

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

FINANCIAL REPORT

JUNE 30, 2012 and 2011

North Carolina State University Alumni Association, Inc.
Financial Statements
For the years ended June 30, 2012 and 2011

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Williams Overman Pierce, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of North Carolina State University Alumni Association, Inc. (the "Association"), a nonprofit organization, as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 20 through 23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentations of the supplementary information. However, we did not audit the information and express no opinion on it.

Williams Overman Pierce, LLP

Raleigh, North Carolina
December 19, 2012

Raleigh • Greensboro

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North Carolina State University Alumni Association, Inc.

Statements of Financial Position
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents (Note 1)	\$ 1,461,774	\$ 892,323
Marketable securities (Notes 3 and 4)	23,578,161	23,569,210
Pledges receivable (Note 6)	1,759,673	2,113,916
Receivable - charitable lead trust	411,247	425,159
Surrender value of life insurance	288,863	296,566
Property and equipment, net of accumulated depreciation of \$1,872,653 and \$1,519,859 for 2012 and 2011, respectively	413,814	766,608
Sales tax and other receivables	2,629	6,226
Total assets	\$ 27,916,161	\$ 28,070,008
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable (Note 1)	\$ 31,724	\$ 51,501
Deferred revenue (Note 12)	4,540,283	5,091,550
Life income funds payable (Note 5)	496,083	533,804
Due to others (Note 1)	159,540	170,561
Total liabilities	5,227,630	5,847,416
Net assets:		
Unrestricted:		
Undesignated (Note 1)	3,803,989	3,488,700
Undesignated - underwater endowments (Note 2)	(53,508)	(67,680)
Temporarily restricted (Note 8)	4,051,587	4,508,860
Permanently restricted (Note 9)	14,886,463	14,292,712
Total net assets	22,688,531	22,222,592
Total liabilities and net assets	\$ 27,916,161	\$ 28,070,008

North Carolina State University Alumni Association, Inc.

Statement of Activities
Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains, and other income:				
University Advancement support:				
University support - salaries and benefits (Note 7)	\$ 1,120,000	\$ -	\$ -	\$ 1,120,000
University Caldwell support - salaries and benefits (Note 7)	123,000	-	-	123,000
University support - other	256,120	-	-	256,120
	<u>1,499,120</u>	<u>-</u>	<u>-</u>	<u>1,499,120</u>
Program revenues:				
Membership dues	524,582	-	-	524,582
Special interest groups	33,619	-	-	33,619
Student programs	765	-	-	765
Advertising and Alumni Magazine	73,501	-	-	73,501
Outreach	17,430	-	-	17,430
Events	146,296	-	-	146,296
Alumni travel program	50,228	-	-	50,228
Bricks and Pavers	3,800	-	-	3,800
Online store sales	3,947	-	-	3,947
Other program income	11,759	30,053	-	41,812
	<u>865,927</u>	<u>30,053</u>	<u>-</u>	<u>895,980</u>
Royalties:				
Affinity program royalties	131,854	-	-	131,854
	<u>131,854</u>	<u>-</u>	<u>-</u>	<u>131,854</u>
Contributions:				
Alumni contributions - Campaign for Excellence	257,227	-	-	257,227
Pledges receivable - adjustment	(326,079)	(15,384)	(12,780)	(354,243)
Alumni contributions	16,434	151,705	452,603	620,742
	<u>(52,418)</u>	<u>136,321</u>	<u>439,823</u>	<u>523,726</u>
Credit card program (Note 12)	<u>672,000</u>	<u>-</u>	<u>-</u>	<u>672,000</u>
Net asset reclassification - underwater endowments (Note 2)	<u>14,172</u>	<u>(14,172)</u>	<u>-</u>	<u>-</u>
Other income:				
Investment income	143,002	174,754	226,482	544,238
Decrease in surrender value of life insurance	-	(7,703)	-	(7,703)
Change in value of split interest agreements	-	-	(24,474)	(24,474)
Change in value of charitable lead trust	-	-	(13,912)	(13,912)
Donated services (Note 7)	28,000	-	-	28,000
Donated facility support (Note 7)	136,000	-	-	136,000
State Club receipts	106,734	-	-	106,734
	<u>413,736</u>	<u>167,051</u>	<u>188,096</u>	<u>768,883</u>
Net assets released from restrictions (Note 10)	<u>614,496</u>	<u>(614,496)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other income	<u>4,158,887</u>	<u>(295,243)</u>	<u>627,919</u>	<u>4,491,563</u>

(continued)

North Carolina State University Alumni Association, Inc.

Statement of Activities, continued
Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Expenses:				
Salaries and benefits- state supported	1,120,000	-	-	1,120,000
Salaries and benefits - Alumni Association supported	401,455	-	-	401,455
Administration and fundraising	122,120	-	-	122,120
	<u>1,643,575</u>	-	-	<u>1,643,575</u>
Program expenses:				
Communications and advertising	230,694	-	-	230,694
Special interest groups	53,780	-	-	53,780
Student programs	54,148	-	-	54,148
Membership	119,058	-	-	119,058
Outreach	83,424	-	-	83,424
Events	171,217	-	-	171,217
Marketing and merchandising	34,145	-	-	34,145
Online store	2,900	-	-	2,900
Career services	2,379	-	-	2,379
Alumni travel program	5,501	-	-	5,501
Other program expenses	36,338	-	-	36,338
	<u>793,584</u>	-	-	<u>793,584</u>
Caldwell endowments:				
Scholarships and Stipends	250,944	-	-	250,944
Operating	66,396	-	-	66,396
Salaries and benefits - University supported	123,000	-	-	123,000
	<u>440,340</u>	-	-	<u>440,340</u>
Other endowment related expenses:				
Scholarships	168,317	-	-	168,317
Advancement assessment	58,880	-	-	58,880
	<u>227,197</u>	-	-	<u>227,197</u>
Other:				
Life insurance premiums	33,561	-	-	33,561
Depreciation	352,794	-	-	352,794
Advancement allocation	250,000	-	-	250,000
Building - maintenance	27,136	-	-	27,136
Building - miscellaneous	13,311	-	-	13,311
Gift assessment fees	59,406	-	-	59,406
Audit	21,000	-	-	21,000
Treasurer's Division	26,000	-	-	26,000
Donated services	28,000	-	-	28,000
Donated facilities	136,000	-	-	136,000
	<u>947,208</u>	-	-	<u>947,208</u>
Total support	4,051,904	-	-	4,051,904
Excess (deficit) of revenues, gains, and other income over total support	106,983	(295,243)	627,919	439,659

(continued)

North Carolina State University Alumni Association, Inc.

Statement of Activities
Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net transfers:				
From other University-associated entities	-	26,280	-	26,280
Among funds	222,478	(188,310)	(34,168)	-
Total transfers	222,478	(162,030)	(34,168)	26,280
Change in net assets	329,461	(457,273)	593,751	465,939
Net assets:				
Beginning	3,421,020	4,508,860	14,292,712	22,222,592
Ending	<u>\$ 3,750,481</u>	<u>\$ 4,051,587</u>	<u>\$ 14,886,463</u>	<u>\$ 22,688,531</u>

North Carolina State University Alumni Association, Inc.

Statement of Activities

Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains, and other income:				
University Advancement support:				
University support - salaries and benefits (Note 7)	\$ 1,112,000	\$ -	\$ -	\$ 1,112,000
University Caldwell support - salaries and benefits (Note 7)	112,000	-	-	112,000
University support - other	216,120	-	-	216,120
	<u>1,440,120</u>	<u>-</u>	<u>-</u>	<u>1,440,120</u>
Program revenues:				
Membership dues	584,764	-	-	584,764
Special interest groups	107,419	-	-	107,419
Student programs	94,171	-	-	94,171
Advertising and Alumni Magazine	71,873	-	-	71,873
Outreach	30,683	-	-	30,683
Marketing	18,000	-	-	18,000
Events	37,760	-	-	37,760
Career services	2,640	-	-	2,640
Alumni travel program	49,632	-	-	49,632
Bricks and Pavers	5,825	-	-	5,825
Online store sales	17,139	-	-	17,139
Other program income	94,420	-	-	94,420
	<u>1,114,326</u>	<u>-</u>	<u>-</u>	<u>1,114,326</u>
Royalties:				
Affinity program royalties	122,774	-	-	122,774
	<u>122,774</u>	<u>-</u>	<u>-</u>	<u>122,774</u>
Contributions:				
Alumni contributions - Campaign for Excellence	397,606	-	-	397,606
Pledges receivable - adjustment	(444,989)	(10,208)	56,833	(398,364)
Alumni contributions	13,831	200,028	99,234	313,093
	<u>(33,552)</u>	<u>189,820</u>	<u>156,067</u>	<u>312,335</u>
Credit card program (Note 12)	672,000	-	-	672,000
Net asset reclassification - underwater endowments (Note 2)	334,628	(334,628)	-	-
Other income:				
Investment income	200,274	2,887,067	43,559	3,130,900
Decrease in surrender value of life insurance	-	(19,741)	-	(19,741)
Change in value of split interest agreements	-	-	(76,364)	(76,364)
Change in value of charitable lead trust	-	-	(25,774)	(25,774)
Donated services (Note 7)	50,000	-	-	50,000
Donated facility support (Note 7)	136,000	-	-	136,000
State Club receipts	106,734	-	-	106,734
	<u>493,008</u>	<u>2,867,326</u>	<u>(58,579)</u>	<u>3,301,755</u>
Net assets released from restrictions (Note 10)	885,278	(885,278)	-	-
Total revenues, gains, and other income	<u>5,028,582</u>	<u>1,837,240</u>	<u>97,488</u>	<u>6,963,310</u>

(continued)

North Carolina State University Alumni Association, Inc.

Statement of Activities, continued

Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Expenses:				
Salaries and benefits- state supported	1,112,000	-	-	1,112,000
Salaries and benefits - Alumni Association supported	444,501	-	-	444,501
Administration and fundraising	117,163	-	-	117,163
	<u>1,673,664</u>	<u>-</u>	<u>-</u>	<u>1,673,664</u>
Program expenses:				
Communications and advertising	216,111	-	-	216,111
Special interest groups	114,252	-	-	114,252
Student programs	123,022	-	-	123,022
Membership	207,699	-	-	207,699
Outreach	74,971	-	-	74,971
Events	93,805	-	-	93,805
Marketing and merchandising	43,189	-	-	43,189
Online store	6,179	-	-	6,179
Career services	1,365	-	-	1,365
Alumni travel program	45,474	-	-	45,474
Inventory	32,045	-	-	32,045
Other program expenses	72,062	-	-	72,062
	<u>1,030,174</u>	<u>-</u>	<u>-</u>	<u>1,030,174</u>
Caldwell endowments:				
Scholarships and stipends	291,717	-	-	291,717
Operating	28,651	-	-	28,651
Salaries and benefits - University supported	112,000	-	-	112,000
	<u>432,368</u>	<u>-</u>	<u>-</u>	<u>432,368</u>
Other endowment related expenses:				
Scholarships	103,637	-	-	103,637
Advancement assessment	35,785	-	-	35,785
	<u>139,422</u>	<u>-</u>	<u>-</u>	<u>139,422</u>
Other:				
Life insurance premiums	25,657	-	-	25,657
Depreciation	357,168	-	-	357,168
Loss on disposal of equipment	1,501	-	-	1,501
Advancement allocation	250,000	-	-	250,000
Building - maintenance	23,482	-	-	23,482
Building - miscellaneous	15,307	-	-	15,307
Gift assessment fees	38,200	-	-	38,200
Audit	20,000	-	-	20,000
Treasurer's division	23,700	-	-	23,700
Donated services	50,000	-	-	50,000
Donated facilities	136,000	-	-	136,000
	<u>941,015</u>	<u>-</u>	<u>-</u>	<u>941,015</u>
Total support	<u>4,216,643</u>	<u>-</u>	<u>-</u>	<u>4,216,643</u>
Excess of revenues, gains, and other income over total support	<u>811,939</u>	<u>1,837,240</u>	<u>97,488</u>	<u>2,746,667</u>

(continued)

North Carolina State University Alumni Association, Inc.

Statement of Activities, continued

Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net transfers:				
From (to) other University-associated entity	-	30,627	(98,457)	(67,830)
Among funds	311,624	(269,098)	(42,526)	-
Total transfers	311,624	(238,471)	(140,983)	(67,830)
Change in net assets	1,123,563	1,598,769	(43,495)	2,678,837
Net assets:				
Beginning	2,297,457	2,910,091	14,336,207	19,543,755
Ending	<u>\$ 3,421,020</u>	<u>\$ 4,508,860</u>	<u>\$ 14,292,712</u>	<u>\$ 22,222,592</u>

North Carolina State University Alumni Association, Inc.

Statements of Cash Flows
Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flows From Operating Activities:		
Change in net assets:	\$ 465,939	\$ 2,678,837
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	352,794	357,168
Loss on disposal of equipment	-	1,501
Net investment gains	(544,238)	(3,130,900)
Investment income restricted for split interest agreements	(15,069)	(18,911)
Actuarial change in value of split interest agreements	24,474	76,364
Contributions restricted for permanent endowment	(452,603)	(99,234)
(Increase) Decrease in:		
Pledges receivable	354,243	398,364
Receivables	17,509	27,696
Alumni collection - inventory	-	32,045
Increase (decrease) in:		
Accounts payable	(19,777)	18,640
Deferred revenue	(551,267)	(518,380)
Due to NC State University	-	(87,351)
Net cash used in operating activities	(367,995)	(264,161)
Cash Flows From Investing Activities:		
Proceeds from sales of investments	2,158,173	722,752
Purchases of investments	(1,622,886)	(159,826)
Disposal of property	-	16,000
Surrender value of life insurance	7,703	19,741
Net cash provided by investing activities	542,990	598,667
Cash Flows From Financing Activities:		
Contributions restricted for permanent endowment	452,603	99,234
Investment income restricted for split interest agreements	15,069	18,911
Payments on life income fund obligations	(73,216)	(74,809)
Net cash provided by financing activities	394,456	43,336
Net change in cash and cash equivalents	569,451	377,842
Cash and cash equivalents:		
Beginning	892,323	514,481
Ending	\$ 1,461,774	\$ 892,323
Supplemental Disclosures of Cash Flow Information:		
Transfers among funds	\$ 1,306,092	\$ 311,624
Supplemental Disclosures of Noncash Activities:		
Donated services	\$ 28,000	\$ 50,000
Donated facilities	\$ 136,000	\$ 136,000
University support - salaries and benefits	\$ 1,243,000	\$ 1,224,000

See accompanying notes to financial statements.

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements

For the years ended June 30, 2012 and 2011

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 ("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, the Association's 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:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association and/or by the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. 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 debt instruments to be cash equivalents. Cash designated or restricted for long-term purposes is included with marketable securities. 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 BNY Mellon's Liquidity DIRECT, the State Treasurer's Short-Term Investment Fund ("STIF"), and an operating checking account with Wells Fargo Bank, N.A. 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.

Marketable securities: Long-term investments and marketable securities 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 ("Board"), invests with the NC State Investment Fund, Inc. ("NCSIF"). In addition, the Association has planned giving instruments invested with Wells Fargo.

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.

Receivable – charitable lead trust: The receivable for the split-interest agreement is carried at fair value, which the Association has estimated based on the present value of its expected future cash inflows.

Surrender value of life insurance: 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 values less any loans outstanding on the policies. Cash surrender values of these policies were \$288,863 and \$296,566 at June 30, 2012 and June 30, 2011, respectively.

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements
For the years ended June 30, 2012 and 2011

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

Property and equipment: Property and equipment are recorded at cost and are depreciated over the estimated useful lives of the respective assets using the straight-line method. Estimated useful lives are typically five to seven years.

Sales tax and other receivables: Sales tax receivable was \$2,023 and \$6,226 at June 30, 2012 and 2011, respectively. There was also a \$606 receivable for interest due to the Association at June 30, 2012.

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

Due to others: Due to others at June 30, 2012 and 2011 consists of \$159,540 and \$170,561, respectively, due to remainder beneficiaries of life income funds.

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, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the statements of activities.

In fiscal year 2011, the University instituted a gift assessment program in support of Central Development and college-level fundraising efforts. Beginning October 1, 2010, a one-time fee of 5% is assessed on gifts that support current operations and facilities.

Investment income: Investment income is allocated on the basis of average fund balances for unrestricted and temporarily restricted net assets. 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 unrestricted, temporarily restricted, or permanently restricted, as appropriate. Earnings from investments are net of investment fees of \$92,560 and \$92,590 for the years ended June 30, 2012 and 2011, respectively. 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, beginning October 1, 2010, an annual fee of 0.50% is assessed on the average twenty-quarter market value of assets held in the investment portfolio, designated for Central Development. In addition, an assessment of 0.55% is charged by the Association on the average twenty-quarter market value of the assets held in the investment portfolio, for the support of fundraising activities.

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: 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 association. The Association had no significant unrelated trade or business income for 2012 and 2011. Therefore, no provision for income taxes has been reflected in the accompanying financial statements.

Notes to Financial Statements

For the years ended June 30, 2012 and 2011

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

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 be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Association, and has concluded that as of June 30, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the 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 2008.

Note 2. Endowment

The Association's endowment consists of approximately 150 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. UPMIFA defines a prudence standard for management and investment of institutional funds. As a result of the Association's interpretation of UPMIFA and the signed endowment agreements with donors, the Association classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment that are required by the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily 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. These deficiencies generally result from unfavorable market fluctuations which produce unrealized losses to the fund. Deficiencies of this nature are reported in unrestricted net assets, and were (\$53,508) and (\$67,680) as of June 30, 2012 and 2011 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 NCSIF in a manner that is intended to produce results that exceed a 70% S&P 500 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, 2012 and 2011

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, many newer endowments are not able to fund spending at the 4% level. Unless the gift instrument specifies otherwise, up to 15% of the corpus of an endowment may 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 \$640,190 and \$767,260 for fiscal years 2012 and 2013, respectively.

Strategies employed for achieving investment objectives:

For the long term, the primary investment objective for the NCSIF 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 NCSIF and to meet the spending needs of the University. To meet this investment objective, the NCSIF 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 or manager will have a disproportionate impact on the performance of the total fund.

The NCSIF's investments are 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 NCSIF 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, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 5,305,167	\$ 4,422,593	\$ 14,292,712	\$ 24,020,472
Net asset reclassification - underwater endowments	14,172	(14,172)	-	-
Endowment net assets after reclassification	5,319,339	4,408,421	14,292,712	24,020,472
Total investment return	137,491	(75,574)	226,482	288,399
Contributions including change in accrued pledges	426,939	5,084	439,823	871,846
Appropriations of endowment assets for expenditure	(346,357)	(810,888)	-	(1,157,245)
Change in value of split interest agreements	-	-	(24,474)	(24,474)
Change in value of charitable lead trust	-	-	(13,912)	(13,912)
Other changes:				
Transfers	100,000	-	(34,168)	65,832
Endowment net assets, end of year	\$ 5,637,412	\$ 3,527,043	\$ 14,886,463	\$ 24,050,918

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements
For the years ended June 30, 2012 and 2011

Note 2. Endowment (continued)

The following represents endowment net asset composition by type of fund, as of June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Undesignated - underwater endowments	\$ (53,508)	\$ -	\$ -	\$ (53,508)
Board-designated endowment funds	5,690,920	-	-	5,690,920
Donor restricted endowment funds	-	3,527,043	14,886,463	18,413,506
Total Funds	\$ 5,637,412	\$ 3,527,043	\$ 14,886,463	\$ 24,050,918

The following represents changes in endowment net assets for the fiscal year ended June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 3,993,197	\$ 2,671,832	\$ 14,336,207	\$ 21,001,236
Net asset reclassification - underwater endowments	334,628	(334,628)	-	-
Endowment net assets after reclassification	4,327,825	2,337,204	14,336,207	21,001,236
Total investment return	651,076	2,498,130	43,559	3,192,765
Contributions including change in accrued pledges	542,706	2,754	156,067	701,527
Appropriations of endowment assets for expenditure	(316,440)	(415,495)	-	(731,935)
Change in value of split interest agreements	-	-	(76,364)	(76,364)
Change in value of charitable lead trust	-	-	(25,774)	(25,774)
Other changes:				
Transfers	100,000	-	(140,983)	(40,983)
Endowment net assets, end of year	\$ 5,305,167	\$ 4,422,593	\$ 14,292,712	\$ 24,020,472

The following represents endowment net asset composition by type of fund, as of June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Undesignated - underwater endowments	\$ (67,680)	\$ -	\$ -	\$ (67,680)
Board-designated endowment funds	5,372,847	-	-	5,372,847
Donor restricted endowment funds	-	4,422,593	14,292,712	18,715,305
Total Funds	\$ 5,305,167	\$ 4,422,593	\$ 14,292,712	\$ 24,020,472

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements For the years ended June 30, 2012 and 2011

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 that such changes could materially affect the amounts reported in the statements of financial position.

Investments at June 30, 2012 and 2011 consisted of:

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
STIF	\$ 5,832	\$ 5,832	\$ -	\$ -
NC State Investment Fund, Inc.	21,752,756	22,599,362	22,128,930	22,506,130
Wells Fargo - Life Income Funds	1,000,438	972,967	847,171	1,063,080
	<u>\$ 22,759,026</u>	<u>\$ 23,578,161</u>	<u>\$ 22,976,101</u>	<u>\$ 23,569,210</u>

Investments held by the NCSIF at June 30, 2012 were made up of limited partnerships and the State Treasurer's Short Term Investment Fund ("STIF"). As of June 30, 2012, approximately 87% of these investments was with the UNC Management Company (UNCMC), 7% was committed to or in other private equity investments with JP Morgan, Blackrock, and SEI, and 6% was invested in the STIF. NCSIF's net assets were valued at approximately \$397,192,000 and \$378,260,000 at June 30, 2012 and 2011, respectively. The Association's investment in the NCSIF represents approximately 5.7% and 5.9% of the member equity of the NCSIF at June 30, 2012 and 2011, respectively.

The Association's investments held by Wells Fargo – 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 Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("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 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, credit risks, etc.)

Level 3 – 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, 2012 and 2011

Note 4. Fair Value Measurement (continued)

To measure fair value, there are three general valuation techniques that may be used, as described below:

- A) Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;
- B) Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- C) Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Assets itemized below are measured at fair value on a recurring basis using both market and income approaches. The market approach was used for level 2 and the income approach was used for level 3. While the NCSIF is categorized below as a Level 3 investment, as a member of the UNCMC, the NCSIF has full redemption privileges with a 60-day notice requirement.

The following represents fair value at June 30, 2012 and 2011:

	2012			
	Level 1	Level 2	Level 3	Total Fair Value
STIF	\$ 5,832	\$ -	\$ -	\$ 5,832
NC State Investment Fund, Inc.	-	-	22,599,362	22,599,362
Wells Fargo - Life Income Funds	-	972,967	-	972,967
Beneficial Interest in Life Insurance Policies	-	-	288,863	288,863
	\$ 5,832	\$ 972,967	\$ 22,888,225	\$ 23,867,024

	2011			
	Level 1	Level 2	Level 3	Total Fair Value
NC State Investment Fund, Inc.	\$ -	\$ -	22,506,130	22,506,130
Wells Fargo - Life Income Funds	-	1,063,080	-	1,063,080
Beneficial Interest in Life Insurance Policies	-	-	296,566	296,566
	\$ -	\$ 1,063,080	\$ 22,802,696	\$ 23,865,776

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:

	2012		2011	
	NC State Investment Fund, Inc.	Beneficial Interest in Life Insurance Policies	NC State Investment Fund, Inc.	Beneficial Interest in Life Insurance Policies
Beginning Balance	\$ 22,506,130	\$ 296,566	\$ 20,045,403	\$ 316,307
Unrealized gain (loss) on investments	469,406	(7,703)	2,992,587	(19,741)
Realized gain on investments	166,754	-	24,191	-
Net investment	(542,928)	-	(556,051)	-
Ending balance	\$ 22,599,362	\$ 288,863	\$ 22,506,130	\$ 296,566

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements For the years ended June 30, 2012 and 2011

Note 5. 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. Life income funds at June 30, 2012 and 2011 have asset balances of \$972,967 and \$1,063,080, 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 \$655,623 and \$704,365 at June 30, 2012 and 2011, respectively. Payments from these funds were \$73,216 and \$74,809 during the years ended June 30, 2012 and 2011, respectively. An unrestricted reserve account has been established in the Association's Charitable Gift Annuity ("CGA") pool to receive 5% 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 5% of the total value of the Association's CGA pool. As of June 30, 2012 and 2011, there was a zero balance in this reserve and there was one CGA in danger of exhausting its funds, which would result in an annual liability of approximately \$1,335 upon exhaustion.

Note 6. Pledges Receivable

Pledges receivable are stated at their present value, estimated by discounting the future cash flows using Federal Reserve rates of return, and are as follows:

	<u>2012</u>	<u>2011</u>
Receivable in less than one year	\$ 1,050,668	\$ 1,200,502
Receivable in one to five years	812,840	1,055,856
Total gross pledges receivable	1,863,508	2,256,358
Less allowance for uncollectible pledges	(94,000)	(113,000)
Less unamortized discount	(9,835)	(29,442)
Net pledges receivable	<u>\$ 1,759,673</u>	<u>\$ 2,113,916</u>

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 pledges receivable are reviewed twice yearly by the Advancement Services office in order to determine if it is appropriate to write off such pledges.

Note 7. Donated Facilities, Services and Salaries

Donated services in the amount of \$28,000 and \$50,000 for the years ended June 30, 2012 and 2011, respectively, have been reflected in the financial statements for services provided by the University Treasurer's Division. In addition, donated salaries and benefits paid by the University for Alumni Association and Caldwell personnel in the amount of \$1,243,000 and \$1,224,000 for the years ended June 30, 2012 and 2011, respectively, have been reflected in the financial statements. Donated facility support in the amount of approximately \$136,000 for the years ended June 30, 2012 and 2011 has been reflected in the financial statements for the use of the Dorothy and Roy Park Alumni Center.

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements
For the years ended June 30, 2012 and 2011

Note 8. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2012 and 2011 are available for the following purposes:

	<u>2012</u>	<u>2011</u>
Scholarships	\$ 3,762,724	\$ 4,212,294
Life insurance	288,863	296,566
	<u>\$ 4,051,587</u>	<u>\$ 4,508,860</u>

Cumulative endowment earnings are included in the total.

Note 9. Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2012 and 2011 are restricted to scholarships in the amounts of \$14,886,463 and \$14,292,712, respectively.

Note 10. Net Assets Released From Donor 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:

	<u>2012</u>	<u>2011</u>
Caldwell	\$ 317,340	\$ 320,368
Other scholarships	168,317	103,637
Other	128,839	461,273
	<u>\$ 614,496</u>	<u>\$ 885,278</u>

Note 11. Description of Leasing Arrangements

The Association had operating leases with total payments for the years ended June 30, 2012 and 2011 of \$13,500 and \$8,375, respectively. Future minimum rental payments are shown in the following schedule:

	<u>2013</u>	<u>2014</u>	<u>Thereafter</u>	<u>Total future minimum payments required</u>
Vehicles	\$13,500	\$5,125	\$0	\$18,625

Note 12. Deferred Revenue

In August 2007, the Association entered into an affinity credit card agreement with a bank whereby the Association licensed the use of NC State University's name, trademark, logos and mailing lists to the bank for a period of ten years. Under terms of the agreement, the bank paid the Association \$7,000,000 in 2008. Revenue recognized related to this agreement totaled \$672,000 for each of the years ended June 30, 2012 and 2011. Deferred credit card program revenue was \$3,696,000 and \$4,368,000 at June 30, 2012 and 2011, respectively.

The Association also recognizes deferred revenue related to purchases of lifetime memberships over thirty years and multi-year memberships over the life of the membership term. Deferred lifetime membership revenue was \$730,223 and \$588,700 at June 30, 2012 and 2011, respectively. Deferred multi-year membership revenue was \$114,060 and \$134,850 at June 30, 2012 and 2011, respectively.

North Carolina State University Alumni Association, Inc.

Notes to Financial Statements
For the years ended June 30, 2012 and 2011

Note 13. Prior Year Restatement and Reclassifications

Certain amounts in the 2011 financial statements have been reclassified to conform to the 2012 presentation with no effect on previously reported total net assets. The Association also reclassified unspent temporarily restricted funds of \$19,499 that had previously been reported as unrestricted to temporarily restricted to conform to the 2012 presentation.

During fiscal year 2012, the Association determined that deferred revenue was understated and undesignated net assets were overstated in the fiscal year 2011 financial statements by \$134,850 as a result of multi-year memberships recorded in prior years entirely as revenue. The Association has assessed and determined the impact of these items during 2011 and prior fiscal years. The cumulative amount of revenue that should have been deferred prior to and during fiscal year 2010 was \$103,800 and the amount of revenue that should have been deferred during fiscal year 2011 was \$31,050. The Association has concluded that these adjustments to the results of operations are such that an adjustment to net assets was required.

Statement of financial position at June 30, 2011 has been restated as follows:

	2011 as previously reported	Restatement	2011 as restated
Liabilities:			
Deferred revenue	\$ 4,956,700	\$ 134,850	\$ 5,091,550
Total liabilities	\$ 5,712,566	\$ 134,850	\$ 5,847,416
Net assets:			
Unrestricted:			
Undesignated	\$ 3,643,049	\$ (154,349)	\$ 3,488,700
Undesignated - underwater endowments	(67,680)	-	(67,680)
Temporarily restricted	4,489,361	19,499	4,508,860
Permanently restricted	14,292,712	-	14,292,712
Total net assets	\$ 22,357,442	\$ (134,850)	\$ 22,222,592

Statement of activities for the year ended June 30, 2011 has been restated as follows:

	2011 as previously reported	Restatement	2011 as restated
Membership dues	\$ 615,814	\$ (31,050)	\$ 584,764
Change in net assets	\$ 2,709,887	\$ (31,050)	\$ 2,678,837
Net assets:			
Beginning	\$ 19,647,555	\$ (103,800)	\$ 19,543,755
Ending	\$ 22,357,442	\$ (134,850)	\$ 22,222,592

Note 14. Subsequent Events

The Association has evaluated subsequent events through December 19, 2012, 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, 2012

	Approved Budget	Actual	Variance Over/(Under)
Income:			
Affinity marketing	\$ 110,000	\$ 131,854	\$ 21,854
Bricks and pavers	5,000	3,610	(1,390)
Credit card contract	400,000	300,000	(100,000)
Endowment assessment	58,880	58,880	-
Interest and dividends	5,000	5,502	502
Magazine advertising	65,000	73,501	8,501
Magazine support (University Advancement) *	178,620	178,620	-
Membership (annual)	600,000	475,605	(124,395)
Membership (lifetime)	20,185	20,185	-
Event revenue	127,850	129,373	1,523
Travel program revenue	45,000	50,228	5,228
Miscellaneous donations	15,000	15,783	783
Online store	-	3,947	3,947
Outreach and engagement support (University Advancement) *	77,500	77,500	-
Salary support (University Advancement) *	1,120,000	1,407,457	287,457
Sponsorships	25,000	11,300	(13,700)
The State Club	106,734	106,734	-
Total income	2,959,769	3,050,079	90,310
Support:			
Administration	173,250	140,327	(32,923)
Operations	854,160	683,252	(170,908)
Professional services	47,000	47,000	-
Salaries	1,520,039	1,808,912	288,873
University support	331,120	331,120	-
Transfers to endowment	100,000	100,000	-
Total support	3,025,569	3,110,611	85,042
Income less support	(65,800)	(60,532)	5,268
General fund balance			
Beginning	65,883	65,883	-
Ending	\$ 83	\$ 5,351	\$ 5,268

* These items represent support from the University.

North Carolina State University Alumni Association, Inc.

Summary of Endowments and Nonexpendable Funds - Unaudited

As of June 30, 2012

	Balance June 30, 2011	Contributions	Investment Income	Other Income (Expense)	Program Expenditures	Transfers	Balance June 30, 2012	Market Value June 30, 2012
Scholarships:								
Caldwell	\$ 10,930,689	\$ 115,841	\$ 43,508	\$ -	\$ -	(713,359)	\$ 10,376,679	\$ 11,184,360
Merit	1,797,410	20,580	7,056	-	-	(35,294)	1,789,752	1,872,215
Need-based	3,175,322	233,073	13,166	-	-	(221,853)	3,199,708	3,427,701
Other	933,215	-	149,059	(12,599)	(13,168)	11,230	1,067,737	1,391,462
Total scholarships	16,836,636	369,494	212,789	(12,599)	(13,168)	(959,276)	16,433,876	17,875,738
Other endowed funds	5,809,675	345,420	100,197	179,419	(22,327)	(333,982)	6,078,402	6,111,130
Total endowed funds *	\$ 22,646,311	\$ 714,914	\$ 312,986	\$ 166,820	\$ (35,495)	\$ (1,293,258)	\$ 22,512,278	\$ 23,986,868

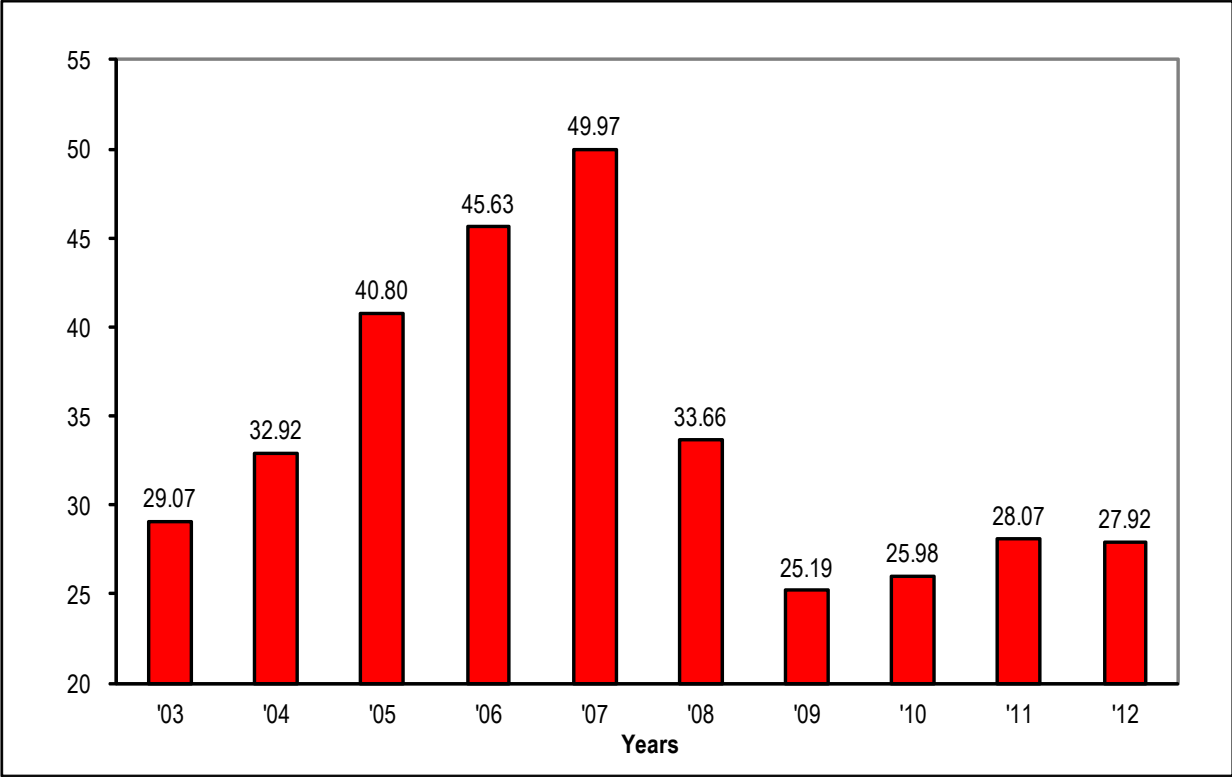
* Includes charitable gift instruments.

North Carolina State University Alumni Association, Inc.

**Ten Year Summary of Asset Growth - Unaudited
Years Ended June 30**

Total Assets

(Dollars in Millions)

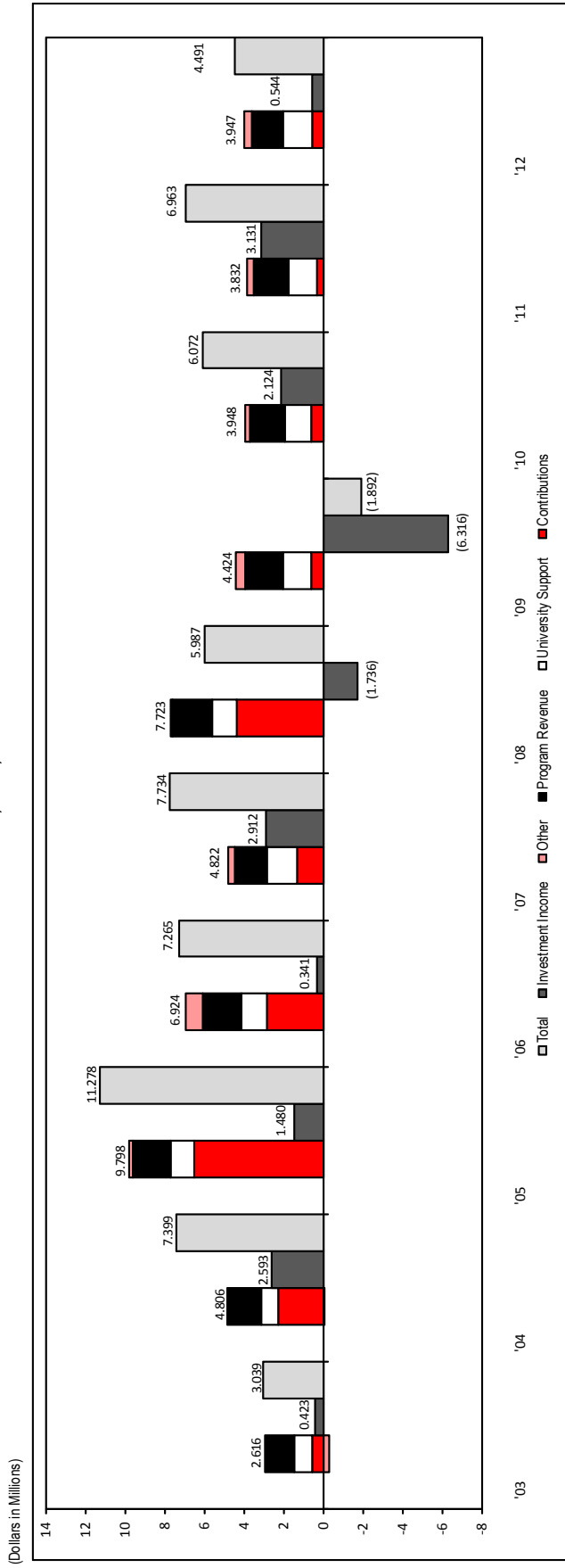


Note: In fiscal year 2008, the Dorothy and Roy Park Alumni Center was gifted to the University.

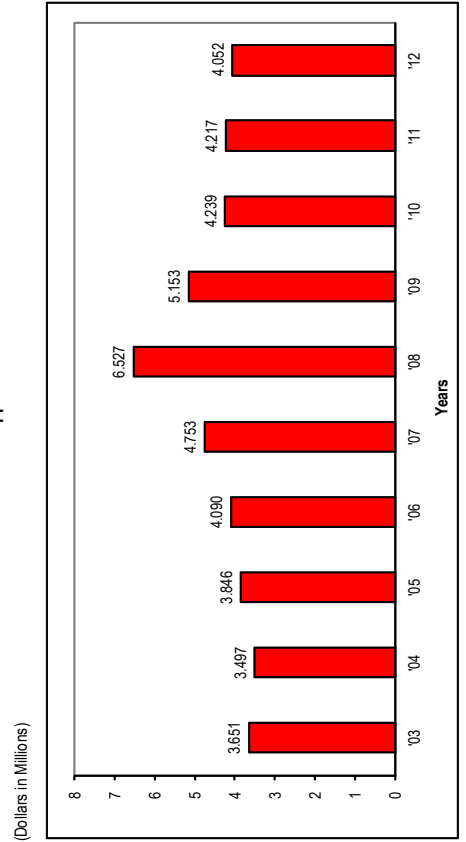
North Carolina State University Alumni Association, Inc.

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

Total Revenues, Gains, and Other Income



Total Support



OTHER INFORMATION



Williams Overman Pierce, LLP
Certified Public Accountants and Consultants

December 19, 2012

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

We have audited the financial statements of North Carolina State University Alumni Association, Inc. ("Association"), a nonprofit organization, for the year ended June 30, 2012, and have issued our report thereon dated December 19, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated June 13, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.



Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles selected by the Association, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Closing

We are happy to respond to any questions you may have concerning this communication. We appreciate the opportunity to continue to serve the North Carolina State University Alumni Association, Inc.

This information is intended solely for the use of the Board of Directors and management of North Carolina State University Alumni Association, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Williams Overman Pierce, LLP