

**ATLANTA UNION MISSION CORPORATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**ATLANTA UNION MISSION CORPORATION**  
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**JUNE 30, 2025 AND 2024**

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## INDEPENDENT AUDITORS' REPORT

To the Directors of  
Atlanta Union Mission Corporation

### Opinion

We have audited the accompanying consolidated financial statements of Atlanta Union Mission Corporation (a nonprofit organization), which comprises the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Atlanta Union Mission Corporation as of June 30, 2025 and 2024, and the changes in their net assets and their 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 Audits of the Consolidated Financial Statements section of our report. We are required to be independent of Atlanta Union Mission Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditors' Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Atlanta Union Mission Corporation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Atlanta Union Mission Corporation'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 audits, significant audit findings and certain internal control related matters that we identified during the audits.

#### **Other Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The other information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of not adopting Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases*, on intercompany leases which eliminate in consolidation, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Warren Averett, LLC*

Atlanta, Georgia  
October 23, 2025

**ATLANTA UNION MISSION CORPORATION**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 5,195,401	\$ 5,540,464
Restricted cash	330,773	425,881
Contributions and other receivables	2,552	85,744
Inventory	167,188	201,700
Prepaid expenses and other assets	271,589	318,413
Total current assets	<u>5,967,503</u>	<u>6,572,202</u>
<b>PROPERTY, BUILDINGS AND EQUIPMENT, NET</b>	<u>33,546,687</u>	<u>34,668,896</u>
<b>OPERATING LEASE RIGHT-OF-USE ASSETS, NET</b>	<u>99,364</u>	<u>218,788</u>
<b>OTHER ASSETS</b>		
Deposits	43,608	43,928
Long-term investment	1,536	1,536
Endowment fund investments	28,048,666	26,091,726
Note receivable	12,494,950	12,494,950
Total other assets	<u>40,588,760</u>	<u>38,632,140</u>
<b>TOTAL ASSETS</b>	<u>\$ 80,202,314</u>	<u>\$ 80,092,026</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 1,562,573	\$ 1,291,197
Short-term deferred revenue	137,552	135,451
Operating lease liabilities, current	102,695	119,683
Total current liabilities	<u>1,802,820</u>	<u>1,546,331</u>
<b>LONG-TERM LIABILITIES</b>		
Long-term deferred revenue	446,968	452,019
Long-term operating lease liabilities	-	102,695
Long-term debt, net	16,742,805	16,718,879
Total long-term liabilities	<u>17,189,773</u>	<u>17,273,593</u>
<b>TOTAL LIABILITIES</b>	<u>18,992,593</u>	<u>18,819,924</u>
<b>NET ASSETS</b>		
Without donor restrictions	49,344,652	50,257,134
With donor restrictions	11,865,069	11,014,968
<b>TOTAL NET ASSETS</b>	<u>61,209,721</u>	<u>61,272,102</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 80,202,314</u>	<u>\$ 80,092,026</u>

See notes to the consolidated financial statements.

**ATLANTA UNION MISSION CORPORATION**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	June 30, 2025			June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>						
Support						
Contributions	\$ 15,193,391	\$ 100,000	\$ 15,293,391	\$ 14,578,686	\$ 200,000	\$ 14,778,686
Contributions – nonfinancial assets	2,986,658	-	2,986,658	3,256,578	-	3,256,578
Special events, net	1,256,084	-	1,256,084	1,183,810	-	1,183,810
Satisfaction of program restrictions	547,542	(547,542)	-	594,215	(594,215)	-
Total support	19,983,675	(447,542)	19,536,133	19,613,289	(394,215)	19,219,074
Revenue						
Program related income	597,227	-	597,227	403,335	-	403,335
Interest and dividend income	908,198	375,033	1,283,231	873,876	310,128	1,184,004
Sales of donated, purchased and crafted goods	1,426,941	-	1,426,941	1,590,609	-	1,590,609
Other income	19,565	-	19,565	18,496	-	18,496
Total revenue	2,951,931	375,033	3,326,964	2,886,316	310,128	3,196,444
<b>TOTAL REVENUE AND SUPPORT</b>	<b>22,935,606</b>	<b>(72,509)</b>	<b>22,863,097</b>	<b>22,499,605</b>	<b>(84,087)</b>	<b>22,415,518</b>
<b>EXPENSES</b>						
Addiction recovery and homeless programs	15,999,670	-	15,999,670	15,367,096	-	15,367,096
Thrift ministry	2,765,602	-	2,765,602	2,635,520	-	2,635,520
General and administrative	3,005,977	-	3,005,977	3,060,805	-	3,060,805
Fundraising and development, donor cultivation	3,364,651	-	3,364,651	3,381,418	-	3,381,418
<b>TOTAL EXPENSES</b>	<b>25,135,900</b>	<b>-</b>	<b>25,135,900</b>	<b>24,444,839</b>	<b>-</b>	<b>24,444,839</b>
Realized/unrealized gains on investments, net	1,287,812	922,610	2,210,422	1,573,315	1,120,688	2,694,003
Gain on disposal of fixed assets	-	-	-	16,206	-	16,206
<b>CHANGE IN NET ASSETS</b>	<b>(912,482)</b>	<b>850,101</b>	<b>(62,381)</b>	<b>(355,713)</b>	<b>1,036,601</b>	<b>680,888</b>
<b>NET ASSETS AT:</b>						
<b>BEGINNING OF YEAR</b>	<b>50,257,134</b>	<b>11,014,968</b>	<b>61,272,102</b>	<b>50,612,847</b>	<b>9,978,367</b>	<b>60,591,214</b>
<b>END OF YEAR</b>	<b>\$ 49,344,652</b>	<b>\$ 11,865,069</b>	<b>\$ 61,209,721</b>	<b>\$ 50,257,134</b>	<b>\$ 11,014,968</b>	<b>\$ 61,272,102</b>

See notes to the consolidated financial statements.

**ATLANTA UNION MISSION CORPORATION**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	2025					2024 Total Expenses
	Addiction Recovery and Homeless Programs	Thrift Ministry	General and Administrative	Fundraising and Development, Donor Cultivation	Total Expenses	
Operating expenses						
Costs of generating support	\$ -	\$ 76,956	\$ -	\$ 1,820,575	\$ 1,897,531	\$ 2,005,317
Costs of generating support – in-kind <sup>(2)</sup>	-	1,233,076	-	-	1,233,076	1,373,431
Salary and payroll tax	7,614,966	681,526	1,027,319	1,236,335	10,560,146	9,615,884
Employee benefits	638,855	58,508	102,944	124,010	924,317	966,293
Other human resources costs	222,009	12,034	67,542	16,209	317,794	421,538
Food costs	2,035,411	-	-	-	2,035,411	2,043,064
Other program costs	877,164	-	-	-	877,164	998,356
Rent	5,088	168,658	-	-	173,746	174,465
Facilities maintenance	955,758	32,914	35,052	-	1,023,724	1,052,792
Utilities	1,143,155	95,291	104,591	-	1,343,037	1,347,872
General insurance	276,948	23,674	81,833	-	382,455	305,194
Office equipment, supplies and postage	413,917	34,773	511,306	83,192	1,043,188	932,794
Licenses, fees, dues and subscriptions	44,140	43,715	603,136	23,186	714,177	735,707
Professional services	32,205	221,301	328,046	28,335	609,887	474,770
Autos, meals and travel	158,171	41,563	18,388	32,809	250,931	205,980
Depreciation expense	1,581,883	41,613	125,820	-	1,749,316	1,791,382
Total expenses	<u>\$ 15,999,670</u>	<u>\$ 2,765,602</u>	<u>\$ 3,005,977</u>	<u>\$ 3,364,651</u>	<u>\$ 25,135,900</u>	<u>\$ 24,444,839</u>
Total program service expenses <sup>(1)</sup>	<u>\$ 18,765,272</u>					

<sup>(1)</sup>Includes Addiction Recovery and Homeless Programs and Thrift Ministry expenses.

<sup>(2)</sup>Atlanta Union Mission Corporation receives donations of goods that are later sold at its thrift stores. In-kind support represents the value of donated goods.

See notes to the consolidated financial statements.

**ATLANTA UNION MISSION CORPORATION**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	2024				
	Addiction Recovery and Homeless Programs	Thrift Ministry	General and Administrative	Fundraising and Development, Donor Cultivation	Total Expenses
Operating expenses					
Costs of generating support	\$ -	\$ 89,607	\$ -	\$ 1,915,710	\$ 2,005,317
Costs of generating support – in-kind <sup>(2)</sup>	-	1,373,431	-	-	1,373,431
Salary and payroll tax	6,805,527	657,802	955,689	1,196,866	9,615,884
Employee benefits	677,822	61,796	103,765	122,910	966,293
Other human resources costs	264,463	15,065	131,771	10,239	421,538
Food costs	2,043,064	-	-	-	2,043,064
Other program costs	998,356	-	-	-	998,356
Rent	5,088	169,377	-	-	174,465
Facilities maintenance	961,113	9,250	82,429	-	1,052,792
Utilities	1,157,105	95,629	95,138	-	1,347,872
General insurance	212,844	20,715	71,635	-	305,194
Office equipment, supplies and postage	368,888	18,877	468,651	76,378	932,794
Licenses, fees, dues and subscriptions	44,346	54,107	608,407	28,847	735,707
Professional services	88,670	-	382,150	3,950	474,770
Autos, meals and travel	118,937	29,748	30,777	26,518	205,980
Depreciation expense	1,620,873	40,116	130,393	-	1,791,382
Total expenses	<u>\$ 15,367,096</u>	<u>\$ 2,635,520</u>	<u>\$ 3,060,805</u>	<u>\$ 3,381,418</u>	<u>\$ 24,444,839</u>
Total program service expenses <sup>(1)</sup>	<u>\$ 18,002,616</u>				

<sup>(1)</sup>Includes Addiction Recovery and Homeless Programs and Thrift Ministry expenses.

<sup>(2)</sup>Atlanta Union Mission Corporation receives donations of goods that are later sold at its thrift stores. In-kind support represents the value of donated goods.

See notes to the consolidated financial statements.

**ATLANTA UNION MISSION CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (62,381)	\$ 680,888
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Realized/unrealized gains on investments	(2,210,422)	(2,694,003)
Depreciation expense	1,749,316	1,791,382
Gain on disposal of fixed assets	-	(16,206)
Amortization of operating lease right-of-use assets	119,424	115,501
Amortization of debt issuance costs	23,926	23,927
Noncash rental income	(5,051)	(5,051)
Contributions restricted for capital acquisition	(100,000)	(150,000)
Change in assets and liabilities:		
Contributions and other receivables	83,192	(30,125)
Inventory	34,512	9,111
Prepaid expenses and other assets	46,824	136,698
Deposits	320	-
Accounts payable and accrued expenses	271,376	(24,656)
Operating lease liabilities	(119,683)	(112,210)
Deferred revenue	2,101	7,400
Net cash used in operating activities	<u>(166,546)</u>	<u>(267,344)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	253,482	331,490
Payments for capital additions and construction in progress	(627,107)	(1,062,333)
Net cash used in investing activities	<u>(373,625)</u>	<u>(730,843)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions restricted for capital acquisition	100,000	150,000
Net cash provided by financing activities	<u>100,000</u>	<u>150,000</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(440,171)</u>	<u>(848,187)</u>
<b>CASH AND CASH EQUIVALENTS AT:</b>		
<b>BEGINNING OF YEAR</b>	<u>5,966,345</u>	<u>6,814,532</u>
<b>END OF YEAR</b>	<u>\$ 5,526,174</u>	<u>\$ 5,966,345</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS:</b>		
Cash and cash equivalents	\$ 5,195,401	\$ 5,540,464
Restricted cash	330,773	425,881
Total cash and cash equivalents	<u>\$ 5,526,174</u>	<u>\$ 5,966,345</u>
<b>SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the year for:		
Interest	<u>\$ 168,901</u>	<u>\$ 168,900</u>

See notes to the consolidated financial statements.

**ATLANTA UNION MISSION CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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**1. DESCRIPTION OF ORGANIZATION AND OPERATIONS**

Atlanta Union Mission Corporation (AUM or Organization) is incorporated in the State of Georgia. AUM is classified as a tax-exempt entity. AUM has no authorized or issued capital stock.

AUM works to end homelessness one person at a time via a holistic approach – addressing the physical, emotional and spiritual needs of their clients. The Organization offers meals, shelter and clothing to men, women and children through day, overnight and emergency services. For those seeking long-term residential services, AUM offers individual and group counseling, life skills classes, case management, connection to job training programs and housing placement assistance. For men completing the program, AUM provides transitional housing as they increase their income and seek permanent housing.

AUM's emergency shelter and residential recovery program are free of charge. Clients in the transitional housing phase of the program pay a small program fee which is included in program related income on the accompanying consolidated statements of activities.

AUM operated four thrift stores in Northeast Georgia, and one of these locations was closed in March 2025.

In October 2020, Atlanta Mission Support Corporation (AMSC) was formed as a separate nonprofit entity. AUM has control over the operations of AMSC, and therefore, the accounts of this entity are included in the accompanying consolidated financial statements. All significant intercompany accounts and transactions have been eliminated.

In March 2025, Atlanta Mission Thrift Operations, LLC (AMTO) was formed as a separate nonprofit entity. There was minimal activity from formation to fiscal year end. On July 1, 2025, AUM entered into an agreement to transfer the management function and operations of three thrift stores and one donation center to AMTO. AUM has control over the operations of AMTO, and therefore, the accounts of this entity are included in the accompanying consolidated financial statements. All significant intercompany accounts and transactions have been eliminated.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Income Tax**

AUM is a not-for-profit entity exempt from taxation under Internal Revenue Code (IRC) Section 501(c)(3). Accordingly, income taxes are not provided for in the accompanying financial statements.

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, *Accounting for Uncertainty in Income Taxes*, the Organization recognizes the consolidated financial statements benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Organization

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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recognizes interest and penalties associated with tax positions, if any, as a component of general and administrative expenses.

**Cash and Cash Equivalents and Restricted Cash**

For purposes of the consolidated statements of cash flows, AUM considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. At times throughout the year, the account balances may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. The insurance coverage is \$250,000 per depositor at each financial institution. As of June 30, 2025 and 2024, cash balances in excess of insured limits were approximately \$487,600 and \$774,000, respectively. Restricted cash, which may be held in separate bank accounts, includes amounts restricted for construction.

**Basis of Presentation**

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities at year-end.

Net assets, revenues, expenses, gains and losses are recorded based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net assets without donor restrictions** – net assets that are available for use in general operations and result from revenues that were not restricted by donors or the donor-imposed restrictions have expired. The governing board (the Board) has designated a portion of these net assets for endowment and an operating reserve. See Notes 5 and 10.
- **Net assets with donor restrictions** – net assets that result from contributions and other inflows of assets (such as investment income and gains) whose use by AUM is limited by the donor-imposed stipulations. The stipulations require AUM to use or expend the donated assets as specified and are satisfied either by the passage of time or by the actions of AUM. This category also results from contributions and other inflows of assets whose use by AUM is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or removed by action of the Board. However, donors may release the restrictions on net assets with donor restrictions (in perpetuity). Also, under Georgia’s Adoption of the Uniform Prudent Management of Institutional Funds Act (GPMIFA), AUM is allowed to expend net assets with donor restrictions (in perpetuity) if, in the opinion of the Board, such expenditures are prudent in order to preserve the mission of AUM and the intent of the donor. See Note 11.

**Contributions Receivable**

Promises to give are written or oral agreements to contribute in the future, which require sufficient, verifiable documentation to be recognized as revenue. Promises to give that are unconditional are recognized as contributions revenue (support) and contributions receivable in the period in which the promise is received.

Conditional promises to give depend on the occurrence of a specified future and uncertain event to bind the promisor. Conditional promises are recognized as revenue when the conditions on which they depend are substantially met, there is no right of return of the assets received and no indicators of barriers imposed by the donor, that is, when a conditional promise becomes unconditional.

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The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

**Inventory**

Inventory consists principally of donated clothing and household goods. These goods are valued at their estimated realizable value.

**Contributions**

Contributions are recognized when a donor makes a promise to give to AUM that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The Organization accounts for non-cash contributions at fair value.

**Contributed Services and Donated Materials (In-Kind)**

Contributions of services are recognized at fair value if the services received create or enhance nonfinancial assets, or if the services require specialized skills that are provided by individuals possessing such skills that would typically need to be purchased if not provided by donation. Donated materials are reflected as contributions at their estimated fair values on the date of receipt.

AUM also receives a number of donations of various shares of stocks. Absent specific donor instructions concerning the disposition of such assets, AUM's policy is to sell all stock donations immediately. The value of the donor's gift is determined by the average of the published high and low selling prices of stock for the day it was received.

**Revenue from Contracts with Customers**

Revenue from program related income and sales of donated, purchased and crafted goods are recognized when goods or services are provided to customers at a point in time.

**Leases**

In accordance with Topic 842, at lease commencement, AUM initially measures the lease liability at the present value of payments expected to be made during the lease term. The right-of-use lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs.

In connection with Topic 842, AUM elected to apply the following practical expedients:

- not to reassess whether a contract includes an embedded lease at adoption;
- not to reassess the previously determined classification of a lease as operating or capital;
- election of an accounting policy to exclude lease accounting requirements for leases that have terms of less than 12 months; and
- the use of hindsight in determining the lease term and in assessing impairment of right-of-use assets.

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Key estimates and judgments related to leases include how AUM determines: (1) the discount rate used to discount the expected lease payments to present value, (2) lease term and (3) lease payments. AUM uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, AUM generally uses the risk free interest rate as the discount rate for leases. The lease term includes the noncancellable period of the lease, as well as expected renewal terms. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

AUM monitors changes in circumstances that would require a remeasurement of its leases and will remeasure right-of-use lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of any lease liability.

**Functional Allocation of Expenses**

The costs of providing the various programs and activities of AUM have been summarized on a functional basis in the consolidated statements of activities. Certain costs have been allocated among the programs and supporting services benefited, as is presented in the consolidated statements of functional expenses. Such costs have been allocated using an assessment of primary responsibilities.

**Property, Buildings and Equipment**

Property, buildings and equipment are recorded at purchase price, construction cost or fair value, if donated. All property, buildings and equipment purchased in excess of \$10,000 are capitalized. Preconstruction costs and construction-in-progress are capitalized as the costs are incurred. Depreciation is provided on the straight-line method at annual rates ranging from 15 to 40 years for buildings and improvements, five to seven years for furniture and equipment, five years for vehicles and three years for computers. No depreciation is charged for construction in progress and preconstruction costs until the specific construction project has been completed.

**Estimates**

In preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

**Investments**

Investments are valued at estimated fair value using valuation techniques that are appropriate to the investment. These methods are more fully discussed in Note 4. The Organization's investment securities are exposed to interest rate, market, liquidity and credit risks. Management and the Board have evaluated the risks and the composition of the investment portfolio and believe that the Organization does not have significant exposure.

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**Debt Issuance Costs**

Debt issuance costs represent costs incurred in connection with the issuance of long-term debt. Such costs are being amortized over the term of the respective debt using the straight-line method.

**Other Significant Accounting Policies**

Other significant accounting policies are set forth in the consolidated financial statements and the remaining notes which follow.

**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on the previously reported results of net assets.

**3. FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

The schedule below reflects the Organization's financial assets as of June 30, reduced by amounts not available for general use within one year because of donor-imposed restrictions.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 5,195,401	\$ 5,540,464
Contributions and other receivables	2,552	85,744
Endowment fund investments	<u>28,048,666</u>	<u>26,091,726</u>
Financial assets, at year end	<u>33,246,619</u>	<u>31,717,934</u>
Less: Assets unavailable for general expenditures within one year due to:		
Operating reserve	2,000,000	2,000,000
Capital improvement reserve	241,808	318,494
Board designated endowment funds	16,306,213	15,201,275
Donor-imposed restrictions – time or purpose	10,565,069	9,714,968
Donor-imposed restrictions – in perpetuity	1,300,000	1,300,000
Plus: Endowment spending distribution available for the following fiscal year per spending policy (Note 5)	<u>(1,202,000)</u>	<u>(1,152,000)</u>
Total financial assets unavailable for general expenditure within one year	<u>29,211,090</u>	<u>27,382,737</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,035,529</u>	<u>\$ 4,335,197</u>

The Organization obtains certain support from donor-restricted contributions. Because a donor's restriction requires resources to be used for a particular purpose or in a future period, the Organization must maintain sufficient resources to meet its responsibilities to the donors.

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As part of the Organization'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. At June 30, 2025, the Organization has an operating reserve fund of \$2,000,000. Board-designated funds of \$16,306,213 as of June 30, 2025, can be drawn upon if the Board approves the action.

#### **4. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial instruments are stated at fair value.

The Organization accounts for financial instruments in accordance with FASB ASC 820, *Fair Value Measurements*. The Organization classifies its equity and debt securities as trading securities. These securities are carried at fair value, with the unrealized gains and losses reported as a component of realized/unrealized gains on investments in the consolidated statements of activities. Generally, these securities have readily determinable values and; therefore, are marked to market based on quoted prices in active markets. Dividend and interest income are recognized when declared or earned. FASB ASC 820 requires that fair value measurements be classified and disclosed in one of the following three categories of the fair value hierarchy:

- Level 1 – Quoted prices in active markets for identical assets or liabilities that AUM has the ability to access at the measurement date.
- Level 2 – Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Inputs that are unobservable for the asset or liability.

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The fair value measurements of investment securities are identified in the following table:

<b>2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Bond funds	\$ 5,822,615	\$ -	\$ -	\$ 5,822,615
Stock funds	18,264,023	-	-	18,264,023
Money market funds	1,296,998	-	-	1,296,998
Closely held stock	-	-	1,536	1,536
Total investments at fair value	<u>\$ 25,383,636</u>	<u>\$ -</u>	<u>\$ 1,536</u>	25,385,172
Alternative investments <sup>(*)</sup>				<u>2,665,030</u>
Total investments				<u>\$ 28,050,202</u>
<b>2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Bond funds	\$ 6,106,295	\$ -	\$ -	\$ 6,106,295
Stock funds	16,406,643	-	-	16,406,643
Money market funds	249,625	-	-	249,625
Closely held stock	-	-	1,536	1,536
Total investments at fair value	<u>\$ 22,762,563</u>	<u>\$ -</u>	<u>\$ 1,536</u>	22,764,099
Alternative investments <sup>(*)</sup>				<u>3,329,163</u>
Total investments				<u>\$ 26,093,262</u>

<sup>(\*)</sup>Valued at net asset value (NAV) as a practical expedient and; therefore, excluded from the hierarchy.

There was no activity in Level 3 investments for the years ended June 30, 2025 and 2024.

The Organization utilized the NAV reported by each of the alternative funds as a practical expedient for determining the fair value of the investment. These investments are redeemable at NAV under the original terms of the subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by these funds, changes in market conditions and economic environment may significantly impact the NAV of the funds and, consequently, the fair value of the Organization's interest in the funds. Furthermore, changes to the liquidity provisions of the funds may significantly impact the fair value of the Organization's interest in the funds.

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The exit frequencies in alternative investments at June 30, 2025 and 2024, are as follows:

	<u>Fair Value June 30, 2025</u>	<u>Fair Value June 30, 2024</u>	<u>Exit Frequency</u>	<u>Days Notice</u>	<u>Investment Strategy</u>
Alternative investments:					
Cliffwater Corporate Lending Fund	\$ 1,123,680	\$ 1,135,105	Quarterly	90	Private Debt - Interval fund focused on middle market lending
Ardent Financial Fund IV	149,960	179,365	N/A*	N/A*	Private Debt - Focused on making bridge loans across commercial real estate
Keystone Private Fund	334,461	336,374	Quarterly	90	Private Debt - Makes self-amortizing highly collateralized loans with the target of 2% quarterly distributions through the investment period via semi-liquid structure
Golub BDC 3, Inc.	-	332,509	N/A*	N/A*	Private Debt - Middle market direct lending
Golub Capital Private Credit Fund	348,331	350,000	Quarterly	90	Private Debt - Middle market direct lending
Blue Owl Capital Corp III	-	321,930	N/A*	N/A*	Private Debt - Middle market direct lending
Blue Owl Credit Income Corp	336,806	-	N/A*	N/A*	Private Debt - Middle market direct lending
Pathlight Capital Offshore Fund II	195,531	326,880	N/A*	N/A*	Private Debt - Asset based lending
Peachtree SSC Mortgage REIT, LLC	176,261	347,000	N/A*	N/A*	Private Debt - Income focused fund is a lender in the limited/select service hotel sector
Total measured at NAV	<u>\$ 2,665,030</u>	<u>\$ 3,329,163</u>			

(\*)These investments are not currently able to be liquidated, and therefore, do not have an exit frequency. The duration of these investments is on average eight years.

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## **5. ENDOWMENT FUND INVESTMENTS**

AUM's endowment consists of four individual funds established by a donor restriction. The endowment also includes funds designated by the Board to function as endowments. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

### **Interpretation of Relevant Law**

The Board has interpreted GPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization has classified as net assets with donor restrictions (in perpetuity): (a) the original value of gifts donated to the permanent endowment; and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions (in perpetuity) is classified as net assets with donor restrictions (time or purpose) until those amounts are appropriated for expenditure by AUM in a manner consistent with the standard of prudence prescribed by GPMIFA. In accordance with GPMIFA, the Organization considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Organization and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Organization; and
7. The investment policies of the Organization.

### **Funds with Deficiencies**

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or GPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions.

### **Return Objectives and Risk Parameters**

AUM has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Finance Committee of the Board, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results, allowing the Organization to maintain an above-average market performance and stable returns on its investments. The endowment fund consists of equity securities and fixed income securities.

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**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, AUM 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). AUM targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy and How the Investment Objectives Relate to the Spending Policy**

In fiscal year 2016, AUM adopted the Yale Formula which provides a stable spend rate over time. The Yale Formula uses three inputs (prior year spend, prior year inflation and prior year portfolio balance). The Yale Formula weights the prior year portfolio at 30% multiplied by the target spend rate of 5% and weights the prior year spend at 70% multiplied by the prior year inflation rate. The use of the Yale Formula is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The Finance Committee of the Board evaluates the annual spend rate as part of the annual budget process. For 2024, the Finance Committee approved a \$1,077,000 withdrawal from the endowment (a 5% spend rate). For 2025, the Finance Committee approved a \$1,152,000 withdrawal from the endowment (a 5% spend rate).

Endowment net assets composition by type of fund as of June 30, 2025 and 2024 was:

<b>2025</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions (Time or Purpose)</b>	<b>With Donor Restrictions (In Perpetuity)</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 10,442,453	\$ 1,300,000	\$ 11,742,453
Board designated endowment funds	16,306,213	-	-	16,306,213
Total funds	<u>\$ 16,306,213</u>	<u>\$ 10,442,453</u>	<u>\$ 1,300,000</u>	<u>\$ 28,048,666</u>
<b>2024</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions (Time or Purpose)</b>	<b>With Donor Restrictions (In Perpetuity)</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 9,590,451	\$ 1,300,000	\$ 10,890,451
Board designated endowment funds	15,201,275	-	-	15,201,275
Total funds	<u>\$ 15,201,275</u>	<u>\$ 9,590,451</u>	<u>\$ 1,300,000</u>	<u>\$ 26,091,726</u>

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Changes in endowment net assets for the years ended June 30, 2025 and 2024:

<b>2025</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions (Time or Purpose)</b>	<b>With Donor Restrictions (In Perpetuity)</b>	<b>Total</b>
Endowment net assets, beginning of year	\$15,201,275	\$ 9,590,451	\$1,300,000	\$26,091,726
Investment income	523,485	375,033	-	898,518
Net appreciation (realized and unrealized)	1,287,812	922,610	-	2,210,422
Total investment return	1,811,297	1,297,643	-	3,108,940
Other changes				
Disbursements to operating funds	(706,359)	(445,641)	-	(1,152,000)
Endowment net assets, end of year	<u>\$16,306,213</u>	<u>\$10,442,453</u>	<u>\$1,300,000</u>	<u>\$28,048,666</u>
<b>2024</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions (Time or Purpose)</b>	<b>With Donor Restrictions (In Perpetuity)</b>	<b>Total</b>
Endowment net assets, beginning of year	\$13,858,008	\$ 8,571,205	\$1,300,000	\$23,729,213
Investment income	435,382	310,128	-	745,510
Net appreciation (realized and unrealized)	1,573,315	1,120,688	-	2,694,003
Total investment return	2,008,697	1,430,816	-	3,439,513
Other changes				
Disbursements to operating funds	(665,430)	(411,570)	-	(1,077,000)
Endowment net assets, end of year	<u>\$15,201,275</u>	<u>\$ 9,590,451</u>	<u>\$1,300,000</u>	<u>\$26,091,726</u>

Investment return is shown net of management fees of approximately \$67,000 and \$60,000 for the years ended June 30, 2025 and 2024, respectively.

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**6. PROPERTY, BUILDINGS AND EQUIPMENT, NET**

Property, buildings and equipment consists of:

	<u>2025</u>	<u>2024</u>
Land	\$ 3,891,046	\$ 3,434,675
Buildings and improvements	44,528,222	44,407,696
Furniture and equipment	4,444,189	4,422,558
Automobiles and trucks	921,860	921,860
Computers	1,003,743	1,009,126
Construction-in-progress	<u>76,686</u>	<u>48,105</u>
	54,865,746	54,244,020
Accumulated depreciation	<u>(21,319,059)</u>	<u>(19,575,124)</u>
	<u>\$ 33,546,687</u>	<u>\$ 34,668,896</u>

At June 30, 2024, construction-in-progress primarily relates to the My Sister's House and the Shepherd's Inn renovations. At June 30, 2025, construction-in-progress primarily relates to the Potter's House signage.

**7. NEW MARKETS TAX CREDIT (NMTC) TRANSACTION**

AUM entered into certain transactions (Transactions) with an Investment Fund and certain lenders on December 10, 2020, to obtain financing through the NMTC Program sponsored by the U.S. Department of the Treasury. The NMTC Program permits certain corporate taxpayers to receive a credit against federal income taxes for making Qualified Equity Investments (QEIs) in Community Development Entities (CDEs). Through the Transactions, AMSC, wholly owned subsidiary of AUM, was formed for the purpose of effecting the Organization's participation in the NMTC Program.

As part of the Transactions, AUM contributed \$12,494,950 as a loan (Notes 8 and 9) to the Investment Fund. The Investment Fund made QEIs totaling \$16,890,000 in exchange for an equity interest in three supporting CDEs.

These CDEs then loaned \$16,890,000, less certain sub-allocation reporting fees and other transaction expenses, to AMSC as qualified low-income community investment loans, which are included in long-term debt, net, (Note 9) in the accompanying consolidated statements of financial position.

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**8. NOTE RECEIVABLE**

On December 10, 2020, the Organization executed a \$12,494,950 note receivable with the Investment Fund as part of the NMTC Program transaction (see Note 7). The note receivable, including all accrued interest, is due in full on December 1, 2049. The note requires annual interest only payments for the initial eight-year period. The note then amortizes over the remaining 29 years. Interest accrues at 1.29% per annum. Annual interest payments commenced on December 10, 2021. At June 30, 2025 and 2024, the balance of the note receivable was \$12,494,950 for both years.

**9. LONG-TERM DEBT**

As discussed in Note 7, AMSC received loans amounting to \$16,890,000 on December 10, 2020, through the NMTC Program transaction. The notes which are due on December 1, 2054, require annual interest only payments for the initial eight-year period. The notes then amortize over the remaining 26 years. The notes bear interest at 1% per annum. At June 30, 2025 and 2024, the outstanding balance was \$16,890,000. Interest expense for the years ended June 30, 2025 and 2024, was \$189,569 for both years.

On July 22, 2021, AUM entered into a \$500,000 note with a commercial bank through the Affordable Housing Program (AHP), which finances affordable housing for very low, low and moderate income households. The note bears an interest rate of 0% and matures December 31, 2036, at which time principal is due.

The following is a reconciliation of long-term debt to the consolidated statements of financial position at June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
NMTC loans	\$ 16,890,000	\$ 16,890,000
AHP loan	500,000	500,000
Less: loan costs	(647,195)	(671,121)
	<b>\$ 16,742,805</b>	<b>\$ 16,718,879</b>

No prepayment is allowed on the NMTC Program notes during the initial seven-year period.

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Reserve accounts were established in connection with the NMTC Program transaction to provide additional security to the lenders. AMSC does not have access to withdraw funds from these accounts. The lenders have access to withdraw funds from the interest and fee reserve accounts for interest or fees. Reserve account balances at June 30, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Truist ST CDE Reserve	\$ 22,688	\$ 30,188
Truist CAHEC Reserve	205,535	259,143
Truist AEMI Reserve	<u>102,550</u>	<u>136,550</u>
	<u>\$ 330,773</u>	<u>\$ 425,881</u>

AUM is required to comply with and is in compliance with covenants under its long-term debt.

**10. NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions are comprised of the following:

	<u>2025</u>	<u>2024</u>
Operating reserve	\$ 2,000,000	\$ 2,000,000
Capital improvement reserve	241,808	318,494
Other Board designations	16,306,213	15,201,275
Net investment in property, buildings and equipment	29,298,832	30,444,967
Undesignated net assets	<u>1,497,799</u>	<u>2,292,398</u>
	<u>\$ 49,344,652</u>	<u>\$ 50,257,134</u>

The operating and capital improvement reserves are set by the Board.

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**11. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets were released from donor-imposed restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the years ended June 30, 2025 and 2024, as follows:

	<u>2025</u>	<u>2024</u>
Vehicle acquisition	\$ -	\$ 40,203
Certification	-	25,549
Men's program	445,641	411,570
Construction of buildings and improvements	101,901	116,893
	<u>\$ 547,542</u>	<u>\$ 594,215</u>

Net assets with donor restrictions are comprised of the following:

	<u>2025</u>	<u>2024</u>
Net assets with donor restrictions (time or purpose)		
Men's programs	\$ 10,038,660	\$ 9,368,057
Certification	-	24,451
Construction of buildings and improvements	526,409	322,460
	<u>10,565,069</u>	<u>9,714,968</u>
Net assets with donor restrictions (perpetuity)		
Endowment Trust Corpus	1,300,000	1,300,000
	<u>\$ 11,865,069</u>	<u>\$ 11,014,968</u>

Pursuant to a bequest by the late Mrs. Lee Edwards Candler (in memory of Flora Glenn Candler), AUM established a fund for capital acquisitions in support of the services of its men's programs. Since a capital project has not yet been approved, AUM is treating these funds as an endowment (net assets with a purpose restriction) until they are used towards an appropriate memorial honoring Flora Glenn Candler. In the interim, income from this endowment is purpose restricted and is being appropriated on an annual basis within the Yale Formula spend rate to provide support for Men's Services.

Of the endowment trust corpus, \$300,000 represents an endowment from an estate. Income under the endowment is used to defray women's division operating costs.

Of the endowment trust corpus, \$250,000 represents a maintenance endowment funded by a private charitable foundation. Income under the endowment is used to defray property maintenance costs throughout AUM's divisions.

Of the endowment trust corpus, \$500,000 represents an additional maintenance endowment funded by a private charitable foundation. Income has been directed to be used to defray ongoing maintenance costs at The Potter's House facility.

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Of the endowment trust corpus, \$250,000 represents an additional maintenance endowment (the Jane M. Oglesby Building Endowment Fund) funded by a private charitable contribution. Income has been directed to be used for major maintenance and repairs that have a life of five years or greater.

**12. RETIREMENT PLANS**

On January 1, 1997, AUM adopted a discretionary retirement plan under Section 403(b) of the IRC, covering substantially all employees. AUM can make annual discretionary contributions for eligible employees, as defined in the Plan. Annual contributions made by AUM totaling approximately \$244,000 and \$363,000, are reflected as expenses in the accompanying consolidated financial statements in 2025 and 2024, respectively.

As of June 30, 2025 and 2024, the balance of accrued compensation is \$217,000 and \$240,000, respectively, which is included in accounts payable and accrued expenses in the consolidated statements of financial position.

**13. LEASES**

AUM is the lessee under various non-cancelable leasing arrangements for certain equipment and thrift store locations. Leases with an initial term of 12 months or less are not recorded on the consolidated statements of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

The following summarizes the weighted average remaining lease term and discount rate as of June 30:

	<b>2025</b>	<b>2024</b>
<b>Weighted Average Remaining Lease Term</b>		
Operating leases	0.77 years	1.74 years
<b>Weighted Average Discount Rate</b>		
Operating leases	3.67%	3.53%

The maturities of lease liabilities as of June 30, 2025, were as follows:

<b><u>For the Year Ending June 30:</u></b>	
2026	\$ 104,209
Less: interest	(1,514)
Present value of lease liabilities	\$ 102,695

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**14. DEFERRED REVENUE**

AUM formerly leased a parcel of land at The Potters House farm to a telecommunications company (the company) for a cell tower location. Effective January 1, 2016, AUM entered a 99-year lease agreement with the company. In consideration of the lease, AUM received a one-time payment of \$500,000, which was recorded as deferred revenue to be recognized over the period of the lease. As of June 30, 2025 and 2024, the balance of deferred revenue related to the land parcel lease is \$452,020 and \$458,070, respectively.

Other deferred revenue consists of amounts collected prior to year end for events held after year end, and was \$122,500 and \$129,400, respectively, as of June 30, 2025 and 2024.

**15. CONTRIBUTED NONFINANCIAL ASSETS**

For the fiscal years ended on June 30, contributed nonfinancial assets recognized in the consolidated statements of activities include:

	<u>2025</u>	<u>2024</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restriction</u>	<u>Valuation technique and inputs</u>
Professional services	\$ 23,908	\$ -	Addiction Recovery and Homeless Program	Consolidation Project	Estimated market value based on invoices received
Clothing, for resale	771,404	704,870	Thrift Ministry	None	Estimated based on market value for comparable items. Sale proceeds are used for programs and services
Household goods, for resale	433,095	655,276	Thrift Ministry	None	Estimated based on market value for comparable items. Sale proceeds are used for programs and services
Food	1,093,567	1,101,030	Addiction Recovery and Homeless Program	None	Estimated based on market value for comparable items or, if weight is known, at a rate of \$1.97 / lb. (\$1.93 / lb. for FY2024).
Clothing and Household goods	632,530	742,870	Addiction Recovery and Homeless Program	None	Estimated based on market value for comparable items
Gala Auction items	32,154	52,532	Fundraising	Restoration House Gala Auction	Includes vacation experiences, sports memorabilia, artwork, etc. Value estimated based on market value for comparable items. Auction proceeds are used for programs and services.
	<u>\$ 2,986,658</u>	<u>\$ 3,256,578</u>			

**ATLANTA UNION MISSION CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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**16. COMMITMENTS AND CONTINGENCIES**

In April 2025, AUM entered into a Purchase and Sale Agreement (PSA) to purchase a parcel of property. The PSA is subject to satisfaction of certain conditions, including but not limited to, satisfactory due diligence and securing all required zoning approvals and permits for the proposed purpose of the property. Through October 23, 2025, AUM paid a total of \$1 million in earnest money toward the purchase of the property, which is non-refundable subject to securing all required zoning approvals and permits for the proposed purpose of the property. Additionally, as of June 30, 2025, AUM incurred and capitalized as land \$456,371 of costs, which includes \$250,000 in earnest money and \$206,371 related to preparing the site for development.

**17. SUBSEQUENT EVENTS**

In accordance with FASB ASC 855, *Subsequent Events*, the Organization evaluated subsequent events through October 23, 2025, the date these financial statements were available for issuance.

## **OTHER INFORMATION**

**ATLANTA UNION MISSION CORPORATION**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2025**

	<b>ASSETS</b>		<b>Eliminating Entries</b>	<b>Consolidated Total</b>
	<b>AUM</b>	<b>AMSC</b>		
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 5,167,286	\$ 28,115	\$ -	\$ 5,195,401
Restricted cash	-	330,773	-	330,773
Contributions and other receivables	2,552	-	-	2,552
Inventory	167,188	-	-	167,188
Due from AUM	-	103,833	(103,833)	-
Prepaid expenses and other assets	271,589	-	-	271,589
Total current assets	<u>5,608,615</u>	<u>462,721</u>	<u>(103,833)</u>	<u>5,967,503</u>
<b>PROPERTY, BUILDINGS AND EQUIPMENT, NET</b>				
	<u>16,529,890</u>	<u>17,016,797</u>	<u>-</u>	<u>33,546,687</u>
<b>OPERATING LEASE RIGHT-OF-USE ASSETS, NET</b>				
	<u>99,364</u>	<u>-</u>	<u>-</u>	<u>99,364</u>
<b>OTHER ASSETS</b>				
Deposits	43,608	-	-	43,608
Long-term investment	1,536	-	-	1,536
Endowment fund investments	28,048,666	-	-	28,048,666
Note receivable	12,494,950	-	-	12,494,950
Total other assets	<u>40,588,760</u>	<u>-</u>	<u>-</u>	<u>40,588,760</u>
<b>TOTAL ASSETS</b>	<u><u>\$62,826,629</u></u>	<u><u>\$ 17,479,518</u></u>	<u><u>\$ (103,833)</u></u>	<u><u>\$ 80,202,314</u></u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 1,548,048	\$ 118,358	\$ (103,833)	\$ 1,562,573
Short-term deferred revenue	137,552	-	-	137,552
Operating lease liabilities, current	102,695	-	-	102,695
Total current liabilities	<u>1,788,295</u>	<u>118,358</u>	<u>(103,833)</u>	<u>1,802,820</u>
<b>LONG-TERM LIABILITIES</b>				
Long-term deferred revenue	446,968	-	-	446,968
Long-term operating lease liabilities	-	-	-	-
Long-term debt, net	462,532	16,280,273	-	16,742,805
Total long-term liabilities	<u>909,500</u>	<u>16,280,273</u>	<u>-</u>	<u>17,189,773</u>
<b>TOTAL LIABILITIES</b>	<u>2,697,795</u>	<u>16,398,631</u>	<u>(103,833)</u>	<u>18,992,593</u>
<b>NET ASSETS</b>				
Without donor restrictions	48,263,765	1,080,887	-	49,344,652
With donor restrictions	11,865,069	-	-	11,865,069
<b>TOTAL NET ASSETS</b>	<u>60,128,834</u>	<u>1,080,887</u>	<u>-</u>	<u>61,209,721</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$62,826,629</u></u>	<u><u>\$ 17,479,518</u></u>	<u><u>\$ (103,833)</u></u>	<u><u>\$ 80,202,314</u></u>

See independent auditors' report.

**ATLANTA UNION MISSION CORPORATION  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>AUM</u>	<u>AMSC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
<b>REVENUE AND SUPPORT</b>				
Support				
Contributions	\$ 15,293,391	\$ -	\$ -	\$ 15,293,391
Contributions - nonfinancial assets	2,986,658	-	-	2,986,658
Special events, net	1,256,084	-	-	1,256,084
Total support	<u>19,536,133</u>	<u>-</u>	<u>-</u>	<u>19,536,133</u>
Revenue				
Program related income	597,227	-	-	597,227
Interest and dividend income	1,283,231	-	-	1,283,231
Sales of donated, purchased and crafted goods	1,426,941	-	-	1,426,941
Other income	19,565	178,000	(178,000)	19,565
Total revenue	<u>3,326,964</u>	<u>178,000</u>	<u>(178,000)</u>	<u>3,326,964</u>
<b>TOTAL REVENUE AND SUPPORT</b>	<u>22,863,097</u>	<u>178,000</u>	<u>(178,000)</u>	<u>22,863,097</u>
<b>EXPENSES</b>				
Addiction recovery and homeless programs	15,716,526	461,144	(178,000)	15,999,670
Thrift ministry	2,765,602	-	-	2,765,602
General and administrative	2,721,415	284,562	-	3,005,977
Fundraising and development, donor cultivation	3,364,651	-	-	3,364,651
<b>TOTAL EXPENSES</b>	<u>24,568,194</u>	<u>745,706</u>	<u>(178,000)</u>	<u>25,135,900</u>
Realized/unrealized gains on investments, net	2,210,422	-	-	2,210,422
<b>CHANGE IN NET ASSETS</b>	505,325	(567,706)	-	(62,381)
<b>NET ASSETS AT:</b>				
<b>BEGINNING OF YEAR</b>	<u>59,623,509</u>	<u>1,648,593</u>	<u>-</u>	<u>61,272,102</u>
<b>END OF YEAR</b>	<u>\$ 60,128,834</u>	<u>\$ 1,080,887</u>	<u>\$ -</u>	<u>\$ 61,209,721</u>

See independent auditors' report.