

**THE WILLIAM & MARY  
ALUMNI ASSOCIATION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2018**



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ASSURANCE, TAX & ADVISORY SERVICES

# THE WILLIAM & MARY ALUMNI ASSOCIATION

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The William & Mary Alumni Association

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

We have audited the accompanying financial statements of The William & Mary Alumni Association which comprise the statements of financial position as of June 30, 2018 and 2017, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The William & Mary Alumni Association as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 9 to the financial statements, the June 30, 2017 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

## **Other Matter**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*PB Mares, LLP*

Norfolk, Virginia  
October 16, 2018

## **FINANCIAL STATEMENTS**

**THE WILLIAM & MARY ALUMNI ASSOCIATION**

**STATEMENTS OF FINANCIAL POSITION**

**June 30, 2018 and 2017**

	2018	As Restated 2017
<b>ASSETS</b>		
Cash and cash equivalents	\$ 601,392	\$ 775,928
Accounts receivable	745,098	759,406
Pledges receivable	231,418	150,823
Inventory	3,964	7,600
Prepaid expenses and deposits	29,010	12,270
Investments	8,545,974	7,643,652
Funds held in trust by others	6,088,346	4,938,158
	<u>16,245,202</u>	<u>14,287,837</u>
Property and equipment		
Furnishings	385,203	394,643
Building improvements	384,914	384,914
	<u>770,117</u>	<u>779,557</u>
Less accumulated depreciation	(690,936)	(691,200)
	<u>79,181</u>	<u>88,357</u>
<b>Total assets</b>	<u><u>\$ 16,324,383</u></u>	<u><u>\$ 14,376,194</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 100,094	\$ 104,210
Accrued expenses	24,101	1,658
Other liabilities	47,301	48,011
Advance from affinity partner	49,687	30,803
Due to College	1,390	1,390
Deferred income	17,700	74,026
<b>Total liabilities</b>	<u>240,273</u>	<u>260,098</u>
Net assets		
Unrestricted	10,357,386	9,499,271
Temporarily restricted	2,549,485	2,307,862
Permanently restricted	3,177,239	2,308,963
	<u>16,084,110</u>	<u>14,116,096</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 16,324,383</u></u>	<u><u>\$ 14,376,194</u></u>

# THE WILLIAM & MARY ALUMNI ASSOCIATION

## STATEMENTS OF ACTIVITIES Years Ended June 30, 2018 and 2017

	2018	As Restated 2017
Change in unrestricted net assets		
Revenues and support:		
Alumni program and event revenue	\$ 623,373	\$ 576,326
Donations and contributions	1,052,746	1,062,310
Interest and dividend income	407,208	256,700
Merchandise sales	31,648	37,333
Rental income	121,352	133,018
Affinity program royalty revenue	158,367	182,539
Travel program	81,847	65,677
Other revenue	125,280	84,187
Net realized and unrealized gains on investments	132,470	715,833
Loss on disposal of property and equipment	(182)	(2,852)
	<u>2,734,109</u>	3,111,071
Net assets released from restrictions:		
Appropriation and expenditure of endowment assets	118,817	120,375
Satisfaction of program and time restrictions	91,471	106,747
<b>Total unrestricted revenue and support</b>	<u><b>2,944,397</b></u>	<u><b>3,338,193</b></u>
Expenses:		
Program services:		
Alumni programs and events	1,327,902	1,303,015
Gifts, awards and memorials	186,253	124,311
Alumni gift shop	15,984	8,234
Travel program	24,507	22,957
Management and general:		
Alumni office	189,559	177,078
Management fees	23,572	21,490
Alumni house	12,489	48,010
Board	43,849	31,410
Fundraising	262,167	335,286
<b>Total expenses</b>	<u><b>2,086,282</b></u>	<u><b>2,071,791</b></u>
<b>Change in unrestricted net assets</b>	<u><b>858,115</b></u>	<u><b>1,266,402</b></u>

**THE WILLIAM & MARY ALUMNI ASSOCIATION**

**STATEMENTS OF ACTIVITIES (Continued)**  
**Years Ended June 30, 2018 and 2017**

	<b>2018</b>	As Restated <b>2017</b>
Change in temporarily restricted net assets		
Net realized and unrealized gains on investments	\$ <b>360,913</b>	\$ 373,732
Donations and contributions	<b>90,998</b>	47,484
Net assets released from restrictions	<b>(91,471)</b>	(106,747)
Appropriation of endowment assets for expenditure	<b>(118,817)</b>	(120,375)
<b>Change in temporarily restricted net assets</b>	<b>241,623</b>	194,094
Change in permanently restricted net assets		
Contributions	<b>868,276</b>	222,747
<b>Change in permanently restricted net assets</b>	<b>868,276</b>	222,747
<b>Change in net assets</b>	<b>1,968,014</b>	1,683,243
Net assets, beginning of year	<b>14,116,096</b>	12,432,853
Net assets, end of year	<b>\$ 16,084,110</b>	\$ 14,116,096



# THE WILLIAM & MARY ALUMNI ASSOCIATION

## STATEMENTS OF CASH FLOWS Years Ended June 30, 2018 and 2017

	2018	As Restated 2017
Cash flows from operating activities		
Change in net assets	\$ 1,968,014	\$ 1,683,243
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,994	13,510
Net realized and unrealized gains on investments	(493,383)	(1,089,565)
Loss on disposal of property and equipment	182	2,852
Change in:		
Accounts receivable	14,308	(56,228)
Pledges receivable	(80,595)	(48,727)
Inventory	3,636	(1,473)
Prepaid expenses and deposits	(16,740)	3,774
Funds held in trust by others	(669,358)	(49,949)
Accounts payable and accrued expenses	18,327	45,668
Other liabilities	(710)	4,022
Advance from affinity partner	18,884	14,143
Due to College	-	1,262
Deferred income	(56,326)	(4,053)
<b>Net cash provided by operating activities</b>	<b>715,233</b>	<b>518,479</b>
Cash flows from investing activities		
Purchases of investments	(4,347,571)	(1,342,524)
Proceeds from sale of investments	3,457,802	1,127,368
<b>Net cash used in investing activities</b>	<b>(889,769)</b>	<b>(215,156)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(174,536)</b>	<b>303,323</b>
Cash and cash equivalents		
Beginning	775,928	472,605
Ending	\$ 601,392	\$ 775,928

# THE WILLIAM & MARY ALUMNI ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### **Note 1. Nature of Organization and Activities**

The William & Mary Alumni Association (Alumni Association) is a private, nonprofit corporation organized under the laws of the Commonwealth of Virginia. The Alumni Association was incorporated by an Act of the Virginia General Assembly approved February 21, 1923. The Alumni Association was formed to aid the College of William & Mary in Virginia (College) in its work, and to promote and strengthen the bonds of interest between and among the College, its alumni, and friends.

Pursuant to a Memorandum of Understanding (MOU) dated June 26, 2014 and amended on June 12, 2015 between the Alumni Association and the College, the parties expressed their intention to integrate the staff responsible for executing alumni engagement activities and services in a newly organized Office of University Advancement of the College (OUA). Accordingly, employees of the Alumni Association became employees of the College; staff responsible for alumni engagement activities and services continue to report to the Alumni Association Executive Director, who also serves as Associate Vice President for Alumni Engagement within the OUA. The Alumni Association retains its 501(c)(3) status, and continues to be managed by its Board of Directors in accordance with its existing Articles of Incorporation and by-laws, including Board oversight of Alumni engagement activities and signature events. The OUA is obligated under the MOU to provide staffing and other resources sufficient to execute the Alumni engagement activities and events. Substantially all financial and other tangible and intangible assets of the Alumni Association remain its property, and the Alumni Association retains the benefit from future alumni engagement activities, including income from endowments, annual gifts, revenue from affinity programs, and net revenue from signature events and activities. The Alumni Association Board, with advice from and in cooperation with the College and OUA, approves the Alumni Association's annual budget to support those alumni engagement and other programs deemed beneficial to its mission.

### **Note 2. Summary of Significant Accounting Policies**

***Basis of Accounting:*** The accounting system is maintained and financial reports are prepared in accordance with the accrual basis of accounting. Investment income is recognized in the accounting period in which it is earned and expenses are recognized in the accounting period in which the related liability is incurred.

***Basis of Presentation:*** Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, establishes standards for external financial reporting by not-for-profit organizations. Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into categories, as follows:

*Unrestricted Net Assets* - Unrestricted net assets generally result from receiving unrestricted support, unrealized and realized gains and losses on investments held by the Alumni Association and held in trust by the College of William & Mary Foundation (Foundation), and revenue from programs related to Alumni Association activities.

# THE WILLIAM & MARY ALUMNI ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### Note 2. Summary of Significant Accounting Policies (Continued)

*Temporarily Restricted Net Assets* - Temporarily restricted net assets generally result from contributions and other inflows of assets whose use by the Alumni Association is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Alumni Association pursuant to those stipulations.

*Permanently Restricted Net Assets* - Permanently restricted net assets generally represent the historical cost (market value at date of gift) of contributions and other inflows of assets whose use by the Alumni Association is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Alumni Association.

***Funds Held in Trust by Others:*** Funds held in trust by others include permanent endowment funds and funds functioning as an endowment ("quasi-endowments") held by the Foundation. These endowment funds represent resources either not in the possession or not under control of the Alumni Association; however, the Alumni Association derives income from such funds. These funds are reported as permanently restricted. Quasi-endowments are reported as unrestricted. With respect to the funds held in trust by others, the Alumni Association follows the same endowment policies as implemented by the Foundation as described below and in Note 5.

In accordance with the FASB ASC Topic 958, *Not-for-Profit Entities*, and the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), net assets associated with endowments and funds functioning as endowments are classified and reported based on the existence or absence of donor-imposed restrictions. The Commonwealth of Virginia adopted UPMIFA effective July 1, 2008.

The Board of the Foundation has interpreted UPMIFA as requiring preservation of the fair value, as of the gift date, of gifts to a donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of all gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted is classified as unrestricted net assets in a manner consistent with the standards of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination, in the aggregate, to appropriate for expenditure or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the endowment fund;
- (2) The purposes of the institution and the endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation or deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the institution; and
- (7) The investment policy of the institution.

# THE WILLIAM & MARY ALUMNI ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### **Note 2. Summary of Significant Accounting Policies (Continued)**

Funds held in trust by others are pooled on a fair value basis by the Foundation. Each individual fund purchases or disposes of units on the basis of the fair value per unit at the beginning of the calendar quarter within which the transaction takes place. This method approximates the net asset value (NAV) method, and is considered a practical expedient for measuring the fair value of these investments. As necessary, income (including realized net gains) is distributed pro rata based upon the number of units owned by each fund. These amounts are either expendable at the discretion of the board of the Alumni Association or according to donor restrictions.

The fair value of the Foundation's investments, private placements and other securities for which values are not readily available, are determined in good faith by the investment advisors of the respective entities, and may not reflect amounts that could be realized upon immediate sale or amounts that ultimately may be realized. The estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments, and these differences could be material in the near term.

***Cash and Cash Equivalents:*** Cash and cash equivalents include highly liquid investment instruments purchased with an original maturity of three months or less.

***Accounts and Pledges Receivable:*** Accounts and pledges receivable are stated at the amount the Alumni Association expects to collect. Based on management's assessment of the collectability of specific receivables, the aging of the receivables, historical experience, and other currently available evidence, no allowance for doubtful accounts has been reflected as of June 30, 2018 and 2017. Any account deemed uncollectible is written off against earnings in the period that it is determined to be uncollectible. Although generally accepted accounting principles require that the allowance method be used to record bad debt, the effect of applying the direct write-off method to the Alumni Association's financial statements is not materially different from the results that would have been obtained had the allowance method been used. Management deems all receivables fully collectible.

***Inventory:*** Inventory consists of gift merchandise available for sale and is valued at the lower of cost or market. Cost is determined on a first-in, first-out (FIFO) basis. Market represents the lower of replacement cost or estimated net realizable value.

***Investments:*** Investments are reported at the estimated fair value of the securities. Investment income and gains and losses on investments are reported as increases or decreases in unrestricted net assets unless a donor or law temporarily or permanently restricts their use. Purchases and sale of securities are reflected on a trade date basis. Gains and losses on the sale of securities are based on the difference between the sale price and the average historical cost basis, where such basis represents the cost of the securities purchased, or the fair value at the date of the receipt for securities received by donation.

# THE WILLIAM & MARY ALUMNI ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### Note 2. Summary of Significant Accounting Policies (Continued)

**Property and Equipment:** Property and equipment in the accompanying financial statements is presented net of accumulated depreciation. The Alumni Association capitalizes property and equipment with a cost of over \$500 and an estimated life of three years or more. Property and equipment are reported at cost or the estimated value at the date of gift, if donated. Depreciation is computed by the straight-line method using the following estimated useful lives:

Furnishings	5 - 12 years
Automobiles	5 years
Building improvements	15 - 20 years

Gains and losses arising from retirement or sale of property and equipment are recognized in the statement of activities.

**Deferred Income:** Deposits collected for the rental of the Alumni house for future events are recorded as deferred rental income until such events occur. Amounts collected for future Alumni activities are recorded as deferred income until such activities occur.

**Other Liabilities:** Other liabilities consist of unspent chapter funds.

**Credit Risk:** Financial instruments that potentially subject the Alumni Association to concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable and investments. The Alumni Association places its cash and cash equivalents with high credit quality financial depositories, and its accounts receivable are primarily due from a diverse group of college related departments and alumni. Occasionally during the year, the balances in a financial institution may exceed the FDIC \$250,000 deposit insurance amount; that excess is uninsured. Management has placed these funds in high quality institutions in order to minimize the risk. The Alumni Association's investments are professionally managed and insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000.

**Revenue Recognition:** Alumni program and event revenue is recognized once the related program or event has occurred. Merchandise sales are recognized upon execution of the transaction and delivery of the product. Rental income and travel program revenue is recognized once the related events have occurred. Revenue from affinity partners is recognized when earned as described in the related agreements. Funds received from affinity partners in advance of being earned are recorded as a liability.

**Contributions:** Contributions and gifts, including unconditional promises to give, are recognized as revenues when the donor's commitment is received. Contributions to the Alumni Association are either unrestricted as to use, or carry specific restrictions imposed by donors. Unrestricted gifts are reflected as contributions in unrestricted net assets. Restricted contributions are reflected as contributions in temporarily restricted net assets or in permanently restricted net assets based on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

# THE WILLIAM & MARY ALUMNI ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### **Note 2. Summary of Significant Accounting Policies (Continued)**

Unconditional promises to give (pledges) that are expected to be collected in more than one year are reported at fair value initially and at net realizable value thereafter. The Alumni Association has not recorded a discount to the net present value of the pledges receivable at June 30, 2018 and 2017 as they deem the amount to be insignificant.

Donated equipment and other donated goods are recorded at their estimated fair value as of the date of the donation. Contributed services, which require a specialized skill and which the Alumni Association would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered.

The fair value of services donated by the College is estimated by the Alumni Association in consultation with the College. Such amounts are recorded in donations and contributions in the statements of activities, with a corresponding expense recorded by function in the statements of activities. The Alumni Association recorded \$362,874 and \$348,518 of in-kind contributions from the College and corresponding expenses of the same amounts for the years ended June 30, 2018 and 2017, respectively.

**Advertising:** Advertising costs are expensed as incurred and were \$375 and \$2,462 in 2018 and 2017, respectively.

**Functional Allocation of Expenses:** Expenses that can be identified with a specific program or supporting service are charged directly to the program or supporting service. Expenses which apply to more than one functional category have been allocated based on estimates made by management.

**Sales Tax:** Certain of the Alumni Association's sales are subject to sales tax imposed by various jurisdictions. The Alumni Association collects sales tax from customers and remits it to the applicable jurisdiction. The Alumni Association's accounting policy is to exclude the tax collected and remitted from revenues and cost of sales.

**Income Taxes:** The Alumni Association is a nonstock corporation that has been determined by the Internal Revenue Service to be exempt from taxes on income derived from activities related to its tax-exempt purpose under Section 501(c)(3) of the Internal Revenue Code. Certain activities of the Alumni Association are subject to taxation as unrelated business income. No such taxes were due for the current or prior year.

FASB ASC Topic 740, *Income Taxes*, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Alumni Association's management has evaluated the impact of the standard to its financial statements. The Alumni Association's income tax returns are subject to examination by taxing authorities, generally for a period of three years from the date they were filed. The Alumni Association's policy is to classify income tax related interest and penalties, if any, in management fees.

**Estimates:** The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those amounts.

# THE WILLIAM & MARY ALUMNI ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### Note 2. Summary of Significant Accounting Policies (Continued)

**Reclassifications:** Certain reclassifications have been made to the prior year balances to conform to the current year presentation. These reclassifications had no effect on the previously reported change in net assets. See Note 9 for balances adjusted due to the restatement made during the year.

**Subsequent Events:** In preparing these financial statements, the Alumni Association has evaluated events and transactions for potential recognition or disclosure through October 16, 2018, the date the financial statements were available to be issued.

**New Accounting Pronouncements:** In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), which is intended to improve financial reporting for a not-for-profit entity. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the statement of activities. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for the Alumni Association for the fiscal year ending June 30, 2019. Early application is permitted. The ASU should be applied on a retrospective basis in the year that the ASU is first applied. While this ASU will change the presentation of the Alumni Association's financial statements, it is not expected to alter the Alumni Association's reported financial position or activities.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for the Alumni Association for the fiscal year ending June 30, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This standard outlines a single comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. Transfer of control is not the same as transfer of risks and rewards, as it is considered in current guidance. The Alumni Association will also need to apply new guidance to determine whether revenue should be recognized over time or at a point in time. ASU 2014-09, as deferred by ASU 2015-14, will be effective for the Alumni Association's fiscal year ending June 30, 2020, using either of two methods: (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09. The Alumni Association has not yet selected a transition method and is currently evaluating the impact of the pending adoption of ASU 2014-09 on the financial statements.

# THE WILLIAM & MARY ALUMNI ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### Note 2. Summary of Significant Accounting Policies (Continued)

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. This ASU should be applied on a modified prospective basis. Retrospective application is permitted. The ASU is effective for years beginning after December 31, 2018.

### Note 3. Pledges Receivable

At June 30, 2018 and 2017, pledges receivable are as follows:

	<u>2018</u>	<u>2017</u>
Receivable in less than one year	\$ 99,868	\$ 77,523
Receivable in one to five years	<u>131,550</u>	<u>73,300</u>
<b>Total pledges receivable</b>	<b><u>\$ 231,418</u></b>	<b><u>\$ 150,823</u></b>

### Note 4. Fair Value Measurements

Pursuant to FASB ASC 820, *Fair Value Measurements*, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All of the Alumni Association's assets and liabilities measured under ASC 820 are Level 1 which are measured using observable inputs such as quoted prices in active markets.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Alumni Association's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

When quoted prices are available in active markets for identical instruments, investment securities are classified within level 1 of the fair value hierarchy. Level 1 investments consist of mutual funds which are diversified across fixed income, equity, and emerging market categories.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.



# THE WILLIAM & MARY ALUMNI ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### Note 4. Fair Value Measurements (Continued)

Furthermore, although the Alumni Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the report date.

The following table summarizes, by level within the fair value hierarchy, the assets measured at fair value on a recurring basis as of June 30, 2018 and 2017.

Assets Measured at Fair Value on a Recurring Basis at June 30, 2018		
	Level 1	Total
Mutual funds	\$ 8,545,974	\$ 8,545,974
Total assets in the fair value hierarchy	<u>\$ 8,545,974</u>	8,545,974
Funds held in trust by others measured at net asset value		<u>6,088,346</u>
<b>Total assets at fair value</b>		<b><u>\$ 14,634,320</u></b>

Assets Measured at Fair Value on a Recurring Basis at June 30, 2017		
	Level 1	Total
Mutual funds	\$ 7,643,652	\$ 7,643,652
Total assets in the fair value hierarchy	<u>\$ 7,643,652</u>	7,643,652
Funds held in trust by others measured at net asset value		<u>4,938,158</u>
<b>Total assets at fair value</b>		<b><u>\$ 12,581,810</u></b>

Net realized and unrealized gains on mutual fund investments were \$12,553 and \$578,042, respectively, at June 30, 2018 and 2017.

### Note 5. Endowments and Funds Held in Trust by Others

The Foundation, on the Alumni Association's behalf, invests substantially all of the funds held in trust by others in The William & Mary Investment Trust (WAMIT). All changes in fair value are recognized in the statements of activities.

# THE WILLIAM & MARY ALUMNI ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Endowments and Funds Held in Trust by Others (Continued)

The WAMIT investments, by type, are as follows:

	<u>2018</u>	<u>2017</u>
Common stocks	\$ 104,657,406	\$ 87,655,261
Investment in exchange listed funds	17,418,250	9,493,552
Investment in private investment funds	520,742,720	490,038,849
Short-term investments	43,867,447	31,569,090
	<u>\$ 686,685,823</u>	<u>\$ 618,756,752</u>

The Alumni Association's funds held in trust by others represents less than a 1% pro rata interest in WAMIT at June 30, 2018 and 2017.

The following table presents endowment composition in funds held in trust by others by type of fund for the year ended June 30, 2018:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,589,213	\$ 3,146,218	\$ 4,735,431
Quasi-endowment	1,352,915	-	-	1,352,915
Total endowment funds	<u>\$ 1,352,915</u>	<u>\$ 1,589,213</u>	<u>\$ 3,146,218</u>	<u>\$ 6,088,346</u>

The following table presents endowment composition in funds held in trust by others by type of fund for the year ended June 30, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,347,117	\$ 2,300,037	\$ 3,647,154
Quasi-endowment	1,291,004	-	-	1,291,004
Total endowment funds	<u>\$ 1,291,004</u>	<u>\$ 1,347,117</u>	<u>\$ 2,300,037</u>	<u>\$ 4,938,158</u>

### Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds held by the Foundation may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets were \$2,031 as of June 30, 2017. These deficiencies resulted largely from unfavorable market fluctuations that occurred after the establishment of endowments. There were no deficiencies as of June 30, 2018.

# THE WILLIAM & MARY ALUMNI ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### Note 5. Endowments and Funds Held in Trust by Others (Continued)

#### Spending Policy

The Foundation sets a spending rate annually for its respective investment portfolios that applies to funds held in trust by others. The rate is applied to the average market value of the portfolio as calculated over a trailing 20-quarter period using December 31 valuation dates to calculate the payout from investment pools budgeted for current operations. For fiscal years ended June 30, 2018 and 2017, the spending rates for the Foundation's three discrete investment portfolios, Pooled Investments, Eminent Scholars, and Virginia Graduate and Undergraduate Assistant Program, were 4.75%, 5.00% and 4.75%, respectively.

#### Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to enhance the inflation-adjusted purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Trustees of the Foundation, the endowment assets are invested in a manner that is intended to achieve real growth of 2% over the long term after funds are released for current use. The measure of inflation used in adjusting for real purchasing power is the Higher Education Price Index, a measure of college and university costs. The majority of the Foundation's endowment funds are invested in The William & Mary Investment Trust, which follows an investment policy that is consistent with these objectives.

#### Strategies Employed in Achieving Objectives

To satisfy its long-term return objectives, WAMIT follows a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). WAMIT's portfolio is highly diversified among asset classes, strategies, and investment managers. This diversification in holdings and manager relationships is intended as a means to consistently produce returns in excess of policy benchmarks with less concentration of risk. WAMIT has established asset allocation ranges in each of its major asset classes within which policy targets are set and monitored against actual allocations.

The following table presents the change in endowment net assets for the year ended June 30, 2018:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - July 1, 2017	\$ 1,291,004	\$ 1,347,117	\$ 2,300,037	\$ 4,938,158
Net realized and unrealized gains on investments	119,917	360,913	-	480,830
Contributions	225	-	846,181	846,406
Expenditure of endowment assets	(58,231)	(118,817)	-	(177,048)
Endowment net assets - June 30, 2018	\$ 1,352,915	\$ 1,589,213	\$ 3,146,218	\$ 6,088,346

# THE WILLIAM & MARY ALUMNI ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### Note 5. Endowments and Funds Held in Trust by Others (Continued)

The following table presents the change in endowment net assets for the year ended June 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - July 1, 2016	\$ 1,198,060	\$ 1,093,760	\$ 2,084,866	\$ 4,376,686
Net realized and unrealized gains on investments	137,791	373,732	-	511,523
Contributions	260	-	215,171	215,431
Expenditure of endowment assets	(45,107)	(120,375)	-	(165,482)
Endowment net assets - June 30, 2017	<u>\$ 1,291,004</u>	<u>\$ 1,347,117</u>	<u>\$ 2,300,037</u>	<u>\$ 4,938,158</u>

### Note 6. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following as of June 30, 2018 and 2017:

	2018	2017
Time restricted pledges receivable	\$ 131,550	\$ 73,300
Investments restricted for Order of the White Jacket	828,722	887,445
Time restricted endowment earnings	1,589,213	1,347,117
	<u>\$ 2,549,485</u>	<u>\$ 2,307,862</u>

Net assets released from restriction during the years ended June 30, 2018 and 2017 consist of \$91,471 and \$106,747, respectively, in time restrictions and scholarships and gifts distributed for the Order of the White Jacket.

### Note 7. Leases

The Alumni Association leases office space from the College. The lease calls for monthly payments of \$593 and terminates June 12, 2025. Total rent expense under this lease was \$7,116 for 2018 and 2017. Future annual payments under this lease are \$7,116 per year.

# THE WILLIAM & MARY ALUMNI ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### Note 8. Affinity Program Royalty Revenue

The Alumni Association entered into an affinity agreement effective July 1, 2014 through June 30, 2019. Pursuant to the terms of the agreement, the affinity partner offered certain financial services to College alumni. In return for the opportunity to provide these services, the affinity partner: (1) conditionally guaranteed the payment of \$500,000 in royalties for the duration of the agreement and (2) agreed to various other contributions and sponsorships, for as long as the agreement is in effect. Royalty advances of \$100,000 will be provided each year of the agreement. All royalties earned will be applied against the advances until all advances are earned. Any royalties earned in excess of advances will be paid to the Alumni Association. For any amount unearned by the end of the agreement, the Alumni Association will earn the guaranteed payment upon termination of the agreement. The initial term of the agreement will automatically extend at the end of the agreement for successive one-year periods with \$100,000 guaranteed each extended year, unless terminated by either party.

As of June 30, 2018 and 2017, cumulative advances and earnings for the agreement are as follows:

	<u>2018</u>	<u>2017</u>
Royalties advanced	\$ 400,000	\$ 300,000
Royalties earned	<u>(350,313)</u>	<u>(269,197)</u>
<b>Advances in excess of earnings</b>	<b><u>\$ 49,687</u></b>	<b><u>\$ 30,803</u></b>

Other affinity program revenue totaled \$75,151 and \$94,482 for the years ended June 30, 2018 and 2017, respectively.

### Note 9. Restatement

During 2018, the Alumni Association was notified that funds were due to them from the Virginia Department of the Treasury under the unclaimed property laws. These funds were a result of the demutualization of Trigon Blue Cross and Blue Shield of Virginia in 1997. The securities were not previously recorded on the Alumni Association's financial statements. Therefore, previously reported accounts receivable and unrestricted net assets were understated by \$639,043 for the year ended June 30, 2017. Due to the structure of the demutualization, there is a possibility that certain proceeds should be returned to employees who paid premiums prior to the demutualization. The Alumni Association is currently evaluating the nature and extent of any funds due to former employees. The amount of a liability, if any, cannot be reasonably estimated at this time, but is not expected to be material to the financial statements.

Additionally, the 2017 financial statements have been restated to correct a misstatement related to the timing of the recognition of a \$75,000 affinity program signing bonus earned by the Alumni Association during 2017 but not recognized during the year.

# THE WILLIAM & MARY ALUMNI ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### Note 9. Restatement (Continued)

The 2017 financial statements have been restated as follows:

	<b>As Previously Reported</b>	<b>Adjustment</b>	<b>Total</b>
<u>Statement of Financial Position:</u>			
Accounts receivable	\$ 45,363	\$ 714,043	\$ 759,406
Total assets	13,662,151	714,043	14,376,194
Unrestricted net assets	8,785,228	714,043	9,499,271
Total liabilities and net assets	13,662,151	714,043	14,376,194
<u>Statement of Activities:</u>			
Affinity program royalty revenue	\$ 107,539	\$ 75,000	\$ 182,539
Change in unrestricted net assets	1,191,402	75,000	1,266,402
Change in net assets	1,608,243	75,000	1,683,243
Net asset, beginning of year	11,793,810	639,043	12,432,853

## **SUPPLEMENTARY INFORMATION**

# THE WILLIAM & MARY ALUMNI ASSOCIATION

## STATEMENT OF FINANCIAL POSITION BY FUND June 30, 2018

	General Capital and Escrow Funds	Order of the White Jacket	Total Alumni Association Funds	Funds Held in Trust by Others	Combined Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 587,785	\$ 13,607	\$ 601,392	\$ -	\$ 601,392
Accounts receivable	744,985	113	745,098	-	745,098
Pledges receivable	200,397	-	200,397	31,021	231,418
Inventory	3,964	-	3,964	-	3,964
Prepaid expenses and deposits	29,010	-	29,010	-	29,010
Investments	6,793,602	1,752,372	8,545,974	-	8,545,974
Funds held in trust by others	-	-	-	6,088,346	6,088,346
	<u>8,359,743</u>	<u>1,766,092</u>	<u>10,125,835</u>	<u>6,119,367</u>	<u>16,245,202</u>
Property and equipment					
Furnishings	385,203	-	385,203	-	385,203
Building improvements	384,914	-	384,914	-	384,914
	<u>770,117</u>	<u>-</u>	<u>770,117</u>	<u>-</u>	<u>770,117</u>
Less accumulated depreciation	(690,936)	-	(690,936)	-	(690,936)
	<u>79,181</u>	<u>-</u>	<u>79,181</u>	<u>-</u>	<u>79,181</u>
<b>Total assets</b>	<u>\$ 8,438,924</u>	<u>\$ 1,766,092</u>	<u>\$ 10,205,016</u>	<u>\$ 6,119,367</u>	<u>\$ 16,324,383</u>
<b>LIABILITIES AND NET ASSETS</b>					
Liabilities					
Accounts payable	\$ 100,094	\$ -	\$ 100,094	\$ -	\$ 100,094
Accrued expenses	24,101	-	24,101	-	24,101
Other liabilities	47,301	-	47,301	-	47,301
Advance from affinity partner	49,687	-	49,687	-	49,687
Due to college	1,390	-	1,390	-	1,390
Deferred income	17,700	-	17,700	-	17,700
<b>Total liabilities</b>	<u>240,273</u>	<u>-</u>	<u>240,273</u>	<u>-</u>	<u>240,273</u>
Net assets					
Unrestricted	8,067,101	937,370	9,004,471	1,352,915	10,357,386
Temporarily restricted	131,550	828,722	960,272	1,589,213	2,549,485
Permanently restricted	-	-	-	3,177,239	3,177,239
	<u>8,198,651</u>	<u>1,766,092</u>	<u>9,964,743</u>	<u>6,119,367</u>	<u>16,084,110</u>
<b>Total liabilities and net assets</b>	<u>\$ 8,438,924</u>	<u>\$ 1,766,092</u>	<u>\$ 10,205,016</u>	<u>\$ 6,119,367</u>	<u>\$ 16,324,383</u>



# THE WILLIAM & MARY ALUMNI ASSOCIATION

## STATEMENT OF FINANCIAL POSITION BY FUND June 30, 2017 (As Restated)

	General Capital and Escrow Funds	Order of the White Jacket	Total Alumni Association Funds	Funds Held in Trust by Others	Combined Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 764,011	\$ 11,917	\$ 775,928	\$ -	\$ 775,928
Accounts receivable	757,913	1,493	759,406	-	759,406
Pledges receivable	141,897	-	141,897	8,926	150,823
Inventory	7,600	-	7,600	-	7,600
Prepaid expenses and deposits	12,270	-	12,270	-	12,270
Investments	5,921,871	1,721,781	7,643,652	-	7,643,652
Funds held in trust by others	-	-	-	4,938,158	4,938,158
	<u>7,605,562</u>	<u>1,735,191</u>	<u>9,340,753</u>	<u>4,947,084</u>	<u>14,287,837</u>
Property and equipment					
Furnishings	394,643	-	394,643	-	394,643
Building improvements	384,914	-	384,914	-	384,914
	<u>779,557</u>	<u>-</u>	<u>779,557</u>	<u>-</u>	<u>779,557</u>
Less accumulated depreciation	(691,200)	-	(691,200)	-	(691,200)
	<u>88,357</u>	<u>-</u>	<u>88,357</u>	<u>-</u>	<u>88,357</u>
<b>Total assets</b>	<u>\$ 7,693,919</u>	<u>\$ 1,735,191</u>	<u>\$ 9,429,110</u>	<u>\$ 4,947,084</u>	<u>\$ 14,376,194</u>
<b>LIABILITIES AND NET ASSETS</b>					
Liabilities					
Accounts payable	\$ 104,210	\$ -	\$ 104,210	\$ -	\$ 104,210
Accrued expenses	1,658	-	1,658	-	1,658
Other liabilities	48,011	-	48,011	-	48,011
Advance from affinity partner	30,803	-	30,803	-	30,803
Due to college	1,390	-	1,390	-	1,390
Deferred income	74,026	-	74,026	-	74,026
<b>Total liabilities</b>	<u>260,098</u>	<u>-</u>	<u>260,098</u>	<u>-</u>	<u>260,098</u>
Net assets					
Unrestricted	7,360,521	847,746	8,208,267	1,291,004	9,499,271
Temporarily restricted	73,300	887,445	960,745	1,347,117	2,307,862
Permanently restricted	-	-	-	2,308,963	2,308,963
	<u>7,433,821</u>	<u>1,735,191</u>	<u>9,169,012</u>	<u>4,947,084</u>	<u>14,116,096</u>
<b>Total liabilities and net assets</b>	<u>\$ 7,693,919</u>	<u>\$ 1,735,191</u>	<u>\$ 9,429,110</u>	<u>\$ 4,947,084</u>	<u>\$ 14,376,194</u>

## THE WILLIAM & MARY ALUMNI ASSOCIATION

### STATEMENT OF ACTIVITIES BY FUND

Year Ended June 30, 2018

	General Capital and Escrow Funds	Order of the White Jacket	Total Alumni Association Funds	Funds Held in Trust by Others	Combined Total
Change in unrestricted net assets					
Revenue and support:					
Alumni program revenue	\$ 620,369	\$ 3,004	\$ 623,373	\$ -	\$ 623,373
Donations and contributions	1,052,521	-	1,052,521	225	1,052,746
Interest and dividend income	314,487	92,721	407,208	-	407,208
Merchandise sales	31,648	-	31,648	-	31,648
Rental income	121,352	-	121,352	-	121,352
Affinity program royalty revenue	158,367	-	158,367	-	158,367
Travel program	81,847	-	81,847	-	81,847
Other revenue	125,280	-	125,280	-	125,280
Net realized and unrealized gains on investments	10,557	1,996	12,553	119,917	132,470
Loss on disposal of property and equipment	(182)	-	(182)	-	(182)
Interfund transfers	58,231	-	58,231	(58,231)	-
	<u>2,574,477</u>	<u>97,721</u>	<u>2,672,198</u>	<u>61,911</u>	<u>2,734,109</u>
Net assets released from restrictions:					
Appropriation and expenditure of endowment assets	118,817	-	118,817	-	118,817
Satisfaction of program and time restrictions	25,250	66,221	91,471	-	91,471
<b>Total unrestricted revenue and support</b>	<u>2,718,544</u>	<u>163,942</u>	<u>2,882,486</u>	<u>61,911</u>	<u>2,944,397</u>
Expenses:					
Program services:					
Alumni programs and events	1,324,651	3,251	1,327,902	-	1,327,902
Gifts, awards and memorials	120,032	66,221	186,253	-	186,253
Alumni gift shop	15,984	-	15,984	-	15,984
Travel program	24,507	-	24,507	-	24,507
Management and general:					
Alumni office	189,559	-	189,559	-	189,559
Management fees	18,946	4,626	23,572	-	23,572
Alumni house	12,489	-	12,489	-	12,489
Board	43,629	220	43,849	-	43,849
Fundraising	262,167	-	262,167	-	262,167
<b>Total expenses</b>	<u>2,011,964</u>	<u>74,318</u>	<u>2,086,282</u>	<u>-</u>	<u>2,086,282</u>
<b>Change in unrestricted net assets</b>	<u>706,580</u>	<u>89,624</u>	<u>796,204</u>	<u>61,911</u>	<u>858,115</u>

**THE WILLIAM & MARY ALUMNI ASSOCIATION**

**STATEMENT OF ACTIVITIES BY FUND (Continued)**

**Year Ended June 30, 2018**

	General Capital and Escrow Funds	Order of the White Jacket	Total Alumni Association Funds	Funds Held in Trust by Others	Combined Total
Change in temporarily restricted net assets					
Net realized and unrealized gains on investments	\$ -	\$ -	\$ -	\$ 360,913	\$ 360,913
Donations and contributions	83,500	7,498	90,998	-	90,998
Net assets released from restrictions	(25,250)	(66,221)	(91,471)	-	(91,471)
Appropriation of endowment assets for expenditure	-	-	-	(118,817)	(118,817)
<b>Change in temporarily restricted net assets</b>	<b>58,250</b>	<b>(58,723)</b>	<b>(473)</b>	<b>242,096</b>	<b>241,623</b>
Change in permanently restricted net assets					
Contributions	-	-	-	868,276	868,276
<b>Change in permanently restricted net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>868,276</b>	<b>868,276</b>
<b>Change in net assets</b>	<b>764,830</b>	<b>30,901</b>	<b>795,731</b>	<b>1,172,283</b>	<b>1,968,014</b>
Net assets - beginning of year	7,433,821	1,735,191	9,169,012	4,947,084	14,116,096
Net assets - end of year	\$ 8,198,651	\$ 1,766,092	\$ 9,964,743	\$ 6,119,367	\$ 16,084,110

## THE WILLIAM & MARY ALUMNI ASSOCIATION

### STATEMENT OF ACTIVITIES BY FUND

Year Ended June 30, 2017 (As Restated)

	General Capital and Escrow Funds	Order of the White Jacket	Total Alumni Association Funds	Funds Held in Trust by Others	Combined Total
Change in unrestricted net assets					
Revenue and support:					
Alumni program revenue	\$ 573,841	\$ 2,485	\$ 576,326	\$ -	\$ 576,326
Donations and contributions	1,062,050	-	1,062,050	260	1,062,310
Interest and dividend income	198,253	58,447	256,700	-	256,700
Merchandise sales	37,333	-	37,333	-	37,333
Rental income	133,018	-	133,018	-	133,018
Affinity program royalty revenue	182,539	-	182,539	-	182,539
Travel program	65,677	-	65,677	-	65,677
Other revenue	84,187	-	84,187	-	84,187
Net realized and unrealized gains on investments	447,773	130,269	578,042	137,791	715,833
Loss on disposal of property and equipment	(2,852)	-	(2,852)	-	(2,852)
Interfund transfers	45,107	-	45,107	(45,107)	-
	<u>2,826,926</u>	<u>191,201</u>	<u>3,018,127</u>	<u>92,944</u>	<u>3,111,071</u>
Net assets released from restrictions:					
Appropriation and expenditure of endowment assets	120,375	-	120,375	-	120,375
Satisfaction of program restrictions	64,747	42,000	106,747	-	106,747
<b>Total unrestricted revenue and support</b>	<u>3,012,048</u>	<u>233,201</u>	<u>3,245,249</u>	<u>92,944</u>	<u>3,338,193</u>
Expenses:					
Program services:					
Alumni programs and events	1,300,862	2,153	1,303,015	-	1,303,015
Gifts, awards and memorials	82,311	42,000	124,311	-	124,311
Alumni gift shop	8,234	-	8,234	-	8,234
Travel program	22,957	-	22,957	-	22,957
Management and general:					
Alumni office	177,078	-	177,078	-	177,078
Management fees	16,628	4,862	21,490	-	21,490
Alumni house	48,010	-	48,010	-	48,010
Board	31,023	387	31,410	-	31,410
Fundraising	335,286	-	335,286	-	335,286
<b>Total expenses</b>	<u>2,022,389</u>	<u>49,402</u>	<u>2,071,791</u>	<u>-</u>	<u>2,071,791</u>
<b>Change in unrestricted net assets</b>	<u>989,659</u>	<u>183,799</u>	<u>1,173,458</u>	<u>92,944</u>	<u>1,266,402</u>

**THE WILLIAM & MARY ALUMNI ASSOCIATION**

**STATEMENT OF ACTIVITIES BY FUND (Continued)**

**Year Ended June 30, 2017 (As Restated)**

	General Capital and Escrow Funds	Order of the White Jacket	Total Alumni Association Funds	Funds Held in Trust by Others	Combined Total
Change in temporarily restricted net assets					
Net realized and unrealized gains on investments	\$ -	\$ -	\$ -	\$ 373,732	\$ 373,732
Donations and contributions	39,801	7,683	47,484	-	47,484
Net assets released from restrictions	(64,747)	(42,000)	(106,747)	-	(106,747)
Appropriation of endowment assets for expenditure	-	-	-	(120,375)	(120,375)
<b>Change in temporarily restricted net assets</b>	<b>(24,946)</b>	<b>(34,317)</b>	<b>(59,263)</b>	<b>253,357</b>	<b>194,094</b>
Change in permanently restricted net assets					
Contributions	-	-	-	222,747	222,747
<b>Change in permanently restricted net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222,747</b>	<b>222,747</b>
<b>Change in net assets</b>	<b>964,713</b>	<b>149,482</b>	<b>1,114,195</b>	<b>569,048</b>	<b>1,683,243</b>
Net assets - beginning of year	6,469,108	1,585,709	8,054,817	4,378,036	12,432,853
Net assets - end of year	\$ 7,433,821	\$ 1,735,191	\$ 9,169,012	\$ 4,947,084	\$ 14,116,096