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April 30, 2016

To the Board of Directors and Management
APICS, Inc.
and APICS Supply Chain Council, Inc.

We have audited the consolidated financial statements of APICS, Inc. and APICS Supply Chain Council, Inc. (collectively, the “Association”) as of and for the year ended December 31, 2015 and have issued our report thereon dated April 30, 2016. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 1, 2016, our responsibility, as described by professional standards, is to express an opinion about whether the consolidated financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the consolidated financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the consolidated financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Association. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on December 13, 2015.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Association are described in Note 1 to the consolidated financial statements.

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

As of December 31, 2015, the Association implemented new guidance that changed the required disclosures for investments valued at net asset value (NAV) per share (or its equivalent) as a practical expedient. Previously, investments measured at fair value using NAV practical expedient were classified in the fair value hierarchy based on the redemption features associated with the investments. Under the new guidance, investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient are no longer classified in the fair value hierarchy.

No new accounting policies were adopted and the application of existing policies was not changed during 2015.

We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the consolidated financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the consolidated financial statements were as follows:

Acquisition Accounting - Fair Value of Intangible Assets Acquired

Accounting Policy and Estimation Process: In connection with the acquisition of American Society of Transportation & Logistics (AST&L), the Association utilized business combination accounting. The most significant estimates involving the business combination were related to the fair value determination of specialized knowledge. The specialized knowledge was recorded based on the discounted future cash flows to which these intangible assets are expected to contribute.

Comments: We evaluated the valuation techniques, methodologies, and assumptions used in valuing the business combination accounting to determine that they were reasonable in relation to the consolidated financial statements taken as a whole.

Estimated Lives of Intangible Assets

Accounting Policy and Estimation Process: Management has determined that the estimated useful life of its trade name and intellectual property acquired from Supply Chain Council and its specialized knowledge acquired from AST&L is indefinite as there is no foreseeable limit to the period over which the assets are expected to contribute to the Association's cash flows. Intangible assets that are not subject to amortization are tested for impairment at least annually.

Comments: We evaluated the key factors and assumptions used by management to determine that the indefinite lives of the trade name, intellectual property, and specialized knowledge acquired are reasonable in relation to the consolidated financial statements taken as a whole.

Impairment Assessment of Intangible Assets

Accounting Policy and Estimation Process: Management prepared a qualitative impairment assessment. In this assessment, management addressed events and circumstances that could affect the significant inputs used to determine the fair value of the indefinite-life intangible assets and whether it is more likely than not that the indefinite-life intangible assets were impaired. Management concluded that based on the assessment performed, there was no indication of impairment.

Comments: We evaluated the key factors and assumptions used by management to determine if intangibles were impaired and we agree with the conclusions reached by management. Management's conclusions are reasonable in relation to the consolidated financial statements taken as a whole.

The disclosures in the consolidated financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the consolidated financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Association, and business plans and strategies that may affect the risks of material misstatement with management each year prior to our retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 30, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's consolidated financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

The topics below are included for informational purposes only:

Update on Upcoming Changes to Financial Reporting

On April 22, 2015, the Financial Accounting Standards Board (FASB) released a new proposed accounting standard for public comment. The public comment period ended on August 20, 2015. The standard will significantly change financial reporting for not-for-profit organizations, which has been guided by Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. The updated standard is designed to broadly provide more transparent information about the liquidity of an organization.

Under the expected standard, four main changes will occur in not-for-profits' Financial Statements:

1. Two classifications of net assets: restricted and unrestricted, rather than three classifications of unrestricted, temporarily-restricted, and permanently-restricted.
2. Inclusion of presentation of a uniform operating measure in the statement of activities. This operating measure will be designed to reflect expenditures related to fulfilling the organization's mission and available funds. The presentation will also allow for comparison between organizations.
3. Requirement that all not-for-profits report expenses by both natural and functional classifications.

Also included are increased disclosures related to immediate cash availability and information about endowments.

At this point, there is not a date at which the new standard will be effective for all not-for-profit organizations. However, now is the time to begin considering how this new guidance will affect your organization and to begin designing any necessary changes to your processes and procedures to accumulate the information needed. We can help you evaluate the application of this guidance to your organization and answer any questions about how the proposed changes would impact your organization if adopted by the FASB.

Changes in Lease Accounting

On February 25, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases,* making significant changes to the financial reporting of lease contracts. The proposal was originally issued as an exposure draft in 2010. Since that time, the FASB has undergone an extensive deliberation process and made revisions to the proposed standard. The changes are part of a larger joint project between the FASB and the International Accounting Standards Board aimed at further converging U.S. and international accounting standards.

The standard introduces a “right-of-use” approach to lease accounting that results in the liability for payments arising under the lease contract and the right to use the underlying asset being included in the lessee’s statement of financial position. In essence, the standard eliminates the off-balance-sheet accounting currently used for operating leases. Lessor accounting is also addressed in the standard.

Lessee Accounting - The FASB has retained a dual approach for lessee accounting. Lease classification will still be determined in accordance with principles in existing lease requirements (i.e., financing/capital vs. operating leases); however, all lessees will recognize an asset representing the right to use the leased asset for the lease term and a corresponding liability for the lease payments. The asset will be amortized over the shorter of the lease term or the estimated useful life of the asset. For most existing capital leases, the lessee will recognize this amortization separately from interest on the lease liability. For most existing operating leases, the amortization will be recognized on a straight-line basis as a single total lease expense.

Lessor Accounting - Lessors will continue to determine lease classification on the basis of whether the lease is a financing/sale lease or an operating lease. The focus of this determination would be based on whether the lease transfers substantially all the risks and rewards of ownership of the asset to the lessee. The accounting treatment for the lessor will be substantially the same as existing U.S. GAAP.

Measurement - Assets and liabilities recognized by lessees and lessors would be measured on a basis that:

- Includes options to extend the lease term only if it is reasonably certain that the lessee will exercise the option having considered all relevant economic factors (roughly equivalent to current U.S. GAAP)
- Incorporates the concept of collectibility into the lessor accounting model
- Is updated by the lessee when changes in facts or circumstances occur that are within the control of the lessee. Lessors will not be required to reassess the lease terms

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For leases of 12 months or less, lessees and lessors would be able to apply simplified requirements that ignore the effect of interest in recognizing assets and liabilities.

Disclosures - The standard also requires disclosures that are more extensive than currently required for leasing arrangements. The disclosures are based on stated objectives and include disclosures about the amounts recognized in the consolidated financial statements arising from leases and the amount, timing, and uncertainty of cash flows arising from those contracts.

Effective Date - The new lease standard is effective for public entities and entities that have issued, or are a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market for fiscal years beginning after December 15, 2018. For all other organizations, the ASU is effective for fiscal years beginning after December 15, 2019 and for interim periods within fiscal years beginning after December 1, 2020. Early application is permitted for all organizations.

This information is intended solely for the use of the board of directors and management of the Association and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

Kathy M. Downey

Kathy M. Downey, CPA
Partner