipment that significantly increase the value or extend the useful life of the asset are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 15 to 25 years for land improvements and building improvements, and 4 to 7 years for equipment.

**EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Impairment of Long-Lived Assets**

The Association reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

**Functional Expense Allocation**

The financial statements report certain categories of expenses that are attributable to program or supporting functions of the Association. The Association uses a percentage of time spent on the direct conduct or supervision of programs that fulfill the Association's mission compared to the time spent on administrative duties to allocate salaries. Depreciation and insurance expenses are allocated based on the percentage of the employee's time spent on the direct conduct or supervision of program services. All other program and supporting service allocations are determined by management on an equitable basis.

**Subsequent Events**

Management has considered subsequent events occurring through October 4, 2021, which is the date these financial statements were available to be issued. Management believes no such events require any additional disclosures.

**NOTE 2 CONCENTRATION OF CREDIT RISK**

At June 30, 2021 and 2020, the carrying amount of the Association's cash deposits was \$199,165 and \$68,219, respectively. The cash deposits are held with the Eastern Illinois University, with the majority of the cash balances being held with The Illinois Funds. Investments in The Illinois Funds, a money market pool created by the Illinois State Legislature under the control of the Illinois State Treasurer, is reported at \$1 per share value, which equals the Association's fair value of the pool.

**EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 3 INVESTMENTS**

The Association's board of directors takes oversight of the Association's investment policy. Investments shown below were measured at fair value as described in Note 1. The policy is structured to provide guidance to external managers as they strive to meet the Association's goals. They seek to limit the overall level of risk commensurate with the chosen policy asset allocation. The Association has no legal or contractual restrictions on the type of investments it purchases. On the statements of activities, investment income is netted with investment fees.

|                      | <u>Cost</u>         | <u>Fair Value</u>   | <u>Level 1</u>      |
|----------------------|---------------------|---------------------|---------------------|
| <u>June 30, 2021</u> |                     |                     |                     |
| Equity Mutual Funds  | \$ 1,076,934        | \$ 1,604,009        | \$ 1,604,009        |
| Bond Mutual Funds    | 911,291             | 949,851             | 949,851             |
| Total Investments    | <u>\$ 1,988,225</u> | <u>\$ 2,553,860</u> | <u>\$ 2,553,860</u> |
| <u>June 30, 2020</u> |                     |                     |                     |
| Equity Mutual Funds  | \$ 1,158,928        | \$ 1,234,811        | \$ 1,234,811        |
| Bond Mutual Funds    | 971,467             | 986,537             | 986,537             |
| Total Investments    | <u>\$ 2,130,395</u> | <u>\$ 2,221,348</u> | <u>\$ 2,221,348</u> |

The following schedule summarized the investment return and its classification in the statements of activities for the years ended June 30, 2021 and 2020:

|                         | <u>Without Donor Restrictions</u> |                  |
|-------------------------|-----------------------------------|------------------|
|                         | <u>2021</u>                       | <u>2020</u>      |
| Investment Income       | \$ 75,158                         | \$ 72,722        |
| Investment Fees         | (13,079)                          | (12,099)         |
| Realized Gains (Loss)   | 26,754                            | (13,204)         |
| Unrealized Gains        | 445,429                           | 3,763            |
| Total Investment Return | <u>\$ 534,262</u>                 | <u>\$ 51,182</u> |

**EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 4 LIQUIDITY**

The Association had \$2,759,735 and \$2,294,716 of financial assets available within one year of the balance sheet as of June 30, 2021 and 2020, respectively. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Association invests cash in excess of daily requirements in various short-term investments.

The Association's financial assets available within one year of the balance sheet date for general expenditure are as follows:

|                                      | <u>2021</u>         | <u>2020</u>         |
|--------------------------------------|---------------------|---------------------|
| Cash and Cash Equivalents            | \$ 199,165          | \$ 68,219           |
| Accounts Receivable, Current Portion | 6,710               | 5,149               |
| Short-Term Investments               | <u>2,553,860</u>    | <u>2,221,348</u>    |
| Total                                | <u>\$ 2,759,735</u> | <u>\$ 2,294,716</u> |

**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2021, was as follows:

|   | <u>Beginning<br/>of Year</u> | <u>Additions</u>  | <u>Disposals</u> | <u>End<br/>of Year</u> |
|---|------------------------------|-------------------|------------------|------------------------|
| Property and Equipment Not Being Depreciated:     |                              |                   |                  |                        |
| Land  | \$ 33,357                    | \$ -              | \$ -             | \$ 33,357              |
| Other Depreciable Property and Equipment:         |                              |                   |                  |                        |
| Buildings and Improvements                        | <u>244,492</u>               | <u>-</u>          | <u>-</u>         | <u>244,492</u>         |
| Total Property and Equipment Being<br>Depreciated | 244,492                      | -                 | -                | 244,492                |
| Less: Accumulated Depreciation for:               |                              |                   |                  |                        |
| Buildings and Improvements                        | <u>135,568</u>               | <u>4,967</u>      | <u>-</u>         | <u>140,535</u>         |
| Total Accumulated Depreciation                    | <u>135,568</u>               | <u>4,967</u>      | <u>-</u>         | <u>140,535</u>         |
| Property and Equipment Being<br>Depreciated, Net  | <u>108,924</u>               | <u>(4,967)</u>    | <u>-</u>         | <u>103,957</u>         |
| Total Property and Equipment, Net                 | <u>\$ 142,281</u>            | <u>\$ (4,967)</u> | <u>\$ -</u>      | <u>\$ 137,314</u>      |

Depreciation expense for the year ended June 30, 2021 was \$4,967.

**EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 5 PROPERTY AND EQUIPMENT (CONTINUED)**

Property and equipment at June 30, 2020, was as follows:

|  | Beginning<br>of Year | Additions         | Disposals   | End<br>of Year    |
|--|----------------------|-------------------|-------------|-------------------|
| Property and Equipment Not Being Depreciated:                                      |                      |                   |             |                   |
| Land   | \$ 33,357            | \$ -              | \$ -        | \$ 33,357         |
| Other Depreciable Property and Equipment:  |                      |                   |             |                   |
| Buildings and Improvements   | 244,492              | -                 | -           | 244,492           |
| Equipment  | 6,748                | -                 | 6,748       | -                 |
| Total Property and Equipment Being<br>Depreciated                                  | 251,240              | -                 | 6,748       | 244,492           |
| Less: Accumulated Depreciation for:  |                      |                   |             |                   |
| Buildings and Improvements   | 130,601              | 4,967             | -           | 135,568           |
| Equipment  | 6,748                | -                 | 6,748       | -                 |
| Total Accumulated Depreciation<br>Property and Equipment Being<br>Depreciated, Net | 137,349              | 4,967             | 6,748       | 135,568           |
|  | 113,891              | (4,967)           | -           | 108,924           |
| Total Property and Equipment, Net  | <u>\$ 147,248</u>    | <u>\$ (4,967)</u> | <u>\$ -</u> | <u>\$ 142,281</u> |

Depreciation expense for the year ended June 30, 2020, was \$4,967.

**NOTE 6 SIGNIFICANT TRANSACTIONS WITH THE PRIMARY GOVERNMENT**

During the years ended June 30, 2021 and 2020, the Association had an agreement with Eastern Illinois University (University) to coordinate the University's alumni activities. The University agreed to provide the Association with money or in-kind services in an amount not to exceed the Association's cost of coordinating these activities. The Association has also agreed to pay the University for all facilities, services, and resources used. The payment is to be either in the form of money or its equivalent in services or resources.

In fulfilling its fiscal years 2021 and 2020 contracts with the University, the Association incurred \$162,469 and \$135,967, respectively, in total paid expenses, which include gifts/grants without donor restrictions of \$82,870 and \$42,250 respectively, paid to the University. In addition, the University provided in-kind support in the form of personnel and office space valued at \$153,634 and \$107,692 for the years ended June 30, 2021 and 2020, respectively. This information is shown as revenue under the caption of Service Contract with the University, and expenses are allocated between Program Service and Management and General captions on the statements of activities. In addition, the Association provided the use of its facilities at no charge to the University for both years. The value of the facilities was \$51,510 and \$52,729 for the years ended June 30, 2021 and 2020, respectively. The value of the facilities is not reflected in the financial statements.

**EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 7 ROYALTIES**

The Association has an agreement with an insurance company to provide products to alumni during fiscal years 2021 and 2020. In fiscal years 2021 and 2020, the Association received \$20,000 in royalties from USI Affinity.

**NOTE 8 RISKS AND UNCERTAINTIES**

The World Health Organization has declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Association, COVID-19 may impact various parts of its future operations and financial results. Management believes the Association is taking appropriate actions to mitigate the negative impact.