Consolidated Financial Statements
August 31, 2025 and 2024

United Way of Northeastern South Dakota, Inc.

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Independent Auditor's Report

The Board of Directors
United Way of Northeastern South Dakota, Inc.
Aberdeen, South Dakota

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of United Way of Northeastern South Dakota, Inc., which comprise the consolidated statements of financial position as of August 31, 2025 and 2024, 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 referred to above present fairly, in all material respects, the financial position of United Way of Northeastern South Dakota, Inc., as of August 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of United Way of Northeastern South Dakota, Inc., 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 United Way of Northeastern South Dakota, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities of the Audit of the Consolidated 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 United Way of Northeastern South Dakota, Inc.'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 United Way of Northeastern South Dakota, Inc.'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.

Eide Bailly LLP

Aberdeen, South Dakota
November 19, 2025

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 91,187	$ 49,354
Certificates of deposit	139,528	183,217
Contributions receivable, net of allowances	134,966	122,930
Prepaid expenses	4,186	6,363
Total current assets	369,867	361,864
Property and Equipment		
Furniture and equipment	9,912	9,912
Computers and software	1,965	1,803
	11,877	11,715
Less accumulated depreciation	(7,203)	(6,735)
Total property and equipment	4,674	4,980
Right-of-Use Lease Assets	26,759	36,128
Investments		
Cash value life insurance	10,060	9,728
Investments held by Foundation	1,290,958	1,236,843
Total investments	1,301,018	1,246,571
	$ 1,702,318	$ 1,649,543
Liabilities and Net Assets		
Current Liabilities		
Current maturities of operating lease liabilities	$ 9,956	$ 8,809
Accrued vacation	3,063	1,692
Total current liabilities	13,019	10,501
Long-Term Liabilities		
Operating lease liabilities	18,643	28,599
Total liabilities	31,662	39,100
Net Assets		
Without donor restrictions		
Undesignated, available for general activities	1,350,691	1,316,665
Designated		
Contingency fund	125,000	125,000
Total net assets without donor restrictions	1,475,691	1,441,665
With donor restrictions	194,965	168,778
Total net assets	1,670,656	1,610,443
	$ 1,702,318	$ 1,649,543

United Way of Northeastern South Dakota, Inc.

Consolidated Statements of Activities

Years Ended August 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue						
Public support						
Campaign contributions	$ -	$ 815,733	$ 815,733	$ -	$ 832,634	$ 832,634
Less amounts designated by donors for specific organizations	-	(17,608)	(17,608)	-	(17,608)	(17,608)
Total public support	-	798,125	798,125	-	815,026	815,026
Other revenue						
Net investment return	160,846	-	160,846	189,112	-	189,112
Grant income	2,500	-	2,500	-	-	-
In-kind contributions	28,747	-	28,747	22,302	-	22,302
Sponsorship income	7,303	-	7,303	9,330	-	9,330
Miscellaneous income	2,331	-	2,331	6,464	-	6,464
Total other revenue	201,727	-	201,727	227,208	-	227,208
Net assets released from restrictions	771,938	(771,938)	-	787,400	(787,400)	-
Total public support and revenue	973,665	26,187	999,852	1,014,608	27,626	1,042,234
Expenses						
Program services expense						
Distributions to local agencies	529,130	-	529,130	572,801	-	572,801
Less allocations funded through donor designations	(17,608)	-	(17,608)	(17,608)	-	(17,608)
Total distributions to local agencies	511,522	-	511,522	555,193	-	555,193
Program services - local agencies	131,526	-	131,526	96,559	-	96,559
Total program services expenses	643,048	-	643,048	651,752	-	651,752
Supporting services expense						
Management and general	148,563	-	148,563	147,270	-	147,270
Fundraising	148,028	-	148,028	130,019	-	130,019
Total supporting services expenses	296,591	-	296,591	277,289	-	277,289
Total expenses	939,639	-	939,639	929,041	-	929,041
Change in Net Assets	34,026	26,187	60,213	85,567	27,626	113,193
Net Assets, Beginning of Year	1,441,665	168,778	1,610,443	1,356,098	141,152	1,497,250
Net Assets, End of Year	$ 1,475,691	$ 194,965	$ 1,670,656	$ 1,441,665	$ 168,778	$ 1,610,443

See Notes to Consolidated Financial Statements

United Way of Northeastern South Dakota, Inc.

Consolidated Statements of Functional Expenses

Years Ended August 31, 2025 and 2024

	2025				2024			
	Management and General	Fundraising	Program Services	Total Functional Expenses	Management and General	Fundraising	Program Services	Total Functional Expenses
Local Agency Distributions	$ -	$ -	$ 511,522	$ 511,522	$ -	$ -	$ 555,193	$ 555,193
Salary - Director	43,041	32,281	32,280	107,602	40,137	30,103	30,102	100,342
Salary - Communications Impact Director	14,643	11,715	32,215	58,573	19,220	10,983	24,712	54,915
Salary - Campaign Associate	7,901	36,871	7,901	52,673	7,432	34,683	7,432	49,547
Experience and Initiative Grant Expense	-	-	22,991	22,991	-	-	-	-
Employee Benefits	12,174	14,609	8,000	34,783	11,813	15,750	11,813	39,376
Payroll Taxes	5,823	6,988	3,826	16,637	4,714	6,285	4,714	15,713
National Dues	3,278	3,278	2,811	9,367	3,356	3,356	2,877	9,589
Campaign Expenses	-	21,698	-	21,698	-	9,176	-	9,176
Service Fees Expense (Recoveries)	-	(492)	-	(492)	-	389	-	389
Sponsorship Expense	-	2,595	7,786	10,381	-	2,209	2,209	4,418
Travel and Conference	3,362	-	1,121	4,483	3,140	-	1,044	4,184
Director's Expense Allowance	406	243	162	811	203	122	81	406
Office Supplies	14,240	8,544	5,695	28,479	11,279	6,767	4,512	22,558
Postage	2,211	1,327	885	4,423	1,915	1,149	766	3,830
Telephone	796	773	773	2,342	1,102	661	441	2,204
Operating Lease Expense	5,280	3,168	2,112	10,560	6,905	4,143	2,762	13,810
Insurance and Bonds	1,749	-	-	1,749	2,535	-	-	2,535
Professional Fees	25,100	-	-	25,100	24,828	-	-	24,828
Membership Dues	500	-	-	500	955	-	-	955
Computer and Copier Expense	1,072	644	429	2,145	601	360	240	1,201
Software Expense	5,414	3,249	2,166	10,829	5,106	3,064	2,042	10,212
Bank Fees	686	-	-	686	797	-	-	797
Miscellaneous Expense	13	13	24	50	200	200	400	800
Depreciation	874	524	349	1,747	1,032	619	412	2,063
	$ 148,563	$ 148,028	$ 643,048	$ 939,639	$ 147,270	$ 130,019	$ 651,752	$ 929,041

See Notes to Consolidated Financial Statements

	2025	2024
Operating Activities		
Change in net assets	$ 60,213	$ 113,193
Adjustments to reconcile change in net assets to net cash used for operating activities		
Depreciation	1,747	2,063
Realized and unrealized gains on Foundation investments	(79,783)	(135,477)
Change in cash surrender value life insurance	(332)	(330)
Interest added to certificate of deposit	(8,339)	(2,257)
Changes in assets and liabilities		
Contributions receivable, net	(12,036)	(5,949)
Prepaid expenses	2,177	1,286
Operating lease assets and liabilities	560	960
Accrued vacation	1,371	(583)
Deferred revenue	-	(3,250)
Net Cash used for Operating Activities	(34,422)	(30,344)
Investing Activities		
Sale of investments	162,496	99,295
Purchase of investments	(136,828)	(85,022)
Purchases of certificates of deposit	(183,553)	(183,217)
Maturities of certificates of deposit	235,581	132,202
Purchase of equipment	(1,441)	-
Net Cash from (used for) Investing Activities	76,255	(36,742)
Net Change in Cash and Cash Equivalents	41,833	(67,086)
Cash and Cash Equivalents - Beginning of Year	49,354	116,440
Cash and Cash Equivalents - End of Year	$ 91,187	$ 49,354

Note 1 - Principal Activity and Significant Accounting Policies

Principal Business Activity

United Way of Northeastern South Dakota, Inc., is a nonprofit corporation organized under the laws of the state of South Dakota. The primary purpose of the Organization is to conduct annual campaigns for the raising of funds to meet the financial needs of various charitable organizations in northeastern South Dakota.

Principles of Consolidation

The consolidated financial statements include the accounts of the United Way of Northeastern South Dakota, Inc., and the United Way of Northeastern South Dakota Foundation (Foundation) (collectively, the Organization) because the United Way of Northeastern South Dakota, Inc., has both control and an economic interest in the Foundation. All significant intercompany accounts and transactions have been eliminated in consolidation.

Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Cash and Cash Equivalents

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

Concentration of Credit Risk

The Organization's cash balances are maintained in various bank deposit accounts. The deposit amount may exceed federally insured limits at various times throughout the year. As of August 31, 2025 and 2024, there were no amounts in excess of federally insured limits. The majority of contributions are received from a broad base of northeastern South Dakota contributors as a result of the annual campaigns.

Certificates of Deposit

The Organization records its non-brokered certificates of deposit at cost plus accrued interest.

Contributions Receivable

Contributions receivable are recorded at net realizable value which, due to the short-term nature of the receivables, is the amount pledged less an allowance for amounts estimated to be uncollectible. The allowance for uncollectible contributions receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectible.

Investments

Investment purchases are recorded at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment return is reported in the consolidated statements of activities and consists of interest and dividend income and realized and unrealized capital gains and losses, less any investment management and custodial fees.

Cash Value of Insurance Policies

The Organization has been named the beneficiary of a life insurance policy that was gifted by an individual. Life insurance policies given to the Organization are carried at their current cash surrender value on the consolidated statements of financial position. The annual increase in cash value is included in net investment return on the consolidated statements of activities. At August 31, 2025, the gross death benefit on the policy was $14,366.

Fair Value Measurements

The Organization has determined the fair value of certain assets in accordance with generally accepted accounting principles, which provides a framework for measuring fair value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

A significant portion of investment assets are classified within Level 1 because they comprise open-end mutual funds and exchange-traded/closed-end funds with readily determinable fair values based on daily redemption values. The Organization also invests in corporate bonds traded in the financial markets. These bonds are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2. The Organization’s cash value of life insurance policies are determined based upon information received from the life insurance companies and are classified within Level 3.

There have been no changes in Level 1, Level 2 and Level 3, and no changes in valuation techniques for these assets during the years ended August 31, 2025 and 2024.

Property and Equipment

Property and equipment are capitalized at cost or, if donated, at fair value on the date of donation. It is the Organization's policy to capitalize expenditures or donations of equipment received for these items in excess of a value of $300. Lesser amounts are expensed. Property and equipment are being depreciated over estimated useful lives of three to ten years using a straight-line method.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended August 31, 2025 and 2024.

Right-of-Use Leased Assets and Lease Liabilities

Right-of-use leased assets are recognized at the lease commencement date and represent the Organization's right to use an underlying asset for the lease term. Right-of-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right-of-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset recognizing a single lease cost over the term on a straight-line basis for operating leases. The amortization period varies from one to five years.

The carrying values of right-of-use leased assets are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended August 31, 2025 and 2024.

Lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on the rate implicit in the lease or an incremental borrowing rate determined by the Organization.

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 available for use in general operations. Board-designated net assets without donor restrictions consist of net assets designated by the Board of Directors for a contingency reserve fund.

Net Assets with Donor Restrictions – Net assets subject to donor restrictions that either may or will be met by expenditures, actions and/or the passage of time, or whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Organization's actions.

Contributions are reported as support with donor restrictions 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 purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Designation of Net Assets Without Donor Restrictions

The Board of Directors has designated a part of its net assets without donor restrictions as a contingency reserve fund. The ultimate goal of this fund would be to set aside up to three months of allocations and operating expenses to have on hand in the event of a community disaster, shutdown of a major employer, community initiative, or other event as the Board deems necessary. The amount designated by the Board in this manner is reflected on the consolidated statements of financial position.

Public Support and Revenue

Annual campaigns are conducted in the fall of the year to raise support for the Organization's allocation to participating agencies. Contributions and grants are recognized as support when cash, securities or other assets, or unconditional promises to give are received. Contributions designated by donors for specific organizations are excluded from total public support. Grant awards and donations received for specific purposes are recognized as support to the extent of related expenses incurred in compliance with the specific restrictions. Campaign results for undesignated contributions received or receivable for annual campaigns are recognized as income in the current year with donor restrictions. Conditional grants and promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions of donated noncash assets are recorded at their fair values in the period received. Sponsorship revenue is recognized at the point in time of the sponsored event.

Agency Distributions Made

Agency distributions are made based upon the successful completion of the annual campaign. Additionally, the allocation agreement is subject to the agency fulfilling the terms of the agreement. As such, campaign allocations to charitable organizations are deemed conditional until such time these conditions have been substantially met. As a result, agency allocations awarded in one fiscal year, are recorded as expense and distributed to agencies the following fiscal year.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. The Organization's policy is to distribute contributed assets to local agencies in need unless the asset is restricted for use in a specific program by the donor.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among management and general, fundraising and program services. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include lease expense and depreciation, which are allocated on a square footage basis, as well as salaries, employee benefits, payroll taxes, national dues, sponsorship expense, travel and conference, director's expense, office supplies, postage, telephone, computer and copier expense, software expense, and miscellaneous, which are allocated on the basis of estimates of time and effort.

Income Taxes

The United Way of Northeastern South Dakota, Inc., and the Foundation are organized as South Dakota nonprofit corporations and have been recognized by the IRS as exempt from federal income taxes under IRS Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction, and have been determined not to be private foundations. Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization determined that each entity is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990T) with the IRS.

Management believes that each entity has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense, if such interest and penalties are incurred.

Subsequent Events

The Organization has evaluated subsequent events through November 19, 2025, the date which the consolidated financial statements were available to be issued.

Note 2 - Liquidity and Availability

The Organization receives contributions and promises to give (pledges) that may or may not be restricted by donors. Contributions and pledges are monitored on an annual campaign calendar and are central to the annual commitment and operational needs of the Organization. The Organization manages its liquidity and reserves following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that short- and long-term grant commitments and obligations will be met by the Organization.

The Organization's Board of Directors will monitor and recommend any adjustments using information obtained from financial reporting mechanisms.

The Organization considers cash and contributions receivable with donor restrictions for use in current programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. Financial assets that are not available to meet general expenditures are those with donor restrictions for use in non-current programs, Foundation investments estimated as unavailable, and internal Board designations. In the event the need arises to utilize the Board-designated funds or Foundation assets for liquidity purposes, amounts could be made available upon applicable Board resolution.

As part of a liquidity management plan, it is the practice of the Executive Board of the Organization to place reserve funds into a prudent financial account to gain interest and limit the scope of liquidity, such as, but not limited to, CDs or money market accounts.

The Foundation's Board of Directors, on an annual basis, review and approve grant requests from local agencies. The amount determined to be paid out from investments by the Foundation is based upon 4% of the investment balance at the end of each calendar year; however, the pay-out amount can be changed at any time as it is at the discretion of the Foundation's Board. The Foundation evaluates earnings for the year and the requests from local agencies when determining if a different pay-out percentage needs to be used.

The following table presents financial assets available for general expenditures within one year of August 31, 2025 and 2024:

	2025	2024
Financial assets at year-end		
Cash	$ 91,187	$ 49,354
Certificates of deposit	139,528	183,217
Contributions receivable, net	134,966	122,930
Investments held by Foundation	1,290,958	1,236,843
Total financial assets	1,656,639	1,592,344
Less amounts not available to be used within one year		
Board-designated contingency fund	(125,000)	(125,000)
Investments estimated not to be spent in next 12 months	(1,245,958)	(1,191,843)
Financial assets available to meet cash needs for general expenditures within one year	$ 285,681	$ 275,501

Note 3 - Fair Value Measurements and Disclosures

There are three general valuation techniques that may be used to measure fair value, as described below:

1. Market Approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;
2. Cost Approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
3. Income Approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Assets itemized below were measured at fair value using the market and income approaches. The market approach was used for Level 1 and Level 2 assets. The income approach was used for Level 3 assets.

The following table presents assets measured at fair value on a recurring basis at August 31, 2025:

	Fair Value Measurements at Report Date Using			
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Assets				
Investments				
Corporate bonds	$ -	$ 227,683	$ -	$ 227,683
Cash value life insurance	-	-	10,060	10,060
Exchange-traded/closed-end funds	40,747	-	-	40,747
Mutual funds				
Growth funds	468,071	-	-	468,071
Equity/income funds	194,397	-	-	194,397
Growth/income funds	202,551	-	-	202,551
Bond funds	157,509	-	-	157,509
	$ 1,063,275	$ 227,683	$ 10,060	$ 1,301,018

The following table presents assets measured at fair value on a recurring basis at August 31, 2024:

	Fair Value Measurements at Report Date Using			
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Assets				
Investments				
Corporate bonds	$ -	$ 247,833	$ -	$ 247,833
Cash value life insurance	-	-	9,728	9,728
Exchange-traded/closed-end funds	39,375	-	-	39,375
Mutual funds				
Growth funds	450,168	-	-	450,168
Equity/income funds	197,264	-	-	197,264
Growth/income funds	192,570	-	-	192,570
Bond funds	109,633	-	-	109,633
	$ 989,010	$ 247,833	$ 9,728	$ 1,246,571

During the years ended August 31, 2025 and 2024, there were no transfers into or out of Level 3 of the fair value hierarchy and no purchases and issuances of Level 3 assets or liabilities.

Note 4 - Net Investment Return

Net investment return consists of the following for the years ended August 31, 2025 and 2024:

	2025	2024
Investments		
Interest, dividends and capital gain distributions	$ 81,063	$ 53,635
Net realized and unrealized gains	79,783	135,477
	$ 160,846	$ 189,112

Note 5 - Contributions Receivable

Contributions receivable at August 31, 2025 and 2024, are as follows:

	2025	2024
Receivable within one year	$ 162,366	$ 149,822
Less allowance for uncollectible contributions	(25,000)	(24,000)
Less allowance for service fees	(2,400)	(2,892)
Net contributions receivable	$ 134,966	$ 122,930

The amount of contributions receivable at year-end reflects the total contributions receivable for both the current and future campaigns. Contributions receivable for the next year's campaign were $8,472 and $502 as of August 31, 2025 and 2024, respectively.

Note 6 - Net Assets With Donor Restrictions

Net assets with donor restrictions are as follows:

	2025	2024
Contributions receivable, net of allowance - time restriction	$ 134,966	$ 122,930
Contributions for next year's campaign - time/purpose restriction	59,999	45,848
	$ 194,965	$ 168,778

Net assets were released from restrictions as follows during the years ended August 31, 2025 and 2024:

	2025	2024
Expiration of time restrictions	$ 122,930	$ 116,981
Satisfaction of purpose restrictions		
Local agency distributions and operating expenses	649,008	670,419
	$ 771,938	$ 787,400

Note 7 - In-Kind Contributions

For the years ended August 31, 2025 and 2024, in-kind contributions were without donor restrictions and were utilized as follows:

	2025	2024
Program Services - office supplies	$ 5,394	$ 4,100
Management and General - office supplies	13,484	10,251
Fundraising - office supplies	8,091	6,151
Fundraising - campaign expenses	1,778	1,200
Program services - sponsorship expense	-	300
Fundraising - sponsorship expense	-	300
	$ 28,747	$ 22,302

The value of the contributed supplies and campaign-related expenses are based on vendor-estimated prices of products/services or valued based on identical or similar products/services considering the service/goods' conditions and utility for the use at the time of the contribution.

Note 8 - Operating Leases – Lessee

The Organization leases certain office space for various terms under long-term, non-cancelable operating lease agreements. The leases expire or are cancelable at various dates through 2028, and one lease provides for renewal options through 2034. The Organization included in the determination of the right-of-use assets and lease liabilities any renewal or termination options when the options are reasonably certain to be exercised. The leases provide for rental increases over the term of the lease. Also, the agreements generally require the Organization to pay maintenance, insurance and janitorial services.

The weighted-average discount rate is based on the discount rate implicit in the leases. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the real estate classes of assets. The Organization elected the practical expedient to not separate lease and non-lease components for real estate leases.

Total operating lease cost for the years ended August 31, 2025 and 2024, was $10,560 and $13,810, respectively.

The following table summarizes the supplemental cash flow information for the years ended August 31, 2025 and 2024:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows for operating leases	$ 10,000	$ 12,850

The following summarizes the weighted-average remaining lease term and weighted-average discount rate as of August 31, 2025 and 2024:

	2025	2024
Weighted-average remaining lease term:		
Operating leases	2.67 Years	3.67 Years
Weighted-average discount rate:		
Operating leases	3.64%	3.64%

The future minimum lease payments under non-cancelable operating leases with terms greater than one year are listed below as of August 31, 2025:

	Operating
2026	$ 10,800
2027	11,200
2028	8,000
Total lease payments	30,000
Less interest	(1,401)
Present value of lease liabilities	$ 28,599

Note 9 - Employee Benefit Plan

The Organization has a defined contribution salary deferral plan covering all employees. Under the plan, each eligible employee can contribute up to 6% of their salary, and the Organization matches up to 3% of each eligible employee's salary. Contributions to the plan by the Organization for the years ended August 31, 2025 and 2024, were $6,524 and $6,162, respectively.

Note 10 - Related Party Transactions

The Organization received campaign contributions from Board members totaling $25,798 and $27,687 for the years ended August 31, 2025 and 2024, respectively.

Supplementary Information
August 31, 2025 and 2024

United Way of Northeastern South Dakota, Inc.

Independent Auditor's Report on Supplementary Information

The Board of Directors
United Way of Northeastern South Dakota, Inc.
Aberdeen, South Dakota

We have audited the consolidated financial statements of United Way of Northeastern South Dakota, Inc. (the Organization) as of and for the years ended August 31, 2025 and 2024, and have issued our report thereon dated November 19, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole.

The consolidating statements of financial position and consolidating statements of activities are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Eide Bailly LLP

Aberdeen, South Dakota
November 19, 2025

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United Way of Northeastern South Dakota, Inc.

Consolidating Statement of Financial Position

August 31, 2025

	2025							
	United Way of Northeastern South Dakota Without Donor Restrictions	United Way of Northeastern South Dakota With Donor Restrictions	United Way of Northeastern South Dakota Total	United Way of Northeastern South Dakota Foundation Without Donor Restrictions	United Way of Northeastern South Dakota Foundation With Donor Restrictions	United Way of Northeastern South Dakota Foundation Total	Eliminating Entry	Total
Assets								
Current Assets								
Cash and cash equivalents	$ 2,996	$ 59,999	$ 62,995	$ 28,192	$ -	$ 28,192	$ -	$ 91,187
Certificates of deposit	139,528	-	139,528	-	-	-	-	139,528
Contributions receivable, net of allowances	-	134,966	134,966	-	-	-	-	134,966
Prepaid expenses	4,186	-	4,186	-	-	-	-	4,186
Total current assets	146,710	194,965	341,675	28,192	-	28,192	-	369,867
Property and Equipment								
Furniture and equipment	9,912	-	9,912	-	-	-	-	9,912
Computers and software	1,965	-	1,965	-	-	-	-	1,965
	11,877	-	11,877	-	-	-	-	11,877
Less accumulated depreciation	(7,203)	-	(7,203)	-	-	-	-	(7,203)
Total property and equipment	4,674	-	4,674	-	-	-	-	4,674
Right-of-Use Lease Assets	26,759	-	26,759	-	-	-	-	26,759
Investments	10,060	-	10,060	1,290,958	-	1,290,958	-	1,301,018
	$ 188,203	$ 194,965	$ 383,168	$ 1,319,150	$ -	$ 1,319,150	$ -	$ 1,702,318
Liabilities and Net Assets								
Current Liabilities								
Current maturities of operating lease liabilities	$ 9,956	$ -	$ 9,956	$ -	$ -	$ -	$ -	$ 9,956
Accrued vacation	3,063	-	3,063	-	-	-	-	3,063
Total current liabilities	13,019	-	13,019	-	-	-	-	13,019
Long-Term Liabilities								
Operating lease liabilities, less current maturities	18,643	-	18,643	-	-	-	-	18,643
Total liabilities	31,662	-	31,662	-	-	-	-	31,662
Net Assets								
Without donor restrictions								
Undesignated, available for general activities	31,541	-	31,541	1,319,150	-	1,319,150	-	1,350,691
Designated								
Contingency fund	125,000	-	125,000	-	-	-	-	125,000
Total net assets without donor restrictions	156,541	-	156,541	1,319,150	-	1,319,150	-	1,475,691
With donor restrictions	-	194,965	194,965	-	-	-	-	194,965
Total net assets	156,541	194,965	351,506	1,319,150	-	1,319,150	-	1,670,656
	$ 188,203	$ 194,965	$ 383,168	$ 1,319,150	$ -	$ 1,319,150	$ -	$ 1,702,318

United Way of Northeastern South Dakota, Inc.

Consolidating Statement of Financial Position

August 31, 2024

	2024							
	United Way of Northeastern South Dakota Without Donor Restrictions	United Way of Northeastern South Dakota With Donor Restrictions	United Way of Northeastern South Dakota Total	United Way of Northeastern South Dakota Foundation Without Donor Restrictions	United Way of Northeastern South Dakota Foundation With Donor Restrictions	United Way of Northeastern South Dakota Foundation Total	Eliminating Entry	Total
Assets								
Current Assets								
Cash and cash equivalents	$ 1,706	$ 45,848	$ 47,554	$ 1,800	$ -	$ 1,800	$ -	$ 49,354
Certificates of deposit	183,217	-	183,217	-	-	-	-	183,217
Contributions receivable, net of allowances	-	122,930	122,930	-	-	-	-	122,930
Prepaid expenses	6,363	-	6,363	-	-	-	-	6,363
Total current assets	191,286	168,778	360,064	1,800	-	1,800	-	361,864
Property and Equipment								
Furniture and equipment	9,912	-	9,912	-	-	-	-	9,912
Computers and software	1,803	-	1,803	-	-	-	-	1,803
	11,715	-	11,715	-	-	-	-	11,715
Less accumulated depreciation	(6,735)	-	(6,735)	-	-	-	-	(6,735)
Total property and equipment	4,980	-	4,980	-	-	-	-	4,980
Right-of-Use Lease Assets	36,128	-	36,128	-	-	-	-	36,128
Investments	9,728	-	9,728	1,236,843	-	1,236,843	-	1,246,571
	$ 242,122	$ 168,778	$ 410,900	$ 1,238,643	$ -	$ 1,238,643	$ -	$ 1,649,543
Liabilities and Net Assets								
Current Liabilities								
Current maturities of operating lease liabilities	$ 8,809	$ -	$ 8,809	$ -	$ -	$ -	$ -	$ 8,809
Accrued vacation	1,692	-	1,692	-	-	-	-	1,692
Total current liabilities	10,501	-	10,501	-	-	-	-	10,501
Long-Term Liabilities								
Operating lease liabilities, less current maturities	28,599	-	28,599	-	-	-	-	28,599
Total liabilities	39,100	-	39,100	-	-	-	-	39,100
Net Assets								
Without donor restrictions								
Undesignated, available for general activities	78,022	-	78,022	1,238,643	-	1,238,643	-	1,316,665
Designated								
Contingency fund	125,000	-	125,000	-	-	-	-	125,000
Total net assets without donor restrictions	203,022	-	203,022	1,238,643	-	1,238,643	-	1,441,665
With donor restrictions	-	168,778	168,778	-	-	-	-	168,778
Total net assets	203,022	168,778	371,800	1,238,643	-	1,238,643	-	1,610,443
	$ 242,122	$ 168,778	$ 410,900	$ 1,238,643	$ -	$ 1,238,643	$ -	$ 1,649,543

United Way of Northeastern South Dakota, Inc.

Consolidating Statement of Activities

Year Ended August 31, 2025

	2025							
	United Way of Northeastern South Dakota Without Donor Restrictions	United Way of Northeastern South Dakota With Donor Restrictions	United Way of Northeastern South Dakota Total	United Way of Northeastern South Dakota Foundation Without Donor Restrictions	United Way of Northeastern South Dakota Foundation With Donor Restrictions	United Way of Northeastern South Dakota Foundation Total	Eliminating Entry	Total
Public Support and Revenue								
Public support								
Campaign contributions	$ -	$ 815,733	$ 815,733	$ -	$ -	$ -	$ -	$ 815,733
Less amounts designated by donors for specific organizations	-	(17,608)	(17,608)	-	-	-	-	(17,608)
Total public support	-	798,125	798,125	-	-	-	-	798,125
Other revenue								
Net investment return	13,699	-	13,699	147,147	-	147,147	-	160,846
Grant income	54,991	-	54,991	-	-	-	(52,491)	2,500
In-kind contributions	28,747	-	28,747	-	-	-	-	28,747
Sponsorship income	7,303	-	7,303	-	-	-	-	7,303
Miscellaneous income	2,331	-	2,331	-	-	-	-	2,331
Total other revenue	107,071	-	107,071	147,147	-	147,147	(52,491)	201,727
Net assets released from restrictions	771,938	(771,938)	-	-	-	-	-	-
Total public support and revenue	879,009	26,187	905,196	147,147	-	147,147	(52,491)	999,852
Expenses								
Program services expense								
Distributions to local agencies	517,880	-	517,880	63,741	-	63,741	(52,491)	529,130
Less allocations funded through donor designations	(17,608)	-	(17,608)	-	-	-	-	(17,608)
Total distributions to local agencies	500,272	-	500,272	63,741	-	63,741	(52,491)	511,522
Program services - local agencies	131,526	-	131,526	-	-	-	-	131,526
Total program services expenses	631,798	-	631,798	63,741	-	63,741	(52,491)	643,048
Supporting services expense								
Management and general	145,664	-	145,664	2,899	-	2,899	-	148,563
Fundraising	148,028	-	148,028	-	-	-	-	148,028
Total supporting services expenses	293,692	-	293,692	2,899	-	2,899	-	296,591
Total expenses	925,490	-	925,490	66,640	-	66,640	(52,491)	939,639
Change in Net Assets	(46,481)	26,187	(20,294)	80,507	-	80,507	-	60,213
Net Assets, Beginning of Year	203,022	168,778	371,800	1,238,643	-	1,238,643	-	1,610,443
Net Assets, End of Year	$ 156,541	$ 194,965	$ 351,506	$ 1,319,150	$ -	$ 1,319,150	$ -	$ 1,670,656

United Way of Northeastern South Dakota, Inc.

Consolidating Statement of Activities

Year Ended August 31, 2024

	2024							
	United Way of Northeastern South Dakota Without Donor Restrictions	United Way of Northeastern South Dakota With Donor Restrictions	United Way of Northeastern South Dakota Total	United Way of Northeastern South Dakota Foundation Without Donor Restrictions	United Way of Northeastern South Dakota Foundation With Donor Restrictions	United Way of Northeastern South Dakota Foundation Total	Eliminating Entry	Total
Public Support and Revenue								
Public support								
Campaign contributions	$ -	$ 832,634	$ 832,634	$ -	$ -	$ -	$ -	$ 832,634
Less amounts designated by donors for specific organizations	-	(17,608)	(17,608)	-	-	-	-	(17,608)
Total public support	-	815,026	815,026	-	-	-	-	815,026
Other revenue								
Net investment return	4,834	-	4,834	184,278	-	184,278	-	189,112
Grant income	30,000	-	30,000	-	-	-	(30,000)	-
In-kind contributions	22,302	-	22,302	-	-	-	-	22,302
Sponsorship income	14,830		14,830	-	-	-	(5,500)	9,330
Miscellaneous income	6,464	-	6,464	-	-	-	-	6,464
Total other revenue	78,430	-	78,430	184,278	-	184,278	(35,500)	227,208
Net assets released from restrictions	787,400	(787,400)	-	-	-	-	-	-
Total public support and revenue	865,830	27,626	893,456	184,278	-	184,278	(35,500)	1,042,234
Expenses								
Program services expense								
Distributions to local agencies	541,433	-	541,433	61,368	-	61,368	(30,000)	572,801
Less allocations funded through donor designations	(17,608)	-	(17,608)	-	-	-	-	(17,608)
Total distributions to local agencies	523,825	-	523,825	61,368	-	61,368	(30,000)	555,193
Program services - local agencies	97,309	-	97,309	-	-	-	(750)	96,559
Total program services expenses	621,134	-	621,134	61,368	-	61,368	(30,750)	651,752
Supporting services expense								
Management and general	144,674	-	144,674	2,596	-	2,596	-	147,270
Fundraising	134,769	-	134,769	-	-	-	(4,750)	130,019
Total supporting services expenses	279,443	-	279,443	2,596	-	2,596	(4,750)	277,289
Total expenses	900,577	-	900,577	63,964	-	63,964	(35,500)	929,041
Change in Net Assets	(34,747)	27,626	(7,121)	120,314	-	120,314	-	113,193
Net Assets, Beginning of Year	237,769	141,152	378,921	1,118,329	-	1,118,329	-	1,497,250
Net Assets, End of Year	$ 203,022	$ 168,778	$ 371,800	$ 1,238,643	$ -	$ 1,238,643	$ -	$ 1,610,443