PRACTICAL FARMERS OF IOWA

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2025

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PRACTICAL FARMERS OF IOWA
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YEAR ENDED SEPTEMBER 30, 2025

INDEPENDENT AUDITORS' REPORT

Board of Directors
Practical Farmers of Iowa
Ames, Iowa

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Practical Farmers of Iowa (the Organization), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization 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.

Emphasis-of-Matter Regarding a Correction of an Error

As described in Note 15 to the financial statements, the Organization has restated its previously issued financial statements as of September 30, 2024, to correct an error in the classification of net assets. Our opinion is not modified with respect to this matter.

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 the Organization'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 GAAS 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 GAAS, 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 the Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.

Board of Directors
Practical Farmers of Iowa

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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Cedar Rapids, Iowa
June 20, 2026

PRACTICAL FARMERS OF IOWA
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2025

ASSETS

Cash and Cash Equivalents	$ 1,226,561
Grants Receivable	965,128
Unconditional Promises to Give, Net	1,415,211
Investments	10,113,803
Prepaid Expenses	28,246
Property and Equipment, Net	268,762
Right-of-Use Assets - Operating, Net	47,503
Beneficial Interest in Assets Held by a Community Foundation	676,227
Total Assets	$ 14,741,441

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts Payable	$ 101,178
Accrued Payroll and Taxes	326,836
Lease Liability - Operating	47,503
Deferred Revenue	1,494,459
Total Liabilities	1,969,976
NET ASSETS	
Without Donor Restrictions:	
Board-Designated for Endowment	517,687
Board-Designated for Other	540,680
Undesignated	3,594,569
Total Without Donor Restrictions	4,652,936
With Donor Restrictions	8,118,529
Total Net Assets	12,771,465
Total Liabilities and Net Assets	$ 14,741,441

See accompanying Notes to Financial Statements.

PRACTICAL FARMERS OF IOWA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants	$ 3,821,167	$ 1,987,282	$ 5,808,449
Fee for Service Revenue	13,460,857	-	13,460,857
Contributions	842,640	-	842,640
Membership Dues	356,665	-	356,665
Conference and Event Sponsorships	128,084	-	128,084
Conference and Event Registrations	93,667	-	93,667
Investment Return	286,877	16,103	302,980
Other Income	78,299	-	78,299
Net Assets Released from Restriction	4,332,134	(4,332,134)	-
Total Revenue and Support	23,400,390	(2,328,749)	21,071,641
EXPENSES			
Program	19,398,652	-	19,398,652
Management and General	1,257,972	-	1,257,972
Fundraising	253,980	-	253,980
Total Expenses	20,910,604	-	20,910,604
CHANGE IN NET ASSETS	2,489,786	(2,328,749)	161,037
Net Assets - Beginning of Year (as Restated)	2,163,150	10,447,278	12,610,428
NET ASSETS - END OF YEAR	$ 4,652,936	$ 8,118,529	$ 12,771,465

See accompanying Notes to Financial Statements.

PRACTICAL FARMERS OF IOWA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2025

		Supporting Services		
	Program	Management and General	Fundraising	Total
Salaries	$ 3,071,332	$ 575,241	$ 181,743	$ 3,828,316
Employee Benefits and Taxes	647,990	140,557	40,199	828,746
Contract Services	14,224,538	187,995	5,275	14,417,808
Printing and Copying	96,328	-	6,638	102,966
Postage and Delivery	29,022	8,365	4,180	41,567
Supplies and Equipment	295,208	3,146	5,039	303,393
Rent and Occupancy	-	43,617	-	43,617
Travel and Conferences	69,055	4,539	3,424	77,018
Publicity and Advertising	331,611	1,607	-	333,218
Insurance	8,579	33,688	251	42,518
Meetings	301,288	27,557	777	329,622
Repairs and Maintenance	-	15,058	55	15,113
Professional Development	-	28,255	749	29,004
Sponsorships	41,928	2,020	5,650	49,598
Dues and Subscriptions	3,494	2,900	-	6,394
Fees and Service Charges	22,079	19,909	-	41,988
Membership Reimbursement Expense	256,200	-	-	256,200
Depreciation and Amortization	-	163,518	-	163,518
Total Expenses by Function	$ 19,398,652	$ 1,257,972	$ 253,980	$ 20,910,604

See accompanying Notes to Financial Statements.

PRACTICAL FARMERS OF IOWA
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 161,037
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities:	
Depreciation and Amortization	163,518
Realized Gains on Investments	(6,275)
Unrealized Gain on Investments	(8,963)
Change in Beneficial Interest in Assets	
Held by a Community Foundation	(168,699)
Increase (Decrease) in Assets:	
Accounts and Grants Receivable	3,679,153
Unconditional Promises to Give	172,142
Prepaid Expenses	(1,657)
(Increase) Decrease in Liabilities:	
Accounts Payable	(501,159)
Accrued Payroll and Taxes	140,487
Lease Liability	(133,158)
Deferred Revenue	1,459,206
Net Cash Provided by Operating Activities	4,955,632
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	(16,227,939)
Proceeds from Sale of Investments	10,574,296
Purchase of Property and Equipment	(116,019)
Net Cash Used by Investing Activities	(5,769,662)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(814,030)
Cash and Cash Equivalents - Beginning of Year	2,040,591
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,226,561

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Practical Farmers of Iowa (the Organization) is a nonprofit corporation that seeks to preserve the productive capacity of farmland, improve the environmental and economic well-being of farm families, and protect the health of consumers through food system activities, farming system activities, educational activities, and public policy activities.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Receivables from Grantor Agencies

Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenditures as of the beginning and end of the year. Receivables from grantor agencies represent an excess of expenditures over reimbursements at year-end.

Promises to Give

Unconditional promises to give are recorded as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Conditional promises are recognized only when the conditions on which they depend are substantially met and promises become unconditional. The Organization has no conditional promises to give. Uncollectible promises are written off after management has used reasonable collection efforts and determines the promises will not be collected.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are carried at fair value with unrealized and realized gains and losses on investments reported as an increase or decrease in net assets based upon donor-imposed restrictions.

Investment income is reported in the statement of activities as revenue based upon donor-imposed restrictions. Gains and investment income that are limited to specific uses by donor-imposed restrictions are reported in without donor-restricted net assets when the restrictions are met in the same reporting period as the gains and income are recognized.

Property and Equipment

Acquisitions of property and equipment in excess of $2,500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful lives of the assets generally as follows:

Buildings	40 Years
Furniture and Fixtures	10 Years
Office Equipment	5 to 10 Years
Vehicles	5 Years

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Resources over which the board of directors has discretionary control. Designated amounts represent amounts which the board has set aside for a particular purpose.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (continued)

Net Assets With Donor Restrictions – Those resources subject to donor-imposed restrictions which will be satisfied by actions of the Organization or passage of time. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Beneficial Interest in Assets Held by a Community Foundation

Beneficial interest in assets held by a community foundation represents designated assets set aside by the board of directors in an endowment fund and transferred to the Community Foundation of Greater Des Moines (the Foundation) under a reciprocal agreement. In accordance with the provisions of the Endow Iowa legislation, distributions of up to, but not exceeding, five percent (5%) of the Fund balance as of December 31 of the previous year may be made each year. The Organization shall direct distributions not more frequently than four times in any 12-month period. Net income in excess of the distributions to the Organization, administrative fees and direct expenses will be maintained in the Fund. If the Organization ceases to be a qualified charitable organization or proposes to dissolve, the Community Foundation, using its variance power, shall redirect distributions from the Fund to other qualifying Iowa charities operating in the same general geographic area and providing related or similar services as those provided by the Organization. The endowment is reported at fair value on the statement of financial position with the corpus of the fund being perpetually restricted and earnings being temporarily restricted until disbursed from the fund.

Revenue Recognition

Grants and fee for service (also referred to as contract revenue), is recognized when earned. The grants and contracts are written on an expenditure reimbursement basis and accordingly, revenue is earned when the performance obligations for each grant or contract are met. The financial statements present any funds received and not expended as deferred revenue.

Contributions received are classified as with and without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions receivable are recognized when an unconditional promise to give is received. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. The Organization has not recognized any conditional promises to give. However, the Organization has been awarded several grants and contributions that will be recognized as revenue once the conditions are met in future periods.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

Noncash contributions are recorded at their fair values in the period received. Noncash contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributed property and equipment are recorded at estimated fair value at the date of the gift. If donors stipulate how long the assets must be used, the contributions are recorded as with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as without donor restrictions.

Membership revenue is recognized as received because they are deemed to be contributions rather than exchange transactions.

Conferences and meetings registration revenue and sponsorships revenue are recognized over time when conferences and meetings are held.

Deferred Revenue

Deferred revenue consists of program service fees in which performance obligations have not been met. The Organization's beginning and ending balances of deferred revenue consist of the following for the year ended September 30, 2025:

	2025	2024
Deferred Revenue	$ 1,494,459	$ 35,253

Advertising

Advertising costs are expensed as incurred.

Functional Expense Allocations

The Organization allocates its expenses on a functional basis among its various programs and supporting activities. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits, insurance, depreciation and occupancy, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law, which provides income tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes. The Internal Revenue Service has not classified the Organization as a private foundation.

The Organization files information returns with the U.S. federal jurisdiction and follows the standard for evaluating uncertain tax positions. The Organization has determined that it was not required to record a liability related to uncertain tax positions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization determines if an arrangement is a lease at inception. Leases are reported on the statement of financial position as a right-of-use (ROU) asset and lease liability. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statements of financial position. The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

Subsequent Events

Management has evaluated subsequent events through June 20, 2026, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets held by the Organization, that is, without donor restrictions limiting their use, within one year of the statement of financial position date to meet general expenditures and future needs of the Organization are as follows as of September 30, 2025:

Cash and Cash Equivalents	$ 1,226,561
Grants Receivable	965,128
Unconditional Promises to Give	1,415,211
Investments	10,113,803
Financial Assets	13,720,703
Less: Net Assets With Donor Restrictions	(8,118,529)
Less: Board-Designated for Other	(540,680)
Total	$ 5,061,494

NOTE 3 RECEIVABLES

Grants and unconditional promises to give as of September 30, 2025, are expected to be received as follows:

Within One Year	$ 2,258,665
In One to Five Years	175,000
Total	2,433,665
Less: Discount to Net Present Value of 3%	(53,326)
Total	$ 2,380,339

NOTE 4 INVESTMENTS

Investments consist of the following as of September 30, 2025:

Money Market	$ 4,172,777
Exchange Traded Funds	71,208
Mutual Funds	682,611
Brokered Certificates of Deposit	5,187,207
Total	$ 10,113,803

Investment income includes the following for the year ended September 30, 2025:

Interest and Dividends	$ 122,352
Realized Gain	6,275
Unrealized Gain	8,963
Investment Management Fee	(3,309)
Change in Beneficial Interest in Assets Held by Community Foundation	168,699
Total	$ 302,980

NOTE 5 FAIR VALUE MEASUREMENT

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

NOTE 5 FAIR VALUE MEASUREMENT (CONTINUED)

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy.

Mutual and Exchange Traded Funds are valued at the net asset value of shares held by the Organization at year-end.

Brokered Certificates of Deposit are valued at the estimated market value if sold by the Organization at year-end.

Beneficial Interest in Assets Held by a Community Foundation is valued at the Organization's pro-rata share of the community foundation's investment pool. The unobservable inputs are the underlying assets at the community foundation and follow their investment policy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 5 FAIR VALUE MEASUREMENT (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2025:

	Level 1	Level 2	Level 3	Total
Exchange Traded Funds	$ 71,208	$ -	$ -	$ 71,208
Mutual Funds	682,611	-	-	682,611
Brokered Certificates of Deposit	-	5,187,207	-	5,187,207
Beneficial Interest in Assets Held by a Community Foundation	-	-	676,227	676,227
Total	$ 753,819	$ 5,187,207	$ 676,227	$ 6,617,253

The following is a reconciliation of assets measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the year ended September 30, 2025:

Net Assets - Beginning of Year	$ 507,528
Change in Beneficial Interest in Assets Held by a Community Foundation	168,699
Net Assets - End of Year	$ 676,227

The following table details Level 3 holdings as of September 30, 2025:

Type	Fair Value	Principal Valuation Technique	Unobservable Inputs
Beneficial Interest in Assets Held by a Community Foundation	$ 676,227	Pro rata Share of Pool	Value of Underlying Assets

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of September 30, 2025:

Land	$ 128,000
Buildings and Improvements	11,000
Leasehold Improvements	67,683
Equipment	268,611
Subtotal	475,294
Less: Accumulated Depreciation	(206,532)
Property and Equipment, Net	$ 268,762

NOTE 7 BENEFICIAL INTEREST IN ASSETS HELD BY A COMMUNITY FOUNDATION

The Organization has established funds at the Foundation. The funds are administered by the Foundation for the benefit of the Organization. Control over the investment or reinvestment of these funds is exercised exclusively by the Foundation. Distributions from the funds are not subject to variance power. The funds balance as of June 30, 2026 is $676,227. During the year ended September 30, 2025, the Organization received no distributions from these funds.

NOTE 8 CONTINGENT LIABILITY

The Organization is contingently liable to grantors for monies received until each grant has been closed by the grantor. No amounts have been accrued as of September 30, 2025.

NOTE 9 RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are available for the following as of September 30, 2025:

Endowment - Corpus	$ 55,614
Endowment - Earnings	102,926
Livestock Program	474,618
Horticulture Program	89,089
Field Crops	4,759,997
Next Generation	598,809
Habitat	62,019
Cross-Program	1,975,457
Total	$ 8,118,529

Net assets released from donor restrictions by incurring expense, satisfying the restricted purpose, or by occurrence of the passage of time or other events specified by donors is as follows for the year ended September 30, 2025:

Satisfaction of Purpose Restrictions	$ 4,332,134
Expiration of Time Restrictions	-
Total	$ 4,332,134

NOTE 10 ENDOWMENT FUND

The Organization's endowment consists of one fund established to support future operations of the Organization. The endowment consists of board-designated (quasi) endowment funds as well as donor contributions. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 10 ENDOWMENT FUND (CONTINUED)

Management has interpreted the Iowa-enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor-restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in donor-restricted net assets classifies as net assets without donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies

The Organization has invested the endowment funds with the Foundation, who has investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Organization has an agreement with the Foundation in which the Organization may request and appropriate for distribution each year 5% of its endowment fund fair value of the December 31 balance of the previous year in which the distribution is planned. In following this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds and the possible effects of inflation.

The Organization expects the current spending policy to allow its endowment funds to grow at a nominal rate. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

NOTE 10 ENDOWMENT FUND (CONTINUED)

Endowment net asset composition by type of fund as of September 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total Value
Board-Designated	$ 517,687	$ -	$ 517,687
Donor-Restricted	-	158,540	158,540
Total	$ 517,687	$ 158,540	$ 676,227

Changes in endowment net assets for the year ended September 30, 2025, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Value
Net Assets - Beginning of Year (as Restated)	$ 365,091	$ 142,437	$ 507,528
Change in Beneficial Interest in Assets Held by a Community Foundation	152,596	16,103	168,699
Net Assets - End of Year	$ 517,687	$ 158,540	$ 676,227

NOTE 11 DEFINED CONTRIBUTION PLAN

The Organization has a defined contribution plan (the Plan) covering all employee that have been employed at least one year and worked over 1,000 hours within the year of eligibility. The Organization makes matching contributions to the Plan each year up to 4% of the individual participant’s compensation. The Organization contributed $138,696 to the Plan during the year ended September 30, 2025, respectively.

NOTE 12 DISCLOSURE ABOUT CERTAIN CONCENTRATIONS

Cash Concentration

The Organization maintains its cash in bank demand deposit accounts at multiple financial institutions. As of September 30, 2025, the Organization has balances of $1,118,142 over the Federal Deposit Insurance Corporation limit of $250,000. The Organization has not experienced any losses in such accounts. It is the opinion of management that the solvency of the referenced financial institution is not of particular concern at this time.

Revenue Concentration

The Organization seeks to preserve the productive capacity of farmland, improve the environmental and economic well-being of farm families, and protect the health of consumers through food system activities, farming system activities, educational activities, and public policy activities. The Organization is dependent upon federal and state funding to maintain its operation. In the event that grant monies are not available from such sources, the Organization may not continue as a going concern.

NOTE 12 DISCLOSURE ABOUT CERTAIN CONCENTRATIONS (CONTINUED)

Revenue Concentration (continued)

For the year ended September 30, 2025, the Organization had funding, defined as greater than 10% of total grant revenue, as follows:

	Revenue	Percentage
Foundation A	$ 9,089,326	43 %
Foundation B	3,041,827	14

NOTE 13 LEASES

The Organization leases office facilities and a printer for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2029. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

The following tables provides quantitative information concerning the Organization's leases as of and for the year ended September 30, 2025:

Lease Cost:	
Operating Lease Cost	$ 130,868
Other Lease Information:	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	$ 130,868
Weighted-Average Remaining Lease Term - Operating Leases	1.4 Years
Weighted-Average Discount Rate - Operating Leases	4.18%

The future minimum lease payments expected for these leases as of September 30, 2025 are as follows:

Year Ending September 30,	Operating
2026	$ 36,368
2027	4,868
2028	4,868
2029	2,841
Undiscounted Cash Flows	48,945
Less: Imputed Interest	(1,442)
Total Present Value	$ 47,503
Short-Term Lease Liabilities	$ 36,368
Long-Term Lease Liabilities	11,135
Total Lease Liabilities	$ 47,503

In December 2024, a 4-year lease was signed for a new office space in Ames with a month rent of $17,254. This lease does not start until February 2026.

NOTE 14 ADVERTISING

The Organization uses advertising to promote its programs among the audience it serves. Advertising costs totaled $333,217 for the year ended September 30, 2025.

NOTE 15 PRIOR PERIOD ADJUSTMENT

The Organization performed a review of net assets. During the review, it was noted that amounts previously recorded as net assets without donor restrictions were restricted for various grant purposes. These amounts were reclassified to net assets with donor restrictions.

The following is a summary of changes made with the restatement as of and for the year ended September 30, 2024:

	As Previously Reported	As Restated	Prior Period Restatement
Net Assets Without Donor Restrictions	$ 2,627,870	$ 2,163,150	$ (464,720)
Net Assets With Donor Restrictions	9,982,558	10,447,278	464,720
Total Net Assets	$ 12,610,428	$ 12,610,428	$ -