

NGFA Financial Summary

This financial summary covers NGFA's 2024/25 fiscal year and provides budget estimates for 2025/26.

Revenue

A membership dues projection of \$5.7 million for 2024/25 would well exceed the budget estimate of \$4,815,000 primarily because NGFA initiated a new payment system in early 2024 and the startup delays shifted a portion of the dues collections from 2023/24 to 2024/25. Also, membership dues payments for the first two months of 2025 have started at a strong pace. For 2025/26, membership dues are budgeted at \$4.95 million and includes an Executive Committee-approved two percent increase and takes into account the effects of anticipated industry consolidation.

Event income for 2024/25 is lower than budget by almost \$100,000 due to lower than projected attendance at convention than budgeted, along with inflationary AV and food costs beyond past, historical increases. Attendance at the Trade Rules seminar last May was right on target, but sponsorships dropped nearly \$50,000 from the previous conference and budgeted amounts. Event income in 2025/26 is budgeted more modestly due to continued projected cost increases and anticipated softening in the industry economics leading to expected decreases in attendance and sponsorships. A Trade Rules Seminar will not be held in 2025 because the event is held every other year.

Due to a surge in appeals to arbitration decisions, arbitration income for 2024/25 is higher than anticipated at \$245,343. Arbitration income for 2025/26 is projected to decline to \$100,000 to reflect lower, less volatile commodity prices that usually result in fewer, less costly disputes for NGFA members.

Expenses

NGFA anticipates spending almost \$326,000 on office space rent for the 2024/25 fiscal year and approximately \$334,000 for 2025/26. NGFA is in negotiations with its landlord on a new lease and has the opportunity to lower rental payments in future years.

Due to increased outsourcing, salaries and payroll expenses for 2024/25 are projected to run under budget by \$460,500 and professional services to run over budget by \$449,000. Rather than hire a second full-time lobbyist, NGFA contracted with The Russell Group (TRG) to boost its presence on Capitol Hill and assist with other government relations activities and now has access to 16 TRG employees. NGFA replaced its Director of Communications position with Fordham Farm Communications to bolster its communications and influence and to build the NGFA brand. NGFA also hired Clifton Larsen Allen in 2024 to assist with accounting and contracted with Progressive Safety Services to replace the Director of Safety position at substantial savings.

Profit/Loss

NGFA's net operating income for 2024/25 is projected at over \$1.1 million largely because a portion of 2023/24 membership dues payments were delayed to 2024/25 when NGFA launched a new payment system and also because dues payments in calendar year 2025 are arriving at a fast pace. Also, arbitration income is higher than anticipated and legal expenses are lower than budgeted. For 2025/26, NGFA is projecting a slightly better than balanced budget with \$9,116 in net operating income.

Other Balance Sheet Items

As of January 31, 2025, NGFA has \$11,613,731 in the long-term reserve and \$3,365,167 in the operating reserve. In April 2024, NGFA transferred \$880,784 from the operating reserve to the long-term reserve and in July 2024 NGFA transferred \$750,000 from its checking account to the operating reserve.

Vacation liability has decreased from \$219,406 a year ago to \$121,507 due to the retirement of a long-time employee and because of a change in NGFA's vacation carryover policy.

Deferred revenue in the amount of \$516,018 represents revenues collected for NGFA's Annual Convention.

National Grain and Feed Association

Statement of Financial Position

As of January 31, 2025

	ASSETS	Jan. 31, 2024	Jan. 31, 2025
Current Assets			
Checking/Savings			
Operating		391,831	247,388
Sweep		615,758	2,002,097
Total Available Cash		<u>1,007,589</u>	<u>2,249,485</u>
Operating Reserve		3,378,246	3,365,167
Total Cash on Hand		<u>4,385,835</u>	<u>5,614,652</u>
Arbitration Escrow		2,857,602	2,644,291
Accounts Receivable		90,274	20,559
Prepays		111,357	201,894
Due To/From Intercompany		(33,261)	(48,093)
Total Current Assets		<u>7,411,807</u>	<u>8,433,303</u>
Fixed Assets, net of Accumulated Depreciation		419,333	345,675
Other Assets			
Long Term Reserve		9,432,918	11,613,731
Security Deposit (Rent)		22,642	22,642
Right-Of-Use Asset		1,084,614	706,112
Total Other Assets		<u>10,540,174</u>	<u>12,342,485</u>
TOTAL ASSETS		<u>18,371,314</u>	<u>21,121,463</u>
	LIABILITIES		
Current Liabilities			
Accounts Payable		158,466	29,758
Credit Cards		1,617	39,260
Accrued Expenses		178,563	22,998
Total Current Liabilities		<u>338,646</u>	<u>92,016</u>
Other Liabilities			
Arbitration Escrow and Advances		2,956,614	2,767,470
Payroll Liabilities		104,562	19,511
Vacation Liabilities		219,406	121,507
Deferred Revenue		396,177	536,028
Right-Of-Use Liability		1,651,927	1,095,961
Total Other Liabilities		<u>5,328,686</u>	<u>4,540,477</u>
TOTAL LIABILITIES		5,667,332	4,632,493
	NET ASSETS		
Net Assets (without donor restrictions)		11,446,135	13,971,493
Net Assets (with donor restrictions)		21,000	-
Change in Net Assets		1,236,847	2,517,478
TOTAL NET ASSETS		<u>12,703,982</u>	<u>16,488,971</u>
TOTAL LIABILITIES AND NET ASSETS		<u>18,371,314</u>	<u>21,121,463</u>

National Grain and Feed Association

Proposed Budget for 2025/26 Budget

NGFA Fiscal Year is April 1 - March 31

REVENUES	Projection for 2024/25	Budget for 2024/25	Budget for 2025/26
Membership Dues	5,700,000	4,815,000	4,950,000
Convention	236,397	280,147	217,860
Registration Income	603,500	675,750	649,850
Sponsorship Income	233,500	205,000	210,000
Expenses	(600,603)	(600,603)	(641,990)
Country Elevator Conference	194,333	200,564	138,750
Registration Income	400,025	420,375	423,750
Sponsorship Income	95,500	95,000	95,000
Expenses	(301,191)	(314,811)	(380,000)
Convey	31,266	33,812	28,900
Registration Income	90,335	72,512	100,925
Sponsorship Income	11,250	12,500	10,000
Expenses	(70,319)	(51,200)	(82,025)
Trade Rules Seminar	3,962	48,434	0
Registration Income	95,925	103,025	0
Sponsorship Income	12,000	50,000	0
Expenses	(103,963)	(104,591)	0
Arbitration Income	245,343	100,000	100,000
Digital Solutions Income	50,000	50,000	50,000
Interest from Checking Account	7,500	7,500	12,500
Other Income	15,380	8,000	9,000
Revenue from Operations	6,484,181	5,543,457	5,507,010

EXPENSES	Projection for 2024/25	Budget for 2024/25	Budget for 2025/26
Salaries and Payroll Expenses	3,650,000	4,110,500	3,495,195
Professional Services	650,000	201,000	769,000
Legal	75,000	185,000	135,000
Public Relations	10,000	12,000	29,580
Communications	9,200	9,200	39,000
Rent & Occupancy	325,987	325,987	334,020
IT	155,620	155,620	160,000
Special Projects	75,000	75,000	75,000
Dues & Subscriptions	68,000	68,000	72,000
Administrative Expenses	37,735	37,735	37,800
Bank Fees	34,000	34,000	34,574
Insurance	14,080	14,080	15,000
Travel	100,000	100,000	125,000
Meetings (Bd, Cmtes, Exec, Fly In)	150,000	126,800	176,725
Operating Expenses	5,354,622	5,454,922	5,497,894
Net Operating Income	1,129,559	88,535	9,116

Change in Operating Reserve	(13,079)
Change in Long-term Reserve	2,180,813

National Grain and Feed Association
Statement of Cash Flows
For the Period April 1 to January 31

CASH FLOW FROM OPERATING ACTIVITIES	As of Jan. 31, 2024	As of Jan. 31, 2025
<i>Net Income</i>	1,236,847	2,517,478
Depreciation	(109,320)	62,229
Net Appreciation in Fair Value of Investments	(529,166)	(611,975)
Change in Accounts Receivable	124,820	60,316
Change in Prepaids	(33,939)	(81,253)
Change In Intercompany Accounts	(11,562)	236,243
Change in Accounts Payable & Accrual	(1,455)	(300,163)
Change in Credit Card	(28,141)	32,226
Change in Payroll Liabilities (Includes Vacation Liability)	(42,838)	(170,166)
Change in Deferred Revenue	385,177	459,184
Change in Arbitration Advances	10,788	(3,333)
Net Cash Provided by Operating Activities	1,001,211	2,200,786
CASH FLOW FROM INVESTING ACTIVITIES		
Decrease in ROU Asset/Liability Adjustment	NA	(84,267)
Increase in Long Term Reserve Purchases	(790,066)	(1,158,585)
Net Cash Used by Investing Activities	(790,066)	(1,242,852)
NET INCREASE IN CASH DURING PERIOD	211,145	957,934
Operating Cash on April 1	3,386,412	1,269,247
Operating Reserve on April 1	788,278	3,387,471
Total Available Cash at Beginning of Year, April 1	4,174,690	4,656,718
Operating Cash on January 31	1,007,588	2,249,485
Operating Reserve on January 31	3,378,246	3,365,167
Total Available Cash at End of Period, January 31	4,385,834	5,614,652

Performance of Long-Term Reserves for the Association and Foundation

Market Value of NGFA Long-Term Reserves, 12/31/2024: \$11,445,410

Market Value of NGFF Reserves, 12/31/2024: \$1,245,822

1-year Returns

12/31/23 - 12/31/24	<u>Equities</u>	<u>Fixed Income</u>	<u>Cash/Cash Equiv.</u>	<u>Total Portfolio</u>
Association	19.8%	3.8%	2.3%	11.7%
Foundation	17.0%	4.1%	0.4%	10.5%
Indices	<u>Equity Benchmark</u>	<u>ICE BOA 1-5 Year</u>		
	17.2%	5.1%		

3-year Returns (Annualized)

12/31/21 - 12/31/24	<u>Equities</u>	<u>Fixed Income</u>	<u>Cash/Cash Equiv.</u>	<u>Total Portfolio</u>
Association	5.1%	1.2%	1.5%	3.1%
Foundation	5.2%	1.2%	0.5%	3.3%
Indices	<u>Equity Benchmark</u>	<u>ICE BOA 1-5 Year</u>		
	5.9%	1.6%		

The Equity Benchmark is a weighted average of the S&P 500 Large Cap Index (50%), the S&P 400 Mid Cap Index (23%), the S&P 600 Small Cap Index (7%), the MSCI EAFE International Index (15%), and the MSCI Emerging Markets Index (5%).

The ICE Bank of America 1-5 Year US Corporate Index is a market capitalization weighted performance benchmark which includes virtually every major investment grade rated corporate bond with 1-5 years remaining until maturity.