SIKICH

The Alumni Association of Southern Illinois University Edwardsville
Edwardsville, Illinois

Financial Statements and Independent Auditor's Report

For the Year Ended June 30, 2026

THE ALUMNI ASSOCIATION OF SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Alumni Association of Southern Illinois University Edwardsville
Edwardsville, Illinois

Opinion

We have audited the accompanying financial statements of the Alumni Association of Southern Illinois University Edwardsville (Association), which comprise the Statement of Financial Position as of June 30, 2026, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Association's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Sikich CPA LLC

Springfield, Illinois
October 28, 2026

FINANCIAL STATEMENTS

THE ALUMNI ASSOCIATION OF SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE

STATEMENT OF FINANCIAL POSITION

June 30, 2026

ASSETS	
Current assets	
Cash and cash equivalents	$ 23,270
Other receivable	320
Prepaid expenses	3,055
Investments	332,022
Total current assets	358,667
Noncurrent assets	
Capital assets - equipment	27,646
Accumulated depreciation	19,553
Total noncurrent assets	8,093
TOTAL ASSETS	$ 366,760
LIABILITIES	
Current liabilities	
Accounts payable	
SIUE	$ 144
Total current liabilities	144
NET ASSETS	
Without donor restrictions	366,616
TOTAL LIABILITIES AND NET ASSETS	$ 366,760

See accompanying notes to the financial statements.

THE ALUMNI ASSOCIATION OF SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2026

REVENUE - WITHOUT DONOR RESTRICTIONS	
Activities	$ 3,750
Partnership revenue	15,000
Royalties	2,945
Net investment gain	45,318
Total revenues	67,013
EXPENSES	
Program service expenses	309,063
Management and general	133,184
Total expenses	442,247
CHANGE IN NET ASSETS BEFORE TRANSFERS FROM AFFILIATE	(375,234)
Transfer from affiliate - budget allocations (in-kind contributions) from SIUE	261,146
Transfer from affiliate - Payments from SIUE	75,000
Transfer from affiliate - SIUE Foundation support	98,489
Total transfer from affiliates	434,635
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	59,401
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	307,215
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	$ 366,616

See accompanying notes to the financial statements.

THE ALUMNI ASSOCIATION OF SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2026

	Program Services	Management and General	Total
Travel	$ 6,394	$ 35	$ 6,429
Supplies and materials	9,314	85	9,399
Giveaways and promotional items	37,311	2,090	39,401
Uniforms and apparel	682	-	682
Postage	5,838	-	5,838
Meal and beverage expense	24,742	3,956	28,698
Insurance	-	2,115	2,115
Advertising	740	-	740
SIUE event sponsorship	1,000	-	1,000
SIUE Foundation event sponsorship	7,691	-	7,691
Gift In Kind Consumed	1,250	-	1,250
Event tickets	6,300	1,211	7,511
Software support fees	-	1,839	1,839
Rentals	25,979	-	25,979
Professional services	13,191	16,835	30,026
Printing	6,598	272	6,870
Other commodities	1,313	46	1,359
Salaries and benefits paid by SIUE	156,446	104,700	261,146
Depreciation expense	4,274	-	4,274
TOTAL EXPENSES	$ 309,063	$ 133,184	$ 442,247

See accompanying notes to the financial statements.

THE ALUMNI ASSOCIATION OF SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE

STATEMENT OF CASH FLOWS

June 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	59,401
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation		4,274
Unrealized and realized gain on investments		(29,614)
Increase in receivables		(105)
Increase in prepaid expenses		(596)
Decrease in accounts payable		(1,293)
Net cash from operating activities		32,067
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments		(15,430)
Net cash from investing activities		(15,430)
CHANGE IN CASH AND CASH EQUIVALENTS		16,637
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		6,633
CASH AND CASH EQUIVALENTS, END OF YEAR	$	23,270

See accompanying notes to the financial statements.

1. NATURE OF THE ORGANIZATION

The Alumni Association of Southern Illinois University Edwardsville (Association) exists for the primary purpose of building a mutually beneficial relationship with Southern Illinois University Edwardsville (SIUE) alumni for the purpose of supporting those alumni and meeting the educational, research and service goals and responsibilities of SIUE.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies.

Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting and accordingly, revenues from exchange transactions are recognized when performance obligations are met; support, when a contribution of cash or other assets or an unconditional promise to give is received; and expenses are recorded when incurred.

Cash and Cash Equivalents

Cash and cash equivalents include cash and temporary investments which have a maturity date of three months or less at the date of purchase. Cash equivalents include cash held by investment custodians and money market accounts stated at cost, which approximates fair value. No cash was paid for interest or income taxes for the year ended June 30, 2026.

Investments

Investments in marketable securities with readily determinable fair value are reported at their fair values. Fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. Unrealized and realized gains and losses as well as investment income from dividends and interest are included in the Statement of Activities. Gains and investment income that are limited to specific uses by donor-imposed restrictions are reported in net assets without donor restrictions when the restrictions are met in the same reporting period as the gains and income are recognized. Investment return is recorded net of external and direct internal investment expenses.

Other Receivables

Other receivable consists of investment income earned as of June 30, 2026 and received after year end. As of June 30, 2026 management considers all receivables to be collectible and has not recorded an allowance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are stated at cost. Donated capital assets are stated at estimated fair value at the time the donation is received. Acquisition of capital assets in excess of $500 are capitalized. Restrictions, if any, expire when the asset is placed in service. Depreciation is provided on a straight-line basis over the useful life of the asset, generally three to seven years.

Basis of Presentation

The Association is required to report information regarding its financial position and activities as follows:

Net Assets Without Donor Restrictions

Represent resources over which the Board of Directors has discretionary control that are used to carry out the operations of the Association in accordance with its bylaws.

Net Assets With Donor Restrictions

Represent resources currently available for use, but expendable only for those operating purposes specified by the donor or grantor. Resources of this fund originate from gifts and investment income earned on certain restricted funds. When a restriction expires, net assets with restrictions are reclassified to net assets without restriction and reported in the statement of activities as net assets released from restrictions.

Revenue Recognition

Activities Revenues

Activities revenue includes events, programs and functions held by the Association in which a fee is charged to attend. The Association records activities revenue at the point in time which is when the event takes place. Any amounts received prior to the event date are recorded as unearned revenue.

Partnership Revenue

In April 2024, the Association entered into an agreement with Publishing Concepts, L.P. (PCI) for PCI to produce and sell an oral history publication featuring the Association's alumni. Under the agreement, the Association provides the following to PCI: alumni contact data; the right to use its name, logo, and alumni content; and promotional services to encourage alumni participation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Partnership Revenue (Continued)

PCI bears all production costs and keeps all proceeds from sales of the publication. The Association may earn a partnership bonus of $15,000 if it promotes the publication as the agreement requires. The bonus is payable 90 days after publication.

The Association accounts for the arrangement as a contract with a customer under Financial Accounting Standards Board (FASB) ASC 606, *Revenue from Contracts with Customers*. The promotional services are a single performance obligation satisfied over time as the Association performs.

Variable Consideration and Significant Judgments

The partnership bonus is variable consideration. The Association estimates it using the most likely amount method because there are only two possible outcomes. The Association includes variable consideration in the transaction price only to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty is resolved.

In assessing the constraint, the Association considers the following: the extent of performance completed; whether earning the bonus depends on factors outside its control, including the timing of PCI's publication; the all-or-nothing nature of the bonus; and its experience with similar arrangements.

At June 30, 2025, the Association's promotional activities were ongoing and the publication had not been released. The Association therefore concluded that the bonus was fully constrained and recognized no revenue. In February 2026, the Association completed its promotional obligations and the publication was released, which resolved the uncertainty. The Association recognized $15,000 of partnership revenue for the year ended June 30, 2026. The bonus was collected in June 2026, and no related receivable or contract asset was outstanding at June 30, 2026.

Disaggregation of Revenue at June 30, 2026

Partnership revenue – over time	$15,000
Activities revenue – point in time	$3,750
Royalties revenue – point in time	$2,945

Royalties Revenue

Royalties based on the sale of publication packages are recognized as revenue when the underlying sales occur and the amounts become determinable in accordance with the contractual provisions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Royalties Revenue (Continued)

Various economic factors could affect the recognition and cash flows, including the demand for ability to hold events, event program attendance and prompt payment.

There were no contract assets or liabilities at July 1, 2025.

Contribution Revenue

The Association recognizes contribution income when cash, other assets or an unconditional promise to give is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. At June 30, 2026, the Association had no conditional promises to give. Contribution revenue is recorded as either with or without donor restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

Income Taxes

The Internal Revenue Service (IRS) has issued a determination letter, dated September 1973, indicating that the Association qualifies for federal income tax exemption under Section 501(c)(3) of the Internal Revenue Code except for income taxes associated with unrelated business income. The IRS has further determined that the Association is not a private foundation. The Association files various federal or state non-profit tax returns. The Association is no longer subject to U.S. federal or state examinations by tax authorities for tax years prior to 2022.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 these estimates.

Functional Allocation of Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and benefits are allocated on the basis of estimates of time and effort.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The Association has evaluated subsequent events through October 28, 2026, which is the date that these financial statements were available for issuance and determined that there were no significant non-recognized events through that date.

3. CONCENTRATIONS OF CREDIT RISK

The Association maintains cash balances in financial institutions, which at times may exceed federally insured limits. The Association had no cash balances that exceeded the federally insured limits as of June 30, 2026. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk in cash.

4. FAIR VALUE MEASUREMENTS

Generally Accepted Accounting Principles (GAAP) establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. GAAP requires the Association to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Significant unobservable inputs.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

If an investment that is measured using net assets value (NAV) has a readily determinable fair value (that is, it can be traded at the measurement date at its published NAV), it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAVs are not included in Level 1, 2, or 3, but are separately reported.

4. FAIR VALUE MEASUREMENTS (Continued)

Valuation Technique

Following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the year ended June 30, 2026.

- Common stocks: Valued at the closing quoted price in an active market.
- Mutual funds: Valued at the NAV of shares on the last trading day of the fiscal year.

The following table presents assets measured at fair value on a recurring basis at June 30, 2026:

	Level 1	Level 2	Level 3	Total
Assets:				
Common stocks	$ 14,935	$ -	$ -	$ 14,935
Mutual funds	317,087	-	-	317,087
TOTAL ASSETS AT FAIR VALUE	$ 332,022	$ -	$ -	$ 332,022

5. CONTRIBUTED NONFINANCIAL ASSETS

The Association received contributions of nonfinancial assets, for the year ended June 30, 2026. The total contributed nonfinancial assets was $261,146 reflected as transfer from affiliate budget allocations (in-kind contributions) from SIUE. The contributed nonfinancial assets were received without donor restrictions.

The Association receives contributed services from SIUE in the form of personnel salaries and benefits. The personnel salaries and benefits are reported using the personnel's current rates for the salaries and benefits. The contributed services were utilized in the Association's program services, as well as the Association's management and general function.

6. TRANSACTIONS WITH RELATED PARTIES

The Association has entered into an agreement with the Board of Trustees of SIUE and the SIUE Foundation, which specifies the relationship between the organizations in accordance with the Legislative Audit Commission's University Guidelines, 1997. Under the terms of the agreement, the SIUE Foundation provides coordination of alumni services on behalf of SIUE and provides various services to the Association without charge. For the year ended June 30, 2026, the SIUE Foundation expended $98,489 to support the Association's activities. This amount is reflected as transfer from affiliate SIUE Foundation support in the accompanying Statement of Activities.

6. TRANSACTIONS WITH RELATED PARTIES (Continued)

The Association also uses various services of SIUE and directly reimburses SIUE at a cost equal to that charged by SIUE to other users. For the year ended June 30, 2026 the amount payable to SIUE was $144. This amount is reflected as accounts payable, SIUE, in the accompanying Statement of Financial Position.

Association staff are employed by SIUE. The Association recognizes as revenue and expense those on-behalf in-kind contributions for salaries and fringe benefits made by SIUE for personnel of the Association. For the year ended June 30, 2026 the amount reflected as transfer from affiliate budget allocations (in-kind contributions) from SIUE in the accompanying Statement of Activities and salaries and benefits paid by SIUE in the accompanying Statement of Functional Expenses of $261,146.

In connection with the Association's conversion from a dues-based membership model, SIUE provides annual support of $75,000 to replace revenue formerly generated from membership dues. This amount is reflected as transfer from affiliate – payments from SIUE in the accompanying Statement of Activities.

Transactions with SIUE for the year ended June 30, 2026 are as follows:

	Year Ending June 30, 2026			
	Southern Illinois University Edwardsville			
SIUE Alumni Association	Due from SIUE-AA	Due to SIUE-AA	Operating Expenses	Non-operating Revenues
Accounts payable	$ 144	$ -	$ -	$ -
Operating revenue - transfer from affiliate	-	-	336,146	-
Operating expense	-	-	-	437,973

7. CONCENTRATION

The Association received approximately all of its support from the related parties of SIUE and SIUE Foundation. Any significant reduction in the level of this support could have an effect on the Association’s programs.

8. RISK MANAGEMENT

The Association is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health and natural disasters. With the exception of employee health risks, the Association has purchased commercial insurance to cover these risks. The employee health coverage is purchased by SIUE and is included in the salaries and benefits paid by SIUE. Settlements have not exceeded insurance coverages for each of the past three fiscal years.

9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Association's assets as of June 30, 2026 available for general use, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date:

Cash and cash equivalents	$	23,270
Other receivable		320
Investments		332,022
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL USE WITHIN ONE YEAR	$	355,612

As cash and investments are needed for general use within the next year, cash from the Association's bank account is used.