

TREE CARE INDUSTRY ASSOCIATION, INC. AND SUBSIDIARIES

Consolidated Statements of Financial Position

August 31, 2024 and 2023

ASSETS

	<u>2024</u>	<u>2023</u>
Current assets		
Cash and cash equivalents, without donor restrictions	\$ 2,791,941	\$ 1,939,241
Cash and cash equivalents, with donor restrictions	<u>1,247,067</u>	<u>1,082,840</u>
Total cash and cash equivalents	4,039,008	3,022,081
Accounts receivable, net of allowance for credit losses of \$12,501 in 2024 and 2023	147,216	325,154
Deposits, prepaid expenses and inventory	<u>648,782</u>	<u>864,989</u>
Total current assets	<u>4,835,006</u>	<u>4,212,224</u>
Property and equipment		
Computer and software	1,501,561	1,461,605
Office furniture and equipment	<u>680,780</u>	<u>680,780</u>
	2,182,341	2,142,385
Less accumulated depreciation	<u>(1,953,715)</u>	<u>(1,837,219)</u>
Net property and equipment	<u>228,626</u>	<u>305,166</u>
Other assets		
Investments	11,501,208	10,000,967
Right-of-use (ROU) asset - operating	553,920	657,365
Program development costs, net	<u>71,008</u>	<u>74,651</u>
Total other assets	<u>12,126,136</u>	<u>10,732,983</u>
Total assets	<u>\$ 17,189,768</u>	<u>\$ 15,250,373</u>

The accompanying notes are an integral part of these consolidated financial statements.

LIABILITIES AND NET ASSETS

	<u>2024</u>	<u>2023</u>
Current liabilities		
Current portion of lease obligation - operating	\$ 106,538	\$ 96,177
Accounts payable and accrued expenses	370,332	530,271
Deferred revenue	<u>4,476,305</u>	<u>4,193,802</u>
Total current liabilities	4,953,175	4,820,250
Operating lease obligation, less current portion	<u>465,838</u>	<u>572,376</u>
Total liabilities	<u>5,419,013</u>	<u>5,392,626</u>
Net assets		
Without donor restrictions		
Undesignated	8,515,837	7,064,675
Board-designated	<u>626,170</u>	<u>551,835</u>
Total without donor restrictions	9,142,007	7,616,510
With donor restrictions	<u>2,628,748</u>	<u>2,241,237</u>
Total net assets	<u>11,770,755</u>	<u>9,857,747</u>
Total liabilities and net assets	<u>\$ 17,189,768</u>	<u>\$ 15,250,373</u>

TREE CARE INDUSTRY ASSOCIATION, INC. AND SUBSIDIARIES

Consolidated Statement of Activities and Changes in Net Assets

**Year Ended August 31, 2024
(With Comparative Totals for the Year Ended August 31, 2023)**

	2024			2023
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Revenues				
Accreditation and related products	\$ 1,696,996	\$ -	\$ 1,696,996	\$ 1,250,564
ArborMAX program	150,073	-	150,073	306,230
Grants	112,770	-	112,770	178,211
Winter management conference	1,490,121	-	1,490,121	644,283
Safety certification and related products	509,887	-	509,887	603,151
Contributions	-	198,553	198,553	129,094
Membership dues and related products	2,303,081	-	2,303,081	2,099,954
Advertising	1,136,158	-	1,136,158	1,193,298
Sponsorships	202,589	-	202,589	209,767
Trade shows	2,605,814	-	2,605,814	3,340,272
Employee Retention Tax Credit (ERTC) revenue	-	-	-	270,205
Foundation revenue	52,000	-	52,000	48,093
Other revenue	8,696	-	8,696	165,369
Net assets released from restriction	<u>24,415</u>	<u>(24,415)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>10,292,600</u>	<u>174,138</u>	<u>10,466,738</u>	<u>10,438,491</u>
Expenses				
Membership services	7,817,077	-	7,817,077	8,919,074
Management and general	<u>2,258,372</u>	<u>-</u>	<u>2,258,372</u>	<u>2,073,477</u>
Total expenses	<u>10,075,449</u>	<u>-</u>	<u>10,075,449</u>	<u>10,992,551</u>
Excess (deficiency) of revenues over expenses	217,151	174,138	391,289	(554,060)
Nonoperating activities				
Investment income	173,064	93,381	266,445	230,914
Net unrealized and realized gain on investments	<u>1,135,282</u>	<u>119,992</u>	<u>1,255,274</u>	<u>344,919</u>
Change in net assets	1,525,497	387,511	1,913,008	21,773
Net assets, beginning of the year	<u>7,616,510</u>	<u>2,241,237</u>	<u>9,857,747</u>	<u>9,835,974</u>
Net assets, end of the year	<u>\$ 9,142,007</u>	<u>\$ 2,628,748</u>	<u>\$11,770,755</u>	<u>\$ 9,857,747</u>

The accompanying notes are an integral part of these consolidated financial statements.

TREE CARE INDUSTRY ASSOCIATION, INC. AND SUBSIDIARIES

Consolidated Statement of Activities and Changes in Net Assets

Year Ended August 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Accreditation and related products	\$ 1,250,564	\$ -	\$ 1,250,564
ArborMAX program	153,115	153,115	306,230
Grants	178,211	-	178,211
Winter management conference	644,283	-	644,283
Safety certification and related products	603,151	-	603,151
Contributions	-	129,094	129,094
Membership dues and related products	2,099,954	-	2,099,954
Advertising	1,193,298	-	1,193,298
Sponsorships	209,767	-	209,767
Trade shows	3,340,272	-	3,340,272
Employee Retention Tax Credit (ERTC) revenue	270,205	-	270,205
Foundation revenue	48,093	-	48,093
Other revenue	165,369	-	165,369
Net assets released from restriction	<u>205,254</u>	<u>(205,254)</u>	<u>-</u>
Total revenues	<u>10,361,536</u>	<u>76,955</u>	<u>10,438,491</u>
Expenses			
Membership services	8,919,074	-	8,919,074
Management and general	<u>2,073,477</u>	<u>-</u>	<u>2,073,477</u>
Total expenses	<u>10,992,551</u>	<u>-</u>	<u>10,992,551</u>
(Deficiency) excess of revenues over expenses	(631,015)	76,955	(554,060)
Nonoperating activities			
Investment income	230,664	250	230,914
Net unrealized and realized gain on investments	<u>263,858</u>	<u>81,061</u>	<u>344,919</u>
Change in net assets	(136,493)	158,266	21,773
Net assets, beginning of the year	<u>7,753,003</u>	<u>2,082,971</u>	<u>9,835,974</u>
Net assets, end of the year	<u>\$ 7,616,510</u>	<u>\$ 2,241,237</u>	<u>\$ 9,857,747</u>

The accompanying notes are an integral part of these consolidated financial statements.

TREE CARE INDUSTRY ASSOCIATION, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years Ended August 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 1,913,008	\$ 21,773
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	154,724	163,820
Change in ROU asset - operating, net of operating lease obligation	7,268	11,188
Net unrealized and realized gain on investments	(1,255,274)	(344,919)
Change in operating assets and liabilities		
Accounts receivable, net	177,938	(99,653)
Contributions receivable	-	850
Deposits, prepaid expenses and inventory	216,207	(233,949)
Accounts payable and accrued expenses	(159,939)	99,002
Deferred revenue	282,503	164,829
Operating lease payable	<u>-</u>	<u>(43,657)</u>
Net cash provided (used) by operating activities	<u>1,336,435</u>	<u>(260,716)</u>
Cash flows from investing activities		
Acquisition of equipment and program development costs	(74,541)	(67,203)
Purchase of investments	(2,268,614)	(538,783)
Proceeds from sale of investments	<u>2,023,647</u>	<u>308,191</u>
Net cash used by investing activities	<u>(319,508)</u>	<u>(297,795)</u>
Cash flows from financing activities		
Proceeds from contributions for long-term purposes	<u>-</u>	<u>5,000</u>
Net cash provided by financing activities	<u>-</u>	<u>5,000</u>
Net increase (decrease) in cash and cash equivalents	1,016,927	(553,511)
Cash and cash equivalents, beginning of year	<u>3,022,081</u>	<u>3,575,592</u>
Cash and cash equivalents, end of year	<u>\$ 4,039,008</u>	<u>\$ 3,022,081</u>

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