



**AMERICAN NATIONAL STANDARDS INSTITUTE,  
INCORPORATED AND RELATED ENTITIES**



**Consolidated Financial Statements  
(Together with Independent Auditors' Report)**

**For the Years Ended December 31, 2024 and 2023  
and  
Single Audit Reports and Schedule as Required by the  
Office of Management and Budget Uniform Guidance**

**For the Year Ended December 31, 2024**

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED  
AND RELATED ENTITIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
(Together with Independent Auditors' Report)**

**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
AND  
SINGLE AUDIT REPORTS AND SCHEDULE AS REQUIRED BY THE OFFICE OF  
MANAGEMENT AND BUDGET UNIFORM GUIDANCE**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
Independent Auditors' Report .....	1-2
<b>Consolidated Financial Statements:</b>	
Consolidated Statements of Financial Position .....	3
Consolidated Statements of Activities .....	4
Consolidated Statements of Functional Expenses .....	5-6
Consolidated Statements of Cash Flows .....	7
Notes to Consolidated Financial Statements .....	8-19
<b>Single Audit:</b>	
Schedule of Expenditures of Federal Awards .....	20
Notes to the Schedule of Expenditures of Federal Awards .....	21
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	22
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance .....	23-24
Schedule of Findings and Questioned Costs .....	25
Summary Schedule of Prior Year Findings .....	26

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
American National Standards Institute, Incorporated and Related Entities  
New York, New York

### Report on the Audit of the Consolidated Financial Statements

#### **Opinion**

We have audited the consolidated financial statements of American National Standards Institute, Incorporated and Related Entities (the "Institute"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Institute and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with the GAAS and *Government Auditing Standards*, we:

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

### ***Supplemental Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended December 31, 2024 (shown on page 20), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2025, on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Institute's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institute's internal control over financial reporting and compliance.

***CBIZ CPAs P.C.***

New York, NY  
April 8, 2025

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2D and 11)	\$ 15,255,068	\$ 20,604,655
Restricted cash (Notes 2D, 3 and 11)	318,285	318,285
Investments (Notes 2D, 2E, 2K, 4 and 12)	17,339,646	15,702,973
Accounts receivable, net (Notes 2G and 2I)		
Publications and royalties	8,060,949	7,854,084
Program support, accreditation, dues and other	9,883,007	9,163,086
Prepaid expenses and other assets	3,609,389	3,033,770
Prepaid pension costs (Note 6)	8,719,307	4,354,198
Goodwill, net (Note 2M)	7,428,188	7,710,848
Property and equipment, net (Notes 2F and 5)	1,016,419	323,302
Operating lease assets (Note 9)	19,201,357	8,045,206
<b>TOTAL ASSETS</b>	<b>\$ 90,831,615</b>	<b>\$ 77,110,407</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses (Note 6)	\$ 19,008,045	\$ 19,495,220
Deferred dues and fee income (Notes 2G, 2H and 8)	12,761,761	11,526,098
Lease obligations (Note 9)	20,912,327	9,085,959
<b>TOTAL LIABILITIES</b>	<b>52,682,133</b>	<b>40,107,277</b>
<b>COMMITMENTS AND CONTINGENCIES</b> (Note 10)		
<b>NET ASSETS</b> (Notes 2C, 7 and 12)		
Without donor restrictions		
Operating fund	23,981,767	24,022,593
Board-designated permanent reserve	13,337,649	12,209,676
Specific-purpose funds	612,415	571,757
	37,931,831	36,804,026
With donor restrictions	217,651	199,104
<b>TOTAL NET ASSETS</b>	<b>38,149,482</b>	<b>37,003,130</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 90,831,615</b>	<b>\$ 77,110,407</b>

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

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	For the Year Ended December 31, 2024			For the Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total 2024	Without Donor Restrictions	With Donor Restrictions	Total 2023
<b>OPERATING ACTIVITIES:</b>						
<b>OPERATING REVENUE AND SUPPORT (Notes 2G, 2H and 2L):</b>						
Member services and policy development	\$ 4,091,611	\$ -	\$ 4,091,611	\$ 4,023,632	\$ -	\$ 4,023,632
International standards facilitation	38,021,155	-	38,021,155	36,941,280	-	36,941,280
Domestic standards facilitation	12,744,644	-	12,744,644	11,917,276	-	11,917,276
Accreditation services	36,768,524	-	36,768,524	34,266,298	-	34,266,298
Fee-based programs	4,690,443	-	4,690,443	5,907,429	-	5,907,429
Contributed services (Note 2L)	696,287	-	696,287	1,088,337	-	1,088,337
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<b>97,012,664</b>	<b>-</b>	<b>97,012,664</b>	<b>94,144,252</b>	<b>-</b>	<b>94,144,252</b>
<b>OPERATING EXPENSES (Note 2J):</b>						
<b>Program Related Services:</b>						
Member services and policy development	5,016,609	-	5,016,609	5,003,574	-	5,003,574
International standards facilitation	24,151,881	-	24,151,881	23,011,944	-	23,011,944
Domestic standards facilitation	10,785,769	-	10,785,769	9,848,565	-	9,848,565
Accreditation services	24,588,138	-	24,588,138	23,416,566	-	23,416,566
Fee-based services	5,766,947	-	5,766,947	7,505,736	-	7,505,736
Total Program Related Services	70,309,344	-	70,309,344	68,786,385	-	68,786,385
<b>Supporting Services:</b>						
Membership development and administration	946,736	-	946,736	976,464	-	976,464
Management and general	27,160,914	-	27,160,914	23,517,976	-	23,517,976
Total Supporting Services	28,107,650	-	28,107,650	24,494,440	-	24,494,440
<b>TOTAL OPERATING EXPENSES</b>	<b>98,416,994</b>	<b>-</b>	<b>98,416,994</b>	<b>93,280,825</b>	<b>-</b>	<b>93,280,825</b>
<b>Change In Net Assets From Operations</b>	<b>(1,404,330)</b>	<b>-</b>	<b>(1,404,330)</b>	<b>863,427</b>	<b>-</b>	<b>863,427</b>
<b>NONOPERATING ACTIVITIES:</b>						
Investment return, net (Note 4)	1,425,425	18,547	1,443,972	1,782,873	9,387	1,792,260
Other components of net periodic pension cost (Note 6)	(714,822)	-	(714,822)	(95,330)	-	(95,330)
Pension related changes other than net periodic pension cost (Note 6)	1,821,532	-	1,821,532	972,498	-	972,498
<b>TOTAL NONOPERATING ACTIVITIES</b>	<b>2,532,135</b>	<b>18,547</b>	<b>2,550,682</b>	<b>2,660,041</b>	<b>9,387</b>	<b>2,669,428</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,127,805</b>	<b>18,547</b>	<b>1,146,352</b>	<b>3,523,468</b>	<b>9,387</b>	<b>3,532,855</b>
Net assets - beginning of year	36,804,026	199,104	37,003,130	33,280,558	189,717	33,470,275
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 37,931,831</b>	<b>\$ 217,651</b>	<b>\$ 38,149,482</b>	<b>\$ 36,804,026</b>	<b>\$ 199,104</b>	<b>\$ 37,003,130</b>

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

AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(With Comparative Totals for 2023)

	Program Related Services					Supporting Services							Total 2024	Total 2023
	Member Services & Policy Development	International Standards Facilitation	Domestic Standards Facilitation	Accreditation Services	Fee-Based Services	Total Program Related Services	Membership Development	Membership Admin/Relations	Total Development & Administration	Management & General	Total Supporting Services			
Salaries	\$ 3,533,761	\$ 6,469,911	\$ 2,124,907	\$ 6,112,501	\$ 2,933,906	\$ 21,174,986	\$ 20,876	\$ 713,970	\$ 734,846	\$ 11,263,167	\$ 11,998,013	\$ 33,172,999	\$ 31,010,463	
Payroll Taxes and Benefits (Note 6)	670,939	1,663,417	603,040	2,030,578	708,993	5,676,967	2,933	181,027	183,960	3,373,183	3,557,143	9,234,110	9,278,966	
<b>Total Personnel Costs</b>	<b>4,204,700</b>	<b>8,133,328</b>	<b>2,727,947</b>	<b>8,143,079</b>	<b>3,642,899</b>	<b>26,851,953</b>	<b>23,809</b>	<b>894,997</b>	<b>918,806</b>	<b>14,636,350</b>	<b>15,555,156</b>	<b>42,407,109</b>	<b>40,289,429</b>	
Outside Services	144,654	430,114	69,638	530,868	1,158,666	2,333,940	-	1,844	1,844	6,029,282	6,031,126	8,365,066	9,796,771	
Legal Fees	-	-	-	-	-	-	-	-	-	238,495	238,495	238,495	452,824	
Accounting Fees	-	-	-	-	-	-	-	-	-	113,000	113,000	113,000	109,000	
Commissions	-	542,094	175,748	-	-	717,842	-	9,310	9,310	-	9,310	727,152	947,166	
Subcontract Auditor Fees and Expenses	-	-	169,850	14,944,439	-	15,114,289	-	-	-	2,243	2,243	15,116,532	13,793,325	
Advertising and Promotion (Note 2N)	-	1,440,881	467,137	-	-	1,908,018	-	-	-	-	-	1,908,018	1,435,644	
Office Expenses	46,272	816,462	266,981	1,932	34,930	1,166,577	124	4,674	4,798	547,236	552,034	1,718,611	1,434,776	
Information Technology	-	-	-	-	-	-	-	-	-	3,083,750	3,083,750	3,083,750	1,402,547	
Cost of Sales	-	8,431,294	6,491,614	-	-	14,922,908	-	-	-	-	-	14,922,908	14,375,708	
Occupancy (Note 9)	214,522	1,193,440	400,083	13,001	172,759	1,993,805	616	23,142	23,758	1,095,168	1,118,926	3,112,731	2,819,862	
Travel	98,868	323,550	40,515	611,472	469,376	1,543,781	-	7,757	7,757	601,441	609,198	2,152,979	2,224,592	
Meetings	402,105	132,960	12,503	60,667	333,887	941,242	-	1,701	1,701	449,416	451,117	1,392,359	1,066,334	
Depreciation and Amortization (Note 5)	16,290	90,624	30,380	-	13,119	150,413	47	1,757	1,804	79,628	81,432	231,845	818,860	
Amortization of Goodwill (Note 2M)	-	-	-	282,660	-	282,660	-	-	-	-	-	282,660	282,660	
Insurance	-	-	-	-	-	-	-	-	-	282,982	282,982	282,982	308,677	
Bad Debt Expense (Note 2I)	-	-	-	-	-	-	-	-	-	254,719	254,719	254,719	142,778	
Foreign Dues	-	2,820,900	-	-	-	2,820,900	-	-	-	-	-	2,820,900	2,457,041	
Subtotal	5,127,411	24,354,747	10,852,396	24,588,138	5,825,636	70,748,328	24,596	945,182	969,778	27,413,710	28,383,488	99,131,816	94,157,994	
Less: Other components of net periodic pension cost (Note 6)	(110,802)	(202,866)	(66,627)	-	(58,689)	(438,984)	(655)	(22,387)	(23,042)	(252,796)	(275,838)	(714,822)	(877,169)	
<b>TOTAL EXPENSES</b>	<b>\$ 5,016,609</b>	<b>\$ 24,151,881</b>	<b>\$ 10,785,769</b>	<b>\$ 24,588,138</b>	<b>\$ 5,766,947</b>	<b>\$ 70,309,344</b>	<b>\$ 23,941</b>	<b>\$ 922,795</b>	<b>\$ 946,736</b>	<b>\$ 27,160,914</b>	<b>\$ 28,107,650</b>	<b>\$ 98,416,994</b>	<b>\$ 93,280,825</b>	

AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Related Services					Supporting Services					Total 2023	
	Member Services & Policy Development	International Standards Facilitation	Domestic Standards Facilitation	Accreditation Services	Fee-Based Services	Total Program Related Services	Membership Development	Membership Admin/Relations	Total Development & Administration	Management & General		Total Supporting Services
Salaries	\$ 3,535,899	\$ 6,100,292	\$ 1,865,304	\$ 6,124,421	\$ 2,868,736	\$ 20,494,652	\$ 24,099	\$ 697,900	\$ 721,999	\$ 9,793,812	\$ 10,515,811	\$ 31,010,463
Payroll Taxes and Benefits (Note 6)	870,426	1,921,628	684,999	2,099,869	882,830	6,459,752	3,451	230,684	234,135	2,585,079	2,819,214	9,278,966
<b>Total Personnel Costs</b>	<b>4,406,325</b>	<b>8,021,920</b>	<b>2,550,303</b>	<b>8,224,290</b>	<b>3,751,566</b>	<b>26,954,404</b>	<b>27,550</b>	<b>928,584</b>	<b>956,134</b>	<b>12,378,891</b>	<b>13,335,025</b>	<b>40,289,429</b>
Outside Services	159,884	653,300	134,688	639,213	2,850,154	4,437,239	-	5,545	5,545	5,353,987	5,359,532	9,796,771
Legal Fees	-	-	-	-	-	-	-	-	-	452,824	452,824	452,824
Accounting Fees	-	-	-	-	-	-	-	-	-	109,000	109,000	109,000
Commissions	-	481,223	150,801	-	-	632,024	-	11,322	11,322	303,820	315,142	947,166
Subcontract Auditor Fees and Expenses	-	-	197,813	13,595,512	-	13,793,325	-	-	-	-	-	13,793,325
Advertising and Promotion (Note 2N)	-	1,093,099	342,545	-	-	1,435,644	-	-	-	-	-	1,435,644
Office Expenses	47,996	640,085	202,137	10,651	43,781	944,650	136	4,623	4,759	485,367	490,126	1,434,776
Information Technology	-	-	-	2,378	-	2,378	-	-	-	1,400,169	1,400,169	1,402,547
Cost of Sales	-	8,406,158	5,969,560	-	-	14,375,708	-	-	-	-	-	14,375,708
Occupancy (Note 9)	196,790	1,061,923	341,783	16,042	202,418	1,818,956	631	21,380	22,011	978,895	1,000,906	2,819,862
Travel	179,675	304,962	23,538	597,787	605,475	1,711,437	-	5,541	5,541	507,614	513,155	2,224,592
Meetings	156,377	139,759	11,094	48,033	131,497	486,760	-	448	448	579,126	579,574	1,066,334
Depreciation and Amortization (Note 5)	-	-	-	-	-	-	-	-	-	818,860	818,860	818,860
Amortization of Goodwill (Note 2M)	-	-	-	282,660	-	282,660	-	-	-	-	-	282,660
Insurance	-	-	-	-	-	-	-	-	-	308,677	308,677	308,677
Bad Debt Expense (Note 2I)	-	-	-	-	-	-	-	-	-	142,778	142,778	142,778
Foreign Dues	-	2,457,041	-	-	-	2,457,041	-	-	-	-	-	2,457,041
Subtotal	5,147,047	23,259,470	9,924,252	23,416,566	7,584,891	69,332,226	28,317	977,443	1,005,760	23,820,008	24,825,768	94,157,994
Less: Other components of net periodic pension cost (Note 6)	(143,473)	(247,526)	(75,687)	-	(79,155)	(545,841)	(978)	(28,318)	(29,296)	(302,032)	(331,328)	(877,169)
<b>TOTAL EXPENSES</b>	<b>\$ 5,003,574</b>	<b>\$ 23,011,944</b>	<b>\$ 9,848,565</b>	<b>\$ 23,416,566</b>	<b>\$ 7,505,736</b>	<b>\$ 68,786,385</b>	<b>\$ 27,339</b>	<b>\$ 949,125</b>	<b>\$ 976,464</b>	<b>\$ 23,517,976</b>	<b>\$ 24,494,440</b>	<b>\$ 93,280,825</b>

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 1,146,352	\$ 3,532,855
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Bad debt expense	254,719	142,778
Realized and unrealized gain on investments	(809,537)	(1,230,923)
Depreciation and amortization	231,845	818,860
Amortization of goodwill	<u>282,660</u>	<u>282,660</u>
Subtotal	1,106,039	3,546,230
Changes in operating assets and liabilities:		
(Increase) or decrease in assets:		
Accounts receivable	(1,181,505)	(708,495)
Prepaid expenses and other assets	(575,619)	2,166,320
Prepaid pension costs	(4,365,109)	(2,715,939)
Increase or (decrease) in liabilities:		
Accounts payable and accrued expenses	(487,175)	850,113
Deferred dues and fee income	1,235,663	1,423,693
Lease obligations	<u>670,217</u>	<u>(134,423)</u>
<b>Net Cash (Used in) Provided by Operating Activities</b>	<u>(3,597,489)</u>	<u>4,427,499</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(3,981,814)	(6,901,784)
Proceeds from sales of investments	3,154,678	6,195,480
Additions to property and equipment	<u>(924,962)</u>	<u>-</u>
<b>Net Cash Used in Investing Activities</b>	<u>(1,752,098)</u>	<u>(706,304)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH</b>	(5,349,587)	3,721,195
Cash and cash equivalents, and restricted cash, beginning of year	<u>20,922,940</u>	<u>17,201,745</u>
<b>CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>	<u>\$ 15,573,353</u>	<u>\$ 20,922,940</u>
<b>Reconciliation of Cash and Cash Equivalents, and Restricted cash to the Statements of Financial Position</b>		
Cash and cash equivalents	\$ 15,255,068	\$ 20,604,655
Restricted cash	<u>318,285</u>	<u>318,285</u>
	<u>\$ 15,573,353</u>	<u>\$ 20,922,940</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Operating lease assets obtained in exchange for lease obligations	<u>\$ 13,161,945</u>	<u>\$ 826,566</u>

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Founded in 1918, American National Standards Institute, Incorporated (“ANSI”) is a not-for-profit organization that administers and coordinates the U.S. voluntary standardization and conformity assessment system. It is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code, and from state and local taxes under comparable laws.

In July 2014, ANSI formed WorkCred, Inc. and is its sole member. WorkCred, Inc. is a not-for-profit organization incorporated in the State of Delaware, the purpose of which is to provide research, consultative and educational services in the area of workplace credentials. The financial results and operations of WorkCred, Inc. are consolidated with ANSI and all significant inter-company transactions and balances have been eliminated.

On December 28, 2018, ANSI became the sole owner of the newly named ANSI National Accreditation Board LLC, (“ANAB”). Upon this transaction, ANAB is now a disregarded entity for tax purposes and is included in the consolidated financial statements of ANSI.

The consolidated financial statements are referred to as those of the “Institute.”

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. The Institute’s consolidated financial statements have been prepared on the accrual basis of accounting. The Institute adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).
- B. The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the consolidated financial statements. Actual results could differ from those estimates.
- C. The Institute maintains its net assets under the following classes:
- Without Donor Restrictions – represent those resources that have no donor restrictions as to their use. In 1969, the Institute’s Board of Directors designated a reserve fund for the establishment of new standards programs and to fund future operating deficits. The reserve is funded by the operating fund and invested subject to approval by the Board’s finance committee. In 1973, the Board established a specific-purpose, international fund to assist the Institute in its international standardization and related activities. Expenditures from the income of the fund must be authorized by the governing board of the international fund.

In 2002, the Board established four additional specific-purpose funds to facilitate international-related meetings, consumer-interest participation in standards-related activities, and special research projects and/or educational initiatives. The Institute has consolidated and closed two of the specific-purpose funds and as of December 31, 2024, only two of the specific-purpose funds remain active. Expenditures from each of these specific-purpose funds must be authorized by the governing board of each respective fund.

- With Donor Restrictions – consists of resources, the use of which has been restricted by donors to specific purposes. Net assets released from restrictions represent the satisfaction of the restricted purposes specified by the donor, of which there were none during 2024 or 2023.

The Peralta Charitable Remainder Unitrust was established in 1993 and is reported within the net asset with donor restrictions category. Upon the death of the Unitrust beneficiaries, the principal and income of the trust was distributed to the Institute for educational purposes.

- D. The Institute considers all highly liquid instruments acquired with an original maturity of three months or less to be cash equivalents, with the exception of certain cash deposits and certificates of deposit that are managed as part of the Institute’s long-term investment strategy. The carrying amount approximates the fair value because of the short maturity of these instruments.

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- E. Investments in equity securities with readily determinable fair values and all debt securities are reported at their fair values, with realized and unrealized gains and losses included in the accompanying consolidated statements of activities. Net investment income is recorded as either with or without donor restriction, in accordance with donor intent.
- F. Property and equipment are stated at their costs at the dates of acquisition. Leasehold improvements are also capitalized as assets, whereas the costs of repairs and maintenance are expensed as incurred. The Institute capitalizes property and equipment with a cost basis of \$10,000 or higher and a useful life of at least one year.

Depreciation of furniture and equipment is provided using the straight-line method, over the estimated useful lives of the respective assets, ranging from three to ten years. Amortization of leased assets is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the estimated useful life of the specific asset or the remaining term of the applicable lease.

- G. The Institute recognizes revenue through the five-step model described by the Financial Accounting Standards Board (“FASB”) in the Accounting Standards Codification (“ASC”) Topic 606, *Revenue from Contracts with Customers*: (1) identification of the contract with a customer; (2) identification of the performance obligations in the contracts; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contracts; and (5) recognition of revenue when a performance obligation is met.

Revenue from publication sales is recognized when the customer purchases an electronic copy of the publication through the Institute’s E-commerce website or when the order is fulfilled by third-party resellers. Direct network revenue, membership dues, assessment fees and fee-based programs are recognized over the period to which they apply. Included in fee-based programs are government grants which are recognized as the services for which the awards have been issued are provided. Recognition of revenue from membership dues, site license contracts and assessment fees relating to a future year is deferred until that year.

Membership dues pertain to obligations with an organization or individual to provide access to online “member only” information and educational content. Site license contracts pertain to contracts providing intra-company use of customized collections of standards. Assessment fees pertain to contracts with organizations to provide assessments in conformity with international guidelines and verified by government and peer review assessments. Fees are received under agreements to provide specified services over the course of one to three years. Accordingly, these fees are recognized ratably over this period. Fees paid in advance of the service being performed and the portion of fees considered unearned is considered a contract liability at year-end, which is deferred to the next year and recognized once the service is completed. The Institute evaluated the contracts and determined there to be one performance obligation, because the services being provided are significantly integrated within the context of the contract.

The timing of billings, cash collections and revenue recognition results in accounts receivable and deferred revenue on the accompanying consolidated statements of financial position. Deferred revenue amounted to approximately \$4,764,000, \$4,023,000, and \$2,965,000 as of December 31, 2024, 2023, and 2022, respectively and is reflected as deferred dues and fee income on the accompanying consolidated statements of financial position. Accounts receivable amounted to approximately \$17,944,000, \$17,017,000, and \$16,451,000 as of December 31, 2024, 2023, and 2022, respectively.

- H. Included in fee-based programs are government grants which are recognized as the services for which the awards have been issued as provided in accordance with FASB Accounting Standards Update (“ASU”) 2018-08, *Clarifying the Scope and Accounting Guide for Contributions Received and Contributions Made* (Topic 958). As of December 31, 2024 and 2023, the Institute has various government grants with periods ending through December 2027 amounting to approximately \$6,244,000 and \$2,143,000, respectively, which are conditioned upon the terms within the agreements, and have not been recognized in the accompanying consolidated financial statements, as well as a foundation grant amounting to approximately \$933,000 and \$970,000, of which \$566,000 and \$599,000 have been received and included in deferred dues and fee income in the consolidated statements of financial position as of December 31, 2024 and 2023, respectively.

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- I. As of December 31, 2024 and 2023, the Institute has established an allowance for credit losses of \$756,371 and \$583,118, respectively, on its accounts receivable. Such an estimate is based on estimates of expected credit losses from all available information, including historical loss experience of the aging of receivables. Accounts receivable are written off when all reasonable collection efforts have been exhausted.

The following table summarizes the activity related to the allowance for credit losses for the years ended December 31, 2024 and 2023.

	2024	2023
Balance, beginning of year	\$ 583,118	\$ 580,987
Charge-offs	(81,466)	(140,608)
Provision for credit losses	254,719	142,739
Balance, end of year	\$ 756,371	\$ 583,118

- J. The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying consolidated statements of activities. The Institute has not incurred any fundraising costs. The consolidated financial statements include categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salary and benefits are allocated on the basis of time and effort. Rent and utilities are allocated per employee based on their individual salary and benefits as a percentage of the Institute's total salaries and benefits. Operating costs such as postage, printing and supplies are charged to the specific activity code for which services are provided. For expenses which benefit more than one activity code, costs are allocated based on the percentage of use.
- K. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described below.

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining fair value, the Institute utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs, to the extent possible in its assessment of fair value. Investments in securities classified as Level 1 are valued using market prices in active markets (Level 1).

- L. Contributed services meeting criteria established under U.S. GAAP are reflected as both contribution revenue and expenses in the accompanying consolidated statements of activities at their estimated fair value on the date of receipt for each contributor, the majority of which are staff time and are calculated based up the number of hours worked and their hourly rate. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided. In-kind contributions amounted to \$696,287 and \$1,088,337 for the years ended December 31, 2024 and 2023, respectively, and were professional services for program-related activities to support the international standards facilitation.

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

M. As of December 31, 2024 and 2023, goodwill amounted to \$7,428,188 and \$7,710,848, respectively. Accumulated amortization as of December 31, 2024 and 2023 amounted to \$1,695,960 and \$1,413,300, respectively. This amount resulted from a 2015 ANAB purchase accounted for using private company accounting and determined that amortization over ten years of the goodwill initially recorded of \$2,826,660 was appropriate. Annual amortization amounted to \$282,660 and the remaining unamortized goodwill associated with the 2015 purchase amounted to \$268,721 and \$551,381 as of December 31, 2024 and 2023, respectively.

This policy continued as part of ANSI's acquisition of ANAB in December 2018. Additionally, as part of the acquisition of ANAB, goodwill in the amount of \$7,159,467, representing the excess of the purchase price over the fair value of the net assets of ANAB acquired were recorded. The Institute will maintain this balance relating to the acquisition of ANAB and will review annually for a triggering event which would give cause to a reevaluation of the goodwill. At present, management believes there has been no diminution in value and as such, no impairment charges were recorded during the years ended December 31, 2024 and 2023.

N. The cost of advertising is expensed as incurred and amounted to \$1,908,018 and \$1,435,644 for the years ended December 31, 2024 and 2023, respectively.

O. Certain line items on the December 31, 2023 consolidated financial statements were reclassified to conform to the December 31, 2024 presentation. Such reclassifications did not have an impact on net assets.

**NOTE 3 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date are comprised of the following as of December 31:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	\$ 15,573,353	\$ 20,922,940
Investments	17,339,646	15,702,973
Accounts receivable, net	17,943,956	17,017,170
Total financial assets	50,856,955	53,643,083
Less:		
Restricted cash	(318,285)	(318,285)
Assets subject to donor-imposed restrictions	(217,651)	(199,104)
Investments held for deferred compensation plan	(3,260,661)	(2,811,164)
Board-designated operating reserve fund	(13,337,649)	(12,209,676)
Board-designated specific purpose fund	(612,415)	(571,757)
Net financial assets available to meet cash needs for general expenditures within one year	\$ 33,110,294	\$ 37,533,097

Investment funds consist of a donor-restricted fund disclosed in Notes 2C and 7, and funds designated by the Board. Although the Institute does not intend to spend from the board-designated reserve fund, these amounts could be made available if necessary.

As part of the Institute's liquidity management plan, the Institute's Board designated a portion of the operating surplus to its operating reserve with a target of 33.3% of its operating expenses to net assets by 2023. As of December 31, 2024 and 2023, the Institute was reserved at 38.3% and 39.5%, respectively. The Board can un-designate funds to use for general expenditures. Additionally, as noted in Note 13, the Institute has a line of credit of \$1,000,000 available for general operating needs.

Restricted cash of \$318,285 is related to the letter of credit ("LC") and is designated as a security deposit. These funds cannot be utilized for general purposes until the terms of the LC are met. The security deposit is not considered an advance rent payment and may be applied by the Landlord in the event of Tenant default, as outlined in the lease agreement.

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 4 – INVESTMENTS AT FAIR VALUE**

Financial assets carried at December 31, 2024 are classified in the table as follows:

	<u>Level 1</u>	<u>Total</u>
Assets Carried at Fair Value:		
Investments:		
Equity securities:		
Mutual funds	\$ 14,008,657	\$ 14,008,657
Cash held with investments	-	70,328
Mutual funds held for 457(b) plan	<u>3,260,661</u>	<u>3,260,661</u>
Total investments	<u>\$ 17,269,318</u>	<u>\$ 17,339,646</u>

Financial assets carried at December 31, 2023 are classified in the table as follows:

	<u>Level 1</u>	<u>Total</u>
Assets Carried at Fair Value:		
Investments:		
Equity securities:		
Mutual funds	\$ 12,811,072	\$ 12,811,072
Cash held with investments	-	80,737
Mutual funds held for 457(b) plan	<u>2,811,164</u>	<u>2,811,164</u>
Total investments	<u>\$ 15,622,236</u>	<u>\$ 15,702,973</u>

Investments are subject to market volatility that could change their carrying value in the near term.

Investment return consists of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 683,900	\$ 606,494
Realized and unrealized gain	809,537	1,230,923
Investment fees	<u>(49,465)</u>	<u>(45,157)</u>
	<u>\$ 1,443,972</u>	<u>\$ 1,792,260</u>

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Furniture, fixtures and equipment	\$ 42,441	\$ 2,835,059
Leasehold improvements	<u>1,319,941</u>	<u>1,124,206</u>
Total cost	1,362,382	3,959,266
Less: accumulated depreciation and amortization	<u>(345,963)</u>	<u>(3,635,964)</u>
Net book value	<u>\$ 1,016,419</u>	<u>\$ 323,302</u>

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 5 – PROPERTY AND EQUIPMENT (Continued)**

Depreciation and amortization expense amounted to \$231,845 and \$818,860 for the years ended December 31, 2024 and 2023, respectively. During 2024 and 2023, the Institute wrote off fully depreciated property and equipment with a cost of \$3,521,846 and \$1,757,791, respectively.

**NOTE 6 – PENSION AND OTHER BENEFIT PLANS**

The Institute sponsors a defined-benefit pension plan for its eligible employees (the "Plan"). The Plan's assets are invested in a diversified menu of collective trust portfolios, professionally managed by institutional portfolio managers. Changes in value attributable to differences between actual and assumed returns on pension plan assets are deferred as unrecognized gains or losses and are included in the determination of net pension expense over time.

The funded status of the Plan was as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Projected benefit obligation	\$ (41,843,162)	\$ (39,259,582)
Fair value of Plan assets	<u>50,562,469</u>	<u>43,613,780</u>
Funded status	<u>\$ 8,719,307</u>	<u>\$ 4,354,198</u>
Amount recognized in the consolidated statements of financial position as:		
Pension asset	<u>\$ 8,719,307</u>	<u>\$ 4,354,198</u>

The components of net periodic pension cost, including the service cost included in payroll taxes and benefits, for the pension plan are as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Service cost	\$ 1,771,245	\$ 1,761,339
Interest	1,951,174	1,835,519
Return on plan assets	(4,427,235)	(4,923,969)
Deferred asset change	1,215,351	2,259,237
Amortization of unrecognized gain or loss	439,523	625,783
Amortization of unrecognized prior service cost	33,196	40,800
Administrative expenses paid	<u>73,169</u>	<u>67,300</u>
	<u>\$1,056,423</u>	<u>\$1,666,009</u>

As of December 31, 2024 and 2023, the accumulated benefits obligation for the Plan was \$37,877,479 and \$35,006,903, respectively.

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 6 – PENSION AND OTHER BENEFIT PLANS (Continued)**

Pension related changes other than net periodic pension costs and other components of net periodic pension costs recognized in the change in net assets without donor restrictions were as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Net gain	\$ 1,348,813	\$ 2,259,237
Amortization of prior service cost	33,196	40,800
Amortization of gain (loss)	<u>439,523</u>	<u>(1,327,539)</u>
Net pension related changes other than net periodic pension costs	<u>\$ 1,821,532</u>	<u>\$ 972,498</u>
Interest cost	\$ 1,951,174	\$ 1,835,519
Actual return on Plan assets	(3,138,715)	(2,597,432)
Net amortization and deferral of net loss and prior service costs	<u>472,719</u>	<u>666,583</u>
Net other components of net periodic pension cost	<u>\$ (714,822)</u>	<u>\$ (95,330)</u>

Maximum Plan compensation was \$345,000 and \$330,000 for the years ended December 31, 2024 and 2023, respectively.

The net periodic pension costs include reclassifications of amounts previously recognized as changes in net assets without donor restrictions as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Prior service costs	\$ 33,196	\$ 40,800
Net loss	439,523	625,783

Amounts that had not been recognized as components of net periodic benefit costs, but included as change in net assets without donor restrictions to date are as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Net actuarial loss	\$ (8,812,464)	\$ (10,600,800)
Prior service cost	<u>(45,711)</u>	<u>(78,907)</u>
	<u>\$ (8,858,175)</u>	<u>\$ (10,679,707)</u>

Amounts in net assets without donor restrictions and expected to be recognized as components of net periodic benefit costs over 2025 are as follows:

Net gain	\$ 1,654,874
Prior service costs	33,196

The weighted-average assumptions used to determine the benefit obligation and net periodic benefit cost for the pension plan are as follows as of and for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Discount rate used for net periodic benefit cost	5.05%	5.05%
Rate of compensation increase	3.15%	3.15%
Expected return on Plan assets	7.0%	7.0%
Mortality table	MP-2021	MP-2021
Crediting interest rate	7.00%	7.00%

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 6 – PENSION AND OTHER BENEFIT PLANS (Continued)**

The defined benefit plan's expected rate of return on Plan assets is determined by the Plan assets' historical long-term investment performance, current asset allocation and estimates of future long-term returns by asset class.

The following schedule of benefit payments for the pension plan, which reflects expected future services, as appropriate, are expected to be paid:

2025	\$ 1,810,000
2026	1,436,000
2027	1,608,000
2028	1,811,000
2029	1,937,000
5 years thereafter	13,447,000

The Institute expects to make a contribution to the Plan during 2025 in the amount of approximately \$3,600,000. The Plan is intended to provide an effective vehicle for the investment and administration of Plan assets. The number and types of investments utilized within the Plan and the investment managers retained to manage the alternatives are subject to change.

The primary purpose of the investments is to generate rates of return that will provide for the long-term funding of the obligations of the Institute incurred under the Plan. The goal of the Plan is to earn a rate of return that meets or exceeds appropriate market indices consistent with the asset allocation target of 60% in equity securities and 40% in fixed-income securities.

The permitted range by investment category as a percentage of total value is as follows:

	<u>Minimum Percentage</u>	<u>Maximum Percentage</u>
Domestic equity securities	20%	55%
International equity funds	0%	25%
Domestic fixed-income funds	30%	70%
Short-term fixed income funds	0%	10%

At each year-end, the percentage of the fair value of total Plan assets held were as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Domestic equity securities	42%	38%
International equity funds	8%	9%
Fixed-income funds	41%	39%
Other funds	6%	13%
Cash	3%	1%
	<u>100%</u>	<u>100%</u>

Assets carried at December 31, 2024 are classified in the table as follows:

	<u>Level 1</u>	<u>Total</u>
Mutual Funds	\$ <u>48,118,173</u>	\$ <u>48,118,173</u>
Investments at Fair Value	\$ <u>48,118,173</u>	48,118,173
Collective Standard Stable Asset 2 Fund - NAV		<u>2,444,296</u>
Total Investments		\$ <u>50,562,469</u>

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 6 – PENSION AND OTHER BENEFIT PLANS (Continued)**

Assets carried at December 31, 2023 are classified in the table as follows:

	<u>Level 1</u>	<u>Total</u>
Mutual Funds	\$ 41,516,939	\$ 41,516,939
Investments at Fair Value	\$ 41,516,939	41,516,939
Collective Standard Stable Asset 2 Fund - NAV		<u>2,096,841</u>
Total Investments		<u>\$ 43,613,780</u>

These investments are held in a mutual fund and insurance contract with the Plan's investment custodian.

Investments in the Standard Stable Asset 2 Fund uses a portfolio rate structure in which a single interest-crediting rate is applied to all fund assets regardless of when contributions are made and are valued at the daily Net Asset Value ("NAV") as a practical expedient.

On November 30, 2017, the ANSI Board of Directors approved a soft freeze of the defined benefit pension plan as of year-end 2017.

The Institute also maintains a defined-contribution retirement plan covering the same employee group as the pension plan. The Institute's annual contribution is an amount equal to 100% of the first 6% of employee compensation of those employees who choose to participate and who contribute the maximum.

Total employer contributions were \$3,600,000 in 2024 and 2023. Effective January 1, 2018, all new hires will be provided a cash balance plan in lieu of the defined benefit plan. The cash balance plan is based upon a point system where a contribution credit percent is calculated on annual salary based upon age groups.

In 2006, the Institute entered into a supplemental retirement benefit agreement with the current president, retroactive to his January 2006 date of employment. The supplemental retirement benefit agreement was reviewed and approved by the Institute's compensation committee, which, in accordance with the Institute's bylaws, has the responsibility of determining the president's compensation. The compensation committee is composed of certain members of the Board of Directors. The accumulated supplemental retirement benefit of \$160,000 and \$2,782,511 for the years ended December 31, 2024 and 2023, respectively are included in accounts payable and accrued expenses.

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

The Institute's net assets with donor restrictions of \$217,651 and \$199,104 at December 31, 2024 and 2023, respectively, consisted of the Peralta Charitable Remainder Unitrust. Upon the death of the Unitrust beneficiaries, the principal and income of the trust were distributed to the Institute for educational purposes. The increases of \$18,547 and \$9,387 for the years ended December 31, 2024 and 2023, respectively, is attributable to the change in value of the assets. In 2022, the beneficiary passed away and the principal and income of the trust was distributed to the Institute for educational purposes.

**NOTE 8 – DEFERRED INCOME**

Deferred income consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Membership dues received in advance	\$ 4,764,369	\$ 4,022,796
Fee-based program revenue received in advance	<u>7,997,392</u>	<u>7,503,302</u>
	<u>\$ 12,761,761</u>	<u>\$ 11,526,098</u>

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 9 – LEASES**

The Institute leases office space under five operating leases, with varying end dates between 2026 and 2040. In addition to base rent, the Institute is obligated to pay an additional amount based upon increases in real estate taxes, maintenance and utility costs. The Institute assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed.

In November 2023, the Institute signed a 15-year lease for the New York office space which commenced in 2024. The gross obligation is \$19,631,700 for the life of the lease. Upon commencement of the new lease entered in to during the year ended December 31, 2024, the Institute utilized the risk free rate of 4.32% to calculate the lease liability.

As of December 31, 2024 and 2023, the right-of-use asset had a balance of \$19,201,357 and \$8,045,206, respectively, as shown in the consolidated statements of financial position; the lease liability totaled \$20,912,327 and \$9,085,959, as shown in the consolidated statements of financial position. The lease liabilities were calculated utilizing the risk-free Treasury rates in effect as of the date of adoption, January 1, 2022, or commencement date, ranging from 0.93% - 4.32%, depending on the remaining life of the leases. As of December 31, 2024 and 2023, the weighted average of the remaining leases is 156 and 101 months, and the weighted average discount rate of the remaining leases is 3.48% and 1.61%. Cash paid for amounts in lease liabilities amounted to \$2,023,539 and \$2,017,296 for the years ended December 31, 2024 and 2023, respectively.

Future minimum payments for non-cancelable operating leases for the next five years ending after December 31, 2024 and thereafter are as follows:

2025	\$	1,409,306
2026		2,193,657
2027		2,172,305
2028		2,123,675
2029		2,143,592
Thereafter		<u>16,309,804</u>
Total lease payments		26,352,339
Less: Present value discount		<u>(5,440,012)</u>
Present value of lease liabilities	\$	<u>20,912,327</u>

Lease expense under the operating leases, included in occupancy, amounted to approximately \$2,400,000 and \$2,000,000 for the years ended December 31, 2024 and 2023, respectively.

The Institute also subleases two facilities to other organizations, with varying end dates between 2026 and 2027. The rental income associated from these sublease agreements amounted to approximately \$54,000 for the year ended December 31, 2024.

Future minimum payments for non-cancelable operating leases for the next five years ending after December 31, 2024 and thereafter are as follows:

2025	\$	156,853
2026		118,593
2027		<u>64,835</u>
Total sublease rental income	\$	<u>340,281</u>

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

- A. From time to time the Institute may be a defendant in legal actions arising out of the normal course of its operations. Eventual liability, if any, would likely be covered by insurance, except where the applicable insurance policies expressly exclude certain coverage which arguably relates to the claims.
- B. The Institute believes it has no uncertain tax positions as of December 31, 2024 and 2023 in accordance with FASB ASC Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 11 – CONCENTRATIONS**

Cash and cash equivalents that potentially subject the Institute to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Accounts are insured up to \$250,000 per depositor. As of December 31, 2024 and 2023, there was approximately \$14,649,000 and \$15,137,000, respectively, of cash and cash equivalents held by three banks that exceeded FDIC limits. Such excess includes outstanding checks.

**NOTE 12 – ENDOWMENT NET ASSETS**

The Institute adheres to the New York Prudent Management of Institutional Funds Act (“NYPMIFA”), which creates a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted perpetual endowment fund’s fair value (averaged over a period of not less than the preceding five years) in any year. In addition, in accordance with NYPMIFA, any unappropriated earnings on endowment funds that would otherwise be considered in perpetuity without donor restrictions are reflected as with donor restrictions until appropriated by the Board of Directors. As of December 31, 2024 and 2023, the Institute had no donor-restricted endowment funds.

The Institute maintains an endowment fund, as further described in Note 2C. However, such Board designated endowment funds are not subject to the appropriation provisions of NYPMIFA.

The Institute’s endowment investment policy is to invest in fixed income and equities based on an asset allocation with the objective of preservation of capital, liquidity and optimization of investment returns within the constraints of the aforementioned objectives.

Changes in endowment net assets for the year ended December 31, 2024 are as follows:

	Without Donor Restrictions Board Designated Reserve	Without Donor Restrictions Specific Purpose Funds
Endowment net assets, beginning of year	\$ 12,209,676	\$ 571,757
Transfer (to) from without donor restricted operating fund	6,883	22,301
Total investment activity	<u>1,121,090</u>	<u>18,357</u>
Total investment activity and transfers	<u>1,127,973</u>	<u>40,658</u>
Endowment net assets, end of year	<u>\$ 13,337,649</u>	<u>\$ 612,415</u>

Changes in endowment net assets for the year ended December 31, 2023 are as follows:

	Without Donor Restrictions Board Designated Reserve	Without Donor Restrictions Specific Purpose Funds
Endowment net assets, beginning of year	\$ 10,735,765	\$ 522,797
Transfer (to) from without donor restricted operating fund	(137,089)	30,147
Total investment activity	<u>1,611,000</u>	<u>18,813</u>
Total investment activity and transfers	<u>1,473,911</u>	<u>48,960</u>
Endowment net assets, end of year	<u>\$ 12,209,676</u>	<u>\$ 571,757</u>

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED AND RELATED ENTITIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 13 – LINE OF CREDIT**

The Institute has a line of credit with a financial institution in the amount of \$1,000,000, with an interest rate equal to one-quarter percent (0.25%) above the prime rate. The line of credit is secured by all deposits held by the financial institution. There were no borrowings on the line of credit during the years ended December 31, 2024 and 2023. As of April 8, 2025, there was no borrowing on the line of credit.

The line of credit was increased to \$3,000,000 as of January 31, 2025.

**NOTE 14 – SUBSEQUENT EVENTS**

Management has evaluated events subsequent to the date of the consolidated statement of financial position through April 8, 2025, the date the consolidated financial statements were available to be issued.

Due to the federal government's review and potential restructuring of federal funding priorities, there is uncertainty regarding the continuation and amount of future funding from federal sources. ANSI is monitoring policy developments to mitigate potential impacts.

AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients
<b>Research and Development Cluster:</b>				
<b>U.S. Department of Commerce</b>				
Measurement and Engineering Research and Standards				
Secretariat Services for the International Organization for Standardization/ Electronic Commission Joint Technical Committee on Information Technology, Subcommittee 37 on Biometrics	11.609		\$ 53,944	\$ -
NIST PPP for USGNSS CET	11.609		159,640	-
<b>Total U.S. Department of Commerce</b>			<b>213,584</b>	<b>-</b>
<b>U.S. Department of Agriculture:</b>				
Forestry Research				
Forest Service, Research and Development	10.652		10,000	-
<b>Total U.S. Department of Agriculture</b>			<b>10,000</b>	<b>-</b>
<b>U.S. Department of Justice</b>				
National Institute of Justice Research, Evaluation, and Development Project Grants				
Technology, Subcommittee 37 on Biometrics	16.560		44,997	-
<b>Total U.S. Department of Justice</b>			<b>44,997</b>	<b>-</b>
<b>Total Research and Development</b>			<b>268,581</b>	<b>-</b>
<b>U.S. Department of State</b>				
Cyberspace and Digital Policy				
Global ICT and CET Standards program	19.665		60,896	-
<b>Total U.S. Department of State</b>			<b>60,896</b>	<b>-</b>
<b>U.S. Agency for International Development</b>				
USAID Foreign Assistance for Programs Overseas	98.001		516,109	290,332
<b>Total U.S. Agency for International Development</b>			<b>516,109</b>	<b>290,332</b>
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 845,586</b>	<b>\$ 290,332</b>

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2024**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of American National Standards Institute, Incorporated (the “Institute”) under programs of the federal government for the year ended December 31, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Institute, it is not intended to, and does not, present the financial position, changes in net assets or cash flows of the Institute.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting, except for amounts passed through to subrecipients which are recognized when disbursed to the subrecipient. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 – INDIRECT COST RATES**

The Institute has not used the 10 percent *de minimis* indirect cost rate as allowed by the Uniform Guidance because it has a negotiated indirect cost rate agreement with the U.S. Agency for International Development.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors  
American National Standards Institute, Incorporated and Related Entities  
New York, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of American National Standards Institute, Incorporated and Related Entities (the "Institute"), which comprise of the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 8, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the consolidated financial statements, we considered the Institute's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Institute's consolidated financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Institute's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Institute's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institute's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***CBIZ CPAs P.C.***

New York, NY  
April 8, 2025



CBIZ CPAs P.C.

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New York, NY 10017

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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Directors  
American National Standards Institute, Incorporated  
New York, New York

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited American National Standards Institute, Incorporated (the "Institute") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Institute's major federal program for the year ended December 31, 2024. The Institute's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Institute complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditors' Responsibilities for the Audit of Compliance* section of our report. We are required to be independent of the Institute and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Institute's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Institute's federal programs.

#### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Institute's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Institute's compliance with the requirements of the major program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Institute's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Institute's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditors' Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*CBIZ CPAs P.C.*

New York, NY  
April 8, 2025

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Section 1**

**Summary of Auditors' Results**

**Consolidated Financial Statements**

- |  |               |
|--|---------------|
| 1. Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with GAAP: | Unmodified    |
| 2. Internal control over financial reporting:  |               |
| a. Material weakness(es) identified?   | No            |
| b. Significant deficiency(ies) identified?   | None Reported |
| 3. Noncompliance material to consolidated financial statements noted?  | No            |

**Federal Awards**

- |   |               |
|---|---------------|
| 1. Internal control over major federal program:   |               |
| a. Material weakness(es) identified?  | No            |
| b. Significant deficiency(ies) identified?  | None Reported |
| 2. Type of auditors' report issued on compliance for major federal program:                           | Unmodified    |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No            |

- |   |  |
|---|--|
| 4. Identification of major federal program: |  |
| <u>Assistance Listing Number</u>            | <u>Name of Federal Program or Cluster</u>      |
| 98.001                                      | USAID Foreign Assistance for Programs Overseas |

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee?                                 | Yes       |

**AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Prior Year Findings:**

There were no findings in the prior year.