

2024 ANNUAL REPORT





CONTENTS

Driving Positive Impact: Letter From President and CEO	3
Setting a Clear Direction: Letter From Board Chairs	4
AACSB's New Path to Meeting Member Needs	5
AACSB at a Glance	6
Delivering Value to the Business Education Alliance	7
Year in Review	
Upgrading Accreditation Value	8
Deepening Understanding and Connection	9
Advocating for Business Schools, Learning From Their Leaders	10
The Power of Relationships	11
Board of Directors (year ended June 30, 2024)	12
Independent Auditor's Report and Consolidated Financial Statements	15

DRIVING POSITIVE IMPACT

LETTER FROM THE PRESIDENT AND CEO



“We now have set a clear direction with the new three-year strategic plan. As we look ahead, I am excited about the future of AACSB and the possibilities that lie before us.”

My first year as president and CEO of AACSB has been marked by a lot of learning and many significant achievements. As part of a yearlong strategic planning process, driven by our dedicated board of directors, I learned about the aims and desires of our members around the world, personally meeting with over 100 deans. I wanted to know more about your current initiatives, your challenges, and your aspirations so I could understand how AACSB could bring you the most value. These member stories, along with insights into AACSB’s history and endeavors, allowed me to effectively represent the business education community to the global media.

I also engaged with AACSB’s staff from our three offices worldwide and discovered the substantial efforts already underway to meet member needs. Although I spent much of the past year focused on future planning, I want to highlight some of our accomplishments from 2023–24, which were possible only because of our committed staff and volunteers, our engaged members, and a collective desire to improve business education for positive impact.

One of our key successes was the continued expansion of AACSB’s global presence. We’ve had remarkable growth of member and accredited schools in the Asia Pacific and Europe, Middle East, and Africa regions, with steady growth in the Americas. To better serve accredited schools everywhere, we announced a major change to the continuous improvement review cycle, extending it from five to six years and strengthening the mid-term reporting. In addition, we’ve developed and built on meaningful accreditation partnerships with educational associations representing France, Korea, the Middle East, and Qatar.

In the learning and development space, we held our first Deans Conference outside of the U.S., in Barcelona, as well as our first in-person AI Conference. In response to the rapid rise of generative AI, we developed this event to ensure that business educators have the best

tools and practices for preparing students to lead in an AI-driven workplace. AI was a prominent topic throughout our International Conference and Annual Meeting (ICAM) in April, as well, where we released a groundbreaking report: *Building Future-Ready Business Schools With Generative AI*. This focus on AI and emerging technologies will remain a priority area for AACSB’s thought leadership and learning and development opportunities in the coming year.

Another highlight at ICAM was the recognition of 22 Influential Leaders—faculty from AACSB-accredited business schools who are advancing new knowledge and creating impact in business and society through their research. More than ever before, schools need to produce timely, relevant research that addresses complex challenges, and a lot of this work is already being done at AACSB’s business schools. More still can be done. We will continue to inform the conversation around impactful research and highlight examples of faculty who are helping communities, influencing policy decisions, and bringing new insights to businesses and industries to help shape a brighter global future.

These are just a few of the impactful activities from the past year. I encourage you to learn more about AACSB’s endeavors to serve the global business education community in the pages that follow.

We now have set a clear direction with the new three-year strategic plan. As we look ahead, I am excited about the future of AACSB and the possibilities that lie before us. Together, we will continue to lead boldly, innovate, and make a lasting impact on the world through business education.

Thank you for your unwavering support and devotion.

Lily Bi

President and CEO
AACSB International

SETTING A CLEAR DIRECTION

LETTER FROM BOARD CHAIRS



Alexander Triantis



Sherif Kamel

This past year has been one of ongoing action, deep listening, and robust planning. While AACSB continued to carry out its many activities and initiatives to serve members, the association's newly appointed president and CEO, Lily Bi, worked closely with the board and executive leadership on a strategic planning process that included four phases: assessing the current state of the industry and opportunities for growth, exploring how AACSB could bring the most value to members, defining a vision for the future, and implementing the new plan in the 2024–25 fiscal year.

These listening tours, landscape analyses, and brainstorming sessions resulted in a renewed mission, vision, and values for AACSB, as well as a three-year strategic plan that will guide the organization and its members to greater success.

Quality business education remains at the heart of AACSB, and the new **mission** articulates this commitment, adding an emphasis on impact: *AACSB elevates the quality and impact of business schools globally.* While AACSB's **vision** previously focused on societal impact, the updated statement reflects how the organization plans to get there: *To achieve positive societal impact through business schools.* AACSB's **values** now state explicitly that members are the highest priority and also emphasize *inclusivity, global unity, excellence, and curiosity.*

Additionally, three strategic drivers will propel the organization forward: **enhance core value** for members, **create new value** for members, and **be the voice** for business education. To support this strategy, AACSB's executive leaders developed a detailed plan of action that includes specific goals,

activities, KPIs, and measures of success for each of the three drivers. Over the next three years, the organization's governance, global network, culture, structure, and resources will enable AACSB to fulfill the ambitious aims set out in the plan. The success of these efforts will depend on continued support from the broader AACSB community, and we are especially grateful to those who volunteer their time and share their experiences to help strengthen the role and impact of business schools around the world.

We're navigating a pivotal moment in business education. The increased competition from corporate entities, the swiftly changing needs of employers, and society's expectations for its institutions to provide greater value are all coalescing around a clear call for change. The new strategic plan represents a departure from the past. It requires a different vision for how the organization can move forward and lead the industry to its greatest potential.

We are energized by this new strategic direction and look forward to all that AACSB and its members will achieve in the coming years.

Alexander Triantis

Chair, 2023–24 AACSB Board of Directors
Dean, Johns Hopkins Carey Business School
Johns Hopkins University

Sherif Kamel

Vice Chair-Chair Elect, 2023–24 AACSB
Board of Directors
Dean, School of Business
The American University in Cairo

AACSB'S NEW PATH TO MEETING MEMBER NEEDS



MISSION

AACSB elevates the quality and impact of business schools globally.



VISION

To achieve positive societal impact through business schools.



VALUES

Members First, Inclusivity, Global Unity, Excellence, Curiosity

STRATEGIC DRIVERS

Enhance Core Value for Members

- Enhance Accreditation Value
- Enhance Member Value
- Streamline Communications
- Revamp AACSB Website
- Expand AACSB Analytics Hub Capabilities

Create New Value for Members

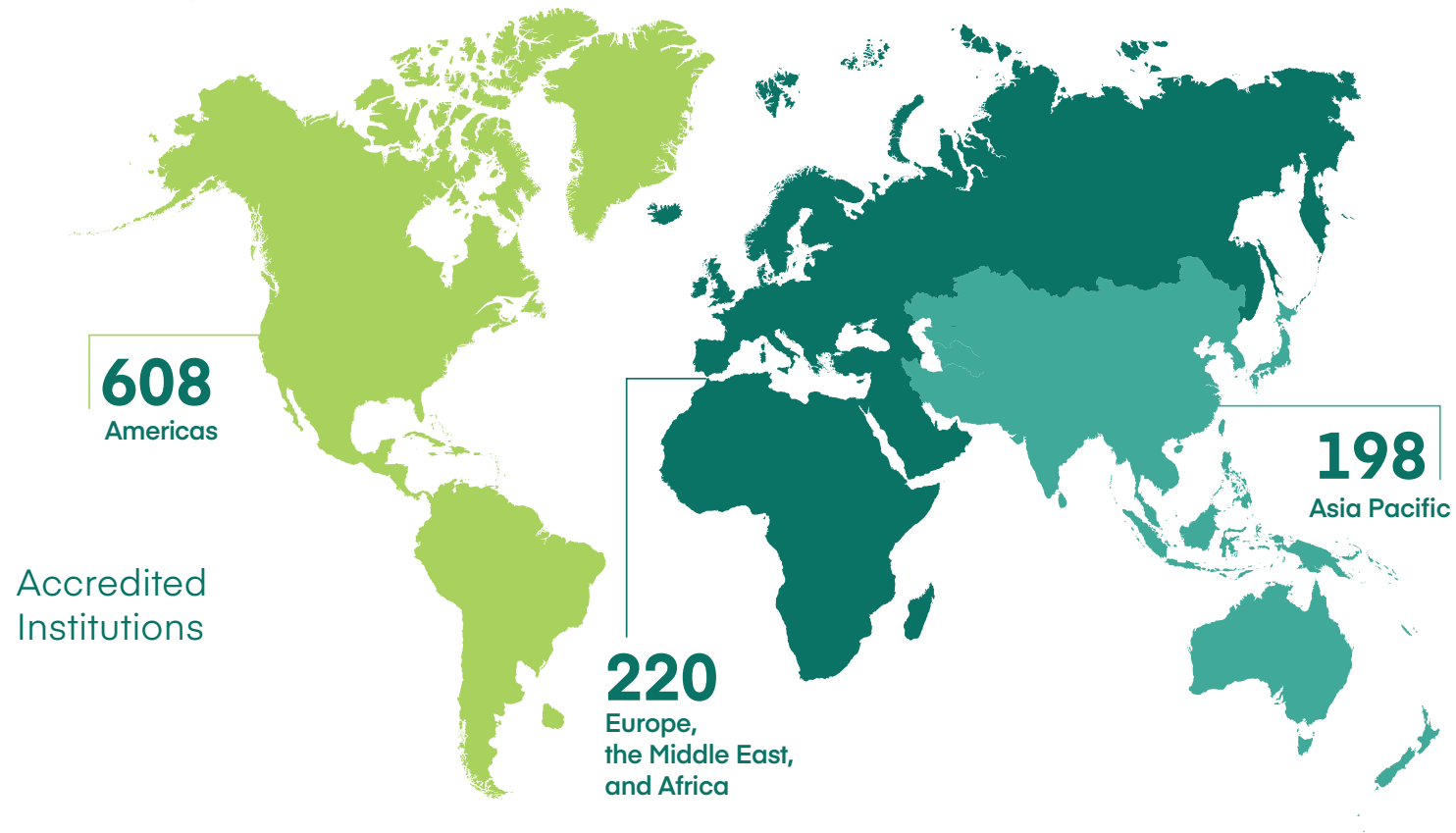
- Redesign Conference Experience
- Build AACSB Academy
- Scale Quality Improvement Programs
- Reach Prospective Students
- Partner With Business

Be The Voice for Business Education

- Advocate for and Amplify the Societal Impact of Business Schools
- Collaborate to Develop Thought Leadership
- Drive Connections Between Business Schools and Business

AACSB AT A GLANCE

OUR NETWORK, CONNECTED.



Accredited Institutions

1,935
member organizations in
107
countries and territories

1,075+
volunteers in
63
countries and territories

OUR PRESENCE, AROUND THE WORLD.

3 GLOBAL OFFICES

77 STAFF MEMBERS

4 REGIONAL HEADS

157 LEARNING AND DEVELOPMENT OPPORTUNITIES

DELIVERING VALUE TO THE BUSINESS EDUCATION ALLIANCE



MEMBER CONNECTIONS

41 networking communities—composed of **16** affinity groups, **8** regional networks, and **17** virtual communities—exchanged ideas and best practices.

21 new business members joined AACSB from **9** countries and territories.

87 new educational members joined AACSB from **39** countries and territories.



LEARNING AND PROFESSIONAL DEVELOPMENT

12,000+ attendees engaged in **157** events, led by **531** speakers and facilitators.

1,965 organizations were represented across **113** countries.

3 new seminars and **1** new online course were created.



ACCREDITATION

850+ volunteers completed training under 2020 standards, with **97%** satisfaction with training experience.

554 individuals filled **776** positions on peer review teams.

35 initial accreditation visits and **195** CIR visits took place.

Average overall school satisfaction with peer review visit experience: **94%**
CIR: **95%** Initial: **91%**



ADVOCACY AND THOUGHT LEADERSHIP

185 articles produced on AACSB *Insights*, with **180+** volunteer contributors.

4,500 mentions of AACSB in the media globally.

28,928 pageviews/downloads of thought leadership reports.

127 innovative practices submitted to Innovations That Inspire program and **80** impactful faculty researchers nominated for Influential Leaders program.

YEAR IN REVIEW | UPGRADING ACCREDITATION VALUE

In addition to our ongoing work to ensure the highest standards of teaching, research, and societal impact at business schools, AACSB's accreditation team implemented a number of changes and updates to better serve members.

SIX-YEAR CONTINUOUS IMPROVEMENT REVIEW CYCLE

One of the most exciting developments from the past year was the April announcement of a six-year continuous improvement review cycle. After gathering extensive feedback from AACSB members—through president and CEO Lily Bi's listening tour and results from a recent survey of deans—AACSB decided to extend the CIR cycle from five years to six years, effective for visits beginning July 1, 2026. Schools in the six-year cycle will now submit an expanded CIR application in the third year, with the application serving as a mid-cycle report to pinpoint risks to accreditation standards alignment. Additionally, the application now includes sections on societal impact, faculty qualifications, strategic planning, and assurance of learning. More information is available at aacsb.edu/educators/accreditation/six-year-cir.



SECOND ANNUAL STATE OF ACCREDITATION REPORT

In last year's annual report, we announced the inaugural publication of our *State of Accreditation Report*. In its second year running, the *2023 SOA Report* curates insights from the experiences of schools that underwent accreditation visits during the 2022–23 academic year. The report also brings greater visibility to the extensive efforts of AACSB volunteers, highlights best practices noted by peer review teams, shares data and examples of societal impact efforts, and looks at the critical areas schools should focus on going forward. We continue to explore new ways to enrich the value of this report so stakeholders have transparent, helpful information on what it means to embark on the rigorous and rewarding journey of earning AACSB accreditation.

NEW FORMAT FOR BUSINESS ACCREDITATION SEMINAR

Attendees of AACSB's Business Accreditation Seminar, a central offering to schools learning about or going through the accreditation process, can now experience the seminar in an immersive case study format. In a significant transformation from its previous model, the seminar was redesigned this past year to enable attendees to enhance their skills by actively exploring the accreditation standards in an applied approach. Participants receive pre-reading material based on a case institution and come to the seminar prepared to engage in lively discussion and hands-on learning.

GREATER ENGAGEMENT IN THE AMERICAS

To support the new strategic plan, which aims in part to enhance value for accredited institutions, AACSB appointed a managing director of the Americas. Stephanie Bryant, in addition to her role as chief accreditation officer, will ensure that members in this region have the tools and resources they need to excel in their pursuits of quality, impactful business education.

PILOT PROGRAM FOR AOL CERTIFICATE

In May, AACSB began piloting an Assurance of Learning Certificate of Excellence Program, beginning with institutions in the Middle East. The program aims to provide AACSB member schools with verified recognition of an effective AoL system for one or more of their programs. After a school completes an AoL development plan, AACSB experts assess the program and AoL report. If the report successfully meets specific criteria, AACSB awards a certificate of achievement that can be proudly shared with both internal and external stakeholders. Going forward, we will offer the certificate to schools in additional regions throughout the world.

We had another busy year of learning and development opportunities. As we continuously assess feedback and industry changes, we elevate our event and educational offerings to ensure we're bringing members the latest knowledge on topics that matter most to them, in a variety of settings.

SOCIETAL IMPACT IN FOCUS

In September, we held our second Societal Impact Conference, this time in Copenhagen. Hosted by Copenhagen Business School, this event brought together business education leaders from around the world to gain new insights, tools, and resources for building a better world through business schools. With business leaders from PwC, Deloitte, Novozymes, and other organizations, as well as institutions excelling in their societal impact initiatives, attendees gathered to network and learn from stimulating sessions, such as Applying Artificial Intelligence for Societal Good, Building Better Leaders, Emerging Reporting Frameworks, and Climate Change: Are Business Schools Doing Enough? To complement the conference, we also offered a Societal Impact Seminar, giving participants a fuller understanding of how societal impact is embedded in the accreditation standards.

A CHANGING CONFERENCE FOR A CHANGING LANDSCAPE



AACSB's annual Deans Conference is one of our longest-running conferences. Since the first offering in 2002, the conference has been the premier gathering of business school deans, designed to bring together the key individuals shaping the future direction of business education. AACSB's membership has expanded vastly since that initial meeting, particularly in its global reach. To help ensure access to deans in regions outside of the U.S., we held the 2024 conference in Barcelona, Spain. Members responded encouragingly, with over 600 attending from around the world. In addition to the much-valued deans networking opportunity that is central to this conference, attendees also gained critical new insights on topics including AI-Powered Deans, Curating Your Dream Teams, Building New Revenue Models, Improving the Student Journey, Deans Share: What I Wish I Knew, and more.

At the 2024 conference, we also announced an upcoming change to this longstanding event: starting in 2025, the Deans Conference will move from February to October. To accommodate this shift and ensure that we don't have a gap in offerings, we will hold two Deans Conferences in 2025: one final February conference in Las Vegas, Nevada, as well as an October conference in Toronto, Ontario, to start the new schedule. In 2026 and beyond, the Deans Conference will only be held in October.

AI ILLUMINATED

In response to the positive reception of our virtual AI and Analytics Conference introduced in 2022, we enhanced the event for 2023, holding our first AI Conference in person at Santa Clara University in California. This two-day conference offered perspectives from business leaders about how AI is reshaping industry, as well as from business school leaders on the smartest ways to integrate AI into all areas of a school's operations. The conference featured a keynote session on Automating and Augmenting Work, which was followed by sessions on Insights From Business Leaders, Building Digital Readiness Curriculum for the AI Era, AI Assessment and Evaluation Methods, and Incorporating Generative AI Into Teaching and Learning. We received overwhelmingly favorable feedback from participants, and our next AI Conference is already in planning, scheduled to take place in October at NEOMA Business School in Paris.

IMPROVED DATA FOR DECISION-MAKING

In October, we announced a new tool to bring members data from the world's largest business school database in a more interactive, visual format. The AACSB Analytics Hub, available exclusively to educational and sustaining business members, allows users to quickly find the trends and insights most relevant to their school and role. Through search and filter features, members can find and display data for trend analysis, benchmarking, decision-making, and more. The Analytics Hub contains ready-made modules based on data collected in the Business School Questionnaire modules, including Salary Insights, Budget Benchmarking, Program Search, and Enrollment Trends.

[Explore the Analytics Hub](#)



Last year, we announced the launch of our Let’s Lead Boldly campaign to advocate for the value of business education and identify ways forward for business schools and the industry. The themes and directions identified in this work have continued to inform our advocacy and thought leadership work in 2023–24.

A BBC STORYWORKS PRODUCTION

In a partnership with BBC StoryWorks commercial productions, AACSB developed [a short film](#) to highlight the impactful stories of business school graduates. Working with Imperial Business School in London and Michigan Ross Business School in Ann Arbor, we identified recent graduates who had created successful new ventures as a result of their business school experiences. The film illustrates the positive impact of these graduates, who had gained the foundation, inspiration, and innovative mindsets they needed to help solve business and societal challenges. In the words of one of the entrepreneurs, “Business school is important because it illuminates the places that we still have yet to go, and the practitioners are important because they give us direction when we get to those spaces.” The success of this film has led to continued engagement with the BBC and member schools to highlight more stories that demonstrate the critical role business schools play in shaping future leaders and creating positive impact in the world.

INSIGHTS ON BUSINESS SCHOOL LEADERS



Every three years, AACSB gathers survey insights from the deans and senior administrators leading its member business schools. The responses help us understand the current characteristics, challenges, and ambitions of business school leaders. In February, in conjunction with the Deans Conference, we released three reports: [Leading Today’s Business Schools: Insights From Deans](#), the [2023–24 Deans Survey Overview Report](#), and the [2023–24 Senior Administrators Survey Overview Report](#). Together, these reports capture the high-level trends and profiles of senior administrators as well as a more in-depth analysis of survey results, providing a greater understanding of the issues and opportunities facing business school leaders today. With a clearer picture of where we are now, we can offer enhanced services and insights to business school leaders going forward.

SPOTLIGHT ON IMPACTFUL RESEARCHERS



Since 2015, AACSB has been placing a spotlight on influential alumni from AACSB-accredited business schools who have made noteworthy contributions to their industries. Last year, we changed the focus of our [Influential Leaders](#) member spotlight program to business school researchers, featuring faculty who were advancing new knowledge and creating impact in business and society. We received a tremendous response to our call for nominees—a testament to the excellent research being conducted at our accredited schools. We ultimately highlighted 22 faculty changemakers, from 12 countries, producing impactful research in areas like technology, climate change, healthcare, finance, policy, and social impact, among others. Several honorees were also featured in a panel session at ICAM and in a webinar, both of which were well attended and received. These sessions also brought to the

forefront the numerous challenges researchers encounter in their efforts to create impact, and we will continue to facilitate discussions on how the business education community can find creative solutions to overcome these barriers.

PATHWAYS TO GENAI INTEGRATION



The need for business educators to understand and implement generative AI into their operations and programs is tremendous. This fast-growing technology is the future of work, and business schools play an important role in preparing tomorrow’s AI-skilled leaders. Accordingly, we released a new report, [Building Future-Ready Business Schools With Generative AI](#). Developed from discussions led by AACSB’s Innovation Committee, the report portrays the current landscape of GenAI in business and business schools as well as strategic pathways schools can navigate to sustain their value creation in the GenAI era.

THE POWER OF RELATIONSHIPS

ENGAGING INDUSTRY LEADERS

We are grateful to our sustaining and executive business members for their support of our programs and the industry insights they bring to our network.

Sustaining Business Members

American Accounting Association
Bloomberg for Education
Capsim Management Simulations, Inc.®
Certified Financial Planner Board of Standards, Inc
Coursera
Educational Testing Service (ETS)
Everspring
Graduate Management Admission Council™
KPMG
Miles Education Private Limited
PeopleCert
Peregrine Global Services
PwC
Risepoint (formerly Academic Partnerships)
Riipen
Sage Business
Stukent

Executive Business Members

ACADEM by RimaOne
ARMOUR Capital Management
Bisk Education
Cabells
Cesim Business Simulations
Deloitte LLP
Dow Jones & Company/
The Wall Street Journal
Ernst & Young Foundation LLP
Flywire
Grant Thornton LLP
Marketplace Simulations
QED: The Accreditation Experts
Studyportals

DEVELOPING GLOBAL COLLABORATIONS

This past year, we built on our efforts to develop strategic partnerships with governments around the world, enriching quality business education and streamlining accreditation processes for member institutions.

We signed a new agreement with IAE France, a network of 38 schools of management in the country, as well as the National Commission on Quality Assurance Association, the government accreditor representing Qatar.

We also renewed our agreement with the Commission for Academic Accreditation and the Ministry of Education in the United Arab Emirates for another three years, and we had our first joint visits with the Korean Association of Business Education Accreditation, an association we first began working with in 2021.

Through these new and continued cooperative agreements, AACSB and the organizations work together to improve mutual understanding of their respective global accreditation activities, explore synergies, and collaborate through shared events.





AACSB BOARD OF DIRECTORS

(year ended June 30, 2024)



Chair
Alexander J. Triantis
 Johns Hopkins University



Vice Chair-Chair Elect
Sherif H. Kamel
 The American University
 in Cairo



Immediate Past Chair
McRae C. Banks
 The University of North
 Carolina at Greensboro



Secretary-Treasurer
Joyce A. Strawser
 Seton Hall University



**President and Chief
 Executive Officer**
Lily Bi
 AACSB International



Nicole Adler
 The Hebrew University
 of Jerusalem



Lailani Laynesa Alcantara
 Ritsumeikan Asia Pacific
 University



Donald R. Andrews
 Southern University and
 A&M College



Luiz A. Brito
 Fundação Getulio Vargas -
 São Paulo



Deborah H. Caplan
 NextEra Energy, Inc.



Anne-Marie Croteau
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Kathleen A. Farrell
 University of Nebraska-
 Lincoln



Susan Fournier
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Paulo Goes
 Tulane University



Ann E. Harrison
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Yvonne L. Hinson
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Association



Nicole Thorne Jenkins
University of Virginia-
McIntire



Kate Kearins
Auckland University of
Technology



Xiongwen Lu
Fudan University



Delphine Manceau
NEOMA Business School



Eileen McAuliffe
Birmingham City
University



Peter Møllgaard
Copenhagen Business
School



Lee Newman
IE Business School



Lisa Ordóñez
University of California,
San Diego



Vance Roley
University of Hawaii
at Manoa



Vallabh Sambamurthy
University of Wisconsin-
Madison



Kar Yan Tam
The Hong Kong University
of Science and Technology



Francisco Veloso
INSEAD



Ian O. Williamson
University of California,
Irvine



INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

AACSB International - The Association to Advance
Collegiate Schools of Business, Inc. and Subsidiary

Consolidated Financial Report
June 30, 2024

AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary

Contents

Independent Auditor's Report	1-2
Consolidated Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5-6
Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8-17

Independent Auditor's Report

To the Board of Directors
AACSB International - The Association to Advance
Collegiate Schools of Business, Inc. and Subsidiary

Opinion

We have audited the consolidated financial statements of AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary (the "Association"), which comprise the consolidated statement of financial position as of June 30, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Association as of June 30, 2024 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 (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Association and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Prior Year Consolidated Financial Statements

The consolidated financial statements of the Association as of June 30, 2023 were audited by other auditors, who expressed an unmodified opinion on those statements on September 26, 2023.

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

To the Board of Directors
AACSB International - The Association to Advance
Collegiate Schools of Business, Inc. and Subsidiary

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 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 the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

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

Plante & Moran, PLLC

September 18, 2024

AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary

Consolidated Statement of Financial Position

June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 5,074,028	\$ 8,328,483
Investments	32,245,572	22,828,592
Receivables	247,125	240,278
Prepaid expenses and other current assets	1,488,959	745,630
Total current assets	39,055,684	32,142,983
Other Assets - Prepaid expenses and other assets - Net of current portion	103,650	103,650
Property, Equipment, and Software		
Software, course content, and equipment	4,052,458	4,043,436
Office furniture and fixtures	721,195	721,195
Leasehold improvements	2,002,052	2,002,052
Software and improvements in process	-	17,094
Total property, equipment, and software	6,775,705	6,783,777
Less accumulated depreciation and amortization	5,448,821	4,548,321
Net property, equipment, and software	1,326,884	2,235,456
Operating Lease Right-of-use Assets - Net of accumulated amortization	4,598,343	5,405,884
Noncurrent Investments	2,093,872	2,136,483
Total assets	\$ 47,178,433	\$ 42,024,456
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 545,822	\$ 676,115
Deferred revenue	14,509,749	12,310,530
Accrued compensation	2,349,934	941,557
Current portion of operating lease liabilities	980,404	912,353
Total current liabilities	18,385,909	14,840,555
Operating Lease Liabilities - Net of current portion	4,756,370	5,731,100
Total liabilities	23,142,279	20,571,655
Net Assets - Without donor restrictions	24,036,154	21,452,801
Total liabilities and net assets	\$ 47,178,433	\$ 42,024,456

AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary

Consolidated Statement of Activities

Years Ended June 30, 2024 and 2023

	2024	2023
Changes in Net Assets without Donor Restrictions		
Revenue, gains, and other support:		
Member dues	\$ 7,366,005	\$ 6,120,050
Accreditation fees	11,106,360	9,458,120
Learning and development - Registration fees	6,269,244	6,249,819
Sponsorships, exhibits, and advertising	1,765,942	1,758,501
Other revenue	83,052	72,920
Total operating revenue	<u>26,590,603</u>	<u>23,659,410</u>
Expenses:		
Program services	18,852,630	18,893,622
Support services	7,517,324	6,746,725
Total expenses	<u>26,369,954</u>	<u>25,640,347</u>
Increase (Decrease) in Net Assets without Donor Restrictions - Before other revenue without donor restrictions	220,649	(1,980,937)
Other Revenue without Donor Restrictions		
Investment income - Net	2,362,704	1,708,448
Pandemic relief	-	30,634
Total other revenue without donor restrictions	<u>2,362,704</u>	<u>1,739,082</u>
Increase (Decrease) in Net Assets	2,583,353	(241,855)
Net Assets - Beginning of year	<u>21,452,801</u>	<u>21,694,656</u>
Net Assets - End of year	<u><u>\$ 24,036,154</u></u>	<u><u>\$ 21,452,801</u></u>

AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary

Consolidated Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services	Support Services	Total
Salaries and benefits	\$ 9,806,240	\$ 3,778,916	\$ 13,585,156
Advocacy and awareness	-	494,926	494,926
Advertising and promotion	5,485	473,600	479,085
Marketing	143,353	5,827	149,180
Meeting and events	3,119,205	872,342	3,991,547
Travel	777,744	103,023	880,767
Professional services	1,526,014	153,980	1,679,994
Occupancy	826,854	360,457	1,187,311
Information technology	1,924,474	863,233	2,787,707
Depreciation and amortization	519,641	390,274	909,915
Miscellaneous	203,620	20,746	224,366
Total functional expenses	<u>\$ 18,852,630</u>	<u>\$ 7,517,324</u>	<u>\$ 26,369,954</u>

AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary

Consolidated Statement of Functional Expenses

Year Ended June 30, 2023

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Salaries and benefits	\$ 8,786,586	\$ 2,975,184	\$ 11,761,770
Advocacy and awareness	-	460,475	460,475
Advertising and promotion	7,541	554,098	561,639
Marketing	105,194	2,837	108,031
Meeting and events	2,985,877	983,335	3,969,212
Travel	698,087	62,619	760,706
Professional services	2,755,854	172,934	2,928,788
Occupancy	680,215	254,883	935,098
Information technology	1,912,811	781,997	2,694,808
Depreciation and amortization	619,920	405,548	1,025,468
Loss on asset disposal	134,083	55,103	189,186
Miscellaneous	207,454	37,712	245,166
Total functional expenses	<u>\$ 18,893,622</u>	<u>\$ 6,746,725</u>	<u>\$ 25,640,347</u>

AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary

Consolidated Statement of Cash Flows

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 2,583,353	\$ (241,855)
Adjustments to reconcile increase (decrease) in net assets to net cash and cash equivalents from operating activities:		
Depreciation and amortization	909,915	1,025,468
(Gain) loss on disposal of property and equipment	(1,343)	189,186
Bad debt expense	43,780	33,979
Realized and unrealized gains on investments	(1,399,346)	(987,612)
Noncash lease expense	(99,138)	(85,491)
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Accounts receivable	(50,627)	(913)
Prepaid expenses and other assets	(743,329)	(164,797)
Accounts payable	(130,293)	(433,731)
Accrued compensation	1,408,377	(238,890)
Deferred revenue	2,199,219	1,399,689
Net cash and cash equivalents provided by operating activities	<u>4,720,568</u>	<u>495,033</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	-	(105,074)
Purchases of investments	(19,096,562)	(12,502,440)
Proceeds from sales and maturities of investments	11,121,539	17,772,329
Net cash and cash equivalents (used in) provided by investing activities	<u>(7,975,023)</u>	<u>5,164,815</u>
Net (Decrease) Increase in Cash and Cash Equivalents	<u>(3,254,455)</u>	<u>5,659,848</u>
Cash and Cash Equivalents - Beginning of year	<u>8,328,483</u>	<u>2,668,635</u>
Cash and Cash Equivalents - End of year	<u>\$ 5,074,028</u>	<u>\$ 8,328,483</u>

AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Note 1 - Nature of Business

AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary (the "Association") is a nonprofit organization whose mission is to elevate the quality and impact of business schools globally. The Association maintains three global office locations: the Americas headquarters in Tampa, Florida, USA; the Asia Pacific regional office in Singapore; and the Europe, Middle East, and Africa regional office in Amsterdam, The Netherlands. The regional office in Singapore is a separate incorporated entity operating as AACSB International - The Association to Advance Collegiate Schools of Business, LTD. The Amsterdam office operates as a representative office of AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and is not a separately incorporated entity. All three offices are staffed with individuals that primarily provide support and service to the Association's members in (a) the Americas; (b) Asia Pacific; and (c) Europe, Middle East, and Africa, respectively. The Association's revenues and other support are derived principally from member dues and fees, which includes sponsorships from members and other outside organizations. Its activities serve a global network of educational institutions, corporate, and nonprofit organizations.

Note 2 - Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Association have been prepared on the basis of accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

Principles of Consolidation

The financial statements include the accounts of AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and AACSB International - The Association to Advance Collegiate Schools of Business, LTD (collectively referred to hereafter as the "Association"). All material intercompany accounts and transactions have been eliminated in consolidation.

Classification of Net Assets

Net assets of the Association are classified based on the presence or absence of donor-imposed restrictions. There are no donor-imposed restrictions on the net assets of the Association; therefore, all changes in net assets are classified and reported as net assets without donor restrictions.

Cash Equivalents

The Association considers all investments with an original maturity of three months or less when purchased to be cash equivalents. The Association maintains cash in bank deposit accounts that at times may exceed federally insured limits.

Investments

Investments are reported at fair value. Investment income, including net realized and unrealized gains and losses, is included in the change in net assets in the accompanying consolidated statement of activities. Interest income is recorded on the accrual basis.

The Association's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to these risk factors, it is reasonably possible that changes in value of investments will occur in the near future and will materially affect the amounts reported in the consolidated financial statements. The Association places its cash and marketable securities with high-quality institutions and, accordingly, limits its credit exposure.

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Note 2 - Significant Accounting Policies (Continued)

Receivables

The Association's trade accounts receivable balance consists of amounts due from its customers. The Association operates in the higher education industry and its accounts receivable are derived primarily from university schools of business. Based on the limited range of types of customers served, risk characteristics on receivable balances are typically similar among all customers. Trade accounts receivable are stated at invoice amounts. The Association calculates the allowance using an expected loss model that considers the Association's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Association considers fluctuations in past-due amounts as well as industry trends when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. Credit loss expense totaled \$43,780 and \$33,979 for the years ended June 30, 2024 and 2023, respectively. There was no allowance for credit losses on accounts receivable balances as of June 30, 2024 and 2023.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets consist of amounts paid in advance for expenses related to events that have not taken place and other operating costs. These services and fees require payment in advance to secure services over a period of time that extends beyond June 30. As the prepaid items and services are rendered, the Association records the related expenses in the period incurred.

Property and Equipment

The Association records property and equipment additions over \$15,000, course content developments over \$20,000, and software over \$25,000 at cost with an estimated useful life of three years or more. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives; with the exception of leasehold improvements, which are amortized over the shorter of their lease term or estimated useful life. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the consolidated statement of activities. Costs of maintenance and repairs are charged to expense when incurred. Software and improvements in progress are not amortized or depreciated until placed in service, at which time it is reclassified into the appropriate asset class. The estimated useful lives of the Association's long-lived asset classes are as follows:

	Depreciable Life - Years
Software, course content, and equipment	3 to 5 years
Furniture and fixtures	3 to 7 years
Leasehold improvements	3 to 12 years

Leases

The Association has operating leases for office space and office equipment. The Association recognizes expense for operating leases on a straight-line basis over the lease term. The Association made a policy election not to separate lease and nonlease components for the office space leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability.

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

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Note 2 - Significant Accounting Policies (Continued)

Revenue Recognition

Exchange revenue includes membership dues, accreditation fees, learning and development registration fees, sponsorships, exhibits, and advertising. Program service fees and related receivables are reported at the amount reflecting the consideration to which the Association expects to be entitled in exchange for providing services to their program participants. Revenue is recognized as performance obligations are satisfied.

Accounts receivable totaled \$247,125 at June 30, 2024; \$240,278 at June 30, 2023; and \$273,344 at July 1, 2022. Deferred revenue totaled \$14,509,749 at June 30, 2024; \$12,310,530 at June 30, 2023; and \$10,910,841 at July 1, 2022.

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

Membership Dues

Membership dues include annual memberships. Annual membership dues are renewed each fiscal year starting July 1 and are recognized in revenue evenly over the membership period. With membership dues, members have access to the online exchange network system, a large database of global business education data, access to thought leadership pieces around business education topics, discounts to learning and development programs, and the right to apply for the Association's business and accounting accreditation. Unearned membership revenue is reflected as deferred revenue in the consolidated statement of financial position.

Accreditation Fees

An association member institution offering undergraduate and/or graduate degrees in business may voluntarily apply for the Association's business and accounting accreditation. The Association accreditation process includes self-evaluation, peer-review elements, and fees at milestones while an institute is seeking accreditation and during the maintenance of their accreditation achievement.

The process begins with the submission and approval of an eligibility application. Eligibility application review fees are recognized at a point in time in which a school is included on the agenda of the review committee. Once a school's eligibility application has been approved, it will be assessed the one-time initial accreditation process acceptance fee that is recognized at a point in time when the committee gives an affirmative vote to accept the school into the accreditation process. During the years ended June 30, 2024 and 2023, the Association recognized accreditation fee revenue point in time in amounts of \$879,540 and \$739,050, respectively.

The applicant schools that have successfully aligned themselves with the accreditation standards will qualify for a peer review team visit and will incur a one-time fee recognized over the term of the visit, generally two to three days.

While a school is in process, or after the school has been ratified, it will pay an annual fee recognized over the applicable fiscal year starting July 1. Fees that are paid prior to the applicable fiscal year will be reflected as deferred revenue in the consolidated statement of financial position.

The deferral visit fee or continuing review fee are one-time fees for schools placed on either a deferral review during the initial accreditation process, or a continuing review for schools already accredited. Both review fees are recognized over the time of the review, generally one to two days.

During the years ended June 30, 2024 and 2023, the Association recognized accreditation fee revenue over time in amounts of \$10,226,820 and \$8,719,070, respectively.

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Note 2 - Significant Accounting Policies (Continued)

Learning and Development - Registration Fees

Registration fees for multi-day learning and development events are recognized over time during the duration of the event. Registration fees for one-day digital workshops are recognized at the point in time of the event. Advance registration payments received are held in deferred revenue until the period in which the event is delivered.

Sponsorships, Exhibits, and Advertising

Sponsorship agreements comprise an exchange element based on the value of benefits provided, and a contribution element for the difference between the total sponsorship price and the exchange element. The exchange element can include admission, exhibits, and advertising, which the Association recognizes when the performance obligation is met. The admission and exhibit elements are recognized over the term of the event being sponsored. The advertising element is recognized at the point in time when the advertisement is delivered to the audience.

Contributions

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows.

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the same period as the gift are both reported as contributions without donor restrictions.

Conditional promises to give are not recognized as revenue until barriers prescribed by the grant agreements/pledge agreements are overcome. The Association records cash received in advance of meeting conditions as a refundable advance on the consolidated statement of financial position. There were approximately \$967,000 and \$945,000 in conditional contributions in the form of sponsorships awarded in the years ended June 30, 2024 and 2023, respectively, which depended on the associated events occurring and have been recorded to the sponsorships, exhibits, and advertising line in the consolidated statement of activities. Sponsorship transactions often are bifurcated between contribution revenue and exchange revenue, with the contribution portion recognized as the amount exceeding the fair market value of the goods or services provided in return for the sponsorship. As of June 30, 2024 and 2023, conditional promises to give totaled \$0 and \$8,000, respectively.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in consolidated statement of activities. The consolidated financial statements report certain categories of expenses attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis consistently applied. Salaries and related expenses are allocated on the basis of time and effort. Expenses deemed to be indirect to employee work, such as professional services, depreciation, insurance, and supplies, are allocated based on full time equivalents, actual usage, or management's estimates of usage applicable to the various program and supporting services benefited. Other expenses utilized by all employees, such as occupancy, utilities, and training, are also allocated on the basis of time and effort. Costs have been allocated between the various program and support services based on estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Note 2 - Significant Accounting Policies (Continued)

Use of Estimates

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

Income Taxes

The Association is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). The Association is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

AACSB International - The Association to Advance Collegiate Schools of Business, LTD is required to annually file a Information Return of U.S. Persons With Respect to Certain Foreign Corporations (Form 5471) and a U.S. Shareholder Calculation of Global Intangible Low-Taxed Income (Form 8892). The Association had not historically filed Forms 5471 and 8892 prior to 2022. Consequently, the Association could incur certain IRS penalties. However, management is of the opinion penalties issued by the IRS, if any, will not have a materially adverse impact on the Association's financial position due to the facts and circumstances of the situation.

Adoption of New Accounting Pronouncement

As of July 1, 2023, the Association adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-13, *Financial Instruments - Credit Losses*, which changed how entities account for credit losses for financial assets, including the Association's accounts receivable. This guidance requires entities to consider reasonable and supportable forecasts of future economic conditions in the estimate of expected credit losses. The Association adopted the standard using the modified retrospective adoption method beginning on July 1, 2023. There was no impact to net assets upon adoption of the new standard.

Reclassification

The 2023 consolidated statement of financial position has been reclassified to shift illiquid investments of approximately \$2,100,000 from current assets to noncurrent assets to reflect their liquidity status. Additionally, the fair value measurement hierarchy disclosure in 2023 has been reclassified to reflect a change in classification of cash and money market investments, which were previously classified as Level 1 in the fair value measurement table (see Note 3).

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including September 18, 2024, which is the date the financial statements were available to be issued.

Note 3 - Fair Value Measurements

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

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

AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Note 3 - Fair Value Measurements (Continued)

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

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

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

The following tables present information about the Association's assets measured at fair value on a recurring basis at June 30, 2024 and 2023 and the valuation techniques used by the Association to determine those fair values:

	2024			Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments measured at fair value:				
Equity securities	\$ 12,843,120	\$ -	\$ -	\$ 12,843,120
Fixed-income securities	-	7,071,940	-	7,071,940
Total	\$ 12,843,120	\$ 7,071,940	\$ -	19,915,060
Investments measured at NAV:				
Private equity funds				1,114,052
Real estate investment trust				979,820
Total assets				\$ 22,008,932

	2023			Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments measured at fair value:				
Equity securities	\$ 10,450,282	\$ 839,266	\$ -	\$ 11,289,548
Fixed-income securities	5,396,227	2,345,901	-	7,742,128
Total	\$ 15,846,509	\$ 3,185,167	\$ -	19,031,676
Investments measured at NAV:				
Private equity funds				974,312
Real estate investment trust				1,162,171
Total assets				\$ 21,168,159

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Note 3 - Fair Value Measurements (Continued)

Not included above is \$12,330,512 and \$3,796,916 in cash and cash equivalents, including money market investments, as of June 30, 2024 and 2023, respectively.

Level 2 Inputs

Estimated fair values of fixed-income securities were based on similar investments that are traded on a secondary market.

Investments in Entities that Calculate Net Asset Value per Share

The Association holds shares or interests in investment companies at year end where the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment company. At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	June 30, 2024	June 30, 2023	June 30, 2024	
	Fair Value	Fair Value	Redemption Frequency, if Eligible	Redemption Notice Period
Private equity fund	\$ 1,114,052	\$ 974,312	Illiquid	None
Real estate funds	979,820	1,162,171	Illiquid	90 days
Total	<u>\$ 2,093,872</u>	<u>\$ 2,136,483</u>		

The private equity fund focuses on the purchase of globally diversified infrastructure assets, mainly consisting of primary, secondary, and co-investment opportunities. The investments are not readily redeemable; however, distributions may be received as underlying fund assets are liquidated. The fund management had a 5-year investment period which ended on December 31, 2022, to invest capital into opportunities. The Association's term for this investment is 12 years ending on December 31, 2029 with three additional 1-year extensions at the discretion of fund management.

The real estate fund focuses on the purchase of geographically diversified real estate properties in the United States. The fund earns income from real estate investments consisting of contractual rents due under the terms of the leases and reimbursement of certain operating expenses and real estate taxes. The income earned quarterly may be distributed to the investor or reinvested in the fund. The fund is illiquid but the Association can request redemptions with 90 days written notice, which are subject to available liquidity. If there is no liquidity at the time of redemption notice, the Association would enter a queue and receive partial liquidations on a quarterly basis as the fund liquidates the real estate holdings.

Note 4 - Pension Plan

The Association's employees are eligible to participate in a retirement plan on the first day of the month following their start date. U.S. employees can participate in a plan administered by the Teachers Insurance and Annuity Association and receive an association matching amount up to 5 percent. Employees in the Amsterdam office received a 2.5 percent pension allowance that they can choose to include in a retirement plan of their choice. Employees in the Singapore office receive a statutory contribution rate as specified by the Central Provident Fund depending on age.

Pension expense totaled approximately \$320,000 and \$305,000 for the years ended June 30, 2024 and 2023, respectively.

AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Note 5 - Leases

The Association is obligated under operating leases primarily for office space in Tampa, Singapore, and Amsterdam, expiring at various dates through 2030. The Association also leases certain office equipment under noncancelable operating leases through 2025. The right-of-use asset and related lease liability have been calculated using a rate of 3.23 percent. The leases require the Association to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under these leases was \$1,187,311 and \$1,113,037 for 2024 and 2023, respectively.

Future minimum annual commitments under these operating leases are as follows:

Years Ending June 30	Amount
2025	\$ 1,147,729
2026	1,169,813
2027	1,116,262
2028	983,872
2029	1,007,666
Thereafter	<u>829,337</u>
Total	6,254,679
Less amount representing interest	<u>517,905</u>
Present value of net minimum lease payments	5,736,774
Less current obligations	<u>980,404</u>
Long-term obligations under leases	<u>\$ 4,756,370</u>

Expenses recognized under these leases for the years ended June 30, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 1,008,000	\$ 1,008,000
Other information:		
Operating cash flows from operating leases	\$ 1,110,265	\$ 1,093,413
Right-of-use assets obtained in exchange for new operating lease liabilities	-	6,187,219
Weighted-average remaining lease term (years) - Operating leases	5.5	6.5
Weighted-average discount rate - Operating leases	3.2 %	3.2 %

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Note 6 - Liquidity Access Line

Under a liquidity access line agreement with a bank, the Association has maximum available borrowings of \$5,000,000. Interest is payable monthly at a variable rate. As of June 30, 2024, the variable rate was equal to the Secured Overnight Financing Rate plus 1.75 percent (an effective rate of 6.58 percent at June 30, 2024). As of June 30, 2023, the variable interest rate was equal to the London Interbank Offered Rate plus 1.75 percent (an effective rate of 6.93 percent at June 30, 2023). The line of credit is collateralized by the Association's investments held under custody of the lender and due on demand. There was no balance on the line as of June 30, 2024 and 2023.

Note 7 - Commitments and Obligations

Events and Service Commitments

The Association enters into agreements with various hotels and other venues representing commitments for meeting space, food, and beverages for the event. Commitments totaled \$2,689,000 and \$2,598,000 at June 30, 2024 and 2023, respectively. Of those amounts, approximately \$2,446,000 and \$1,710,000, respectively, are the maximum noncancelable amounts, with some event contracts containing force majeure clauses.

The Association has entered brand awareness, various software, and supporting service commitments totaling approximately \$891,998 and \$1,608,000 as of June 30, 2024 and 2023, respectively, over the next three years.

Employment Contracts

The Association has entered employment contracts with certain key employees. These agreements establish the respective annual salaries and severance agreements. The employment agreements can be terminated at the sole discretion of the Association without cause, but giving at least 30-60 days notice to the respective employee and the Association would pay these key employees an agreed-upon amount of salary as severance, provide for certain benefits, and reimburse relocation expenses, as defined by the individual agreements.

Note 8 - Liquidity and Availability of Resources

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

	2024	2023
Cash and cash equivalents	\$ 5,074,028	\$ 8,328,483
Accounts receivable	247,125	240,278
Investments	34,339,444	24,965,075
Financial assets - At year end	39,660,597	33,533,836
Less those unavailable for general expenditures within one year due to alternative investments	2,093,872	2,136,483
Financial assets available to meet cash needs for general expenditures within one year	\$ 37,566,725	\$ 31,397,353

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Note 8 - Liquidity and Availability of Resources (Continued)

The Association has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Association invests cash in excess of daily requirements in various short-term investments, including short-term Treasury instruments. As described in Note 6, the Association also has a committed liquidity access line of credit in the amount of \$5,000,000, which it could draw upon in the event of an anticipated liquidity need.

The Association also realizes there could be unanticipated liquidity needs.



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