

PPAI[®]
Promotional Products Work![®]

2021 Annual Report

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PROMOTIONAL PRODUCTS ASSOCIATION INTERNATIONAL

Adapt, Recover, And Plan For The Future

The year that was 2021

I think the best way to describe the year that was 2021 is:

Another unique year-turned-learning-experience for PPAI.

It began painfully in January with no PPAI Expo, the event that generates the majority of PPAI's revenue. For the first time since moving The PPAI Expo to Las Vegas, we were unable to gather in person at what has become synonymous with the kickoff to the promotional products industry's year. While the PPAI team was able to admirably pull together an extraordinary virtual event, there is no replacement for the single most important event in the promotional products industry—The PPAI Expo. That became even more evident as many members pleaded for us to hold the event in 2022—which we did successfully. And we fully anticipate that 2023 will be even better.

But as one would expect, the cancellation of an event the size of The PPAI Expo had a significant impact on our financials. In fact, we ended up losing nearly \$1 million—our first loss since 2013. But, considering we didn't host an Expo in 2021, in some ways that loss should be celebrated. It was the dedication of the staff and their ability to adapt that allowed us to manage our financials throughout the year and finish in a much better position than we ever could have anticipated after cancelling the PPAI Expo in January. A strong supportive membership certainly helped make that possible, too.

Another 2021 milestone was the announcement in February that Paul Bellantone would be leaving the Association after serving as the President and CEO for 10 years. Once again, the Association team was forced to adapt and did so extraordinarily well with Bob McLean serving as interim President. He kept things moving on a path to recovery, ensuring the health and financial stability of the Association.

I joined the team as President and CEO in mid-August. Thankfully, I walked into an organization that had taken a hit but was staffed with dedicated professionals focused on being the best organization possible. In the early months, we continued to focus on our financial recovery, while at the same time, we began to look toward the future. During the 4th quarter, with the help of our Board of Directors, we drafted a new strategic plan which included a new vision, mission and strategic goals, which is driving significant change at PPAI.

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VISION: Promotional products are universally valued and essential to every brand.

MISSION: Be the voice and force to advance the Promotional Marketplace for the benefit of our community.

GOALS:

1. Drive Member And Community Value – For years, this had been one of the Association’s most important goals, but coming out of the pandemic, it became even more important. We are committed to driving more value to our members than ever before.
2. Ensure Economic Sustainability And Scalability – Protect the Association financially in the current situation, but do it with an eye on the future.
3. Elevate CSR In The Industry – Lead the industry through the elevated interests in Corporate Social Responsibility from buyers and consumers in general.
4. Facilitate The Industry’s Digital Transformation – Move the industry forward, removing friction in the industry, as well as facilitating our own internal digital transformation.
5. Be The Voice Of The Industry – Take the successful outreach initiative of “Get In Touch” and expand upon it significantly with a reimagined Promotional Products Work initiative.

These goals, along with the vision and mission, will serve as our roadmap going forward and will be the catalyst for every decision we make as an organization. It is our commitment to you to continue to drive the industry forward as we lead the marketplace to an even stronger position while supporting you, our members, in your own growth-related goals.

Thank you for your membership and support. We look forward to continuing to serve you in the future.

Sincerely,



Dale Denham, MAS+, President & CEO of PPAI



Promotional Products Association International

Statements of Financial Position

<i>December 31,</i>	2021	2020
Assets:		
Current assets:		
Cash and cash equivalents	\$ 11,565,226	\$ 6,345,798
Accounts receivable, net	370,227	618,849
Investments	6,630,036	6,199,160
Prepaid expenses	4,408,719	3,177,525
Accrued interest receivable	2,166	67,956
Total current assets	22,976,374	16,409,288
Property and equipment, net	1,293,306	1,381,292
Total assets	\$ 24,269,680	\$ 17,790,580
Liabilities and Net Assets:		
Current liabilities		
Accounts payable	\$ 597,678	\$ 149,302
Accrued expenses	415,379	653,209
PPP Loan	1,349,247	-
Unearned revenue	11,892,886	6,005,710
Total current liabilities	14,255,190	6,808,221
Total liabilities	14,255,190	6,808,221
Commitments and contingencies		
Net assets:		
Without donor restrictions:		
Undesignated	2,075,500	3,616,670
Board designated		
Designated for strategic plan implementation	565,502	556,408
Designated for capital improvements	1,990,699	1,771,640
Designated for contingencies	5,382,789	5,037,641
Total net assets	10,014,490	10,982,359
Total liabilities and net assets	\$ 24,269,680	\$ 17,790,580

See accompanying notes to financial statements.

Promotional Products Association International

Statements of Activities

<i>Years ended December 31,</i>	2021	2020
Revenue without donor restriction:		
Trade shows	\$ 894,804	\$ 11,062,014
Membership services	10,121,382	10,745,236
Publications	1,389,045	1,423,364
Professional development	88,277	65,451
Public affairs	82,725	53,006
Membership engagement	-	41,773
Regional relations	118,125	135,000
Investment income, net	296,544	469,082
Other income	13,489	46,841
Total unrestricted revenue	13,004,391	24,041,767
Expenses:		
Program expenses:		
Trade shows	800,747	4,277,408
Membership services	6,891,356	7,092,714
Publications	818,051	927,857
Professional development	193,492	905,495
Public affairs	421,325	360,551
Membership engagement	185,099	428,635
Regional relations	19,485	189,501
Business development	742,929	995,953
Industry promotion	782,073	1,175,517
Technology	756,627	1,011,315
Volunteer administration	12,695	110,008
Strategic plan expenses	22,455	26,837
Total program expenses	11,646,334	17,501,791
General and administrative expenses	2,325,926	3,406,876
Total expenses	13,972,260	20,908,667
Change in net assets without donor restrictions	(967,869)	3,133,100
Net assets without donor restrictions at beginning of year	10,982,359	7,849,259
Net assets without donor restrictions at end of year	\$ 10,014,490	\$ 10,982,359

See accompanying notes to financial statements.