

**AGRICULTURE FUTURE OF AMERICA
FINANCIAL STATEMENTS
AS OF FEBRUARY 28, 2021 AND FEBRUARY 29, 2020
AND FOR THE YEARS THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT**

**AGRICULTURE FUTURE OF AMERICA
FINANCIAL STATEMENTS
AS OF FEBRUARY 28, 2021 AND FEBRUARY 29, 2020
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Agriculture Future of America
Kansas City, Missouri

We have audited the accompanying financial statements of

AGRICULTURE FUTURE OF AMERICA

which comprise the statements of financial position as of February 28, 2021 and February 29, 2020, and the related statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Agriculture Future of America as of February 28, 2021 and February 29, 2020, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.


CERTIFIED PUBLIC ACCOUNTANTS

Westwood, Kansas
June 11, 2021

**AGRICULTURE FUTURE OF AMERICA
STATEMENTS OF FINANCIAL POSITION
AS OF FEBRUARY 28, 2021 AND FEBRUARY 29, 2020**

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash	\$ 1,955,899	\$ 788,354
Assets whose use is limited	4,598,129	3,697,222
Pledges receivable	160,750	85,771
Prepaid expenses and other current assets	60,758	28,340
Property and equipment - net	<u>176,117</u>	<u>237,574</u>
TOTAL ASSETS	<u>\$ 6,951,653</u>	<u>\$ 4,837,261</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 47,517	\$ 100,538
Scholarships payable	39,001	58,927
Accrued liabilities	<u>62,181</u>	<u>152,317</u>
TOTAL LIABILITIES	<u>148,699</u>	<u>311,782</u>
<u>NET ASSETS</u>		
Net assets without donor restrictions		
Board-designated	4,422,922	3,546,082
Undesignated	<u>1,467,793</u>	<u>218,550</u>
Total net assets without donor restrictions	5,890,715	3,764,632
Net assets subject to donor restrictions	<u>912,239</u>	<u>760,847</u>
TOTAL NET ASSETS	<u>6,802,954</u>	<u>4,525,479</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 6,951,653</u>	<u>\$ 4,837,261</u>

See auditors' report and accompanying notes to financial statements.

**AGRICULTURE FUTURE OF AMERICA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020**

	<u>2021</u>	<u>2020</u>
<u>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</u>		
<u>SUPPORT</u>		
Contributions	\$ 1,631,475	\$ 1,393,123
Net assets released from restrictions	210,228	617,988
TOTAL SUPPORT	<u>1,841,703</u>	<u>2,011,111</u>
<u>REVENUES</u>		
Conferences	2,339,472	1,699,245
Grant forgiveness under the CARES Act Paycheck Protection Program	194,000	-
Miscellaneous income	160	1,185
Investment income	606,308	196,607
TOTAL REVENUES	<u>3,139,940</u>	<u>1,897,037</u>
 TOTAL SUPPORT AND REVENUES	 <u>4,981,643</u>	 <u>3,908,148</u>
<u>OPERATING EXPENSES</u>		
Program	2,219,908	3,111,358
General and administrative	450,764	351,988
Fundraising	184,888	318,387
TOTAL OPERATING EXPENSES	<u>2,855,560</u>	<u>3,781,733</u>
 INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	 <u>2,126,083</u>	 <u>126,415</u>
<u>CHANGES IN NET ASSETS SUBJECT TO DONOR RESTRICTIONS:</u>		
Contributions	333,054	316,794
Investment income	28,566	9,914
Net assets released from restrictions	<u>(210,228)</u>	<u>(617,988)</u>
 INCREASE (DECREASE) IN NET ASSETS SUBJECT TO DONOR RESTRICTIONS	 <u>151,392</u>	 <u>(291,280)</u>
 INCREASE (DECREASE) IN NET ASSETS	 <u>\$ 2,277,475</u>	 <u>\$ (164,865)</u>

See auditors' report and accompanying notes to financial statements.

**AGRICULTURE FUTURE OF AMERICA
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020**

	Net Assets Without Donor Restrictions		Net Assets Subject To Donor Restrictions	Total Net Assets
	Board Designated	Undesignated		
Balance, February 28, 2019	\$ 3,378,512	\$ 259,705	\$ 1,052,127	\$ 4,690,344
Change in net assets for the year ended February 29, 2020	167,570	(41,155)	(291,280)	(164,865)
Balance, February 29, 2020	3,546,082	218,550	760,847	4,525,479
Change in net assets for the year ended February 28, 2021	876,840	1,249,243	151,392	2,277,475
Ending Balance, February 28, 2021	\$ 4,422,922	\$ 1,467,793	\$ 912,239	\$ 6,802,954

See auditors' report and accompanying notes to financial statements.

AGRICULTURE FUTURE OF AMERICA
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 2,277,475	\$ (164,865)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	69,383	64,555
Gain on investments	(526,060)	(69,848)
Loss on disposal of fixed assets	-	36
Changes in operating assets and liabilities:		
Pledges receivable	(74,979)	229,767
Prepaid expenses	(32,418)	5,222
Accounts payable	(53,021)	77,264
Scholarships payable	(19,926)	(18,588)
Accrued liabilities	(90,136)	136,787
Net adjustment	<u>(727,157)</u>	<u>425,195</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,550,318</u>	<u>260,330</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of equipment	(7,926)	(224,055)
Proceeds from sale of investments	(861,861)	50
Acquisition of investments	<u>487,014</u>	<u>(94,560)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(382,773)</u>	<u>(318,565)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET DECREASE IN CASH	1,167,545	(58,235)
CASH, BEGINNING OF YEAR	<u>788,354</u>	<u>846,589</u>
CASH, END OF YEAR	<u><u>\$ 1,955,899</u></u>	<u><u>\$ 788,354</u></u>

See auditors' report and accompanying notes to financial statements.

AGRICULTURE FUTURE OF AMERICA NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Nature of Operations

Agriculture Future of America (the Future), a not-for-profit organization, establishes community coalitions to leverage corporation and foundation resources to assist college-age men and women in preparing for their agriculture-related careers. The Future's programs include a combination of raising funds for scholarships, conducting leadership conferences and identifying internship opportunities.

Cash

Cash consists of demand deposit accounts, a money market account and certificates of deposit, that are held at financial institutions. From time to time, the Future maintains cash balances with financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limit. The Future has suffered no loss from this risk.

Assets Whose Use is Limited

Assets whose use is limited are comprised of board-designated investments and donor-restricted endowment funds. Assets whose use is limited are comprised of investments held in the Agriculture Future of America Scholarship Fund at UMB Bank and reported at fair market value.

Property and Equipment

The Future capitalizes significant acquisitions of office equipment and software, which are recorded at cost. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the improvements. Depreciation is provided for on an accelerated basis over estimated lives of 5 to 7 years for the equipment and 36-month straight-line amortization for the software.

Subsequent Events

Subsequent events have been evaluated through June 11, 2021, which is the date the accompanying financial statements were available to be issued.

AGRICULTURE FUTURE OF AMERICA

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Income Taxes

The Future is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements; it is not classified as a private foundation. Income tax returns filed by the Future on Form 990 are subject to examination by the Internal Revenue Service (IRS) for three years after the date filed, with the result that taxable years ending in 2021, 2020, 2019 and 2018 remain open as of June 11, 2021, although no returns have been selected for examination by the IRS. Management has evaluated tax positions taken or expected to be taken in the course of preparing the Future's tax returns with assistance from the Future's tax preparer to determine whether its tax positions are more likely than not to be sustained by applicable taxing authorities; likely tax positions are reported in these financial statements, and management is not aware of any unlikely tax positions, with the result that no unlikely tax positions are reported.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. Actual results could differ from those estimates.

Net Assets

To ensure observance of limitations and restrictions placed on the use of resources available to the Future, net assets are delineated into groups according to their nature and purpose as follows:

- Without Donor Restrictions - The portion of expendable resources immediately available to support general operations. The board has designated a portion of net assets without donor restrictions for board initiatives, specifically including a \$250,000 operating initiative.
- Subject To Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

AGRICULTURE FUTURE OF AMERICA
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Recognition of Support, Revenue and Expense Accrual

Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in net assets. The Future reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets subject to donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. There were no conditional contributions and all unconditional promises to give are deemed collectible at February 28, 2021.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions. Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Expenses are recorded when incurred on the accrual basis in accordance with generally accepted accounting principles.

Change in Accounting Principle for Contributions Received and Contributions Made

In June 2018, FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. We have implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with our implementation of ASU 2018-08.

Donated Goods and Services

The Future recognizes contribution support and program expense for donated services at the fair value of those services. Additionally, the Future records contribution support and program expense at the fair value of donated goods and other supplies on the date the contribution is received. Volunteers donate services to assist the Future in the conduct of its programs and administration. Under generally accepted accounting principals, such services are not recorded in these financial statements, as they are general in nature and do not require specialized skills.

AGRICULTURE FUTURE OF AMERICA NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date utilizing a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs are used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Scholarships Payable

The Future reports scholarships payable as scholarships awarded but not paid less the estimated scholarships that will not be paid due to changes in the recipient student's situation. The Future estimates scholarships payable based on a four year rolling average.

Advertising and Promotion

Advertising and promotion costs are charged to operations when incurred.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expense require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation and in-kind expenses, which are allocated on basis of asset usage. Professional services and other office expense are also allocated based on program usage.

AGRICULTURE FUTURE OF AMERICA
NOTES TO FINANCIAL STATEMENTS

NOTE B - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

Cash	\$ 1,955,899
Assets whose use is limited	4,598,129
Pledges receivable	<u>160,750</u>
Financial assets at year-end	<u>6,714,778</u>

Less those unavailable for general expenditure within one year due to:

Board-designated investments	4,422,923
Donor-restricted for scholarships	576,283
Donor-restricted endowment to maintain in perpetuity	108,550
Donor-restricted endowment subject to appropriation	<u>66,656</u>
	<u>5,174,412</u>

Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,540,366</u></u>
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The Future regularly monitors liquidity requirements needed to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investments of its funds not required for annual operations.

NOTE C - ASSETS WHOSE USE IS LIMITED

At February 28, 2021 and February 29, 2020, all investments are reported as assets whose use is limited at Level 1 fair values as follows:

	February 28, 2021		
	Fair Market Value	Unrealized Gain	Cost
Equity securities	\$ 2,812,631	\$ 682,554	\$ 2,130,077
Fixed income securities	1,483,534	37,996	1,445,538
Cash	301,964	-	301,964
	<u>\$ 4,598,129</u>	<u>\$ 720,550</u>	<u>\$ 3,877,579</u>
	February 29, 2020		
	Fair Market Value	Unrealized Loss	Cost
Equity securities	\$ 2,090,667	\$ 2,647	\$ 2,088,020
Fixed income securities	1,314,474	84,228	1,230,246
Cash	292,081	-	292,081
	<u>\$ 3,697,222</u>	<u>\$ 86,875</u>	<u>\$ 3,610,347</u>

AGRICULTURE FUTURE OF AMERICA
NOTES TO FINANCIAL STATEMENTS

NOTE C - ASSETS WHOSE USE IS LIMITED - continued

As of February 28, 2021 and February 29, 2020, investment use limitations are summarized as follows:

	<u>2021</u>	<u>2020</u>
Board-designated investments	\$ 4,422,923	\$ 3,546,082
Donor-restricted endowment fund:		
Restricted to be maintained in perpetuity	108,550	108,550
Accumulated earnings subject to appropriations	<u>66,656</u>	<u>42,590</u>
Total	<u>\$ 4,598,129</u>	<u>\$ 3,697,222</u>

As of February 28, 2021 and February 29, 2020, investment income is summarized as follows:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 118,221	\$ 145,681
Realized loss	(32,794)	(17,027)
Unrealized gain	<u>558,854</u>	<u>86,875</u>
	644,281	215,529
Less: investment management fees	<u>(9,407)</u>	<u>(9,008)</u>
Net investment income	<u>\$ 634,874</u>	<u>\$ 206,521</u>

Investment income is reported in the statements of activities as follows:

Without donor restrictions	\$ 606,308	\$ 196,607
Subject to donor restrictions	<u>28,566</u>	<u>9,914</u>
	<u>\$ 634,874</u>	<u>\$ 206,521</u>

NOTE D - PLEDGES RECEIVABLE

Unconditional promises to give are estimated to be collected as follows at February 28, 2021 and February 29, 2020:

	<u>2021</u>	<u>2020</u>
Within one year	<u>\$ 160,750</u>	<u>\$ 85,771</u>

At February 28, 2021, three donors account for 92% of total pledges receivable.

AGRICULTURE FUTURE OF AMERICA
NOTES TO FINANCIAL STATEMENTS

NOTE E - PROPERTY AND EQUIPMENT

As of February 28, 2021 and February 29, 2020, property and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Cost		
Office equipment	\$ 211,568	\$ 205,246
Software and product licenses	160,806	160,806
Leasehold improvements	<u>244,384</u>	<u>244,384</u>
Total cost	616,758	610,436
Less: Accumulated Depreciation	<u>(440,641)</u>	<u>(372,862)</u>
Property and Equipment - net	\$ 176,117	\$ 237,574
Depreciation expense	<u>\$ 69,383</u>	<u>\$ 64,555</u>

NOTE F - EMPLOYEE BENEFIT PLAN

The Future's Simplified Employee Pension Retirement Plan (the Plan) provides that the Future may contribute 5% of annual compensation to eligible employees subject to IRS limits. Every employee is eligible to participate in the Plan upon completing one year of service. During the years ended February 28, 2021 and February 29, 2020 the Future contributed \$53,301 and \$49,134, respectively, to the Plan.

NOTE G - LEASES

During the year ended February 28, 2021, the Future entered into a contract to lease office space in Kansas City, Missouri expiring in May 2024. Future minimum rentals under the non-cancelable operating lease for the next five years and in aggregate are summarized as follows:

<u>Year Ending February 28 or 29,</u>	<u>Total</u>
2022	\$ 81,048
2023	82,663
2024	84,314
2025	21,182
Thereafter	<u>-</u>
	<u>\$ 269,207</u>

NOTE H - IN-KIND DONATIONS

For the years ended February 28, 2021 and February 29, 2020 the Future recognized in-kind contribution support for certain goods and services received at the following fair values:

	<u>2021</u>	<u>2020</u>
Rent	<u>\$ -</u>	<u>\$ 16,473</u>

AGRICULTURE FUTURE OF AMERICA
NOTES TO FINANCIAL STATEMENTS

NOTE I - PAYCHECK PROTECTION PROGRAM

In May of 2020, the Future received proceeds in the amount of \$194,000 to fund payroll, rent, and utilities through the Paycheck Protection Program (the "PPP Loan"). The PPP loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance criteria, as outlined in the loan agreement and the CARES Act. The Organization initially recorded the PPP loan as a liability upon receipt of the proceeds for accounting purposes. In December of 2020, the SBA determined that the Future had satisfied the performance criteria attributable to the PPP loan proceeds. As a result, the SBA formally forgave the full portion of the Future's obligation under the PPP loan. The organization recognized revenue for the full amount of the PPP loan forgiven during the year ended February 28, 2021.

In March 2021, the Future requested and received a second PPP loan in the amount of \$214,887. The forgiveness criteria and accounting for the loan are substantially unchanged from the first PPP loan.

NOTE J - ENDOWMENT

The Future maintains an endowment whose main purpose is to support scholarships and program development. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Future has interpreted the State of Missouri's Prudent Management of Institutional Funds Act (SPMIFA) as requiring that it act prudently with respect to each endowment in determining whether to appropriate funds for expenditure from the endowment or accumulate funds in the endowment. As a result of this interpretation, absent explicit donor stipulations to the contrary, the Future classifies the following as assets with donor restrictions to be retained in perpetuity: 1) the original value of gifts donated to the endowment; 2) the original value of subsequent gifts to the endowment; and 3) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. On occasion, absent explicit donor stipulations to the contrary, the Future has determined that it is prudent to continue funding certain programs even though the only funds available in the endowments used to fund such programs have been classified as with donor restrictions. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Future considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- Duration and preservation of the fund;
- Purposes of the Future and the fund;
- General economic conditions;
- Possible effect of inflation and deflation;
- Expected total return from investment income and appreciation or depreciation of investments;
- Other resources of the Future; and
- Investment policies of the Future.

From time-to-time, the fair value of assets associated with donor-restricted endowment funds may fall below the amount required to be maintained by donors (underwater endowments). As of February 28, 2021 and February 29, 2020, there were no such deficiencies.

AGRICULTURE FUTURE OF AMERICA
NOTES TO FINANCIAL STATEMENTS

NOTE J - ENDOWMENT - continued

The assets of the endowment are held in Trust by UMB Bank, n.a. Under the Future's investment policy, endowment assets are invested in a manner that is intended to preserve inflation-adjusted values and provide annual budgetary support that is both stable and growing. To satisfy its long-term rate of return objectives, the Future relies on a total return strategy in which investment returns are achieved through both a current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Future targets a diversified asset allocation, including, but not limited to, equity and fixed income instruments.

At February 28, 2021 and February 29, 2020, Collins Scholarship Fund endowment funds are summarized as follows:

	<u>2021</u>	<u>2020</u>
Donor-restricted endowment fund:		
Restricted to be maintained in perpetuity	\$ 108,550	\$ 108,550
Accumulated earnings subject to appropriations	<u>66,656</u>	<u>42,590</u>
	<u><u>\$ 175,206</u></u>	<u><u>\$ 151,140</u></u>

As of February 28, 2021 and February 29, 2020, reconciliation of endowment funds are summarized as follows:

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 151,140	\$ 145,226
Investment income	28,566	9,914
Appropriation of endowment assets	<u>(4,500)</u>	<u>(4,000)</u>
Ending balance	<u><u>\$ 175,206</u></u>	<u><u>\$ 151,140</u></u>

AGRICULTURE FUTURE OF AMERICA
NOTES TO FINANCIAL STATEMENTS

NOTE K - NET ASSETS SUBJECT TO DONOR RESTRICTIONS

As of February 28, 2021 and February 29, 2020, net assets subject to donor stipulations consisted of the following:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Scholarships	<u>\$ 576,283</u>	<u>\$ 523,935</u>
Subject to the passage of time:		
Pledges receivable	<u>\$ 160,750</u>	<u>\$ 85,771</u>
Endowments:		
Funds restricted to be maintained in perpetuity	\$ 108,550	\$ 108,550
Accumulated earnings subject to appropriations	66,656	42,590
	<u>175,206</u>	<u>151,140</u>
Total Net Assets Subject to Donor Restrictions	<u>\$ 912,239</u>	<u>\$ 760,846</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other specified events specified by the donors as follows for the years ended February 28, 2021 and February 29, 2020:

Satisfaction of purpose restrictions	\$ 119,957	\$ 298,450
Expiration of time restrictions	85,771	315,538
Appropriation of endowment assets	<u>4,500</u>	<u>4,000</u>
Total Net Assets Released from Donor Restrictions	<u>\$ 210,228</u>	<u>\$ 617,988</u>

NOTE L - CONCENTRATION OF REVENUE SOURCES

During the year ended February 28, 2021, approximately 24% of the Future's total support and revenue was provided by two contributors.

NOTE M - RISKS AND UNCERTAINTIES

During 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the Future, COVID-19 has impact various parts of its 2021 operations and financial results and may continue to do so into 2022. Management believes the Future has taken appropriate actions to mitigate any negative impact however, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events continue to develop.

AGRICULTURE FUTURE OF AMERICA
NOTES TO FINANCIAL STATEMENTS

NOTE N - FUNCTIONAL EXPENSES

The following is a summary of functional expenses for the years ended February 28, 2021 and February 29, 2020:

	2021				2020			
	Total	Programs	General & Administrative	Fundraising	Total	Programs	General & Administrative	Fundraising
Administrative salaries	\$ 780,758	\$ 666,948	\$ 66,194	\$ 47,616	\$ 712,921	\$ 616,363	\$ 56,406	\$ 40,152
Bonus compensation	61,660	-	12,332	49,328	133,645	-	26,729	106,916
Officer salaries	351,589	281,271	12,963	57,355	359,255	278,089	15,080	66,086
Payroll taxes	86,077	72,047	5,989	8,041	79,173	66,049	5,279	7,845
Retirement plan	53,301	44,614	3,708	4,979	49,134	40,989	3,276	4,869
Health, life and disability insurance	163,196	151,030	12,166	-	128,489	118,502	9,987	-
Total Personnel Costs	1,496,581	1,215,910	113,352	167,319	1,462,617	1,119,992	116,757	225,868
Scholarships	306,244	306,244	-	-	374,486	374,486	-	-
Program & speakers	92,630	92,630	-	-	211,131	211,131	-	-
Hotel & meals	42,570	42,570	-	-	788,288	788,288	-	-
Community promotions	1,190	1,190	-	-	1,230	1,230	-	-
Program development	47,521	47,521	-	-	48,545	48,545	-	-
Partner relations	1,188	-	-	1,188	1,197	-	-	1,197
Advertising & promotion	89,183	85,818	-	3,365	41,064	23,814	-	17,250
Special events	-	-	-	-	4,744	4,744	-	-
Consultant services	150,555	-	150,555	-	41,583	-	41,583	-
Staging & displays	108,891	108,891	-	-	147,739	147,739	-	-
Printing & design	26,975	23,875	3,100	-	21,292	14,194	7,098	-
Photography/video production	542	542	-	-	7,073	7,073	-	-
Outside services	21,522	12,295	9,227	-	19,936	6,231	13,705	-
ASP hosting service	54,903	42,854	12,049	-	33,200	24,111	9,089	-
Office expense	24,412	1,864	22,548	-	24,761	4,024	20,737	-
Freight & postage	4,297	1,452	2,845	-	4,666	1,358	3,308	-
Rent	81,724	63,745	17,979	-	75,177	59,593	15,584	-
Telephone	6,221	2,277	3,944	-	5,516	1,999	3,517	-
Travel	35,370	22,354	-	13,016	203,353	129,281	-	74,072
Legal & accounting	165,825	105,267	60,558	-	139,548	97,892	41,656	-
Dues and subscriptions	6,274	944	5,330	-	2,463	715	1,748	-
Education & training	20,986	6,973	14,013	-	22,715	12,640	10,075	-
Directors meeting expenses	573	-	573	-	34,854	-	34,854	-
Depreciation	69,383	34,692	34,691	-	64,555	32,278	32,277	-
Total Expenses	\$ 2,855,560	\$ 2,219,908	\$ 450,764	\$ 184,888	\$ 3,781,733	\$ 3,111,358	\$ 351,988	\$ 318,387