



# **NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**

## **CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2024 AND 2023**



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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
National Association of Credit Management, Inc. and Subsidiaries

### Opinion

We have audited the accompanying consolidated financial statements of National Association of Credit Management, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of National Association of Credit Management, Inc. and Subsidiaries 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Association of Credit Management, Inc. and Subsidiaries 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 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Association of Credit Management, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Board of Directors  
National Association of Credit Management, Inc. and Subsidiaries

### Auditor's Responsibilities for the Audit of the 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 an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- \* Exercise professional judgment and maintain professional skepticism throughout the audit.
- \* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Association of Credit Management, Inc. and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- \* Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Association of Credit Management, Inc. and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Directors  
National Association of Credit Management, Inc. and Subsidiaries

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 25 - 27 is presented for the 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, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Katz, Abosch, Windesheim, Gershman & Freedman, P.A.*

Timonium, Maryland  
March 25, 2025

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

**ASSETS**

	<b><u>2024</u></b>	<b><u>2023</u></b>
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 1,441,242	\$ 2,541,084
Accounts receivable	452,042	314,125
Publications inventory	40,621	24,465
Investments	2,242,890	1,105,997
Prepaid expenses and other current assets	<u>132,867</u>	<u>162,787</u>
 TOTAL CURRENT ASSETS	 4,309,662	 4,148,458
 <b><u>FIXED ASSETS - NET</u></b>	 1,521,250	 1,541,229
 <b><u>OTHER ASSETS</u></b>		
Right-of-use asset	<u>14,879</u>	<u>35,542</u>
 TOTAL ASSETS	 <u>\$ 5,845,791</u>	 <u>\$ 5,725,229</u>

**LIABILITIES AND NET ASSETS**

<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable and accrued expenses	\$ 427,729	\$ 346,261
Operating lease obligation - current portion	14,879	20,590
Contract liabilities	784,346	1,018,627
Mortgage payable - current portion	<u>60,315</u>	<u>57,352</u>
 TOTAL CURRENT LIABILITIES	 <u>1,287,269</u>	 <u>1,442,830</u>
 <b><u>LONG-TERM LIABILITIES</u></b>		
Mortgage payable	1,467,599	1,526,068
Operating lease obligation - net of current portion	<u>0</u>	<u>14,879</u>
 TOTAL LONG-TERM LIABILITIES	 <u>1,467,599</u>	 <u>1,540,947</u>
 TOTAL LIABILITIES	 2,754,868	 2,983,777
 <b><u>NET ASSETS</u></b>		
Without donor restrictions	<u>3,090,923</u>	<u>2,741,452</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 5,845,791</u>	 <u>\$ 5,725,229</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b><u>2024</u></b>	<b><u>2023</u></b>
<b><u>SUPPORT AND REVENUES</u></b>		
Conferences and meetings	\$ 1,613,927	\$ 1,399,086
Contributions	68,584	17,974
Courses and programs	409,560	450,099
Designations	130,639	93,304
Information resources	347,048	316,964
Membership dues	737,894	746,707
Other revenue	22,722	27,206
Rental income	103,179	112,601
Services and management fees	<u>2,944,640</u>	<u>2,664,111</u>
 TOTAL SUPPORT AND REVENUES	 <u>6,378,193</u>	 <u>5,828,052</u>
 <b><u>EXPENSES</u></b>		
Functional expenses:		
Program services	4,456,691	4,019,071
Management and general	<u>1,872,040</u>	<u>1,659,301</u>
 TOTAL EXPENSES	 <u>6,328,731</u>	 <u>5,678,372</u>
 NET OPERATING INCOME	 <u>49,462</u>	 <u>149,680</u>
 <b><u>NON-OPERATING ITEMS</u></b>		
Other income	13,713	453,318
Investment income	<u>286,296</u>	<u>172,677</u>
 TOTAL NON-OPERATING ITEMS	 <u>300,009</u>	 <u>625,995</u>
 Change in Net Assets	 349,471	 775,675
 Net Assets - Beginning of the Year	 <u>2,741,452</u>	 <u>1,965,777</u>
 Net Assets - End of the Year	 <u>\$ 3,090,923</u>	 <u>\$ 2,741,452</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u><b>2024</b></u>	<u><b>2023</b></u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 349,471	\$ 775,675
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	80,079	98,041
Gain on investments	(120,217)	(69,735)
Amortization of debt issuance costs	1,840	1,840
Changes in operating assets and liabilities:		
Accounts receivable	(137,917)	(15,437)
Publications inventory	(16,156)	(7,765)
Prepaid expenses and other current assets	29,920	11,096
Accounts payable and accrued expenses	81,468	89,653
Operating lease right-of-use assets and obligations	73	(73)
Contract liabilities	<u>(234,281)</u>	<u>405,120</u>
Net Cash Provided by Operating Activities	<u>34,280</u>	<u>1,288,415</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of fixed assets	(60,101)	(66,741)
Proceeds from sale of investments	317,358	2,882,699
Purchases of investments	<u>(1,334,033)</u>	<u>(2,493,230)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(1,076,776)</u>	<u>322,728</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Principal payments on mortgage	<u>(57,346)</u>	<u>(54,928)</u>
Net Cash Used in Financing Activities	<u>(57,346)</u>	<u>(54,928)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,099,842)	1,556,215
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,541,084</u>	<u>984,869</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,441,242</u>	<u>\$ 2,541,084</u>

The Accompanying Notes are an Integral Part of the Financial Statements



**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Income taxes paid	\$ 844	\$ 3,876
Interest paid	71,988	74,396
Cash payments for operating leases under ASC 842	22,882	22,955

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024									
	Conferences and Meetings	Education	Publications	CFDD	FCIB Division	Service Corp.	Foundation	Total Program	Management and General	Total
Affiliate commission	\$ 5,675	\$ 3,476	\$ 0	\$ 0	\$ 0	\$ 11,058	\$ 0	\$ 20,209	\$ 0	\$ 20,209
Bank fees	0	0	0	0	57	25	390	472	36,038	36,510
Business credit printing	0	0	0	0	0	46,834	0	46,834	0	46,834
Conferences and meetings	438,440	22,477	0	8,378	740	0	0	470,035	0	470,035
Cost of books sold	0	22,571	66,598	0	0	0	0	89,169	0	89,169
Depreciation and amortization	3,068	0	0	0	0	2,142	0	5,210	74,869	80,079
Dues and subscriptions	0	0	0	0	2,850	0	0	2,850	0	2,850
Equipment rental	123,736	0	0	0	0	25,408	0	149,144	54,052	203,196
Income taxes	0	0	0	0	0	0	0	0	844	844
Insurance	0	0	0	0	0	0	0	0	47,924	47,924
Interest expense	0	0	0	0	0	0	0	0	73,828	73,828
Merchant service charges	23,953	13,719	1,278	100	2,253	13,030	0	54,333	139	54,472
Occupancy	0	0	0	0	0	0	0	0	134,950	134,950
Online course-education	0	26,612	0	0	2,087	0	0	28,699	0	28,699
Other expense	456	228	1,599	3,640	8,636	31,872	230	46,661	11,207	57,868
Outside services	13,663	21,524	0	0	0	75,482	2,559	113,228	131,600	244,828
Postage	11,238	3,215	0	10	26	366,866	0	381,355	2,001	383,356
Professional services	0	0	0	0	0	995,526	0	995,526	101,185	1,096,711
Promotion and advertising	0	0	0	15	0	0	0	15	21,067	21,082
Property taxes	0	0	0	0	0	488	0	488	40,148	40,636
Reports	0	0	0	0	0	42,969	0	42,969	0	42,969
Salaries and fringe benefits	216,528	295,170	14,645	10,091	179,467	1,219,052	0	1,934,953	1,085,127	3,020,080
Scholarships awarded	0	0	0	0	0	0	46,801	46,801	0	46,801
Supplies	6,199	0	0	43	0	2,879	0	9,121	25,724	34,845
Telephone	0	0	0	0	4,418	1,131	0	5,549	15,914	21,463
Travel	3,127	166	76	0	728	8,973	0	13,070	15,423	28,493
<b>TOTAL</b>	<b>\$ 846,083</b>	<b>\$ 409,158</b>	<b>\$ 84,196</b>	<b>\$ 22,277</b>	<b>\$ 201,262</b>	<b>\$ 2,843,735</b>	<b>\$ 49,980</b>	<b>\$ 4,456,691</b>	<b>\$ 1,872,040</b>	<b>\$ 6,328,731</b>

The Accompanying Notes are an Integral Part of the Financial Statements

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b>2023</b>									
	<b>Conferences and Meetings</b>	<b>Education</b>	<b>Publications</b>	<b>CFDD</b>	<b>FCIB Division</b>	<b>Service Corp.</b>	<b>Foundation</b>	<b>Total Program</b>	<b>Management and General</b>	<b>Total</b>
Affiliate commission	\$ 5,150	\$ 4,626	\$ 0	\$ 0	\$ 0	\$ 14,264	\$ 0	\$ 24,040	\$ 0	\$ 24,040
Bank fees	0	0	0	0	121	86	144	351	8,680	9,031
Business credit printing	0	0	0	0	0	58,480	0	58,480	0	58,480
Conferences and meetings	326,955	19,286	0	10,175	2,551	0	0	358,967	0	358,967
Cost of books sold	0	32,268	68,369	0	0	0	0	100,637	0	100,637
Depreciation and amortization	2,850	(2,903)	0	0	0	2,918	0	2,865	95,176	98,041
Dues and subscriptions	0	0	0	0	0	0	0	0	0	0
Equipment rental	92,927	0	0	0	0	22,955	0	115,882	48,158	164,040
Income taxes	0	0	0	0	0	0	0	0	3,876	3,876
Insurance	0	0	0	0	0	0	0	0	48,303	48,303
Interest expense	0	0	0	0	0	0	0	0	76,236	76,236
Merchant service charges	26,966	14,654	1,142	32	3,600	11,729	0	58,123	149	58,272
Occupancy	0	0	0	0	0	0	0	0	116,145	116,145
Online course-education	0	24,503	0	0	1,500	0	0	26,003	0	26,003
Other expense	215	58	1,844	4,208	8,339	22,482	2,716	39,862	9,509	49,371
Outside services	29,920	27,200	0	0	0	83,672	0	140,792	72,355	213,147
Postage	4,367	4,465	0	0	209	367,313	0	376,354	2,916	379,270
Professional services	0	0	0	0	0	772,781	0	772,781	110,090	882,871
Promotion and advertising	0	0	0	369	0	0	0	369	29,490	29,859
Property taxes	0	0	0	0	0	408	0	408	43,808	44,216
Reports	0	0	0	0	0	46,788	0	46,788	0	46,788
Salaries and fringe benefits	201,387	279,867	14,121	8,084	167,710	1,136,219	0	1,807,388	889,655	2,697,043
Scholarships awarded	0	0	0	0	0	0	50,676	50,676	0	50,676
Supplies	7,045	41	0	0	0	18,167	0	25,253	44,144	69,397
Telephone	0	0	0	0	3,928	1,097	0	5,025	16,204	21,229
Travel	6,610	0	0	0	0	1,417	0	8,027	44,407	52,434
<b>TOTAL</b>	<b>\$ 704,392</b>	<b>\$ 404,065</b>	<b>\$ 85,476</b>	<b>\$ 22,868</b>	<b>\$ 187,958</b>	<b>\$ 2,560,776</b>	<b>\$ 53,536</b>	<b>\$ 4,019,071</b>	<b>\$ 1,659,301</b>	<b>\$ 5,678,372</b>

The Accompanying Notes are an Integral Part of the Financial Statements

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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

**Nature of operations**

The National Association of Credit Management, Inc. (NACM), was founded in 1896 to promote good laws for sound credit, protect businesses against fraudulent debtors, improve the interchange of credit information, develop better credit practices and methods, and establish a code of ethics. Education and research programs illustrate NACM's awareness of the complex needs of credit management today. Membership in an NACM-affiliated credit association includes membership in the National Association. Members of NACM are credit and financial executives, primarily representing manufacturers, wholesalers, financial institutions and varied service organizations.

NACM's wholly owned subsidiary, The Service Corporation of National Association of Credit Management, Inc. (Service Corp.) is the publisher of the Association's magazine, Business Credit, electronic newsletter, eNews, and website. NACM operates Secured Transaction Services, a division of Service Corp., to support companies engaged in the building and construction industry. Secured Transaction Services' products include effecting construction notices to an owner that a company is on a job site, facilitating the filing of a mechanic's lien for materials for construction projects, or filing UCC financing statements to ensure that companies are timely paid for services and materials or positioned as a secured creditor. Activities within Service Corp. are taxable.

NACM's wholly owned subsidiary, the National Association of Credit Management Realty Corporation (Realty Corp.) was organized under Section 501(c)(2) of the Internal Revenue Code. The purpose of Realty Corp. is to hold title to real and personal property and to collect rental income.

NACM, Service Corp., and Realty Corp. are incorporated under the laws of the State of Maryland.

Under the laws of the State of Maryland in 2005, NACM incorporated its charitable foundation, the NACM Scholarship Foundation, Inc. (Foundation). The Foundation is operated exclusively for educational purposes, specifically to fund education in the area of credit management by providing scholarships.

NACM's major programs consist of the following:

- Conferences and meetings consists of the Credit Congress and Exposition which is an annual gathering for credit professionals and providers of services to the business credit arena.
- Education consists of the following:
  - Courses and program revenues are from the Graduate School of Credit & Financial Management; FSA I and FSA II, the Credit Learning Center, Business Credit Principles; and NACM and FCIB online courses.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Nature of operations (continued)**

- Designations include all revenues related to NACM and FCIB designations and certifications (CBA, CBF, CCE, CCRA, CICIP, and ICCE).
- Publications relates to the sales of self-study courses and books, including the Manual of Credit and Commercial Laws and the Principles of Business Credit.
- Credit and Financial Development Division (CFDD) advances the profession of business/commercial credit management through education and information while connecting its members to a strong, national network of knowledgeable experts in areas that impact commercial credit.
- FCIB Division is an education and information resource for multinational and global company members, consisting of individuals who make the independent decisions to extend commercial credit to business customers.

The consolidated financial statements include the accounts of NACM, Service Corp., Realty Corp., and Foundation (together, the Organization). All significant intercompany items have been eliminated in consolidation. The accompanying consolidated financial statements do not include the assets and accounts of local member associations, each of which is autonomous and not under the direction or control of NACM.

**Basis of accounting**

The financial statements are prepared on the accrual basis of accounting.

**Financial statement presentation**

The Organization follows the Not-For-Profit Entities Presentation of Financial Statements Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification which requires it to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. As of December 31, 2024 and 2023 there were no assets with donor restrictions.

**Cash and cash equivalents**

For purposes of financial statement presentation, the Organization considers all highly liquid debt instruments with maturities of three months or less when acquired to be cash equivalents.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments**

Investments in marketable securities with readily determinable fair values are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Fair value is determined by reference to quoted prices in active markets for identical assets. Investment expenses, such as custodial, commission, and investment advisory fees, are netted against investment income (loss) in the statement of activities.

**Accounts receivable**

The Organization carries its accounts receivable net of an allowance for credit losses. The measurement and recognition of credit losses involves the use of judgment. Management's assessment of expected credit losses includes consideration of current and expected economic conditions, market and industry factors affecting the Organization's customers (including their financial condition), the aging of account balances, historical credit loss experience, customer concentrations, and customer creditworthiness. Management evaluates its experience with historical losses and then applies this historical loss ratio to financial assets with similar characteristics. The Organization's historical loss ratio or its determination of risk pools may be adjusted for changes in customer, economic, market or other circumstances. The Organization may also establish an allowance for credit losses for specific receivables when it is probable that the receivable will not be collected and the loss can be reasonably estimated. Amounts are written off against the allowance when they are considered to be uncollectible, and reversals of previously reserved amounts are recognized if a specifically reserved item is settled for an amount exceeding the previous estimate.

Accounts receivable include billed amounts for services provided to customers for which the Organization has an unconditional right to payment.

As of December 31, 2024 and 2023, the allowance for credit losses is considered to be immaterial. See Note 2.

**Allowance for credit losses**

The Organization follows ASC Topic 326, Financial Instruments - Credit Losses, which requires immediate recognition of estimated credit losses for financial instruments, reflecting losses expected to occur over the financial instrument's remaining life. Financial assets held by the Organization that are subject to the guidance in Topic 326 were accounts receivable. These financial assets were recorded at the net amount expected to be collected on the accompanying consolidated statements of financial position.

**Publications inventory**

Publications inventory consists primarily of publications and brochures and is valued at the lower of cost or net realizable value with cost determined by using the first-in, first-out method.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fixed assets and depreciation**

Fixed assets are recorded at cost if purchased and fair value if donated. It is the Organization's policy to capitalize expenditures for fixed assets in excess of \$2,500. Expenditures for repairs and maintenance are charged to expense as incurred. The cost of fixed assets is depreciated using the straight-line method over their estimated useful lives. The costs of purchased and internally developed website and online education courses are being amortized over their estimated useful lives on a straight-line basis.

**Income taxes**

Income that is derived from sources directly related to the entities' tax exempt purpose is not subject to taxes.

NACM is exempt from federal and state taxation under Section 501(c)(6) of the Internal Revenue Code.

Foundation is exempt from federal and state taxation under Section 501(c)(3) of the Internal Revenue Code, and is classified as other than a private foundation.

Realty Corp. is exempt from federal and state taxation under Section 501(c)(2) of the Internal Revenue Code. However, Realty Corp. incurs income taxes which relate to income from sources unrelated to Realty Corp.'s tax exempt purpose. Since these amounts are generally immaterial, they are expensed as paid.

Service Corp. is a taxable entity and therefore is subject to federal and state income taxes. See Note 7.

**Leases**

The Organization follows the provisions of ASC Topic 842, Leases. See Note 6. Topic 842 generally requires all leases to be recognized as assets and liabilities on the statements of financial position at lease inception. The Organization determines if its obligations are leases at the time of inception. Leases are classified as either operating or finance, with the classification of the leases affecting the classification of related expenses in the statements of activities.

At the commencement date of a new lease agreement, the Organization determines whether such lease is classified as a finance lease or an operating lease and a right-of-use (ROU) asset and a lease liability are recorded on the statements of financial position based on the present value of the lease payments over the term of the lease.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Leases (continued)**

The Organization has made the policy election to not recognize ROU assets and lease liabilities for leasing arrangements with terms of 12 months or less. The rent costs related to these leases, as well as long-term immaterial leases, are expensed in accordance with the lease terms and not classified as operating leases on the statements of financial position.

When readily determinable, the Organization uses the implicit rate in the lease in determining the present value of the lease payments; when no implicit rate is readily determinable, the Organization uses its incremental borrowing rate, which is the rate of interest which would be paid to borrow collateralized funds over terms similar to those of the relevant lease.

Operating lease ROU assets are amortized over the lease term on a straight-line basis, and the lease liabilities are measured at the present value of the remaining lease payments. Variable lease payments not included in lease liabilities are expensed as incurred. Operating lease costs are expensed on a straight-line basis over the term of the lease.

**Debt issuance costs**

In accordance with Accounting Standards Update 2015-03, which amends the Interest – Imputation of Interest Topic of the FASB Accounting Standards Codification, the Organization presents debt issuance costs as a reduction of the reportable mortgage payable balance on the statements of financial position.

**Revenue recognition**

The Organization follows the provisions of the FASB's ASC Topic 606, Revenue from Contracts with Customers. Topic 606 requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The Organization reviews contracts at inception to determine if they represent a single performance obligation or multiple performance obligations. Generally, the Organization's contracts contain a single performance obligation. When a contract has multiple performance obligations, the transaction price is allocated to each performance obligation based on the estimated relative standalone selling prices of the goods or services at the inception of the contract.

**Services and management fees**

The Organization recognizes services and management fees revenue, which primarily include construction services such as pre-lien services (notice to owners and notice of commencement), UCC filings, and mechanic's liens at the time the service or product is provided, when control is transferred from the Organization to the member or outside party. Service and management fees are invoiced after the services are performed with the outstanding amounts due upon receipt of service.



**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue recognition (continued)**

Conferences and meetings, and courses and programs

The Organization recognizes conferences and meetings revenue as well as courses and programs revenue at the time of the event when control is transferred from the Organization to the member or outside party. Payments for these activities are due at the time of registration. Amounts received in advance are recorded as a contract liability.

Membership dues

Membership with the Organization is categorized as a reciprocal transaction as there is a commensurate value received for the benefits provided to members. These benefits are recognized by members over the course of the 12-month membership period. As such, the Organization recognizes membership dues revenue ratably over the membership period. Amounts received in advance are recorded as a contract liability. Payments for membership are received annually, quarterly or monthly, depending on the membership category.

Information sources and designations

Revenue from information resources, including credit reports and book sales, and designations are recognized at the time of purchase, when control is transferred from the Organization to the member or outside party. Payment is received at the time of purchase.

Rental income

The Organization recognizes rental income monthly as rents become due. Payments are due on a monthly basis in accordance with the rental agreement terms.

Revenue recognized over time represents approximately 13% and 15% of total revenue for the years ended December 31, 2024 and 2023, respectively.

**Accounting for contributions**

The Organization follows the Not-For-Profit Entities Revenue Recognition Topic of the FASB Accounting Standards Codification. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as without donor restrictions or with donor restrictions.

**Advertising**

Advertising costs are expensed as incurred and amounted to \$21,082 and \$29,859 for the years ended December 31, 2024 and 2023, respectively.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Subsequent events**

The Organization has evaluated subsequent events through March 25, 2025, which is the date the consolidated financial statements were available to be issued.

**Use of estimates**

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from the estimates that were used.

**Functional allocation of expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Costs that can be identified with a particular program or supporting function are charged directly to that program function. Expenses that are not specifically identified with a particular program are allocated among programs and supporting services using management's functional expense allocation methodology, which is based upon a combination of estimated allocation of hours, pro rata operating revenue, and rent expense.

**Reclassifications**

Certain 2023 balances have been reclassified to conform with the 2024 financial statement presentation.

**NOTE 2: ACCOUNTS RECEIVABLE**

Accounts receivable as of December 31, 2024, 2023 and 2022 were \$452,042, \$314,125, and \$298,688, respectively.

**NOTE 3: CONTRACT LIABILITIES**

The balances of contract liabilities are summarized as follows at December 31:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Conferences and meetings	\$ 579,536	\$ 649,227	\$ 411,869
Membership dues	70,236	78,268	81,905
Courses, programs and other	<u>134,574</u>	<u>291,132</u>	<u>119,733</u>
Total	<u>\$ 784,346</u>	<u>\$ 1,018,627</u>	<u>\$ 613,507</u>

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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**NOTE 4: INVESTMENTS**

The investment portfolio as of December 31, 2024 and 2023 is highly diversified, with holdings in a number of different asset classes.

The fair values of investments are based on unadjusted quoted prices in active markets for identical assets, which are considered Level 1 inputs under the fair value hierarchy established by the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. The fair value of the Organization's investments at December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Mutual and exchange traded funds	\$ <u>2,242,890</u>	\$ <u>1,105,997</u>

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

Net investment return was comprised of the following for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 117,135	\$ 98,839
Cash dividends on money market	64,390	9,219
Gain on investments	120,217	69,735
Investment fees	<u>(15,446)</u>	<u>(5,116)</u>
Total	\$ <u>286,296</u>	\$ <u>172,677</u>

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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**NOTE 5: FIXED ASSETS**

The following is a summary of fixed assets at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Land	\$ 605,020	\$ 605,020
Building	2,190,686	2,190,686
Office equipment	223,903	209,958
Computer equipment	548,212	502,056
Furniture and fixtures	552,580	552,580
Website and online courses	329,193	329,193
Tenant improvements	<u>40,085</u>	<u>40,085</u>
 Total	 4,489,679	 4,429,578
 Less: accumulated depreciation	 <u>(2,968,429)</u>	 <u>(2,888,349)</u>
 TOTAL FIXED ASSETS - NET	 <u>\$ 1,521,250</u>	 <u>\$ 1,541,229</u>

Depreciation and amortization expense for the years ended December 31, 2024 and 2023, amounted to \$80,079 and \$98,041, respectively.

**NOTE 6: LEASES**

The Organization leases equipment under a lease which expires in August 2025. This lease has been recorded as a right-of-use asset on the statements of financial position as of December 31, 2024 and 2023.

In addition, the Organization also leases various pieces of equipment on a short-term basis as needed. These leases are expensed in accordance with the terms of the agreement.

The financial information associated with the provisions of Topic 842 is as follows:

	<u>2024</u>	<u>2023</u>
Short-term lease cost	\$ 180,241	\$ 141,158
Operating lease cost	<u>22,955</u>	<u>22,882</u>
 Total lease cost	 <u>203,196</u>	 <u>164,040</u>
 Weighted-average remaining lease term in years	 0.67	 1.67
 Weighted-average discount rate	 9.74 %	 9.74 %

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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**NOTE 6: LEASES (Continued)**

As of December 31, 2024, lease liabilities mature as follows:

2025	\$ 15,303
Less: amount representing interest	<u>(424)</u>
Present value of lease liabilities	\$ <u>14,879</u>

The Organization is a lessor of office space under two operating leases which expire in 2025 and 2029. Rental income from these leases was \$103,179 and \$112,601 for the years ended years ended December 31, 2024 and 2023, respectively.

Future minimum rental income under these leases is as follows:

<u>Year ending December 31,</u>	
2025	\$ 58,394
2026	50,804
2027	53,744
2028	55,485
2029	<u>4,635</u>
Total	\$ <u>223,062</u>

**NOTE 7: INCOME TAXES**

Service Corp. has a net operating loss carryforward totaling approximately \$7,085,000 that may be offset against future taxable income. If not used, approximately \$4,241,000 of the carryforwards will expire at various dates from 2025 through 2037. The remaining \$2,844,000 of the carryforwards have no expiration date. For financial reporting purposes, a valuation allowance of approximately \$2,023,000 and \$1,951,000 as of December 31, 2024 and 2023, respectively, has been recorded to fully provide for all net deferred tax assets related to the carryforwards due to the uncertainty of the their ultimate realization. The deferred tax asset is mainly comprised of the net operating loss carryforwards.

**NOTE 8: LINE OF CREDIT**

The Organization had a \$200,000 secured bank line of credit. The line had a one-year term and included a due-on-demand feature. Interest, at a variable rate based on changes in an index set at the lender's discretion, was payable monthly. The collateral for the line of credit was the accounts receivable, publications inventory and fixed assets. There was no balance due at December 31, 2023. The line expired in February 2024.

During the year ended December 31, 2024, the Organization entered into a \$500,000 line of credit with First National Bank. The line is due on demand and bears interest based at the SOFR rate. Interest is payable monthly. The line of credit is collateralized by all of the assets of the Organization. There was no balance due at December 31, 2024.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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**NOTE 9: MORTGAGE PAYABLE**

The Organization has a mortgage with FirstTrust Bank. The loan has a fixed interest rate of 4.63%, monthly principal and interest payments of \$10,949 and a balloon payment of approximately \$1,058,000 due on January 1, 2032. The building and the land serve as collateral for the mortgage.

As of December 31, 2024, debt matures as follows:

<u>Year ending December 31,</u>	
2025	\$ 60,315
2026	63,208
2027	66,240
2028	69,238
2029	72,738
2030 and thereafter	<u>1,209,675</u>
Total debt maturities	1,541,414
Less: Unamortized debt issuance costs	<u>(13,500)</u>
Total debt maturities net of unamortized debt issuance costs	<u>\$ 1,527,914</u>

Interest expense for the years ended December 31, 2024 and 2023 was \$73,828 and \$76,236, respectively.

**NOTE 10: EMPLOYEE RETENTION CREDIT**

The CARES Act included a provision that encouraged businesses to keep workers employed by offering a refundable tax credit for a portion of wages paid by an eligible employer whose business was financially impacted by COVID-19. Due to the uncertainty around the receipt of these funds, the Association recognized the funds as income in the period they were received. Accordingly, \$453,318 is included in non-operating income in the accompanying consolidated statement of activities for the year ended December 31, 2023.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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**NOTE 11: LIQUIDITY AND AVAILABILITY OF RESOURCES**

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

	<u>2024</u>	<u>2023</u>
Financial assets available within one year:		
Cash and cash equivalents	\$ 1,441,242	\$ 2,541,084
Investments	2,242,890	1,105,997
Accounts receivable	<u>452,042</u>	<u>314,125</u>
 Total financial assets available within one year	 4,136,174	 3,961,206
 Amounts unavailable to management without Board's approval:		
Board designated for scholarships	<u>(531,922)</u>	<u>(504,840)</u>
 Total financial assets available to management for general expenditure within one year	 <u>\$ 3,604,252</u>	 <u>\$ 3,456,366</u>

**Liquidity Management**

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 12: BOARD DESIGNATED NET ASSETS**

Net assets without donor restrictions include \$531,922 and \$504,840, at December 31, 2024 and 2023, respectively, which has been designated by the Board for CFDD scholarships.

**NOTE 13: RETIREMENT PLAN**

The Organization provides a defined contribution plan (the Plan) in accordance with the Internal Revenue Code Section 401(k) which covers substantially all employees who have attained the age of 21 and who meet the terms of service requirements. Under provisions of the Plan, the Organization elects annually to make matching and profit sharing contributions for eligible employees. The amounts contributed by the Organization were \$105,975 and \$57,892 for the years ended December 31, 2024 and 2023, respectively.

**NOTE 14: SIGNIFICANT CONCENTRATIONS**

The Organization maintains cash balances which may exceed federally insured limits at times during the years.

## **SUPPLEMENTARY INFORMATION**



**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**

	<b><u>ASSETS</u></b>					
	<b><u>NACM</u></b>	<b><u>Service Corp.</u></b>	<b><u>Realty Corp.</u></b>	<b><u>Foundation</u></b>	<b><u>Consolidating entries</u></b>	<b><u>Consolidated totals</u></b>
<b><u>CURRENT ASSETS</u></b>						
Cash and cash equivalents	\$ 1,309,195	\$ (18,559)	\$ 22,830	\$ 127,776	\$ 0	\$ 1,441,242
Accounts receivable	19,952	432,090	0	0	0	452,042
Publications inventory	40,621	0	0	0	0	40,621
Due from related parties	7,582,208	0	880,824	0	(8,463,032)	0
Investments	1,838,744	0	0	404,146	0	2,242,890
Prepaid expenses and other current assets	<u>104,899</u>	<u>9,881</u>	<u>18,087</u>	<u>0</u>	<u>0</u>	<u>132,867</u>
 TOTAL CURRENT ASSETS	 10,895,619	 423,412	 921,741	 531,922	 (8,463,032)	 4,309,662
 <b><u>FIXED ASSETS - NET</u></b>	 <u>30,315</u>	 <u>91,218</u>	 <u>1,399,717</u>	 <u>0</u>	 <u>0</u>	 <u>1,521,250</u>
 <b><u>OTHER ASSETS</u></b>						
Investment in related party	791,029	0	0	0	(791,029)	0
Right-of-use asset	<u>0</u>	<u>14,879</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,879</u>
 TOTAL OTHER ASSETS	 <u>791,029</u>	 <u>14,879</u>	 <u>0</u>	 <u>0</u>	 <u>(791,029)</u>	 <u>14,879</u>
 <b>TOTAL ASSETS</b>	 <u>\$ 11,716,963</u>	 <u>\$ 529,509</u>	 <u>\$ 2,321,458</u>	 <u>\$ 531,922</u>	 <u>\$ (9,254,061)</u>	 <u>\$ 5,845,791</u>

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**

**LIABILITIES AND NET ASSETS**

	<b><u>NACM</u></b>	<b><u>Service Corp.</u></b>	<b><u>Realty Corp.</u></b>	<b><u>Foundation</u></b>	<b><u>Consolidating entries</u></b>	<b><u>Consolidated totals</u></b>
<b><u>CURRENT LIABILITIES</u></b>						
Accounts payable and accrued expenses	\$ 155,664	\$ 205,879	\$ 66,186	\$ 0	\$ 0	\$ 427,729
Operating lease obligation - current portion	0	14,879	0	0	0	14,879
Contract liabilities	748,898	26,146	9,302	0	0	784,346
Mortgage payable - current portion	0	0	60,315	0	0	60,315
Due to related parties	<u>880,824</u>	<u>7,582,208</u>	<u>0</u>	<u>0</u>	<u>(8,463,032)</u>	<u>0</u>
 TOTAL CURRENT LIABILITIES	 <u>1,785,386</u>	 <u>7,829,112</u>	 <u>135,803</u>	 <u>0</u>	 <u>(8,463,032)</u>	 <u>1,287,269</u>
 <b><u>LONG-TERM LIABILITIES</u></b>						
Mortgage payable	<u>0</u>	<u>0</u>	<u>1,467,599</u>	<u>0</u>	<u>0</u>	<u>1,467,599</u>
 TOTAL LIABILITIES	 1,785,386	 7,829,112	 1,603,402	 0	 (8,463,032)	 2,754,868
 <b><u>NET ASSETS / EQUITY</u></b>	 <u>9,931,577</u>	 <u>(7,299,603)</u>	 <u>718,056</u>	 <u>531,922</u>	 <u>(791,029)</u>	 <u>3,090,923</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b>\$ <u>11,716,963</u></b>	 <b>\$ <u>529,509</u></b>	 <b>\$ <u>2,321,458</u></b>	 <b>\$ <u>531,922</u></b>	 <b>\$ <u>(9,254,061)</u></b>	 <b>\$ <u>5,845,791</u></b>

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	National Association of Credit Management, Inc.										Consolidating	Consolidated
	<u>Conf and meetings</u>	<u>Education</u>	<u>Publications</u>	<u>CFDD</u>	<u>FCIB</u>	<u>G&amp;A</u>	<u>Total NACM</u>	<u>Service Corp.</u>	<u>Realty Corp.</u>	<u>Foundation</u>	<u>entries</u>	<u>totals</u>
<b>Support and Revenues</b>												
Services and management fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,944,640	\$ 0	\$ 0	\$ 0	\$ 2,944,640
Conferences and meetings	1,494,689	101,305	0	6,853	11,080	0	1,613,927	0	0	0	0	1,613,927
Membership dues	0	0	0	23,274	153,472	493,829	670,575	67,319	0	0	0	737,894
Courses and programs	0	408,160	1,400	0	0	0	409,560	0	0	0	0	409,560
Information resources	0	0	72,113	0	0	0	72,113	274,935	0	0	0	347,048
Rental income	0	0	0	0	0	0	0	0	381,327	0	(278,148)	103,179
Designations	0	126,339	0	0	4,300	0	130,639	0	0	0	0	130,639
Other revenue	0	0	581	1,970	0	18,109	20,660	2,062	0	0	0	22,722
Contributions	0	0	0	0	0	0	0	0	0	68,584	0	68,584
Total Support and Revenues	<u>\$ 1,494,689</u>	<u>\$ 635,804</u>	<u>\$ 74,094</u>	<u>\$ 32,097</u>	<u>\$ 168,852</u>	<u>\$ 511,938</u>	<u>\$ 2,917,474</u>	<u>\$ 3,288,956</u>	<u>\$ 381,327</u>	<u>\$ 68,584</u>	<u>\$ (278,148)</u>	<u>\$ 6,378,193</u>
<b>EXPENSES</b>												
Affiliate commission	5,675	3,476	0	0	0	0	9,151	11,058	0	0	0	20,209
Bank fees	0	0	0	0	57	34,043	34,100	25	1,995	390	0	36,510
Business credit printing	0	0	0	0	0	0	0	46,834	0	0	0	46,834
Conferences and meetings	438,440	22,477	0	8,378	740	0	470,035	0	0	0	0	470,035
Cost of books sold	0	22,571	66,598	0	0	0	89,169	0	0	0	0	89,169
Depreciation and amortization	3,068	0	0	0	0	4,604	7,672	2,142	70,265	0	0	80,079
Dues and subscriptions	0	0	0	0	2,850	0	2,850	0	0	0	0	2,850
Equipment rental	123,736	0	0	0	0	54,052	177,788	25,408	0	0	0	203,196
Income taxes	0	0	0	0	0	0	0	0	844	0	0	844
Insurance	0	0	0	0	0	47,924	47,924	0	0	0	0	47,924
Interest expense	0	0	0	0	0	0	0	0	73,828	0	0	73,828
Merchant service charges	23,953	13,719	1,278	100	2,253	139	41,442	13,030	0	0	0	54,472
Occupancy	4,932	7,164	2,724	1,308	10,380	206,052	232,560	45,588	134,950	0	(278,148)	134,950
Online courses	0	26,612	0	0	2,087	0	28,699	0	0	0	0	28,699
Other expense	456	228	1,599	3,640	8,636	11,207	25,766	31,872	0	230	0	57,868
Outside services	13,663	21,524	0	0	0	131,600	166,787	75,482	0	2,559	0	244,828
Overhead allocation	220,515	151,803	24,639	10,495	69,544	(1,170,386)	(693,390)	668,536	24,854	0	0	0
Postage	11,238	3,215	0	10	26	2,001	16,490	366,866	0	0	0	383,356
Professional services	0	0	0	0	0	101,185	101,185	995,526	0	0	0	1,096,711
Promotions and advertising	0	0	0	15	0	21,067	21,082	0	0	0	0	21,082
Property taxes	0	0	0	0	0	3,096	3,096	488	37,052	0	0	40,636
Reports	0	0	0	0	0	0	0	42,969	0	0	0	42,969
Salaries and fringe benefits	216,528	295,170	14,645	10,091	179,467	1,032,056	1,747,957	1,219,052	53,071	0	0	3,020,080
Scholarships awarded	0	0	0	0	0	0	0	0	0	46,801	0	46,801
Supplies	6,199	0	0	43	0	25,724	31,966	2,879	0	0	0	34,845
Telephone	0	0	0	0	4,418	15,914	20,332	1,131	0	0	0	21,463
Travel	3,127	166	76	0	728	15,423	19,520	8,973	0	0	0	28,493
TOTAL EXPENSES	<u>1,071,530</u>	<u>568,125</u>	<u>111,559</u>	<u>34,080</u>	<u>281,186</u>	<u>535,701</u>	<u>2,602,181</u>	<u>3,557,859</u>	<u>396,859</u>	<u>49,980</u>	<u>(278,148)</u>	<u>6,328,731</u>
INCOME FROM OPERATIONS	<u>423,159</u>	<u>67,679</u>	<u>(37,465)</u>	<u>(1,983)</u>	<u>(112,334)</u>	<u>(23,763)</u>	<u>315,293</u>	<u>(268,903)</u>	<u>(15,532)</u>	<u>18,604</u>	<u>0</u>	<u>49,462</u>
<b>NON-OPERATING ITEMS</b>												
Other income	0	0	0	0	0	13,713	13,713	0	0	0	0	13,713
Investment income	0	0	0	0	0	279,790	279,790	0	0	6,506	0	286,296
TOTAL NON-OPERATING ITEMS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>293,503</u>	<u>293,503</u>	<u>0</u>	<u>0</u>	<u>6,506</u>	<u>0</u>	<u>300,009</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ 423,159</u>	<u>\$ 67,679</u>	<u>\$ (37,465)</u>	<u>\$ (1,983)</u>	<u>\$ (112,334)</u>	<u>\$ 269,740</u>	<u>\$ 608,796</u>	<u>\$ (268,903)</u>	<u>\$ (15,532)</u>	<u>\$ 25,110</u>	<u>\$ 0</u>	<u>\$ 349,471</u>