

# American Bus Association Finance and Budget

## Finance and Budget Report – Three months Ended March 31, 2024

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The following report provides financial highlights for the Three months ending March 31, 2024, and compliments the ABA Unaudited Financial Statements also included in your board materials. The report provides information to the board and other interested parties on the financial position of the Association. In addition to describing the financial condition of the Association, the purpose of the report is to highlight variances between actual results and budgeted amounts, and in some cases to the prior year's actual results.

The ending cash balance on March 31, 2024, totals \$1,145,000, versus \$585,000 from a year ago. ABA's reserve account as of March 31, 2024, had total investments of approximately \$4,660,000 compared to \$4,196,000 from a year ago, representing an increase of \$464,000. We have included an Investment Performance Review provided by Goldman Sachs in your board materials for the period ended April 11, 2024. As of April 11, 2024, the reserve account has returned +3.78% year to date. The reserve account returned 14.99% in 2023.

During the last 36 months, the board has approved the use of up to \$2,500,000 from reserves. To date, ABA has made net withdrawals totaling \$2,000,000 from its reserve account as summarized below:

Date (Withdrawn)/Deposited	Amount
October 2020	\$ (500,000)
June 2021	(200,000)
March 2022	(250,000)
April 2022	(250,000)
July 2022	(300,000)
April 2023	(500,000)
May 2023	(200,000)
June 2023	200,000
Total	\$ (2,000,000)

Currently, we do not expect to make any further withdrawals from the reserve fund to meet operating needs. ABA will continue depositing excess operating funds into the reserve account throughout 2024 to take advantage of the earnings on cash with Goldman Sachs which is currently 5.34%.

ABA received stimulus funds from the federal government throughout 2020 and 2021. In 2020, ABA received approximately \$60,000 through the Employer Retention Tax Credit (ERTC). In 2021, ABA received approximately \$210,000 through the ERTC as well as \$610,000 through two rounds of Paycheck Protection Program (PPP) loans. ABA has received forgiveness on both PPP loans. The forgiven PPP loans have been recognized as other income on ABA's income statement (\$274,000 in 2021 and \$336,000 in 2022).

### REVENUE

Membership – Membership revenue as of March 31, 2024, totaled approximately \$349,000, a 14% increase from \$305,000 at the same time last year. Operator and Tour Operator membership dues cycles cover the period

July 1 – June 30, while the Travel and Associate dues cycle covers the calendar year. Beginning with the fiscal period July 1, 2022-June 30, 2023, Operator and Tour Operator dues were billed at 100% of their standard, pre-pandemic amount. For the fiscal period July 1, 2023-June 30, 2024, dues increased by 5% for all Tour Operator members and most Operator members. Dues increased approximately 25-30% for those Operators with twenty-one or more motorcoaches. Beginning with the 2023 calendar year, Travel and Associate member dues were billed at 100% of the standard, pre-pandemic amount. Travel and Associate member dues increased by 5% for the 2024 calendar year. The 2024 Travel and Associate member invoices were sent in the fourth quarter of 2023. Below are amounts recognized to date compared to the full year’s budget.

	<b>MARCH 2024</b>	<b>BUDGET 2024</b>	<b>MARCH 2023</b>
<b>Membership</b>			
Operator Dues	\$ 117,000	\$ 383,000	\$ 87,000
Associate Dues	14,000	59,000	13,000
Travel Industry Dues	190,000	767,000	183,000
Tour Operator Dues	29,000	93,000	22,000
	350,000	1,302,000	305,000

Meetings – ABA Marketplace makes up most of the Meetings & Conferences revenue in the budget. Total revenue for Marketplace is approximately \$3,469,000 compared to \$2,581,000 at this time last year. The internal financial statements as of March 31, 2024, show Marketplace 2023 revenue as \$3,117,000. This is broken down between \$2,581,000 for Marketplace and \$536,000 for Busworld. Busworld was held in conjunction with Marketplace in Detroit but will not be combined in the future with Marketplace. At this time, Busworld will not have a North American show.

Publications – As of March 31, 2024, revenue associated with ABA Publications totaled \$48,000 compared to \$96,000 in the prior year. Below is a breakdown by category of publications revenue:

	<b>MARCH 2024</b>	<b>BUDGET 2024</b>	<b>MARCH 2023</b>
<b>Publications</b>			
Destinations	\$ 29,000	\$ 257,000	\$ 84,000
Marketplace Today	500	21,000	0
ABA Insider//Web	19,000	127,000	12,000
	48,000	406,000	96,000

### **EXPENSE**

Total expenses through March 31, 2024, are \$2,637,000 compared to \$2,473,000 in the prior year. Below are explanations and highlights for specific expenses within certain departments.

Government Affairs: Total expenses as of March 13, 2024, are \$279,000 compared to \$246,000 one year ago. The increase is due to legal fees associated with an amicus curiae brief filed in conjunction with *Conservation Law Foundation, Inc. v. Academy Express, LLC et al.* Legal fees incurred as of March 31, 2024, are \$52,000 compared to \$595 one year ago.

Compared to budget, the government affairs department will realize savings beginning June 1, 2024, when Suzanne Rohde, SVP Government Affairs and Policy, will begin working a reduced schedule. The 2024 budget originally included her as full time for the entire year.

Communications: Total expenses as of March 13, 2024, are \$113,000 compared to \$85,000 one year ago. The increase is due to hiring a new Director of Communications at the beginning of 2024. There was an overlap between the exiting Director of Communications and the new Director of Communications in January, specifically at Marketplace, which resulted in higher salaries and travel than originally budgeted for.

Marketplace: The reason for the increase is due to certain Marketplace expenses in Nashville being higher than originally anticipated, specifically Function Costs(food) and Decorating. Below is a breakdown of the expenses at Marketplace which in total were above budget, and prior year:

	<b>MARCH 2024</b>	<b>BUDGET 2024</b>	<b>MARCH 2023</b>
<b>Marketplace Expense</b>			
Function Costs(food)	\$ 656,000	\$ 485,000	\$ 442,000
Audio Visual	291,000	394,000	241,000
Decorating	253,000	192,000	344,000
	<u>1,200,000</u>	<u>1,071,000</u>	<u>1,027,000</u>

General & Administrative: Total expenses as of March 13, 2024, are \$434,000 compared to \$336,000 one year ago. The increase is due to CEO recruitment. ABA has spent \$76,000 on a recruiting firm and \$20,000 in recruitment related legal fees as of March 31, 2024. This makes up the difference between costs year to year.