

**MATTHEW 25**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**MATTHEW 25  
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YEARS ENDED DECEMBER 31, 2025 AND 2024**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Matthew 25  
Cedar Rapids, Iowa

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Matthew 25, 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 accompanying financial statements present fairly, in all material respects, the financial position of Matthew 25 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 (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 Matthew 25 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Matthew 25'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 Matthew 25'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 Matthew 25'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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Cedar Rapids, Iowa  
April 22, 2026

**MATTHEW 25**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2025 AND 2024**

|  | 2025         | 2024         |
|--|--------------|--------------|
| <b>ASSETS</b>  |              |              |
| <b>CURRENT ASSETS</b>                                      |              |              |
| Cash and Cash Equivalents                                  | \$ 1,181,238 | \$ 675,480   |
| Grants and Contributions Receivable                        | 229,566      | 251,171      |
| Unconditional Promises to Give                             | -            | 1,075        |
| Inventory  | 26,800       | 14,002       |
| Prepaid Expenses   | 58,831       | 43,888       |
| Total Current Assets                                       | 1,496,435    | 985,616      |
| <b>OTHER ASSETS</b>  |              |              |
| Land for Redevelopment                                     | 40,000       | 40,000       |
| Beneficial Interest in Assets Held by Community Foundation | 67,008       | 33,023       |
| Property and Equipment, Net                                | 4,941,901    | 4,416,048    |
| Total Other Assets   | 5,048,909    | 4,489,071    |
| Total Assets   | \$ 6,545,344 | \$ 5,474,687 |
| <b>LIABILITIES AND NET ASSETS</b>                          |              |              |
| <b>CURRENT LIABILITIES</b>                                 |              |              |
| Accounts Payable   | \$ 84,583    | \$ 130,971   |
| Accrued Expenses   | 77,401       | 44,857       |
| Deposits on Account  | 19,759       | 13,999       |
| Current Portion of Notes Payable                           | 881,841      | 79,225       |
| Total Current Liabilities                                  | 1,063,584    | 269,052      |
| <b>LONG-TERM LIABILITIES</b>                               |              |              |
| Notes Payable  | 514,470      | 1,369,262    |
| Total Liabilities  | 1,578,054    | 1,638,314    |
| <b>NET ASSETS</b>  |              |              |
| Without Donor Restrictions:                                |              |              |
| Undesignated   | 4,806,060    | 3,582,464    |
| Board-Designated   | 12,182       | 10,813       |
| Total Without Donor Restrictions                           | 4,818,242    | 3,593,277    |
| With Donor Restrictions                                    | 149,048      | 243,096      |
| Total Net Assets   | 4,967,290    | 3,836,373    |
| Total Liabilities and Net Assets                           | \$ 6,545,344 | \$ 5,474,687 |

See accompanying Notes to Financial Statements.

**MATTHEW 25**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2025**

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        |
|---|-------------------------------|----------------------------|--------------|
| <b>SUPPORT AND REVENUE</b>                    |                               |                            |              |
| Contributions                                 | \$ 2,035,186                  | \$ 39,138                  | \$ 2,074,324 |
| In-Kind Donations                             | 37,832                        | 39,488                     | 77,320       |
| Program Service Revenue                       | 878,826                       | -                          | 878,826      |
| Investment Income (Loss)                      | 12,166                        | -                          | 12,166       |
| Change in Beneficial Interest in Assets       |                               |                            |              |
| Held by Community Foundation                  | 1,418                         | -                          | 1,418        |
| Gain (Loss) on Disposal of Fixed Assets       | 1,186,395                     | -                          | 1,186,395    |
| Satisfaction of Purpose and Time Restrictions | 172,674                       | (172,674)                  | -            |
| Total Support and Revenue                     | 4,324,497                     | (94,048)                   | 4,230,449    |
| <b>EXPENSES</b>                               |                               |                            |              |
| Program Services:                             |                               |                            |              |
| Neighborhood Building                         | 731,946                       | -                          | 731,946      |
| Cultivate Hope                                | 1,554,387                     | -                          | 1,554,387    |
| Community Building                            | 88,788                        | -                          | 88,788       |
| Total Program Services                        | 2,375,121                     | -                          | 2,375,121    |
| Supporting Activities Services:               |                               |                            |              |
| Management and General                        | 574,459                       | -                          | 574,459      |
| Fundraising                                   | 149,952                       | -                          | 149,952      |
| Total Supporting Activities Services          | 724,411                       | -                          | 724,411      |
| Total Expenses                                | 3,099,532                     | -                          | 3,099,532    |
| <b>CHANGE IN NET ASSETS</b>                   | 1,224,965                     | (94,048)                   | 1,130,917    |
| Net Assets - Beginning of Year                | 3,593,277                     | 243,096                    | 3,836,373    |
| <b>NET ASSETS - END OF YEAR</b>               | \$ 4,818,242                  | \$ 149,048                 | \$ 4,967,290 |

See accompanying Notes to Financial Statements.

**MATTHEW 25**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2024**

|   | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>        |
|---|---------------------------------------|------------------------------------|---------------------|
| <b>SUPPORT AND REVENUE</b>                    |                                       |                                    |                     |
| Contributions                                 | \$ 1,482,437                          | \$ 105,422                         | \$ 1,587,859        |
| In-Kind Donations                             | 24,628                                | 37,674                             | 62,302              |
| Program Service Revenue                       | 844,352                               | -                                  | 844,352             |
| Investment Income (Loss)                      | 17,359                                | -                                  | 17,359              |
| Change in Beneficial Interest in Assets       |                                       |                                    |                     |
| Held by Community Foundation                  | (124)                                 | -                                  | (124)               |
| Gain (Loss) on Disposal of Fixed Assets       | 1,500                                 | -                                  | 1,500               |
| Satisfaction of Purpose and Time Restrictions | 304,143                               | (304,143)                          | -                   |
| Total Support and Revenue                     | <u>2,674,295</u>                      | <u>(161,047)</u>                   | <u>2,513,248</u>    |
| <b>EXPENSES</b>                               |                                       |                                    |                     |
| Program Services:                             |                                       |                                    |                     |
| Neighborhood Building                         | 687,288                               | -                                  | 687,288             |
| Cultivate Hope                                | 1,414,617                             | -                                  | 1,414,617           |
| Community Building                            | 70,479                                | -                                  | 70,479              |
| Total Program Services                        | <u>2,172,384</u>                      | <u>-</u>                           | <u>2,172,384</u>    |
| Supporting Activities Services:               |                                       |                                    |                     |
| Management and General                        | 499,317                               | -                                  | 499,317             |
| Fundraising                                   | 135,957                               | -                                  | 135,957             |
| Total Supporting Activities Services          | <u>635,274</u>                        | <u>-</u>                           | <u>635,274</u>      |
| Total Expenses                                | <u>2,807,658</u>                      | <u>-</u>                           | <u>2,807,658</u>    |
| <b>CHANGE IN NET ASSETS</b>                   | (133,363)                             | (161,047)                          | (294,410)           |
| Net Assets - Beginning of Year                | <u>3,726,640</u>                      | <u>404,143</u>                     | <u>4,130,783</u>    |
| <b>NET ASSETS - END OF YEAR</b>               | <u>\$ 3,593,277</u>                   | <u>\$ 243,096</u>                  | <u>\$ 3,836,373</u> |

See accompanying Notes to Financial Statements.

**MATTHEW 25**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2025**

|   | Program Services      |                     |                    | Supporting Activities Services |                   | Total Expenses      |
|---|-----------------------|---------------------|--------------------|--------------------------------|-------------------|---------------------|
|   | Neighborhood Building | Cultivate Hope      | Community Building | Management and General         | Fundraising       |                     |
| Salaries and Wages                      | \$ 324,396            | \$ 767,666          | \$ 65,006          | \$ 134,013                     | \$ 99,353         | \$ 1,390,434        |
| Payroll Taxes and Fringe Benefits       | 25,159                | 75,117              | 4,779              | 17,502                         | 15,143            | 137,700             |
| Professional Fees and Contract Services | 8,349                 | 7,614               | 12,700             | 62,859                         | 2,603             | 94,125              |
| Supplies                                | 53,800                | 157,094             | 87                 | 6,016                          | 2,957             | 219,954             |
| Printing and Publications               | 2,405                 | 107                 | -                  | 8,236                          | 8,726             | 19,474              |
| Postage, Shipping, and Delivery         | 10                    | 6                   | -                  | 1,686                          | 3,211             | 4,913               |
| Telephone                               | 1,440                 | 5,652               | 28                 | 4,965                          | 306               | 12,391              |
| Occupancy                               | 42,390                | 59,985              | -                  | 44,340                         | -                 | 146,715             |
| Bank Fees                               | 296                   | 15,248              | 195                | 341                            | 3,401             | 19,481              |
| Insurance                               | 36,194                | 28,643              | -                  | 36,115                         | -                 | 100,952             |
| Travel and Vehicle                      | 6,090                 | 4,383               | -                  | 669                            | 174               | 11,316              |
| Meetings and Conferences                | 1,514                 | 4,255               | 979                | 3,171                          | 2,367             | 12,286              |
| Small Equipment and Maintenance         | 2,897                 | 28,102              | 154                | 6,372                          | 139               | 37,664              |
| Membership Dues and Subscriptions       | 212                   | 3,676               | 4,417              | 29,254                         | 6,806             | 44,365              |
| Advertising and Promotion               | 693                   | 10,277              | 17                 | 937                            | 2,165             | 14,089              |
| Cost of Goods Sold                      | -                     | 364,446             | -                  | -                              | -                 | 364,446             |
| Depreciation                            | 139,578               | -                   | -                  | 198,369                        | -                 | 337,947             |
| Interest Expense                        | 59,409                | -                   | -                  | 19,509                         | -                 | 78,918              |
| Miscellaneous                           | 27,114                | 22,116              | 426                | 105                            | 2,601             | 52,362              |
| <b>Total Functional Expenses</b>        | <b>\$ 731,946</b>     | <b>\$ 1,554,387</b> | <b>\$ 88,788</b>   | <b>\$ 574,459</b>              | <b>\$ 149,952</b> | <b>\$ 3,099,532</b> |

See accompanying Notes to Financial Statements.

**MATTHEW 25**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2024**

|   | Program Services      |                     |                    | Supporting Activities Services |                   | Total Expenses      |
|---|-----------------------|---------------------|--------------------|--------------------------------|-------------------|---------------------|
|   | Neighborhood Building | Cultivate Hope      | Community Building | Management and General         | Fundraising       |                     |
| Salaries and Wages                      | \$ 269,516            | \$ 708,719          | \$ 55,253          | \$ 112,799                     | \$ 94,698         | \$ 1,240,985        |
| Payroll Taxes and Fringe Benefits       | 22,433                | 72,324              | 3,932              | 19,229                         | 11,698            | 129,616             |
| Professional Fees and Contract Services | 82,801                | 9,407               | 5,816              | 32,137                         | 4,845             | 135,006             |
| Supplies                                | 44,385                | 72,355              | 748                | 5,318                          | 4,377             | 127,183             |
| Printing and Publications               | 1,070                 | 1,091               | -                  | 7,719                          | 9,189             | 19,069              |
| Postage, Shipping, and Delivery         | 529                   | 174                 | -                  | 1,802                          | 2,690             | 5,195               |
| Telephone                               | 412                   | 4,977               | -                  | 8,366                          | 246               | 14,001              |
| Occupancy                               | 80,576                | 76,692              | -                  | 64,796                         | -                 | 222,064             |
| Bank Fees                               | 363                   | 12,746              | 85                 | 668                            | 3,578             | 17,440              |
| Insurance                               | 31,331                | 23,100              | -                  | 42,097                         | -                 | 96,528              |
| Travel and Vehicle                      | 2,824                 | 8,041               | -                  | 150                            | -                 | 11,015              |
| Meetings and Conferences                | 3,704                 | 1,449               | 672                | 1,505                          | 396               | 7,726               |
| Small Equipment and Maintenance         | 307                   | 14,929              | 999                | 1,762                          | -                 | 17,997              |
| Membership Dues and Subscriptions       | 433                   | 822                 | 1,892              | 11,477                         | 2,740             | 17,364              |
| Advertising and Promotion               | 127                   | 21,994              | 812                | 433                            | 1,500             | 24,866              |
| Cost of Goods Sold                      | -                     | 381,103             | -                  | -                              | -                 | 381,103             |
| Depreciation                            | 104,119               | -                   | -                  | 180,138                        | -                 | 284,257             |
| Interest Expense                        | 36,234                | -                   | -                  | 8,884                          | -                 | 45,118              |
| Miscellaneous                           | 6,124                 | 4,694               | 270                | 37                             | -                 | 11,125              |
| <b>Total Functional Expenses</b>        | <b>\$ 687,288</b>     | <b>\$ 1,414,617</b> | <b>\$ 70,479</b>   | <b>\$ 499,317</b>              | <b>\$ 135,957</b> | <b>\$ 2,807,658</b> |

See accompanying Notes to Financial Statements.

**MATTHEW 25**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**

|  | 2025         | 2024         |
|--|--------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |              |              |
| Change in Net Assets   | \$ 1,130,917 | \$ (294,410) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: |              |              |
| Change in Allowance  | -            | 2,056        |
| Change in Beneficial Interest in Assets Held by Community Foundation                               | (6,401)      | (290)        |
| (Gain) Loss on the Disposal of Fixed Assets  | (1,186,395)  | -            |
| Depreciation   | 337,947      | 284,257      |
| Contributions Received for Long-Term Use In-Kind Contributions                                     | -            | (40,050)     |
| (6,831)  | (6,831)      | (37,922)     |
| (Increase) Decrease in Assets:   |              |              |
| Unconditional Promises to Give   | 1,075        | 120,949      |
| Inventory  | (12,798)     | 13,123       |
| Prepaid Expenses   | (14,943)     | 3,068        |
| Increase (Decrease) in Liabilities:  |              |              |
| Accounts Payable   | (11,398)     | (18,872)     |
| Accrued Expenses   | 32,544       | (33,919)     |
| Deposits on Account  | 5,760        | 1,954        |
| Net Cash Provided (Used) by Operating Activities   | 269,477      | (56)         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |              |              |
| Transfers to Community Foundation  | (27,584)     | (22,922)     |
| Proceeds on Sale of Property and Equipment   | 1,245,271    | -            |
| Purchases of Property and Equipment  | (936,061)    | (1,447,821)  |
| Net Cash Provided (Used) by Investing Activities   | 281,626      | (1,470,743)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |              |              |
| Proceeds from Long-Term Debt   | 25,000       | 638,829      |
| Payments on Notes Payable  | (70,345)     | (56,070)     |
| Receipts from Long-Term Use Contributions  | -            | 40,050       |
| Net Cash Provided (Used) by Financing Activities   | (45,345)     | 622,809      |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>   | 505,758      | (847,990)    |
| Cash and Cash Equivalents - Beginning of Year  | 675,480      | 1,523,470    |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>   | \$ 1,181,238 | \$ 675,480   |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>   |              |              |
| Cash Paid for Interest   | \$ 75,004    | \$ 36,613    |
| Noncash Purchases of Property and Equipment  | \$ 34,990    | \$ 47,466    |

See accompanying Notes to Financial Statements.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization Background**

Matthew 25 (the Organization) was incorporated on March 2, 2007, in the state of Iowa, as a nonprofit corporation. The mission of the Organization is to improve the health of people and neighborhoods by investing in quality affordable housing, healthy food, educational opportunities, and community building. The Organization envisions thriving, connected communities with sharing economies, where all people are valued, talents are multiplied, and neighbors live healthy, nourished lives full of opportunity. The fiscal year-end for the Organization is December 31. Significant accounting policies followed by the Organization are presented below.

**Description of Programs**

The Organization divides its work into four categories: Neighborhood Building provides quality affordable housing, Cultivate Hope provides healthy food, Education provides learning opportunities for children and residents to live healthier lives, and Community Building enhances neighborhoods by connecting people.

**Neighborhood Building**

Neighborhood Building revitalizes neighborhoods by supporting access to attractive, mixed-income, healthy housing which provides stability for homeowners and the neighborhood.

Since our inception, the Organization has worked on more than one thousand homes throughout Cedar Rapids and Linn County. More than 250 homes (unaudited) were repaired following the 2008 flood and nearly 400 (unaudited) were repaired following the derecho of 2020. Each year, the Organization helps at least 35 homeowners (unaudited) through owner-occupied repairs during our Transform program. Other housing supports include:

- Energy efficient, affordable new home construction
- Rehabilitation of affordable housing rentals
- Tool lending library for home and lawn repair as well as access to educational information

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Description of Programs (Continued)**

Cultivate Hope

Cultivate Hope advances a healthy neighborhood culture by increasing opportunities to grow, purchase, and eat wholesome food within economically marginalized neighborhoods. Programs include:

*Cultivate Hope Urban Farm* is the first urban farm in the state of Iowa. It was created in 2012, following a catastrophic flood in 2008 that destroyed more than twelve hundred homes and businesses. The Organization turned 18 vacant (unaudited), abandoned lots in the middle of a food desert into a fresh food oasis and educational center. Each year, the farm hosts weekly farm stand markets, community gardens, and holds a variety of educational workshops. The farm also grows produce that is sold at the Cultivate Hope Corner Store and used at the Groundswell Cafe.

*Groundswell Cafe* is a Pay-It Forward eatery where everyone has access to fresh, healthy food regardless of their ability to pay. At this café, guests can round up their bill or make a donation to help pay for a meal for someone who cannot afford it. Those who cannot afford to pay are able to order and enjoy our fresh, healthy food at no cost.

*Cultivate Hope Corner Store* is a small grocery store located a block from the urban farm in what was formerly a food desert. The Corner Store offers a wide variety of fresh produce and foods at affordable prices. Additionally, the pay-it-forward section of the store helps people extend their food budgets by providing produce for free.

Education

Lifelong learning is an important part of a well-rounded and healthy lifestyle. The Organization works to provide education for students of all ages, from learning about healthy food and cooking classes, to DIY and home maintenance. Programs include:

*High School Youth Development Program* – Fifteen youth from diverse backgrounds (unaudited) are hired to plant, tend, harvest, process and sell produce throughout the growing season. In addition to learning how to grow things, the youth learn leadership and entrepreneurial skills.

*School and Community Garden Education* – Works with kindergarten students through adults to teach people how to grow, harvest, and eat healthy foods. Cooking classes are also taught at schools, Groundswell Cafe and the Corner Store.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Description of Programs (Continued)**

Community Building

In a time where many of our neighbors feel lonely and divided, the Organization recognizes that society and neighborhoods are made stronger and healthier through positive and diverse relationships. Therefore, the Organization is actively engaged in the work of community building. The Organization does this work in three primary ways:

*One-on-One Listening* – An organized process of listening to our neighbors, seeking deeper understanding of their gifts, talents and dreams for their own lives and their neighborhood.

*Community Building Events* – Growing the number of places where people can intentionally connect in meaningful ways.

*Volunteer Coordination* – Helping people to work in a purposeful way on issues they care about with an overall goal of helping diverse groups of people to support one another.

**Basis of Presentation**

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

**Cash Equivalents**

The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Rental Properties**

Rental properties consist primarily of land and houses that have been either donated or purchased for the purpose of being used as long-term, low-income rentals. Contributions of land and houses are reported in the period received and are recorded at fair value. Purchased land and houses are recorded at cost. The rental properties are either currently in the process of being rehabilitated or are complete and being rented.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Purchased property and equipment are recorded at cost, while contributed property and equipment are recorded at estimated fair value at the date of gift. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the assets which range from 3 to 50 years. The Organization follows a formal policy of capitalizing all property and equipment purchases over \$2,500 whose useful life is greater than one year. Assets held for sale are not depreciated and consist of residential properties on the market that have not been sold as of December 31.

**Impairment of Long-Lived Assets**

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value 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 exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

**Beneficial Interest in Assets Held by Community Foundation**

A board-designated quasi-endowed fund and a donor-restricted endowed agency fund are held by The Greater Cedar Rapids Community Foundation (the Foundation) for the benefit of the Organization. The transactions with the Foundation are deemed to be reciprocal and, therefore, the value of the funds held by the Foundation is recognized as an asset (beneficial interest in assets held by community foundation) by the Organization. Control over the investment or reinvestment of the funds is exercised exclusively by the Foundation. The board-designated fund is available at any time for distribution to the Organization.

Other designated funds are held by the Foundation for the benefit of the Organization. These funds have been established by separate donors who have explicitly granted variance power to the Foundation in a nonreciprocal transfer. As such, these funds have not been recognized as an asset by the Organization. For the years ended December 31, 2025 and 2024, \$496 and \$-0- was distributed to the Organization, respectively.

**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* – Net assets presently available for use by the Organization at the discretion of management.

*Net Assets With Donor Restrictions* – Net assets subject to donor restrictions that will be satisfied either by the passage of time or by actions of the Organization.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Support and Revenue**

Contributions are recognized when cash, other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been met. The Organization has been awarded cost-reimbursable grants of approximately \$443,072 that have not been recognized as of December 31, 2025 because qualifying expenditures have not yet been incurred.

Contributions and grants received are classified as with or without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions and grants 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. The Organization has not recorded the present value discount for long-term contributions as they have determined it does not materially impact the financial statements. Management estimates an allowance for promises to give based on historical experience and other circumstances which may affect the ability of donors to meet their obligations.

Contributions of donated goods are recorded at fair values in the period received. 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.

Contributions received in advance of services performed or conditions being met are recorded as deferred revenue.

The Organization recognizes revenue from exchange transaction grants upon fulfillment of requirements detailed in the grant documents.

Program service revenue is derived from rentals from the tool library, event space, housing, and food and beverage sales. Rental income is recognized when the performance obligation of providing the space is satisfied. Rental from the tool library and food and beverage sales is recognized as goods are delivered to the buyer.

**Functional Expenses**

The Organization allocates its expenses on a functional basis among its various program services and supporting activities. Expenses that can be identified with a specific program and supporting activity are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on estimates of time and effort.

**Advertising**

Advertising costs are expensed as incurred.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Use of Estimates in Preparing Financial Statements**

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 revenue, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**Reclassification**

Certain prior year amounts have been reclassified to conform with the current-year presentation of expenses by functional classification. These reclassifications had no effect on total expenses, changes in net assets, or net assets.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

The Organization regularly monitors the availability of resources required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services to support those activities to be general expenditures.

The Organization receives contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)**

As of December 31, the following table shows the total financial assets held by the Organization and the amounts of those financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

|  | <u>2025</u>         | <u>2024</u>       |
|--|---------------------|-------------------|
| Cash and Cash Equivalents                                  | \$ 1,181,238        | \$ 675,480        |
| Grants and Contributions Receivable                        | 229,566             | 251,171           |
| Unconditional Promises to Give                             | -                   | 1,075             |
| Beneficial Interest in Assets Held by Community Foundation | <u>67,008</u>       | <u>33,023</u>     |
| Total  | 1,248,246           | 708,503           |
| Less: Board-Designated                                     | (12,182)            | (10,813)          |
| Less: Donor Restrictions                                   | <u>(149,048)</u>    | <u>(243,096)</u>  |
| Total  | <u>\$ 1,087,016</u> | <u>\$ 454,594</u> |

**NOTE 3 FAIR VALUE MEASUREMENTS**

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 that the Organization has the ability to access.

*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* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset 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. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

Following is a description of the valuation methodologies used for assets measured at fair value.

*Beneficial Interest in Assets Held by Community Foundation* – The unobservable inputs are the underlying assets at the Foundation and follow their investment pool. There are no redemption or unfunded commitments associated with these assets.

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, while 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.

The following table sets forth by level within the fair value hierarchy the Organization's assets at fair value as of December 31:

|   | 2025    |         |           | Total     |
|---|---------|---------|-----------|-----------|
|   | Level 1 | Level 2 | Level 3   |           |
| Beneficial Interest in Assets<br>Held by Community Foundation | \$ -    | \$ -    | \$ 67,008 | \$ 67,008 |

|   | 2024    |         |           | Total     |
|---|---------|---------|-----------|-----------|
|   | Level 1 | Level 2 | Level 3   |           |
| Beneficial Interest in Assets<br>Held by Community Foundation | \$ -    | \$ -    | \$ 33,023 | \$ 33,023 |

The following table details Level 3 holdings as of December 31:

| Instrument  | Fair Value |           | Principal<br>Valuation<br>Technique | Unobservable<br>Inputs<br>Value of<br>Underlying<br>Assets |
|---|------------|-----------|-------------------------------------|--|
|   | 2025       | 2024      |                                     |  |
| Beneficial Interest in Assets<br>Held by Community Foundation | \$ 67,008  | \$ 33,023 | Net Asset<br>Value                  |  |

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 4 UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give consist of the following as of December 31:

|                                     | <u>2025</u>       | <u>2024</u>       |
|-------------------------------------|-------------------|-------------------|
| Grants and Contributions Receivable | \$ 229,566        | \$ 251,171        |
| Capital Campaign Pledges            | -                 | 1,075             |
| Total                               | <u>\$ 229,566</u> | <u>\$ 252,246</u> |

**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of December 31:

|   | <u>2025</u>         | <u>2024</u>         |
|---|---------------------|---------------------|
| Land  | \$ 369,925          | \$ 241,586          |
| Building and Improvements                       | 2,015,520           | 2,015,520           |
| Rental Properties                               | 3,143,874           | 1,941,667           |
| Assets Held for Sale                            | -                   | 952,566             |
| Rehabilitations in Progress                     | 489,796             | 43,220              |
| Natural Playscape                               | 81,507              | 81,507              |
| Urban Farm Improvements                         | 321,505             | 312,913             |
| Furniture and Equipment                         | 500,387             | 469,735             |
| Total   | <u>6,922,514</u>    | <u>6,058,714</u>    |
| Less: Accumulated Depreciation and Amortization | <u>(1,980,613)</u>  | <u>(1,642,666)</u>  |
| Total Property and Equipment                    | <u>\$ 4,941,901</u> | <u>\$ 4,416,048</u> |

During the year ended December 31, 2025 the Organization sold parcels of land resulting in a gain of \$1,250,000, which represents approximately 30% of total support and revenue.

**NOTE 6 NOTES PAYABLE**

Notes payable consist of the following as of December 31:

|  | <u>2025</u>       | <u>2024</u>         |
|--|-------------------|---------------------|
| Notes payable to the Housing Fund of Linn County bearing 0% interest.                                      | \$ 147,170        | \$ 122,628          |
| Notes payable to a bank, secured by real estate mortgages, interest rates vary from 4% - 8%.               | 938,277           | 1,003,111           |
| Construction line of credit with a bank, secured by real estate mortgages, bearing interest rate of 7.13%. | <u>349,328</u>    | <u>349,328</u>      |
| Total Notes Payable  | 1,434,775         | 1,475,067           |
| Less: Current Portion  | (881,841)         | (79,225)            |
| Less: Imputed Interest on 0% Loans   | <u>(38,464)</u>   | <u>(26,580)</u>     |
| Long-Term Portion  | <u>\$ 514,470</u> | <u>\$ 1,369,262</u> |

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 6 NOTES PAYABLE (CONTINUED)**

Future maturities of notes payable as of December 31, 2025 is as follows:

| <u>Year Ending December 31,</u> | <u>Amount</u>       |
|---------------------------------|---------------------|
| 2026                            | \$ 881,841          |
| 2027                            | 127,685             |
| 2028                            | 174,852             |
| 2029                            | 124,684             |
| 2030                            | 33,833              |
| Thereafter                      | 91,880              |
| Total                           | <u>\$ 1,434,775</u> |

The Organization has an additional line of credit for bridge financing up to \$81,000. The line of credit bears interest at 7.130% and matures October 11, 2026. There was no outstanding balance on this line of credit as of December 31, 2025 or 2024.

In March 2026, four loans held with one bank were refinanced and extended to be due in August 2026.

**NOTE 7 NATURE AND AMOUNT OF NET ASSETS**

Net assets with donor restrictions are available for the following purposes or periods as of December 31:

|         | <u>2025</u>       | <u>2024</u>       |
|---------|-------------------|-------------------|
| Time    | \$ 89,210         | \$ 208,096        |
| Purpose | 59,838            | 35,000            |
| Total   | <u>\$ 149,048</u> | <u>\$ 243,096</u> |

Net assets were 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 as following for the years ended December 31:

|                                      | <u>2025</u>       | <u>2024</u>       |
|--------------------------------------|-------------------|-------------------|
| Satisfaction of Purpose Restrictions | \$ 35,000         | \$ -              |
| Expiration of Time Restrictions      | 137,674           | 304,143           |
| Total                                | <u>\$ 172,674</u> | <u>\$ 304,143</u> |

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 8 DISCLOSURE ABOUT CERTAIN CONCENTRATIONS**

**Cash Balances**

The Organization maintains its cash accounts in one bank in Cedar Rapids. As of December 31, 2025, cash balances in the checking and money market accounts were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor per bank. Balances in excess of FDIC limits are uninsured. As of December 31, 2025 and 2024, respectively, the Organization had cash balances on deposit of \$417,404 and \$489,559. To date, we have not experienced losses in any of these accounts.

The Organization is also a part of an Insured Cash Sweep (ICS) Deposit Placement Agreement with the same bank in Cedar Rapids in which the bank will transfer funds from accounts at that bank to be placed in deposit accounts at other depository institutions that are insured by the FDIC. As of December 31, 2025 and 2024, respectively, the Organization had cash in the ICS account of \$763,034 and \$200,885.

**NOTE 9 REVENUE FROM CONTRACTS WITH CUSTOMERS**

The following table provides information about the Organization's disaggregated revenue according to the timing and transfer of goods or services for the years ended December 31:

|  | <u>2025</u>       | <u>2024</u>       |
|--|-------------------|-------------------|
| Revenue Recognized at a Point in Time: |                   |                   |
| Sales of Merchandise and Services      | \$ 676,859        | \$ 653,639        |
| Rent Income                            | 201,967           | 190,713           |
| Total                                  | <u>\$ 878,826</u> | <u>\$ 844,352</u> |

**NOTE 10 RETIREMENT PLAN**

The Organization contributes to a retirement plan administered through the United Methodist Church on behalf of the executive director. The level of support is determined annually by the board of directors or a committee of its designation. The Organization's cost totaled \$6,918 and \$11,250 for the years ended December 31, 2025 and 2024, respectively.

The Organization entered into a SIMPLE IRA Plan (the Plan) in April of 2016. The Organization is required to contribute to the Plan annually in one of two ways: 1) dollar-for-dollar match made for each eligible employee who is contributing to the Plan up to 3% of the eligible employee's compensation or 2) nonelective contribution equal to 2% of each eligible employee's compensation per year, even for those eligible employees who do not make contributions on their own. The Organization can switch between these two options annually. The Organization's contribution to the Plan for the years ended December 31, 2025 and 2024 totaled \$15,947 and \$11,606, respectively.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 11 COMMITMENTS**

The Organization is leasing a copier under an operating lease expiring in September 2028, requiring monthly payments of \$489. The Organization has adopted lease guidance under Accounting Standards Codification 842 as described in Note 1, however, due to materiality, a ROU asset and lease liability have not been recorded in these financial statements.

Future minimum payments under this lease for the years ending December 31 are as follows:

| <u>Year Ending December 31,</u> | <u>Amount</u>    |
|---------------------------------|------------------|
| 2026                            | \$ 5,863         |
| 2027                            | 5,863            |
| 2028                            | <u>4,397</u>     |
| Undiscounted Cash Flows         | 16,123           |
| Less: Imputed Interest          | <u>(1,030)</u>   |
| Total Present Value             | <u>\$ 15,093</u> |
| <br>                            |                  |
| Short-Term Lease Liability      | \$ 5,263         |
| Long-Term Lease Liability       | <u>9,830</u>     |
| Total Present Value             | <u>\$ 15,093</u> |

**NOTE 12 CONTINGENCY**

During the year ended December 31, 2017, the Housing Fund for Linn County (HFfLC) provided the Organization with a \$20,000 forgivable loan award to complete the rehabilitation of a property located at 616 4th Street SW, Cedar Rapids, IA (the Project). The Project will assist two renter households with income at or below 80% of the area median income for a 15-year affordability period. HFfLC will, at its sole discretion, determine if the Organization has satisfied the terms of the agreement. If the HFfLC determines that the Organization has satisfied the terms, then repayment of the forgivable loan shall be permanently waived. Should the HFfLC determine that the Organization has not satisfied the terms of the agreement or operated in a manner substantially inconsistent with the grant application under which the terms of the award was made, the Organization may be required to repay all or part of the forgivable loan funds.

During the year ended December 31, 2020, the HFfLC awarded the Organization with a \$21,200 grant toward acquisition and rehabilitation of two homes for rental purposes in the Taylor and Time Check neighborhoods in Cedar Rapids, assisting two households with income at or below 80% of the area median income with the agreement expiring June 30, 2038. This agreement will cease to be in force and effect upon the occurrence of one of the following: 1) the grant is repaid in full or required part, 2) the agreement is terminated by HFfLC, 3) no disbursement of grant funds has occurred within the 24 months immediately following the effective date, or 4) the project completion date. During the years ended December 31, 2022 and 2021, the Organization received \$21,200 for the acquisition and rehabilitation of a home located at 603 A Avenue SW.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 12 CONTINGENCY (CONTINUED)**

During the year ended December 31, 2020, the Organization received an award notice of a \$185,000 grant from an Anonymous Foundation, the Grantee, for the project Cultivate Hope Corner Market (the Market) to construct and operate a mission-driven grocery store dedicated to developing retail solutions that work in, and for, the Time Check neighborhood, a food desert community, by providing people with access to food (through multiple approaches) and access to basic services (basic cooking skills and food preparation). The Organization is required to notify the Grantee of any change that is fundamental to or having an adverse impact on the Market. If the Market is sold or ceases to conduct market operations in the grant period, prior to June 30, 2026, the Grantee may direct the Organization to donate to one or more qualified donees and amount based upon the amount of grant funds paid and the amount of time the Market was owned and used to conduct market operations. During the year ended December 31, 2021, the Organization received \$185,000 from the Grantee.

**NOTE 13 CONTRIBUTED NONFINANCIAL ASSETS**

The Organization receives various services and supplies and products for general operations, programming, and fundraising. These items are recorded at the value determined by the donor which approximates the value the Organization would otherwise have to pay in its market if the services or supplies and products were not donated. Management believes the valuation is adequate based on historical donations and information currently known. There were no donor-imposed restrictions related to these nonfinancial asset contributions for the years ended December 31, 2025 and 2024.

Imputed interest is calculated for zero percent interest loans. The amount of imputed interest is calculated at loan inception based upon the interest rates of existing financial institutional loans and the duration of the individual loans. The value of imputed interest is time-restricted for the remainder of the note.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 13 CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)**

The Organization received the following nonfinancial asset contributions for the years ended December 31:

|                       | 2025                |                           |             |           |
|-----------------------|---------------------|---------------------------|-------------|-----------|
|                       | Program<br>Services | Management<br>and General | Fundraising | Total     |
| Services              | \$ 9,223            | \$ -                      | \$ -        | \$ 9,223  |
| Supplies and Products | 41,266              | -                         | -           | 41,266    |
| Donated Vehicle       | 20,000              | -                         | -           | 20,000    |
| Imputed Interest      | 6,831               | -                         | -           | 6,831     |
| Total                 | \$ 77,320           | \$ -                      | \$ -        | \$ 77,320 |
|                       | 2024                |                           |             |           |
|                       | Program<br>Services | Management<br>and General | Fundraising | Total     |
| Services              | \$ 18,370           | \$ -                      | \$ -        | \$ 18,370 |
| Supplies and Products | 500                 | -                         | -           | 500       |
| Imputed Interest      | 43,432              | -                         | -           | 43,432    |
| Total                 | \$ 62,302           | \$ -                      | \$ -        | \$ 62,302 |

**NOTE 14 SUBSEQUENT EVENTS**

Management evaluated subsequent events through April 22, 2026, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2025, but prior to April 22, 2026 that provided additional evidence about conditions that existed at December 31, 2025, have been recognized in the financial statements for the year ended December 31, 2025. Events or transactions that provided evidence about conditions that did not exist at December 31, 2025 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2025.



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