



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

**CONSOLIDATED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2023 AND 2022**



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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 statement of financial position as of December 31, 2023, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the 2023 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, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Prior Period Financial Statements

The consolidated financial statements of National Association of Credit Management, Inc. and Subsidiaries as of December 31, 2022, were audited by other auditors whose report dated March 28, 2023, expressed an unmodified opinion on those statements.

### Management's Responsibility 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.

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

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.

Auditor's Responsibility 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.

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

- \* 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.

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 27 - 29 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 22, 2024

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

**ASSETS**

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 1,547,712	\$ 881,499
Accounts receivable	314,125	298,688
Publications inventory	24,465	16,700
Investments	2,099,369	1,425,731
Prepaid expenses and other current assets	<u>162,787</u>	<u>173,883</u>
 TOTAL CURRENT ASSETS	 <u>4,148,458</u>	 <u>2,796,501</u>
 <b><u>FIXED ASSETS - NET</u></b>	 <u>1,541,229</u>	 <u>1,572,529</u>
<b><u>OTHER ASSETS</u></b>		
Right-of-use asset	35,542	54,334
Restricted cash	<u>0</u>	<u>103,370</u>
 TOTAL OTHER ASSETS	 <u>35,542</u>	 <u>157,704</u>
 <b>TOTAL ASSETS</b>	 <b><u>\$ 5,725,229</u></b>	 <b><u>\$ 4,526,734</u></b>

**LIABILITIES AND NET ASSETS**

<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable and accrued expenses	\$ 346,261	\$ 256,608
Operating lease obligation - current portion	20,590	18,793
Contract liabilities	1,018,627	613,507
Mortgage payable - current portion	<u>57,352</u>	<u>54,929</u>
 TOTAL CURRENT LIABILITIES	 <u>1,442,830</u>	 <u>943,837</u>
<b><u>LONG-TERM LIABILITIES</u></b>		
Mortgage payable	1,526,068	1,581,579
Operating lease obligation - net of current portion	<u>14,879</u>	<u>35,541</u>
 TOTAL LONG-TERM LIABILITIES	 <u>1,540,947</u>	 <u>1,617,120</u>
 TOTAL LIABILITIES	 2,983,777	 2,560,957
<b><u>NET ASSETS</u></b>		
Without donor restrictions	<u>2,741,452</u>	<u>1,965,777</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b><u>\$ 5,725,229</u></b>	 <b><u>\$ 4,526,734</u></b>

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, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b><u>SUPPORT AND REVENUES</u></b>		
Services and management fees	\$ 2,664,111	\$ 2,056,375
Conferences and meetings	1,399,086	1,041,194
Membership dues	746,707	753,035
Courses and programs	450,099	408,409
Information resources	316,964	256,574
Rental income	112,601	111,193
Designations	93,304	105,509
Other revenue	27,206	17,752
Contributions	17,974	16,130
TOTAL SUPPORT AND REVENUES	5,828,052	4,766,171
<b><u>EXPENSES</u></b>		
Functional expenses:		
Program services	4,019,071	3,509,966
Management and general	1,659,301	1,841,824
TOTAL EXPENSES	5,678,372	5,351,790
NET OPERATING INCOME (LOSS)	149,680	(585,619)
<b><u>NON-OPERATING ITEMS</u></b>		
Forgiveness of Paycheck Protection Program loans	0	1,043,830
Employee retention credits	453,318	0
Investment income (loss)	172,677	(145,988)
TOTAL NON-OPERATING ITEMS	625,995	897,842
Change in Net Assets	775,675	312,223
Net Assets - Beginning of the Year	1,965,777	1,653,554
Net Assets - End of the Year	\$ 2,741,452	\$ 1,965,777

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, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 775,675	\$ 312,223
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	93,376	110,320
Amortization	4,665	4,665
Investment (income) loss	(172,677)	184,337
Amortization of debt issuance costs	1,840	7,179
Forgiveness of Paycheck Protection Program loans	0	(1,043,830)
Changes in operating assets and liabilities:		
Accounts receivable	(15,437)	(72,753)
Publications inventory	(7,765)	(885)
Prepaid expenses and other current assets	11,096	(8,984)
Accounts payable and accrued expenses	89,653	(102,791)
Payroll liabilities	0	1,408
Operating lease right-of-use assets and obligations	(73)	0
Contract liabilities	<u>405,120</u>	<u>192,797</u>
 Net Cash Provided by (Used in) Operating Activities	 <u>1,185,473</u>	 <u>(416,314)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of fixed assets	(66,741)	(37,095)
Proceeds from sale of investments	1,992,269	941,043
Purchases of investments	<u>(2,493,230)</u>	<u>(327,533)</u>
 Net Cash Provided by (Used in) Investing Activities	 <u>(567,702)</u>	 <u>576,415</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Principal payments on mortgage	<u>(54,928)</u>	<u>(46,308)</u>
 Net Cash Used in Financing Activities	 <u>(54,928)</u>	 <u>(46,308)</u>
 NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	 562,843	 113,793
 CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT THE BEGINNING OF THE YEAR	 <u>984,869</u>	 <u>871,076</u>
 CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT THE END OF THE YEAR	 <u>\$ 1,547,712</u>	 <u>\$ 984,869</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, 2023 AND 2022**

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	<u>2023</u>	<u>2022</u>
<b>Supplemental Schedule of Noncash Investing and Financing Activities:</b>		
Right of use asset obtained in exchange for operating lease liability	\$ 0	\$ 64,505
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Income taxes paid	\$ 3,876	\$ 5,370
Interest paid	74,396	81,783
Cash payments for operating leases under ASC 842	22,955	9,565
<b>Reconciliation of cash, cash equivalents and restricted cash:</b>		
Cash and cash equivalents	\$ 1,547,712	\$ 881,499
Restricted cash	<u>0</u>	<u>103,370</u>
<b>Total cash, cash equivalents and restricted cash shown in the statements of cash flows</b>	<b><u>\$ 1,547,712</u></b>	<b><u>\$ 984,869</u></b>

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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, 2023 AND 2022**

	2023									
	Conferences and Meetings	Education	Publications	CFDD	FCIB Division	Service Corp.	Foundation	Total Program	Management and General	Total
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
Credit loss expense	0	0	0	0	0	0	0	0	0	0
Depreciation and amortization	2,850	(2,903)	0	0	0	2,918	0	2,865	95,176	98,041
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**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2022									
	Conferences and Meetings	Education	Publications	CFDD	FCIB Division	Service Corp.	Foundation	Total Program	Management and General	Total
Affiliate commission	\$ 3,424	\$ 3,825	\$ 0	\$ 0	\$ 0	\$ 10,805	\$ 0	\$ 18,054	\$ 0	\$ 18,054
Bank fees	0	0	0	0	136	0	0	136	7,119	7,255
Business credit printing	0	0	0	0	0	52,991	0	52,991	0	52,991
Conferences and meetings	329,644	32,417	0	22,492	4,177	0	0	388,730	0	388,730
Cost of books sold	0	0	46,188	0	0	0	0	46,188	0	46,188
Credit loss expense	0	0	0	0	0	925	0	925	0	925
Depreciation and amortization	0	4,864	0	0	0	5,856	0	10,720	104,265	114,985
Equipment rental	88,279	0	0	1,347	0	21,500	0	111,126	46,567	157,693
Income taxes	0	0	0	0	0	0	0	0	4,526	4,526
Insurance	0	0	0	0	0	0	0	0	45,726	45,726
Interest expense	0	0	0	0	0	0	0	0	81,783	81,783
Merchant service charges	24,207	11,210	835	133	4,378	9,837	0	50,600	13	50,613
Occupancy	0	0	0	0	0	0	0	0	125,791	125,791
Online course-education	0	19,263	0	0	0	0	0	19,263	0	19,263
Other expense	1,881	166	1,617	0	100	9,538	137	13,439	10,313	23,752
Outside services	32,007	37,852	0	0	0	86,302	0	156,161	203,929	360,090
Postage	3,718	3,752	0	45	170	334,728	0	342,413	4,125	346,538
Professional services	0	0	0	0	0	609,079	0	609,079	101,545	710,624
Promotion and advertising	0	0	0	298	0	0	0	298	17,835	18,133
Property taxes	0	0	0	0	0	522	0	522	41,684	42,206
Reports	0	0	0	0	0	56,546	0	56,546	0	56,546
Salaries and fringe benefits	197,037	222,941	16,175	17,624	118,782	1,010,485	0	1,583,044	978,520	2,561,564
Scholarships awarded	0	0	0	0	0	0	29,284	29,284	0	29,284
Supplies	3,915	1,688	41	242	0	4,857	0	10,743	41,394	52,137
Telephone	0	0	0	0	2,411	1,133	0	3,544	16,308	19,852
Travel	4,003	154	187	965	0	851	0	6,160	10,381	16,541
<b>TOTAL</b>	<b>\$ 688,115</b>	<b>\$ 338,132</b>	<b>\$ 65,043</b>	<b>\$ 43,146</b>	<b>\$ 130,154</b>	<b>\$ 2,215,955</b>	<b>\$ 29,421</b>	<b>\$ 3,509,966</b>	<b>\$ 1,841,824</b>	<b>\$ 5,351,790</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, 2023 AND 2022**

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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, 2023 AND 2022**

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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, CICP, 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 Association). 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 Association 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, 2023 and 2022 there were no assets with donor restrictions.

**Cash and cash equivalents**

For purposes of financial statement presentation, the Association 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, 2023 AND 2022**

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

**Cash and cash equivalents (continued)**

Cash and cash equivalents held by the investment custodian to facilitate investment transactions or for investment are included in investments in the consolidated statements of financial position. Cash pledged as collateral for a corporate credit card account is excluded from cash and cash equivalents and is included in restricted cash equivalents in the consolidated statement of financial position as of December 31, 2022. There was no restricted cash at December 31, 2023.

**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 Association 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 Association'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 Association's historical loss ratio or its determination of risk pools may be adjusted for changes in customer, economic, market or other circumstances. The Association 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 Association has an unconditional right to payment.

As of December 31, 2023 and 2022, the allowance for credit losses is considered to be immaterial. See Note 2.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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

**Allowance for credit losses**

In June 2016, the FASB issued guidance, ASC Topic 326, which significantly changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under this standard, financial assets are presented at the net amount expected to be collected, requiring immediate recognition of estimated credit losses expected to occur over the asset's remaining life. Additionally, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Association that are subject to the guidance in Topic 326 were accounts receivable.

The Association adopted the standard effective January 1, 2023. The impact of the adoption was not material to the financial statements.

**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.

**Fixed assets and depreciation**

Fixed assets are recorded at cost if purchased and fair value if donated. It is the Association'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.

The 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.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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

**Income taxes (continued)**

The Realty Corp. is exempt from federal and state taxation under Section 501(c)(2) of the Internal Revenue Code. However, Realty Corp. incurred income taxes of \$3,876 and \$4,526 during the years ended December 31, 2023 and 2022, which were related to income from sources unrelated to Realty Corp.'s tax exempt purpose. The estimated tax liability for unrelated business income for the years ended December 31, 2023 and 2022 was immaterial for accrual.

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

**Leases**

The Association 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 Association 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 Association 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.

The Association has made the policy election to not recognize ROU assets and 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 Association uses the implicit rate in the lease in determining the present value of the lease payments; when no implicit rate is readily determinable, the Association 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.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 Association presents debt issuance costs as a reduction of the reportable mortgage payable balance on the statements of financial position.

**Revenue recognition**

The Association 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 Association reviews contracts at inception to determine if they represent a single performance obligation or multiple performance obligations. Generally, the Association'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 Association 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 Association 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.

**Conferences and meetings, and courses and programs**

The Association recognizes conferences and meetings revenue as well as courses and programs revenue at the time of the event when control is transferred from the Association to the member or outside party. Payment 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 Association 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 Association 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.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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

**Revenue recognition (continued)**

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 Association to the member or outside party. Payment is received at the time of purchase.

Rental income

The Association 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 15% and 18% of total revenue for the years ended December 31, 2023 and 2022.

**Accounting for contributions**

The Association 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 Association 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 \$29,859 and \$18,133 for the years ended December 31, 2023 and 2022, respectively.

**Subsequent events**

The Association has evaluated subsequent events through March 22, 2024, 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.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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

**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 2022 balances have been reclassified to conform with the 2023 financial statement presentation.

**NOTE 2: ACCOUNTS RECEIVABLE**

Accounts receivable as of December 31, 2023, 2022 and 2021 were \$314,125, \$298,688, and \$225,935, respectively. Included in accounts receivable is a credit loss allowance of \$5,942, \$2,774 and \$6,166 at December 31, 2023, 2022 and 2021, respectively,

**NOTE 3: CONTRACT LIABILITIES**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Conferences and meetings	\$ 649,227	\$ 411,869	\$ 203,381
Membership dues	78,268	81,905	136,371
Courses, programs and other	<u>291,132</u>	<u>119,733</u>	<u>48,438</u>
Total	\$ <u>1,018,627</u>	\$ <u>613,507</u>	\$ <u>388,190</u>

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**NOTE 4: INVESTMENTS**

The investment portfolio as of December 31, 2023 and 2022 is highly diversified, with holdings in a number of different asset classes.

The fair values of investments other than corporate fixed income 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. Corporate fixed income investments are valued using Level 2 inputs, which generally consist of independent pricing services; however, where pricing is unavailable from pricing services, non-binding quotes from the Association's investment manager, Truist Bank, are used. The fair value of the Association's investments at December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Money markets	\$ 993,374	\$ 79,408
Mutual funds	1,105,995	392,330
Corporate fixed income	<u>0</u>	<u>953,993</u>
Total	<u>\$ 2,099,369</u>	<u>\$ 1,425,731</u>

The Association 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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 108,058	\$ 47,237
Net gains (losses)	69,735	(184,521)
Investment fees	<u>(5,116)</u>	<u>(8,707)</u>
Total	<u>\$ 172,677</u>	<u>\$ (145,991)</u>

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**NOTE 5: FIXED ASSETS**

The following is a summary of fixed assets at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 605,020	\$ 605,020
Building	2,190,686	2,190,686
Office equipment	209,958	204,627
Computer equipment	502,056	450,931
Furniture and fixtures	552,580	542,299
Website and online courses	329,193	329,193
Tenant improvements	<u>40,085</u>	<u>40,085</u>
 Total	 4,429,578	 4,362,841
 Less: accumulated depreciation	 <u>(2,888,349)</u>	 <u>(2,790,312)</u>
 TOTAL FIXED ASSETS - NET	 <u>\$ 1,541,229</u>	 <u>\$ 1,572,529</u>

Depreciation and amortization expense for the years ended December 31, 2023 and 2022, amounted to \$98,041 and \$114,985, respectively.

**NOTE 6: LEASES**

The Association 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, 2023 and 2022.

In addition, the Association 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>2023</u>	<u>2022</u>
Short-term lease cost	\$ 141,085	\$ 148,128
Operating lease cost	<u>22,882</u>	<u>9,565</u>
 Total lease cost	 <u>\$ 163,967</u>	 <u>\$ 157,693</u>

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**NOTE 6: LEASES (Continued)**

As of December 31, 2023, lease liabilities mature as follows:

2024	\$ 22,955
2025	<u>15,303</u>
Total	38,258
Less: amount representing interest	<u>(2,789)</u>
Present value of lease liabilities	<u>\$ 35,469</u>
Weighted-average remaining lease term in years	1.67
Weighted-average discount rate	9.74 %

The Association is a lessor of office space under two operating leases which expire in 2025 and 2029. Rental income from these leases was \$112,601 and \$111,193 for the years ended years ended December 31, 2023 and 2022, respectively.

Future minimum rental income under these leases is as follows:

<u>Year ending December 31,</u>	
2024	\$ 103,178
2025	58,394
2026	50,804
2027	53,744
2028	55,485
2029	<u>4,635</u>
Total	<u>\$ 326,240</u>

**NOTE 7: INCOME TAXES**

Service Corp. has a net operating loss carryforward totaling approximately \$6,842,000 that may be offset against future taxable income. If not used, \$4,241,000 of the carryforwards will expire at various dates from 2024 through 2037. The remaining \$2,601,000 of the carryforwards have no expiration date. For financial reporting purposes, a valuation allowance of approximately \$1,784,400 and \$1,881,600 as of December 31, 2023 and 2022, 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.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**NOTE 8: LINE OF CREDIT**

The Association 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 and 2022. The line expired in February 2024.

**NOTE 9: MORTGAGE PAYABLE**

The Association 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 \$1,057,763 due on January 1, 2032. The building and the land serve as collateral for the mortgage.

As of December 31, 2023, debt matures as follows:

<u>Year ending December 31,</u>	
2024	\$ 57,352
2025	60,315
2026	63,208
2027	66,240
2028	69,238
2029 and thereafter	<u>1,282,411</u>
Total debt maturities	1,598,764
Less: Unamortized debt issuance costs	<u>(15,344)</u>
Total debt maturities net of unamortized debt issuance costs	<u>\$ 1,583,420</u>

Interest expense for the years ended December 31, 2023 and 2022 was \$76,236 and \$81,783, respectively.

**NOTE 10: PAYCHECK PROTECTION PROGRAM LOANS**

In May of 2020, the Association was granted a loan of \$545,530, pursuant to the Paycheck Protection Program ("PPP").

In May of 2021, the Association was granted another loan of \$498,300, pursuant to the second round of the PPP.

Funds from the loans were required to be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations. The Association used the entire amount of the loans for qualifying expenses. Under the terms of the PPP, certain amounts of the loans were forgiven if they were used for qualifying expenses as previously described.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**NOTE 10: PAYCHECK PROTECTION PROGRAM LOANS (Continued)**

During 2022, both loans were forgiven; therefore \$1,043,830 is included in non-operating income in the accompanying consolidated statement of activities for the year ended December 31, 2022.

**NOTE 11: 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.

**NOTE 12: LIQUIDITY AND AVAILABILITY OF RESOURCES**

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

	<u>2023</u>	<u>2022</u>
Financial assets available within one year:		
Cash and cash equivalents	\$ 1,547,712	\$ 881,499
Investments	2,099,369	1,425,731
Accounts receivable	<u>314,125</u>	<u>298,688</u>
Total financial assets available within one year	3,961,206	2,605,918
Amounts unavailable to management without Board's approval:		
Board designated for scholarships	<u>(504,840)</u>	<u>(508,166)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 3,456,366</u>	<u>\$ 2,097,752</u>

**Liquidity Management**

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

**NOTE 13: BOARD DESIGNATED NET ASSETS**

Net assets without donor restrictions include \$504,840 and \$508,166, at December 31, 2023 and 2022, respectively, which has been designated by the Board for CFDD scholarships.

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**NOTE 14: RETIREMENT PLAN**

The Association 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 Association elects annually to make matching and profit sharing contributions for eligible employees. The amounts contributed by the Association were \$57,892 and \$40,037 for the years ended December 31, 2023 and 2022, respectively.

**NOTE 15: SIGNIFICANT CONCENTRATIONS**

The Association maintains cash balances which may have 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, 2023**

	<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	\$ 1,458,412	\$ (8,978)	\$ 23,140	\$ 75,138	\$ 0	\$ 1,547,712
Accounts receivable	16,162	295,451	0	2,512	0	314,125
Publications inventory	24,465	0	0	0	0	24,465
Due from related parties	7,168,275	0	881,761	25	(8,050,061)	0
Investments	1,669,667	0	0	429,702	0	2,099,369
Prepaid expenses and other current assets	<u>133,882</u>	<u>7,135</u>	<u>21,770</u>	<u>0</u>	<u>0</u>	<u>162,787</u>
<b>TOTAL CURRENT ASSETS</b>	<b>10,470,863</b>	<b>293,608</b>	<b>926,671</b>	<b>507,377</b>	<b>(8,050,061)</b>	<b>4,148,458</b>
<b><u>FIXED ASSETS - NET</u></b>	<b><u>24,042</u></b>	<b><u>47,204</u></b>	<b><u>1,469,983</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>1,541,229</u></b>
<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>35,542</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>35,542</u>
<b>TOTAL OTHER ASSETS</b>	<b><u>791,029</u></b>	<b><u>35,542</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>(791,029)</u></b>	<b><u>35,542</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 11,285,934</u></b>	<b><u>\$ 376,354</u></b>	<b><u>\$ 2,396,654</u></b>	<b><u>\$ 507,377</u></b>	<b><u>\$ (8,841,090)</u></b>	<b><u>\$ 5,725,229</u></b>

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

**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	\$ 175,942	\$ 101,878	\$ 65,941	\$ 2,500	\$ 0	\$ 346,261
Operating lease obligation - current portion	0	20,590	0	0	0	20,590
Contract liabilities	903,489	101,431	13,707	0	0	1,018,627
Mortgage payable - current portion	0	0	57,352	0	0	57,352
Due to related parties	<u>881,786</u>	<u>7,168,275</u>	<u>0</u>	<u>0</u>	<u>(8,050,061)</u>	<u>0</u>
 TOTAL CURRENT LIABILITIES	 <u>1,961,217</u>	 <u>7,392,174</u>	 <u>137,000</u>	 <u>2,500</u>	 <u>(8,050,061)</u>	 <u>1,442,830</u>
 <b><u>LONG-TERM LIABILITIES</u></b>						
Mortgage payable	0	0	1,526,068	0	0	1,526,068
Operating lease obligation - net of current	<u>0</u>	<u>14,879</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,879</u>
 TOTAL LONG-TERM LIABILITIES	 <u>0</u>	 <u>14,879</u>	 <u>1,526,068</u>	 <u>0</u>	 <u>0</u>	 <u>1,540,947</u>
 TOTAL LIABILITIES	 1,961,217	 7,407,053	 1,663,068	 2,500	 (8,050,061)	 2,983,777
 <b><u>NET ASSETS</u></b>						
Without donor restrictions	<u>9,324,717</u>	<u>(7,030,699)</u>	<u>733,586</u>	<u>504,877</u>	<u>(791,029)</u>	<u>2,741,452</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b><u>\$ 11,285,934</u></b>	 <b><u>\$ 376,354</u></b>	 <b><u>\$ 2,396,654</u></b>	 <b><u>\$ 507,377</u></b>	 <b><u>\$ (8,841,090)</u></b>	 <b><u>\$ 5,725,229</u></b>

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. AND SUBSIDIARIES  
CONSOLIDATING STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>National Association of Credit Management, Inc.</b>												
	<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>Consolidating entries</u>	<u>Consolidated totals</u>
<b>Revenue and support</b>												
Services and management fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,664,111	\$ 0	\$ 0	\$ 0	\$ 2,664,111
Conferences and meetings	1,284,141	105,078	0	8,277	1,590	0	1,399,086	0	0	0	0	1,399,086
Membership dues	0	0	0	23,868	181,479	475,188	680,535	66,172	0	0	0	746,707
Courses and programs	0	360,632	1,225	0	88,242	0	450,099	0	0	0	0	450,099
Information resources	0	0	90,093	0	0	0	90,093	226,871	0	0	0	316,964
Rental income	0	0	0	0	0	0	0	0	390,749	0	(278,148)	112,601
Designations	0	88,004	0	0	5,300	0	93,304	0	0	0	0	93,304
Other revenue	0	0	480	740	0	23,203	24,423	2,783	0	0	0	27,206
Contributions	0	0	0	0	0	0	0	0	0	17,974	0	17,974
<b>Total Revenue and Support</b>	<b>\$ 1,284,141</b>	<b>\$ 553,714</b>	<b>\$ 91,798</b>	<b>\$ 32,885</b>	<b>\$ 276,611</b>	<b>\$ 498,391</b>	<b>\$ 2,737,540</b>	<b>\$ 2,959,937</b>	<b>\$ 390,749</b>	<b>\$ 17,974</b>	<b>\$ (278,148)</b>	<b>\$ 5,828,052</b>
<b>EXPENSES</b>												
Affiliate commission	5,150	4,626	0	0	0	0	9,776	14,264	0	0	0	24,040
Bank fees	0	0	0	0	121	6,696	6,817	86	1,984	144	0	9,031
Business credit printing	0	0	0	0	0	0	0	58,480	0	0	0	58,480
Conferences and meetings	326,955	19,286	0	10,175	2,551	0	358,967	0	0	0	0	358,967
Cost of book sales	0	32,268	68,369	0	0	0	100,637	0	0	0	0	100,637
Depreciation and amortization	2,850	(2,903)	0	0	0	14,307	14,254	2,918	80,869	0	0	98,041
Equipment rental	92,927	0	0	0	0	48,158	141,085	22,955	0	0	0	164,040
Insurance	0	0	0	0	0	48,303	48,303	0	0	0	0	48,303
Interest expense	0	0	0	0	0	0	0	0	76,236	0	0	76,236
Merchant service charges	26,966	14,654	1,142	32	3,600	149	46,543	11,729	0	0	0	58,272
Occupancy	4,932	7,164	2,724	1,308	10,380	206,052	232,560	45,588	116,145	0	(278,148)	116,145
Online courses	0	24,503	0	0	1,500	0	26,003	0	0	0	0	26,003
Other expense	215	58	1,844	4,208	8,339	9,509	24,173	22,482	0	2,716	0	49,371
Outside services	29,920	27,200	0	0	0	72,355	129,475	83,672	0	0	0	213,147
Overhead allocation	165,134	163,446	17,796	9,290	79,405	(957,285)	(522,214)	497,612	24,602	0	0	0
Postage	4,367	4,465	0	0	209	2,916	11,957	367,313	0	0	0	379,270
Professional services	0	0	0	0	0	110,090	110,090	772,781	0	0	0	882,871
Promotions and advertising	0	0	0	369	0	29,490	29,859	0	0	0	0	29,859
Property taxes	0	0	0	0	0	3,327	3,327	408	40,481	0	0	44,216
Reports	0	0	0	0	0	0	0	46,788	0	0	0	46,788
Salaries and fringe benefits	201,387	279,867	14,121	8,084	167,710	839,154	1,510,323	1,136,219	50,501	0	0	2,697,043
Scholarships awarded	0	0	0	0	0	0	0	0	0	50,676	0	50,676
Supplies	7,045	41	0	0	0	44,144	51,230	18,167	0	0	0	69,397
Income taxes	0	0	0	0	0	0	0	0	3,876	0	0	3,876
Telephone	0	0	0	0	3,928	16,204	20,132	1,097	0	0	0	21,229
Travel	6,610	0	0	0	0	44,407	51,017	1,417	0	0	0	52,434
<b>TOTAL EXPENSES</b>	<b>874,458</b>	<b>574,675</b>	<b>105,996</b>	<b>33,466</b>	<b>277,743</b>	<b>537,976</b>	<b>2,404,314</b>	<b>3,103,976</b>	<b>394,694</b>	<b>53,536</b>	<b>(278,148)</b>	<b>5,678,372</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>409,683</b>	<b>(20,961)</b>	<b>(14,198)</b>	<b>(581)</b>	<b>(1,132)</b>	<b>(39,585)</b>	<b>333,226</b>	<b>(144,039)</b>	<b>(3,945)</b>	<b>(35,562)</b>	<b>0</b>	<b>149,680</b>
<b>Non-Operating items</b>												
Employee retention credits	0	0	0	0	0	453,318	453,318	0	0	0	0	453,318
Investment income	0	0	0	0	0	135,145	135,145	0	0	37,532	0	172,677
<b>TOTAL NON-OPERATING ITEMS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>588,463</b>	<b>588,463</b>	<b>0</b>	<b>0</b>	<b>37,532</b>	<b>0</b>	<b>625,995</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 409,683</b>	<b>\$ (20,961)</b>	<b>\$ (14,198)</b>	<b>\$ (581)</b>	<b>\$ (1,132)</b>	<b>\$ 548,878</b>	<b>\$ 921,689</b>	<b>\$ (144,039)</b>	<b>\$ (3,945)</b>	<b>\$ 1,970</b>	<b>\$ 0</b>	<b>\$ 775,675</b>