

**ALABAMA STATE UNIVERSITY FOUNDATION, INC.**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2024**



**ALABAMA STATE UNIVERSITY FOUNDATION, INC.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
Alabama State University Foundation, Inc.

### Opinion

We have audited the accompanying financial statements of the Alabama State University Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 Alabama State University Foundation, Inc. as of December 31, 2024, 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 Alabama State University Foundation, Inc. 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.

### Management's Responsibility 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 Alabama State University Foundation'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 Responsibility**

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 Alabama State University Foundation, Inc.'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 Alabama State University Foundation, Inc.'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.

*Grayson Accounting & Consulting, P.A.*

Tallahassee, Florida  
October 20, 2025

**ALABAMA STATE UNIVERSITY FOUNDATION, INC.  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2024**

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	8,949,545
Accounts Receivable	473,403
Investments	<u>3,471,190</u>

Total current assets 12,894,138

**Total Assets**

**12,894,138**

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable and accrued expenses	9,457
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**Net Assets**

Without Donor Restrictions	2,291,848
With Donor Restrictions	<u>10,592,833</u>

Total Net Assets 12,884,681

**Total Liabilities and Net Assets**

**12,894,138**

**ALABAMA STATE UNIVERSITY FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and revenues</b>			
Contributions and Support	586,341	7,631,479	8,217,820
Interest & Dividends	405,016	74,598	479,614
In-Kind Support	-	-	-
Net Assets Released from Donor Restrictions	-	-	-
Net realized and unrealized gain (loss) on investments	16,737	310,902	327,639
Total support and revenues	<u>1,008,094</u>	<u>8,016,979</u>	<u>9,025,073</u>
<b>EXPENSES WITHOUT DONOR RESTRICTIONS</b>			
Program Expenses			
University Support	74,569	4,656,889	4,731,458
Athletic Support	22,743	2,028,059	2,050,802
Total Program Services	<u>97,313</u>	<u>6,684,947</u>	<u>6,782,260</u>
Management and General	424,901	38,632	463,533
Total expenses	<u>522,214</u>	<u>6,723,579</u>	<u>7,245,793</u>
<b>Increase (decrease) in net assets</b>	485,880	1,293,399	1,779,280
<b>Net assets</b> , beginning of the year	<u>1,805,968</u>	<u>9,299,434</u>	<u>11,105,402</u>
<b>Net assets</b> , end of year	<u><u>2,291,848</u></u>	<u><u>10,592,833</u></u>	<u><u>12,884,681</u></u>

**ALABAMA STATE UNIVERSITY FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	University Support	Athletic Support	Management and General	Total
Advertising	21,653	61,742	-	83,395
Awards and grants	33,198	-	-	33,198
Bad debt expense	-	-	5,618	5,618
Bank fees	33	-	56,643	56,676
Camp expenses	45,439	15,945	-	61,384
Computer services and technology	20,478	-	2,558	23,036
Conferences, Meetings, Conventions, and Events	994,380	232,158	7,804	1,234,342
Contractual services	180,538	365,153	323,221	868,912
Equipment	167,441	148,963	-	316,404
Gifts and honorariums	47,136	3,560	-	50,696
Hospitality and receptions	350,661	97,371	-	448,032
Insurance	-	-	13,205	13,205
Interest expense	61	7,188	6	7,255
Investment advisory fees	-	-	30,934	30,934
Membership dues and subscriptions	52,719	10,205	1,002	63,926
Miscellaneous	527,840	251,167	2,672	781,679
Professional fees	23,114	13,000	8,194	44,308
Scholarships and donations	938,124	103,782	-	1,041,906
Staff development	5,452	7,210	-	12,662
Student entertainment	(714)	-	-	(714)
Supplies	219,944	66,819	618	287,381
Postage and shipping	4,158	1,466	-	5,624
Printing and copying	43,679	138,974	-	182,653
Taxes (foreign)	206	-	-	206
Travel	511,898	96,428	11,061	619,387
Uniforms and apparel	544,017	429,671	-	973,688
<b>Total Expenses</b>	<b>4,731,455</b>	<b>2,050,802</b>	<b>463,533</b>	<b>7,245,793</b>

**ALABAMA STATE UNIVERSITY FOUNDATION, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	1,779,280
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Increase in accounts receivable	(349,549)
Increase in inventory	-
Realized loss (gain) on investments	(353,132)
Unrealized loss (gain) on investments	19,835
Interest income received from banking activities	405,016
Decrease in accounts payable and accrued liabilities	(80,817)
<b>Net cash provided by (used in) operating activities</b>	<u>1,420,633</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest and dividend income received and reinvested	74,599
Net Proceeds from sales and maturities of investments	(234,513)
<b>Net cash provided by (used in) investing activities</b>	<u>(159,914)</u>

<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,260,719
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	7,688,826
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>8,949,545</u></u>

**ALABAMA STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

The Alabama State University Foundation, Inc. (the "Foundation") is the financial portal for philanthropic giving to Alabama State University (the "University"). Private support for the University, given to the Foundation for the benefit of the University, enables the University to transform lives through education, research, and community engagement. The Foundation focuses its efforts on donor stewardship through customer service and assurance in gift acceptance, administration, and reporting and on prudent investment management.

The mission of the Alabama State University Foundation, Inc. is to perpetuate a viable organization that will support the educational needs and goals of Alabama State University, its faculty, and students via responsible management of financials programs.

The Foundation is a 501(c)(3) charitable organization chartered in 1967. The Foundation is governed by a board of directors. The Foundation has been authorized by the Board of the University to receive, hold, invest, and transfer funds for the benefit of the University. The Foundation performs the following:

- Receives, accepts, and processes gifts and bequests for the University's benefit.
- Establishes and accounts for current funds.
- Administers and distributes gift funds to university programs, ensuring that donor intent is honored.
- Stewards gift assets by prudently managing and investing gift funds.

**A. Basis of Accounting and Financial Statement Presentation**

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). Contribution revenue is recognized when an unconditional promise to give is made or when the contribution is received, whichever occurs first. Expenditures are recorded when materials are received, or services are rendered. The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. These two classifications are defined as follows:

- **Net assets without donor restrictions:** Net assets that are not restricted by donors or the donor-imposed restrictions have expired or been fulfilled.
- **Net assets with donor restrictions:** Net assets contain donor-imposed restrictions that permit the Foundation to use or expend the donated assets as specified and are satisfied either by the passage time or by actions of the Foundation, or restrictions that stipulate those resources be maintained.

**ALABAMA STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Contributions Restrictions**

Contributions of cash, investments, and other assets without donor stipulation are reported as revenues of the net asset class without donor restrictions. Contributions of cash, investments, and other assets with a donor stipulation that limits their use for scholarships and academic and program support purposes are reported as revenues of the net assets class with donor restrictions. Contributions of cash, investments, and other assets for which only the income can be expensed for scholarships and general operating support purposes are reported as revenues of the net asset class with donor restrictions.

The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires, and at that time, the related resources are reclassified to net assets without donor restrictions. A restriction expires when the stipulated time period has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions and investment returns having donor stipulations that are satisfied in the same period received or earned are reported as revenue and net assets with donor restrictions and shown as a net asset released from restrictions.

**C. Revenue and Revenue Recognition**

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenue in the period received.

Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. Amounts received in excess of revenue recognized under conditional grants and contributions are reflected as refundable advances in the accompanying statements of financial position.

**D. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the

**ALABAMA STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

reported amounts of revenue and expenses during the reporting period. Estimates include the allocation of functional expenses. Accordingly, actual results could differ from those estimates.

**D. Concentration of Credit Risk**

The Foundation maintains its cash and cash equivalents and money market accounts at financial institutions that are insured by the Federal Deposit Insurance Corporation up to \$250,000. Potential concentrations of credit risk include cash and cash equivalents, investments, and contributions receivable. A significant portion of the funds are not insured by the FDIC or a related entity. Investments are made primarily by investment managers engaged by the Foundation's Board of Directors. Investments are regularly monitored by the Foundation's Board of Directors.

**E. Cash Equivalents**

For reporting purposes, the Foundation considers all demand deposits and highly liquid investments purchased with an initial maturity of three months or less to be cash or cash equivalents.

**F. Investments**

Investments, primarily consisting of mutual funds, equity securities and certificates of deposits, are stated at fair value. The Foundation records investments contributed to the Foundation at fair values as of the date received. Unrealized holding gains and losses, interest and dividends net of investment and custodial fees are reflected in investment income.

Generally, all investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risk in the near term could materially affect amounts reported in statement of financial position and activities and changes in net assets.

**G. Custodial Funds**

The Foundation holds and invests certain funds in the trust account managed by Merrill Lynch on behalf of the Foundation.

**H. Income Taxes**

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Management believes that all revenue-producing activities of the Foundation comply with Section 501(c)(3) of the Internal Revenue Code; accordingly, no accrual for income taxes has been made in the accompanying financial statements.

**ALABAMA STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Foundation applies guidance issued by the Financial Accounting Standards Board (FASB) relating to uncertainty in income taxes. The guidance requires entities to assess their tax positions for the likelihood that they would be overturned upon IRS examination or upon examination by state taxing authorities. In accordance with this guidance, the Foundation has assessed its tax positions and determined that it does not have any positions at December 31, 2024, that it would be unable to substantiate.

Under statute, the Foundation is subject to IRS review for the years ended December 31, 2022, through December 31, 2024. The Foundation has filed tax returns through December 31, 2024.

**I. Functional Expense Allocations**

The Foundation allocates functional expenses between three categories: University Support, Athletic Support, and Management and General. The costs of providing programs and activities have been allocated among the program services and supporting services benefited and are summarized on a functional basis in the statement of activities and changes in net assets. These allocations are based on estimates determined by management. All other expenses are directly charged to the functions they benefit.

**J. Change in Accounting Principal**

The Financial Accounting Standards Board has issued new accounting guidance or modifications to, or interpretations of, existing accounting guidance. The Foundation has considered the new unadopted guidance and does not believe that any other new or modified guidance will have a material impact on the organization's reported net position or activities in the near term.

**NOTE 2 - LIQUIDITY**

The Foundation's financial assets available within one year of the financial position date for general expenditure are as follows:

Liquidity

Cash and Cash Equivalents	8,949,545
Investments	3,471,190
Donor-restricted for use of scholarships, academic support and program management	<u>(10,091,435)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,329,300</u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**ALABAMA STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3 - NET ASSETS**

At December 31, 2024, net assets consisted of the following:

Net Assets	
Without Donor Restrictions	2,719,850
With Donor Restrictions	<u>10,091,434</u>
Total Net Assets	<u>12,811,284</u>

**NOTE 4 - FAIR VALUE MEASUREMENTS**

*Equity Securities:* Valued at the closing price reported in active market on which the individual securities are traded.

The Foundation's investments consist solely of equity securities traded on national exchanges. Fair value is determined on quoted market prices (Level 1 inputs) in active markets. As of December 31, 2024, investments were classified as Level 1 under the fair value hierarchy.

The following table summarizes investments measured at fair value on a recurring basis:

**Fair Value Hierarchy - Level 1**

	<b>Fair Value</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
Level 1 - Equity Securities	3,471,190	3,100,092
Total Investments	3,471,190	3,100,092

**NOTE 5 - DATE OF MANAGEMENT REVIEW**

In preparing these financial statements, the Alabama State University Foundation, Inc. has evaluated events and transactions for potential recognition or disclosure through October 20, 2025, the date the financial statements were available to be issued.

**NOTE 6 - SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. We have evaluated subsequent events through the issuance date of the audit report, October 20, 2025, and there were no subsequent events to be disclosed.