

**NORTH CAROLINA STATE UNIVERSITY
ALUMNI ASSOCIATION, INC.**

FINANCIAL REPORT

JUNE 30, 2023 and 2022

North Carolina State University Alumni Association, Inc.

**Financial Report
For The Years Ended June 30, 2023 and 2022**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
North Carolina State University Alumni Association, Inc.

Opinion

We have audited the accompanying financial statements of North Carolina State University Alumni Association, Inc. (the "Association"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities 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 North Carolina State University Alumni Association, Inc. as of June 30, 2023 and 2022, and the results of its operations and its 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 Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of North Carolina 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 North Carolina 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.



Auditors' Responsibilities for the Audits 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 auditors' 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 audits in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 North Carolina 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 North Carolina 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.



Disclaimer of Opinion on Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information on pages 23 through 25, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information marked “unaudited” has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Williams Dverman Pierce, LLP

Greensboro, North Carolina
December 1, 2023

North Carolina State University Alumni Association, Inc.

Statements of Financial Position

June 30, 2023 and 2022

| | 2023 | 2022 |
|--|----------------------|----------------------|
| Assets | | |
| Cash and cash equivalents (Note 1) | \$ 2,860,730 | \$ 2,551,627 |
| Intermediate investments (Note 1) | 697,593 | 686,202 |
| Long-term investments (Notes 1 and 3) | 58,860,993 | 59,867,324 |
| Pledges receivable, net (Notes 1 and 7) | 329,106 | 573,599 |
| Due from associated entities (Note 1) | - | 276 |
| Operating lease ROU assets (Notes 1 and 11) | 17,266 | - |
| Other assets (Note 1) | 213,813 | 219,117 |
| Total Assets | \$ 62,979,501 | \$ 63,898,145 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Accounts payable (Note 1) | \$ 109,248 | \$ 17,177 |
| Operating lease liabilities (Notes 1 and 11) | 17,266 | - |
| Deferred revenue (Note 12) | - | 2,486,166 |
| Life income funds payable (Note 6) | 68,928 | 67,631 |
| Total Liabilities | 195,442 | 2,570,974 |
| Net Assets | | |
| Without donor restrictions | 15,303,896 | 13,349,424 |
| With donor restrictions: | | |
| Perpetual in nature (Note 9) | 24,277,427 | 23,529,569 |
| Purpose restricted (Note 9) | 23,202,736 | 24,448,178 |
| Total Net Assets | 62,784,059 | 61,327,171 |
| Total Liabilities and Net Assets | \$ 62,979,501 | \$ 63,898,145 |

See notes to financial statements.

North Carolina State University Alumni Association, Inc.

Statement of Activities
Year Ended June 30, 2023

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|------------------|
| Revenues, Gains, and Other Income | | | |
| Contributions (Note 1) | \$ 87,130 | \$ 948,488 | \$ 1,035,618 |
| Change in pledges receivable, net (Note 7) | - | (244,493) | (244,493) |
| University Advancement support | 500,000 | - | 500,000 |
| Donated salaries, services and facilities (Note 8) | 1,779,000 | - | 1,779,000 |
| Net investment income (Note 1) | 188,115 | 469,968 | 658,083 |
| Change in value of split interest agreements | - | (2,377) | (2,377) |
| Membership dues | 2,799,206 | - | 2,799,206 |
| Advertising and alumni magazine | 37,665 | - | 37,665 |
| Event revenue | 163,405 | 2,160 | 165,565 |
| Affinity program royalties | 154,120 | - | 154,120 |
| The State Club rent | 199,422 | - | 199,422 |
| Other program income | 192,160 | 123,198 | 315,358 |
| Net assets released from restrictions (Note 10) | 1,828,722 | (1,828,722) | - |
| Total Revenues, Gains, and Other Income | 7,928,945 | (531,778) | 7,397,167 |
| Grants to Support the University | | | |
| Program: | | | |
| Scholarships and fellowships | 1,002,323 | - | 1,002,323 |
| Program and event support | 1,577,544 | - | 1,577,544 |
| Total Program Support | 2,579,867 | - | 2,579,867 |
| Administrative | 384,056 | - | 384,056 |
| Fundraising | 3,023,145 | - | 3,023,145 |
| Total Other Support | 3,407,201 | - | 3,407,201 |
| Total Support (Note 13) | 5,987,068 | - | 5,987,068 |
| Excess (Deficit) of Revenues, Gains, and Other Income Over Total Support | 1,941,877 | (531,778) | 1,410,099 |
| Net Transfers | | | |
| From other University-associated entities | 35,777 | 11,012 | 46,789 |
| Among funds | (23,182) | 23,182 | - |
| Total Net Transfers | 12,595 | 34,194 | 46,789 |
| Change in Net Assets | 1,954,472 | (497,584) | 1,456,888 |
| Net Assets | | | |
| Beginning of year | 13,349,424 | 47,977,747 | 61,327,171 |
| End of year | \$ 15,303,896 | \$ 47,480,163 | \$ 62,784,059 |

See notes to financial statements.

North Carolina State University Alumni Association, Inc.

Statement of Activities
Year Ended June 30, 2022

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|------------------|
| Revenues, Gains, and Other Income | | | |
| Contributions (Note 1) | \$ 102,230 | \$ 1,083,239 | \$ 1,185,469 |
| Change in pledges receivable, net (Note 7) | - | 336,191 | 336,191 |
| University Advancement support | 200,000 | - | 200,000 |
| Donated salaries, services and facilities (Note 8) | 1,898,000 | - | 1,898,000 |
| Net investment income (Note 1) | 455,979 | 1,302,579 | 1,758,558 |
| Change in value of split interest agreements | - | (1,759) | (1,759) |
| Change in value of charitable lead trust | - | (25,424) | (25,424) |
| Membership dues | 607,772 | - | 607,772 |
| Advertising and alumni magazine | 43,716 | - | 43,716 |
| Event revenue | 154,384 | 3,615 | 157,999 |
| Affinity program royalties | 222,951 | - | 222,951 |
| The State Club rent | 68,954 | - | 68,954 |
| Other program income | 159,536 | 66,023 | 225,559 |
| Net assets released from restrictions (Note 10) | 1,547,727 | (1,547,727) | - |
| Total Revenues, Gains, and Other Income | 5,461,249 | 1,216,737 | 6,677,986 |
| Grants to Support the University | | | |
| Program: | | | |
| Scholarships and fellowships | 972,889 | - | 972,889 |
| Program and event support | 1,725,837 | - | 1,725,837 |
| Total Program Support | 2,698,726 | - | 2,698,726 |
| Administrative | 355,840 | - | 355,840 |
| Fundraising | 3,134,741 | - | 3,134,741 |
| Total Other Support | 3,490,581 | - | 3,490,581 |
| Total Support (Note 13) | 6,189,307 | - | 6,189,307 |
| (Deficit) Excess of Revenues, Gains, and Other Income Over Total Support | (728,058) | 1,216,737 | 488,679 |
| Net Transfers | | | |
| From (to) other University-associated entities | 8,570 | (259,455) | (250,885) |
| Among funds | (29,250) | 29,250 | - |
| Total Net Transfers | (20,680) | (230,205) | (250,885) |
| Change in Net Assets | (748,738) | 986,532 | 237,794 |
| Net Assets | | | |
| Beginning of year | 14,098,162 | 46,991,215 | 61,089,377 |
| End of year | \$ 13,349,424 | \$ 47,977,747 | \$ 61,327,171 |

See notes to financial statements.

North Carolina State University Alumni Association, Inc.

Statements of Cash Flows
Years Ended June 30, 2023 and 2022

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Cash Flows From Operating Activities | | |
| Change in net assets | \$ 1,456,888 | \$ 237,794 |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | | |
| Net investment income | (658,083) | (1,758,558) |
| Change in value of split interest agreements | 2,377 | 1,759 |
| Contributions restricted for permanent endowment | (849,166) | (909,583) |
| Decrease (increase) in: | | |
| Pledges receivable, net | 244,493 | (336,191) |
| Receivable - charitable lead trust | - | 25,424 |
| Due from associated entities | 276 | 154,724 |
| Other assets | 5,304 | 3,864 |
| (Decrease) increase in: | | |
| Accounts payable | 92,071 | (19,388) |
| Deferred revenue | (2,486,166) | 164,994 |
| Net Cash Used in Operating Activities | (2,192,006) | (2,435,161) |
| Cash Flows From Investing Activities | | |
| Proceeds from sales of investments | 2,692,497 | 3,123,715 |
| Purchases of investments | (1,041,285) | (2,057,978) |
| Net Cash Provided by Investing Activities | 1,651,212 | 1,065,737 |
| Cash Flows From Financing Activities | | |
| Contributions restricted for permanent endowment | 849,166 | 909,583 |
| Investment income restricted for split interest agreements | 1,811 | 1,213 |
| Payments on life income fund obligations | (1,080) | (540) |
| Net Cash Provided by Financing Activities | 849,897 | 910,256 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 309,103 | (459,168) |
| Cash and Cash Equivalents | | |
| Beginning of year | 2,551,627 | 3,010,795 |
| End of year | \$ 2,860,730 | \$ 2,551,627 |
| Supplemental Disclosures of Noncash Activities | | |
| Donated salaries, services and facilities | \$ 1,779,000 | \$ 1,898,000 |
| ROU assets obtained in exchange for new operating lease liabilities | \$ 14,640 | \$ - |

See notes to financial statements.

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements For The Years Ended June 30, 2023 and 2022

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: North Carolina State University Alumni Association, Inc., (the "Association") is a non-profit organization whose primary objectives are to promote alumni affairs and promote awareness of North Carolina State University (the "University"). The Association acts as an organizer for alumni functions, publishes an alumni magazine, and manages various endowments.

A summary of the Association's significant accounting policies follows:

Basis of accounting and presentation: The financial statements of the Association are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. In preparing its financial statements, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

With donor restrictions – Net assets subject to donor-imposed stipulations that are either to be maintained permanently by the Association or will be released either by actions of the Association and/or by the passage of time. Generally, the donors of these assets permit the Association to use all or part of the earnings on related investments for the donor-restricted purpose.

Cash and cash equivalents: For purposes of reporting cash flows, the Association considers all highly liquid instruments with an original maturity date of 90 days or less to be cash equivalents. Cash designated or restricted for long-term purposes is included with long-term investments. At times, the Association places deposits with a high quality financial institution that may be in excess of federal insurance limits.

Cash and cash equivalents consist of accounts with the State Treasurer's Short-Term Investment Fund (the "STIF") and TowneBank. The STIF account maintained by the State Treasurer has the general characteristics of a demand deposit account in that participants may deposit and withdraw cash at any time without prior notice or penalty.

Intermediate investments: Intermediate investments consist of the NC State Investment Fund, Inc. Intermediate Term Fund (the "ITF") for funds that can be invested for longer periods, but which are available in the event of short-term needs. These investments are reported at readily determinable fair values of \$697,593 and \$686,202 at June 30, 2023 and 2022, respectively. The cost of these investments was \$724,552 at June 30, 2023 and 2022.

Long-term investments: Long-term investments are stated at fair value based on readily determinable fair values, when available. Investments for which readily determinable fair values are not available are carried at estimated fair values as provided by the respective fund managers of the investments. The Association, in accordance with investment policies promulgated by its Board of Directors (the "Board"), invests with the NC State Investment Fund, Inc. Long-Term Investment Pool (the "LTIP"). In addition, the Association has planned giving instruments invested with TIAA Kaspick.

Pledges receivable: Unconditional pledges receivable are recognized as support and assets in the period received. Conditional pledges are recognized when the conditions on which they depend are substantially met.

Due from associated entities: Due from associated entities consists of the amounts due to the Association from other University-associated entities.

North Carolina State University Alumni Association, Inc.

**Notes to Financial Statements
For The Years Ended June 30, 2023 and 2022**

Note 1. Nature of Activities and Significant Accounting Policies (continued)

Leases: The Association accounts for its leasing arrangements under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 842, *Leases* (“ASC 842”). The Association assesses whether an arrangement qualifies as a lease under ASC 842 (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed.

ASC 842 requires lessees to recognize a right-of-use asset and a corresponding lease liability for leases. When measuring right-of-use assets and lease liabilities arising from a lease, the Association includes payments to be made in optional periods and optional payments to purchase the underlying asset if it is reasonably certain the option will be exercised.

The Association made several key accounting policy elections upon adoption of ASC 842 including:

In the instance of a short-term lease, it is the Association’s policy to not recognize right-of-use assets and lease liabilities. A short-term lease is defined as one with a maximum lease term of 12 months or less and does not include a purchase option or renewal option the lessee is reasonably certain to exercise. Short-term lease payments are accounted for in a manner similar to operating leases under ASC 840, *Leases*.

When a lease agreement includes both lease and non-lease components, it is the Association’s policy to not separate lease components from non-lease components when allocating contract consideration and accounts for the lease and non-lease components as a single lease.

When readily determinable, the Association uses the rate implicit in the lease document as the discount rate. In the absence of an implicit rate, it is the Association’s policy to use the risk-free rate at the commencement date of the lease as the discount rate.

Other assets: Other assets include beneficiary interests in life insurance policies contributed to the Association and the Association is the owner of these policies. These gifts are recorded at current cash surrender value, less any loans outstanding on the policies. Cash surrender values of these policies were \$209,743 and \$214,599 at June 30, 2023 and 2022, respectively. Other assets also includes sales tax receivable.

Accounts payable: Accounts payable includes trade payables due to vendors, amounts disbursed by the University on behalf of the Association for payment of various normal operating expenses and amounts due to other associated entities.

Contributions: Restricted contributions are segregated for income and expense reporting purposes; however, the assets are commingled. When a donor or grantor restriction expires because the stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the statements of activities.

The University has a gift assessment program that supports Central Development and college-level fundraising efforts. For the years ended June 30, 2023 and 2022, a one-time fee of 7% was assessed on gifts that support current operations and facilities, designated for Central Development.

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements For The Years Ended June 30, 2023 and 2022

Note 1. Nature of Activities and Significant Accounting Policies (continued)

Investment income: Investment income is allocated on the basis of average fund balances for net assets with and without donor restrictions. For endowments, investment income is allocated on the “unit value” method of valuing interest in an investment portfolio and the investment earnings are recorded as with or without donor restrictions, as appropriate. Earnings from investments are net of investment fees. Gains and losses on sales of investments are allocated on the unit value method. Investment income on investments owned individually by one fund is directly allocated to the owning fund.

As part of the University’s gift assessment program, an annual fee is assessed on the average twenty-quarter market value of assets held in the endowment investment portfolio. For the year ended June 30, 2023, the annual fee was 1.35%, with 1.25% designated for University Advancement and 0.10% designated for the customer relationship management software upgrade. For the year ended June 30, 2022, the annual fee was 1.25%, designated for University Advancement.

Revenue recognition: Prior to December 2022, revenues from membership fees were recognized equally over the life of the membership term as member benefits were received and consumed. Lifetime memberships were recognized over thirty years. Amounts for such membership dues were billed in accordance with agreed-upon contractual terms, either at periodic intervals, or upon achievement of contractual milestones. Contract assets include unbilled amounts that occur when revenues recognized exceed the amounts invoiced to customers. Such amounts were collectible based upon various measures of performance. No such contract assets were recorded as of June 30, 2022. Contract liabilities arise when amounts invoiced exceed revenues recognized and were presented as deferred revenue in the statements of financial position as of June 30, 2022. Effective December 2022, all unique membership benefits were discontinued and membership revenue was fully recognized as of June 30, 2023.

Estimates: The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes and uncertain tax positions: The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. The Association had no significant unrelated trade or business income for 2023 and 2022. Therefore, no provision for income taxes has been reflected in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the organization and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Association, and has concluded that as of June 30, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the accompanying financial statements. The Association is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to tax year 2019.

Change in accounting principles: Effective July 1, 2022, the Association adopted FASB ASC 842 which requires lessees to recognize a right-of-use asset and a corresponding lease liability for leases with terms longer than twelve months. The Association adopted the new standard using a modified retrospective transition method and applied certain optional transition practical expedients.

Notes to Financial Statements
For The Years Ended June 30, 2023 and 2022

Note 1. Nature of Activities and Significant Accounting Policies (continued)

The modified retrospective transition allows application of the new standard at the adoption date and the recognition of a cumulative-effect adjustment to the opening balance of net assets in the period of adoption with no adjustment to previously reported results. In accordance with this approach, the Association's financial statements for periods prior to July 1, 2022 were not revised to reflect the new lease accounting guidance. The Association also elected the package of practical expedients permitted under the transition guidance within the new standard which, among other things, allowed the carry forward of historical lease classification.

Upon adoption of ASC 842 on July 1, 2022, the Association recognized a right-of-use asset and a corresponding lease liability based on the present value of existing lease obligations of approximately \$13,389 on the statement of financial position. The adoption did not have an impact on the statement of activities.

Reclassifications: Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the previously reported change in net assets.

Note 2. Endowment

The Association's endowment consists of approximately 160 individual funds established for Caldwell scholarships and a variety of other purposes related to the mission of the University. The endowment includes both donor-restricted endowments and funds designated by the Association Board to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The majority of the Association's signed endowment gift agreements with donors have donor-imposed restrictions which stipulate that principal shall not be used to fund spending.

Interpretation of relevant law: The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") was adopted in North Carolina as NC General Statute 36E effective March 17, 2009. The Association has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as net assets perpetual in nature (a) the original value of initial and subsequent gifts donated to the endowment and (b) any accumulations to the endowment that are required by the applicable donor gift instrument. The remaining portion of the donor-restricted endowment funds that is not classified in net assets perpetual in nature is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the Association's endowment spending policy.

Funds with deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original gift value (underwater endowments). These deficiencies generally result from either spending of corpus in accordance with the gift agreement or unfavorable market fluctuations which produce unrealized losses to the fund. The Association has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. Deficiencies of this nature are reported in net assets with donor restrictions and were \$(4,846) and \$(9,391) as of June 30, 2023 and 2022, respectively.

Investment return objectives and risk parameters: The Association has adopted investment and spending policies for endowment assets that attempt to provide a stable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for donor-specified periods as well as board-designated funds. The endowment assets are invested through the LTIP in a manner that is intended to produce results that exceed a 70% MSCI ACWI Index/30% Barclays Aggregate Bond Index benchmark over rolling five and ten year periods while assuming a moderate level of investment risk.

North Carolina State University Alumni Association, Inc.

**Notes to Financial Statements
For The Years Ended June 30, 2023 and 2022**

Note 2. Endowment (continued)

Spending policy: The Association has a policy of appropriating for programmatic spending each year 4% of its endowment fund's average market value over the prior twenty quarters through the fiscal year-end preceding the fiscal year in which the spending is planned. This is consistent with the Association's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. However, in declining market conditions, endowments may not be able to fund spending at the 4% level. Unless the gift instrument specifies otherwise, it is the Association's policy to allow up to 15% of the corpus of an endowment to be expended if reserves are not sufficient to fund the programmatic spending amount, subject to the guidelines provided by UPMIFA. However, if the gift instrument does not allow spending of corpus, the Association does not initiate or renew spending for the individual endowments affected by declining market conditions until their market value has been recovered and exceeds their original gift value. In establishing the spending policy, the Association considered the long-term expected return on its endowment. Spending budgets were calculated at \$1,422,350 and \$1,916,070 for fiscal years 2023 and 2024, respectively.

Strategies employed for achieving investment objectives: For the long term, the primary investment objective for the LTIP is to earn a total return (net of investment and custodial fees), within prudent levels of risk, which is sufficient to maintain in real terms the purchasing power of the LTIP and to meet the spending needs of the University. To meet this investment objective, the LTIP invests in various asset classes to offer diversification. The purpose of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the performance of the total fund.

The LTIP is diversified both by asset class (e.g. common stocks and fixed income securities) and within asset classes (e.g., within common stocks by economic sector, geographic area, industry, quality, and size). In addition, the LTIP seeks to diversify exposure to all asset classes through the use of multiple managers that use a variety of investment approaches.

The following represents changes in endowment net assets for the fiscal year ended June 30, 2023:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---------------------------------------|------------------------------------|----------------------|
| Endowment net assets, beginning of year | \$ 15,854,803 | \$ 44,461,488 | \$ 60,316,291 |
| Total investment return | 147,997 | 469,965 | 617,962 |
| Contributions including change in accrued pledges and other income | 102,851 | 624,626 | 727,477 |
| Appropriations of endowment assets for expenditure | (827,920) | (1,864,070) | (2,691,990) |
| Change in value of split interest agreements | - | (2,377) | (2,377) |
| Other changes: | | | |
| Transfers | - | 64,560 | 64,560 |
| Endowment net assets, end of year | <u>\$ 15,277,731</u> | <u>\$ 43,754,192</u> | <u>\$ 59,031,923</u> |

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements
For The Years Ended June 30, 2023 and 2022

Note 2. Endowment (continued)

The following represents endowment net asset composition by type of fund, as of June 30, 2023:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|-----------------------------------|-------------------------------|----------------------------|----------------------|
| Board-designated endowment funds | \$ 15,217,965 | \$ - | \$ 15,217,965 |
| Donor-designated endowment funds: | | | |
| Corpus | - | 24,277,427 | 24,277,427 |
| Appreciation | 59,766 | 19,481,611 | 19,541,377 |
| Underwater endowments | - | (4,846) | (4,846) |
| Total funds | <u>\$ 15,277,731</u> | <u>\$ 43,754,192</u> | <u>\$ 59,031,923</u> |

The following represents changes in endowment net assets for the fiscal year ended June 30, 2022:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|----------------------|
| Endowment net assets, beginning of year | \$ 15,868,609 | \$ 43,524,254 | \$ 59,392,863 |
| Total investment return | 496,889 | 1,302,557 | 1,799,446 |
| Contributions including change in accrued pledges and other income | 270,365 | 1,527,089 | 1,797,454 |
| Appropriations of endowment assets for expenditure | (781,060) | (1,671,016) | (2,452,076) |
| Change in value of split interest agreements | - | (1,759) | (1,759) |
| Change in value of charitable lead trust | - | (25,424) | (25,424) |
| Other changes: | | | |
| Transfers | - | (194,213) | (194,213) |
| Endowment net assets, end of year | <u>\$ 15,854,803</u> | <u>\$ 44,461,488</u> | <u>\$ 60,316,291</u> |

The following represents endowment net asset composition by type of fund, as of June 30, 2022:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|-----------------------------------|-------------------------------|----------------------------|----------------------|
| Board-designated endowment funds | \$ 15,786,999 | \$ - | \$ 15,786,999 |
| Donor-designated endowment funds: | | | |
| Corpus | - | 23,529,569 | 23,529,569 |
| Appreciation | 67,804 | 20,941,310 | 21,009,114 |
| Underwater endowments | - | (9,391) | (9,391) |
| Total funds | <u>\$ 15,854,803</u> | <u>\$ 44,461,488</u> | <u>\$ 60,316,291</u> |

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements For The Years Ended June 30, 2023 and 2022

Note 3. Long-Term Investments

The Association invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.

Investments consisted of the following at June 30:

| | 2023 | | 2022 | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Cost | Fair Value | Cost | Fair Value |
| STIF | \$ - | \$ - | \$ 133,060 | \$ 133,060 |
| NC State Investment Fund, Inc. Long-Term Investment Pool (LTIP) | 24,639,289 | 58,774,595 | 24,575,612 | 59,650,758 |
| Life Income Funds | 87,901 | 86,398 | 86,172 | 83,506 |
| | <u>\$ 24,727,190</u> | <u>\$ 58,860,993</u> | <u>\$ 24,794,844</u> | <u>\$ 59,867,324</u> |

The Association's investments held in Life Income Funds consist of a diversified portfolio of bond and equity mutual funds.

Note 4. Fair Value Measurement

The Fair Value Measurements and Disclosures Topic of the FASB ASC 820 provides a framework for measuring fair value under generally accepted accounting principles. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

The fair value hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Valuations based on quoted prices in active markets for identical investments

Level 2 – Valuations based on quoted prices in inactive markets or for which all significant inputs are observable (including quoted prices for similar investments, interest rates, credit risks, etc.)

Level 3 – Valuations based on significant unobservable inputs (including the fund's own assumptions in determining the fair value of investments)

North Carolina State University Alumni Association, Inc.

**Notes to Financial Statements
For The Years Ended June 30, 2023 and 2022**

Note 4. Fair Value Measurement (continued)

The Association's assets itemized below were measured at fair value on a recurring basis at June 30:

| | 2023 | | | |
|---|-------------|-------------------|----------------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total Fair Value |
| NC State Investment Fund, Inc. Intermediate Term Fund (ITF) | \$ - | \$ 697,593 | \$ - | \$ 697,593 |
| NC State Investment Fund, Inc. Long-Term Investment Pool (LTIP) | - | - | 58,774,595 | 58,774,595 |
| Life Income Funds | - | 86,398 | - | 86,398 |
| Beneficial Interest in Life Insurance Policies | - | - | 209,743 | 209,743 |
| | <u>\$ -</u> | <u>\$ 783,991</u> | <u>\$ 58,984,338</u> | <u>\$ 59,768,329</u> |

| | 2022 | | | |
|---|-------------------|------------------|----------------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total Fair Value |
| STIF | \$ 133,060 | \$ - | \$ - | \$ 133,060 |
| NC State Investment Fund, Inc. Intermediate Term Fund (ITF) | - | - | 686,202 | 686,202 |
| NC State Investment Fund, Inc. Long-Term Investment Pool (LTIP) | - | - | 59,650,758 | 59,650,758 |
| Life Income Funds | - | 83,506 | - | 83,506 |
| Beneficial Interest in Life Insurance Policies | - | - | 214,599 | 214,599 |
| | <u>\$ 133,060</u> | <u>\$ 83,506</u> | <u>\$ 60,551,559</u> | <u>\$ 60,768,125</u> |

Following is a description of the valuation methodologies used for assets measured at fair value:

STIF – This investment has the general characteristics of a demand deposit account in that participants may deposit and withdraw cash at any time without prior notice or penalty.

NC State Investment Fund, Inc. Intermediate Term Fund (“ITF”) – The ITF is invested in a combination of publicly traded mutual funds, a separately managed account with Merganser and U.S. Treasuries, valued at quoted market prices. The ITF also has an investment in the STIF, valued as described above. The fair value classification of the ITF was transferred from Level 3 to Level 2 during the year ended June 30, 2023 due to a divestment from the LTIP.

NC State Investment Fund, Inc. Long-Term Investment Pool (“LTIP”) – The LTIP’s investment in UNC Investment Fund (UNCIF) is valued using the net asset value per share of the fund provided by the fund manager. The LTIP’s private equity investments are initially valued based on transaction price with subsequent valuation adjustments based on trading multiples of comparable public companies adjusted for differences in factors such as liquidity. The LTIP’s investment in a Blackrock Liquid Policy Portfolio (“LPP”) is valued at the closing price of the exchange-traded fund’s shares. The LTIP’s investment in U.S. Treasuries is valued at quoted market prices. The LTIP also has an investment in the STIF, valued as described above.

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements
For The Years Ended June 30, 2023 and 2022

Note 4. Fair Value Measurement (continued)

Life Income Funds – These investments are a combination of exchange-traded equity and fixed income securities valued at quoted market prices.

Beneficial Interest in Life Insurance Policies – Valued based on the cash surrender value of the policies. Because these values are based on significant unobservable inputs, they are categorized in Level 3 of the fair value hierarchy.

The following is a reconciliation of the assets measured at fair value on a recurring basis in which significant unobservable inputs (Level 3) were used in determining value at June 30:

| | 2023 | | |
|--|------------------------------|-------------------------------|-------------------------------|
| | NC State | NC State | Beneficial Interest |
| | Investment Fund, Inc. ITF | Investment Fund, Inc. LTIP | in Life Insurance Policies |
| Beginning balance | \$ 686,202 | \$ 59,650,758 | \$ 214,599 |
| Participant additions | - | 1,201,842 | - |
| Realized gain | - | 1,553,825 | - |
| Unrealized appreciation (depreciation) | 11,391 | (939,840) | (4,856) |
| Participant withdrawals | - | (2,691,990) | - |
| Transfer to Level 2 | (697,593) | - | - |
| Ending balance | \$ - | \$ 58,774,595 | \$ 209,743 |

| | 2022 | | |
|--|------------------------------|-------------------------------|-------------------------------|
| | NC State | NC State | Beneficial Interest |
| | Investment Fund, Inc. ITF | Investment Fund, Inc. LTIP | in Life Insurance Policies |
| Beginning balance | \$ 537,658 | \$ 59,223,015 | \$ 221,186 |
| Participant additions | 200,000 | 1,312,910 | - |
| Investment income | 3,368 | 13,151 | - |
| Realized gain | 233 | 1,756,703 | - |
| Unrealized (depreciation) appreciation | (47,384) | 123,311 | (6,587) |
| Participant withdrawals | (7,428) | (2,452,076) | - |
| Transfer to associated entity | - | (244,213) | - |
| Expenses | (245) | (82,043) | - |
| Ending balance | \$ 686,202 | \$ 59,650,758 | \$ 214,599 |

You can find additional information regarding the LTIP and the ITF on the Foundations Accounting and Investments home page at <https://foundationsaccounting.ofa.ncsu.edu/>.

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements For The Years Ended June 30, 2023 and 2022

Note 5. Financial Assets and Liquidity Resources

The Association's endowment funds consist of donor-designated endowments and board-designated endowments. Income from most donor-designated endowments is restricted for specific purposes and, therefore, is not available for general expenditures. As part of the Association's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The LTIP is responsible for managing liquidity in a manner that balances the short-term liquidity needs with the fund's longer-term return objectives. However, both the board-designated endowments and donor-designated endowments contain investments with redemption provisions that could impact availability of funds. In addition, the Association invests cash in excess of daily requirements in short-term investments.

The spendable portion of the Association's board designated endowments is approximately \$15 million at June 30, 2023. Although the Association does not intend to spend from its board-designated endowments, other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation, amounts could be made available if necessary. As described in Note 2, endowments have a spending rate of 4%. Approximately \$645,900 of appropriations from the board-designated endowments and \$7,800 of appropriations from the unrestricted donor-designated endowments will be available within the next 12 months.

As of June 30, 2023, financial assets available within one year for general expenditure, such as administrative and fundraising expenses, were as follows:

| | |
|--|----------------------|
| Total assets, less nonfinancial assets | \$ 62,979,501 |
| Less those unavailable for general expenditures within one year, due to: | |
| Donor imposed restrictions: | |
| Restricted by donor in perpetuity | (24,277,427) |
| Subject to appropriation and satisfaction of donor restrictions | (23,254,702) |
| Board-designated endowments | (14,571,975) |
| Total Liabilities | (195,442) |
| Financial assets available to meet cash needs for general expenditures within one year | \$ 679,955 |

Note 6. Life Income Funds

The financial statements include assets and liabilities of charitable gift annuities and unitrust agreements for which the Association is trustee. The grantors and/or beneficiaries retain future income interests in these assets until their death. These life income funds are recorded at fair value at the date of gift and marked to market thereafter. Life income funds at June 30, 2023 and 2022 have asset balances of \$86,398 and \$83,506, respectively.

The liabilities for distributions to grantors and/or beneficiaries are computed using Internal Revenue Code annuity valuation tables, the distribution terms of the agreements, and the life expectancy of the beneficiaries, and totaled \$68,928 and \$67,631 at June 30, 2023 and 2022, respectively. Payments from these funds were \$1,080 and \$540 during the years ended June 30, 2023 and 2022, respectively. An unrestricted reserve account has been established in the Association's Charitable Gift Annuity ("CGA") pool to receive 10% from all new CGAs established to offset the liabilities for any annuities that reach exhaustion. The goal is to build the unrestricted reserve fund to equal 10% of the total value of the Association's CGA pool. As of June 30, 2023 and 2022, the CGA reserve balance was \$6,335 and \$6,131, respectively.

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements
For The Years Ended June 30, 2023 and 2022

Note 7. Pledges Receivable

Pledges receivable consisted of the following at June 30:

| | 2023 | 2022 |
|---|-------------------|-------------|
| Receivable in less than one year | \$ 153,295 | \$ 283,714 |
| Receivable in one to five years | 226,166 | 360,034 |
| Total pledges receivable, gross | 379,461 | 643,748 |
| Less allowance for uncollectible pledges | (19,000) | (33,000) |
| Less unamortized discount (discount rate of 2.65% to 5.24%) | (31,355) | (37,149) |
| Pledges receivable, net | \$ 329,106 | \$ 573,599 |

An allowance for doubtful accounts has been established and is updated annually to reflect 5% of the Association's outstanding pledge balance. Active past due and long-term pledges receivable are reviewed twice yearly by the Advancement Services office in order to determine if it is appropriate to allow for or write off such pledges.

Three donors represented approximately \$265,000 of the total undiscounted pledges receivable at June 30, 2023. Four donors represented approximately \$515,000 of the total undiscounted pledges receivable at June 30, 2022.

Note 8. Donated Salaries, Services and Facilities

For the years ended June 30, 2023 and 2022, salaries and benefits paid by the University for college development personnel in the amount of \$1,643,000 and \$1,762,000, respectively, have been recorded as donated salaries. The University Finance Division provides services to support the Association; the difference between the fair market value of services rendered and fees paid has been recorded as donated services. The University allows the Association to utilize space on campus at no charge; the fair market value of such space has been recorded as donated facilities. For the years ended June 30, 2023 and 2022, donated services and facilities amounted to \$136,000.

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements
For The Years Ended June 30, 2023 and 2022

Note 9. Net Assets with Donor Restrictions

Donor restricted net assets were available for the following purposes at June 30:

| | 2023 | 2022 |
|---|----------------------|----------------------|
| Subject to expenditure for specified purpose: | | |
| Scholarships and fellowships | \$ 2,235,735 | \$ 2,065,999 |
| Pledges receivable | 89,248 | 57,001 |
| Other | 1,191,245 | 1,178,660 |
| | <u>3,516,228</u> | <u>3,301,660</u> |
| Subject to passage of time: | | |
| Beneficial interest in life insurance policies | 209,743 | 214,599 |
| Assets held under split-interest agreements, net | 17,470 | 15,875 |
| | <u>227,213</u> | <u>230,474</u> |
| Endowments: | | |
| Subject to Association endowment spending policy and appropriation: | | |
| Scholarships and fellowships | 39,618,932 | 39,984,945 |
| Pledges receivable | 239,858 | 516,598 |
| Other | 3,877,932 | 3,944,070 |
| | <u>43,736,722</u> | <u>44,445,613</u> |
| Total Net Assets With Donor Restrictions | <u>\$ 47,480,163</u> | <u>\$ 47,977,747</u> |

Donor restricted net asset grouping "Other" includes amounts designated for general University support.

Note 10. Net Assets Released from Restrictions

Net assets were released from donor restrictions as restrictions were met via the passage of time or by incurring expenses satisfying the restricted purposes specified by donors as follows during the years ended June 30:

| | 2023 | 2022 |
|--------------------------------|---------------------|---------------------|
| Scholarships and fellowships | \$ 1,001,323 | \$ 971,589 |
| Program and event support | 462,500 | 221,922 |
| Administrative and fundraising | 364,899 | 354,216 |
| | <u>\$ 1,828,722</u> | <u>\$ 1,547,727</u> |

North Carolina State University Alumni Association, Inc.

**Notes to Financial Statements
For The Years Ended June 30, 2023 and 2022**

Note 11. Description of Leasing Arrangements

For the years ended June 30, 2023 and 2022, the Association incurred operating lease expenses of \$12,307 and \$12,966, respectively, which has been included in fundraising support on the accompanying statement of activities. As of June 30, 2023, the weighted-average remaining lease term was 1.35 years and the weighted-average discount rate was 3.70%.

Maturities of operating lease liabilities:

| | |
|-----------------------------------|------------------|
| Years ending June 30: | |
| 2024 | \$ 13,881 |
| 2025 | 3,821 |
| Lease payments | <u>17,702</u> |
| Less: present value discount | (436) |
| Total operating lease liabilities | <u>\$ 17,266</u> |

Note 12. Deferred Revenue

In December 2022, active marketing of new lifetime and multi-year memberships were discontinued, at which point, all membership benefits became available to anyone with an affiliation to the University. Deferred lifetime membership revenue was \$0 and \$2,283,843 at June 30, 2023 and 2022, respectively. Deferred multi-year membership revenue was \$0 and \$202,323 at June 30, 2023 and 2022, respectively.

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements
For The Years Ended June 30, 2023 and 2022

Note 13. Functional Expense

The Association's primary objectives are to promote alumni affairs and promote awareness of NC State University. Expenses by functional classification for the year ended June 30, 2023 were as follows:

| | Total Program Support | Supporting Activities | | Total Support |
|---|-----------------------------|-----------------------|---------------------|---------------------|
| | | Administrative | Fundraising | |
| Grants | \$ 1,025,914 | \$ 1,000 | \$ 745,431 | \$ 1,772,345 |
| Legal | - | 7,128 | - | 7,128 |
| Accounting | - | 56,000 | - | 56,000 |
| Advertising | 25,252 | - | - | 25,252 |
| Office Expenses | 31,429 | 870 | 2,591 | 34,890 |
| Occupancy | 962 | 54,119 | - | 55,081 |
| Travel | 170,795 | 278 | 11,650 | 182,723 |
| Conferences and Meetings | 53,075 | 1,605 | 12,449 | 67,129 |
| Insurance | 2,692 | - | 14,896 | 17,588 |
| Departmental Equipment | 13,673 | 65 | 14,678 | 28,416 |
| Equipment Rental and Maintenance | 78,524 | 64,363 | 21,487 | 164,374 |
| Contracted Services | 319,244 | 9,757 | 2,100 | 331,101 |
| Services and Fees | 385,814 | 45,727 | 5,923 | 437,464 |
| Donated Services, Salaries and Facilities | - | 136,000 | 1,643,000 | 1,779,000 |
| Gift Assessment Fees | - | - | 539,028 | 539,028 |
| Printing and Binding | 257,671 | - | 173 | 257,844 |
| Dues and Subscriptions | 45,776 | 2,000 | 552 | 48,328 |
| Supplies | 169,046 | 5,144 | 9,187 | 183,377 |
| Total | \$ 2,579,867 | \$ 384,056 | \$ 3,023,145 | \$ 5,987,068 |

Grants include scholarships, fellowships and salary support. Services and Fees include food costs associated with Association programs, events and student engagement.

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements
For The Years Ended June 30, 2023 and 2022

Note 13. Functional Expense (continued)

Expenses by functional classification for the year ended June 30, 2022 were as follows:

| | Total Program Support | Supporting Activities | | Total Support |
|---|-----------------------------|-----------------------|---------------------|---------------------|
| | | Administrative | Fundraising | |
| Grants | \$ 990,467 | \$ 2,400 | \$ 772,387 | \$ 1,765,254 |
| Legal | - | - | - | - |
| Accounting | - | 52,100 | - | 52,100 |
| Advertising | 26,691 | - | - | 26,691 |
| Office Expenses | 131,726 | 6,498 | 32,632 | 170,856 |
| Occupancy | 7,830 | 52,605 | - | 60,435 |
| Travel | 105,277 | - | 5,985 | 111,262 |
| Conferences and Meetings | 51,679 | 2,965 | - | 54,644 |
| Insurance | 1,832 | - | 25,428 | 27,260 |
| Departmental Equipment | 8,506 | 1,702 | 1,349 | 11,557 |
| Equipment Rental and Maintenance | 108,615 | 36,303 | 14,704 | 159,622 |
| Contracted Services | 258,035 | 5,671 | 4,005 | 267,711 |
| Services and Fees | 333,191 | 43,286 | 6,312 | 382,789 |
| Donated Services, Salaries and Facilities | - | 136,000 | 1,762,000 | 1,898,000 |
| Gift Assessment Fees | - | - | 498,586 | 498,586 |
| Printing and Binding | 390,533 | 10,425 | 2,068 | 403,026 |
| Dues and Subscriptions | 105,810 | 2,000 | - | 107,810 |
| Supplies | 178,534 | 3,885 | 9,285 | 191,704 |
| Total | \$ 2,698,726 | \$ 355,840 | \$ 3,134,741 | \$ 6,189,307 |

Grants include scholarships, fellowships and salary support. Services and Fees include food costs associated with Association programs, events and student engagement.

Note 14. Subsequent Events

The Association has evaluated subsequent events through December 1, 2023, the date which the financial statements were available to be issued, and there were none to report.

SUPPLEMENTARY INFORMATION

North Carolina State University Alumni Association, Inc.

General Fund Budget vs. Actual - Unaudited
Year Ended June 30, 2023

| | Budget | Actual | (Under) Over Variance |
|--|------------------|------------------|--------------------------|
| Income | | | |
| Affinity marketing | \$ 255,000 | \$ 127,370 | \$ (127,630) |
| Alumni unrestricted gifts | 100,000 | 103,810 | 3,810 |
| Bricks and pavers | 10,000 | 2,651 | (7,349) |
| Signature event revenue | 25,000 | 89,625 | 64,625 |
| Outreach event revenue | 32,000 | 44,640 | 12,640 |
| Career fair | 42,000 | 29,140 | (12,860) |
| Homecoming sponsorship | 20,000 | - | (20,000) |
| Interest and dividends | 20,000 | 28,727 | 8,727 |
| Magazine advertising | 85,000 | 37,665 | (47,335) |
| Membership (annual) | 600,000 | 210,439 | (389,561) |
| Membership (lifetime) | 129,360 | 129,360 | - |
| Merchandise sales | 65,000 | 32,011 | (32,989) |
| Travel program revenue | 90,000 | 152,487 | 62,487 |
| Sponsorships | 97,000 | 35,818 | (61,182) |
| License plate revenue | 6,000 | 5,923 | (77) |
| The State Club | 160,000 | 199,422 | 39,422 |
| Alumni quasi endowment - spending budget | 344,990 | 344,990 | - |
| Alumni quasi endowment - additional withdrawal | 155,010 | 155,010 | - |
| Alumni magazine quasi endowment | 9,630 | 10,117 | 487 |
| Magazine support (University Advancement) * | 250,000 | 500,000 | 250,000 |
| Salary support (University Advancement) * | 1,747,770 | 1,643,000 | (104,770) |
| Total Income | 4,243,760 | 3,882,205 | (361,555) |
| Support | | | |
| Salaries | 2,517,770 | 2,390,174 | (127,596) |
| Operations | 1,473,050 | 1,116,043 | (357,007) |
| Professional services | 80,000 | 75,324 | (4,676) |
| Administrative and fundraising | 208,350 | 266,677 | 58,327 |
| Total Support | 4,279,170 | 3,848,218 | (430,952) |
| Income Less Support | (35,410) | 33,987 | 69,397 |
| General Fund Balance | | | |
| Beginning of year | 448 | 448 | - |
| End of year | \$ (34,962) | \$ 34,435 | \$ 69,397 |

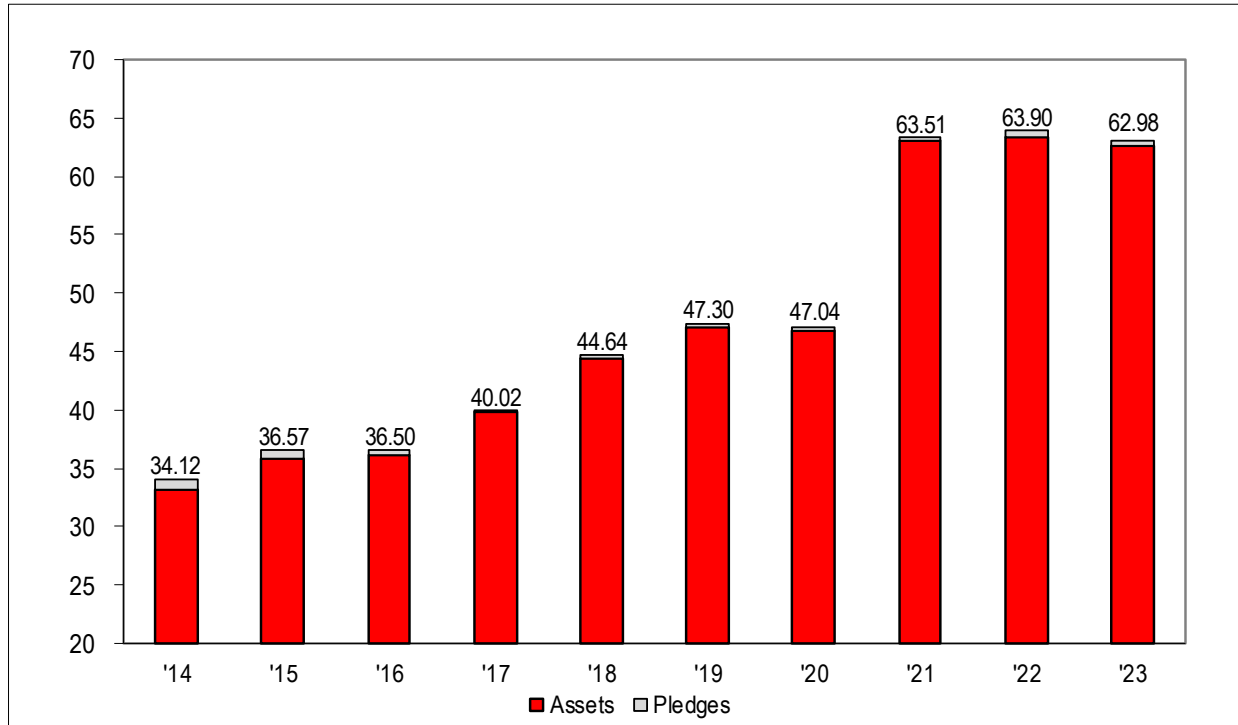
* These items represent support from the University.

North Carolina State University Alumni Association, Inc.

Ten Year Summary of Asset Growth - Unaudited As of June 30

Total Assets

(Dollars in Millions)

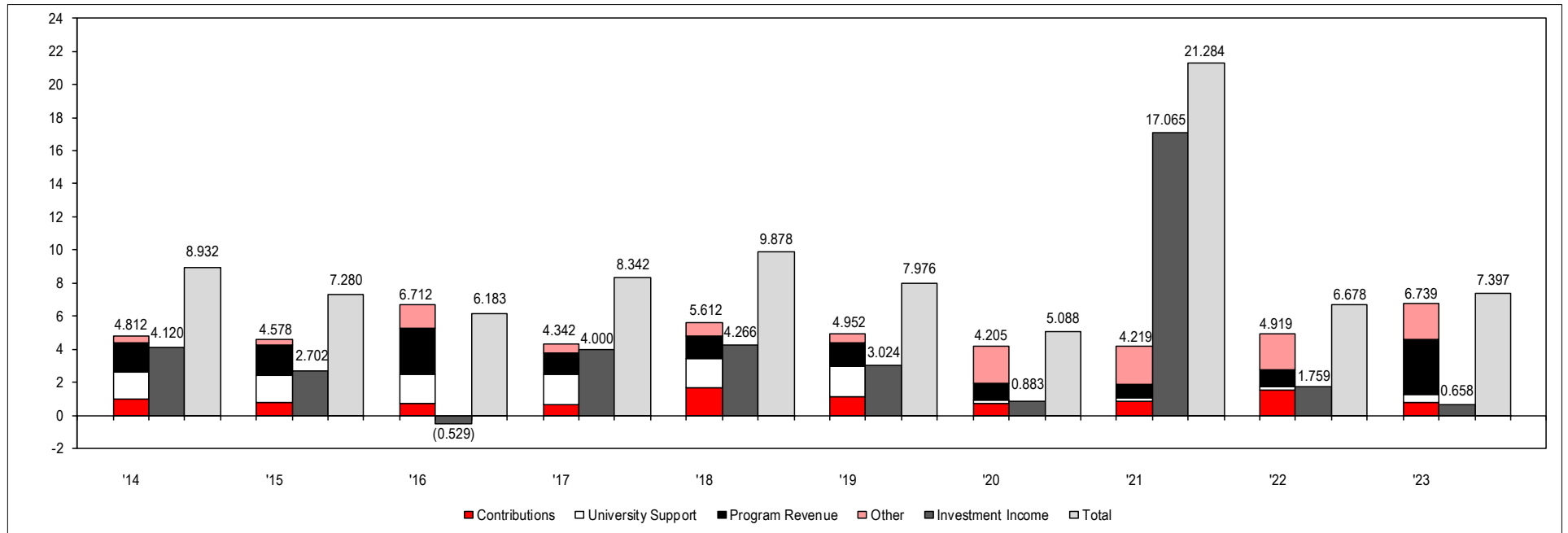


North Carolina State University Alumni Association, Inc.

**Ten Year Summary of Revenues and Support - Unaudited
Years Ended June 30**

Total Revenues, Gains, and Other Income

(Dollars in Millions)



Total Support

(Dollars in Millions)

