AGENDA

I. Call to Order – Rick Wysocki, President

II. Roll Call – Tina Singleton, Corporate Secretary

<table>
<thead>
<tr>
<th>Gary Heflin</th>
<th>Rick Wysocki</th>
</tr>
</thead>
<tbody>
<tr>
<td>Molly Hudgins</td>
<td>Greg Wright</td>
</tr>
<tr>
<td>Dede Ittner</td>
<td>Michelle Suarez (Executive Director)</td>
</tr>
<tr>
<td>Larry Mieldezi</td>
<td>Patrice DeBlois (Asst. Treasurer/Controller)</td>
</tr>
<tr>
<td>Scott Moller</td>
<td>Pat Hewson (Legal Counsel)</td>
</tr>
<tr>
<td>Allison Niendiek</td>
<td>Tina Singleton (Corporate Secretary)</td>
</tr>
<tr>
<td>Laura Soucy</td>
<td></td>
</tr>
</tbody>
</table>

III. Action on Minutes of October 18, 2018 – Rick Wysocki

IV. President’s Comments – Rick Wysocki

V. Executive Director’s Report – Michelle Suarez

VI. Chancellor Comments – John Dunn

VII. Vice Chancellor’s Comments – Rae Goldsmith

VIII. Treasurer’s Report – Greg Wright

IX. Other Committee Reports – Rick Wysocki

- Athletics Committee – Rick Wysocki
- Audit – Greg Wright
- College/Professional School Relations – Allison Niendiek
- Communications – Molly Hudgins
- Investments – Scott Moller
- Member Services – Allison Niendiek
- Policy and Organization – Molly Hudgins
  - Bylaw Changes – Student Directors
- Scholarships – Gary Heflin
- Student Relations – Laura Soucy
• Constituent Organizations – Gary Heflin
• Saluki Alumni Plaza project – Larry Mieldezis
• SIUAA Planning Committee – Rick Wysocki

X. Old Business – Rick Wysocki

• Alumni Magazine Progress Report – Dede Ittner
• Update of Problem Payments/Unclaimed Property – Patrice DeBlois

XI. New Business – Rick Wysocki

• Revision to Spending Policy (Purchasing, Receiving, Disbursement Guidelines and Processing Procedures) – Patrice DeBlois

XII. Announcements – Rick Wysocki

• Day of Giving – March 6, 2019
• Men’s MVC Basketball Tournament – March 7 – 10, 2019
• SIU Day – Friday, April 26, 2019
• Spring 2019 Executive Committee Meeting – Friday, April 26, 2019
• Distinguished Alumni Ceremony – Friday, April 26, 2019
• Spring Board and Directors Social – Friday, April 26, 2019
• Spring 2019 Board of Directors Meeting – Saturday, April 27, 2019
• 46th Annual Great Cardboard Boat Regatta – Saturday, April 27, 2019
  Becker Pavilion (Boat Dock) – 1:00 p.m.
• SIU Day at Busch Stadium – Saturday, June 1, 2019
• SIU Day at Wrigley Field – Sunday, June 9, 2019
• SIU Day at Brookfield Zoo – Saturday, June 22, 2019
• Black Alumni Group Reunion – July 18 – 21, 2019

*Visit www.siualumni.com for a complete list of events.
XII. Adjournment – Rick Wysocki
## Engagement Report
### FY 2019 Report Quarter 2

<table>
<thead>
<tr>
<th>MEMBERSHIP</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
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<tbody>
<tr>
<td>Total Members</td>
<td>16,518</td>
<td>15,993</td>
<td>15,188</td>
<td>14,933</td>
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<tr>
<td>Students</td>
<td>198</td>
<td>175</td>
<td>129</td>
<td>102</td>
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<tr>
<td>Recent Graduates</td>
<td>475</td>
<td>227</td>
<td>258</td>
<td>273</td>
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<tr>
<td>Annual</td>
<td>2,743</td>
<td>2,601</td>
<td>2,194</td>
<td>2,038</td>
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<tr>
<td>Life</td>
<td>11,540</td>
<td>11,463</td>
<td>11,373</td>
<td>11,326</td>
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<tr>
<td>3 Year</td>
<td>1,530</td>
<td>1,486</td>
<td>1,194</td>
<td>1,155</td>
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<tr>
<td>Golden Saluki</td>
<td>34</td>
<td>44</td>
<td>40</td>
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<table>
<thead>
<tr>
<th>COMMUNICATIONS</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
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<tbody>
<tr>
<td>Emails Sent</td>
<td>95</td>
<td>157</td>
<td>121</td>
<td>36</td>
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<tr>
<td>Email Distribution</td>
<td>2,527,578</td>
<td>2,435,033</td>
<td>3,842,096</td>
<td>2,133,826</td>
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<tr>
<td>SIUAA Facebook Page Fans</td>
<td>17,629</td>
<td>17,142</td>
<td>17,901</td>
<td>18,078</td>
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<tr>
<td>SIUAA Twitter Followers</td>
<td>3,573</td>
<td>3,977</td>
<td>4,203</td>
<td>4,322</td>
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<tr>
<td>SIUAA Instagram Followers</td>
<td>594</td>
<td>1,032</td>
<td>1,122</td>
<td>1,226</td>
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<tr>
<td>Magazine circulation</td>
<td>254,602</td>
<td>294,002</td>
<td>258,289</td>
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<td>Website Unique Users</td>
<td>57,443</td>
<td>44,262</td>
<td>32,559</td>
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<td>Website Page Views</td>
<td>197,225</td>
<td>146,432</td>
<td>107,469</td>
<td>73,275</td>
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<table>
<thead>
<tr>
<th>EVENTS/ATTENDANCE</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
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<tbody>
<tr>
<td>Number of Off Campus Events</td>
<td>20</td>
<td>23</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Number of On Campus Events</td>
<td>16</td>
<td>17</td>
<td>11</td>
<td>3</td>
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<tr>
<td>Off campus Attendance</td>
<td>1,361</td>
<td>2,802</td>
<td>1,661</td>
<td>466</td>
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<tr>
<td>Homecoming Attendance</td>
<td>2,100</td>
<td>1,624</td>
<td>653</td>
<td>0</td>
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<tr>
<td>Membership Tailgate Attendance</td>
<td>1,483</td>
<td>3,708</td>
<td>858</td>
<td>0</td>
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<tr>
<td>Other On Campus Attendance</td>
<td>804</td>
<td>734</td>
<td>570</td>
<td>299</td>
</tr>
<tr>
<td>Total Attendance</td>
<td>5,748</td>
<td>8,868</td>
<td>3,742</td>
<td>766</td>
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</table>

<table>
<thead>
<tr>
<th>DATA STATS</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Records</td>
<td>656,642</td>
<td>662,039</td>
<td>666,476</td>
<td>669,784</td>
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<tr>
<td>Graduates</td>
<td>255,456</td>
<td>256,772</td>
<td>260,672</td>
<td>262,989</td>
</tr>
<tr>
<td>Addressable Graduates</td>
<td>234,566</td>
<td>226,649</td>
<td>241,960</td>
<td>244,022</td>
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<tr>
<td>Phoneable Graduates</td>
<td>193,833</td>
<td>196,675</td>
<td>198,586</td>
<td>194,504</td>
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<tr>
<td>Email Addresses Graduates</td>
<td>178,759</td>
<td>145,094</td>
<td>157,848</td>
<td>160,975</td>
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<tr>
<td># of Address Updates since July</td>
<td>68,137</td>
<td>74,104</td>
<td>67,760</td>
<td>37,128</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STUDENT ENGAGEMENT</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extern Students Matched</td>
<td>104</td>
<td>88</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Extern Sponsors</td>
<td>78</td>
<td>69</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Student Alumni Council Members</td>
<td>20</td>
<td>28</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Scholarship Committee Awarded #</td>
<td>130</td>
<td>100</td>
<td>491</td>
<td>13</td>
</tr>
<tr>
<td>Scholarship Committee Awarded $</td>
<td>$59,907</td>
<td>$42,772</td>
<td>$49,810</td>
<td>$12,000</td>
</tr>
<tr>
<td>Other Scholarships Administered #</td>
<td>30</td>
<td>38</td>
<td>28</td>
<td>0</td>
</tr>
<tr>
<td>Other Scholarships Administered $</td>
<td>$43,750</td>
<td>$44,556</td>
<td>$48,000</td>
<td>50</td>
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</table>

<table>
<thead>
<tr>
<th>ALUMNI ENGAGEMENT</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constituent Groups</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Chapters</td>
<td>18</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Clubs</td>
<td>11</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Tell Us Your Story Submissions</td>
<td>327</td>
<td>344</td>
<td>347</td>
<td>351</td>
</tr>
<tr>
<td>Volunteer SIU</td>
<td>158</td>
<td>204</td>
<td>228</td>
<td>234</td>
</tr>
</tbody>
</table>
The Association of Alumni, Former Students and Friends of Southern Illinois University, Incorporated

FINANCIAL REPORT

FISCAL YEAR 2019

December 31, 2018

Greg Wright, FHFMA
Treasurer

Patrice DeBlois, CPA
Controller
The Association of Alumni, Former Students and Friends of Southern Illinois University, Incorporated

FINANCIAL REPORT

December 31, 2018

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<th>Page</th>
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<td>STATEMENT OF FINANCIAL POSITION</td>
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</tr>
<tr>
<td>STATEMENT OF ACTIVITIES</td>
<td>4</td>
</tr>
<tr>
<td>NOTES TO BASIC FINANCIAL STATEMENTS</td>
<td>5-9</td>
</tr>
</tbody>
</table>
## The Association of Alumni, Former Students and Friends of Southern Illinois University, Incorporated

### STATEMENT OF FINANCIAL POSITION

December 31, 2018
*(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017)*

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>Variance</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits with Regions Bank</td>
<td>$127,210</td>
<td>$73,775</td>
<td>$53,435</td>
<td>72.43%</td>
</tr>
<tr>
<td>Short-Term Investments (Note 2)</td>
<td>501,522</td>
<td>75,048</td>
<td>426,474</td>
<td>568.27%</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>645</td>
<td>14,458</td>
<td>(13,812)</td>
<td>-95.54%</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>19,525</td>
<td>16,463</td>
<td>3,061</td>
<td>18.59%</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>$648,901</strong></td>
<td><strong>$179,742</strong></td>
<td><strong>$469,159</strong></td>
<td><strong>261.02%</strong></td>
</tr>
<tr>
<td><strong>Noncurrent Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term Investments (Note 2)</td>
<td>$7,671,916</td>
<td>$9,102,217</td>
<td>(1,430,301)</td>
<td>-15.71%</td>
</tr>
<tr>
<td>Capital Assets, Net of Accumulated Depreciation (Note 3)</td>
<td>$31,172</td>
<td>56,896</td>
<td>(25,724)</td>
<td>-45.21%</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td><strong>7,703,087</strong></td>
<td><strong>9,159,113</strong></td>
<td><strong>(1,456,025)</strong></td>
<td><strong>-15.90%</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$8,351,988</strong></td>
<td><strong>$9,338,855</strong></td>
<td><strong>(986,867)</strong></td>
<td><strong>-10.57%</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>Variance</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>$100,285</td>
<td>$22,676</td>
<td>$77,609</td>
<td>342.25%</td>
</tr>
<tr>
<td>Deposits held for Others</td>
<td>86,148</td>
<td>82,782</td>
<td>3,366</td>
<td>4.07%</td>
</tr>
<tr>
<td>Deferred Revenue, Current Portion (Note 5)</td>
<td>84,987</td>
<td>97,247</td>
<td>(12,259)</td>
<td>-12.61%</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>$271,421</strong></td>
<td><strong>$202,705</strong></td>
<td><strong>$68,716</strong></td>
<td><strong>33.90%</strong></td>
</tr>
<tr>
<td><strong>Noncurrent Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Revenue (Note 5)</td>
<td>$1,740,280</td>
<td>$1,764,167</td>
<td>($23,887)</td>
<td>-1.35%</td>
</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td><strong>$1,740,280</strong></td>
<td><strong>$1,764,167</strong></td>
<td><strong>(23,887)</strong></td>
<td><strong>-1.35%</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>$2,011,701</strong></td>
<td><strong>$1,966,872</strong></td>
<td><strong>$44,829</strong></td>
<td><strong>2.28%</strong></td>
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</tbody>
</table>

### NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>Variance</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Undesignated</td>
<td>$102,763</td>
<td>$1,182,716</td>
<td>($1,079,953)</td>
<td>-91.31%</td>
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<tr>
<td>Designated</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Operations</td>
<td>4,000,000</td>
<td>4,000,000</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Scholarships</td>
<td>1,237,524</td>
<td>1,189,266</td>
<td>48,258</td>
<td>4.06%</td>
</tr>
<tr>
<td>Alumni Center</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>$6,340,288</strong></td>
<td><strong>$7,371,982</strong></td>
<td><strong>($1,031,695)</strong></td>
<td><strong>-13.99%</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td><strong>$8,351,988</strong></td>
<td><strong>$9,338,855</strong></td>
<td><strong>($986,867)</strong></td>
<td><strong>-10.57%</strong></td>
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</table>
The Association of Alumni, Former Students and Friends of Southern Illinois University, Incorporated

STATEMENT OF ACTIVITIES

FOR THE SIX MONTHS ENDED DECEMBER 31, 2018 AND 2017

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>Total Annual Budgeted</th>
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</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td></td>
<td></td>
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<tr>
<td>Payments from SIU Foundation</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Budget Allocation from SIU</td>
<td>261,243</td>
<td>245,330</td>
<td>703,000</td>
</tr>
<tr>
<td>Membership Dues</td>
<td>83,966</td>
<td>98,096</td>
<td>200,000</td>
</tr>
<tr>
<td>Royalties and Other Income</td>
<td>2,588</td>
<td>538</td>
<td>50,000</td>
</tr>
<tr>
<td>Event Fees</td>
<td>31,576</td>
<td>9,954</td>
<td>90,250</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>10,850</td>
<td>597</td>
<td>19,600</td>
</tr>
<tr>
<td>Contributions</td>
<td>5,063</td>
<td>1,931</td>
<td>10,000</td>
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<tr>
<td>Investment Gains / (Losses)</td>
<td>(785,667)</td>
<td>592,845</td>
<td>0</td>
</tr>
<tr>
<td>Dividend and Interest Income, Net</td>
<td>212,543</td>
<td>173,812</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>-$77,819</strong></td>
<td><strong>$1,223,102</strong></td>
<td><strong>$1,212,850</strong></td>
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<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>Total Annual Budgeted</th>
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<tbody>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Budget Expended from SIU</td>
<td>$261,243</td>
<td>$245,330</td>
<td>$703,000</td>
</tr>
<tr>
<td>Administrative</td>
<td>30,591</td>
<td>25,402</td>
<td>56,860</td>
</tr>
<tr>
<td>Communications</td>
<td>165,937</td>
<td>170,274</td>
<td>217,975</td>
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<tr>
<td>Member Services</td>
<td>53,702</td>
<td>12,459</td>
<td>126,000</td>
</tr>
<tr>
<td>Promotions</td>
<td>51</td>
<td>1,795</td>
<td>21,500</td>
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<tr>
<td>Data Base Maintenance</td>
<td>6,518</td>
<td>9,588</td>
<td>67,600</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>20,743</td>
<td>22,121</td>
<td>33,400</td>
</tr>
<tr>
<td>Off Campus Programs</td>
<td>40,261</td>
<td>12,700</td>
<td>122,050</td>
</tr>
<tr>
<td>Homecoming</td>
<td>16,527</td>
<td>5,144</td>
<td>24,450</td>
</tr>
<tr>
<td>University Master Contract Payment</td>
<td>0</td>
<td>7,766</td>
<td>40,000</td>
</tr>
<tr>
<td>Student Relations</td>
<td>16,554</td>
<td>1,733</td>
<td>28,025</td>
</tr>
<tr>
<td>Constituent Relations</td>
<td>874</td>
<td>1,470</td>
<td>22,175</td>
</tr>
<tr>
<td>Awards and Contributions</td>
<td>111,191</td>
<td>3,873</td>
<td>100,000</td>
</tr>
<tr>
<td>Operational Support</td>
<td>15,418</td>
<td>10,398</td>
<td>16,100</td>
</tr>
<tr>
<td>Corporate Relations / Sponsorship Development</td>
<td>4,840</td>
<td>3,614</td>
<td>17,650</td>
</tr>
<tr>
<td>Depreciation</td>
<td>16,564</td>
<td>16,019</td>
<td>32,000</td>
</tr>
<tr>
<td>On Campus Programs</td>
<td>6,660</td>
<td>10,910</td>
<td>25,090</td>
</tr>
<tr>
<td>Advocacy</td>
<td>0</td>
<td>32</td>
<td>2,500</td>
</tr>
<tr>
<td>Professional Development</td>
<td>33,011</td>
<td>4,357</td>
<td>15,750</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$800,886</strong></td>
<td><strong>$564,985</strong></td>
<td><strong>$1,672,135</strong></td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td><strong>$ (878,705)</strong></td>
<td><strong>$ 658,117</strong></td>
<td><strong>$ (459,285)</strong></td>
</tr>
</tbody>
</table>
1. SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

A. Organization: The Association of Alumni, Former Students and Friends of Southern Illinois University, Incorporated (the “Association”) located in Carbondale, Illinois exists for the primary purpose of cultivating support of Southern Illinois University (“SIU” or “University”) in achieving its educational, research, and service goals and responsibilities through membership, alumni events, and keeping alumni informed of development at the University. Due to the significance of the financial relationship with the University, in accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 14, The Financial Reporting Entity, and GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units, the Association is included as a component unit of the University for financial reporting purposes. The financial activities included in the Association’s financial statements are reported in a separate column in the University’s financial statements to emphasize that the Association is an Illinois not-for-profit organization legally separate from the University.

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

B. Financial Statement Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards SFAS No. 117, Financial Statements of Not-for-Profit Organizations. Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. The Association’s Board of Directors has designated $1,000,000 of the unrestricted net assets for the construction of an alumni center and $4,000,000 of unrestricted net assets as a general operations fund for the Association. In addition, the Association’s Board of Directors has designated $1,237,524 of the unrestricted net assets for scholarships as of December 31, 2018.

- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Association pursuant to those stipulations or that expire by the passage of time. There were no temporarily restricted net assets as of December 31, 2018 and 2017.

- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. There were no permanently restricted net assets as of December 31, 2018 and 2017.

C. Cash Equivalents: For purposes of the statements of cash flows, the Association considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Not included for interim statements

D. Investments: The Association accounts for its investments at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statements of revenues, expenses, and changes in net assets.
E. Property and Equipment: Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, on a straight-line basis. All items exceeding $1,000 are capitalized.

F. Deferred Revenue: Revenue on annual and life memberships is recognized ratably over the membership period. For life memberships, 20% is recognized the first year and the remaining is amortized over 40 years. Fees, including activities fees, are recognized when earned and credit card royalties are recognized over the length of the contract. Deferred revenue at December 31, 2018 represents the unexpired portion of memberships. The Association considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. If amounts become uncollectible, they will be charged to operations when that determination is made.

G. Revenue Recognition: Revenue is recognized under the accrual basis of accounting. Accordingly, dues are collected annually and are recognized as revenues in the applicable membership period on a monthly pro rata basis.

H. In-Kind Materials, Facilities and Services: Donated supplies and materials are recorded as contributions and as expenses of the appropriate program or supporting service at their determinable fair value at the date of donation.

I. Net Assets: The Association’s net assets are classified as follows:

- **Invested in capital assets, net of related debt:** This represents the Association’s total investments in capital assets, net of accumulated depreciation and reduced by outstanding debt obligations, if any, related to those capital assets.

- **Unrestricted net assets:** Unrestricted net assets represent resources available for transactions relating to the educational and general operations of the Association, and may be used at the discretion of the governing board to meet current expenses for any purpose.

- **Board designated assets:** This represents the Association’s Board of Director’s decision to dedicate funds for operations, scholarships and an Alumni Center.

J. 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 the amounts reported in the financial statements and accompanying notes.

K. Income Taxes: The Internal Revenue Service (IRS) has issued a determination letter, dated August 20, 1990, indicating that the Association qualifies for federal income tax exemption under Section 501(c)(3) of the Internal Revenue Code except for income taxes associated with unrelated business income. No provision has been made as management does not believe it has significant unrelated business income.

L. Subsequent Events: Management has evaluated subsequent events for recognition and disclosure in the financial statements through January 17, 2018, which is the date the financial statements were available to be issued. Through January 17, 2018 no subsequent events required recognition or disclosure in the financial statements.

M. Prior Period Financial Information: The financial statements include certain prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association’s financial statements for the period ended December 31, 2017 from which the summarized financial information was derived.
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2018

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

A. Deposits with Regions Bank: The Association deposits its cash receipts in Regions Bank. At December 31, 2018, the amount on deposit with Regions Bank totaled $129,595 and the carrying amount was $127,210.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the Association’s deposits may not be returned to it. The cash held by Regions Bank follow strict collateralization requirements that are consistent with the requirements of the State Treasurer’s Collateral Agreement. Deposits are FDIC insured up to $250,000. At December 31, 2018 the Association did not have deposits over $250,000.

B. Investments: The Board of Directors of the Association is responsible for the management of the Association’s investments. The Board, through the bylaws, has given authority to the Investment and Transaction Committees to formulate an investment policy for funds and assets held by the Association. These Committees shall submit that policy to the Board for approval, periodically recommend changes in policy as appropriate, interpret that policy to any of Association’s investment managers, and oversee implementation of that policy. Investment performance is reviewed quarterly and investments are reported at fair value in the Statement of Net Assets.

The Association determines the fair value of investments to be the amount at which financial instruments could be exchanged in a current transaction between willing parties, usually quoted market prices. Also, certain money market investments having a remaining maturity of one year or less at time of purchase and nonnegotiable certificates of deposit with redemption terms that do not consider market rates are carried at amortized cost.

Realized gains and losses and the unrealized appreciation (depreciation) of investments are included in the net investment gain (loss) in the Statement of Activities.

C. Investment Risks:

- **Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to capture the highest yield and due to the fact that a majority of the Association’s investments have a long time horizon, the Association has not set limits on investment maturities.

- **Foreign Currency Risk** – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Association has investments in one mutual fund (American Funds Capital World Growth and Income) that invests in securities of various countries. The Association has not adopted a policy with respect to foreign currency risk.

- **Credit Risk** - Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Association’s general investment policy is to produce the maximum total return consistent with acceptable risk levels. Moderately aggressive investment strategies are utilized to achieve investment goals, as growth of assets, rather than the production of income, is the primary portfolio objective.

- **Concentration of Credit Risk** - The Association has no limit on the amount that can be invested with any one issuer. As of December 31, 2018, the Association did not have more than five percent of the Association’s investments with any issuer.

- **Custodial Credit Risk** - Custodial Credit Risk is the risk that, in the event of failure of the counter party, the Association will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2018, the Association did not have any securities at risk.
3. CAPITAL ASSETS

Following are the changes in capital assets for Fiscal Year 2018:

<table>
<thead>
<tr>
<th></th>
<th>Furniture, Fixtures and Equipment</th>
<th>Less Accumulated Depreciation</th>
<th>Capital Assets, Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance June 30, 2017</td>
<td>$315,979</td>
<td>($273,675)</td>
<td>$42,304</td>
</tr>
<tr>
<td>Additions</td>
<td>5,432</td>
<td>(16,564)</td>
<td>(11,132)</td>
</tr>
<tr>
<td>Retirements</td>
<td>0</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Balance December 31, 2018</td>
<td>$321,411</td>
<td>($290,239)</td>
<td>$31,172</td>
</tr>
</tbody>
</table>

4. CREDIT CARD ARRANGEMENT

The Association entered into an agreement with Commerce Bank, effective July 1, 2014. During the year ended June 30, 2015, the Association received a $25,000 advance on royalties. Regardless of sales performance, the Association is not liable to pay back the advance. All $25,000 was recognized as earned income as of June 30, 2017.
The Association of Alumni, Former Students and Friends
of Southern Illinois University, Incorporated

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

5. LONG-TERM LIABILITIES

Long-term liabilities consist of deferred revenue. Activity for fiscal year 2018 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance June 30, 2018</th>
<th>Balance December 31, 2018</th>
<th>Amounts due within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalties</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Dues</td>
<td>1,736,539</td>
<td>1,740,280</td>
<td>84,897</td>
</tr>
<tr>
<td>Activities and events</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,735,539</strong></td>
<td><strong>$1,740,280</strong></td>
<td><strong>$84,897</strong></td>
</tr>
</tbody>
</table>

6. RETIREMENT PLAN

All full-time Association personnel are University employees. Retirement benefits and post-retirement benefits other than pension are available for eligible SIU employees under a contributory retirement plan (the “Plan”) administered by the State Universities Retirement System. Participants of the Plan contribute eight percent of their gross earnings, and the University annually contributes an amount determined by the State Legislature from State appropriations and amounts from other current funds based on actuarially determined rates. Information pertaining to the Plan and Plan benefits can be found in the University financial statements. The Association does not own any of the Plan assets and has no responsibility for the Plan obligations.

7. TRANSACTIONS WITH RELATED PARTIES

The Association has entered into a master contract with the Board of Trustees of SIU that specifies the relationship between the two organizations in accordance with the Legislative Audit Commission’s University Guidelines, 1997, as amended. Among the provisions of the contract is a requirement that the Association, in return for staff and use of the facilities, agrees to annually reimburse the University for the proportionate share of costs involved. This reimbursement is computed as the annual salary cost of the University’s Alumni Services Department times a percentage (5.73% in 2018), based on the total number of addressable alumni members divided by the total number of addressable alumni on file. Both the Association and the University agree to the percentage on an annual basis.

The Association recognizes as revenue and expense those on-behalf payments for salaries made by the University for personnel of the Association. For the period ended December 31, 2018 these amounts totaled $261,243 and are included in Budget allocation from SIU and budget expended at SIU in the accompanying Statement of Activities.

The Association uses various services of the University and directly reimburses the University at a cost equal to that charged by the University to other users.
Saluki
Alumni Plaza Project
Update

2. Finish grade or pavement. Refer to site plan.

3. Poured concrete footing and foundation system.

4. Prepared sub-base or compacted sub-grade.

5. Compacted aggregate base.

6. 6 x 6 W2.9 x W2.9 WF. Centered in slab.

7. 1/2" wide expansion joint with pre-formed joint filler covered with 1/2" deep continuous sealant at top. Typical where noted by "EJ" and at transition from new to existing concrete.

8. #5 bars continuous @12" o.c. - typical.

9. #5 bars continuous @12" o.c. each way - typical.

10. #6 donels @12" o.c. - typical.

11. Limestone veneer.

12. Limestone cap with sloped top.

13. 13 x 4" long stainless steel pin anchors @ 18" o.c. Epoxy pins into pre-drilled holes and grout solid.

14. Stainless steel L-bend anchors with stainless steel expansion anchors @4'-0" o.c. max. (2) per panel min.

15. 1/4" drip edge, 1/2" minimum from outer edge. Typical.

16. Light fixture recess (front edge only). Coordinate size/type with electrical sheets.
HONORING OUR DONORS

The McLaren Bike Park Founders worked in partnership with the San Francisco Recreation and Park Department and the San Francisco Parks Alliance to fund and construct this Bike Park with generous support from Mayor Edwin Lee, Supervisor John Avalos, and these generous donors.

CHAMPION

2008 & 2012 Clean and Safe Neighborhood Parks Bond

Land and Water Conservation Fund

DIAMOND

The Mary A. Crocker Trust
Mr. & Mrs. Greg and Caroline Gretsch

The Hellman Foundation
Jumping Fences

PLATINUM

Specialized Bicycles
Tom Borden
Roaring Mouse Cycles

Gamut USA
Will Aldrich
Justin Wilkenfeld
Peter Light
Elevation Bike Company
Strava
Sports Basement
Bing Knight
Roddy Lindsay

The Matt Peterson Fund
Tech Validate

Greg Minnaar
Paragon Machine Works
Kevin Mahaffey
Todd Francis
Nissana and Andy Chen
Ride SFO
SF Urban Riders

Alexander Shartsis
Randy Reddig
Gunderson Dettmer

GOLD

Dustin D. Smith
Nate Bozarth Warehouse
Custom SLR
Seina Tobaccoala
Mark Slavonia
Mike's Bikes
Aaron Gershengberg
Shige Honjo
Devin Mattson

Omar Shamiyeh
Team DFL
Devon Mattson
Gordon Gray

SILVER

Ocean Cyclery
Julie Brown
Paul & Maria Elena Quintana
Matt Johnson
Daniel Schneider

Mateo Graziosi
Beth Mulcahy
Jeff Smith
Christopher Anderson
William Webb

Ian Macartney
The Abe Farag Family Foundation
Scott Crosby
Winston Binch
Luke Wech

BRONZE

Dakin Greene
Matt Posukh
Paul Donnelly
Jared DeASON
Aaron Rosefield
Mark Mason
Justin Reynolds
Karen Schmidt
Deborah Hinds
Melissa Schostak
Gaelan Hays
Kevin Pollock
Tucker Ball
Andrea Venticinque
Andrew Ragsdale
Teal Rodriquez
Kara Paschke
Ryan McGovern
John Eagan
Jonathan Byrd
Samuel White
Lara Shlaad
Charlie Lark
Jared Schmid
Jessica Beals
Brian Mullen
Tina Kroll
Amanda Lasky
John Crocker
August Schreiber
April Schmid
Kate Schreiber
Carson Bledsoe
Billy Gray
Antony Velez
Tara Dornan
Galen H. Magdala
Aliya Golden

Joseph Meier
Dave Levy
Daniel McGrew
Jennifer Thier
Dominique Harkey
Mark Andrews
Andrew Rosefield
Briar Hughes
Toni Haldorson
Damian Mony
Jace Johnson
Sarah Brown
Dan Jackson
Alexandra Topalian
Molly Schmit
Jared Schmid
Jessica Beals
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Jace Johnson
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Alexandra Topalian
Molly Schmit
Jared Schmid
Jessica Beals
Brian Mullen
Tina Kroll
Amanda Lasky
John Crocker
August Schreiber
April Schmid
Kate Schreiber
Carson Bledsoe
Billy Gray
Antony Velez
Tara Dornan
Galen H. Magdala
Aliya Golden
Problem Payment Update

Background:
When a customer pays the wrong amount for a membership or event, the amount is put to a liability account, problem payments, until the issue is resolved with the customer. It is the accounting student’s responsibility to follow up with the customer to resolve. Either the customer will donate the overpayment, send in the additional amount owed, or request a refund. From 2014 until 2018, this account grew from under $500 to over $6,000. In the last year, the accounting students have been tasked to clean up the old problem payments.

State law requires that funds owed to a customer held by a business/organization be remitted to the state under the unclaimed property law, after 3 years.

Update:

- At this time last year the balance of the account was $6,454.62, and the balance now is $3,286.80.

- The balance of this account is broken down by year of payment as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Problem Pmt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$ 135.86</td>
</tr>
<tr>
<td>2014</td>
<td>$ 275.00</td>
</tr>
<tr>
<td>2015</td>
<td>$ 1,012.50</td>
</tr>
<tr>
<td>2016</td>
<td>$ 818.44</td>
</tr>
<tr>
<td>2017</td>
<td>$ 370.00</td>
</tr>
<tr>
<td>2018</td>
<td>$ 500.00</td>
</tr>
<tr>
<td>2019</td>
<td>$ 175.00</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$ 3,286.80</td>
</tr>
</tbody>
</table>

- Approximately $1,300 of the reduction in this account was donated to the Alumni Association by the customer.

Next Steps:

- Problem payments from 2013 and 2014 will be remitted to the State as unclaimed property this year.
- Focus in the next year will be to resolve more payments from 2015 and 2016, before remitting to the state, as well as staying on top of current problem payments.

Should we put language on website and billing pieces that over/under payments for memberships will be received as donations after 3 attempts of contact?
Southern Illinois University Alumni Association
Purchasing, Receiving, Disbursement Guidelines and
Processing Procedures

Overview:
To establish adequate administrative and internal controls over SIU Alumni Association
funds expended by the Association fiscal officer, it is necessary that proper segregation
exist between the purchasing, receiving, and disbursement functions.

Purchasing Procedures:
The SIU Alumni Association does not require purchase requisitions. All purchases over
$25,000 are required to use a bidding process or show cause for sole source and be
approved by the Executive Director.

Authorization and Approvals:
The Executive Director may authorize expenditures for specific party or staff
appreciation functions and spouse travel and associated expenses.

Processing Procedures:
Invoices along with all packing slips should be submitted directly to the Association. The
Association Director that is directly related to the expenditure and the Executive Director
or the Controller must approve the invoice. If the expenditure is greater than or equal to
$5,000 the Board of Directors’ President and Treasurer must approve of the expenditure.

If the expenditure benefited (i.e. reimbursement to or travel of) an employee, the
document approving the expenditure must have a proprietary signature (the signature of
the individual in the position above the employee).

Duties Performed:
The SIU Alumni Association will: review and approve invoices for
appropriateness and propriety, adherence to unit guideline restrictions/stipulations
(if any), State and University’s rules and guidelines where appropriate and proper
fiscal officer approval.

The SIU Alumni Association will: apply the State and University’s purchasing
rules and guidelines where appropriate and perform receiving function.

Processing Policies:
The SIU Alumni Association allows greater flexibility for certain expenditures which the
University would not normally approve. Also, the Alumni Association permits some
exceptions from the normal rules and guidelines of the University. These exceptions and
deviations are as follows:
Contributions:

The SIU Alumni Association will not make political contributions.

Equipment and Office Furnishings:

Reasonable expenditures for equipment and office furnishings are allowed to be made from the Alumni Association funds. Equipment purchased exceeding $1,000 must be capitalized and added to the depreciation schedule.

Entertainment Expense:

Expenditures for the purchase of food and beverages (including alcohol) used to meet with or entertain alumni, donors and/or university guests, should be reasonable and proper under circumstances. Documentation of such an event should include its purpose, a listing of all individuals in attendance, whether the attendees are university employees, and the cost of event.

Memoriam:

Memoriam to alumni, alumni members, donors, potential donors, friends of the University and University employees or their immediate family for funeral, hospital, illness, or retirement can be purchased from Alumni Association funds.

Functions:

All direct and ancillary costs related to official functions, such as board meetings, seminars, retreats, retirement events, awards banquets, departmental meetings, and receptions will be permitted for reasonable and proper costs. These costs include the printing of invitations, entertainment, food and beverages (including alcoholic), room decorations, flowers, rental facilities, linen, and bartenders and servers. The cost of these events should be approved in advance by the Executive Director or Controller.

Gifts:

The purchase of gifts for awards, special recognition, and service are permitted from SIU Alumni Association funds.

Retirement recognition allows for non-cash items up to $1,600 in value to be given with no tax consequences to the recipient. However, each case must be reviewed as there are some limitations to this exclusion.

Memberships:

Membership to civic/professional/social organizations to support University/Alumni Association business and entertainment is permitted from Alumni Association funds. The organization must not discriminate based upon age, race, ethnicity, religion, or gender. Memberships require approval from the Executive Director.
Service Departments:

Utilization of the University’s service departments are encouraged where economical and feasible but is not mandated by the Alumni Association.

Special Event/Fund Raising Activities:

The purchase of entertainment for official University/Alumni Association guests is permitted from Alumni Association funds.

The purchase of tickets for University or Alumni Association employees and spouses to attend events where University or Alumni Association representation is normally expected is permitted from Alumni Association funds.

Travel:

The University’s travel regulations will apply to Alumni Association expenditures for an approved type of travel with the following exceptions:

1. Hotel rates at actual cost. Travelers are obligated to secure the lowest reasonable cost rates suitable and convenient to conduct University or Alumni Association business.

2. For meal reimbursement, the Association will use the applicable Federal per diem rates. 2019 Rates

3. Spouse travel costs where it is deemed appropriate for the spouse to represent the University/Alumni Association.

The SIU Alumni Association may allocate travel advances to Alumni Association staff traveling seven or more consecutive calendar days for domestic travel and all foreign travel. Travel advances may not exceed $500. Travel advances should be returned and/or receipts substantiating travel expenditures should be submitted within five working days after the end of the trip. Consideration of travel advances will be determined on a case by case basis.

Paperwork for reimbursable expenses must be turned in by the last working day of the month. If the employee is traveling at the end of the month, paperwork must be turned in the first business day upon returning to the office.

Lodging expense may be paid for board members to attend board meetings. Lodging expense for the Board President’s representation at Association events are allowed up to the amount approved for in the budget. If the board member is not available to attend the event when the time arrives, the board member shall make every effort to find new representation for the event.
Corporate Card Procedures:

The corporate card is a privilege extended to those staff (excluding student employees) that must travel or entertain on behalf of the University and the Association. The corporate card cannot be used to purchase items that are not reimbursable business expenses or items applicable to the Pcard.

- Each individual cardholder is responsible for verifying all charges made and filling out a corporate card request form. The original receipt must include all charges and be attached to the request form along with a description of the event/items to be purchased and names of all people in attendance.

- Corporate card request forms are due within one week of the corporate card charge.

- No personal charges are allowed to be made on the corporate card.

- Any charges over $5,000 need to have prior authorization from the Board of Directors.

Exception to these Guidelines:

If an anticipated transaction does not meet the above guidelines, prior written approval must be obtained from the SIU Alumni Association President before an expenditure is made.

Adopted by the Board of Directors of the Southern Illinois University Alumni Association on _____________, 2019.

________________________
Secretary

Revised 1-23-19