



December 29, 2025

City of Muscatine
Matt Mardesen, City Administrator
Tony Kies, Assistant City Administrator
215 Sycamore Street
Muscatine, Iowa 52761

Dear Mr. Mardesen and Mr. Kies,

On behalf of the Board of Directors of the Greater Muscatine Chamber of Commerce and Industry (GMCCI), I want to express our sincere appreciation for your ongoing support of our tourism initiatives. We are proud of the strong, long-standing public-private partnership between GMCCI and the City of Muscatine, and we remain committed to building on this solid foundation to drive greater economic impact through tourism and events.

To that end, we respectfully request the renewal of our Tourism & Marketing Services Agreement for a five-year term. In addition, we propose that GMCCI receive base compensation of \$135,000 annually or 25% of the Hotel & Motel Tax revenues—whichever is greater—recognizing the collaborative teamwork we have consistently demonstrated with the City.

Any additional funding would be directed specifically toward expanded tourism marketing efforts designed to attract more visitors and further strengthen our local economy.

Enclosed with this letter is a copy of our most recent audited financial statement for your review.

Thank you for considering this request. We look forward to the opportunity to discuss it with you and the City Council in greater detail.

Sincerely,

A handwritten signature in black ink that reads 'Dena Ferreira'.

Dena Ferreira
Director of Events and Tourism Marketing



**CHAMBER OF COMMERCE
ECONOMIC DEVELOPMENT
TOURISM**

December 29, 2025

Matt Mardesen, City Administrator
Chief Anthony Kies, Assistant City Administrator
215 Sycamore Street
Muscatine, Iowa 52761

Dear Mr. Mardesen and Mr. Kies,

On behalf of the Greater Muscatine Chamber of Commerce and Industry (GMCCI) Board of Directors, I would like to extend a sincere thank you to you and the City Council for your continued support for GMCCI's economic development efforts. GMCCI is proud of its long-term public-private partnership with the City of Muscatine and will continue to build on this foundation towards greater economic growth.

We would request the city to continue to provide annual funding for GMCCI's economic development efforts in the amount of \$50,000. We encourage the city to continue with this funding to provide business attraction marketing, residential efforts, commercial/industrial retention and expansion activities, and small business coaching.

With the expiration of the Economic Development Services Agreement, we would be seeking to renew these agreements upon the new fiscal year. We would also request for a 5-year agreement to continue the efforts of partnership of GMCCI and the City of Muscatine.

I have enclosed with this letter a copy of our most recent audited financial statement. Thank you for your consideration. We look forward to discussing this with you and the City Council.

Thanks,

A handwritten signature in black ink, appearing to read 'BB'.

Brad Bark
President & CEO
GMCCI

A handwritten signature in black ink, appearing to read 'Alyshea Gow'.

Alyshea Gow
Chair of GMCCI Board
GMCCI

Agency: Greater Muscatine Chamber of Commerce and IndustryAmount Requested: \$ **185,000.00**Address: 208 W. 2nd Street Suite 201

Or 25% of Hotel & Motel Tax which

Muscatine, IA 52761

Expenses	2024/25 Actual	2025/26 Budget	2026/27 Proposed	% of Total
Salaries-Full Time <u>4</u> FT employees	\$ 419,806.67	\$ 425,100.00	\$ 350,000.00	
Employee Benefits (Insurance/Retirement Etc.)	\$ 31,819.25	\$ 42,560.00	\$ 26,000.00	
Payroll Taxes	\$ 32,942.87	\$ 25,260.00	\$ 30,000.00	
Total Personnel Expenses	\$ 484,568.79	\$ 492,920.00	\$ 406,000.00	46%
Office Rent	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	
Utilities	\$ 8,120.62	\$ 7,451.00	\$ 9,000.00	
Insurance (General/Liability/Work Comp)	\$ 7,681.46	\$ 8,500.00	\$ 10,000.00	
Professional Fees (Accounting/etc.)	\$ 21,754.32	\$ 15,000.00	\$ 20,000.00	
Supplies	\$ 4,628.81	\$ 5,000.00	\$ 8,000.00	
Communications - landline/cell/internet	\$ 2,318.40	\$ 6,000.00	\$ 7,500.00	
Postage/Shipping	\$ 1,007.30	\$ 1,000.00	\$ 1,200.00	
Printing/Publications	\$ 80,365.40	\$ 2,700.00	\$ 80,000.00	
Travel/Mileage	\$ 1,566.80	\$ 1,000.00	\$ 2,000.00	
Conferences & Meetings (Registration/Rooms/etc)	\$ 11,144.52	\$ 3,000.00	\$ 15,000.00	
Dues/Memberships	\$ 30,467.78	\$ 20,000.00	\$ 30,000.00	
Equipment Lease/Maintenance	\$ 6,334.69	\$ 10,000.00	\$ 10,000.00	
Fundraising Expenses	\$ -	\$ -	\$ -	
Miscellaneous	\$ 220,151.11	\$ 300,624.00	\$ 250,000.00	
Total Operational Expenses	\$ 425,541.21	\$ 410,275.00	\$ 472,700.00	54%
Awards/Grants to other programs	\$ -	\$ -	\$ -	
Assistance to Individuals	\$ -	\$ -	\$ -	
Total Direct Assistance	\$ -	\$ -	\$ -	
Total Expenses	\$ 910,110.00	\$ 903,195.00	\$ 878,700.00	100%
Revenues				% of Total
Muscatine County Contribution	\$ 5,000.00	\$ 15,000.00	\$ 15,000.00	2%
Contributions from the City of Muscatine (ED & Tourism)	\$ 178,000.00	\$ 175,000.00	\$ 185,000.00	21%
Contributions from Other Entities	\$ 244,175.04	\$ 272,410.00	\$ 275,000.00	31%
Special Events	\$ 154,827.79	\$ 213,650.00	\$ 165,000.00	19%
Contract Fees	\$ -	\$ -	\$ -	0%
Program Services Fees	\$ 232,619.17	\$ 211,900.00	\$ 240,000.00	27%
Sales	\$ (909.07)	\$ -	\$ -	0%
Investment Income	\$ 7,886.06	\$ 3,000.00	\$ 3,000.00	0%
Miscellaneous Revenue	\$ 69,764.01	\$ 6,532.80	\$ 5,000.00	1%
Total Revenue	\$ 891,363.00	\$ 897,492.80	\$ 888,000.00	100%
Beginning Balance (Cash on Hand)	\$ -	\$ (18,747.00)	\$ (24,449.20)	
Total Surplus (Deficit)	\$ (18,747.00)	\$ (5,702.20)	\$ 9,300.00	
Ending Balance (Cash on Hand)	\$ (18,747.00)	\$ (24,449.20)	\$ (15,149.20)	

**GREATER MUSCATINE
CHAMBER OF COMMERCE AND INDUSTRY**

Financial Statements

March 31, 2025 and 2024

**(With Independent Auditor's
Report Thereon)**

**GREATER MUSCATINE
CHAMBER OF COMMERCE AND INDUSTRY**

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Independent Auditor's Report

**The Board of Directors
Greater Muscatine Chamber of
Commerce and Industry:**

Opinion

We have audited the accompanying financial statements of Greater Muscatine Chamber of Commerce and Industry (a nonprofit organization), which comprise the statement of financial position as of March 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Muscatine Chamber of Commerce and Industry as of March 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 Greater Muscatine Chamber of Commerce and Industry and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The 2024 financial statements were reviewed by us, and our report thereon, dated July 25, 2024, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with U.S. generally accepted accounting principles. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Muscatine Chamber of Commerce and Industry's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit for 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 auditor's report that includes our opinion. Reasonable assurance is high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, 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 Greater Muscatine Chamber of Commerce and Industry'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 Greater Muscatine Chamber of Commerce and Industry'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.

Anderson, Lower, Whitlow, P.C.

Bettendorf, Iowa
June 2, 2025

**GREATER MUSCATINE
CHAMBER OF COMMERCE AND INDUSTRY**

Statements of Financial Position

March 31, 2025 and 2024

	2025 (Audited)	2024 (Reviewed)
<u>Assets</u>		
Current assets:		
Cash and cash equivalents (note 7)	\$ 446,212	430,676
Restricted cash (note 5)	243,458	218,511
Accounts receivable	55,595	125,499
Prepaid expenses	1,322	-
Inventory	-	7,563
Notes receivable – current portion:		
Economic (industrial) revolving loan fund (note 3)	27,309	22,146
Total current assets	<u>773,896</u>	<u>804,395</u>
Furniture and equipment	39,777	33,260
Less accumulated depreciation	<u>22,303</u>	<u>17,666</u>
Net furniture and equipment	<u>17,474</u>	<u>15,594</u>
Intangible assets – website, net of accumulated amortization of \$17,250 in 2025 and \$15,750 in 2024	<u>250</u>	<u>1,750</u>
Operating lease right-of-use assets (note 6)	<u>95,000</u>	<u>121,000</u>
Other assets:		
Notes receivable, net of current portion:		
Economic (industrial) revolving loan fund (note 3)	<u>45,123</u>	<u>76,892</u>
Total assets	<u>\$ 931,743</u>	<u>1,019,631</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	2,576	34,703
Accrued expenses	20,096	34,142
Deferred revenue	34,600	25,780
Operating lease liability – current portion (note 6)	<u>27,000</u>	<u>26,000</u>
Total current liabilities	<u>84,272</u>	<u>120,625</u>
Operating lease liability – long-term (note 6)	<u>68,000</u>	<u>95,000</u>
Total liabilities	<u>152,272</u>	<u>215,625</u>
Net assets:		
Without donor restrictions:		
Operating	316,288	335,035
Board designated	<u>100,000</u>	<u>100,000</u>
Total without donor restrictions	<u>416,288</u>	<u>435,035</u>
With donor restrictions (note 5)	<u>363,183</u>	<u>368,971</u>
Total net assets	<u>779,471</u>	<u>804,006</u>
Total liabilities and net assets	<u>\$ 931,743</u>	<u>1,019,631</u>

See accompanying notes to financial statements.

**GREATER MUSCATINE
CHAMBER OF COMMERCE AND INDUSTRY**

Statements of Activities

Years Ended March 31, 2025 and 2024

	2025 (Audited)			2024 (Reviewed)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating support and revenue:						
Dues and contributions – members	\$ 164,960	-	164,960	162,752	-	162,752
Pledges – economic development	242,675	-	242,675	251,875	-	251,875
Magazine ad sales	16,492	-	16,492	127,648	-	127,648
Interest income	5,801	2,085	7,886	599	3,773	4,372
Sponsorships and special project revenues	228,844	-	228,844	190,105	-	190,105
Grants and other contributions	225,251	-	225,251	319,292	-	319,292
Gift shop sales, net of cost of sales of \$4,507 in 2025 and \$9,284 in 2024	(808)	-	(808)	569	-	569
Other revenue	275	-	275	915	-	915
Transfers – loan activity	(22,000)	22,000	-	(1,024)	1,024	-
Net assets released from restrictions – satisfaction of purpose restrictions	29,873	(29,873)	-	-	-	-
Total operating support and revenue	891,363	(5,788)	885,575	1,052,731	4,797	1,057,528
Operating expenses:						
Program expenses	680,267	-	680,267	835,072	-	835,072
Supporting services - management and general	229,843	-	229,843	226,754	-	226,754
Total operating expenses	910,110	-	910,110	1,061,826	-	1,061,826
Increase (decrease) in net assets	(18,747)	(5,788)	(24,535)	(9,095)	4,797	(4,298)
Net assets, beginning of year	435,035	368,971	804,006	444,130	364,174	808,304
Net assets, end of year	\$ 416,288	363,183	779,471	435,035	368,971	804,006

See accompanying notes to financial statements.

**GREATER MUSCATINE
CHAMBER OF COMMERCE AND INDUSTRY**

Statements of Cash Flows

Years Ended March 31, 2025 and 2024

	2025	2024
	<u>(Audited)</u>	<u>(Reviewed)</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (24,535)	(4,298)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation and amortization	6,137	5,719
Changes in assets and liabilities affecting operations:		
Decrease in accounts receivable	69,904	1,970
Decrease in prepaid expenses and inventory	6,241	27,178
Increase (decrease) in accounts payable	(32,127)	27,768
Decrease in accrued expenses	(14,046)	(2,785)
Increase in unearned revenue	8,820	22,370
Net cash provided by operating activities	<u>20,394</u>	<u>77,922</u>
Cash flows from investing activities:		
Purchase of property and equipment	(6,517)	(10,075)
Issuance of notes receivable	-	(16,716)
Principal repayments received on notes receivable	26,606	18,534
Increase in restricted cash	(24,947)	(4,830)
Net cash used in investing activities	<u>(4,858)</u>	<u>(13,087)</u>
Cash flows from financing activities:		
Increase in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	15,536	64,835
Cash and cash equivalents, end of year	<u>430,676</u>	<u>365,841</u>
	<u>\$ 446,212</u>	<u>430,676</u>
Supplementary disclosure of cash flow information:		
Cash paid during the year for operating leases	<u>\$ 30,000</u>	<u>28,900</u>
Supplementary disclosure of noncash investing and financing activities:		
Operating lease disclosures:		
Net reduction of the right-of-use assets and lease liability for operating leases	<u>\$ 26,000</u>	<u>11,000</u>
Noncash recognition of new leases	<u>\$ -</u>	<u>132,000</u>

See accompanying notes to financial statements.

**GREATER MUSCATINE
CHAMBER OF COMMERCE AND INDUSTRY**

Statements of Functional Expenses

Years Ended March 31, 2025 and 2024

	2025 (Audited)			2024 (Reviewed)		
	Program Services	Management and General Expenses	Total Expenses	Program Services	Management and General Expenses	Total Expenses
Salaries and wages	\$ 293,214	126,592	419,806	286,661	118,512	405,173
Employee benefits	26,651	4,993	31,644	40,123	15,467	55,590
Payroll taxes	33,118	-	33,118	30,302	-	30,302
Total salaries and related expenses	352,983	131,585	484,568	357,086	133,979	491,065
 Accounting fees	-	18,644	18,644	-	10,541	10,541
Professional fees	3,110	3,716	6,826	2,657	3,258	5,915
Advertising and promotion	89,234	-	89,234	154,460	-	154,460
Office expense	93,176	11,786	104,962	149,114	15,871	164,985
Information technology	-	21,335	21,335	-	24,232	24,232
Occupancy	-	38,121	38,121	-	33,864	33,864
Travel	57,482	-	57,482	52,458	-	52,458
Conferences and conventions	1,665	-	1,665	4,458	-	4,458
Insurance	7,681	-	7,681	7,212	-	7,212
Dues and subscriptions	11,752	-	11,752	9,293	-	9,293
Contributions and grants	52,035	-	52,035	88,108	-	88,108
Credit losses	-	4,656	4,656	-	5,009	5,009
Miscellaneous	5,012	-	5,012	4,507	-	4,507
Total expenses before depreciation	674,130	229,843	903,973	829,353	226,754	1,056,107
Depreciation and amortization	6,137	-	6,137	5,719	-	5,719
Total functional expenses	\$ 680,267	229,843	910,110	835,072	226,754	1,061,826

See accompanying notes to financial statements.

**GREATER MUSCATINE
CHAMBER OF COMMERCE AND INDUSTRY**

Notes to Financial Statements

March 31, 2025 and 2024

(1) Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

Greater Muscatine Chamber of Commerce and Industry (the “Organization”) is an action-oriented association of businesses and individuals working together to meet the needs of its membership, the Muscatine community and surrounding area. The Organization operates to improve the business climate for industrial, commercial and service businesses within the City of Muscatine, Iowa and the County of Muscatine, Iowa. The Organization’s mission is to secure, create and provide jobs for current and future residents by assisting in the expansion of existing businesses and the creation and attraction of new businesses to the community. These services are funded by private business enterprises, area utility providers and local governments. The Organization works to improve community quality of life by taking a leadership role in the areas of business growth and development, community marketing and improvement initiatives, leadership development and governmental affairs.

Summary of Significant Accounting Policies

(a) Basis of Presentation

Net assets, revenues, expenses, 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 without donor restrictions include all resources that are not subject to donor-imposed restrictions. Revenues received and expenses incurred in conducting the programs and services of the Organization are presented in the financial statements as unrestricted operating funds that increase or decrease net assets without donor restrictions.

Board designated net assets without donor restrictions consist of funds designated by the Organization’s Board for use in the revolving loan fund. The amount designated as of March 31, 2025 and 2024 was \$100,000.

Net Assets with Donor Restrictions: Net assets with donor restrictions carry specific, donor-imposed restrictions on the expenditure or other use of contributed funds. Net assets with donor restrictions may expire either because of the passage of time or because the Organization has fulfilled the restrictions.

The Organization evaluated subsequent events through June 2, 2025, which is the date the financial statements were available to be issued.

(b) Accounts Receivable

Accounts receivable are stated at invoice amount. Management reviews accounts receivable for potential credit losses and has adjusted accounts receivable for all known uncollectible accounts.

(c) Inventory

Inventory is stated at lower of cost (first-in, first-out) or market.

**GREATER MUSCATINE
CHAMBER OF COMMERCE AND INDUSTRY**

Notes to Financial Statements

(1) Nature of Organization and Summary of Significant Accounting Policies, continued

Summary of Significant Accounting Policies, continued

(d) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(e) Cash and Restricted Cash

The Organization's cash includes money market accounts and short-term certificates of deposits amounting to \$213,988 and \$209,441 as of March 31, 2025 and 2024, respectively. Management believes the Organization is not exposed to any significant credit risk on cash and investments.

Restricted cash consists of accounts maintained in connection with the Organization's revolving loan funds (see notes 3 and 5).

For purposes of reporting cash flows, the Organization considers all cash accounts which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with an original maturity of twelve months or less to be cash equivalents.

(f) Support and Expenses

Contributions, economic development pledges and special project revenues received are recorded as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions, economic development pledges and special project revenues are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purposed restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions of assets other than cash are recorded at their fair value at the date of the gift.

Expenses are recorded in accordance with the accrual basis of accounting.

(g) Notes Receivable

Notes receivable are stated at the unpaid principal balance. Interest income is recognized on the accrual method based on the terms of the note. The Organization generally discontinues accrual of interest if the note becomes 90 days past due.

(h) Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation is computed by the straight-line method over the estimated lives of the assets which range from five to ten years. Depreciation expense amounted to \$4,637 and \$4,220 for the years ended March 31, 2025 and 2024, respectively.

**GREATER MUSCATINE
CHAMBER OF COMMERCE AND INDUSTRY**

Notes to Financial Statements

(1) Nature of Organization and Summary of Significant Accounting Policies, continued

Summary of Significant Accounting Policies, continued

(i) Intangible Assets

The intangible assets consist of costs to develop the Organization's website which is amortized on the straight-line method over five years. Amortization expense amounted to \$1,500 and \$1,499 for the years ended March 31, 2025 and 2024, respectively.

(j) Income Tax Status

The Organization has received notification that it qualifies as a tax-exempt organization under Section 501(c)(6) of the U.S. Internal Revenue Code and the corresponding provisions of Iowa law and, accordingly, is not subject to federal or state income taxes. The Organization evaluates the tax benefits of a tax position using the "more likely than not" threshold. As of March 31, 2025, management is not aware of any uncertain tax positions and related tax benefits which would be material to the Organization's financial statements. The Organization files a U.S. Federal informational return which for fiscal years subsequent to 2021 is subject to examination by taxing authorities.

(k) Advertising Costs

Advertising costs are expensed as incurred and amounted to \$12,299 and \$24,357 for the years ended March 31, 2025 and 2024, respectively.

(l) Expense Allocation

The cost of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Personnel costs, occupancy and administrative expenses have been allocated between program and supporting services classifications on the basis of time records, actual expenses and/or on estimates made by the Organization's management.

(m) Revenue Recognition

The Organization has revenue streams that are accounted for as reciprocal exchange transactions as described below. The Organization's performance obligations related to these revenue streams generally have a duration of less than one year and management has elected to apply the optional exemption provided in FASB ASC 2014-09 "Revenue from Contracts with Customers" regarding disclosure of allocations of transaction price to its performance obligations. There are no significant incremental costs or financing components of obtaining membership or with event revenue.

Membership Investment – Membership investment includes amounts that a member has agreed to pay in order to have access to an array of services, programs and events provided by the Organization. This portion of the investment represents the consideration the member expects to receive in exchange for services provided. The amount of the member's investment varies depending on the level of membership. The Organization has estimated a value that each member receives which is considered the dues portion of member investment. Membership dues are recognized as revenue as received throughout the period. Unearned revenue at March 31, 2025 and 2024 related to membership dues is not considered material to the financial statements. The remaining portion of each membership investment is considered contribution revenue.

**GREATER MUSCATINE
CHAMBER OF COMMERCE AND INDUSTRY**

Notes to Financial Statements

(1) Nature of Organization and Summary of Significant Accounting Policies, continued

Summary of Significant Accounting Policies, continued

(m) Revenue Recognition, continued

Membership dues paid in advance represent contract liabilities and are recorded as deferred revenue until recognized as revenue in the applicable period. Amounts billed but unpaid are contract assets and are recorded as accounts receivable.

Corporate Sponsor Revenue – Corporate sponsor revenue is recognized when the event that is sponsored has occurred. Revenues received in advance of the event are recorded as unearned revenue.

Magazine Ads and Gift Shop Sales – Magazine ads are recognized as revenue at the time the related magazine is distributed. Gift shop sales are recognized as revenue at a point in time when the product is sold.

Management determines the need for an allowance for credit losses by identifying past due accounts and considering historical credit loss experience. Management also considers relevant current and future economic conditions which could affect collectability.

Management believes that the receivables are fully collectable; therefore, no allowance for credit losses has been recorded as of March 31, 2025 and 2024.

(n) Leases

Payments related to short-term operating leases with terms of twelve months or less are recognized as rent expense as incurred. Operating leases with terms greater than twelve months are recognized as right-of-use assets with a corresponding lease liability based on future remaining lease payments discounted using the risk free U.S. Government interest rate of 3.60%.

(2) Liquidity and Availability of Financial Assets

The Organization's financial assets as of March 31, 2025 and 2024, reduced by amounts not available for general use within one year of the statement of financial position because of contractual or donor-imposed restrictions, are as follows:

	2025 (Audited)	2024 (Reviewed)
Cash and cash equivalents	\$ 446,212	430,676
Accounts receivable	55,595	125,499
	<hr/>	<hr/>
	501,807	556,175
Less:		
Board designated funds	(100,000)	(100,000)
Amounts restricted by donors	(363,183)	(368,971)
Financial assets available to meet cash needs for general expenditures within one year	<hr/>	<hr/>
	\$ 38,624	87,204

Financial assets not available include restricted cash and notes receivable which are restricted for the Economic (Industrial) Revolving Loan fund.

**GREATER MUSCATINE
CHAMBER OF COMMERCE AND INDUSTRY**

Notes to Financial Statements

(3) Economic (Industrial) Revolving Loan Fund

The Organization established an economic (industrial) revolving loan fund to further the public purpose of economic development by providing low interest loans to applicants that meet specific eligibility guidelines. Initial funding of \$50,000 each was provided by Muscatine County, City of Muscatine and Muscatine Power and Water. Muscatine Development Corporation also provided \$100,000 of initial funding. A summary of notes receivable as of March 31, 2025 and 2024 is as follows:

	2025 (Audited)	2024 (Reviewed)
Muscatine Beyond 2000 – note receivable, with no interest due, due in annual installments in December, 2025, and June, 2026, unsecured	\$ 47,366	47,366
Fighting Chance Solutions – note receivable due in monthly installments of \$290, including interest at 3%, through March, 2025, unsecured	-	3,427
EMPR LLC – note receivable due in monthly installments of \$250 including interest at 4%, through May 2025, unsecured	498	3,404
Mississippi Laser – note receivable due in monthly installments of \$484, including interest at 3%, through April, 2028, unsecured	17,085	22,292
Kedough Bakery - note receivable due in monthly installments of \$295, including interest at 4%, through May, 2025, unsecured	4,908	7,611
Cryo Wellness – note receivable due in monthly installments of \$295, including interest at 4%, through January, 2026, unsecured	-	6,526
Fat Cat Detailing – note receivable due in monthly installments of \$148, including interest at 4%, through May, 2026, unsecured written off in 2025	-	4,606
Pearl City Salon and Barber – note receivable due in monthly installments of \$148, including interest at 4%, through May, 2026, unsecured	2,575	3,806
Total notes receivable	<u>72,432</u>	<u>99,038</u>
Less current portion	<u>27,309</u>	<u>22,146</u>
Net long-term notes receivable	<u><u>\$ 45,123</u></u>	<u><u>76,892</u></u>

The Organization evaluates the collectability of notes receivable throughout the year based on timing of contractual payments and underlying collateral. Management determined that there were no material delinquent payments on notes receivable at March 31, 2025 and 2024 and that an allowance for credit losses is not necessary. Credit losses on notes receivable amounted to \$4,656 in 2025 and \$5,009 in 2024.

In evaluating the credit risk on notes receivable, the Organization considers the financial strength of the borrower and the estimated fair value of the underlying property which collateralizes the note.

Management of the Organization does not believe it is exposed to significant credit risk with respect to the above notes.

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(4) Retirement Plan

In 1997, the Organization began a Simple IRA retirement plan which requires the Organization to match employee contributions up to 3% of the employees' wages. Employees are eligible to participate after one year of employment and are vested immediately. Employer matching contributions paid by the Organization during the years ended March 31, 2025 and 2024 amounted to \$11,092 and \$10,657, respectively.

(5) Net Assets with Donor Restriction

Net assets with donor restrictions includes funds received from donors amounted to \$—0— and \$29,873 at March 31, 2025 and 2024, respectively which are restricted primarily for economic development and assistance programs.

Net assets with donor restrictions also consist of funds and related investment income, which are restricted in perpetuity for the following purposes as of March 31, 2025 and 2024:

	2025 (Audited)	2024 (Reviewed)
Economic (Industrial) Development Revolving Loans (note 3)	\$ 363,183	\$ 339,098

The Organization has adopted investment and spending policies for this fund that attempt to provide a predictable stream of funding to programs supported by the fund while seeking to maintain the purchasing power of the assets. The Organization's assets related to this fund is invested in cash and cash equivalent accounts, restricted cash and notes receivable.

(6) Operating Lease

The Organization leases its office facilities in Muscatine, Iowa under an operating lease which expires August 31, 2028. Future maturities of lease liabilities based on remaining minimum lease payments as of March 31, 2025 are as follows:

<u>Year Ending March 31,</u>	<u>Total</u>
2026	\$ 30,000
2027	30,000
2028	30,000
2029	12,500
Total future lease payments	102,500
Less imputed interest	7,500
Present value of future lease payments	95,000
Less current portion	27,000
Long term lease liability	\$ 68,000

The weighted average remaining lease term for the above operating lease was 3.50 and 4.50 as of March 31, 2025 and 2024, respectively.

Total operating lease expense amounted to \$30,000 and \$28,900 for the years ended March 31, 2025 and 2024, respectively.

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(7) Concentrations of Credit Risk

The Organization occasionally maintains cash balances and certificates of deposit at financial institutions in excess of the \$250,000 Federal Deposit Insurance Corporation insured limit. As of March 31, 2025, and 2024, the Organization had approximately \$195,600 and \$95,700, respectively, in deposits above insured limits. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalent accounts.

(8) Economic Impacts

National and worldwide factors have led to significant volatility in financial markets and other economic impacts. The factors have affected, and may continue to affect, the Organization's operations and programs. The potential future impact of these conditions is difficult to assess or predict and management is not able to estimate the full impact of these conditions on its future operations.