



CDS | Cooperative
Development **Services**

CDS | Cooperative
Development **Fund of CDS**

**COMBINED FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

For the Years Ended August 31, 2025 and 2024

**Cooperative Development Services, Inc.
and Cooperative Development Fund of CDS**

Table of Contents

August 31, 2025 and 2024

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	i – iii
FINANCIAL STATEMENTS:	
Combined Statements of Financial Position	1
Combined Statements of Activities.....	2
Combined Statements of Functional Expenses	3
Combined Statements of Cash Flows.....	4
Notes to Combined Financial Statements	5 – 12
SUPPLEMENTARY INFORMATION:	
Combining Statement of Financial Position.....	13
Combining Statement of Activities	14



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cooperative Development Services, Inc. and
Cooperative Development Fund of CDS
Eagan, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the combined financial statements of Cooperative Development Services, Inc. (a nonprofit organization) and Cooperative Development Fund of CDS (a nonprofit organization), which comprise the combined statements of financial position as of August 31, 2025 and 2024, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of Cooperative Development Services, Inc. and Cooperative Development Fund of CDS as of August 31, 2025 and 2024, 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") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS"), issued by the Comptroller General of the United States. 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 Cooperative Development Services, Inc. and Cooperative Development Fund of CDS, 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 combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cooperative Development Services, Inc.'s and Cooperative Development Fund of CDS's ability to continue as a going concern for one year after the date that the combined financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 and GAS 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 combined financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 Cooperative Development Services, Inc.'s and Cooperative Development Fund of CDS'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 Cooperative Development Services, Inc.'s and Cooperative Development Fund of CDS'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.



Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary combining information is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and net assets of the individual organizations and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *GAS*, we will also issue a report on our consideration of Cooperative Development Services, Inc.'s and Cooperative Development Fund of CDS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cooperative Development Services, Inc.'s and Cooperative Development Fund of CDS's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *GAS* in considering Cooperative Development Services, Inc.'s and Cooperative Development Fund of CDS's internal control over financial reporting and compliance.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
January 19, 2026

**COOPERATIVE DEVELOPMENT SERVICES, INC.
AND COOPERATIVE DEVELOPMENT FUND OF CDS**

**COMBINED STATEMENTS OF FINANCIAL POSITION
August 31, 2025 and 2024**

<u>ASSETS</u>	2025	2024
Current Assets:		
Cash and Cash Equivalents	\$ 265,183	\$ 68,410
Restricted Cash and Cash Equivalents	517,926	292,862
Governmental Contracts Receivable	20,401	58,340
Accounts Receivable	43,409	48,959
Promises to Give	3,249	250
Prepaid Expenses	243	243
Other Investments	10	10
Total Current Assets	850,421	469,074
Equipment:		
Equipment	8,878	8,878
Less: Accumulated Depreciation	(8,878)	(8,878)
Equipment - Net	-	-
Other Assets:		
Certificates of Deposit	48,215	46,811
Total Other Assets	48,215	46,811
Total Assets	\$ 898,636	\$ 515,885
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 124,140	\$ 25,704
Lines of Credit	20,000	20,000
Accrued Payroll and Taxes	11,640	7,699
Deferred Revenue	14,016	8,548
Total Current Liabilities	169,796	61,951
Net Assets:		
Net Assets with Donor Restrictions	516,578	241,766
Net Assets without Donor Restrictions	212,262	212,168
Total Net Assets	728,840	453,934
Total Liabilities and Net Assets	\$ 898,636	\$ 515,885

The accompanying notes are an integral part of the financial statements.

**COOPERATIVE DEVELOPMENT SERVICES, INC.
AND COOPERATIVE DEVELOPMENT FUND OF CDS**

**COMBINED STATEMENTS OF ACTIVITIES
For the Years Ended August 31, 2025 and 2024**

NET ASSETS WITHOUT DONOR RESTRICTIONS

<u>SUPPORT AND REVENUE</u>	2025	2024
Grants and Contributions	\$ 1,376,813	\$ 628,341
Governmental Contracts	204,857	224,228
Program Service Revenue:		
Consulting Income	142,580	95,761
Membership Dues	31,123	30,709
Registration Fees	160,094	141,200
Other	5,037	4,087
Interest Income	5,770	2,087
Miscellaneous Income	5,331	1,266
Total Support and Revenue	<u>1,931,605</u>	<u>1,127,679</u>

NET ASSETS RELEASED FROM RESTRICTIONS

Satisfaction of Purpose Restrictions	<u>84,290</u>	<u>971,596</u>
Total Support and Revenue without Donor Restrictions	<u>2,015,895</u>	<u>2,099,275</u>

EXPENSES

Program	1,799,558	1,827,674
Management and General	207,600	298,967
Fundraising	<u>8,644</u>	<u>1,353</u>
Total Expenses	<u>2,015,802</u>	<u>2,127,994</u>

Change in Net Assets without Donor Restrictions	<u>93</u>	<u>(28,719)</u>
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NET ASSETS WITH DONOR RESTRICTIONS

Grants and Contributions	359,103	110,679
Net Assets Released from Restrictions		
Satisfaction of Purpose Restrictions	<u>(84,290)</u>	<u>(971,596)</u>
Change in Net Assets with Donor Restrictions	<u>274,813</u>	<u>(860,917)</u>
Increase (Decrease) in Net Assets	274,906	(889,636)
Net Assets - Beginning of Year	<u>453,934</u>	<u>1,343,570</u>
Net Assets - End of Year	<u>\$ 728,840</u>	<u>\$ 453,934</u>

The accompanying notes are an integral part of the financial statements.

**COOPERATIVE DEVELOPMENT SERVICES, INC.
AND COOPERATIVE DEVELOPMENT FUND OF CDS**

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended August 31, 2025 and 2024

2025

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses:				
Grants to Others	\$ 1,377,219	\$ -	\$ -	\$ 1,377,219
Personnel	262,936	101,641	5,738	370,315
Accounting	-	39,594	-	39,594
Consultants	43,174	7,890	753	51,817
Office Expenses	12,954	5,007	283	18,244
Travel Expenses	12,600	1,834	-	14,434
Interest and Bank Fees	-	1,227	-	1,227
Insurance	-	12,199	-	12,199
Meeting Expenses	85,700	33,128	1,870	120,698
Dues and Subscriptions	-	5,080	-	5,080
Credit Loss Expense	4,975	-	-	4,975
	<u>\$ 1,799,558</u>	<u>\$ 207,600</u>	<u>\$ 8,644</u>	<u>\$ 2,015,802</u>

2024

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses:				
Grants to Others	\$ 1,555,194	\$ -	\$ -	\$ 1,555,194
Personnel	179,847	189,910	1,024	370,781
Accounting	-	21,611	-	21,611
Consultants	30,688	-	-	30,688
Office Expenses	8,686	9,172	49	17,907
Travel Expenses	4,138	14,002	-	18,140
Interest and Bank Fees	-	653	-	653
Insurance	-	8,484	-	8,484
Meeting Expenses	49,121	51,869	280	101,270
Dues and Subscriptions	-	3,266	-	3,266
	<u>\$ 1,827,674</u>	<u>\$ 298,967</u>	<u>\$ 1,353</u>	<u>\$ 2,127,994</u>

The accompanying notes are an integral part of the financial statements.

**COOPERATIVE DEVELOPMENT SERVICES, INC.
AND COOPERATIVE DEVELOPMENT FUND OF CDS**

**COMBINED STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2025 and 2024**

	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 274,906	\$ (889,636)
Changes in assets and liabilities:		
Governmental Contracts Receivable	37,939	3,998
Accounts Receivable	5,550	(25,845)
Promises to Give	(2,999)	-
Accounts Payable	98,436	17,379
Accrued Payroll and Taxes	3,941	(17,640)
Deferred Revenue	5,468	(89)
Net cash provided (used) by operating activities	423,241	(911,833)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest Retained in Certificates of Deposit	(1,404)	(1,368)
Net cash provided (used) by investing activities	(1,404)	(1,368)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from Line of Credit	-	20,000
Net cash provided (used) by financing activities	-	20,000
Increase (Decrease) in cash and cash equivalents	421,837	(893,201)
Cash and cash equivalents - beginning of year	361,272	1,254,473
Cash and cash equivalents - end of year	\$ 783,109	\$ 361,272
Supplemental Data:		
Cash Paid for Interest	\$ 754	\$ 653
Reconciliation of cash and cash equivalents to combined statements of financial position:		
Cash and Cash Equivalents	\$ 265,183	\$ 68,410
Restricted Cash and Cash Equivalents	517,926	292,862
	\$ 783,109	\$ 361,272

The accompanying notes are an integral part of the financial statements.

**COOPERATIVE DEVELOPMENT SERVICES, INC.
AND COOPERATIVE DEVELOPMENT FUND OF CDS**
Notes to Combined Financial Statements
August 31, 2025 and 2024

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

Cooperative Development Services, Inc. and Cooperative Development Fund of CDS, assists existing cooperatives and promotes the formation of new cooperative businesses in the upper Midwest region and around the United States of America. The Organizations funded primarily by grants and contracts to perform consulting and other services.

The following summary of significant accounting policies is presented to enhance the usefulness of the financial statements.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting which recognizes income when earned and expenses when incurred.

Combination Policy

These financial statements include the accounts of Cooperative Development Services, Inc. and Cooperative Development Fund of CDS. The organizations are under common ownership and control. All significant intercompany transactions and balances have been eliminated. Unless otherwise noted, these combined entities are hereinafter referred to as “the Organization.”

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets with donor restrictions - Consist of net assets that are subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Organization’s choices of when to use these resources.

Net assets without donor restrictions - Consist of unrestricted amounts that are available for use in carrying out the mission of the Organization and include those expendable resources which have been designated for special use by the Organization’s Board of Directors, if any.

Estimates

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

**COOPERATIVE DEVELOPMENT SERVICES, INC.
AND COOPERATIVE DEVELOPMENT FUND OF CDS**
Notes to Combined Financial Statements
August 31, 2025 and 2024

1. Nature of Activities and Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with a maturity of three months or less as of the purchase date to be cash equivalents. As of August 31, 2025 and August 31, 2024, total cash, cash equivalents and restricted cash are distributed as follows:

	<u>2025</u>	<u>2024</u>
Unrestricted savings, checking, and money market accounts	\$ 265,183	\$ 68,410
Restricted savings accounts	517,926	292,862
Total Cash, Cash Equivalents, and Restricted Cash	<u>\$ 783,109</u>	<u>\$ 361,272</u>

Accounts Receivable and Allowance for Credit Losses

The Organization provides its consulting and promotion services to a broad range of customers throughout the United States. Payment is based on terms outlined in invoices. Historically, payment is received timely after invoices are sent. Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for accounts receivable held at August 31, 2025 and 2024 because the composition of the accounts receivable at those dates are consistent with that used in the developing the historical credit loss data (i.e., similar risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. Accordingly, any allowance for credit losses has been considered immaterial to the financial statements. If amounts become uncollectible, they will be charged to operations when that determination is made. Credit loss expense of \$4,975 was charged for the year ended August 31, 2025 and no credit loss expense was charged for the year ended August 31, 2024.

Equipment

Equipment purchases in excess of \$2,500 are capitalized at cost and depreciated using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

**COOPERATIVE DEVELOPMENT SERVICES, INC.
AND COOPERATIVE DEVELOPMENT FUND OF CDS**
Notes to Combined Financial Statements
August 31, 2025 and 2024

1. Nature of Activities and Significant Accounting Policies (Continued)

Promises to Give

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At August 31, 2024 and 2025, all promises to give are expected to be collected in less than one year and as a result no allowances were recorded.

Contributions

Contributions received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. When a 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 combined statements of activities as net assets released from restrictions.

Revenue from contributions is recognized when received or when an unconditional pledge is received. Contributions received after year end, which are postmarked before year end, are recorded as a receivable and revenue in the year postmarked.

Revenue Recognition

Certain programs of the Organization are funded by Federal contracts. Revenue from these contracts is based on the actual allowable costs of providing such services up to the maximum amount specified in the contracts. Such amounts earned but not received are reported as governmental contracts receivable. Costs allocated to these programs are in accordance with established procedures and are subject to audit. No determination has been made regarding the effect, if any, such audits could have on the financial statements.

Conditional 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. Revenues from governmental grants are recognized in the accompanying financial statements in the accounting period when the related expenditures are incurred and in an amount equal to the related expenditures. Consequently, conditional contributions approximating \$168,761 on August 31, 2025 and \$1,002,506 on August 31, 2024, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements for the years then ended.

**COOPERATIVE DEVELOPMENT SERVICES, INC.
AND COOPERATIVE DEVELOPMENT FUND OF CDS**
Notes to Combined Financial Statements
August 31, 2025 and 2024

1. Nature of Activities and Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

For consulting and other services, including senior cooperative housing program workshop and conference registration fees, the Organization recognizes contract revenue at a point in time when the related services are accomplished or when the workshops and conferences have taken place. The Organization's contracts and resulting revenue are directly impacted by the demand for the Organization's services and programs. The Organization's contracts contain consideration terms based on the type of services and programs to be performed by the Organization for the customer and predetermined rates. The Organization collects annual membership dues related to the senior housing program and they are recognized as revenue throughout the year. As such, a portion of the dues are considered deferred at year end.

Receivables and liabilities for contracts with customers for the years ended August 31, 2025 and 2024 are as follows:

<u>Receivables from Contracts with Customers</u>	<u>2025</u>	<u>2024</u>
Accounts receivable, beginning of year	<u>\$ 48,959</u>	<u>\$ 23,114</u>
Accounts receivable, end of year	<u>\$ 43,409</u>	<u>\$ 48,959</u>
<u>Contract Liabilities from Contracts with Customers</u>	<u>2025</u>	<u>2024</u>
Deferred revenue, beginning of year	<u>\$ 8,548</u>	<u>\$ 8,637</u>
Deferred revenue, end of year	<u>\$ 14,016</u>	<u>\$ 8,548</u>

Functional Allocation of Expenses

Salaries and related expenses are allocated to the various program and supporting activities based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical, or are allocated based on wages. The costs of providing the various programs and other activities can be found in the combined statements of functional expenses. Accordingly, these costs have been allocated among the program services and supporting activities benefited. The following describes those activities:

Program Services

The Organization provides consulting, education and research services to new cooperatives, with an emphasis on the development of alternative food systems. The Organization also promotes cooperative development and marketing and production of organic and sustainably produced food products as part of this program.

Management and General Activities

Management and general activities consist of general administrative functions, Board and member relations, and coordination with other cooperative service providers.

**COOPERATIVE DEVELOPMENT SERVICES, INC.
AND COOPERATIVE DEVELOPMENT FUND OF CDS**
Notes to Combined Financial Statements
August 31, 2025 and 2024

1. Nature of Activities and Significant Accounting Policies (Continued)

Functional Allocation of Expenses (Continued)

Fundraising Activities

Fundraising activities consist primarily of grant writing.

Grants Made

Grants are made from available resources in accordance with donor and/or Board recommendations. Liabilities for grants made are recognized when approved by the Executive Director and payment is generally made shortly thereafter.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying combined financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Date of Management's Review

Management has evaluated subsequent events through January 19, 2026, the date which the financial statements were available to be issued.

Income Taxes

The activities of Cooperative Development Services, Inc. are classified as exempt under Internal Revenue Service ("IRS") section 501(c)(6) and the activities of Cooperative Development Fund of CDS are classified as exempt under IRS section 501(c)(3). The 501(c)(3) organization is classified as a public charity. Neither organization is subject to federal and state income taxes except for taxes on unrelated business income ("UBI"). The Organization's federal exempt organization returns are subject to examination by the IRS, generally for three years after they are filed. With few exceptions, the Organization is no longer subject to such examinations for tax years before 2021.

2. Concentrations of Credit Risk

Financial instruments that are exposed to concentration of credit risk consist of cash and cash equivalents. The Organization's cash balances at financial institutions are insured by the National Credit Union Administration ("NCUA") up to \$250,000. At August 31, 2025, the Organization had \$464,749 deposits in excess of federally insured limits. At August 31, 2024, the Organization had \$147,430 deposits in excess of federally insured limits.

**COOPERATIVE DEVELOPMENT SERVICES, INC.
AND COOPERATIVE DEVELOPMENT FUND OF CDS**
Notes to Combined Financial Statements
August 31, 2025 and 2024

3. Fiscally Sponsored Cooperatives

As part of its mission, the Organization offers existing cooperatives an option through fiscal sponsorship. The Organization sponsors cooperatives with a formal arrangement. These arrangements follow a fiscal sponsorship model with the following characteristics:

- Donations and service fees are revenues recognized by the Organization
- Costs are monitored, processed and paid by the Organization, or reimbursed to the cooperatives via a formal request and sufficient documentation to substantiate the request

The agreements with each cooperative outline the approved expenses, grants, and projects for which the fiscal sponsor relationship can be used. At August 31, 2025 and August 31, 2024, the Organization had more than 48 and 35 fiscally sponsored cooperatives, respectively.

4. Liquidity and Availability of Resources

The Organization monitors its liquidity so that it is able to meet its operating needs. The table on the next page reflects the Organization's financial assets as of August 31, 2025 and 2024, reduced by amounts not available for general expenditures within one year. Financial assets are not considered available when not liquid or not convertible into cash within one year, assets held for others, assets restricted by donors for specific uses, perpetual endowments and accumulated earnings net of appropriations within one year, or because the Board of Directors have designated funds for specific reserves. Should any unforeseen liquidity needs arise, the Organization could also draw upon its two lines of credit with maximum availability of \$45,000 and \$60,000 (as discussed in Note 5). The balances below consist of the combined financial recourses of both Cooperative Development Services, Inc. and Cooperative Development Fund of CDS.

**COOPERATIVE DEVELOPMENT SERVICES, INC.
AND COOPERATIVE DEVELOPMENT FUND OF CDS**
Notes to Combined Financial Statements
August 31, 2025 and 2024

4. Liquidity and Availability of Resources (Continued)

See the combining statement of financial position in the supplementary information for disaggregation between organizations.

	2025	2024
Cash and cash equivalents	\$ 265,183	\$ 68,410
Restricted cash and cash equivalents	517,926	292,862
Investments	10	10
Certificates of deposit	48,215	46,811
Governmental contracts receivable	20,401	58,340
Accounts receivable	43,409	48,959
Promises to give	3,249	250
Total financial assets	898,393	515,642
Less those unavailable for general expenditure within one year due to:		
Donor restrictions	(516,578)	(241,766)
Certificates of deposit	(48,215)	(46,811)
	(564,793)	(288,577)
Add liquidity resources:		
Bank lines of credit available for use	85,000	85,000
Financial assets available to meet cash needs for expenditures within one year	\$ 418,600	\$ 312,065

5. Lines of Credit

The Organization has two lines of credit. One carries an interest rate of 3.467%, permits borrowing up to \$45,000 and matures on February 15, 2028. At August 31, 2025 and August 31, 2024, the outstanding balance of this line was \$20,000. The Organization plans to pay back this balance within one year, so it is reported as a current liability on the statements of financial position.

The other line of credit carries an interest rate of 7.50%, permits borrowing up to \$60,000, and matures on February 15, 2028. This line did not have an outstanding balance at August 31, 2025, or August 31, 2024. Both lines are collateralized by certificates of deposit, deposit accounts, and business assets, which limits The Organization's usage of these assets.

There was an interest expense of \$754 for the year ended August 31, 2025 and an interest expense of \$566 for the year August 31, 2024.

**COOPERATIVE DEVELOPMENT SERVICES, INC.
AND COOPERATIVE DEVELOPMENT FUND OF CDS**
Notes to Combined Financial Statements
August 31, 2025 and 2024

6. Net Assets

Net Assets with Donor Restrictions

Net assets with donor restrictions as of August 31, 2025 and 2024 consisted of the following:

	2025	2024
Cooperative and Rural Business Development	\$ 40,580	\$ 40,580
Support for Cooperative Entrepreneurs	475,998	201,186
Total Net Assets with Donor Restrictions	\$ 516,578	\$ 241,766

7. Retirement Plan

The Organization has a 401(k) profit sharing plan for which employees become eligible with one year of service. Employer contributions equal 7% of an employee’s compensation and vest over 5 years. Retirement expense for the years ended August 31, 2025 and 2024 was \$15,065 and \$20,035, respectively.

8. Major Source of Revenue

The Organization received 9% and 17% of its revenue from the United States Department of Agriculture under annual contracts in 2025 and 2024, respectively. Cooperative Development Services, Inc. received 32% and 42% of its revenue from the United States Department of Agriculture in 2025 and 2024, respectively. A reduction in the level of funding from the United States Department of Agriculture would significantly impact the Organization’s ability to provide programming at current levels. Contracts with the United States Department of Agriculture have been awarded and approved through September 29, 2026 in the amount of \$357,778.

9. Subsequent Events and Commitments

The Organization secured grant funding as follows:

- In August 2025, the Organization was awarded a one-year conditional grant for \$75,000.
- In September 2025, the Organization was awarded a one-year conditional grant for \$77,795.

SUPPLEMENTARY INFORMATION

**COOPERATIVE DEVELOPMENT SERVICES, INC.
AND COOPERATIVE DEVELOPMENT FUND OF CDS**

**COMBINING STATEMENT OF FINANCIAL POSITION
August 31, 2025**

<u>ASSETS</u>	<u>Cooperative Development Fund of CDS</u>	<u>Cooperative Development Services</u>	<u>Eliminations</u>	<u>Total</u>
Current Assets:				
Cash and Cash Equivalents	\$ 146,569	\$ 118,614	\$ -	\$ 265,183
Restricted Cash and Cash Equivalents	517,926	-	-	517,926
Governmental Contracts Receivable	-	20,401	-	20,401
Accounts Receivable	-	43,409	-	43,409
Promises to Give	3,249	-	-	3,249
Prepaid Expenses	-	243	-	243
Due from Related Organization	-	12,485	(12,485)	-
Other Investments	10	-	-	10
Total Current Assets	667,754	195,152	(12,485)	850,421
Equipment:				
Equipment	-	8,878	-	8,878
Less: Accumulated Depreciation	-	(8,878)	-	(8,878)
Equipment - Net	-	-	-	-
Other Assets:				
Certificates of Deposit	-	48,215	-	48,215
Total Other Assets	-	48,215	-	48,215
Total Assets	\$ 667,754	\$ 243,367	\$ (12,485)	\$ 898,636
 <u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts Payable	\$ 82,301	\$ 41,839	\$ -	\$ 124,140
Lines of Credit	-	20,000	-	20,000
Accrued Payroll and Taxes	-	11,640	-	11,640
Deferred Revenue	-	14,016	-	14,016
Due to Related Organization	12,485	-	(12,485)	-
Total Current Liabilities	94,786	87,495	(12,485)	169,796
Net Assets:				
Net Assets with Donor Restrictions	516,578	-	-	516,578
Net Assets without Donor Restrictions	56,390	155,872	-	212,262
Total Net Assets	572,968	155,872	-	728,840
Total Liabilities and Net Assets	\$ 667,754	\$ 243,367	\$ (12,485)	\$ 898,636

**COOPERATIVE DEVELOPMENT SERVICES, INC.
AND COOPERATIVE DEVELOPMENT FUND OF CDS**

COMBINING STATEMENT OF ACTIVITIES

For the Year Ended August 31, 2025

NET ASSETS WITHOUT DONOR RESTRICTIONS	Cooperative Development Fund of CDS	Cooperative Development Services	Eliminations	Total
<u>SUPPORT AND REVENUE</u>				
Grants and Contributions	\$ 1,376,813	\$ -	\$ -	\$ 1,376,813
Governmental Contracts	-	204,857	-	204,857
Program Service Revenue:				
Consulting Income	13,443	129,137	-	142,580
Membership Dues	-	31,123	-	31,123
Registration Fees	-	160,094	-	160,094
Other	-	5,037	-	5,037
Interest	4,308	1,462	-	5,770
Income from Related Organization	-	105,591	(105,591)	-
Miscellaneous	4,029	1,302	-	5,331
Total Support and Revenue	<u>1,398,593</u>	<u>638,603</u>	<u>(105,591)</u>	<u>1,931,605</u>
<u>NET ASSETS RELEASED FROM RESTRICTIONS</u>				
Satisfaction of Purpose Restrictions	<u>84,290</u>	<u>-</u>	<u>-</u>	<u>84,290</u>
Total Support and Revenue without Donor Restrictions	<u>1,482,883</u>	<u>638,603</u>	<u>(105,591)</u>	<u>2,015,895</u>
<u>EXPENSES</u>				
Grants to Others	1,377,219	-	-	1,377,219
Personnel	-	370,315	-	370,315
Accounting	12,254	27,340	-	39,594
Consultants	9,352	42,465	-	51,817
Office Expenses	12,458	5,786	-	18,244
Travel Expenses	3,170	11,264	-	14,434
Interest and Bank Fees	228	999	-	1,227
Insurance	-	12,199	-	12,199
Dues and Subscriptions	-	5,080	-	5,080
Meeting Expense	1,980	118,718	-	120,698
Credit Loss Expense	-	4,975	-	4,975
Expenses Paid to Related Organization	<u>105,591</u>	<u>-</u>	<u>(105,591)</u>	<u>-</u>
Total Expenses	<u>1,522,252</u>	<u>599,141</u>	<u>(105,591)</u>	<u>2,015,802</u>
Change in Net Assets without Donor Restrictions	<u>(39,369)</u>	<u>39,462</u>	<u>-</u>	<u>93</u>
<u>NET ASSETS WITH DONOR RESTRICTIONS</u>				
Grants and Contributions	359,103	-	-	359,103
Net Assets Released from Restrictions				
Satisfaction of Purpose Restrictions	<u>(84,290)</u>	<u>-</u>	<u>-</u>	<u>(84,290)</u>
Change in Net Assets with Donor Restrictions	<u>274,813</u>	<u>-</u>	<u>-</u>	<u>274,813</u>
Increase (Decrease) in Net Assets	235,444	39,462	-	274,906
Net Assets - Beginning of Year	<u>337,524</u>	<u>116,410</u>	<u>-</u>	<u>453,934</u>
Net Assets - End of Year	<u>\$ 572,968</u>	<u>\$ 155,872</u>	<u>\$ -</u>	<u>\$ 728,840</u>