



RONDO
Community Land Trust

Consolidated Financial Statements

December 31, 2024 and 2023

**Rondo Community Land Trust
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Independent Auditor's Report

Board of Directors
Rondo Community Land Trust
St. Paul, Minnesota

Opinion

We have audited the consolidated financial statements of Rondo Community Land Trust and related entities (the Organization), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Rondo Community Land Trust and related entities as of December 31, 2024 and 2023, and the changes in their net assets and their 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements were available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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.

Bergan KDV, Ltd.

Waterloo, Iowa
August 28, 2025

Rondo Community Land Trust
Consolidated Statements of Financial Position
As of December 31, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 746,530	\$ 5,848,006
Grants receivable	946,755	550,624
Other receivables	3,149	20,580
Prepaid expenses	41,990	18,210
Total current assets	1,738,424	6,437,420
Loans receivable, net	6,044	6,044
Investment in partnership	152,049	152,049
Investments	6,827,129	-
Goodwill, net	240,070	267,507
Right-of-use assets - finance leases, net	807,668	838,376
Property and equipment, net	12,663,405	7,156,639
Total assets	\$ 22,434,789	\$ 14,858,035
Liabilities and Net Assets		
Current liabilities		
Current portion of finance lease liabilities	\$ 809,172	\$ 32,234
Current portion of long-term debt	331,769	376,316
Accounts payable	294,920	199,116
Accrued expenses	138,098	81,843
Refundable advance	50,045	-
Other current liabilities	10,808	10,227
Total current liabilities	1,634,812	699,736
Long-term liabilities		
Finance lease liabilities	-	806,365
Long-term debt	843,191	352,443
Forgivable loans, net	680,826	680,826
Total long-term liabilities	1,524,017	1,839,634
Total liabilities	3,158,829	2,539,370
Net assets		
Without donor restrictions	15,133,111	9,482,345
With donor restrictions	4,142,849	2,836,320
Total net assets	19,275,960	12,318,665
Total liabilities and net assets	\$ 22,434,789	\$ 14,858,035

See notes to consolidated financial statements.

Rondo Community Land Trust
Consolidated Statement of Activities
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Other Revenue			
Contributions	\$ 6,226,928	\$ 1,195,294	\$ 7,422,222
Government grants	-	5,258,701	5,258,701
Special events	(82,076)	-	(82,076)
In-kind contributions	188,912	1,450,427	1,639,339
Investment return, net	323,774	-	323,774
Rent income	105,521	134,358	239,879
Other income	72,318	-	72,318
Net assets released from restriction	6,732,251	(6,732,251)	-
Total support and other revenue	13,567,628	1,306,529	14,874,157
Expenses			
Program	7,530,590	-	7,530,590
Management and general	241,331	-	241,331
Fundraising	144,941	-	144,941
Total expenses	7,916,862	-	7,916,862
Change in net assets	5,650,766	1,306,529	6,957,295
Net assets, beginning of year	9,482,345	2,836,320	12,318,665
Net assets, end of year	\$ 15,133,111	\$ 4,142,849	\$ 19,275,960

See notes to consolidated financial statements.

Rondo Community Land Trust
Consolidated Statement of Activities
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Other Revenue			
Contributions	\$ 5,448,462	\$ 1,279,082	\$ 6,727,544
Government grants	-	2,308,800	2,308,800
Special events	17,035	-	17,035
In-kind contributions	266,300	246,800	513,100
Investment return, net	50,427	1,808	52,235
Rent income	116,512	92,881	209,393
Other income	58,676	-	58,676
Net assets released from restriction	3,518,951	(3,518,951)	-
Total support and other revenue	9,476,363	410,420	9,886,783
Expenses			
Program	2,511,423	-	2,511,423
Management and general	142,878	-	142,878
Fundraising	70,303	-	70,303
Total expenses	2,724,604	-	2,724,604
Change in net assets	6,751,759	410,420	7,162,179
Net assets, beginning of year	2,730,586	2,425,900	5,156,486
Net assets, end of year	\$ 9,482,345	\$ 2,836,320	\$ 12,318,665

Rondo Community Land Trust
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Cost of Direct Benefit to Donors</u>	<u>Total Expenses</u>
Salaries and wages	\$ 577,502	\$ 67,941	\$ 54,658	\$ -	\$ 700,101
Employee benefits	112,982	13,292	8,405	-	134,679
Payroll taxes	49,617	5,837	4,749	-	60,203
Total salaries and related expenses	<u>740,101</u>	<u>87,070</u>	<u>67,812</u>	<u>-</u>	<u>894,983</u>
Rehabilitation project expenses	620,343	-	-	-	620,343
Housing grants	4,640,115	-	-	-	4,640,115
Professional fees	668,592	78,176	39,088	32,608	818,464
Occupancy	105,135	12,369	6,184	-	123,688
Rental maintenance and taxes	259,250	5,991	2,996	26,111	294,348
Office expense	88,033	10,357	5,178	55	103,623
Advertising	37,052	4,359	2,180	18,194	61,785
Insurance	29,414	3,460	1,730	-	34,604
Interest	53,083	6,245	3,122	-	62,450
Miscellaneous	75,803	8,167	4,082	75,114	163,166
Amortization	25,564	3,007	1,504	-	30,075
Depreciation	188,105	22,130	11,065	-	221,300
Total expenses by function	<u>7,530,590</u>	<u>241,331</u>	<u>144,941</u>	<u>152,082</u>	<u>8,068,944</u>
Less expenses included with revenues on the statement of activities					
Cost of direct benefit to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>(152,082)</u>	<u>(152,082)</u>
Total expenses included in expenses on the statement of activities	<u>\$ 7,530,590</u>	<u>\$ 241,331</u>	<u>\$ 144,941</u>	<u>\$ -</u>	<u>\$ 7,916,862</u>

See notes to consolidated financial statements.

Rondo Community Land Trust
Consolidated Statement of Functional Expenses
Year Ended December 31, 2023

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Cost of Direct Benefit to Donors</u>	<u>Total Expenses</u>
Salaries and wages	\$ 427,083	\$ 50,245	\$ 25,123	\$ -	\$ 502,451
Employee benefits	37,099	4,365	2,182	-	43,646
Payroll taxes	32,024	3,768	1,884	-	37,676
Total salaries and related expenses	<u>496,206</u>	<u>58,378</u>	<u>29,189</u>	<u>-</u>	<u>583,773</u>
Rehabilitation project expenses	201,157	-	-	-	201,157
Housing grants	966,466	-	-	-	966,466
Professional fees	286,358	33,354	16,678	-	336,390
Occupancy	134,847	15,864	7,933	-	158,644
Rental maintenance and taxes	123,534	-	-	3,736	127,270
Office expense	36,803	4,330	1,037	1,128	43,298
Advertising	34,223	4,026	2,013	3,736	43,998
Insurance	24,530	2,886	1,443	-	28,859
Interest	15,298	1,800	900	-	17,998
Miscellaneous	47,971	5,295	2,638	89,699	145,603
Amortization	8,073	950	475	-	9,498
Depreciation	135,957	15,995	7,997	-	159,949
Total expenses by function	<u>2,511,423</u>	<u>142,878</u>	<u>70,303</u>	<u>98,299</u>	<u>2,822,903</u>
Less expenses included with revenues on the statement of activities					
Cost of direct benefit to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98,299)</u>	<u>(98,299)</u>
Total expenses included in expenses on the statement of activities	<u>\$ 2,511,423</u>	<u>\$ 142,878</u>	<u>\$ 70,303</u>	<u>\$ -</u>	<u>\$ 2,724,604</u>

See notes to consolidated financial statements.

Rondo Community Land Trust
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows - Operating Activities		
Change in net assets	\$ 6,957,295	\$ 7,162,179
Adjustments to reconcile change in net assets to net cash flows - operating activities		
Depreciation	221,300	159,949
Amortization - goodwill	27,437	6,859
Amortization - debt issuance costs	2,638	2,639
Amortization ROU assets - finance leases	30,708	26,984
Net realized and unrealized gain on investments	(132,592)	-
Gain on sale of property and equipment	(49,426)	(4,738)
Receipt of donated property	(1,629,564)	(510,100)
Proceeds from government grants restricted for long-term purposes	(339,382)	(1,373,800)
Loan forgiveness	-	(28,332)
Changes in operating assets and liabilities		
Receivables	(378,700)	(194,852)
Prepaid expenses	(23,780)	74,777
Accounts payable	(26,392)	164,993
Accrued expenses	56,255	30,605
Refundable advance	50,045	-
Other current liabilities	581	10,227
Net cash flows - operating activities	4,766,423	5,527,390
Cash Flows - Investing Activities		
Purchase of Golden Thyme Coffee and Cafe	-	(200,000)
Purchase of investments	(9,351,722)	-
Proceeds from sale of investments	2,657,185	-
Purchases of property and equipment	(3,828,262)	(1,686,683)
Proceeds from the sale of property and equipment	201,382	235,377
Net cash flows - investing activities	(10,321,417)	(1,651,306)
Cash Flows - Financing Activities		
Proceeds from line of credit	1,455,000	-
Proceeds from long-term debt	300,000	3,796
Payments on finance lease liabilities	(29,427)	(26,761)
Payments on line of credit	(1,455,000)	-
Payments on long-term debt	(156,437)	(177,115)
Proceeds from government grants restricted for long-term purposes	339,382	1,373,800
Net cash flows - financing activities	453,518	1,173,720
Net change in cash and cash equivalents	(5,101,476)	5,049,804
Cash and Cash Equivalents		
Beginning of year	5,848,006	798,202
End of year	\$ 746,530	\$ 5,848,006

See notes to consolidated financial statements.

Rondo Community Land Trust
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 45,045	\$ 5,743
Supplemental Schedule of Noncash Investing and Financing Activities		
Financing of Golden Thyme Coffee and Cafe purchase	\$ -	\$ 200,000
Financing of property and equipment through long-term debt	\$ 300,000	\$ 362,204
Property and equipment purchases included in accounts payable	\$ 122,196	\$ -
ROU assets obtained in exchange for finance lease liabilities	\$ -	\$ 865,360