

**NATIONAL ASSOCIATION OF  
AGRICULTURAL EDUCATORS, INC.  
Lexington, Kentucky**



**FINANCIAL STATEMENTS  
December 31, 2025 and 2024**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
National Association of Agricultural Educators, Inc.  
Lexington, Kentucky

### Opinion

We have audited the accompanying financial statements of National Association of Agricultural Educators, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 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 Association of Agricultural Educators, Inc. as of December 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Association of Agricultural Educators, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 for 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 Association of Agricultural Educators, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 for 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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment 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 and 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 Association of Agricultural Educators, 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 Association of Agricultural Educators, 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.

**RFH**

RFH, PLLC  
Lexington, Kentucky  
May 14, 2026

**NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
for the years ended December 31,

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 353,462	\$ 243,943
Investments	1,109,707	1,277,946
Accounts receivable, net	315,703	105,863
Inventory	5,000	5,000
Prepaid expenses	<u>26,033</u>	<u>38,963</u>
Total current assets	<u>1,809,905</u>	<u>1,671,715</u>
Noncurrent assets		
Property and equipment, net	14,750	21,386
Intangible asset, net	21,778	38,111
Right-of-use assets, net	<u>234,810</u>	<u>287,603</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,081,243</u></u>	<u><u>\$ 2,018,815</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 223,705	\$ 256,059
Accrued expenses	53,641	59,748
Unearned revenue	243,180	241,933
Current portion of lease liabilities	<u>54,167</u>	<u>51,984</u>
Total current liabilities	<u>574,693</u>	<u>609,724</u>
Noncurrent liabilities		
Lease liabilities, less current portion	<u>181,568</u>	<u>235,617</u>
Total liabilities	<u>756,261</u>	<u>845,341</u>
Net assets		
Net assets without donor restrictions		
Undesignated	759,168	667,827
Board designated for special purposes	<u>565,814</u>	<u>505,647</u>
Total net assets	<u>1,324,982</u>	<u>1,173,474</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,081,243</u></u>	<u><u>\$ 2,018,815</u></u>

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

**NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.**  
**STATEMENTS OF ACTIVITIES**  
for the years ended December 31,

	<b>2025</b>	<b>2024</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>Revenues and Support</b>		
Membership dues	\$ 571,368	\$ 541,223
FFA Foundation projects	1,220,000	1,185,000
Sponsorship and awards	50,500	34,250
Convention registration	352,166	255,389
Interest and dividends, net	48,346	56,787
Other income	44,924	28,380
Merchandise sales, net	5,817	9,299
Lifetime membership dues	7,950	5,820
Teacher Crisis fund	18,971	19,600
Net realized gain (loss) on securities	411,233	-
Net unrealized gain (loss) on securities	<u>(316,683)</u>	<u>102,905</u>
 Total support and revenues	 <u>2,414,592</u>	 <u>2,238,653</u>
<b>Expenses</b>		
General expenses	861,954	835,605
Convention	209,317	183,734
FFA Foundation projects	<u>1,191,813</u>	<u>1,261,883</u>
 Total expenses	 <u>2,263,084</u>	 <u>2,281,222</u>
 <b>Change in net assets</b>	 <u>151,508</u>	 <u>(42,569)</u>
 Net assets, beginning of year	 <u>1,173,474</u>	 <u>1,216,043</u>
 <b>NET ASSETS, END OF YEAR</b>	 <u>\$ 1,324,982</u>	 <u>\$ 1,173,474</u>

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

**NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
for the year ended December 31, 2025

	General Expenses	Convention	FFA Foundation Projects	Total
Salaries and contract labor	\$ 373,142	\$ -	\$ -	\$ 373,142
National Teach Ag Campaign	-	-	762,238	762,238
FFA Foundation projects	-	-	429,575	429,575
Officer and board travel	68,241	31,317	-	99,558
Equipment rental and maintenance	7,556	55,462	-	63,018
Insurance	59,443	-	-	59,443
Rent	55,816	-	-	55,816
Employee benefits	49,863	-	-	49,863
Staff travel and meetings	17,649	23,204	-	40,853
Miscellaneous	27,734	2,032	-	29,766
Trade show expense	-	27,328	-	27,328
Professional fees	25,695	-	-	25,695
Office supplies	22,438	-	-	22,438
Payroll and other taxes	22,259	-	-	22,259
HSS Expense	-	21,696	-	21,696
Membership and contributions	15,920	3,815	-	19,735
Website expense	19,368	-	-	19,368
Telephone	16,506	-	-	16,506
Amortization	16,333	-	-	16,333
Teacher Crisis fund	16,000	-	-	16,000
Meal function expense	-	11,241	-	11,241
Depreciation	9,284	-	-	9,284
Promotion and marketing	4,686	4,444	-	9,130
Postage	2,921	5,844	-	8,765
Teacher Mentor expenses	-	8,228	-	8,228
Ideas Unlimited expenses	-	6,048	-	6,048
Regional conference	5,575	-	-	5,575
Board operations	5,495	-	-	5,495
Computer service	4,650	-	-	4,650
Printing	4,580	-	-	4,580
Plaques and trophies	-	4,544	-	4,544
Committee expense	-	3,815	-	3,815
NPS event expense	3,705	-	-	3,705
Staff training	2,781	-	-	2,781
Professional development expense	2,597	-	-	2,597
Taxes and licenses	1,250	-	-	1,250
Ag Ed Resource Guide expense	467	-	-	467
Anniversary expenses	-	264	-	264
Workshops/tickets	-	35	-	35
	<u>\$ 861,954</u>	<u>\$ 209,317</u>	<u>\$ 1,191,813</u>	<u>\$ 2,263,084</u>

The accompany notes are an integral  
part of the financial statements.

**NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
for the year ended December 31, 2024

	General Expenses	Convention	FFA Foundation Projects	Total
Salaries and contract labor	\$ 347,828	\$ -	\$ -	\$ 347,828
National Teach Ag Campaign	-	-	788,452	788,452
FFA Foundation projects	-	-	473,431	473,431
Officer and board travel	79,899	31,709	-	111,608
Rent	56,708	-	-	56,708
Equipment rental and maintenance	5,103	50,311	-	55,414
Insurance	49,934	-	-	49,934
Staff travel and meetings	23,089	24,579	-	47,668
Employee benefits	45,948	-	-	45,948
Trade show expense	-	37,696	-	37,696
Professional fees	25,386	-	-	25,386
Office supplies	23,229	-	-	23,229
Membership and contributions	17,932	3,090	-	21,022
Miscellaneous	13,839	4,989	-	18,828
Payroll and other taxes	16,673	-	-	16,673
Telephone	16,324	-	-	16,324
Board operations	16,072	-	-	16,072
Website expense	15,493	-	-	15,493
Regional conference	14,885	-	-	14,885
Promotion and marketing	4,911	7,652	-	12,563
Teacher Crisis fund	12,500	-	-	12,500
Depreciation	12,415	-	-	12,415
Amortization	10,889	-	-	10,889
Postage	2,842	5,788	-	8,630
Ideas Unlimited expenses	-	5,754	-	5,754
Professional development expense	5,724	-	-	5,724
Impact Awards	5,163	-	-	5,163
Teacher Mentor expenses	-	4,724	-	4,724
NPS event expense	4,072	-	-	4,072
Computer service	3,488	-	-	3,488
Printing	296	2,890	-	3,186
Ag Ed Summit	3,052	-	-	3,052
Plaques and trophies	-	2,185	-	2,185
Committee expense	-	2,060	-	2,060
Staff training	1,582	-	-	1,582
Ag Ed Resource Guide expense	314	-	-	314
Workshops/tickets	-	160	-	160
Meal function expense	-	76	-	76
Anniversary expenses	-	71	-	71
Taxes and licenses	15	-	-	15
	<u>\$ 835,605</u>	<u>\$ 183,734</u>	<u>\$ 1,261,883</u>	<u>\$ 2,281,222</u>

**NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**for the years ended December 31,**

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 151,508	\$ (42,569)
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	9,284	12,415
Amortization	16,333	10,889
Reduction in the carrying amount of right-of-use assets	52,793	57,810
Realized losses (gains) on investments	(411,233)	-
Unrealized losses (gains) on investments	316,683	(102,905)
(Increase) decrease in operating assets:		
Accounts receivable	(209,840)	159,548
Prepaid expenses	12,930	16,740
Increase (decrease) in operating liabilities:		
Accounts payable	(32,354)	98,554
Accrued expenses	(6,107)	9,647
Unearned revenue	1,247	(686,892)
Lease liability	(51,868)	(58,537)
	<u>(150,624)</u>	<u>(525,300)</u>
Net cash provided by (used in) operating activities	<u>(150,624)</u>	<u>(525,300)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(2,649)	(3,392)
Purchase of intangible assets	-	(49,000)
Proceeds from investments	300,000	-
Purchase of investments	(37,208)	(47,275)
	<u>260,143</u>	<u>(99,667)</u>
Net cash provided by (used in) investing activities	<u>260,143</u>	<u>(99,667)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	109,519	(624,967)
Cash and cash equivalents, beginning of year	<u>243,943</u>	<u>868,910</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 353,462</u>	<u>\$ 243,943</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 8,948</u>	<u>\$ 515</u>
Cash paid for operating leases	<u>\$ 51,868</u>	<u>\$ 58,534</u>
Right-of-use assets obtained in exchange for lease liabilities	<u>\$ -</u>	<u>\$ 288,128</u>

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

**NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2025 and 2024**

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**1. BACKGROUND OF THE ASSOCIATION**

National Association of Agricultural Educators, Inc. (the Association) was incorporated in the state of California in 1952. The objectives of the Association are as follows: to assume and maintain national leadership in the promotion and furtherance of all levels of agricultural education; to bring together agriculture teachers through membership in a national association devoted exclusively to their interests; to provide an opportunity for agriculture teachers to discuss problems affecting agricultural education on a national level; to serve state or local associations of agriculture teachers in the solution of problems which may arise; to cooperate with the Association for Career and Technical Education in furthering the cause of career and technical education; to cooperate with education entities in furthering the mission of agricultural education in order to provide a dynamic education system.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies is presented to assist in understanding the Association's financial statements. The financial statements and accompanying notes are representations of the Association's management who is responsible for their integrity and objectivity.

**Basis of Accounting**

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Basis of Presentation**

The Association prepares its financial statements in accordance with generally accepted accounting principles for non-profit Associations, which require the Association to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions, and without donor restrictions.

- Net assets without donor restrictions encompass the portion of net assets that are not subject to donor-imposed restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.
- Net assets with donor restrictions are the net assets resulting from contributions and other inflows whose use by the Association is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Association pursuant to those stipulations.

**Income Tax Exemption**

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, however the Association is not exempt from tax imposed upon unrelated activity income. The Association currently has no unrelated business income and accordingly, no provision for income taxes has been recorded.

Under generally accepted accounting principles, the Association must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained. The Association does not believe there are any material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits or possible related interest or penalties. The Association is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2021.

**NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2025 and 2024**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

The Association considers short-term investments with original maturities of three months or less to be cash equivalents. Cash equivalents are carried at cost which approximates market value. The Association places its cash and cash equivalents with highly rated institutions. At times, balances may be in excess of FDIC insurance limits.

**Accounts Receivable**

Accounts receivable consists of membership dues and expense reimbursements for various initiatives. The Association charges its members for membership dues according to a set fee structure. The Association anticipates all of its accounts receivable at December 31, 2025 and 2024 to be fully collectible.

**Investments**

Investments are reported at fair market value in accordance with generally accepted accounting principles. The net realized and unrealized gains or losses for investments are reported in the statement of activities.

**Property and Equipment**

Property and equipment are carried at cost. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets.

**Inventory**

Merchandise inventory values are calculated under lower of cost or market method, and are accounted for on an average cost basis.

**Membership Dues**

Revenue for membership dues is recognized as earned throughout the term of membership. Dues that are paid in advance are included as unearned revenue.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets.

**Leases**

The Association determines if an arrangement is or contains a lease at inception. Lease right-of-use assets (ROU) are included in noncurrent assets on the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Association does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. The Association has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

**NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2025 and 2024**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Intangible Assets**

The cost to develop a new website has been capitalized and reported on the statement of financial position as intangible assets. The total cost of development was \$49,000. The asset will be amortized on a straight-line basis over 3 years.

**Management’s Review of Subsequent Events**

The Association has evaluated and considered the need to recognize or disclose subsequent events through May 14, 2026, which represents the date that these financial statements were available to be issued. Subsequent events past this date, as they pertain to the year ended December 31, 2025, have not been evaluated by the Association.

**3. REVENUE RECOGNITION**

All performance obligations covered under the membership and associate agreements are satisfied on an annual basis ending June 30<sup>th</sup>. Any member dues collected between July 1 and December 31, have been deferred at 50% as unearned income as of December 31<sup>st</sup>. In the year ending December 31, 2025 and 2024, the Association recognized revenue from member dues of \$571,368 and \$541,223, respectively.

The conference registration revenue contains a single performance obligation and revenue is recognized at a single point in time when ownership, risks and rewards transfer. The Association’s services are considered to be transferred to the customer when the specified event occurs. Convention registration is typically billed prior to the occurrence of the specified event. In the years ending December 31, 2025 and 2024, the Association recognized revenue from convention registration revenue of \$352,166 and \$255,389, respectively.

Grants are recorded as contributions based on criteria contained in the grant award. Grants are generally considered contributions as the resource provider (grantor) often receives value indirectly by providing a societal benefit that is not considered to be of commensurate value directly to the grantor. Grants that qualify as contributions are evaluated for conditions and recognized as revenue in accordance with ASC Topic 958. Unconditional awards are recognized as revenue when the award is received. Conditional grants received in which conditions have not been met are reported as unearned grant revenue. All grants are considered contributions. FFA Foundation projects totaled \$1,220,000 and \$1,185,000 for the years ended December 31, 2025 and 2024, respectively.

**Contract Balances**

The timing of revenue recognition, billings and cash collections related to conferences, meetings, and research services results in billed accounts receivable on the statement of financial position. The beginning and ending accounts receivable balances were as follows as of the years ending:

	<b>2025</b>	<b>2024</b>	<b>2023</b>
Contributions	\$ 200,100	\$ -	\$ -
Convention registration	109,375	105,736	265,284
Other	<u>6,228</u>	<u>127</u>	<u>127</u>
 Total accounts receivable	 <u>\$ 315,703</u>	 <u>\$ 105,863</u>	 <u>\$ 265,411</u>

Allowance for credit losses was not recorded as of December 31, 2025 or 2024, as management deemed all accounts receivable fully collectible.

**NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2025 and 2024**

**3. REVENUE RECOGNITION (CONTINUED)**

The timing of revenue recognition, billings and cash collections related to membership dues results in unearned revenue on the statement of financial position. The unearned revenue consists of payments received by the Association and membership dues collected in advance. These liabilities will be liquidated when revenue is recognized. The beginning and ending unearned revenue contract balances were as follows:

	<b>2025</b>	<b>2024</b>	<b>2023</b>
Membership dues	<u>\$ 243,180</u>	<u>\$ 241,933</u>	<u>\$ 928,825</u>
Total unearned revenue	<u>\$ 243,180</u>	<u>\$ 241,933</u>	<u>\$ 928,825</u>

**4. INVESTMENTS**

Investments are composed of two accounts, each of which operates under different restrictions. The purpose of the Operating Reserve Account is to provide funding for both long and short-term projects, special initiatives, and to provide for shortfalls in the operating budget of the Association. Funds are not restricted as to use except they are to be used for the benefit of the Association and its membership. The purpose of the Life Membership Account is to properly account for and segregate those funds that are received from members for lifetime memberships. The principal amounts paid as lifetime memberships are designated by the board of directors and cannot be accessed by the Association. Investment earnings from these memberships are used to provide for goods and services to the Association's membership.

Investments, which are stated at fair market value, consisted of the following at December 31, 2025:

	<b>Market Value</b>	<b>Cost</b>	<b>Cumulative Unrealized Gain (Loss)</b>
Undesignated net assets			
Money market fund	\$ 4,179	\$ 4,179	\$ -
Equity mutual funds	539,714	495,634	44,080
Board designated net assets			
Money market fund	4,347	4,347	-
Equity mutual funds	<u>561,467</u>	<u>515,632</u>	<u>45,835</u>
Total investments	<u>\$1,109,707</u>	<u>\$ 1,019,792</u>	<u>\$ 89,915</u>

Investments, which are stated at fair market value, consisted of the following December 31, 2024:

	<b>Market Value</b>	<b>Cost</b>	<b>Cumulative Unrealized Gain (Loss)</b>
Undesignated net assets			
Money market fund	\$ 4,369	\$ 4,369	\$ -
Equity mutual funds	767,930	537,798	230,132
Board designated net assets			
Money market fund	2,797	2,797	-
Equity mutual funds	<u>502,850</u>	<u>328,152</u>	<u>174,698</u>
Total investments	<u>\$1,277,946</u>	<u>\$ 873,116</u>	<u>\$ 404,830</u>

**NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2025 and 2024**

**4. INVESTMENTS (CONTINUED)**

The following schedule summarizes the investment return for the years ended December 31,:

	<b>2025</b>	<b>2024</b>
Dividends and interest	\$ 59,155	\$ 68,553
Net realized gains (losses)	411,233	-
Net unrealized gains (losses)	(316,683)	102,905
Fees	<u>(10,809)</u>	<u>(11,766)</u>
Total	<u>\$ 142,896</u>	<u>\$ 159,692</u>

**5. FAIR VALUE MEASUREMENTS**

The following methods and assumptions were used by the Association in estimating its fair value disclosures for financial instruments:

- Investments: The fair value of investments is based on quoted market prices for those or similar investments.

The Association uses Level 1 inputs to determine fair value. Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. The estimated fair values of the Association's financial instruments are as follows for December 31, 2025:

	<b>Carrying Amount</b>	<b>Fair Value</b>
Undesignated net assets:		
Money market fund	\$ 4,179	\$ 4,179
Equity mutual funds	539,714	539,714
Board designated net assets:		
Money market fund	4,347	4,347
Equity mutual funds	<u>561,467</u>	<u>561,467</u>
Total investments	<u>\$ 1,109,707</u>	<u>\$ 1,109,707</u>

The estimated fair values of the Association's financial instruments are as follows for December 31, 2024:

	<b>Carrying Amount</b>	<b>Fair Value</b>
Undesignated net assets:		
Money market fund	\$ 4,369	\$ 4,369
Equity mutual funds	767,930	767,930
Board designated net assets:		
Money market fund	2,797	2,797
Equity mutual funds	<u>502,850</u>	<u>502,850</u>
Total investments	<u>\$ 1,277,946</u>	<u>\$ 1,277,946</u>

**NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**6. PROPERTY, EQUIPMENT, AND RIGHT-OF-USE ASSETS**

Property and equipment consisted of the following:

	<b>2025</b>	<b>2024</b>
Office equipment	\$ 760	\$ 760
Computer equipment	42,335	39,686
Furniture and fixtures	45,899	45,899
Leasehold improvements	<u>8,430</u>	<u>8,430</u>
	97,424	94,775
Less: accumulated depreciation	<u>(82,674)</u>	<u>(73,389)</u>
Total	<u>\$ 14,750</u>	<u>\$ 21,386</u>
Right-of-use (ROU) assets	\$ 288,128	\$ 288,128
Less: accumulated amortization	<u>(53,318)</u>	<u>(525)</u>
Total	<u>\$ 234,810</u>	<u>\$ 287,603</u>
Website	\$ 49,000	\$ 49,000
Less: accumulated amortization	<u>(27,222)</u>	<u>(10,889)</u>
Total	<u>\$ 21,778</u>	<u>\$ 38,111</u>

**7. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Association has not adopted a formal liquidity management plan. The Association continually reviews its financial assets and assesses if financial assets are sufficient to meet cash needs for general expenditures. The Association's financial assets for this purpose include cash and cash equivalents, investments and accounts receivable. As of December 31, 2025 and 2024, financial assets available to meet cash needs for general expenditures within one year were \$1,778,872 and \$1,627,752, respectively.

**8. LEASES**

The Association evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Association's right to use underlying assets for the lease term, and the lease liabilities represent the Association's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2025, was 1.51%.

The Association's operating leases consist of office space and equipment without any lease extension options.

For the years ended December 31, 2025 and 2024, total operating lease cost was \$61,741 and \$58,324, respectively. As of December 31, 2025, the weighted-average remaining lease term for the operating leases was approximately 4 years.

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**8. LEASES (CONTINUED)**

Future maturities of lease liabilities are presented in the following table, for the years ending December:

<b>Calendar year</b>	
2026	\$ 63,346
2027	64,116
2028	64,886
2029	<u>65,033</u>
Total lease payments	257,381
Less interest	<u>(21,646)</u>
Present value of lease obligations	<u>\$ 235,735</u>

**9. EMPLOYEE BENEFITS**

The Association sponsors a 401(k) plan, covering employees meeting certain minimum participation requirements. The Association's contributions to the plan, for the years ended December 31, 2025 and 2024, were \$31,964 and \$29,563, respectively. Association contributions to this plan are determined by the Association's Board of Directors and are allocated to eligible employees based on their annual compensation.

**10. SALES OF MERCHANDISE**

Sales of merchandise are presented net of direct costs. Gross revenues and related costs are as follows:

	<b>2025</b>	<b>2024</b>
Gross revenues	\$ 6,190	\$ 9,384
Less related costs	<u>(373)</u>	<u>(85)</u>
Net income (loss)	<u>\$ 5,817</u>	<u>\$ 9,299</u>

**11. COMMITMENTS**

The Association has contracted with hotels for its 2026 and 2028 annual conferences. The contracts are subject to various cancellation penalties as well as minimum room usage. Cancellation penalties totaled \$120,314 as of December 31, 2025. These amounts are reduced by room utilization by conference attendees. The Association does not anticipate a material liability from these contracts based on historical attendance at the conference. The Association has not experienced any losses related to unsold rooms or cancellation of its conferences, and believes it is not exposed to any significant risk on these contracts.

**12. NATIONAL FFA FOUNDATION SPECIAL PROJECTS**

The Association receives a significant amount of support from the National FFA Foundation to support special projects. Support totaled \$1,220,000 and \$1,185,000 for the years ended December 31, 2025 and 2024, which represented approximately 51% and 53% of total revenue and support for the Association.

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**12. NATIONAL FFA FOUNDATION SPECIAL PROJECTS (CONTINUED)**

The Association conducts various initiatives on behalf of the National FFA Foundation. The FFA Foundation releases funds to the Association as they become available. These initiatives, or Special Projects of the National FFA Foundation, include:

Agriculture Teacher Wellness  
Excellence in Leadership for Retention (XLR8)  
Influence Program  
NAAE Convention General Support  
National Agriscience Teacher Ambassadors  
National Teach Ag Campaign  
Outstanding Ag Ed Teacher Awards  
Outstanding Early Career Teacher Awards  
Outstanding Middle/Secondary Ag Ed Program Awards  
Outstanding Postsecondary/Audit Program Awards  
Student Teacher Scholarships  
Teachers Turn the Key

**13. RECLASSIFICATION**

Certain items in the statement of activities have been reclassified from the prior year to conform to the current year presentation. These reclassifications did not have an impact on previously stated net assets.