

Atlanta University Center Consortium

Financial Statements
Years Ended June 30, 2025 and 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Atlanta University Center Consortium

Financial Statements
Years Ended June 30, 2025 and 2024

Atlanta University Center Consortium

Contents

Independent Auditor's Report	3-4
Financial Statements	
Statements of Financial Position as of June 30, 2025 and 2024	6
Statements of Activities for the Years Ended June 30, 2025 and 2024	7-8
Statements of Functional Expenses for the Years Ended June 30, 2025 and 2024	9-10
Statements of Cash Flows for the Years Ended June 30, 2025 and 2024	11
Notes to Financial Statements	12-26



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Independent Auditor's Report

Council of Presidents
Atlanta University Center Consortium
Atlanta, GA

Opinion

We have audited the financial statements of Atlanta University Center Consortium (the "Consortium"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Consortium as of June 30, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Consortium and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Consortium'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 GAAS 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 GAAS, 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 Consortium'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 Consortium'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.

BDO USA, P.C.

April 8, 2026

Financial Statements

Atlanta University Center Consortium

Statements of Financial Position

<i>June 30,</i>	2025	2024
Assets		
Cash and cash equivalents	\$ 9,539,254	\$ 8,389,963
Accounts receivable	1,007,137	455,080
Federal grants receivable	-	440,043
Contributions receivable, net	333,845	377,590
Investments	2,925,302	2,779,596
Other assets	355,270	216,139
Right-of-use assets	272,621	318,812
Property and equipment, net	87,904	112,100
Total Assets	\$ 14,521,333	\$ 13,089,323
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 140,812	\$ 134,482
Accrued expenses and other liabilities	151,416	136,214
University Community Development Corporation (UCDC) payable	54,806	384,131
Operating lease liability	282,526	329,442
Refundable advance	871,832	-
Total Liabilities	1,501,392	984,269
Net Assets		
Without donor restrictions	5,666,267	4,912,867
With donor restrictions	7,353,674	7,192,187
Total Net Assets	13,019,941	12,105,054
Total Liabilities and Net Assets	\$ 14,521,333	\$ 13,089,323

See accompanying notes to financial statements.

Atlanta University Center Consortium

Statement of Activities

<i>Year ended June 30, 2025</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Affiliated institutional support	\$ 2,728,531	\$ -	\$ 2,728,531
Private gifts and grants:			
Cash and other financial assets	83,967	3,097,469	3,181,436
Federal grants	718,876	-	718,876
Registration fees	548,162	-	548,162
Other income	14,353	-	14,353
Total	4,093,889	3,097,469	7,191,358
Net Assets Released from Restrictions	2,964,192	(2,964,192)	-
Total Revenues and Other Support	7,058,081	133,277	7,191,358
Expenses			
Program services:			
AUC symphony orchestra	93,878	-	93,878
Dual degree engineering program	857,983	-	857,983
Civic engagement and community learning program	93,464	-	93,464
Career planning program	496,252	-	496,252
Data sciences initiative	2,432,694	-	2,432,694
Center for excellence in public service	455,202	-	455,202
Total Program Services	4,429,473	-	4,429,473
Administrative services:			
Operating expenses	2,049,082	-	2,049,082
Total Expenses	6,478,555	-	6,478,555
Non-Operating Income			
Net investment income	173,874	28,210	202,084
Total Non-Operating Income	173,874	28,210	202,084
Change in Net Assets	753,400	161,487	914,887
Net Assets, beginning of year	4,912,867	7,192,187	12,105,054
Net Assets, end of year	\$ 5,666,267	\$ 7,353,674	\$ 13,019,941

See accompanying notes to financial statements.

Atlanta University Center Consortium

Statement of Activities

<i>Year ended June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Affiliated institutional support	\$ 2,345,275	\$ -	\$ 2,345,275
Private gifts and grants:			
Cash and other financial assets	1,878,066	3,320,146	5,198,212
Federal grants	538,848	-	538,848
Registration fees	577,580	-	577,580
Sponsorship income	-	32,500	32,500
Other income	10,754	-	10,754
Total	5,350,523	3,352,646	8,703,169
Net Assets Released from Restrictions	1,449,473	(1,449,473)	-
Total Revenues and Other Support	6,799,996	1,903,173	8,703,169
Expenses			
Program services:			
Dual degree engineering program	865,082	-	865,082
Civic engagement and community learning program	91,552	-	91,552
Career planning program	408,529	-	408,529
Data sciences initiative	2,823,887	-	2,823,887
Center for excellence in public service	328,422	-	328,422
Total Program Services	4,517,472	-	4,517,472
Administrative services:			
Operating expenses	1,286,313	-	1,286,313
Total Expenses	5,803,785	-	5,803,785
Non-Operating Income			
Net investment income	149,390	83,750	233,140
Total Non-Operating Income	149,390	83,750	233,140
Change in Net Assets	1,145,601	1,986,923	3,132,524
Net Assets, beginning of year	3,767,266	5,205,264	8,972,530
Net Assets, end of year	\$ 4,912,867	\$ 7,192,187	\$ 12,105,054

See accompanying notes to financial statements.

Atlanta University Center Consortium

Statement of Functional Expenses

Year ended June 30, 2025	Program Services							Administrative Services		
	Civic							Total Program Expenses	Operating Expenses	Total Expenses
	Atlanta University Center Symphony Orchestra	Dual Degree Engineering Program	Engagement and Community Learning Program	Career Planning Program	Data Sciences Initiative	Center for Excellence in Public Service	Total Program Expenses			
Expenses										
Personnel costs	\$ 79,719	\$ 223,786	\$ 5,003	\$ 142,300	\$ 1,006,384	\$ 219,557	\$ 1,676,749	\$ 800,763	\$ 2,477,512	
Scholarships	-	425,660	-	-	-	-	425,660	-	425,660	
Professional fees	3,363	55,203	77,520	88,934	270,329	25,708	521,057	533,047	1,054,104	
Advertising	-	90	-	4,426	2,029	-	6,545	2,800	9,345	
Registration fees	-	955	-	2,449	17,103	-	20,507	1,849	22,356	
Postage and supplies	9,420	25,494	2,566	22,461	14,039	5,491	79,471	39,555	119,026	
Occupancy	-	18,616	6,635	22,818	36,688	21,116	105,873	83,622	189,495	
Licenses and permits	130	16,762	857	27,257	193,337	1,829	240,172	332,447	572,619	
Special events expense	77	3,770	77	73,199	10,925	13,693	101,741	24,785	126,526	
Printing and publications	3	1,387	-	4,409	27,324	2,012	35,135	98,262	133,397	
Travel	24	36,240	4	14,387	478,023	136,871	665,549	12,022	677,571	
Professional meeting expense	-	259	-	-	7,442	1,567	9,268	-	9,268	
Food and refreshments	319	34,144	13	66,151	132,960	24,239	257,826	23,549	281,375	
Gifts and prizes	-	596	-	-	4,506	-	5,102	17,446	22,548	
Bank, credit card, and payroll fees	195	477	11	26,092	2,100	509	29,384	35,167	64,551	
Depreciation and amortization	628	3,944	778	1,369	19,980	2,610	29,309	7,268	36,577	
Bad debt expense	-	10,600	-	-	500	-	11,100	36,500	47,600	
Grant expense	-	-	-	-	209,025	-	209,025	-	209,025	
Total Expenses	\$ 93,878	\$ 857,983	\$ 93,464	\$ 496,252	\$ 2,432,694	\$ 455,202	\$ 4,429,473	\$ 2,049,082	\$ 6,478,555	

See accompanying notes to financial statements.

Atlanta University Center Consortium

Statement of Functional Expenses

Year ended June 30, 2024	Program Services						Administrative Services	
	Dual Degree	Civic	Career	Data Sciences	Center for	Total	Operating	Total
	Engineering	Engagement and	Planning	Initiative	Excellence in	Program		
Program	Community	Program	Program	Public Service	Expenses	Expenses	Expenses	
Expenses								
Personnel costs	\$ 221,689	\$ 5,017	\$ 103,676	\$ 1,456,751	\$ 205,751	\$ 1,992,884	\$ 313,303	\$ 2,306,187
Scholarships	434,874	-	-	-	-	434,874	-	434,874
Professional fees	67,014	77,303	92,540	598,389	33,373	868,619	410,589	1,279,208
Advertising	2,620	-	1,538	37,294	1,150	42,602	38,152	80,754
Registration fees	-	-	719	13,225	-	13,944	4,954	18,898
Postage and supplies	16,669	146	2,526	44,411	11,271	75,023	31,712	106,735
Occupancy	8,746	3,079	5,639	52,776	18,252	88,492	52,300	140,792
Licenses and permits	17,479	2,369	12,353	150,578	808	183,587	261,372	444,959
Special events expense	34,624	294	38,566	44,998	-	118,482	24,956	143,438
Printing and publications	2,155	-	11,134	44,927	181	58,397	5,117	63,514
Travel	22,227	-	18,647	145,850	49,639	236,363	18,371	254,734
Professional meeting expense	124	-	-	1,706	-	1,830	1,099	2,929
Food and refreshments	26,401	-	88,027	149,446	3,079	266,953	26,918	293,871
Gifts and prizes	974	-	175	8,099	-	9,248	13,853	23,101
Bank, credit card, and payroll fees	193	-	27,486	8,931	-	36,610	49,262	85,872
Depreciation and amortization	9,293	3,344	5,503	22,011	4,918	45,069	34,355	79,424
Grant expense	-	-	-	44,495	-	44,495	-	44,495
Total Expenses	\$ 865,082	\$ 91,552	\$ 408,529	\$ 2,823,887	\$ 328,422	\$ 4,517,472	\$ 1,286,313	\$ 5,803,785

See accompanying notes to financial statements.

Atlanta University Center Consortium

Statements of Cash Flows

<i>Years ended June 30,</i>	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 914,887	\$ 3,132,524
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Net realized and unrealized gain on investment	(119,814)	(233,140)
Depreciation and amortization	36,577	79,424
Change in operating assets and liabilities:		
Accounts receivable	(552,057)	(263,771)
Federal grants receivable	440,043	(358,133)
Contributions receivable	43,745	195,554
Other assets	(139,131)	(60,459)
Right of use assets	46,191	(35,146)
Accounts payable	6,330	(51,031)
Accrued expenses and other liabilities	15,202	(38,288)
UCDC payable	(329,325)	53,654
Operating lease liability	(46,916)	(9,049)
Refundable advance	871,832	(1,562,500)
Net Cash Provided by Operating Activities	1,187,564	849,639
Cash Flows from Investing Activities		
Sale and maturities of investments	156,709	278,777
Purchase of investments	(182,601)	(278,262)
Purchase of property and equipment	(12,381)	(50,620)
Net Cash Used in Investing Activities	(38,273)	(50,105)
Net Increase in Cash and Cash Equivalents	1,149,291	799,534
Cash and Cash Equivalents, beginning of year	8,389,963	7,590,429
Cash and Cash Equivalents, end of year	\$ 9,539,254	\$ 8,389,963

See accompanying notes to financial statements.

Atlanta University Center Consortium

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Description of the Organization

The Atlanta University Center, Inc. (the “Center”) became affiliated in 1929 as the world’s largest consortium of African American private institutions of higher education. Over the years, several reorganizations occurred with the most recent taking place in February 2004. At that time, the Atlanta University Center Consortium, Inc. (the “Consortium”), a Georgia nonprofit corporation, was formed to manage and coordinate collaborated efforts and administer shared programs and services for its member institutions. The members of the Consortium are Clark Atlanta University, Morehouse College, Morehouse School of Medicine and Spelman College (collectively, the “Affiliated Institutions”).

The shared programs and services (collectively, the “Shared Programs and Services”) include:

Atlanta University Center Symphony Orchestra - Full orchestral ensemble and a central space for young classical musicians to learn, rehearse and perform classical music.

Dual Degree Engineering Program - Provides scholarship support and extensive student services designed to promote successful completion of the program and prepare students for success in the workplace.

Civic Engagement and Community Learning Program - Seeks to promote collaboration and involvement among member institutions, residents and other stakeholders in enhancing the quality of life within the neighboring community.

Career Planning Program - A centralized effort providing the student body of Affiliated Institutions with access to accurate and current information and resources to facilitate their education, career and job search.

Data Sciences Initiative - Advances data science by supporting students and faculty in preparation to engage with external stakeholders to develop innovations in research, best practices, and educational activities within the data science field.

Center for Excellence in Public Service - Seeks to empower students at Historically Black Colleges and Universities (HBCUs) to become transformational leaders in government and civic engagement.

Basis of Accounting

The financial statements of the Consortium have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

Atlanta University Center Consortium

Notes to Financial Statements

Basis of Presentation

The Consortium's net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net asset changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations and are fully available at the discretion of management and the Council of Presidents.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions that may or will be met either by actions of the Consortium and/or the passage of time. At such time, these assets will be reclassified as net assets without donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues within net assets without donor restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Generally, the donors of these assets permit the Consortium to use all, or part of, the return on related investments for general or specific purposes.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income Tax Status

The Consortium is recognized as an organization exempt from Federal income tax under Section 501(a) of the Internal Revenue Code (the "Code") as an organization described in Section 501(c)(3) whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to Federal income tax.

Management evaluates any uncertain tax positions or unrecognized tax benefits or liabilities that may exist. Management does not believe that any material uncertain tax positions or unrecognized tax benefits or liabilities exist for the years ended June 30, 2025 and 2024.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid instruments with original maturities of three months or less from the date of purchase. The Consortium maintains cash balances with various financial institutions, which at times may exceed the Federal Deposit Insurance Corporation ("FDIC") limits.

Atlanta University Center Consortium

Notes to Financial Statements

At June 30, 2025 and 2024, the Consortium had approximately \$3,566,000 and \$3,600,000, respectively, in restricted cash and cash equivalents in accordance with donor-imposed restrictions as well as other managed cash accounts for student organizations at the Affiliated Institutions.

Exchange Contract Assets, Accounts Receivable and Contract Liabilities

Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers* defines a contract asset as an entity’s right to consideration in exchange for goods or services that the entity has transferred to a customer. It arises when an entity has performed part or all of a performance obligation but does not yet have the right to bill the customer. As the Consortium has a contractual right to bill for the services (both the membership services of the Affiliated Institutions and event services hosted by the Consortium) before the start of each contract, no material contract assets overlap from one fiscal year to another.

Accounts receivable primarily consist of receivables from Affiliated Institutions which are recognized when the Consortium has the right to bill each of the four members. Accounts receivable are recorded at the amounts due and do not bear interest. The allowance for credit losses is the Consortium’s best estimate of the amount of probable credit losses in the Consortium’s existing accounts receivable. The Consortium determines the allowance based on the composition of the receivable balances, historical collections, loss experience, and management’s expectation of current and future economic conditions. Account balances are charged-off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

ASC 606 defines a contract liability as an entity’s obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer. The Consortium’s annual performance obligations to the Affiliated Institutions were fully met at each fiscal year end, and thus there is no contract liability related to these contracts as of June 30, 2025 and 2024. Additionally, the Consortium’s performance obligations to event registrants were fully met at each fiscal year end, and thus there is no contract liability related to these contracts as of June 30, 2025 and 2024.

Investments and Investment Income

Investments in marketable securities are carried at fair value as determined by quoted market prices. The Consortium’s investments at June 30, 2025 and 2024 consisted of cash, cash equivalents, and marketable securities. The investment income for the years ended June 30, 2025 and 2024 consisted of interest income, realized and unrealized gains and losses and dividend income earned.

Other Assets

Other assets primarily consist of a variety of prepaid expenses as of year end. Prepaid expenses are amortized into expense on a straight-line basis over the respective term of the prepaid asset.

Property and Equipment

The Consortium capitalizes individual assets of \$500 or greater. Contributed property and equipment is recorded at fair value at the date of donation. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. Property and equipment purchased are stated at cost less accumulated depreciation.

Atlanta University Center Consortium

Notes to Financial Statements

Depreciation is computed on a straight-line method over the estimated useful lives as follows:

Furniture and fixtures	5 years
Equipment	3-5 years

The carrying value of property and equipment is evaluated on an on-going basis and based on estimated future undiscounted cash flows. In the event such cash flows are not expected to be sufficient to recover the carrying value of the assets, the useful lives of the assets are revised or the assets are written down to their estimated fair values.

Functional Expenses

The expenses of the Consortium's programs and supporting services have been grouped and reported on a functional basis as disclosed in the statements of functional expenses. Expenses are charged to each program based on direct expenses incurred. Certain personnel costs are allocated from administrative services to program services based on a level of effort toward each program service.

Recognition of Revenue from Exchange Transactions

In accordance with ASC 606 for exchange transactions, the Consortium recognizes revenue when, or as, performance obligations are satisfied under a contract. A performance obligation is the unit of account for revenue recognition and refers to a promise in a contract to transfer a distinct service or good to the customer.

The Consortium evaluates whether it has an enforceable contract with a customer with rights of the parties and payment terms identified, and recognizes revenue when collectability is probable. The Consortium also evaluates if a contract has multiple promises and if each promise should be accounted for as separate performance obligations or as a single performance obligation.

The transaction price is the amount of consideration defined to be received for performance under the Consortium's contracts. Contract terms define the consideration to be received or the formula for calculating the consideration to be received. The Consortium has no material variable consideration in its contracts.

The Consortium has the following revenue streams that are recognized in accordance with ASC 606:

Affiliated Institutional Support

The Consortium combines multiple promises of the Shared Programs and Services that it provides to the Affiliated Institutions into a single performance obligation due to the multiple promises being either highly interrelated or through providing a significant integration of services that represent a combined output. The Consortium receives annual consideration for providing the Shared Programs and Services to the Affiliated Institutions. The Consortium bills the Affiliated Institutions in four equal and quarterly installments (generally at the beginning of each quarter) for the annual Shared Programs and Services with the total annual amounts being based on the annual operating budget of the Consortium that is approved by the Council of Presidents in the preceding year. The Consortium recognizes the annual consideration into revenue over time as the services are being provided to the Affiliated Institutions. As the Consortium's fiscal year coincides with the annual term of the contracts with the Affiliated Institutions, the full amounts of the annual consideration

Atlanta University Center Consortium

Notes to Financial Statements

are earned and recognized during each of the Consortium's fiscal years.

Registration Fees

The Consortium hosts various events (career days, employment recruiting events, etc.) throughout each year and charges registration and recruiting fees to attendees and third-party organizations (collectively, the Registrants). The Consortium combines multiple promises of the events it hosts for the Registrants into a single performance obligation due to the multiple promises being either highly interrelated or through providing a significant integration of services that represent a combined output. Each of the Registrants pay for the event in advance at the time they register for each event. The Consortium recognizes the registration fees into revenue over time which is during the course of each event. As these events do not overlap with the Consortium's fiscal year and as all performance obligations are fully satisfied by the end of each event, the revenue from each event is fully recognized in the same reporting period as when the event occurred.

Recognition of Revenue from Non-Exchange Transactions

Private Gifts and Grants

The Consortium's private gifts and grants revenue is considered a contribution in accordance with the guidance under ASC 958-605, *Not-for-Profit Entities - Revenue Recognition*. Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional which is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Private gifts and grants are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Amounts received that are designated for future periods or restricted by the donor or grantor for specific purposes are reported as net assets with donor restrictions. All private gifts and grants received during the years ended June 30, 2025 and 2024 consisted of cash and other financial assets.

An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution and nature of fundraising activity.

Federal Grants

Federal grants receivable represents funds due from federal agencies and/or pass-through entities under grant agreements for specific purposes. The recognition of these receivables is based on incurred eligible expenditures that comply with the terms and conditions of the respective grant agreements. Management believes that all recorded amounts are fully collectible and no allowance for credit losses is necessary. The Consortium continues to monitor compliance with grant requirements to ensure the timely collection of these receivables.

Federal amounts drawn but not yet spent are refundable if not used for allowable expenditures under the terms of the federal grant. Such amounts are presented as refundable advances on the statements of financial position.

Atlanta University Center Consortium

Notes to Financial Statements

Leases

The Consortium determines if an arrangement is a lease at inception, which conveys the Consortium's right to control the use of an identified asset for a period of time in exchange for consideration. The Consortium determines whether the lease classification is an operating or financing lease at the commencement date. Operating leases are recorded as operating right-of-use ("ROU") assets and lease liabilities on the Consortium's statements of financial position in accordance with ASC 842, *Leases*. ROU assets represent the Consortium's right to use an underlying asset for the lease term and the corresponding lease liabilities represent its obligation to make lease payments arising from the lease. Lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The lease ROU asset is reduced for tenant incentives and excludes any initial direct cost incurred.

Lease payments are recognized in the accompanying statements of activities on a straight-line basis over the lease term. The Consortium's lease terms may include options to extend or terminate the lease. These options are reflected in the ROU asset and lease liability when it is reasonably certain that the Consortium will exercise the option. The Consortium reassesses the lease term if and when a significant event or change in circumstances occurs within the control of the Consortium, such as construction of significant leasehold improvements that are expected to have economic value when the option becomes exercisable.

As the Consortium leases do not provide an implicit rate, the net present value of future minimum lease payments is determined using the Consortium incremental borrowing rate or risk-free rate.

2. Liquidity and Availability of Resources

Financial assets available within one year for general expenditures are as follows as of:

<i>June 30,</i>	2025	2024
Financial Assets		
Cash and cash equivalents	\$ 9,539,254	\$ 8,389,963
Accounts receivable	1,007,137	455,080
Federal grants receivable	-	440,043
Contributions receivable	333,845	377,590
Investments	2,925,302	2,779,596
Total Financial Assets, at year end	13,805,538	12,442,272
Less those unavailable for general expenditures within one year due to:		
Endowment funds to be maintained in perpetuity	(250,000)	(250,000)
Net assets with donor restrictions subject to expenditure for purpose and passage of time specified	(7,103,674)	(6,942,187)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 6,451,864	\$ 5,250,085

The Consortium's financial assets have been reduced by amounts not available for general use due to donor-imposed restrictions within one year of the statement of financial position date, and amounts set aside for long-term investing in endowments.

Atlanta University Center Consortium

Notes to Financial Statements

The Consortium's endowment funds consist of donor-restricted endowments as well as funds specified by donors as restricted for various times and purposes. Therefore, these funds are not available for general expenditures. Approximately \$10,000 of appropriations from the endowment fund will be available within the next 12 months.

As part of the Consortium's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

3. Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, 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 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 - Inputs utilize quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets in markets that are not active.
- Observable inputs other than quoted prices for the asset or liability.
- Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3 - Inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

Atlanta University Center Consortium

Notes to Financial Statements

The following table represents the Consortium's financial instruments carried at fair value at:

June 30, 2025

Description	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 401,245	\$ -	\$ -	\$ 401,245
Marketable securities	2,524,057	-	-	2,524,057
Total Investments	\$2,925,302	\$ -	\$ -	\$2,925,302

June 30, 2024

Description	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 371,082	\$ -	\$ -	\$ 371,082
Marketable securities	2,408,514	-	-	2,408,514
Total Investments	\$ 2,779,596	\$ -	\$ -	\$ 2,779,596

The carrying amounts of cash and cash equivalents approximate fair value due to the relative terms and short maturity of these financial instruments. The marketable securities include equity investments in large and medium cap entities with sufficient trading volume to adequately assess fair value.

4. Accounts Receivable

Accounts receivable consisted of the following at:

<i>June 30,</i>	2025	2024
Due from Affiliated Institutions	\$ 973,881	\$ 306,562
Other receivables	33,256	148,518
Total Accounts Receivable	\$ 1,007,137	\$ 455,080

Based on the historical collections on amounts due from Affiliated Institutions as well as the credit worthiness of third parties with outstanding receivable balances, the Consortium's current expected credit losses for accounts receivable at June 30, 2025 and 2024 was \$0.

Concentrations of 10% or more of the total accounts receivable from individual entities are considered significant. As of June 30, 2025, concentrations of approximately \$974,000 or 97% of the total accounts receivable balance was due from 3 separate entities. As of June 30, 2024, concentrations of approximately \$307,000 or 67% of the total accounts receivable balance was due from 1 entity.

Atlanta University Center Consortium

Notes to Financial Statements

5. Federal Grants

Federal Grants Receivable

The Consortium has recognized federal grants receivable of approximately \$0 and \$440,000 as of June 30, 2025 and 2024, respectively, in connection with reimbursement of allowable expenditures made pursuant to the Consortium's federal grants and contracts. The Consortium continues to monitor compliance with grant requirements to ensure the timely collection of these receivables.

Refundable Advance

During the year ended June 30, 2025, the Consortium drew down \$871,832 of cash related to a multi-year federal grant that was not expended as of year end and thus this amount is presented as a refundable advance on the accompanying statements of financial position as of June 30, 2025.

6. Contributions Receivable

<i>June 30,</i>	2025	2024
Amounts due within:		
Less than one year	\$ 262,600	\$ 152,590
Between one year and five years	75,000	225,000
Total gross contributions receivable	337,600	377,590
Discount to present value	(3,755)	-
Total Contributions Receivable, Net	\$ 333,845	\$ 377,590

Based on the credit worthiness of the donors with outstanding receivable balances, the Consortium's allowance for doubtful accounts at June 30, 2025 and 2024 was \$0.

Concentrations of 10% or more of the total contributions receivable from individual entities are considered significant. As of June 30, 2025, concentrations of approximately \$303,000 or 90% of the total contributions receivable balance was due from 3 separate entities. As of June 30, 2024, concentrations of approximately \$332,000 or 89% of the total contributions receivable balance was due from 3 separate entities.

7. Investments

Investments consisted of the following at:

June 30, 2025

Description	Cost	Fair Value
Cash and cash equivalents	\$ 401,245	\$ 401,245
Marketable securities	2,320,681	2,524,057
Total Investments	\$ 2,721,926	\$ 2,925,302

Atlanta University Center Consortium

Notes to Financial Statements

June 30, 2024

Description	Cost	Fair Value
Cash and cash equivalents	\$ 371,082	\$ 371,082
Marketable securities	2,247,745	2,408,514
Total Investments	\$ 2,618,827	\$ 2,779,596

Net investment income during the years ended June 30, 2025 and 2024 were approximately \$202,000 and \$233,000, net of investment fees, respectively.

8. Property and Equipment, Net

Property and equipment, net is comprised of the following at:

<i>June 30,</i>	2025	2024
Furniture and fixtures	\$ 30,101	\$ 30,101
Equipment	256,480	244,099
Total property and equipment	286,581	274,200
Less: accumulated depreciation	(198,677)	(162,100)
Property and Equipment, Net	\$ 87,904	\$ 112,100

Depreciation and amortization expense recognized during the years ended June 30, 2025 and 2024 was approximately \$37,000 and \$35,000, respectively.

9. Operating Leases

Lease agreements for the year ended June 30, 2025 are accounted for under ASC 842. Upon adoption of ASC 842, the Consortium elected numerous practical expedients with respect to leases existing as of July 1, 2022.

The Consortium recorded operating lease ROU assets and corresponding lease liabilities of approximately \$340,000, upon commencement of the office space operating lease after the adoption of the standard. There was no significant impact on net assets without donor restrictions.

Supplemental information related to operating leases, consisted of the following:

<i>June 30,</i>	2025	2024
Weighted - average remaining lease terms (in years)	5.58	6.52
Weighted - average discount rate	3.39%	3.39%

Atlanta University Center Consortium

Notes to Financial Statements

The maturity of the lease liabilities under the Consortium’s operating leases as of June 30, 2025 is as follows:

<i>Years ending June 30,</i>	Operating Leases
2026	\$ 41,580
2027	41,580
2028	41,580
2029	41,580
2030	41,580
Thereafter	112,239
Minimum lease payments	320,139
Less: amounts representing interest	(37,613)
Minimum Lease Payments, Net	\$ 282,526

10. Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes at:

<i>June 30,</i>	2025	2024
Contributions and other unexpended revenues available for:		
Dual degree engineering program	\$ 4,031,418	\$ 3,750,033
Data sciences initiative	2,949,683	2,954,285
Career planning program	41,861	41,861
Civic engagement and community learning program	6,461	6,461
Administrative services	72,951	189,547
Center for excellence in public service	1,300	-
Net Assets With Donor Restrictions Subject to Expenditure for Specified Purpose and Passage of Time	\$ 7,103,674	\$ 6,942,187

Net assets with donor restrictions to be maintained in perpetuity consist of the following at:

<i>June 30,</i>	2025	2024
Endowment funds	\$ 250,000	\$ 250,000

Earnings on net assets with donor restrictions are available for the Consortium’s private sponsored programs.

Atlanta University Center Consortium

Notes to Financial Statements

Net assets with donor restrictions were released by incurring expenses or acquiring assets satisfying the restricted purpose or by the occurrence of other events specified by the donors as follows:

<i>Years ended June 30,</i>	2025	2024
Program restrictions accomplished:		
Dual degree engineering program	\$ 648,108	\$ 655,228
Data sciences initiative	2,168,631	792,387
Career planning program	-	619
Civic engagement and community learning program	-	619
Administrative services	147,453	620
Total Net Assets With Donor Restrictions Released from Restrictions	\$ 2,964,192	\$ 1,449,473

11. Endowment

The State of Georgia has enacted the State Prudent Management of Institutional Funds Act (“SPMIFA”). The Council of Presidents of the Consortium has interpreted SPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary.

In accordance with SPMIFA, the Consortium considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Consortium and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Consortium.
- The investment policies of the Consortium.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Consortium to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, there were no such deficiencies at June 30, 2025 and 2024.

The Consortium has adopted investment and spending policies for endowment assets that attempt to maximize return within reasonable and prudent levels of risk. The Consortium seeks preservation of capital with a consistent, positive return on assets overtime. The overall investment strategy is to maintain a diversified, liquid portfolio as to quality, issuers and maturity. Flexibility must be maintained so those funds are available to meet anticipated cash needs, as determined by the cash flow forecast. Average maturity of the portfolio will be kept short to provide liquidity.

Atlanta University Center Consortium

Notes to Financial Statements

Individual investments will be selected to achieve the following objectives in priority order:

- Safety of principal.
- Liquidity for operating needs.
- Maximization of yield.
- Diversification of risk.

To satisfy its rate-of-return objectives, the Consortium relies on the following:

- Investment objectives that will use a total return approach while exercising the degree of prudence and fiduciary care required for endowment funds.
- An asset allocation based on the funds anticipated cash flow needs for the next year and the anticipated additions to and withdrawals from the fund for the current year.

The Consortium's policy is to appropriate all investment income earned on its investments. This policy is reviewed by the Council of Presidents quarterly or whenever significant change is anticipated in the Consortium's cash requirements. The Consortium did not withdraw any funds for spending during the years ended June 30, 2025 and 2024.

12. Employee Benefit Plan

The Consortium offers its employees a deferred compensation plan (the "Plan") qualified under Internal Revenue Code 403(b). The Plan, available to all full-time Consortium employees, permits them to defer a portion of their gross salaries up to the maximum amount allowed by the Internal Revenue Code. The Plan is managed by Teachers Insurance and Annuity Association. The Consortium contributes to the Plan by matching 100% of each employee's contribution, up to 7% of each employee's total annual salary. Matching contributions for the years ended June 30, 2025 and 2024 totaled approximately \$56,000 and \$65,000, respectively.

13. Related Party Transactions

The following table summarizes related party revenues recognized by the Consortium that is included in affiliated institutional support on the accompanying statements of activities:

<i>Years ended June 30,</i>	2025	2024
Clark Atlanta University	\$ 719,259	\$ 620,895
Morehouse College	812,472	664,983
Morehouse School of Medicine	489,823	470,927
Spelman College	680,376	588,470
Robert W. Woodruff Library	26,601	-
Total Related Party Revenue	\$ 2,728,531	\$ 2,345,275

Atlanta University Center Consortium

Notes to Financial Statements

The following table summarizes amounts due from Affiliated Institutions that are included in accounts receivable on the accompanying statements of financial position at:

<i>June 30,</i>		2025		2024
Clark Atlanta University	\$	641,307	\$	-
Morehouse College		206,618		-
Morehouse School of Medicine		125,956		306,562
Total Due from Affiliated Institutions	\$	973,881	\$	306,562

During the year ended June 30, 2024, the Consortium also recognized related party revenue from Clark Atlanta University of approximately \$115,000, within private gifts and grants. As of June 30, 2024, the entire balance of approximately \$115,000 was included in accounts receivable on the accompanying statements of financial position. There was no similar accounts receivable balance or revenue recognized as of and during the year ended June 30, 2025.

During the year ended June 30, 2020, the Consortium began assisting with the management and accounting for the University Community Development Corporation (“UCDC”), a nonprofit organization assisting with affordable housing for moderate to low-income residents in and around the Affiliated Institutions. As of June 30, 2025 and 2024, the Consortium had restricted cash in a managed account for UCDC equivalent to the UCDC payable of \$54,806 and \$384,131, respectively, and this amount is presented within cash and cash equivalents on the accompanying statements of financial position.

14. Commitments and Contingencies

The Consortium has received grants for special purposes, which are subject to review and audit by the grantor agencies. Such audits could result in claims against the resources of the Consortium. Since the Consortium does not expect claims to arise as a result of such audits, no provision for liabilities has been provided in the accompanying financial statements.

15. Subsequent Events

The Consortium has evaluated subsequent events from June 30, 2025 (the date of the most current statement of financial position presented) through April 8, 2026 (the date of the audit report and the date the accompanying financial statements were available to be issued). No material matters requiring disclosure were identified.

Since January 20, 2025, President Trump has issued multiple executive orders as he took office along with specific departmental, agency and Office of Management and Budget guidance which have imposed potential restrictions on certain programs, payments, new awards and existing programs, impacting many organizations that receive and expend federal funding. The full impact of the executive orders continues to evolve as of April 8, 2026. As such, it is uncertain as to the full magnitude that these matters will have on Consortium’s financial condition, liquidity, and future results of operations. The Consortium is actively monitoring the impact of these events on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of these matters through April 8, 2026, the Consortium is not able to reasonably estimate the effects on the results of operations, financial condition, or liquidity for fiscal year 2026. The Consortium continues to assess the impact to its day-to-day operations, including continued access

Atlanta University Center Consortium

Notes to Financial Statements

to contracts and funding from the federal government. As of April 8, 2026, the Consortium has not seen a material negative impact to its operation.