

**MATTHEW 25**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://CLAconnect.com)

**MATTHEW 25**  
**TABLE OF CONTENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>5</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>7</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>9</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>10</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Matthew 25  
Cedar Rapids, Iowa

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the accompanying financial statements of Matthew 25, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Matthew 25 as of December 31, 2024 and 2023, 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 for one year after the date 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**

Cedar Rapids, Iowa  
May 8, 2025

**MATTHEW 25**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 675,480	\$ 1,523,470
Unconditional Promises to Give	252,246	265,201
Inventory	14,002	27,125
Prepaid Expenses	43,888	46,956
Total Current Assets	<u>985,616</u>	<u>1,862,752</u>
<b>LONG-TERM UNCONDITIONAL PROMISES TO GIVE, NET</b>	-	110,050
<b>PROPERTY AND EQUIPMENT</b>		
Land	241,586	237,501
Building and Improvements	2,015,520	2,015,519
Rental Properties	1,941,667	1,218,626
Assets Held for Sale	952,566	-
Rehabilitations in Progress	43,220	491,045
Natural Playscape	81,507	81,507
Urban Farm Improvements	312,913	306,279
Furniture and Equipment	469,735	227,610
Total	<u>6,058,714</u>	<u>4,578,087</u>
Less: Accumulated Depreciation and Amortization	<u>(1,642,666)</u>	<u>(1,360,671)</u>
Total Property and Equipment	<u>4,416,048</u>	<u>3,217,416</u>
<b>OTHER ASSETS</b>		
Land for Redevelopment	40,000	40,000
Beneficial Interest in Assets Held by Community Foundation	33,023	9,811
Total Other Assets	<u>73,023</u>	<u>49,811</u>
Total Assets	<u><u>\$ 5,474,687</u></u>	<u><u>\$ 5,240,029</u></u>

See accompanying Notes to Financial Statements.

**MATTHEW 25**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 130,971	\$ 114,775
Accrued Expenses	44,857	78,776
Deposits on Account	13,999	12,045
Current Portion of Notes Payable	<u>79,225</u>	<u>54,602</u>
Total Current Liabilities	269,052	260,198
 <b>LONG-TERM LIABILITIES</b>		
Notes Payable	<u>1,369,262</u>	<u>849,048</u>
 Total Liabilities	1,638,314	1,109,246
 <b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	3,560,254	3,216,829
Board-Designated for Neighborhood Building Projects	-	500,000
Board-Designated for Endowment	<u>33,023</u>	<u>9,811</u>
Total Without Donor Restrictions	3,593,277	3,726,640
With Donor Restrictions	<u>243,096</u>	<u>404,143</u>
Total Net Assets	<u>3,836,373</u>	<u>4,130,783</u>
 Total Liabilities and Net Assets	<u><u>\$ 5,474,687</u></u>	<u><u>\$ 5,240,029</u></u>

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
<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	17,359	-	17,359
Change in Beneficial Interest in Assets			
Held by Community Foundation	(124)	-	(124)
Gain 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	692,751	-	692,751
Cultivate Hope	1,417,849	-	1,417,849
Community Building	70,837	-	70,837
Total Program Services	<u>2,181,437</u>	<u>-</u>	<u>2,181,437</u>
Supporting Activities:			
Management and General	490,514	-	490,514
Fundraising	135,707	-	135,707
Total Supporting Activities	<u>626,221</u>	<u>-</u>	<u>626,221</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 ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 1,419,189	\$ 337,850	\$ 1,757,039
In-Kind Donations	55,462	-	55,462
Program Service Revenue	851,773	-	851,773
Investment Income	19,193	-	19,193
Change in Beneficial Interest in Assets			
Held by Community Foundation	5,930	-	5,930
Satisfaction of Purpose and Time Restrictions	351,151	(351,151)	-
Total Support and Revenue	<u>2,702,698</u>	<u>(13,301)</u>	<u>2,689,397</u>
<b>EXPENSES</b>			
Program Services:			
Neighborhood Building	764,875	-	764,875
Cultivate Hope	1,337,097	-	1,337,097
Community Building	49,003	-	49,003
Total Program Services	<u>2,150,975</u>	<u>-</u>	<u>2,150,975</u>
Supporting Activities:			
Management and General	409,438	-	409,438
Fundraising	122,874	-	122,874
Total Supporting Activities	<u>532,312</u>	<u>-</u>	<u>532,312</u>
Total Expenses	<u>2,683,287</u>	<u>-</u>	<u>2,683,287</u>
<b>CHANGE IN NET ASSETS</b>	19,411	(13,301)	6,110
Net Assets - Beginning of Year	<u>3,707,229</u>	<u>417,444</u>	<u>4,124,673</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,726,640</u>	<u>\$ 404,143</u>	<u>\$ 4,130,783</u>

See accompanying Notes to Financial Statements.



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

	Program			Supporting Activities		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	70,679	67,272	-	56,837	-	194,788
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	1,366	534	248	555	146	2,849
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	23,822	18,261	1,052	143	-	43,278
Total Functional Expenses	<u>\$ 692,751</u>	<u>\$ 1,417,849</u>	<u>\$ 70,837</u>	<u>\$ 490,514</u>	<u>\$ 135,707</u>	<u>\$ 2,807,658</u>

See accompanying Notes to Financial Statements.

**MATTHEW 25**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**

	Program			Supporting Activities		Total Expenses
	Neighborhood Building	Cultivate Hope	Community Building	Management and General	Fundraising	
Salaries and Wages	\$ 268,050	\$ 607,828	\$ 36,877	\$ 69,647	\$ 75,132	\$ 1,057,534
Payroll Taxes and Fringe Benefits	37,308	80,517	4,972	24,886	13,229	160,912
Professional Fees and Contract Services	102,506	10,563	4,714	48,485	6,616	172,884
Supplies	57,167	53,494	945	6,400	3,292	121,298
Printing and Publications	247	134	-	5,052	10,759	16,192
Postage, Shipping, and Delivery	655	-	-	1,225	2,682	4,562
Telephone	480	4,798	55	8,364	369	14,066
Occupancy	56,735	47,648	-	57,623	-	162,006
Bank Fees	216	11,686	-	583	2,153	14,638
Insurance	20,532	19,492	-	62,765	-	102,789
Travel and Vehicle	5,175	9,854	362	1,101	-	16,492
Meetings and Conferences	163	359	738	986	300	2,546
Small Equipment and Maintenance	1,760	8,470	70	3,114	49	13,463
Membership Dues and Subscriptions	878	1,193	140	193	1,012	3,416
Advertising and Promotion	402	20,952	-	-	939	22,293
Cost of Goods Sold	-	440,042	-	-	-	440,042
Depreciation	154,729	-	-	99,947	-	254,676
Interest Expense	19,496	-	-	9,580	-	29,076
Miscellaneous	38,376	20,067	130	9,487	6,342	74,402
Total Functional Expenses	<u>\$ 764,875</u>	<u>\$ 1,337,097</u>	<u>\$ 49,003</u>	<u>\$ 409,438</u>	<u>\$ 122,874</u>	<u>\$ 2,683,287</u>

See accompanying Notes to Financial Statements.

**MATTHEW 25**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (294,410)	\$ 6,110
Adjustments to Reconcile Change in Net Assets to Net		
Cash Provided (Used) by Operating Activities:		
Change in Allowance	2,056	(9,643)
Change in Beneficial Interest in Assets Held by		
Community Foundation	(290)	(1,020)
Depreciation	284,257	254,676
Contributions Received for Long-Term Use	(40,050)	(249,309)
In-Kind Contributions	(37,922)	1,103
(Increase) Decrease in Assets:		
Unconditional Promises to Give	120,949	(104,707)
Inventory	13,123	8,449
Prepaid Expenses	3,068	(6,350)
Increase (Decrease) in Liabilities:		
Accounts Payable	(18,872)	1,091
Accrued Expenses	(33,919)	15,209
Deposits on Account	1,954	3,865
Net Cash Used by Operating Activities	<u>(56)</u>	<u>(80,526)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Distributions to Foundation	(22,922)	(4,468)
Purchases of Property and Equipment	<u>(1,447,821)</u>	<u>(534,531)</u>
Net Cash Used by Investing Activities	<u>(1,470,743)</u>	<u>(538,999)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-Term Debt	638,829	190,558
Payments on Notes Payable	(56,070)	(47,354)
Receipts from Long-Term Use Contributions	<u>40,050</u>	<u>249,309</u>
Net Cash Provided by Financing Activities	<u>622,809</u>	<u>392,513</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(847,990)	(227,012)
Cash and Cash Equivalents - Beginning of Year	<u>1,523,470</u>	<u>1,750,482</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 675,480</u></u>	<u><u>\$ 1,523,470</u></u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	<u><u>\$ 36,613</u></u>	<u><u>\$ 29,076</u></u>
Noncash Purchases of Property and Equipment	<u><u>\$ 47,466</u></u>	<u><u>\$ 65,000</u></u>

See accompanying Notes to Financial Statements.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**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.

**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.

**Cash Equivalents**

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

**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.

**Description of Programs**

Central to the Organization's vision is the belief in what is possible. Each program the Organization sponsors, starts with a need or desire to transform something or someone from what it is into what it might be. We divide our work into three categories: Neighborhood Building provides quality affordable housing, Cultivate Hope provides healthy food, 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.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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

**Description of Programs (Continued)**

***Neighborhood Building (Continued)*** – Since our inception, the Organization has worked on more than one thousand homes throughout Cedar Rapids and Linn County. More than 250 homes were repaired following the 2008 flood and nearly 400 were repaired following the derecho of 2020. Each year, the Organization helps at least 35 homeowners 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

***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, abandoned lots in the middle of a food desert into a fresh food oasis and educational center. Each year, the farm hosts market nights, 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 Café.

*Groundswell Café* 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* is a critical part of a healthy neighborhood, requiring the knowledge to make healthy meals and snacks, shopping on a budget, food storage and other important food-related concepts. The Organization starts working with students at a young age and goes beyond what is taught in the classroom. Programs include:

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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

**Description of Programs (Continued)**

***Cultivate Hope (Continued) –***

- *High School Youth Development Program* – Fifteen youth from diverse backgrounds 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 Café and the Corner Store.

***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.

**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 \$157,048 that have not been recognized as of December 31, 2024 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.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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

**Support and Revenue (Continued)**

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.

**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.

**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.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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

**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, 2024 and 2023, \$-0- and \$5,975 was distributed to the Organization, respectively.

**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.

**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.

**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.



**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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

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.

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:

	2024	2023
Cash and Cash Equivalents	\$ 675,480	\$ 1,523,470
Unconditional Promises to Give	252,246	265,201
Total	927,726	1,788,671
Less: Donor Restrictions	-	(111,443)
Total	<u>\$ 927,726</u>	<u>\$ 1,677,228</u>

**NOTE 3 UNCONDITIONAL PROMISES TO GIVE**

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

	2024	2023
Grants and Contributions Receivable	\$ 251,171	\$ 336,182
Capital Campaign Pledges	1,075	41,125
Gross Unconditional Promises to Give	252,246	377,307
Less: Allowance for Uncollectible Pledges	-	(2,056)
Total	<u>\$ 252,246</u>	<u>\$ 375,251</u>

**NOTE 4 NOTES PAYABLE**

<u>Description</u>	2024	2023
Notes payable to the Housing Fund for Linn County, requiring monthly payments of \$580, at 0% interest, with final payments due in February 2029.	\$ 20,678	\$ 28,976
Note payable to bank, requiring monthly payments of \$2,614 at 5.00% interest, with final payment due in July 2021. This note was refinanced in June 2021, requiring monthly payments of \$2,461 at 3.51% interest, with final payment due in May 2026. This note is secured by property located in Cedar Rapids, Iowa.	237,696	258,339

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 4    NOTES PAYABLE (CONTINUED)**

<u>Description</u>	<u>2024</u>	<u>2023</u>
<p>Note payable to bank, up to \$210,000.  This note was refinanced in June 2021, requiring monthly payments of \$735 at 3.51% interest, with final payment due in May 2026.  This note is secured by real estate mortgage and assignment of rents dated October 11, 2017.</p>	\$    117,110	\$    121,667
<p>Note payable to bank, up to \$116,000.  This note was refinanced in June 2021, requiring monthly payments of \$611 at 3.51% interest, with final payment due in May 2026.  This note is secured by real estate mortgage on real estate located at 616 4th Street SW.</p>	97,087	100,886
<p>Note payable to bank, \$72,500, requiring monthly payments of \$365 at 3.51% interest, with final payment due in May 2026. This note is secured by a real estate mortgage for property located at 703 F Avenue.</p>	65,630	67,634
<p>Note payable to bank, \$25,000, requiring monthly payments of \$456 at 3.51% interest, with final payment due in July 2026. This note is secured by a real estate mortgage and assignment of rents dated July 9, 2021 for property located at 603 A Avenue NW.</p>	8,365	13,448
<p>Note payable up to \$31,800 to Housing Fund for Linn County at 0% interest for purchase and rehabilitation of two homes for rental purposes. Monthly payments to begin in July 2023.  Agreement expires in June 2038.</p>	28,439	30,563
<p>Note payable to bank, \$97,600, requiring monthly payments of \$538 at 4.35%, with final payment due in June 2027. This note is secured by a real estate mortgage dated June 15, 2022 for property located at 427 F Avenue NW.</p>	91,951	94,281
<p>Note payable up to \$60,000 to Housing Fund for Linn County at 0% interest for purchase and rehabilitation of a rental property located at 724 H Avenue NW. Monthly payments of \$333 to begin in March 2024. Agreement expires in March 2039.</p>	58,667	46,558

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 4    NOTES PAYABLE (CONTINUED)**

<u>Description</u>	<u>2024</u>	<u>2023</u>
Note payable to bank, \$69,000, requiring monthly payments of \$505 at 7.29%, with final payment due in December 2028. This note is secured by a real estate mortgage dated April 28, 2023 for property located at 1412 Ellis Blvd.	\$     67,939	\$     68,928
Note payable to bank, \$75,000, requiring monthly payments of \$504 at 6.35%, with final payment due in April 2028. This note is secured by a real estate mortgage dated April 28, 2023 for property located at 724 H Avenue NW.	72,888	74,182
Note payable to bank, \$153,600, requiring monthly payments of \$2,702 at 8.00%, with final payment due in October 2030. This note is secured by real estate located at 207 Third Avenue SW.	150,268	-
Note payable to bank, up to \$432,000, at 7.13%, final payment of all outstanding principal plus accrued interest due in October 2026. This note is secured buy a construction mortgage dated October 11, 2024 for property located at 1021 8th Street NW, tax credit pledge and security agreement dated October 11, 2024, and assignment of deposit account.	349,328	-
Note payable to bank, \$94,400, requiring 59 monthly payments of \$681 at 7.13% with final payment due October 2029. This note is secured by a real estate mortgage and assignment of rents dated October 18, 2024 located at 410 6th Avenue SW.	94,177	-
Note payable to Housing Fund for Linn County, up to \$50,000, requiring monthly payments of \$278 beginning in May 2025 at 0% interest. Final payment is due in April 2040. This note is secured by a mortgage for the property assisted with these funds.	<u>14,844</u>	<u>-</u>
Total Notes Payable	1,475,067	905,462
Less: Current Portion	(79,225)	(54,602)
Less: Imputed Interest on 0% Loans	(26,580)	(1,812)
Long-Term Portion	<u>\$   1,369,262</u>	<u>\$   849,048</u>

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 4 NOTES PAYABLE (CONTINUED)**

Future maturities of notes payable as of December 31, 2024 is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 79,225
2026	881,841
2027	127,685
2028	174,852
2029	124,684
Thereafter	86,780
Total	<u>\$ 1,475,067</u>

**NOTE 5 NATURE AND AMOUNT OF NET ASSETS**

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

	<u>2024</u>	<u>2023</u>
Time	\$ 208,096	\$ 219,200
Corner Store	35,000	-
Neighborhood Building	-	73,500
Cultivate Hope	-	111,443
Total	<u>\$ 243,096</u>	<u>\$ 404,143</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>2024</u>	<u>2023</u>
Satisfaction of Purpose Restrictions	\$ -	\$ 230,997
Expiration of Time Restrictions	304,143	120,154
Total	<u>\$ 304,143</u>	<u>\$ 351,151</u>

**NOTE 6 DISCLOSURE ABOUT CERTAIN CONCENTRATIONS**

**Cash Balances**

The Organization maintains its cash accounts in one bank in Cedar Rapids. As of December 31, 2024, 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, 2024, the Organization had cash balances on deposit of \$489,559.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 6 DISCLOSURE ABOUT CERTAIN CONCENTRATIONS (CONTINUED)**

**Cash Balances**

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, 2024, the Organization had cash in the ICS account of \$200,885.

**Concentration of Credit**

The Organization is supported primarily through contributions from eastern Iowa individuals, churches, foundations, businesses, government agencies, and other nonprofits. During the years ended December 31, 2024 and 2023, the Organization received certain support and revenue from the following major funding sources, defined as greater than 10% of total support and revenue. The amount of support and revenue, the approximate percentage of support and revenue, and the amounts outstanding at December 31 are listed as follows:

	2024			2023		
	Amount	Percentage	Receivable	Amount	Percentage	Receivable
Funding Source A	\$ -	0%	\$ 100,000	\$ 300,000	13%	\$ 200,000
Funding Source B	25,000	1%	-	237,442	11%	-

**NOTE 7 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:

	2024	2023
Revenue Recognized at a Point in Time:		
Sales of Merchandise and Services	\$ 653,639	\$ 680,902
Rent Income	190,713	170,871
Total	<u>\$ 844,352</u>	<u>\$ 851,773</u>

**NOTE 8 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 \$11,250 and \$11,348 for the years ended December 31, 2024 and 2023, respectively.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 8 RETIREMENT PLAN (CONTINUED)**

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, 2024 and 2023 totaled \$11,606 and \$17,686, respectively.

**NOTE 9 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>
2025	\$ 5,863
2026	5,863
2027	5,863
2028	4,397
Undiscounted Cash Flows	21,986
Less: Imputed Interest	(1,872)
Total Present Value	<u>\$ 20,114</u>
Short-Term Lease Liability	\$ 5,021
Long-Term Lease Liability	15,093
Total Present Value	<u>\$ 20,114</u>

**NOTE 10 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 4<sup>th</sup> 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.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 10 CONTINGENCY (CONTINUED)**

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% percent 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.

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 11 RELATED PARTIES**

The Organization has 0% interest loans and a forgivable loan with the Housing Fund for Linn County (HFfLC). The executive director of the Organization is not a board member with voting rights but is a member of its finance committee.

The brother of the executive director is an employee of the Organization. All amounts paid are approved by the board of directors.

**NOTE 12 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 ending December 31, 2024 and 2023.

**MATTHEW 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 12 CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)**

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.

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

	December 31, 2024			
	Program Services	Management and General	Fundraising	Total
Services	\$ 18,370	\$ -	\$ -	\$ 18,370
Supplies and Products	500	-	-	500
Imputed Interest	43,432	-	-	43,432
Total	<u>\$ 62,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,302</u>

  

	December 31, 2023			
	Program Services	Management and General	Fundraising	Total
Services	\$ 33,546	\$ -	\$ -	\$ 33,546
Supplies and Products	21,125	791	-	21,916
Total	<u>\$ 54,671</u>	<u>\$ 791</u>	<u>\$ -</u>	<u>\$ 55,462</u>

**NOTE 13 SUBSEQUENT EVENTS**

On September 9, 2024, the Organization entered into a purchase and sale agreement with Cedar Rapids Development Group, LLC to purchase 5 plots of land in the amount of \$1,250,000. On March 7, 2025, this purchase agreement was extended. The sale closed on April 8, 2025.

Management evaluated subsequent events through May 8, 2025, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2024, but prior to May 8, 2025 that provided additional evidence about conditions that existed at December 31, 2024, have been recognized in the financial statements for the year ended December 31, 2024. Events or transactions that provided evidence about conditions that did not exist at December 31, 2024 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, 2024.



