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APICS, Inc. (d/b/a Association for Supply Chain  
Management) and APICS Supply Chain Council,  
Inc. (d/b/a Association for Supply Chain  
Management Foundation)

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**Consolidated Financial Report**  
**December 31, 2024**

**APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS  
Supply Chain Council, Inc. (d/b/a Association for Supply Chain  
Management Foundation)**

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## Independent Auditor's Report

To the Board of Directors  
APICS, Inc. (d/b/a Association for Supply Chain  
Management) and APICS Supply Chain Council, Inc.  
(d/b/a Association for Supply Chain Management  
Foundation)

### **Opinion**

We have audited the consolidated financial statements of APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS Supply Chain Council, Inc. (d/b/a Association for Supply Chain Management Foundation) (collectively, the "Association"), which comprise the consolidated statement of financial position as of December 31, 2024 and 2023 and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2024 and 2023 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Association and to meet our 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 the 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 the Association's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

To the Board of Directors  
APICS, Inc. (d/b/a Association for Supply Chain  
Management) and APICS Supply Chain Council, Inc.  
(d/b/a Association for Supply Chain Management  
Foundation)

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Association'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 the Association'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.

*Plante & Moran, PLLC*

May 19, 2025

**APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS Supply Chain Council, Inc. (d/b/a Association for Supply Chain Management Foundation)**

**Consolidated Statement of Financial Position**

**December 31, 2024 and 2023**

|   | 2024                 | 2023                 |
|---|----------------------|----------------------|
| <b>Assets</b>   |                      |                      |
| <b>Current Assets</b>   |                      |                      |
| Cash  | \$ 4,238,303         | \$ 5,732,670         |
| Receivables - Net of allowance for doubtful accounts of \$510,500 in 2024 and \$538,147 in 2023                     | 2,522,926            | 2,998,406            |
| Prepaid expenses and other current assets   | 419,020              | 587,586              |
| Total current assets  | 7,180,249            | 9,318,662            |
| <b>Investments</b> (Note 5)   | 15,423,828           | 15,256,550           |
| <b>Property and Equipment</b> - Net (Note 6)  | 1,250,110            | 626,629              |
| <b>Right-of-use Operating Lease Assets</b>  | -                    | 43,354               |
| <b>Product Development Costs</b> - Net of accumulated amortization of \$14,915,902 in 2024 and \$11,805,421 in 2023 | 5,862,009            | 8,313,230            |
| <b>Restricted Cash</b>  | 25,940               | 25,668               |
| <b>Trade Name</b> (Note 11)   | 1,289,000            | 1,289,000            |
| <b>Intellectual Property</b> (Note 11)  | 2,193,000            | 2,193,000            |
| Total noncurrent assets   | 26,043,887           | 27,747,431           |
| Total assets  | <b>\$ 33,224,136</b> | <b>\$ 37,066,093</b> |
| <b>Liabilities and Net Assets</b>   |                      |                      |
| <b>Current Liabilities</b>  |                      |                      |
| Accounts payable  | \$ 2,302,674         | \$ 2,641,564         |
| Line of credit (Note 10)  | 6,750,000            | 6,750,000            |
| Deferred revenue  | 14,206,976           | 13,047,197           |
| Accrued expenses:   |                      |                      |
| Salaries, wages, and other compensation   | 2,457,526            | 3,868,796            |
| Accrued interest  | 800,000              | 800,000              |
| Other   | 195,771              | 246,063              |
| Current portion of lease liabilities - Operating  | -                    | 56,535               |
| Total liabilities   | 26,712,947           | 27,410,155           |
| <b>Net Assets</b>   |                      |                      |
| Without donor restrictions  | 6,220,663            | 9,366,984            |
| With donor restrictions   | 290,526              | 288,954              |
| Total net assets  | 6,511,189            | 9,655,938            |
| Total liabilities and net assets  | <b>\$ 33,224,136</b> | <b>\$ 37,066,093</b> |

**APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS Supply Chain Council, Inc. (d/b/a Association for Supply Chain Management Foundation)**

**Consolidated Statement of Activities and Changes in Net Assets**

**Years Ended December 31, 2024 and 2023**

|   | 2024                       |                         |                     | 2023                       |                         |                     |
|---|----------------------------|-------------------------|---------------------|----------------------------|-------------------------|---------------------|
|   | Without Donor Restrictions | With Donor Restrictions | Total               | Without Donor Restrictions | With Donor Restrictions | Total               |
| <b>Revenue and Support</b>  |                            |                         |                     |                            |                         |                     |
| Membership dues and assessments - Net of chapter rebates of \$344,303 in 2024 and \$395,776 in 2023                       | \$ 6,871,239               | \$ -                    | \$ 6,871,239        | \$ 6,886,928               | \$ -                    | \$ 6,886,928        |
| Courseware  | 14,848,039                 | -                       | 14,848,039          | 16,827,708                 | -                       | 16,827,708          |
| Certification   | 15,627,862                 | -                       | 15,627,862          | 16,560,503                 | -                       | 16,560,503          |
| Publications  | 321,046                    | -                       | 321,046             | 408,793                    | -                       | 408,793             |
| Conference  | 1,604,371                  | -                       | 1,604,371           | 1,545,898                  | -                       | 1,545,898           |
| Exhibit income  | 184,767                    | -                       | 184,767             | 231,115                    | -                       | 231,115             |
| Program fees  | 1,467,293                  | -                       | 1,467,293           | 2,126,196                  | -                       | 2,126,196           |
| Miscellaneous   | 75,876                     | -                       | 75,876              | 110,395                    | -                       | 110,395             |
| <b>Total revenue and support</b>  | <b>41,000,493</b>          | <b>-</b>                | <b>41,000,493</b>   | <b>44,697,536</b>          | <b>-</b>                | <b>44,697,536</b>   |
| <b>Expenses</b>   |                            |                         |                     |                            |                         |                     |
| Program services:   |                            |                         |                     |                            |                         |                     |
| Membership  | 2,746,098                  | -                       | 2,746,098           | 2,630,091                  | -                       | 2,630,091           |
| Certification   | 5,360,280                  | -                       | 5,360,280           | 5,824,336                  | -                       | 5,824,336           |
| Conference and exhibits   | 3,708,962                  | -                       | 3,708,962           | 3,981,425                  | -                       | 3,981,425           |
| Publications  | 181,131                    | -                       | 181,131             | 239,586                    | -                       | 239,586             |
| Training  | 1,886,185                  | -                       | 1,886,185           | 2,326,567                  | -                       | 2,326,567           |
| Educational content   | 8,699,185                  | -                       | 8,699,185           | 9,692,835                  | -                       | 9,692,835           |
| Other   | 1,440,470                  | -                       | 1,440,470           | 1,849,053                  | -                       | 1,849,053           |
| <b>Total program services</b>   | <b>24,022,311</b>          | <b>-</b>                | <b>24,022,311</b>   | <b>26,543,893</b>          | <b>-</b>                | <b>26,543,893</b>   |
| Support services - Management and general   | 21,260,087                 | -                       | 21,260,087          | 20,646,258                 | -                       | 20,646,258          |
| <b>Total expenses</b>   | <b>45,282,398</b>          | <b>-</b>                | <b>45,282,398</b>   | <b>47,190,151</b>          | <b>-</b>                | <b>47,190,151</b>   |
| <b>Decrease in Net Assets</b> - Before interest, dividends, and net realized and unrealized gain on marketable securities | (4,281,905)                | -                       | (4,281,905)         | (2,492,615)                | -                       | (2,492,615)         |
| <b>Interest, Dividends, and Net Realized and Unrealized Gain on Marketable Securities</b> - Net                           | 1,135,584                  | 1,572                   | 1,137,156           | 1,419,560                  | 9,053                   | 1,428,613           |
| <b>(Decrease) Increase in Net Assets</b>  | (3,146,321)                | 1,572                   | (3,144,749)         | (1,073,055)                | 9,053                   | (1,064,002)         |
| <b>Net Assets</b> - Beginning of year   | 9,366,984                  | 288,954                 | 9,655,938           | 10,440,039                 | 279,901                 | 10,719,940          |
| <b>Net Assets</b> - End of year   | <b>\$ 6,220,663</b>        | <b>\$ 290,526</b>       | <b>\$ 6,511,189</b> | <b>\$ 9,366,984</b>        | <b>\$ 288,954</b>       | <b>\$ 9,655,938</b> |

See notes to consolidated financial statements.

**APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS  
Supply Chain Council, Inc. (d/b/a Association for Supply Chain  
Management Foundation)**

**Consolidated Statement of Cash Flows**

**Years Ended December 31, 2024 and 2023**

|  | <u>2024</u>                | <u>2023</u>                |
|--|----------------------------|----------------------------|
| <b>Cash Flows from Operating Activities</b>  |                            |                            |
| Decrease in net assets   | \$ (3,144,749)             | \$ (1,064,002)             |
| Adjustments to reconcile decrease in net assets to net cash and restricted cash from operating activities: |                            |                            |
| Depreciation and amortization  | 3,205,214                  | 3,332,656                  |
| Credit loss  | 90,000                     | 75,000                     |
| Net realized and unrealized gain on investments  | (824,958)                  | (1,119,893)                |
| Changes in operating assets and liabilities that provided (used) cash and restricted cash:                 |                            |                            |
| Accounts receivable  | 385,480                    | 2,003,239                  |
| Prepaid expenses and deposits  | 168,566                    | (234,732)                  |
| Accounts payable and accrued expenses  | (1,800,452)                | (27,794)                   |
| Deferred revenue   | 1,159,779                  | 2,762,162                  |
| Operating lease liabilities  | (13,181)                   | (152,224)                  |
|  | <u>(774,301)</u>           | <u>5,574,412</u>           |
| Net cash and restricted cash (used in) provided by operating activities                                    |                            |                            |
|  | (774,301)                  | 5,574,412                  |
| <b>Cash Flows from Investing Activities</b>  |                            |                            |
| Purchase of property and equipment   | (718,214)                  | (520,992)                  |
| Product development cost additions   | (659,260)                  | (2,444,742)                |
| Purchases of marketable securities   | (4,150,457)                | (5,450,429)                |
| Proceeds from sales and maturities of investments  | 4,808,137                  | 6,852,537                  |
|  | <u>(719,794)</u>           | <u>(1,563,626)</u>         |
| Net cash and restricted cash used in investing activities  |                            |                            |
|  | (719,794)                  | (1,563,626)                |
| <b>Net (Decrease) Increase in Cash and Restricted Cash</b>   | (1,494,095)                | 4,010,786                  |
| <b>Cash and Restricted Cash - Beginning of year</b>  | <u>5,758,338</u>           | <u>1,747,552</u>           |
| <b>Cash and Restricted Cash - End of year</b>  | <u><b>\$ 4,264,243</b></u> | <u><b>\$ 5,758,338</b></u> |
| <b>Consolidated Statement of Financial Position Classification of Cash and Restricted Cash</b>             |                            |                            |
| Cash   | \$ 4,238,303               | \$ 5,732,670               |
| Restricted cash  | <u>25,940</u>              | <u>25,668</u>              |
|  | <u><b>\$ 4,264,243</b></u> | <u><b>\$ 5,758,338</b></u> |
| Total cash and restricted cash   |                            |                            |
|  | <u><b>\$ 4,264,243</b></u> | <u><b>\$ 5,758,338</b></u> |
| <b>Supplemental Cash Flow Information - Cash paid for interest</b>   | \$ 527,686                 | \$ 322,135                 |

**APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS Supply Chain Council, Inc. (d/b/a Association for Supply Chain Management Foundation)**

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**Notes to Consolidated Financial Statements**

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**December 31, 2024 and 2023**

**Note 1 - Nature of Business**

APICS, Inc. (APICS), formerly named American Production and Inventory Control Society, Inc., is a tax-exempt organization based in Chicago, Illinois created to foster and maintain high standards in the field of operations management worldwide. APICS builds operations management excellence in individuals and enterprises through superior education and training, internationally recognized certifications, comprehensive resources, and a worldwide network of accomplished industry professionals.

APICS Supply Chain Council, Inc. (APICS SCC), APICS' wholly owned subsidiary, seeks to shape the future of the supply chain management profession through forward-looking education and research initiatives and supporting academic relationships.

APICS and APICS SCC are referred to collectively as the "Association."

**Note 2 - Significant Accounting Policies**

***Basis of Accounting***

The consolidated financial statements of the Association have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

***Principles of Consolidation***

The consolidated financial statements include the accounts of APICS and its wholly owned subsidiary, APICS SCC. All material intercompany accounts and transactions have been eliminated in consolidation.

***Classification of Net Assets***

Net assets of the Association are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Association.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

***Cash***

The Association maintains its cash in bank deposit accounts that at times may exceed federally insured limits.

***Trade Accounts Receivable***

The Association's accounts receivable balance consists of amounts due from its customers based on stated invoice amounts. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. As of December 31, 2024 and 2023, the net accounts receivable balance was \$2,522,926 and \$2,998,406, respectively. The Association collectively evaluates trade receivables to determine the allowance for credit losses based on historical experience with the payer, current economic conditions, and future economic indicators.

**APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS Supply Chain Council, Inc. (d/b/a Association for Supply Chain Management Foundation)**

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**Notes to Consolidated Financial Statements**

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**December 31, 2024 and 2023**

**Note 2 - Significant Accounting Policies (Continued)**

The Association operates in the supply chain industry, and its accounts receivable are derived from organizations across hundreds of industries. Based on the broad range of customers served, there is not one overarching risk characteristic assessed on the accounts receivable balances. The Association calculates the allowance for credit losses using an expected loss model that considers the Association's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Association considers past historical collection trends, number of days past due when receivables are collected, and future micro- and macroeconomic considerations when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received.

***Investments***

Investments consist of mutual funds, which are recorded at fair value based on quoted market prices. Unrealized gains and losses are included in the consolidated statement of activities and changes in net assets as increases or decreases in net assets. Realized gains and losses resulting from the sales of investments are reported as of the trade date and are included in the consolidated statement of activities and changes in net assets as increases or decreases in net assets.

The Association's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near future and will materially affect the amount reported in the consolidated financial statements.

Interest and dividends totaled \$389,439 and \$390,232 for the years ended December 31, 2024 and 2023, respectively.

The alternative investments, composed primarily of hedge funds and limited partnerships not readily marketable, are measured at fair value and valued at net asset value per share as the practical expedient. The Association reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and significant assumptions used in determining fair value. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

***Product Development Costs***

Costs incurred for the development of courseware products, which relates to products the Association expects will be sold in the future, are amortized over the economic lives of the courseware products, which average approximately three years. Internal costs are expensed as incurred. Amortization expense totaled \$3,110,481 and \$3,094,067 for the years ended December 31, 2024 and 2023, respectively.

***Property and Equipment***

Property and equipment are recorded at cost when purchased and are being depreciated on a straight-line basis over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred. Management's policy is to capitalize items with a cost exceeding \$500.

***Income Taxes***

The Association is composed of the following organizations exempt from income taxes under the following sections of the Internal Revenue Code:

- APICS - Section 501(c)(6)
- APICS SCC - Section 501(c)(3)

## Notes to Consolidated Financial Statements

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December 31, 2024 and 2023

### **Note 2 - Significant Accounting Policies (Continued)**

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Functional Allocation of Expenses***

Costs of providing the program and support services have been reported on a functional basis in the consolidated statement of activities and changes in net assets. Costs are charged to program services and support services on an actual basis when available (see Note 12). Allocations for personnel expenses are based on estimates of time and effort of personnel involved in each function. Expenses deemed to be indirect, such as professional services, insurance, and supplies, are considered to be management and general unless used specifically by a program. Other indirect costs, including interest, information technology, and occupancy, are allocated primarily based on employee headcount. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

#### ***Impairment of Long-lived Assets***

The Association reviews the recoverability of long-lived assets, including buildings, equipment, internal-use software, and other intangible assets, when events or changes in circumstances occur that indicate the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the expected future pretax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

As of December 31, 2024 and 2023, no long-lived assets were deemed to be impaired.

#### ***Leases***

The Association had an operating lease for office space, which expired on February 29, 2024. The Association recognized expense for the operating lease on a straight-line basis over the lease term. The Association made a policy election not to separate lease and nonlease components for the office space lease. Therefore, all payments were included in the calculation of the right-of-use asset and lease liability.

The Association elected to use the treasury rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for the office space.

#### ***Subsequent Events***

The consolidated financial statements and related disclosures include evaluation of events up through and including April 25, 2025, which is the date the consolidated financial statements were available to be issued.

**APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS Supply Chain Council, Inc. (d/b/a Association for Supply Chain Management Foundation)**

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**Notes to Consolidated Financial Statements**

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**December 31, 2024 and 2023**

**Note 3 - Revenue Recognition**

The Association derives its revenue from customers primarily from membership dues, courseware, certification, publications, program fees, corporate affiliations and sponsorships, and conferences. Conference revenue is composed primarily of registration, sponsorships, and exhibit fees. During 2024 and 2023, the Association recognized revenue from contracts with customers of \$41,000,493 and \$44,697,536, respectively. During 2024 and 2023, the Association recognized revenue over time of \$8,659,578 and \$9,421,917, respectively, from membership dues and assessments, publications, and program fees (training). During 2024 and 2023, the Association recognized revenue at a point in time of \$32,340,915 and \$35,275,619, respectively, from courseware, certification, conferences, and exhibits. For the year ended December 31, 2024, the beginning balance of the Association's receivables from contracts with customers was \$2,998,406, and the closing balance was \$2,522,926. For the year ended December 31, 2023, the beginning balance of the Association's receivables from contracts with customers was \$5,076,645, and the closing balance was \$2,998,406. The Association recognized credit losses on receivables of \$90,000 and \$75,000 in 2024 and 2023, respectively.

For each revenue stream identified above, revenue recognition is subject to the completion of performance obligations. For each contract with a customer, the Association determined whether the performance obligations in the contracts are distinct or should be bundled. Factors to be considered include the pattern of transfer, whether customers can benefit from the resources, and whether the resources are readily available. The Association also performs an analysis to determine if membership dues, sponsorship agreements, or special event tickets constitute separate performance obligations.

The Association's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a given point in time. The Association recognizes revenue over a period of time if the customer receives and consumes the benefits that the Association provided simultaneously, or if the Association's performance does not create an asset with an alternative use, and has an enforceable right to payment for the performance. The revenue is recognized at a given point in time when the control of the goods or service is transferred to the customer and when the customer can direct its use and obtain substantial benefit from the goods.

The transaction price is calculated as the amount of consideration to which the Association expects to be entitled (such as membership price, product prices, and course fees). The transaction price is allocated to the various revenue streams for product bundles based on a fair market value of the individual products approach. The Association invoices at time of purchase. Payment terms vary but are generally less than one year, with most payments due within 30 days to 90 days of the invoice date. In some situations (such as course fees for education programs, sponsorship, or courseware products), the Association bills customers and collects cash prior to the satisfaction of the performance obligation, which results in the Association recognizing contract liabilities upon receipt of payment. For the year ended December 31, 2024, the beginning balance of the Association's liabilities from contracts with customers was \$13,047,197, and the closing balance was \$14,206,976. For the year ended December 31, 2023, the beginning balance of the Association's liabilities from contracts with customers was \$10,285,035, and the closing balance was \$13,047,197.

## Notes to Consolidated Financial Statements

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December 31, 2024 and 2023

### **Note 3 - Revenue Recognition (Continued)**

The following explains the performance obligations related to each revenue stream and how they are recognized:

#### ***Membership Dues (Individual)***

The Association earns dues from its members for memberships. Membership benefits consist of access to online resources and discounts on certifications and trainings. Membership dues are earned over the course of one year, representing the period over which the Association satisfies the performance obligation. The Association provides rebates to association chapters based on membership renewal length. Chapter rebates are recorded on a monthly basis and paid quarterly. In 2024 and 2023, the Association recognized \$344,303 and \$395,776, respectively, in chapter rebates.

#### ***Membership Dues (Corporate)***

The Association has identified an additional performance obligation included in the corporate membership for registrations to the annual conference included in the corporate membership benefits. The Association allocates the stand-alone fair market value price of the conference registrations to conference revenue. The remaining membership dues are earned over the course of one year, representing the period over which the Association satisfies the performance obligation.

#### ***Courseware - Educational Content - Courseware***

The Association generates revenue from sales of different courseware, such as CPIM, CSCP, and CLTD products and bundles. The Association's obligation to its customers is met when the item is shipped to the customer. The Association recognizes revenue at the point in time when the product is shipped.

#### ***Courseware - Education Content - Workshop Revenue***

The Association hosts workshops related to supply chain management training. Customers purchase registration to the various workshops. The performance obligation to the customer is met upon the completion of the workshop. The Association recognizes revenue over time based on length of workshop.

#### ***Courseware - Educational Content - Instructor Training***

The Association generates revenue from hosting training programs intended to prepare participants to become instructors for future courses. The related performance obligation is met when the training program is completed. The Association recognizes revenue over time based on length of training.

#### ***Courseware - SCOR***

The Association generates revenue from hosting training related to its SCOR program. The related performance obligation is met when the training program is completed. The Association recognizes revenue over time based on length of training.

#### ***Certification***

The Association sells credits for different exams and certifications to its customers. Credits can be used within one year after purchase. The Association has a performance obligation to host the exam. The Association recognizes revenue when its customers sit for the exam or the exam credit expires.

#### ***Conference - Registration***

The Association hosts multiple conferences throughout the year for which it sells registrations to its members and the public. The Association has an obligation to its customers to host the conference. The Association recognizes revenue at the time the conference is held.

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**Notes to Consolidated Financial Statements**

**December 31, 2024 and 2023**

**Note 3 - Revenue Recognition (Continued)**

***Conference - Exhibit***

The Association sells conference floor space to customers that can create an exhibit at the Association's different conferences held throughout the year. The Association has a performance obligation to complete the exhibit at the event. The Association recognizes revenue at the time when the conference is held.

***Conference - Sponsorship***

The Association receives revenue from customers to sponsor its events and conferences held throughout the year. The Association has a performance obligation to complete the exhibit at the event. The Association recognizes revenue at the time the conference is held.

***Publications***

Customers can purchase subscriptions to the Association's magazine or other publications. The Association has a performance obligation to ship its publications. The Association recognizes revenue when the publication is completed and distributed or over the course of the subscription period, depending on the publication purchased.

***Publications - Advertising***

Customers can purchase advertising in the Association's magazine or other publications. The Association has a performance obligation to include the advertisement in its publications. The Association recognizes revenue when the publication is completed and distributed.

***Program Fees - Training***

The Association generates revenue from hosting training programs. The related performance obligation is met when the training program is completed. The Association recognizes revenue over time based on length of training. The training program can be either online or in person.

***Program Fees - Webinar Training Fees***

The Association generates revenue from hosting online/webinar training programs. The related performance obligation is met when the webinar program is completed. The Association recognizes revenue over time based on length of webinar.

**Note 4 - Accounts Receivable**

Accounts receivable are based on stated invoice amounts, adjusted for amounts expected to be uncollectible over the contractual life of the receivables. As of December 31, 2024 and 2023, the net accounts receivable balance was \$2,522,926 and \$2,998,406, respectively.

The activity in the allowance for credit losses is as follows:

|                               | 2024       | 2023       |
|-------------------------------|------------|------------|
| Allowance - Beginning of year | \$ 538,147 | \$ 900,361 |
| Additions                     | 90,000     | 75,000     |
| Write-offs                    | (117,647)  | (437,214)  |
| Allowance - End of year       | \$ 510,500 | \$ 538,147 |

**APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS Supply Chain Council, Inc. (d/b/a Association for Supply Chain Management Foundation)**

**Notes to Consolidated Financial Statements**

**December 31, 2024 and 2023**

**Note 5 - Fair Value Measurements**

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Association has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management’s own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Association’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following tables present information about the Association’s assets measured at fair value on a recurring basis at December 31, 2024 and 2023 and the valuation techniques used by the Association to determine those fair values:

Assets Measured at Fair Value on a Recurring Basis at  
December 31, 2024

|                   | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Net Asset<br>Value  | Balance at<br>December 31,<br>2024 |
|-------------------|---|---|--|---------------------|------------------------------------|
| <b>Assets</b>     |   |   |  |                     |                                    |
| Mutual funds:     |   |   |  |                     |                                    |
| Equities          | \$ 5,758,017  | \$ -  | \$ -   | \$ -                | \$ 5,758,017                       |
| Fixed income      | 8,315,219   | -   | -  | -                   | 8,315,219                          |
| Hedge funds       | -   | -   | -  | 1,181,211           | 1,181,211                          |
| Total investments | <u>\$ 14,073,236</u>  | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ 1,181,211</u> | <u>\$ 15,254,447</u>               |

**APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS Supply Chain Council, Inc. (d/b/a Association for Supply Chain Management Foundation)**

**Notes to Consolidated Financial Statements**

**December 31, 2024 and 2023**

**Note 5 - Fair Value Measurements (Continued)**

Assets Measured at Fair Value on a Recurring Basis at  
December 31, 2023

|                   | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) |             |             | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Net Asset<br>Value | Balance at<br>December 31,<br>2023 |
|-------------------|---|-------------|-------------|---|--|--------------------|------------------------------------|
|                   |   |             |             |   |  |                    |                                    |
| <b>Assets</b>     |   |             |             |   |  |                    |                                    |
| Mutual funds:     |   |             |             |   |  |                    |                                    |
| Equities          | \$ 6,723,051  | \$ -        | \$ -        | \$ -  | \$ -   | \$ -               | \$ 6,723,051                       |
| Fixed income      | 7,403,311   | -           | -           | -   | -  | -                  | 7,403,311                          |
| Hedge funds       | -   | -           | -           | -   | -  | 973,276            | 973,276                            |
| Total investments | <u>\$ 14,126,362</u>  | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ 973,276</u>  | <u>\$ 15,099,638</u>               |

Not included in the above tables is \$169,381 and \$156,912 in money market funds held in brokerage accounts as of December 31, 2024 and 2023, respectively.

**Investments in Entities that Calculate Net Asset Value per Share**

The Association holds shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

|            | December 31,<br>2024 | December 31,<br>2023 | December 31, 2024       |   |                             |
|------------|----------------------|----------------------|-------------------------|---|-----------------------------|
|            | Fair Value           | Fair Value           | Unfunded<br>Commitments | Redemption<br>Frequency, if<br>Eligible | Redemption<br>Notice Period |
| Hedge fund | \$ 779,274           | \$ 578,505           | \$ -                    | Quarterly                               | 65 days                     |
| REIT fund  | 401,937              | 394,771              | -                       | Monthly                                 | 3 days                      |
| Total      | <u>\$ 1,181,211</u>  | <u>\$ 973,276</u>    | <u>\$ -</u>             |   |                             |

The investment objective of the hedge fund is to achieve capital appreciation principally through investing in investment funds managed by third-party investment managers that employ a variety of alternative investment strategies. These investment strategies allow investment managers the flexibility to use leverage or short-side positions that take advantage of perceived inefficiencies across the global markets, often referred to as alternative strategies.

The investment objective of the REIT fund is to invest in stabilized commercial real estate across asset classes with a focus on providing current income to investors.

**APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS Supply Chain Council, Inc. (d/b/a Association for Supply Chain Management Foundation)**

**Notes to Consolidated Financial Statements**

**December 31, 2024 and 2023**

**Note 6 - Property and Equipment**

Property and equipment are summarized as follows:

|                            | 2024                | 2023              | Depreciable<br>Life - Years |
|----------------------------|---------------------|-------------------|-----------------------------|
| Furniture and equipment    | \$ 4,479,064        | \$ 4,479,064      | 3-10                        |
| Leasehold improvements     | -                   | 3,010,135         | 10                          |
| Work in progress           | 1,200,000           | 480,000           | -                           |
| Total cost                 | 5,679,064           | 7,969,199         |                             |
| Accumulated depreciation   | 4,428,954           | 7,342,570         |                             |
| Net property and equipment | <u>\$ 1,250,110</u> | <u>\$ 626,629</u> |                             |

Work in progress as of December 31, 2024 and 2023 consists of expenditures associated with the production of a documentary series, which was placed into service on January 1, 2025.

Depreciation expense related to nonleased furniture and equipment was \$65,444 and \$80,649 for 2024 and 2023, respectively. Amortization expense related to leasehold improvements was \$29,289 and \$157,940 for 2024 and 2023, respectively.

**Note 7 - Net Assets**

Net assets with donor restrictions consist of purpose-restricted funds to be used for awards and scholarships and unexpended earnings from a permanently restricted endowment fund. They also consist of two endowment funds established to support the awards and scholarship programs. The awards and scholarships are to be funded from the earnings on the initial contributions, with the principal remaining intact.

There were no net assets released from restrictions during 2024 or 2023.

Net assets with donor restrictions as of December 31 are available for the following purposes:

|   | 2024              | 2023              |
|---|-------------------|-------------------|
| Specified purpose - Awards and scholarships:                          |                   |                   |
| Subject to expenditures   | \$ 178,141        | \$ 178,141        |
| Subject to spending policy and appropriations                         | 35,562            | 33,990            |
| Not subject to appropriation or expenditure - Awards and scholarships | 76,823            | 76,823            |
| Total   | <u>\$ 290,526</u> | <u>\$ 288,954</u> |

**Note 8 - Donor-restricted Endowments**

The Association's endowment includes two individual donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS Supply Chain Council, Inc. (d/b/a Association for Supply Chain Management Foundation)**

**Notes to Consolidated Financial Statements**

**December 31, 2024 and 2023**

**Note 8 - Donor-restricted Endowments (Continued)**

***Interpretation of Relevant Law***

The Association is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of the Association had interpreted SPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Association considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Association has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

**Endowment Net Asset Composition by Type of Fund  
as of December 31, 2024**

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total             |
|--|-------------------------------|----------------------------|-------------------|
| Donor-restricted endowment funds:  |                               |                            |                   |
| Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor | \$ -                          | \$ 76,823                  | \$ 76,823         |
| Accumulated investment gains   | -                             | 35,562                     | 35,562            |
| <b>Total donor-restricted endowment funds</b>  | <b>\$ -</b>                   | <b>\$ 112,385</b>          | <b>\$ 112,385</b> |

**Changes in Endowment Net Assets for the Fiscal  
Year Ended December 31, 2024**

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total             |
|--|-------------------------------|----------------------------|-------------------|
| Endowment net assets - Beginning of year                       | \$ -                          | \$ 110,813                 | \$ 110,813        |
| Investment return - Net appreciation (realized and unrealized) | -                             | 1,572                      | 1,572             |
| <b>Endowment net assets - End of year</b>                      | <b>\$ -</b>                   | <b>\$ 112,385</b>          | <b>\$ 112,385</b> |

**APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS Supply Chain Council, Inc. (d/b/a Association for Supply Chain Management Foundation)**

**Notes to Consolidated Financial Statements**

**December 31, 2024 and 2023**

**Note 8 - Donor-restricted Endowments (Continued)**

| Endowment Net Asset Composition by Type of Fund<br>as of December 31, 2023                                   |                               |                            |            |
|--|-------------------------------|----------------------------|------------|
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total      |
| Donor-restricted endowment funds:  |                               |                            |            |
| Original donor-restricted gift amount and amounts<br>required to be maintained in perpetuity by the<br>donor | \$ -                          | \$ 76,823                  | \$ 76,823  |
| Accumulated investment gains   | -                             | 33,990                     | 33,990     |
| Total donor-restricted endowment funds   | \$ -                          | \$ 110,813                 | \$ 110,813 |
| Changes in Endowment Net Assets for the Fiscal<br>Year Ended December 31, 2023                               |                               |                            |            |
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total      |
| Endowment net assets - Beginning of year   | \$ -                          | \$ 101,760                 | \$ 101,760 |
| Investment return - Net appreciation (realized and<br>unrealized)  | -                             | 9,053                      | 9,053      |
| Endowment net assets - End of year   | \$ -                          | \$ 110,813                 | \$ 110,813 |

***Return Objectives and Risk Parameters***

The Association 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. Under this policy, the endowment assets are invested in a manner that is intended to preserve the principal amount.

***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).

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

Each year, the board of directors approves the amount to be appropriated, taking into consideration the long-term expected return on its endowment.

Additionally, the treatment and accounting of restricted versus unrestricted gifts to the Association will be managed by the Association's staff. The Association's board of directors will periodically review and approve policies and procedures governing gifts to the foundation.

***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 SPMIFA requires the Association to retain as a fund of perpetual duration. There were no deficiencies as of December 31, 2024 and 2023.

**APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS Supply Chain Council, Inc. (d/b/a Association for Supply Chain Management Foundation)**

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**Notes to Consolidated Financial Statements**

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**December 31, 2024 and 2023**

**Note 9 - Employee Benefit Plans**

The Association offers a 401(k) savings plan covering all eligible employees. The plan provides for the elective deferral of up to 19 percent of covered employees' salaries. For employees who have completed six months of employment, the Association provides a dollar-for-dollar match on elective employee deferrals of up to 6 percent of total eligible compensation. Employer contributions to the plan were \$609,936 and \$581,587 for the years ended December 31, 2024 and 2023, respectively.

The Association has had employment agreements with its current chief executive officer (CEO) since May 22, 2006. The current agreement includes a severance provision that will be effective if certain conditions are met.

Effective December 1, 2011, the Association adopted a 457(b) and 457(f) deferred compensation plan. The participants are eligible to make salary reduction contributions, and the Association provides a dollar-for-dollar match under Internal Revenue Code Section 457(b). The Association provides a discretionary employer contribution under Internal Revenue Code Section 457(f). The amounts will be maintained on the Association's books in a designated account and will remain the sole property of the Association and be available to satisfy the claims of all general creditors of the Association. The participants have a fully vested interest in salary reduction and employer matching contributions.

As of December 31, 2024 and 2023, the assets of the 457(b) and 457(f) plan in the amount of \$1,600,156 and \$1,965,829, respectively, are recorded in investments in the consolidated statement of financial position. As of December 31, 2024 and 2023, the liabilities of the 457(b) and 457(f) plan in the amount of \$1,499,656 and \$1,877,427, respectively, are recorded in accrued expenses in the consolidated statement of financial position. Contributions under the 457(b) plan for the years ended December 31, 2024 and 2023 are \$114,041 and \$109,194, respectively. Contributions under the 457(f) plan for the years ended December 31, 2024 and 2023 are \$0 and \$167,402, respectively.

**Note 10 - Liquidity Access Line**

The Association entered a liquidity access line (LAL) with Morgan Stanley in March 2016. The maximum available borrowing is up to the loan value of the pledged collateral. Maximum available borrowings at December 31, 2024 and 2023 are equal to the value of the pledged collateral less outstanding loan balances and accrued interest and fees. As of December 31, 2024 and 2023, the maximum available borrowings were \$7,550,000.

Borrowings under this agreement bear interest at the Secured Overnight Financing Rate (SOFR). The rates were 6.14 and 6.96 percent at December 31, 2024 and 2023, respectively, and are due on demand. The outstanding principal balance was \$6,750,000 as of December 31, 2024 and 2023. The outstanding accrued interest balance was \$800,000 as of December 31, 2024 and 2023.

**Note 11 - Intangible Assets**

As part of the acquisition of Supply Chain Council, Inc. in 2014, the Association acquired two intangible assets consisting of a trade name and intellectual property. As part of the acquisition of American Society of Transportation & Logistics in 2015, the Association acquired one intangible asset of specialized knowledge. These intangibles were recorded at fair value on the respective acquisition dates. Management has determined that these intangibles have indefinite lives and are not subject to amortization. However, they are tested for impairment at least annually. There was no impairment recorded at December 31, 2024 and 2023.

**APICS, Inc. (d/b/a Association for Supply Chain Management) and APICS Supply Chain Council, Inc. (d/b/a Association for Supply Chain Management Foundation)**

**Notes to Consolidated Financial Statements**

**December 31, 2024 and 2023**

**Note 12 - Functional Expenses**

The Association provides various services to its members. Expenses related to providing these services are as follows for the years ended December 31:

|                                | 2024          | 2023          |
|--------------------------------|---------------|---------------|
| Program services:              |               |               |
| Salaries and fringes           | \$ 11,300,768 | \$ 11,033,108 |
| Product variable costs         | 6,506,075     | 7,226,825     |
| Professional fees              | 2,075,063     | 3,441,373     |
| Travel and meeting expenses    | 3,032,701     | 2,839,427     |
| Occupancy                      | 192,438       | 998,469       |
| Depreciation and amortization  | 210,499       | 278,830       |
| Academic programs and research | 5,500         | -             |
| Network and telephone          | 75,603        | 115,218       |
| Supplies                       | 79,817        | 71,301        |
| Interest expense               | 362,784       | 360,202       |
| Other expenses                 | 181,063       | 179,140       |
| Total program services         | 24,022,311    | 26,543,893    |
| Support services:              |               |               |
| Salaries and fringes           | 7,875,629     | 8,500,272     |
| Professional fees              | 4,288,180     | 3,038,138     |
| Marketing and advertising      | 2,617,633     | 2,560,730     |
| Occupancy                      | 87,269        | 366,458       |
| Depreciation and amortization  | 2,994,715     | 3,053,826     |
| Software and data services     | 2,040,810     | 1,675,009     |
| Bank fees                      | 871,954       | 800,578       |
| Printing                       | 3,592         | 38,320        |
| Postage and shipping           | 45,068        | 132,347       |
| Network and telephone          | 34,365        | 42,673        |
| Interest expense               | 164,902       | 133,409       |
| Other expenses                 | 235,970       | 304,498       |
| Total support services         | 21,260,087    | 20,646,258    |
| Total                          | \$ 45,282,398 | \$ 47,190,151 |

**Note 13 - Leases**

The Association was obligated under an operating lease for the rental of its Chicago, Illinois office until February 29, 2024. The right-of-use asset and related lease liability were calculated using a 0.89 percent discount rate. Total rent expense under the lease was \$43,406 and \$520,866 for 2024 and 2023, respectively. As part of the Chicago, Illinois lease, the Association was obligated to pay 5.38 percent of the common building operating expense. For the years ended December 31, 2024 and 2023, common building operating expenses were \$108,264 and \$586,849, respectively. For the years ended December 31, 2024 and 2023, total operating cash flows as a result of cash paid for operating leases was \$221,420 and \$1,259,950, respectively, which includes cash paid for rent and operating expenses. The lease was not renewed, and the Association transitioned to a remote workspace in March 2024.

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**Notes to Consolidated Financial Statements**

**December 31, 2024 and 2023**

**Note 14 - Liquidity and Availability of Resources**

The following reflects the Association's financial assets as of December 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date:

|   | <u>2024</u>          | <u>2023</u>          |
|---|----------------------|----------------------|
| Cash, cash equivalents, and restricted cash   | \$ 4,264,243         | \$ 5,758,338         |
| Accounts receivable   | 2,522,926            | 2,998,406            |
| Investments   | <u>15,423,828</u>    | <u>15,256,550</u>    |
| Financial assets - At year end  | 22,210,997           | 24,013,294           |
| Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions: |                      |                      |
| Restricted by donor with time or purpose restrictions   | 290,526              | 288,954              |
| Cash restricted for use   | 25,940               | 25,668               |
| Investments held in employee benefit plans  | 1,600,156            | 1,965,829            |
| Collateralized investment funds   | <u>7,550,000</u>     | <u>7,550,000</u>     |
| Financial assets available to meet cash needs for general expenditures within one year                            | <u>\$ 12,744,375</u> | <u>\$ 14,182,843</u> |

The Association has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Association invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury instruments.