

FINANCIAL STATEMENTS



ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES

RESEARCH, EDUCATION, SERVICE

**FOR THE YEAR ENDED JUNE 30, 2025
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2024**

ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Association of University Centers on Disabilities
Silver Spring, Maryland

Opinion

We have audited the accompanying financial statements of the Association of University Centers on Disabilities (AUCD), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and change in net assets, 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 AUCD as of June 30, 2025, and the change 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 and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 AUCD 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 AUCD's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 and *Government 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, including omissions, 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 and *Government 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 AUCD'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 AUCD'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.

Report on Summarized Comparative Information

We have previously audited AUCD's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2025 on our consideration of AUCD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering AUCD's internal control over financial reporting and compliance.



December 2, 2025

ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES

STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024

ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,372,685	\$ 2,367,959
Investments	1,423,856	1,275,264
Accounts receivable, net	41,477	202,304
Grants receivable	834,212	1,237,780
Prepaid expenses	<u>68,459</u>	<u>96,229</u>
Total current assets	<u>3,740,689</u>	<u>5,179,536</u>
FIXED ASSETS		
Furniture and equipment	274,198	274,198
Website	178,869	178,869
Less: Accumulated depreciation and amortization	<u>(311,474)</u>	<u>(229,813)</u>
Net fixed assets	<u>141,593</u>	<u>223,254</u>
OTHER ASSETS		
Deposits	22,093	22,093
Right-of-use asset - Operating lease	1,205,619	1,441,145
Right-of-use asset - Finance lease	<u>3,215</u>	<u>8,727</u>
Total other assets	<u>1,230,927</u>	<u>1,471,965</u>
TOTAL ASSETS	<u>\$ 5,113,209</u>	<u>\$ 6,874,755</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 364,241	\$ 717,649
Deferred revenue	7,785	-
Operating lease liability	264,295	249,475
Financing lease liability	<u>4,683</u>	<u>7,883</u>
Total current liabilities	<u>641,004</u>	<u>975,007</u>
LONG-TERM LIABILITIES		
Operating lease obligation, net of current portion	1,106,660	1,370,955
Finance lease obligation, net of current portion	<u>-</u>	<u>4,683</u>
Total long-term liabilities	<u>1,106,660</u>	<u>1,375,638</u>
Total liabilities	<u>1,747,664</u>	<u>2,350,645</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	2,574,286	3,617,724
Board designated	<u>92,740</u>	<u>92,731</u>
Total net assets without donor restrictions	2,667,026	3,710,455
With donor restrictions	<u>698,519</u>	<u>813,655</u>
Total net assets	<u>3,365,545</u>	<u>4,524,110</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,113,209</u>	<u>\$ 6,874,755</u>

See accompanying notes to financial statements.

ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024

	<u>2025</u>			<u>2024</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
SUPPORT AND REVENUE				
Grants and subcontracts -				
Core programs	\$ 3,339,699	\$ -	\$ 3,339,699	\$ 5,634,397
Corporate and foundation grants	236,595	1,253	237,848	869,574
Contributed nonfinancial assets	-	-	-	20,000
Membership dues	710,838	-	710,838	765,890
Annual meeting	252,234	-	252,234	566,740
Other meetings	-	-	-	2,500
Net investment return	148,774	-	148,774	130,220
Other income	10,452	-	10,452	137,755
Net assets released from donor restrictions	<u>116,389</u>	<u>(116,389)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>4,814,981</u>	<u>(115,136)</u>	<u>4,699,845</u>	<u>8,127,076</u>
EXPENSES				
Program Services	3,683,672	-	3,683,672	6,349,161
Management and General	<u>2,174,738</u>	<u>-</u>	<u>2,174,738</u>	<u>1,619,126</u>
Total expenses	<u>5,858,410</u>	<u>-</u>	<u>5,858,410</u>	<u>7,968,287</u>
Change in net assets	(1,043,429)	(115,136)	(1,158,565)	158,789
Net assets at beginning of year	<u>3,710,455</u>	<u>813,655</u>	<u>4,524,110</u>	<u>4,365,321</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,667,026</u>	<u>\$ 698,519</u>	<u>\$ 3,365,545</u>	<u>\$ 4,524,110</u>

ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024**

	2025			2024
	Program Services	Management and General	Total Expenses	Total Expenses
Salaries, benefits and payroll taxes	\$ 1,422,680	\$ 1,298,018	\$ 2,720,698	\$ 3,067,666
Consulting and contractual	341,593	153,560	495,153	859,475
Professional fees	129,364	199,705	329,069	341,883
Subawards	956,637	-	956,637	2,329,105
Communications	9,375	7,071	16,446	54,425
Postage and delivery	1,946	364	2,310	2,449
Lease expense	150,574	135,328	285,902	279,246
Equipment rental and maintenance	-	535	535	9,511
Travel	138,023	15,379	153,402	253,113
Conferences	468,258	14,530	482,788	427,877
Computer costs	11,508	2,586	14,094	8,525
Office expense	2,567	20,266	22,833	40,976
Insurance	-	9,091	9,091	8,498
Dues and subscriptions	30,763	1,871	32,634	36,548
Depreciation and amortization	-	87,173	87,173	44,457
Miscellaneous expense	801	39,159	39,960	70,601
Printing and production	3,822	16	3,838	9,411
Online dissemination services	15,761	37,623	53,384	7,815
Bad debt expense	-	116,315	116,315	66,706
Credit losses	-	36,148	36,148	50,000
TOTAL	\$ 3,683,672	\$ 2,174,738	\$ 5,858,410	\$ 7,968,287

ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,158,565)	\$ 158,789
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	87,173	44,457
Realized loss (gain) on sale of investments	25,837	(6,294)
Unrealized gain on investments	(144,400)	(101,883)
Credit losses	36,148	50,000
Amortization of right-of-use asset	235,526	228,449
Decrease (increase) in:		
Accounts receivable	124,679	(117,316)
Grants receivable	403,568	1,715,002
Prepaid expenses	27,770	44,895
(Decrease) increase in:		
Accounts payable and accrued expenses	(353,408)	(1,752,538)
Deferred revenue	7,785	-
Operating lease liability	<u>(249,475)</u>	<u>(235,259)</u>
Net cash (used) provided by operating activities	<u>(957,362)</u>	<u>28,302</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(178,870)
Purchases of investments	(45,060)	(35,010)
Proceeds from sales of investments	<u>15,031</u>	<u>13,230</u>
Net cash used by investing activities	<u>(30,029)</u>	<u>(200,650)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease obligation	<u>(7,883)</u>	<u>(7,705)</u>
Net cash used by financing activities	<u>(7,883)</u>	<u>(7,705)</u>
Net decrease in cash and cash equivalents	(995,274)	(180,053)
Cash and cash equivalents at beginning of year	<u>2,367,959</u>	<u>2,548,012</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,372,685</u>	<u>\$ 2,367,959</u>
SUPPLEMENTAL INFORMATION:		
Interest Paid	<u>\$ 43,481</u>	<u>\$ 50,735</u>

ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Association of University Centers on Disabilities (AUCD) was incorporated on September 9, 1986 under the laws of the State of Delaware. AUCD's mission is to nurture, support and assist member affiliates in their endeavors to enhance the quality of life for persons with developmental disabilities through interdisciplinary training, exemplary services, technical assistance and dissemination of information and research.

Program Services -

AUCD is a national association that supports Network members in their research, training, education, and service so that together, AUCD and Network members can promote the quality of life, health, and well-being of people with disabilities. Network members consist of:

- 68 University Centers for Excellence in Developmental Disabilities (UCEDDs)
- 60 Leadership Education in Neurodevelopmental Disabilities (LENDs) Programs
- 16 Eunice Kennedy Shriver Intellectual and Developmental Disability Research Centers (IDDRCs)
- 13 Developmental-Behavioral Pediatrics Training Programs (DBPs) (non-members who receive TA).

These Centers and Programs serve and are located in every U.S. State and territory and are all part of universities or medical centers. They serve as a bridge between the university and the community, bringing together the resources of both to achieve meaningful change.

AUCD supports this national Network through:

- Leadership on major social issues affecting all people living with developmental or other disabilities or special health needs
- Advocacy with Congress and executive branch agencies that fund and regulate programs used by people with disabilities
- Networking and partnering with other national organizations to advance the Network's national agendas
- Promoting communication within the Network and with other groups by collecting, organizing, and disseminating data on Network activities and accomplishments
- Technical assistance provision to Centers and Programs on a broad range of topics.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.

ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Basis of presentation (continued) -

- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with AUCD's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Cash and cash equivalents -

AUCD considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, AUCD maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

AUCD considers all cash and other highly liquid investments with maturities of three months or less to be cash equivalents. This excludes money market funds held by investment managers in the amount of \$16,694 as of June 30, 2025.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets.

Accounts receivable -

Accounts receivable primarily consists of amounts due within one year related to contracts. Accounts receivable are recorded at their net realizable value which approximates fair value. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments.

The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs.

Grants receivable include unconditional promises to give that are expected to be collected in future years. Grants receivable are recorded at their fair value, which is measured as the present value of the future cash flows.

ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Fixed assets -

Fixed assets in excess of \$5,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized over the lesser of the useful life of the asset or the remaining life term of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense totaled \$87,173 for the year ended June 30, 2025.

Income taxes -

AUCD is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. AUCD is not a private foundation.

Support from grants and contributions, including Federal awards -

AUCD receives grants and contributions, including Federal awards from the U.S. Government. Contributions are recognized in the appropriate category of net assets in the period received. AUCD performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most Federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, AUCD had no refundable advances as of June 30, 2025.

In addition, AUCD has obtained funding source agreements related to conditional contributions, such as Federal awards from the U.S. Government, which will be received in future years. AUCD's unrecognized conditional contributions to be received in future years totaled \$1,320,639 as of June 30, 2025.

ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Revenue from contracts with customers -

AUCD's contracts, membership dues and meetings revenue are the most significant revenue streams that are treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. AUCD has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost and/or sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. AUCD's contracts with customers generally have initial terms of one year or less.

Membership dues includes general member benefits that are a series of distinct obligations. is recognized in full during the year to which the membership applies. There are several benefits received that are individual distinct obligations such as discounted rates to conferences and meetings. However, these benefits are immaterial in comparison to the membership benefits provided and, as a result, they are included with the general member benefits.

Meetings and event registrations are recognized as revenue during the period of time when the related events are held.

Contributed nonfinancial assets -

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of contributed management services. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by AUCD.

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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing AUCD's programs and supporting services have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, were allocated based on time and effort. Occupancy, depreciation, and office costs were allocated based on square footage occupied.

Investment risks and uncertainties -

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

ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, AUCD has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market AUCD has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended June 30, 2025. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Stocks* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by AUCD are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by AUCD are deemed to be actively traded.

ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market funds	\$ 16,694	\$ -	\$ -	\$ 16,694
Stocks	500,242	-	-	500,242
Mutual funds	<u>906,920</u>	<u>-</u>	<u>-</u>	<u>906,920</u>
TOTAL INVESTMENTS	<u>\$ 1,423,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,423,856</u>

Net investment return consisted of the following for the year ended June 30, 2025:

Interest and dividends	\$ 45,242
Realized loss	(25,837)
Unrealized gain	144,400
Management fees	<u>(15,031)</u>
NET INVESTMENT RETURN	<u>\$ 148,774</u>

3. CONTRACT ASSETS

Contract assets consisted of the following revenue streams as of:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>July 1, 2024</u>
Accounts receivable	\$ 77,625	\$ 252,304	\$ 252,304
Less: Allowance for doubtful accounts	<u>(36,148)</u>	<u>(50,000)</u>	<u>(50,000)</u>
TOTAL CONTRACT ASSETS	<u>\$ 41,477</u>	<u>\$ 202,304</u>	<u>\$ 202,304</u>

The allowance for credit losses consisted of the following as of and for the year ended June 30, 2025:

Allowance for credit losses, beginning of year	\$ 50,000
Additions (charges to expenses)	36,148
Deductions (write-offs, net of recoveries)	<u>(50,000)</u>
ALLOWANCE FOR CREDIT LOSSES, END OF YEAR	<u>\$ 36,148</u>

4. BOARD DESIGNATED NET ASSETS

Board designated funds are held in a separate money market account, which is included in cash and cash equivalents in the accompanying financial statements. The assets are to be used to fund future endeavors at the discretion of the Board. As of June 30, 2025, Board designated net assets totaled \$92,740.

ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2025:

PROGRAM SERVICES - SUBJECT TO EXPENDITURE	\$ <u>698,519</u>
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6. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets with donor restrictions were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors. Net assets released from restrictions totaled \$116,389 for the year ended June 30, 2025.

7. LEASE COMMITMENTS

AUCD follows FASB ASC 842 for leases. AUCD has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. AUCD has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842. The rate used was 3%.

In June 2011, AUCD entered into a ten year lease agreement, expiring September 30, 2021, for office space in Silver Spring, Maryland. Base rent was \$19,302 per month. The lease agreement includes fixed annual increases of 2.50%. In July 2021, the lease agreement was extended for an additional ninety-two (92) months, expiring May 31, 2029. Base rent under the extension is \$23,173 per month, and includes fixed annual increases of 2.50%.

For the year ended June 30, 2025, total lease cost was \$235,526 and total cash paid was \$292,767. These amounts are included in lease expense on the Statement of Functional Expenses.

During 2022, AUCD entered into a finance lease obligation for a copier, which expires in January, 2026. As of June 30, 2025, the cost and related accumulated amortization of the leased asset were \$19,750 and \$16,535, respectively. Amortization of assets held under finance leases is included with depreciation expense and amortization.

The following is a summary of future minimum rental payments required under the lease agreement:

<u>Year Ending June 30,</u>	<u>Office</u>	<u>Copier</u>
2026	\$ 300,086	\$ 4,709
2027	307,588	-
2028	315,278	-
2029	323,160	-
Thereafter	<u>220,367</u>	<u>-</u>
	1,466,479	4,709
Less: Imputed interest	<u>(95,524)</u>	<u>(26)</u>
	1,370,955	4,683
Less: Current portion	<u>(264,295)</u>	<u>(4,683)</u>
LONG - TERM PORTION	\$ <u>1,106,660</u>	\$ <u>-</u>

ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

8. COMMITMENTS

AUCD is committed under agreements for conference space through the year 2027. The total commitments under the agreements are not determinable as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreements were cancelled prior to the event date. The amount of the cancellation penalties increases through the date of the event.

9. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 1,372,685
Investments	1,423,856
Accounts receivable, net	41,477
Grants receivable	<u>834,212</u>
Subtotal financial assets available within one year	3,672,230
Less: Donor-restricted funds	(698,519)
Less: Board designated funds	<u>(92,740)</u>

**FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR
GENERAL EXPENDITURES WITHIN ONE YEAR** **\$ 2,880,971**

AUCD has a policy to structure its financial assets to be available and liquid as its obligations become due. The Board designated funds, which were \$92,740 as of June 30, 2025, may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. As of June 30, 2025, AUCD has financial assets equal to approximately six months of average operating expenses.

10. CONCENTRATION OF REVENUE

Federal Government grants and contracts comprise approximately 66% of AUCD's support and revenue for the year ended June 30, 2025. Any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect AUCD's ability to finance ongoing operations. Management feels that the likelihood is minimal, but does keep track of these relationships.

11. CONTINGENCY

AUCD receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2025.

Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

12. PENSION PLANS

AUCD has a tax-deferred annuity plan (the Plan), qualified under Section 403(b) of the Internal Revenue Code. The Plan covers full-time employees meeting certain service requirements.

The Plan allows all participants to contribute up to statutory limits as set by the Internal Revenue Service. The employer contributes 7% of employees' total compensation. Contributions under the Plan for the year ended June 30, 2025, totaled \$106,318 and is included in Salaries, benefits, and payroll taxes in the accompanying Statement of Functional Expenses.

13. SUBSEQUENT EVENTS

In preparing these financial statements, AUCD has evaluated events and transactions for potential recognition or disclosure through December 2, 2025, the date the financial statements were issued.