

**AMERICAN ASSOCIATION OF COLLEGIATE
REGISTRARS AND ADMISSIONS OFFICERS
(AACRAO)**

AUDITED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

American Association of Collegiate Registrars and Admissions Officers (AACRAO)

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Independent Auditors' Report

Board of Directors
American Association of Collegiate Registrars and Admissions Officers
Washington, D.C.

Opinion

We have audited the accompanying financial statements of **American Association of Collegiate Registrars and Admissions Officers** (a nonprofit organization), which comprise the Statements of Financial Position as of September 30, 2025 and 2024, and the related Statements of Activities and Changes in Net Assets, Functional Expenses, and Cash Flows for the years 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 **American Association of Collegiate Registrars and Admissions Officers** as of September 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **American Association of Collegiate Registrars and Admissions Officers** 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 opinions.

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.

Independent Auditors' Report (Continued)

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 **American Association of Collegiate Registrars and Admissions Officers'** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 **American Association of Collegiate Registrars and Admissions Officers'** 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 **American Association of Collegiate Registrars and Admissions Officers'** 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.

Aprilo, LLP

Rockville, Maryland

March 16, 2026

American Association of Collegiate Registrars and Admissions Officers

Statements of Financial Position

<i>September 30,</i>	2025	2024
Assets		
Cash and cash equivalents	\$ 1,254,124	\$ 2,583,625
Investments	12,119,717	11,396,875
Employee retention credit receivable	7,297	578,497
Accounts receivable, net	418,372	394,960
Interest rate swap asset	50,881	-
Prepaid expenses and other assets	824,771	795,958
Property and equipment, net	6,391,497	6,608,222
Total assets	\$ 21,066,659	\$ 22,358,137
Liabilities and Net Assets		
Accounts payable	\$ 297,915	\$ 246,311
Accrued expenses	612,912	603,562
Deferred revenue	3,502,510	3,707,877
Interest rate swap liability	-	11,222
Debt, net unamortized debt issuance costs	3,421,689	3,545,042
Total liabilities	7,835,026	8,114,014
Net assets		
Without donor restrictions		
Board designated funds	10,109,870	9,399,371
Undesignated	2,090,734	3,558,333
Total net assets without donor restrictions	12,200,604	12,957,704
With donor restrictions	1,031,029	1,286,419
Total net assets	13,231,633	14,244,123
Total liabilities and net assets	\$ 21,066,659	\$ 22,358,137

The accompanying Notes to Financial Statements are an integral part of these financial statements.

American Association of Collegiate Registrars and Admissions Officers

Statements of Activities and Changes in Net Assets

<i>For the year ended September 30, 2025</i>	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Service fees	\$ 2,014,067	\$ -	\$ 2,014,067
Membership fees	3,342,407	-	3,342,407
Registrations	2,995,046	-	2,995,046
Publication sales	736,272	-	736,272
Exhibit fees	767,805	-	767,805
Sponsorships	436,959	-	436,959
Advertising	124,477	-	124,477
Corporate dues	100,066	-	100,066
Other income	100,660	-	100,660
Contributions	78,900	800,000	878,900
Net assets released from restrictions	1,055,390	(1,055,390)	-
Total support and revenue	11,752,049	(255,390)	11,496,659
Expenses			
Program services			
Memberships	559,998	-	559,998
Strategy and planning	1,377,042	-	1,377,042
Consulting	1,442,635	-	1,442,635
Training, grants, and special projects	1,692,024	-	1,692,024
Research and policy	1,772,644	-	1,772,644
Education and member development	3,935,203	-	3,935,203
Total program services	10,779,546	-	10,779,546
Supporting activities			
General and administrative	2,395,941	-	2,395,941
Governance	638,389	-	638,389
Total supporting activities	3,034,330	-	3,034,330
Total expenses	13,813,876	-	13,813,876
Change in net assets from operations	(2,061,827)	(255,390)	(2,317,217)
Nonoperating income			
Net investment income	1,242,625	-	1,242,625
Gain on interest rate swap	62,102	-	62,102
Total nonoperating income	1,304,727	-	1,304,727
Change in net assets	(757,100)	(255,390)	(1,012,490)
Net assets, beginning of year	12,957,704	1,286,419	14,244,123
Net assets, end of year	\$ 12,200,604	\$ 1,031,029	\$ 13,231,633

The accompanying Notes to Financial Statements are an integral part of these financial statements.

American Association of Collegiate Registrars and Admissions Officers

Statements of Activities and Changes in Net Assets (continued)

<i>For the year ended September 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Service fees	\$ 1,677,680	\$ -	\$ 1,677,680
Membership fees	3,344,492	-	3,344,492
Registrations	2,688,814	-	2,688,814
Publication sales	680,794	-	680,794
Exhibit fees	845,500	-	845,500
Sponsorships	387,185	-	387,185
Advertising	173,843	-	173,843
Corporate dues	92,312	-	92,312
Other income	244,381	-	244,381
Contributions	15,991	1,300,000	1,315,991
Net assets released from restrictions	815,379	(815,379)	-
Total support and revenue	10,966,371	484,621	11,450,992
Expenses			
Program services			
Memberships	570,373	-	570,373
Strategy and planning	992,260	-	992,260
Consulting	1,495,750	-	1,495,750
Training, grants, and special projects	1,275,524	-	1,275,524
Research and policy	1,692,111	-	1,692,111
Education and member development	3,289,662	-	3,289,662
Total program services	9,315,680	-	9,315,680
Supporting activities			
General and administrative	2,448,003	-	2,448,003
Governance	503,150	-	503,150
Total supporting activities	2,951,153	-	2,951,153
Total expenses	12,266,833	-	12,266,833
Change in net assets from operations	(1,300,462)	484,621	(815,841)
Nonoperating income			
Net investment income	2,498,935	-	2,498,935
Gain on interest rate swap	(327,798)	-	(327,798)
Total nonoperating income	2,171,137	-	2,171,137
Change in net assets	870,675	484,621	1,355,296
Net assets, beginning of year	12,087,029	801,798	12,888,827
Net assets, end of year	\$ 12,957,704	\$ 1,286,419	\$ 14,244,123

The accompanying Notes to Financial Statements are an integral part of these financial statements.

American Association of Collegiate Registrars and Admissions Officers

Statements of Functional Expenses

<i>For the Year Ended</i> <i>September 30, 2025</i>	Program Services						Supporting Activities				Total Expenses
	Memberships	Strategy and planning	Consulting	Training, grants, and special projects	Research and policy	Education and member development	Total Program Services	General and administrative	Governance	Total Supporting Activities	
Salaries, wages, and benefits	\$ 428,611	\$ 674,710	\$ 872,872	\$ 507,094	\$ 1,042,600	\$ 1,236,338	\$ 4,762,225	\$ 1,274,459	\$ 188,293	\$ 1,462,752	\$ 6,224,977
Consulting and outside services	10,348	353,078	246,437	651,946	272,461	293,453	1,827,723	230,925	-	230,925	2,058,648
Meeting costs	-	5,892	12,715	17,022	27,437	1,687,401	1,750,467	-	31,029	31,029	1,781,496
Meals and entertainment	3,536	22,591	18,488	18,153	11,612	51,979	126,359	21,089	112,537	133,626	259,985
Legal and accounting	24,673	38,772	54,341	28,198	64,422	74,908	285,314	70,495	16,229	86,724	372,038
Memberships and subscriptions	7,097	121,826	3,856	5,524	66,709	29,004	234,016	394,030	87,869	481,899	715,915
Lodging	4,846	15,783	43,140	26,973	23,497	52,260	166,499	19,920	88,925	108,845	275,344
Travel	1,975	12,826	58,096	37,147	35,272	37,430	182,746	14,869	78,920	93,789	276,535
Bank charges	24,113	33,170	42,466	24,114	51,473	60,288	235,624	60,286	9,043	69,329	304,953
Interest expense	2,034	8	20,339	22,373	24,407	75,254	144,415	58,982	-	58,982	203,397
Awards, scholarships, and grants	500	-	-	294,935	3,828	-	299,263	-	750	750	300,013
Depreciation	19,505	36,843	21,673	10,836	49,847	47,680	186,384	26,006	4,335	30,341	216,725
Supplies, equipment and maintenance	57	5,752	2,361	1,939	133	27,132	37,374	38,105	1,617	39,722	77,096
Property taxes	8,518	16,089	9,464	4,732	21,767	20,821	81,391	11,356	1,893	13,249	94,640
Communications and internet	-	34	-	-	29	252	315	13,610	41	13,651	13,966
Printing, production, and duplicating	5,525	1,133	5,857	907	173	50,484	64,079	1,549	409	1,958	66,037
Condo fees	8,026	15,160	8,918	4,459	20,511	19,619	76,693	10,701	1,784	12,485	89,178
Utilities and maintenance	5,458	10,310	6,065	3,032	13,949	13,343	52,157	7,278	1,213	8,491	60,648
Registration fees	-	1,855	2,357	6,403	6,536	1,647	18,798	1,497	2,364	3,861	22,659
Insurance	3,892	6,117	7,785	4,448	9,453	27,525	59,220	11,122	1,668	12,790	72,010
Postage and delivery	773	498	3,337	-	49	11,926	16,583	819	354	1,173	17,756
Training and development	-	1,262	-	-	-	-	1,262	2,754	1,776	4,530	5,792
Information technology	-	-	-	17,734	20,488	-	38,222	8	-	8	38,230
General taxes	511	1,614	1,348	694	1,383	75,930	81,480	571	5,581	6,152	87,632
Bad debt expense	-	-	-	-	-	-	-	124,662	-	124,662	124,662
Advertising and promotion	-	39	-	-	2,989	10,010	13,038	-	-	-	13,038
Marketing	-	164	-	-	1,223	2,680	4,067	-	-	-	4,067
Other expenses	-	1,516	720	3,361	396	27,839	33,832	848	1,759	2,607	36,439
Total expenses	\$ 559,998	\$ 1,377,042	\$ 1,442,635	\$ 1,692,024	\$ 1,772,644	\$ 3,935,203	\$ 10,779,546	\$ 2,395,941	\$ 638,389	\$ 3,034,330	\$ 13,813,876

The accompanying Notes to Financial Statements are an integral part of these financial statements.

American Association of Collegiate Registrars and Admissions Officers

Statements of Functional Expenses (continued)

<i>For the Year Ended</i> <i>September 30, 2024</i>	Program Services						Supporting Activities				Total Expenses
	Memberships	Strategy and planning	Consulting	Training, grants, and special projects	Research and policy	Education and member development	Total Program Services	General and administrative	Governance	Total Supporting Activities	
Salaries, wages, and benefits	\$ 423,551	\$ 500,737	\$ 934,134	\$ 418,647	\$ 1,019,700	\$ 1,210,782	\$ 4,507,551	\$ 1,236,220	\$ 116,991	\$ 1,353,211	\$ 5,860,762
Consulting and outside services	11,700	74,718	229,507	439,332	245,926	303,387	1,304,570	197,033	7,552	204,585	1,509,155
Meeting costs	-	-	5,770	8,487	25,844	1,134,446	1,174,547	2,469	49,283	51,752	1,226,299
Meals and entertainment	3,796	164,559	17,845	11,523	7,254	67,493	272,470	23,401	87,227	110,628	383,098
Legal and accounting	26,997	47,419	61,706	26,997	83,924	88,019	335,062	57,849	8,258	66,107	401,169
Memberships and subscriptions	5,089	66,677	542	15,266	32,257	26,274	146,105	392,642	70,612	463,254	609,359
Lodging	3,110	6,925	30,677	18,009	15,266	34,979	108,966	15,902	64,785	80,687	189,653
Travel	1,256	9,205	64,907	29,792	30,718	31,795	167,673	16,615	73,944	90,559	258,232
Bank charges	25,679	37,300	49,756	21,758	62,487	65,275	262,255	46,624	6,217	52,841	315,096
Interest expense	3,183	-	28,648	38,197	38,197	111,408	219,633	98,676	-	98,676	318,309
Awards, scholarships, and grants	-	1,740	-	200,000	4,000	-	205,740	-	-	-	205,740
Depreciation	21,197	27,556	25,436	10,598	44,513	48,753	178,053	29,677	4,239	33,916	211,969
Supplies, equipment and maintenance	47	3,386	820	3,094	125	6,864	14,336	36,022	4,002	40,024	54,360
Property taxes	10,778	14,011	12,933	5,389	22,633	24,789	90,533	15,088	2,156	17,244	107,777
Communications and internet	-	16	16	21	97	300	450	26,011	10	26,021	26,471
Printing, production, and duplicating	13,024	5,760	3,396	-	378	58,545	81,103	88	-	88	81,191
Condo fees	8,234	10,704	9,881	4,117	17,291	18,938	69,165	11,527	1,647	13,174	82,339
Utilities and maintenance	4,261	5,539	5,113	2,130	8,948	9,800	35,791	5,965	852	6,817	42,608
Registration fees	-	3,680	12	8,937	13,255	5,276	31,160	7,853	3,294	11,147	42,307
Insurance	5,391	9,241	12,322	5,391	15,402	16,172	63,919	11,552	1,540	13,092	77,011
Postage and delivery	2,922	-	2,284	52	28	13,406	18,692	107	332	439	19,131
Training and development	-	971	-	2,963	1,262	-	5,196	8,082	-	8,082	13,278
Information technology	-	-	-	1,693	1,951	-	3,644	-	-	-	3,644
General taxes	129	19	25	11	32	206	422	25	124	149	571
Bad debt expense	-	-	-	-	-	-	-	198,584	-	198,584	198,584
Advertising and promotion	-	2,049	-	3,120	139	-	5,308	-	-	-	5,308
Marketing	29	48	-	-	-	383	460	-	-	-	460
Other expenses	-	-	20	-	484	12,372	12,876	9,991	85	10,076	22,952
Total expenses	\$ 570,373	\$ 992,260	\$ 1,495,750	\$ 1,275,524	\$ 1,692,111	\$ 3,289,662	\$ 9,315,680	\$ 2,448,003	\$ 503,150	\$ 2,951,153	\$ 12,266,833

The accompanying Notes to Financial Statements are an integral part of these financial statements.

American Association of Collegiate Registrars and Admissions Officers

Statements of Cash Flows

<i>For the Years Ended September 30,</i>	2025	2024
Cash flows from operating activities		
Change in net assets	\$ (1,012,490)	\$ 1,355,296
Adjustments to reconcile change in net assets to net cash used by operating activities		
Net realized and unrealized gain on investments	(773,001)	(2,015,949)
(Gain) loss on interest rate swap	(62,103)	327,798
Depreciation	216,725	211,969
Amortization of debt issuance costs	22,047	22,048
(Increase) decrease in assets		
Accounts receivable	(23,412)	151,130
Promises to give	-	-
Employee retention credit receivable	571,200	198,584
Prepaid expenses and other assets	(28,813)	(135,719)
Increase (decrease) in liabilities		
Accounts payable	51,604	(78,108)
Accrued expenses	9,350	53,603
Deferred revenue	(205,367)	284,772
Net cash (used in) provided by operating activities	(1,234,260)	375,424
Cash flows from investing activities		
Proceeds from sales and maturities of investments	380,005	1,129,728
Purchases and transfers of investments	(329,846)	-
Purchases of property and equipment	-	(21,263)
Net cash (used in) provided by investing activities	50,159	1,108,465
Cash flows from financing activities		
Principal payments on debt	(145,400)	(1,654,528)
Net cash used in financing activities	(145,400)	(1,654,528)
Net change in cash and cash equivalents	(1,329,501)	(170,639)
Cash and cash equivalents, beginning of year	2,583,625	2,754,264
Cash and cash equivalents, end of year	\$ 1,254,124	\$ 2,583,625
Supplemental information		
Cash paid for interest	\$ 181,350	\$ 296,261
Cash paid for tax	\$ 182,272	\$ 108,349

The accompanying Notes to Financial Statements are an integral part of these financial statements.

American Association of Collegiate Registrars and Admissions Officers (AACRAO)

Notes to Financial Statements

1. Organization and significant accounting policies

Organization: American Association of Collegiate Registrars and Admissions Officers (the "Association") was founded in 1910 and incorporated in 1999 as a nonprofit organization in the District of Columbia. The Association is a nonprofit, voluntary, professional association of more than 11,000 higher education admissions and registration professionals who represent more than 2,600 institutions and agencies in the United States and are in over 40 countries around the world. The mission of the Association is to serve and advance higher education by providing leadership in academic and enrollment services. The primary support for the Association is from service fees, membership fees, and registrations.

Basis of accounting: The Association prepares its financial statements on the accrual basis of accounting. Revenue, other than contributions, is recognized when earned and expenses are recognized when the obligation is incurred.

Net assets: In accordance with the accounting guidance for the presentation of the financial statements of not-for-profit entities, information regarding the financial position and activities is required to be reported according to the following classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations. Revenue from sources other than contributions and investment income are reported as increases in net assets without donor restrictions. Net assets without donor restrictions include Board-designated resources.

Net assets with donor restrictions: Net assets that are subject to donor-imposed stipulations that may be met by the actions of the Association, or the passage of time, or that may be maintained in perpetuity. The Association had no net assets with donor restrictions to be maintained in perpetuity at September 30, 2025 and 2024, respectively.

Income taxes: The Association is exempt from the payment of income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation within the meaning of Section 509(a)(2) of the Internal Revenue Code.

The Association evaluates uncertainty in income tax positions based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement.

American Association of Collegiate Registrars and Admissions Officers (AACRAO)

Notes to Financial Statements

For the year ended September 30, 2025, the Association had a net loss of \$32,284 from unrelated business activities, which resulted in an immaterial amount of income tax benefit. For the year ended September 30, 2024, the Association had unrelated business taxable income of \$14,574 which resulted in an immaterial amount of income tax.

The Association believes that it has appropriate support for income tax positions taken. Therefore, management has not identified any uncertain income tax positions. Generally, income tax returns related to the current and three prior years remain open for examination by taxing authorities.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from estimates.

Cash and cash equivalents: For financial statement purposes, the Association considers demand deposits and money market funds not held within the Association's investment portfolios to be cash and cash equivalents. The Association also considers all highly-liquid investments purchased with a maturity of three months or less to be cash equivalents.

The Organization maintains cash deposits in two U.S. domiciled banks which, at times, may exceed the Federal Deposit Insurance Corporation insured limit of \$250,000 per depositor per financial institution. At September 30, 2025 and 2024, the Organization's U.S. based cash balances held at these domicile banks exceeded the insured limits by approximately \$743,000 and \$2,084,000 respectively. The Organization has not experienced any losses in such accounts through the date of this report. The Organization believes it is not exposed to any significant financial risk on cash.

Investments: Investments in equity and debt securities with readily determinable fair values are measured at fair value in the Statements of Financial Position. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the Statements of Activities and Changes in Net Assets, net of investment expenses, as increases or decreases in net assets.

American Association of Collegiate Registrars and Admissions Officers (AACRAO)

Notes to Financial Statements

The Association invests funds in a professionally managed investment portfolio of money market funds, fixed income, equity securities, government securities, and certificates of deposit. Such investments are exposed to various risks, such as fluctuations in market value and credit risk. Thus, it is at least reasonably possible that changes in these risks could materially affect investment balances and the amounts reported in the financial statements.

Fair value of financial instruments: The carrying amounts, including cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximate fair value because of the short maturity of these instruments. The fair value of investments is based upon quoted market prices, or, if unavailable, is determined by investment managers.

Impairment of long-lived-assets: The Organization reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property and equipment are less than its carrying amount, management compares the carrying amount of the property and equipment to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the years ended September 30, 2025 and 2024.

Employee retention credit receivable: The Association determined it was eligible for the Employee Retention Credit (“ERC”) under the CARES Act and elected to account for the credit as a conditional contribution under the Financial Accounting Standards Board Accounting Standard Codification 958-605. The contribution was recognized in May 2023 when the Association determined it satisfied the conditions necessary to recognize the credit. \$777,081 was recognized as contributions on the Statements of Activities and Changes in Net Assets as of September 30, 2023. During the year ended September 2024, the Association was notified by the Internal Revenue Service that \$198,584 was disallowed and wrote off this amount. Employee retention credit receivable of \$7,297 and \$578,497 was included on the Statements of Financial Position as of September 30, 2025 and 2024, respectively. The total amount of the credit is subject to audit by the Internal Revenue Service and remains outstanding as of March 16, 2026.

American Association of Collegiate Registrars and Admissions Officers (AACRAO)

Notes to Financial Statements

Accounts receivable: Accounts receivable consist primarily of amounts owed from customers for service fees relating to the Association's various programs and is reduced by an allowance for credit losses, if needed. The allowance for credit losses estimates the allowance for lifetime expected credit losses. The Association has elected to apply the practical expedient in accordance with ASU No. 2025-05, Financial Instruments—Credit Losses (Topic 326): *Measurement of Credit Losses for Accounts Receivable and Contract Assets For Private Companies And Certain Not-For Profit Entities* and assumes that the current conditions as of the Statement of Financial Position date do not change over the remaining life of the asset. Receivables are written off when deemed uncollectible. At September 30, 2025 and 2024, the allowance for credit losses was \$20,437.

Prepaid expenses and other assets: Prepaid expenses and other assets consist predominantly of payments for future events and services to be provided to the Association.

Revenue recognition: Service fees, membership fees, registrations, publication sales, exhibit fees, and sponsorships, and advertising are accounted for as exchange transactions. When the resource provider receives commensurate value in return for the resources transferred to the Association, the related revenue is accounted for as an exchange transaction. Service fees, registrations, publication sales, exhibit fees, sponsorships, and advertising are recognized as revenue when the Association provides the related services. Membership fees are earned ratably over the membership year, which is July 1 through June 30. Unearned membership fee revenue is presented as deferred revenue at September 30.

Contract assets and liabilities: Contract assets include accounts receivable, which are billed in amounts related to the services provided to members and customers. The balance of contract assets totaled \$438,809, \$415,397 and \$566,527 at September 30, 2025 and 2024 and October 1, 2023, respectively. Contract liabilities include prepaid membership dues, event registration, and related fees for which the underlying services or goods have not yet been provided. Such amounts are included in deferred revenue. Contract liabilities totaled \$3,502,510, \$3,707,877 and \$3,423,105 at September 30, 2025 and 2024 and October 1, 2023, respectively.

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Contributions: Transactions where the resource provider does not receive commensurate value are deemed to be contributions. Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where the Association has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Association fails to overcome the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as a refundable advance. Unconditional contributions are recognized as revenue when the commitment to contribute is received.

Contributions are recorded as support without donor restrictions or support with donor restrictions depending upon the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions and then reclassified to net assets without donor restrictions when the restriction expires. Support with donor restrictions that expire in the same period is classified as net assets without donor restrictions.

Debt issuance costs: Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the bond to which the costs relate. Debt issuance costs are amortized over the lives of the bonds and reported as a component of interest expense computed using the straight-line method. In accordance with GAAP, debt issuance costs are to be amortized over the term of the loan using the effective-yield method; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effectively yield method.

Interest rate swap agreement: The fair value of the interest rate swap is the estimated amount that the bank or financial institution would receive or pay to terminate the swap agreement at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counter parties.

Program services:

Memberships: The Association's membership services' activities include maintaining an accurate membership database so as to share directory information with members, providing customer service to members, retention of current members and recruitment of new members.

Strategy and planning: The Association serves as a resource center for members and the public by answering questions related to education outside the United States.

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Consulting: The Association provides services to universities and colleges of all sizes across the United States, Canada, and a variety of other international locations in the specialized areas of strategic enrollment management, student services, staff development, technology optimization, and organization operations.

Training, grants, and special projects: The Association convenes members and nonmembers to facilitate the advancement of higher education.

Research and policy: The Association provides members with updates on federal regulations and compliance issues, congressional and agency activity, and higher education coverage in national news.

Education and member development: The Association provides a forum for members and other experts in admissions, registration, financial aid, institutional research and government regulations. Additionally, the Association convenes educational information and forums for discussion of issues for both members and the interested public and offers a wide variety of publications that assist members with professional development.

Supporting services:

General and administrative: The general and administrative function includes activities necessary for the administrative processes of the Association, including managing its operations and financial responsibilities.

Governance: The governance function includes activities relating to providing support for the Association's Board of Directors and related Committees thereof.

Functional allocation of expenses: The costs of providing various program and supporting services have been summarized on a functional basis in the statement of activities based on an analysis by management. Accordingly, certain costs have been allocated among the program and supporting services benefited based on the estimated level of effort.

Measure of operations: The Association excludes net investment income and any gain (loss) on interest rate swap from the change in net assets with or without donor restrictions from operations.

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Recently adopted accounting pronouncement: In July 2025, the Financial Accounting Standards Board (FASB) issued ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets For Private Companies And Certain Not-For Profit Entities*. The Association has elected to apply the practical expedient in accordance with ASU 2025-05 which assumes that the current conditions as of the Statement of Financial Position date used to estimate the allowance for credit losses do not change over the remaining life of the asset. The adoption of this did not have a material impact and is applied prospectively. A cumulative effect adjustment to beginning net assets was not required.

2. Liquidity and availability

The Association regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Association strives to maintain liquid financial assets sufficient to cover six months of general expenditures. Financial assets in excess of daily cash requirements are invested in a brokered investment account which includes money market funds, fixed income, equity securities, government securities, and certificates of deposit.

The Association is substantially supported by membership fees, service fees and registrations. As part of the Association's liquidity management, it has a goal to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition to financial assets available to meet general expenditures over the next 12 months, the Association strives to operate with a balanced budget. Timing of revenue receipt also ensures the availability of necessary operational funds.

The Association's board-designated funds are subject to an annual spending rate of 5% of the endowment fund's average fair market value for the preceding 12 quarters. Although the Association does not intend to spend from this board-designated endowment, these amounts could be made available if necessary.

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Financial assets available for general expenditure, that is, without donor restrictions or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at September 30:

	2025	2024
Cash and cash equivalents	\$ 1,254,124	\$ 2,583,625
Investments	12,119,717	11,396,875
Employee retention credit receivable	7,297	578,497
Accounts receivable, net	418,372	394,960
Total financial assets	13,799,510	14,953,957
Less: Board designated net assets	(10,109,870)	(9,399,371)
Less: Net assets with donor restrictions	(1,031,029)	(1,286,419)
Total financial assets available for general expenditures within one year:	\$ 2,658,611	\$ 4,268,167

3. Investments

The Association uses the following prioritized input levels to measure fair value of investments. The input levels used for valuing investments are not necessarily an indication of risk:

Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

Level 2: Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

Level 3: Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

Investments classified within Level 1 include mutual funds, equity securities, and exchange traded funds.

Investments classified within Level 2 include government securities, certificates of deposit, and the interest rate swap. The Association's interest rate swap is observable at commonly quoted intervals for the full term of the swap and is, therefore, considered a Level 2 item.

Management believes that investments at fair value have been reported using an estimated amount which is a reasonable approximation of their exit price.

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Investments recorded at cost include cash and money market funds. Investments recorded at cost are not required to be classified as one of the levels prescribed by the fair value hierarchy.

Investments consisted of the following at September 30:

September 30, 2025	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments, at fair value				
Mutual funds – fixed income	\$ 2,098,564	\$ 2,098,564	\$ -	\$ -
Exchange traded funds	9,456,810	9,456,810	-	-
Government securities	393,061	-	393,061	-
Certificates of deposit	130,152	-	130,152	-
Cash and money market funds	41,130	-	-	-
Total investments, at fair value	\$ 12,119,717	\$ 11,555,374	\$ 523,213	\$ -
Other assets, at fair value				
Interest rate swap	\$ 50,881	\$ -	\$ 50,881	\$ -

September 30, 2024	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments, at fair value				
Mutual funds – fixed income	\$ 1,770,760	\$ 1,770,760	\$ -	\$ -
Exchange traded funds	8,730,840	8,730,840	-	-
Government securities	695,138	-	695,138	-
Certificates of deposit	124,273	-	124,273	-
Cash and money market funds	75,864	-	-	-
Total investments, at fair value	\$ 11,396,875	\$ 10,501,600	\$ 819,411	\$ -
Other assets, at fair value				
Interest rate swap	\$ (11,222)	\$ -	\$ (11,222)	\$ -

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Investments held for long-term purposes have been board-designated as described in Note 8 and such investments totaled \$10,109,870 and \$11,161,855 at September 30, 2025 and 2024, respectively.

Investment income consisted of the following for the year ended September 30:

	2025	2024
<i>With and without donor restrictions</i>		
Realized and unrealized gain on investments	\$ 829,824	\$ 2,077,798
Interest and dividends	469,624	482,986
Investment management fees	(56,823)	(61,849)
Total investment income, net	\$ 1,242,625	\$ 2,498,935

4. Retirement plans

Defined contribution: The Association maintains a defined contribution 403(b) retirement plan for all eligible employees. The plan requires annual employer contributions equal to 10% of participants' compensation up to the Social Security taxable wage base. Retirement plan expense totaled \$692,161 and \$688,023 for the year ended September 30, 2025 and 2024, respectively, and is included as a component of salaries, wages, and benefits on the accompanying Statements of Functional Expenses.

Tax deferred annuity plan: The Association also sponsors a tax deferred annuity plan under Section 403(b) of the Internal Revenue Code. The plan is an employee elective deferral retirement plan, which covers all eligible participants as stipulated by the plan document. The Association makes no contributions under this plan.

5. Property and equipment

Acquisitions of equipment and furniture greater than \$500 and acquisitions of software greater than \$1,000 are recorded at cost. Using the straight-line method, depreciation of property and equipment is recorded over the following estimated useful lives: buildings - forty-one years; equipment and software - three to five years; and furniture - five years. Artwork is not subject to depreciation.

Property and equipment consisted of the following at September 30:

	2025	2024
Building	\$ 7,656,031	\$ 7,656,031
Equipment and software	583,424	583,424
Furniture	224,203	224,203
Less accumulated depreciation and amortization	(2,119,566)	(1,902,841)
Depreciable property and equipment, net	6,344,092	6,560,817
Artwork	47,405	47,405
Total property and equipment, net	\$ 6,391,497	\$ 6,608,222

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6. Deferred revenue Revenue received in advance of the period in which it will be earned is reported as deferred revenue.

Deferred revenue consisted of the following at September 30:

	2025	2024
Membership fees	\$ 2,346,264	\$ 2,366,944
Registrations	710,239	799,646
Publication sales and service fees	244,762	238,399
Exhibit fees	36,200	284,800
Sponsorships and advertising	165,045	18,088
Total deferred revenue	\$ 3,502,510	\$ 3,707,877

7. Net assets **Without donor restrictions:** Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by Board designation.

In February 2024, the Board of Directors approved revisions to the Association’s investment policy, which resulted in updates to the board-designated fund. The previous designations (endowment, infrastructure, strategic initiatives and investment strategies) have been consolidated into a single long-term reserve fund.

Descriptions of the Association's board-designated net assets are as follows:

Long-term reserve fund: The Board maintains a managed, long-term investment portfolio to ensure the Association's stability and growth. The long-term reserve fund is designed for sustainability and meeting debt covenants, with a target value of 66% (8 months) and a minimum value of 50% (6 months) of the current fiscal year's budgeted operating expenses. An annual review ensures adequate reserves.

Board approval is required for contributions to the long-term reserve fund, typically from net surpluses.

Strategic spending: Excess reserves above the target value of the long-term reserve fund are available for strategic spending, with up to 25% potentially allocated to the following year's budget. These funds may be used for equipment and hardware upgrades, software acquisition and development, office repairs, new or updated programs, expanding the Association’s services, or new revenue-producing opportunities, as guided by the strategic spending policy. For fiscal year 2026, \$400,000 has been allocated for strategic spending.

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Endowment: The endowment category was established by the Board of Directors in order to generate a permanent, steady stream of investment income to support the Association's operations (see Note 8). During the years ended September 30, 2025 and 2024, there were no transfers into the endowment fund. In February 2024, the Association transferred \$8,707,024 from the endowment to the long-term reserve fund.

Infrastructure: The infrastructure category was established for the purposes of supporting equipment and hardware upgrades, software acquisition and development, office repairs and improvement, or similar infrastructure costs that are unexpected, and therefore unbudgeted, or that the Board considers imprudent to fund from continuing operations. In February 2024, the Association transferred \$750,000 from infrastructure to the long-term reserve fund.

Strategic initiatives and investment strategy: The strategic initiatives and investment strategy category was established to provide means for the Association to develop new programs or replace outdated ones, and to expand the Association's interests and endeavors or to invest in new revenue producing opportunities. In February 2024, the Association transferred \$1,000,000 from strategic initiatives and investment strategy to the long-term reserve fund.

Conner Fund: The Conner Scholarship Fund, named for John Douglas Conner, the first Executive Director of AACRAO who served from 1966 until his retirement in 1988, provides support for new and aspiring AACRAO professionals to facilitate travel to and participation in AACRAO meetings and conferences. Per the investment policy, there are no restrictions on limits.

Net assets without donor restrictions consisted of the following funds at September 30:

	2025	2024
Board-designated		
Long-term reserve fund	\$ 9,579,718	\$ 8,896,619
Strategic spending	400,000	380,000
Conner fund	130,152	122,752
Total board-designated net assets	10,109,870	9,399,371
Undesignated	2,090,734	3,558,333
Total net assets without donor restrictions	\$ 12,200,604	\$ 12,957,704

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With donor restrictions: Net assets with donor restrictions primarily consist of a donor restricted grants to develop model college/university transcripts. Net assets were released from restrictions by incurring expenses satisfying the donor's restricted purpose. Net assets with donor restrictions for the model transcripts program totaled \$1,031,029 and \$1,286,419 as of September 30, 2025 and 2024, respectively, which included contributions of \$800,000 and \$1,300,000 and releases from net assets of \$1,055,390 and \$815,379 during the years ended September 30, 2025 and 2024, respectively.

8. Endowment for operations

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions in perpetuity. Additionally, the Board of Directors designated certain net assets without donor restrictions to serve as an endowment for the benefit of the Association and its mission. As mentioned in Note 7 above, the Association revised its investment policy and consolidated the endowment into a long-term reserve fund in February 2024, therefore, the Association's endowment balances were \$0 as of September 30, 2025 and 2024.

Board-designated endowment balances and changes in the board-designated endowment fund consist of the following as of and for the years ended September 30:

	2024
Endowment, beginning of year	\$ 8,707,025
Investment return	
Net gain on investments	2,077,461
Interest and dividends	437,699
Investment management fees	(60,330)
Transfer from endowment	(8,707,025)
Endowment, end of year	
	\$ -

Return objectives and risk parameters: The Association has adopted investment and spending policies for its board-designated endowment assets that attempt to provide a steady stream of income to the Association while preserving and maintaining the purchasing power of the endowment assets over time. Under the investment policy, as approved by the Board of Directors, the endowment assets are invested in a diverse portfolio so as to minimize risk and maximize growth.

Strategies employed for achieving objectives: To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation of equity, fixed income, and other securities to achieve its long-term objectives.

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Spending policy and how the investment objectives relate to spending policy:

Distributions from the endowment can be made at the discretion of the Board. Once the endowment fund reaches \$10,000,000, annuity appropriations of less than or equal to 5% of the endowment fund's average fair market value for the preceding 12 quarters will be made to fund operations. As a result, the endowment will be permitted to grow through investment earnings and additional transfers until it is able to generate a permanent, steady stream of investment income for the Association.

9. Long-term debt

Revenue Bonds: On December 1, 2017, the Association entered into an indenture of trust with Truist as holder of \$6,000,000 of revenue bonds issued by the District of Columbia, entitled the District of Columbia Variable Rate Revenue Bonds (American Association of Collegiate Registrars and Admissions Officers Issue) Series 2017 (the "Bonds"). The proceeds from the Bonds were used to pay for the acquisition of two floors of an office building during the year ended September 30, 2018. The Bonds were secured by the two floors of the office building. The Bonds bore interest based on a formula with one-month London Interbank Offered Rate ("LIBOR"). Monthly interest payments on the Bonds commenced on February 1, 2018. Monthly principal payments on the Bonds commenced on May 1, 2019. The maturity date of the Bonds was March 1, 2028.

In September 2022, the Association refinanced the Bonds and entered into an amended indenture of trust with Truist as holder of \$5,625,000 of revenue bonds issued by the District of Columbia, entitled the District of Columbia Variable Rate Revenue Bonds (American Association of Collegiate Registrars and Admissions Officers Issue), Series 2017 (2022 Reissuance). The proceeds for the Bonds continue to be used to pay down the mortgage on the office building. The refinanced Bonds remain secured by the two floors of the office building. The refinanced Bonds bear interest at a rate of 30-Day Secured Overnight Financing Rate ("SOFR") plus 2.58%.

The interest rate on the Bonds was 4.41% and 5.37% at September 30, 2025 and 2024, respectively. The maturity date of the Bonds is September 1, 2037. During the years ended September 30, 2025 and 2024, interest expense on the Bonds of \$203,397 and \$318,309, respectively, was incurred, inclusive of amortization of debt issuance costs of \$22,047 and \$22,048, respectively. As of September 30, 2025 and 2024, outstanding principal was \$3,684,420 and \$3,829,820, respectively.

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AACRAO is required to comply with various financial covenants in conjunction with its \$5,625,000 of revenue bonds. At September 30, 2025 and 2024, the Association was in compliance with these covenants.

Debt issuance costs, net of accumulated amortization, totaled \$262,731 and \$284,778 as of September 30, 2025 and 2024, respectively. Debt issuance costs on the above Bonds are being amortized on a straight-line basis over the 15-year life of the refinanced Bonds.

On December 28, 2017, the Association entered into a revolving line of credit with Truist in the original amount of \$1,000,000. The line bore interest based on a one-month LIBOR plus 2.50%. The line was due to mature on December 28, 2018. On December 27, 2018, an amendment was signed to extend the maturity date to February 26, 2021. On March 1, 2021, a second amendment was signed to extend the maturity date to February 26, 2023. As part of the Bond refinancing in September 2022, the maturity date of the revolving line of credit was extended to February 26, 2024. As part of the refinancing, the interest rate was changed to SOFR plus 2.58%. The revolving line of credit was not renewed upon maturity.

The interest rate on the line of credit was 0% at September 30, 2024. No funds were drawn or repaid during the year ended September 30, 2024, and no amount was outstanding as of September 30, 2024. During the year ended September 30, 2024, no interest expense was incurred.

Bond maturities for the revenue bonds over the next five years are as follows:

2026	\$ 150,900
2027	156,400
2028	162,200
2029	167,500
2030	176,100
Thereafter	2,871,320
Total	\$ 3,642,420

10. Interest rate swap agreement

When the Association entered into the indenture of Trust for the Bonds in 2018, the Association also entered into an interest rate swap agreement with a notional amount equal to the obligation under the loan. As of September 30, 2025 and 2024, the notional amount of the swap was \$3,684,420 and \$3,829,820, respectively. This mechanism allowed the Association to realize the potential benefit of a lower fixed rate. The termination date of the interest rate swap was March 1, 2028. In September 2022, the original interest rate swap was terminated. AACRAO entered into a new interest rate swap as part of the refinancing. The interest rate swap maturity date is September 1, 2037.

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At September 30, 2025 and 2024, the effective fixed rate of the swap was 2.66%. At September 30, 2025 and 2024, the fair value of the interest rate swap was projected to be an asset of \$50,881 and a liability of \$11,222, respectively.

**11. Commitments
and
contingencies**

The Association has contracts with various hotels for future conferences and meetings. In the event that the Association cancels an event, it could be liable for liquidated damages incurred by the hotels in accordance with the terms of the agreements. At September 30, 2025 and 2024, the Association is liable for \$890,039 and \$208,869 in liquidated damages payable to the hotels or meeting venues, respectively. The Association is also liable for various percentages of total lost revenue by the hotels which range from 0% - 100% as of September 30, 2025 and 2024. The total dollar amount cannot be calculated until the dates of the events for the contracts cancelled.

**12. Subsequent
events**

Events that occur after the date of the statement of financial position but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Association through March 16, 2026, which is the date of the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.