

NGFA Financial Summary

NGFA's 2023/24 fiscal year runs from April 1, 2023, through March 31, 2024.

Revenue

2023/24 membership dues were budgeted at \$4,717,007 and were on pace to reach the target, but receipts fell in January 2024 when NGFA initiated a new payment system that requires a tutorial. NGFA staff continue to assist members with the new system, but delays could shift more dues collections to the 2024/25 fiscal year. As a result of the delays, NGFA has lowered its 2023/24 membership dues projection to \$4,500,000.

In anticipation of delayed dues carried over from the 2023/24 fiscal year, dues for 2024/25 are budgeted at \$4,815,000. In the fall of 2023, NGFA's Executive Committee opted to leave dues levels unchanged for the January 2024 and July 2024 dues invoicing but will reevaluate ahead of the January 2025 invoicing.

Conference income for 2023/24 is projected at \$530,186, slightly below the budget of \$544,528 due to a downtick in sponsorships, attendance, and trade show participation. Conference income for 2024/25 is budgeted at \$562,957, nearly mirroring the current year and adding in Trade Rules Seminar.

Arbitration income for 2023/24 is projected at \$591,000 and exceeds the \$290,000 budgeted income. Commodity prices trending downward are anticipated to lower arbitration income in 2024/25. Only three arbitration cases have been filed from January 1, 2024, through February 29, 2024. For 2024/25, arbitration income is budgeted at \$100,000, which is in line with historical levels for years with less volatile commodity prices where disputes occur less often.

Expenses

The professional services projection for 2023/24 is \$28,000 and \$201,000 is budgeted for 2024/25 to accommodate outsourcing of accounting and financial functions and a safety position. NGFA management's decision to outsource two full-time positions reduces salaries and other payroll expenses, but a cost-of-living adjustment for employees and replacing a part-time employee with a full-time employee leads to overall higher anticipated spending on employees in 2024/25. NGFA projects spending \$4,049,000 on salaries and other payroll expenses in 2023/24 and the 2024/25 budget is \$4,110,500.

Rent for NGFA's office space is projected at \$341,000 for 2023/24 and is budgeted at \$325,987 for 2024/25. In 2023/24, NGFA's landlord passed on two years of tax assessments and a higher allocation of taxes due to the building having higher vacancy than prior years. In 2024/25, NGFA should only have to pay one assessment for extra property tax and the landlord has increased the monthly escrow to cover expected assessments.

Legal fees for 2023/24 are projected at \$135,000 mostly for rail legal bills associated with Surface Transportation Board proceedings.

Information technology expenses for 2023/24 are projected at \$162,000 and include maintenance costs for a new database that will connect NGFA's data for membership, conferences, advocacy, and finances.

In 2023/24, a \$165,000 placeholder expense is recorded under the operating profit line for possible outcomes of one-time events related to Convey and employee benefit reconciliation.

Profit/Loss

For 2023/24, NGFA is projecting operating income of \$574,305 which is \$171,550 better than budget. Management stewardship kept major expense items below budgeted levels in conjunction with higher than expected arbitration income. For 2024/25, NGFA is budgeting a lower operating income of \$88,535 primarily due to management's estimates of reduced arbitration income.

Other Balance Sheet Items

As of January 31, 2024, NGFA has \$9,432,918 in long-term financial reserves. Over the past fiscal year, the long-term reserve has gained \$1,319,232. Most of the increase is due to unrealized gains and a transfer of \$500,000 in excess cash from NGFA operations.

NGFA has healthy operating balances with \$1,002,089 in its operating accounts and \$3,378,246 in its operating reserve. NGFA invests its operating reserves in certificates of deposit and U.S. Treasuries to capitalize on excess cash.

Deferred revenue in the amount of \$396,177 represents a healthy start to revenues projected for the annual meeting in March.

Deferred rent on the balance sheet reflects a rent credit for the NGFA office lease that expires April 30, 2028.

Net income of \$1,244,698 on the balance sheet represents all forms of income for NGFA, such as operating and the long-term reserve.