NATIONAL SCHOOL TRANSPORTATION ASSOCIATION, INC.
FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2025 AND 2024

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Luongo & Co., LLC
Certified Public Accountants ▪ Advisors

INDEPENDENT AUDITORS' REPORT

Board of Directors
National School Transportation Association, Inc.
Hamilton, New Jersey

Opinion

We have audited the accompanying financial statements of National School Transportation Association, Inc. (a nonprofit organization) which comprise the statements of financial position as of March 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National School Transportation Association, Inc. as of March 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of National School Transportation Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National School Transportation Association Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts of disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National School Transportation Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National School Transportation, Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Luongo & Co., LLC

Red Bank, New Jersey
November 4, 2025

NATIONAL SCHOOL TRANSPORTATION ASSOCIATION, INC
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2025 AND 2024

ASSETS	2025	2024
Current Assets		
Cash and cash equivalents	$ 887,040	$ 633,521
Accounts receivable	10,071	15,571
Prepaid expenses	22,000	68,168
Total current assets	919,111	717,260
Investments	1,263,048	1,176,226
Total assets	$ 2,182,159	$ 1,893,486
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	$ 9,432	$ 477
Deferred revenue	259,002	202,135
Total current liabilities	268,434	202,612
Net Assets		
Without donor restrictions		
Undesignated	1,244,225	1,021,374
Board-designated	651,000	651,000
Total without donor restrictions	1,895,225	1,672,374
With donor restrictions	18,500	18,500
Total net assets	1,913,725	1,690,874
Total liabilities and net assets	$ 2,182,159	$ 1,893,486

The accompanying notes are an integral part of these financial statements.

NATIONAL SCHOOL TRANSPORTATION ASSOCIATION, INC
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Dues	$ 738,998	$ -	$ 738,998
Convention and workshops	674,525	-	674,525
OEM funding	165,000	-	165,000
Royalties	57,743	-	57,743
Interest and dividend income	48,210	-	48,210
Newsletter advertising	1,800	-	1,800
Realized amd unrealized gain on investments	61,105	-	61,105
Total revenues and support	1,747,381	-	1,747,381
Expenses			
Program services:			
Convention and workshops	712,048	-	712,048
Legislative and lobbying	310,539	-	310,539
Membership services	272,712	-	272,712
Supporting services:			
Management and general	229,231	-	229,231
Total expenses	1,524,530	-	1,524,530
Change in Net Assets	222,851	-	222,851
Net Assets, beginning of year	1,672,374	18,500	1,690,874
Net Assets, end of year	$ 1,895,225	$ 18,500	$ 1,913,725

The accompanying notes are an integral part of these financial statements.

NATIONAL SCHOOL TRANSPORTATION ASSOCIATION, INC
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Dues	$ 747,490	$ -	$ 747,490
Convention and workshops	423,969	-	423,969
OEM funding	133,750	-	133,750
Royalties	62,984	-	62,984
Interest and dividend income	47,713	-	47,713
Newsletter advertising	1,800	-	1,800
Unrealized gain on investments	149,451	-	149,451
Total revenues and support	1,567,157	-	1,567,157
Expenses			
Program services:			
Convention and workshops	517,434	-	517,434
Legislative and lobbying	293,015	-	293,015
Membership services	271,601	-	271,601
Supporting services:			
Management and general	209,100	-	209,100
Total expenses	1,291,150	-	1,291,150
Change in Net Assets	276,007	-	276,007
Net Assets, beginning of year	1,396,367	18,500	1,414,867
Net Assets, end of year	$ 1,672,374	$ 18,500	$ 1,690,874

The accompanying notes are an integral part of these financial statements.

NATIONAL SCHOOL TRANSPORTATION ASSOCIATION, INC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2025

	Program Services			Supporting Service	
	Convention/ Workshops	Legislative & Lobbying	Membership	Management & General	Total
Awards	$ 4,686	$ -	$ -	$ -	$ 4,686
Bank processing fees	-	-	-	22,216	22,216
Consultant fees	-	249,790	107,536	-	357,326
Conventions and meetings	76,509	-	-	-	76,509
Food and beverage	364,709	-	-	-	364,709
Insurance	-	-	-	3,816	3,816
IT services and communications	-	-	881	424	1,305
Management fee	64,696	60,075	161,740	175,603	462,114
Miscellaneous	-	-	-	9,240	9,240
Office supplies	918	-	-	327	1,245
Other professional fees	147,645	-	-	13,510	161,155
Postage	337	-	-	940	1,277
Printing	22,669	-	-	3,155	25,824
Telephone	-	-	-	-	-
Travel and entertainment	29,879	674	-	-	30,553
Website	-	-	2,555	-	2,555
Total revenues and support	$ 712,048	$ 310,539	$ 272,712	$ 229,231	$ 1,524,530

The accompanying notes are an integral part of these financial statements.

NATIONAL SCHOOL TRANSPORTATION ASSOCIATION, INC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2024

	Program Services			Supporting Service	
	Convention/ Workshops	Legislative & Lobbying	Membership	Management & General	Total
Awards	$ 3,146	$ -	$ -	$ -	$ 3,146
Bank processing fees	-	-	-	16,956	16,956
Consultant fees	-	231,351	110,928	-	342,279
Conventions and meetings	70,461	-	-	-	70,461
Food and beverage	254,366	-	-	-	254,366
Insurance	-	-	-	3,416	3,416
IT services and communications	-	-	1,668	4,043	5,711
Management fee	62,830	58,342	157,075	170,539	448,786
Miscellaneous	-	-	-	2,270	2,270
Office supplies	4,753	-	-	163	4,916
Other professional fees	101,343	-	-	10,150	111,493
Postage	39	-	-	221	260
Printing	9,686	-	-	611	10,297
Telephone	-	-	-	673	673
Travel and entertainment	10,810	3,322	-	-	14,132
Website	-	-	1,930	58	1,988
Total revenues and support	$ 517,434	$ 293,015	$ 271,601	$ 209,100	$ 1,291,150

The accompanying notes are an integral part of these financial statements.

NATIONAL SCHOOL TRANSPORTATION ASSOCIATION, INC
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2025 AND 2024

	2025	2024
Cash flows provided by operating activities		
Change in net assets	$ 222,851	$ 276,007
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gain) on investments	(61,105)	(149,451)
Changes in operating assets and liabilities:		
Accounts receivable	5,500	36,559
Prepaid expenses	46,168	(63,790)
Accounts payable and accrued expense	8,955	(2,185)
Deferred revenue	56,867	100
Net cash provided by operating activities	279,236	97,240
Cash flows (used in) investing activities		
Reinvested dividends	(31,832)	(29,285)
Proceeds from the sale of investment securities	893,315	-
Purchase of investment securities	(887,200)	-
Net cash (used in) investing activities	(25,717)	(29,285)
Increase in cash and cash equivalents	253,519	67,955
Cash and cash equivalents, beginning of year	633,521	565,566
Cash and cash equivalents, end of year	$ 887,040	$ 633,521

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of operations:
National School Transportation Association, Inc. ("Association") is a national school transportation membership organization comprised of private industry contractors, manufacturers and suppliers in the school bus industry. The Association provides its transportation members with the tools and resources necessary to make school buses safe, affordable, and efficient nationwide.

Basis of accounting:
The Association's financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Basis of presentation:
The Association is required to report information regarding its financial position and activities according to the following two classes of net assets:

> Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations and may be used for any purpose designated by the Association's Board of Directors.
>
> Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association and/or passage of time.

Cash and cash equivalents:
For purposes of reporting cash flows, the Association considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Financial instruments:
Financial instruments include cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and deferred revenue, and are stated at carrying cost at year end, which approximates fair value.

Investments and investment risk:
Investments in equity securities with readily determinable fair values are stated at fair value based on quoted market prices. Adjustments to reflect increases or decreases in market value, referred to as unrealized gains or losses, are reported in the statement of activities.

All realized gains and losses arising from the sale of investments and ordinary income from investments are reported as changes in net assets without restrictions in the statement of activities unless their use is restricted by explicit donor-imposed restrictions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: *(Continued)*

Investments and investment risk: *(Continued)*
The Association's investments are comprised primarily of mutual funds and are managed by investment advisors. The fair values reported in the statement of financial position are exposed to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair market value of investment securities, it is reasonably possible that the amounts reported in the accompanying financial statements could change materially in the near term.

Accounts receivable:
Accounts receivable are recorded net of an allowance for doubtful accounts. The Association reviews accounts receivable on a periodic basis and makes allowances when there is doubt as to the collectability of individual balances. The Association does not charge finance fees on past due receivables, and charges off accounts receivable when it becomes apparent based upon age or circumstances that amounts will not be collected. As of March 31, 2025 and 2024, the allowance for doubtful accounts was $ -0-. There was no bad debt expenses for the years ended March 31, 2025 and 2024.

Use of estimates:
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of American requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Revenue recognition:
The Association's sources of revenues are primarily from dues, conventions, newsletters and investment income.

The Association determines revenue recognition through the following processes:

- Identification of the contract, or contracts, with the customer.
- Identification of the performance obligations in the contract.
- Determine the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, the Association satisfies a performance obligation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: *(Continued)*

Revenue recognition: *(Continued)*
Since the performance obligations related to contracts with a duration of less than one year, the Association has elected to apply the optional exemption provided in FASB ASC 606-10-50-14, Revenue from Contracts with Customers, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

Membership dues are recognized as revenue based on the membership year and the type of membership. Contractor member dues are based on an annual period beginning April 1 and ending March 31. The public members' (including federal, state, county or local school districts), manufacturers' and suppliers' membership period runs from January 1 to December 31.

Dues paid in advance of the membership year are recorded as deferred revenue until earned. Convention revenue collected in advance is also recorded as deferred revenue until earned.

All other revenues, including newsletter, convention, and workshops are recognized when the service is performed or earned based on dates of subscription and event.

In accordance with accounting principles generally accepted in the United States of America in relation to contributions, donor restricted support is reported as an increase in the net assets with donor restrictions. When stipulated time restriction ends, or the purpose of the restriction is accomplished net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the Statement of Activities. If restrictions are met in the same year as the contribution, the contribution is reported as an increase in net assets without donor restrictions.

Advertising:
The Association expenses advertising costs as they are incurred. Advertising expense totaled $-0- for the years ended March 31, 2025, and 2024.

Functional expenses:
The costs of providing programs and supporting costs of administration have been summarized on a functional basis in the statement of activities. Expenses have been classified based on the actual direct expenditures. In addition, certain costs, namely management fees, have been allocated among the programs and supporting services based on estimates made by management.

2. INVESTMENTS:

Investments as of March 31, are summarized as follows:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Mutual funds:				
U.S Stock Funds	$612,757	$644,654	$522,676	$788,751
Bonds Funds	624,091	618,304	399,489	387,475
	$1,236,848	$1,263,048	$922,165	$1,176,226

Investment income/(loss) consisted of the following for the year ended March 31:

	2025	2024
Interest & Dividends	$ 48,210	$ 47,713
Realized and unrealized gain	61,105	149,451
	$ 109,315	$ 197,164

Assets and liabilities are carried at fair value and classified and disclosed in one of following three categories:

Level 1: Quoted market prices in active market for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Association performs a detailed analysis of the assets and liabilities. Assets and liabilities for which the fair value measurements are based on unobservable inputs are classified as Level 3. The Association recognizes transfers in and out of levels at the end of the reporting period. There were no transfers between levels during the years ended March 31, 2025 and 2024.

2. INVESTMENTS: *(Continued)*

Investments are measured at fair value on a recurring basis. The Association's investment balances as March 31, 2025 and 2024 consisted of all Level 1 measurements.

Investments are valued at the closing price reported on the active market on which they are traded.

3. DEFERRED REVENUE:

Deferred revenue consists of the following as of March 31:

	2025	2024
Membership dues	$ 142,752	$ 60,800
OEM funding	116,250	116,250
Sponsorships	-	25,085
Total deferred revenue	$ 259,002	$ 202,035

4. COMMITMENTS:

The Association had an agreement with an outside consulting firm which provided substantially all business management and operational services for the Association

In July 2023, the Association entered into a new agreement with an outside consulting firm which provides substantially all business management and operational services for the Association beginning October 1, 2023, continuing through March 31, 2027, with an initial monthly fee of $43,500. The terms of the agreement include an annual 3% fee increase effective every April 1st during the term of the agreement. In addition, the Association is required to pay the outside consulting firm an incentive fee of 5% for all new contractor member dues and 10% for the renewal dues received from the same new contractor members during the initial term of the agreement.

Management services expense, including incentive fees, totaled $462,114 and $448,786 for the years ended March 31, 2025 and 2024, respectively. Meeting management services expense, including other professional services, totaled $76,509 and $70,461 for the years ended March 31, 2025 and 2024, respectively.

The Association has an agreement for ongoing legal services with a Pennsylvania law firm. The firm provides business counsel services to the Association's members and Board of Directors with a current monthly fee of $9,988. In May 2019, the agreement was amended whereby the law firm agreed to waive the annual service fee increase and extend the agreement through July 31, 2020. In July 2020, the agreement was amended to extend for an additional one-year term with no annual

4. COMMITMENTS: *(Continued)*

increase. The agreement will automatically renew for successive one-year term with the normal annual increase agreed to under the original terms unless either party provides a 90-day written notice to terminate the agreement. Fees for these services, included in consultant fees, totaled $107,536 and $110,927 for the years ended March 31, 2025 and 2024, respectively.

The Association has an agreement with an outside consultant for governmental relations services through March 31, 2026, with a current monthly fee of $18,712. In addition, the agreement provides for reimbursement of reasonable and necessary expenses incurred in performing the services. The agreement can be terminated with thirty days written notice to the other party. Fees for these services, included in consultant fees, totaled $238,012 and $225,539 for the years ended March 31, 2025 and 2024, respectively.

The Association has entered into agreements with hotels for future conventions and meetings and with consultants. In the event of cancellation of these agreements, the Association could incur penalty charges. As of March 31, 2025, the management does not foresee any cancellations of these agreements.

5. NET ASSETS WITH DONOR RESTRICTIONS:

The Association occasionally has net assets subject to donor restrictions. Net assets with donor restrictions are restricted for the following purposes:

Michigan Association

The Association received funds as a custodial agent designated to fund an association representing school bus contractors in the state of Michigan.

Net assets with the donor restriction as of March 31, are as follows:

	2025	2024
Michigan Association	$ 18,500	$ 18,500

6. BOARD DESIGINATED NET ASSETS:

The governing board of the Association has designated net assets without donor restrictions for the following purposes as of March 31:

	2025	2024
Future operations	$ 381,000	$ 381,000
Future legislative issues	250,000	250,000
Reserve for future maintenance and repair	10,000	10,000
Reserve for future employee benefits	10,000	10,000
	$ 651,000	$ 651,000

7. INCOME TAXES:

The Internal Revenue Service has determined that the Association is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code and is not a private foundation. No income tax is incurred unless the Association earns income considered to be unrelated business income. No provision for income taxes has been made in the accompanying financial statements.

The Association is subject to a proxy tax on its lobbying expenditures and political contributions under Section 6033(a) of the Internal Revenue Code. The Association has elected to make a portion of its dues non-deductible which eliminates the obligation for a proxy tax from the Association. Notification of this was provided to members on their annual dues invoice.

The Association's federal tax returns for the years ended in March 31, 2025, 2024 and 2023 are subject to examination by the Internal Revenue Service for three years from the date they were filed.

The Association believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

8. CONCENTRATIONS:

Credit Risk:
The Association maintains a significant portion of its assets in investments which are subject to fluctuations in value. At March 31, 2025 and 2024, the Association had 71% and 68%, respectively, of its investment portfolio concentrated in four mutual funds. The Association minimizes concentrations of risk by hiring professionals to manage investments and diversify its portfolio holdings.

9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Association's financial assets as of the statement of activities date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Association's board approves of that action.

	2025	2024
Cash and cash equivalents and designated cash	$ 887,040	$ 633,521
Account receivable, net collected in less than one year	10,071	15,571
Investments	1,263,047	1,176,226
Total financial assets	2,160,158	1,825,318
Less those unavailable for general expenditure within one year due to:		
Donor-imposed restrictions		
Michigan Association	(18,500)	(18,500)
Board designations:		
Operating reserves and other	(651,000)	(651,000)
Financial assets available to meet cash needs for Expenditures within one year	$ 1,490,658	$1,155,818

10. SUBSEQUENT EVENTS:

The Association evaluated all events and transactions that occurred after March 31, 2025 up through November 4, 2025, which is the date these financial statements were available for issue. During this period, the Association did not have any subsequent events.