

GOODWILL INDUSTRIES OF  
THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
Years Ended December 31, 2022 and 2021

## TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT .....	1-3
MANAGEMENT LETTER TO STAKEHOLDERS .....	4
FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position.....	5
Consolidated Statements of Activities .....	6-7
Consolidated Statements of Functional Expenses .....	8-11
Consolidated Statements of Cash Flows .....	12
Notes to Consolidated Financial Statements.....	13-38
OTHER FINANCIAL INFORMATION.....	39
Supplemental Statement of Financial Position Without Eliminations.....	40
Supplemental Statement of Activities	
Goodwill Industries of the Southern Rivers, Inc. ....	41-42
Supplemental Statement of Activities	
Columbus Community Campus Condominium Association, Inc.....	43-44
Supplemental Statement of Activities	
Powerworks Industries, Inc.....	45-46



business & advisory services  
putting it all together

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**INDEPENDENT AUDITOR'S REPORT**

Members

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To the Board of Directors  
Goodwill Industries of the Southern Rivers, Inc. and Related Entities  
Columbus, Georgia

**Opinion**

We have audited the accompanying consolidated financial statements of Goodwill Industries of the Southern Rivers, Inc. (a nonprofit organization) and related entities (Columbus Community Campus Condominium Association, Inc. (a nonprofit corporation) and Powerworks Industries, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Goodwill Industries of the Southern Rivers, Inc. and related entities as of December 31, 2022 and 2021, 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 Goodwill Industries of the Southern Rivers, Inc. and related entities 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.

**Responsibilities of Management for the Financial Statements**

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



## **Responsibilities of Management for the Financial Statements (Continued)**

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 Goodwill Industries of the Southern Rivers, Inc. and related entities' 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 of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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, including omissions, 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 Goodwill Industries of the Southern Rivers, Inc. and related entities' 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 Goodwill Industries of the Southern Rivers, Inc. and related entities' 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 financial statements as a whole. The Supplemental Statement of Financial Position Without Eliminations, Supplemental Statement of Activities – Goodwill Industries of the Southern Rivers, Inc., Supplemental



### **Supplementary Information (Continued)**

Statement of Activities – Columbus Community Campus Condominium Association, Inc., Supplemental Statement of Activities – Powerworks Industries, Inc., and Schedule of State Awards Expended are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

### **Other Information Included in the Management Letter to Stakeholders**

Management is responsible for the other information included in the Management Letter to Stakeholders. The other information comprises the Management Letter to Stakeholders but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



FOUNTAIN, ARRINGTON, BASS, MERCER & LEE, P.C.  
Certified Public Accountants

Columbus, Georgia  
June 29, 2023



Dear Stakeholder,

I am excited to share with you the 2022 accomplishments of Goodwill Industries of the Southern Rivers, Inc. (GoodwillSR) and PowerWorks Industries (PWI), an affiliate organization of GoodwillSR.

Team members from both of these organizations work every day to generate opportunities for people to achieve economic stability and make it possible for us to change lives through the power of work. These pages represent how well our mission and financial outcomes align with our strategic vision and community engagement at both PWI and GoodwillSR.

Here are just a few highlights:

- We helped over 30,000 people in our local community with free training and career services.
- We provided over \$30,000 in humanitarian aid to the people of Ukraine
- We provided \$116,000 in funding to local residents training for a career in construction
- We gave \$87,000 in other scholarships to students in our community
- We connected over 5,600 individuals to employment
- We donated \$42,000 in aid to the victims of Hurricane Ian
- We donated \$1 million to seven area technical schools for grants

In addition, at PWI, a company that provides meaningful work for people with disabilities, our team members perform custodial and grounds maintenance work at the United States Army Maneuver Center of Excellence at Fort Benning, Ga. and the Marine Corps Logistics Base in Albany, Ga. Wages paid to workers with disabilities topped \$1.7 million in 2022, further demonstrating our commitment to improve the quality of life for everyone in our community, regardless of ability.

Further, our donated goods and retail business enjoyed a phenomenal year. We exceeded our revenue goals and generated an overall economic impact of \$274 million\* in the state of Georgia and \$32 million\* in Alabama.

It's been a very busy year and if you shopped at, donated to or partnered with Goodwill, we thank you. We could not have accomplished our mission without YOU! We are grateful for the trust you place in us.

With appreciation,

Jack Warden  
President and CEO

\*Source: Elliott D. Pollack & Company; IMPLAN



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2022 and 2021

ASSETS		
	2022	2021
Cash and cash equivalents	\$ 15,450,877	\$ 11,655,371
Accounts receivable - trade	2,877,413	3,352,749
Accounts receivable - related party	--	6,087
Accrued interest receivable	--	7,402
Inventories	2,374,268	2,044,898
Investments	9,934,384	15,090,095
Prepaid expenses and assets	375,562	248,651
Operating lease right-of-use assets	25,732,693	--
Finance lease right-of-use assets	5,243,677	--
Fixed assets - net	11,753,136	10,105,260
Total Assets	\$ 73,742,010	\$ 42,510,513
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 115,701	\$ 658,888
Accounts payable - related party	57,908	50,585
Deferred revenue	893,031	944,334
Accrued wages	1,671,933	1,717,350
Accrued and withheld expenses	673,132	580,089
Promise to give payable	250,000	--
Long-term debt	2,624,608	2,725,588
Operating lease liabilities	25,732,693	--
Finance lease liabilities	5,377,384	--
Total liabilities	37,396,390	6,676,834
NET ASSETS		
Without donor restrictions	36,345,620	35,833,679
With donor restrictions	--	--
Total net assets	36,345,620	35,833,679
Total Liabilities and Net Assets	\$ 73,742,010	\$ 42,510,513

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
CONSOLIDATED STATEMENT OF ACTIVITIES  
For Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT, REVENUE, AND GAINS</b>			
Store sales and donated inventory	\$ 33,392,205	\$ --	\$ 33,392,205
Salvage revenue	2,292,217	--	2,292,217
Mission services grants	861,287	--	861,287
Federal contracts	10,758,271	--	10,758,271
Other contracts	124,068	--	124,068
Net investment loss	( 2,200,858)	--	( 2,200,858)
Contributions	382,296	--	382,296
Rental income	186,316	--	186,316
Gain on disposal of fixed assets	59,192	--	59,192
Other income	93,862	--	93,862
Total support, revenue, and gains	<u>45,948,856</u>	<u>--</u>	<u>45,948,856</u>
<b>EXPENSES</b>			
Program Services			
Stores	30,278,288	--	30,278,288
Salvage	153,436	--	153,436
Mission services	6,780,183	--	6,780,183
Contracts	6,110,433	--	6,110,433
Total program services	<u>43,322,340</u>	<u>--</u>	<u>43,322,340</u>
Supporting services			
Administrative	2,076,765	--	2,076,765
Community relations/fundraising	37,810	--	37,810
Total supporting services	<u>2,114,575</u>	<u>--</u>	<u>2,114,575</u>
Total expenses	<u>45,436,915</u>	<u>--</u>	<u>45,436,915</u>
Change in Net Assets	511,941	--	511,941
NET ASSETS, beginning of year	<u>35,833,679</u>	<u>--</u>	<u>35,833,679</u>
NET ASSETS, end of year	<u>\$ 36,345,620</u>	<u>\$ --</u>	<u>\$ 36,345,620</u>

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



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
CONSOLIDATED STATEMENT OF ACTIVITIES  
For Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE, AND GAINS</b>			
Store sales and donated inventory	\$ 28,734,540	\$ --	\$ 28,734,540
Salvage revenue	2,052,252	--	2,052,252
Mission services grants	631,776	--	631,776
Federal contracts	10,529,112	--	10,529,112
Other contracts	155,711	--	155,711
Net investment gain	1,179,513	--	1,179,513
Contributions	355,532	--	355,532
Rental income	192,215	--	192,215
Gain on disposal of fixed assets	54,999	--	54,999
Other income	88,762	--	88,762
Total support, revenue, and gains	<u>43,974,412</u>	<u>--</u>	<u>43,974,412</u>
<b>EXPENSES</b>			
Program Services			
Stores	26,625,161	--	26,625,161
Salvage	227,205	--	227,205
Mission services	5,329,092	--	5,329,092
Contracts	5,540,750	--	5,540,750
Total program services	<u>37,722,208</u>	<u>--</u>	<u>37,722,208</u>
Supporting services			
Administrative	1,393,492	--	1,393,492
Community relations/fundraising	41,721	--	41,721
Total supporting services	<u>1,435,213</u>	<u>--</u>	<u>1,435,213</u>
Total expenses	<u>39,157,421</u>	<u>--</u>	<u>39,157,421</u>
Change in Net Assets	4,816,991	--	4,816,991
NET ASSETS, beginning of year	<u>31,016,688</u>	<u>--</u>	<u>31,016,688</u>
NET ASSETS, end of year	<u>\$ 35,833,679</u>	<u>\$ --</u>	<u>\$ 35,833,679</u>

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2022

	Program Services			
	Stores	Salvage	Mission Services	Contracts
Compensation and related expenses				
Salaries and wages	\$ 12,078,909	\$ --	\$ 3,202,793	\$ 3,235,348
Employee benefits	1,797,343	--	410,076	845,757
Workers' compensation	339,925	--	9,300	199,186
Payroll taxes	884,337	--	231,770	236,544
Total compensation and related expenses	15,100,514	--	3,853,939	4,516,835
Advertising	360,712	--	221,462	38
Background checks	23,719	--	10,191	2,916
Bank and credit card fees	388,206	--		3,365
Commissions	211,360	--	103	393,500
Contributions	--	--		--
Contracted services	107,588	--	152,711	41,640
Depreciation and amortization	687,396	--	52,247	239,674
Drug screening	26,654	--	16,899	1,464
Dues and subscriptions	1,954	--	4,554	2,496
Employee recruitment	124	--	1,184	--
Employee relations	28,740	--	14,637	6,571
Equipment rental	52,857	--	26,091	3,304
Equipment maintenance	55,356	21,134	9,919	51,062
Indirect cost allocation	5,045,094	--	761,693	--
Insurance	177,511	--	--	39,960
Interest	41,719	--	13,174	--
Miscellaneous	17,136	137	17,018	125



Program Services

	Stores	Salvage	Mission Services	Contracts
Office supplies	\$ 51,061	\$ --	\$ 73,580	\$ 7,022
Pest control	15,156	--	--	778
Postage, shipping, and freight	374,672	248	794	912
Printing	20,468	--	45,783	642
Professional and consulting fees	2,729	--	263	7,717
Rent	3,636,567	--	476,400	--
Repairs and maintenance	668,747	--	92,607	14,401
Safety and security	87,877	--	3,318	4,448
Staff training and development	720	--	27,668	653
Supplies	877,597	115,891	274,981	507,446
Taxes and licenses	88,467	--	--	328
Technology expenses	316,774	--	394,406	57,908
Telephone	34,972	--	21,222	15,704
Travel	141,945	193	101,963	18,562
Uniforms	2,047	--	19,206	8,822
Utilities	1,273,542	422	90,504	16,128
Vehicle expense	358,307	15,411	1,666	146,012
 Total Functional Expenses	 <u>\$ 30,278,288</u>	 <u>\$ 153,436</u>	 <u>\$ 6,780,183</u>	 <u>\$ 6,110,433</u>

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2022

	Supporting Services		Total
	Administrative	Community Relations Fundraising	
Compensation and related expenses			
Salaries and wages	\$ 3,282,993	\$ 288,913	\$ 22,088,956
Employee benefits	665,665	40,864	3,759,705
Workers' compensation	20,055	594	569,060
Payroll taxes	222,028	20,514	1,595,193
Total compensation and related expenses	4,190,741	350,885	28,012,914
Advertising	43,561	845	626,618
Background checks	1,090	120	38,036
Bank and credit card fees	36,397	--	427,968
Commissions	8,051	--	613,014
Contributions	324,500	--	324,500
Contracted services	4,626	--	306,565
Depreciation and amortization	289,675	--	1,268,992
Drug screening	253	--	45,270
Dues and subscriptions	215,363	1,601	225,968
Employee recruitment	3,400	--	4,708
Employee relations	47,168	10,848	107,964
Equipment rental	25,159	--	107,411
Equipment maintenance	12,971	--	150,442
Indirect cost allocation	( 5,465,195)	( 341,592)	--
Insurance	187,887	--	405,358
Interest	96,552	--	151,445
Miscellaneous	38,235	38	72,689



	Supporting Services		
	Administrative	Community Relations Fundraising	Total
Office supplies	\$ 18,905	\$ 701	\$ 151,269
Pest control	1,875	--	17,809
Postage, shipping, and freight	6,916	--	383,542
Printing	6,046	--	72,939
Professional and consulting fees	113,517	--	124,226
Rent	--	--	4,112,967
Repairs and maintenance	135,237	--	910,992
Safety and security	11,961	1,036	108,640
Staff training and development	8,066	--	37,107
Supplies	720,264	57	2,496,236
Taxes and licenses	49,057	--	137,852
Technology expenses	766,039	3,934	1,539,061
Telephone	14,308	1,043	87,249
Travel	34,815	8,294	305,772
Uniforms	233	--	30,308
Utilities	127,919	--	1,508,515
Vehicle expense	1,173	--	522,569
 Total Functional Expenses	 <u>\$ 2,076,765</u>	 <u>\$ 37,810</u>	 <u>\$ 45,436,915</u>

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2021

	Program Services			
	Stores	Salvage	Mission Services	Contracts
Compensation and related expenses				
Salaries and wages	\$ 10,554,813	\$ --	\$ 2,655,796	\$ 2,757,182
Employee benefits	1,666,871	--	381,643	881,886
Workers' compensation	345,395	--	8,033	188,809
Payroll taxes	771,849	--	191,871	208,774
Total compensation and related expenses	13,338,928	--	3,237,343	4,036,651
Advertising	303,592	--	81,829	--
Background checks	21,334	--	5,300	2,910
Bank and credit card fees	314,629	--	--	2,077
Commissions	184,465	--	--	393,288
Contracted services	91,985	--	80,884	69,053
Depreciation and amortization	477,587	--	8,538	203,487
Drug screening	21,861	--	6,217	1,065
Dues and subscriptions	1,464	--	3,846	3,255
Employee recruitment	3,186	--	2,348	--
Employee relations	17,043	--	9,856	4,383
Equipment rental	67,316	182	29,135	8,248
Equipment maintenance	49,153	40,123	12,132	36,331
Indirect cost allocation	4,831,159	--	639,699	--
Insurance	173,548	--	--	35,594
Interest	--	--	--	--
Miscellaneous	18,642	--	13,684	316



	Program Services			
	Stores	Salvage	Mission Services	Contracts
Office supplies	\$ 23,793	\$ --	\$ 44,777	\$ 3,746
Pest control	13,232	--	32	816
Postage, shipping, and freight	285,513	--	1,398	644
Printing	3,601	--	34,953	66
Professional and consulting fees	3,770	--	--	7,000
Rent	3,550,187	--	462,677	--
Repairs and maintenance	241,161	--	12,879	9,371
Safety and security	95,050	--	2,175	4,049
Staff training and development	490	--	4,657	4,300
Supplies	673,638	171,071	130,730	462,677
Taxes and licenses	85,295	--	--	3,595
Technology expenses	234,332	--	362,492	61,681
Telephone	31,583	--	22,031	17,773
Travel	95,998	--	37,993	17,347
Uniforms	3,684	--	4,441	11,517
Utilities	1,094,612	--	77,046	12,981
Vehicle expense	273,330	15,829	--	126,529
<b>Total Functional Expenses</b>	<b>\$ <u>26,625,161</u></b>	<b>\$ <u>227,205</u></b>	<b>\$ <u>5,329,092</u></b>	<b>\$ <u>5,540,750</u></b>

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2021

	Supporting Services		Total
	Administrative	Community Relations Fundraising	
Compensation and related expenses			
Salaries and wages	\$ 3,238,737	\$ 288,730	\$ 19,495,258
Employee benefits	655,387	34,920	3,620,707
Workers' compensation	20,132	635	563,004
Payroll taxes	220,754	21,479	1,414,727
Total compensation and related expenses	4,135,010	345,764	25,093,696
Advertising	612	--	386,033
Background checks	1,116	120	30,780
Bank and credit card fees	39,330	--	356,036
Commissions	11,611	--	589,364
Contracted services	14,951	--	256,873
Depreciation and amortization	307,046	3,390	1,000,048
Drug screening	232	--	29,375
Dues and subscriptions	207,473	233	216,271
Employee recruitment	2,785	--	8,319
Employee relations	31,668	9,934	72,884
Equipment rental	368,522	--	473,403
Equipment maintenance	18,131	--	155,870
Indirect cost allocation	( 5,134,376)	( 336,482)	--
Insurance	127,079	--	336,221
Interest	100,960	--	100,960
Miscellaneous	14,971	58	47,671



	<u>Supporting Services</u>		
	<u>Administrative</u>	Community Relations	<u>Total</u>
		<u>Fundraising</u>	
Office supplies	\$ 10,611	\$ 229	\$ 83,156
Pest control	2,350	--	16,430
Postage, shipping, and freight	4,759	--	292,314
Printing	4,812	--	43,432
Professional and consulting fees	83,277	--	94,047
Rent	--	--	4,012,864
Repairs and maintenance	63,397	--	326,808
Safety and security	19,320	--	120,594
Staff training and development	12,264	--	21,711
Supplies	304,317	--	1,742,433
Taxes and licenses	49,928	--	138,818
Technology expenses	445,046	12,741	1,116,292
Telephone	16,738	3,268	91,393
Travel	18,129	2,466	171,933
Uniforms	433	--	20,075
Utilities	110,460	--	1,295,099
Vehicle expense	530	--	416,218
	<u>          </u>	<u>          </u>	<u>          </u>
Total Functional Expenses	\$ <u>1,393,492</u>	\$ <u>41,721</u>	\$ <u>39,157,421</u>

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2022 and 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ <u>511,941</u>	\$ <u>4,816,991</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,157,424	1,000,048
Amortization of finance lease right-of-use assets	111,568	--
Amortization of operating right-of-use assets	3,322,226	--
Lease incentive operating right-of-use asset	100,000	--
Loss on disposition of fixed assets	5,201	9,394
Net unrealized (gain)/loss on investments	1,396,733	( 392,535)
Net realized (gain)/loss on sale of investments	971,631	( 611,294)
Changes in assets and liabilities		
Accounts receivable - trade	475,336	( 168,668)
Accounts receivable - related party	6,087	31,545
Accrued interest receivable	7,402	( 4,154)
Inventories	( 329,370)	( 353,451)
Prepaid expenses and assets	( 126,911)	805,616
Accounts payable	( 543,187)	566,867
Accounts payable - related party	7,323	50,585
Deferred revenue	( 51,303)	( 146,469)
Accrued wages	( 45,417)	267,387
Accrued and withheld expenses	93,043	( 628,685)
Promises to give payable	250,000	--
Total adjustments	<u>6,807,786</u>	<u>426,186</u>
Net cash provided by operating activities	<u>7,319,727</u>	<u>5,243,177</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	4,867,005	7,767,039
Purchase of investments	( 2,079,659)	( 9,731,206)
Proceeds from disposal of fixed assets	--	18,565
Acquisition of fixed assets	<u>( 2,810,500)</u>	<u>( 1,827,630)</u>
Net cash used by investing activities	<u>( 23,154)</u>	<u>( 3,773,232)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment on long-term debt	( 100,980)	( 235,626)
Payments on obligations under operating leases	( 3,322,226)	--
Payments on obligations under finance leases	( 77,861)	--
Payments on obligations under capital leases	--	( 19,815)
Net cash provided (used) by financing activities	<u>( 3,501,067)</u>	<u>( 255,441)</u>
Increase in Cash and Cash Equivalents	3,795,506	1,214,504
CASH AND CASH EQUIVALENTS, beginning	<u>11,655,371</u>	<u>10,440,867</u>
CASH AND CASH EQUIVALENTS, ending	<u>\$ 15,450,877</u>	<u>\$ 11,655,371</u>



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid during the year for interest	\$ <u>96,552</u>	\$ <u>100,960</u>

NON-CASH INVESTING AND FINANCING ACTIVITY

In 2022, \$1,040,747 of operating lease liabilities arose from obtaining operating right-of-use assets and \$5,455,245 of financing lease liabilities arose from obtaining financing right-of-use assets.

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The consolidated financial statements include the accounts of Goodwill Industries of the Southern Rivers, Inc. (“Goodwill”), Columbus Community Campus Condominium Association, Inc. (the “Association”), and Powerworks Industries, Inc. (“Powerworks”), collectively referred to as the Organization.

Goodwill is a not-for-profit, tax-exempt organization established to provide rehabilitation, training, placement, and employment services for people with disabilities and disadvantages. Goodwill is primarily funded from the sale of donated items through its retail division (approximately 95% of revenue and support) and Federal contracts and grant revenue (approximately 2.5% of revenue and support). Additional revenue is provided from private sources.

The Association is organized for the purpose of providing maintenance, preservation, and architectural control of the condominium and to perform all obligations and duties of the Association. Owners of a unit in the condominium are members of the Association and are entitled to a weighted vote based upon the percentage interest owned in the condominium. Currently, the majority vote of the Association rests with its board of directors which are top executives of Goodwill. Accordingly, Goodwill is considered to have a controlling financial interest in the Association and consolidation of the financial statements of the two organizations is considered appropriate.

Powerworks is a not-for-profit, tax-exempt organization established to provide employment for disabled individuals to provide various products and services to federal and state government entities. Powerworks’ primary source of revenue is provided under Federal government contracts. Currently, services are provided at the Fort Benning Military Installation in Ft. Benning, Georgia, and the Marine Corps Logistics Base in Albany, Georgia. Typically, the federal and state contracts are set aside to employ a predominately disabled population as provided for in the Javits-Wagner-O’Day Act and administered through Source America with oversight provided by the President’s Committee for the Employment of Those with Disabilities.

In 2022, of the 136 employees working set-aside contracts, 102 were disabled, earning an average wage of \$14.62 per hour plus 100% employer-funded benefits. In 2022, disabled employees working with Powerworks earned approximately \$1,821,936. In 2021, of the 154 employees working set-aside contracts, 122 were disabled, earning an average wage of \$11.42 per hour plus 100% employer-funded benefits. In 2021, disabled employees working with Powerworks earned approximately \$1,665,825.



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nature of Operations (Continued)

Powerworks is an affiliate of Goodwill Industries. Goodwill provides on-site professional skills training in both certified custodial and floor care as well as grounds maintenance. During employment, Goodwill provides continuous on-site case management, life coaching, and advanced placement services for the disabled. Powerworks' board of directors is primarily composed of current members of the Goodwill board and has its own slate of officers. Although Goodwill does not own Powerworks, Goodwill is considered to have a controlling financial interest in Powerworks and consolidation of the financial statements of the two organizations is considered appropriate.

Principles of Consolidation

All inter-company accounts and transactions have been eliminated in preparing the consolidated financial statements.

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions: Net assets not subject to donor-imposed stipulations.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that are to be met by actions of the Organization and/or the passage of time or are to be maintained permanently by the Organization. Generally, the donors of the assets to be maintained permanently permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

At December 31, 2022 and 2021, the Organization has only net assets without donor restrictions.

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the Consolidated Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less from the date of purchase to be cash equivalents.

Receivables

Accounts receivable consists primarily of consideration from the federal government and salvage sales of which the Organization has an unconditional right to receive. Accounts receivable are carried at their estimated collectible amounts due under normal trade terms generally requiring payment within 30 days from the invoice date or as provided within the contract. Follow-up correspondence is made if unpaid accounts receivable go beyond 30 days.

Management closely monitors outstanding accounts receivable and, based upon how recently payments have been made and customer credit history, charges to expense any balances that are determined to be uncollectible or establishes an allowance for doubtful accounts. At December 31, 2022 and 2021, the Organization had no allowance for doubtful accounts.

Powerworks uses the direct write-off method to account for uncollectible accounts receivable. Based on how recently payments have been made, management reviews balances that are still outstanding. After reasonable collection efforts are made, balances are written off through a charge to accounts receivable. Accounting principles generally accepted in the United States of America require the allowance method to be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would be obtained under the allowance method.

Inventories

Inventories consist of donated merchandise held and available for resale, valued at its estimated selling price.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Consolidated Statements of Financial Position. Alternative investments are carried at fair value as determined by



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

independent appraisal. Investment transactions are recorded on the trade date. Realized gains and losses on the sale of investments are calculated on the basis of specific identification of securities sold.

Investment management fees and service charges are netted against investment income for financial reporting purposes. The net realized and unrealized gains and losses and investment management fees and services charges are included as an increase or decrease in net assets in the accompanying Consolidated Statements of Activities.

Fixed Assets and Depreciation

Fixed assets are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on the straight-line method over the assets' estimated useful lives. The various classifications of fixed assets and useful lives employed are as follows:

Land	N/A
Buildings and improvements	3 – 40 years
Furniture and equipment	2 – 15 years
Autos and trucks	2 – 10 years
Leasehold improvements	2 – 15 years
Computers and software	3 – 10 years

Maintenance, repairs, and minor renewals are charged against income when incurred. Additions and major renewals are capitalized. The Organization's policy is to capitalize fixed assets purchased or donated in excess of \$2,000.

Donations of fixed assets are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restriction at that time.



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment

As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's endowment consists of net assets without donor restrictions.

*Investment Return Objectives, Risk Parameters, and Strategies.* The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to maintain the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve limited portfolio volatility and a relatively high and secure level of return, including investment income as well as capital appreciation, within acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to grow the funds. Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return over inflation of at least 3.5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund. Investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

*Spending Policy.* The Organization has a policy of growing rather than spending the funds. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the endowment funds, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal rate annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

Changes in endowment net assets as of December 31, 2022, are as follows:

	<u>Unrestricted</u>
Endowment net assets, beginning of year, December 31, 2021	\$ 5,311,981
Additions (subtractions)	( 197,502)
Investment income, net of fees	18,003
Net depreciation	<u>( 951,400)</u>
Endowment net assets, end of year, December 31, 2022	<u>\$ 4,181,082</u>

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment (Continued)

Changes in endowment net assets as of December 31, 2021, are as follows:

	<u>Unrestricted</u>
Endowment net assets, beginning of year, December 31, 2020	\$ 4,786,526
Additions (subtractions)	( 78,001)
Investment income, net of fees	356,849
Net appreciation	<u>246,607</u>
Endowment net assets, end of year, December 31, 2021	<u>\$ 5,311,981</u>

Leases

A. As a Lessee

The Organization is a lessee in multiple noncancelable operating leases and a financing lease. If the contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

Lease liabilities are initially and subsequently recognized based on the present value of their future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

ROU assets for operating leases are subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

ROU assets for finance leases are amortized on a straight-line basis over the lease term. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

recognized on a straight-line basis over the lease term.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Organization has elected to separate lease and non-lease components for all classes of asset's leases. Non-lease components consist of common area maintenance that do not depend on an index or a rate. Non-lease components are accounted for under FASB ASC 606. 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 risk-free rate option has been applied to the all classes of assets.

Right-of-use assets and liabilities as of December 31, 2022, are presented as separate line items on the Organization's consolidated statements of financial position.

B. As a Lessor

The Organization is a lessor in multiple non-cancelable operating leases for office space. If the contract provides the lessee the right to control the use of the identified asset for a period of time in exchange for consideration, it is considered to be or contain a lease. At lease inception, the Organization determines whether each lease is a finance lease or an operating lease. To classify each lease, the Organization makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Organization considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Organization has elected to separate lease and non-lease components for all classes of assets in which it is the lessor. Non-lease components consist of common area maintenance that do not depend on an index or a rate. Non-lease components are accounted for under FASB ASC 606.



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition

The Organization recognizes retail sales and salvage revenue at the point of sale. Grants, contract revenue, and rental income are earned over time as benchmarks are met or as the Organization provides the contracted services/space.

Revenue With and Without 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 reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. 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 Consolidated Statement of Activities as net assets released from donor restriction.

Investment Income and Gains

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Donated Services

The Organization utilizes volunteers for the VITA (Volunteer Income Tax Assistance) program. Those volunteers possess a level of expertise. The value of those volunteers' services is estimated at \$14,485 and \$28,109, respectively, for services received during 2022 and 2021. These amounts have not been reflected in the consolidated financial statements as they are not material to the financial statements themselves. The Organization pays for most other services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization. According to generally accepted accounting principles, these services do not meet criteria for recognition as donated services, and therefore, no amounts have been reflected in the consolidated financial statements.

Income Tax Status

Goodwill, the Association, and Powerworks are exempt from Federal and State income taxes under section 501(c)(3) of the Internal Revenue Code and did not conduct any unrelated business activities in 2022 or 2021. Goodwill, the Association, and Powerworks have been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of section 509(a) of the Internal Revenue Code.

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of the accompanying 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 disclosures 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.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities and in the Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on head count.

Taxes

Taxes assessed by governmental authorities on revenue-producing transactions are presented on the Consolidated Statements of Activities net of sales.

Advertising

The Organization uses advertising to promote its programs and services throughout its 50 county territory. Each revenue generator utilizes various advertising and other paid marketing materials to communicate the services available and provide for donation solicitation. These materials are important to show how the Organization's mission services are sustained long term from these funding mechanisms. The production costs of advertising are expensed as incurred. Advertising expenses total \$626,618 and \$386,033 for the years ended December 31, 2022 and 2021, respectively, and are charged to the various programs benefited in the Consolidated Statements of Functional Expenses.

Subsequent Events

Management has evaluated subsequent events through June 29, 2023, the date the financial statements were available to be issued.



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE B – ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Trade receivables	\$ <u>2,877,413</u>	\$ <u>3,352,749</u>

NOTE C – INVENTORIES

Inventories at December 31, 2022 and 2021, consist of the following:

	<u>2022</u>	<u>2021</u>
Donated merchandise	\$ <u>2,374,268</u>	\$ <u>2,044,898</u>

NOTE D – INVESTMENTS

The Organization has a formal investment policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increasing interest rates. The Organization also has a formal investment policy that limits its investment choices or the amount the Organization may invest in any one issuer.

Investments are stated at fair market value and consist of the following:

	<u>2022</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized (Depreciation) Appreciation</u>
Mutual funds	\$ 215,989	\$ 94,918	\$ ( 121,071)
Real estate investment trust	84,314	56,462	( 27,852)
U. S. Treasury notes	98,927	100,877	1,950
Common stocks	7,926,192	8,243,732	317,540
Corporate bonds	<u>1,709,674</u>	<u>1,438,395</u>	<u>( 271,279)</u>
Total	<u>\$10,035,096</u>	<u>\$ 9,934,384</u>	<u>\$ ( 100,712)</u>



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE D – INVESTMENTS (Continued)

As of December 31, 2022, maturities of debt investments are as follows:

Corporate Bonds

<u>&lt; 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>11-15 Years</u>	<u>Thereafter</u>	<u>Total</u>
<u>\$1,438,395</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$1,438,395</u>

As of December 31, 2022, the credit rating of the Organization's investments in corporate bonds is AA+.

	2021		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized (Depreciation) Appreciation</u>
Mutual funds	\$ 516,237	\$ 264,226	\$ ( 252,011)
Real estate investment trust	89,109	65,393	( 23,716)
U. S. Treasury notes	95,899	120,278	24,379
Common stocks	7,770,271	9,381,432	1,611,161
Corporate bonds	<u>5,348,718</u>	<u>5,258,766</u>	<u>( 89,952)</u>
Total	<u>\$13,820,234</u>	<u>\$15,090,095</u>	<u>\$1,269,861</u>

As of December 31, 2021, maturities of debt investments are as follows:

Corporate Bonds

<u>&lt; 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>11-15 Years</u>	<u>Thereafter</u>	<u>Total</u>
<u>\$5,258,766</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$5,258,766</u>

As of December 31, 2021, the credit rating of the Organization's investments in corporate bonds ranges from AAA to BBB.

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE D – INVESTMENTS (Continued)

Investment return is summarized as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividend income	\$ 231,520	\$ 238,000
Net realized gain (loss)	( 971,631)	611,294
Net unrealized gain (loss)	(1,396,733)	392,535
Investment fees	<u>( 64,014)</u>	<u>( 62,316)</u>
Net Investment Gain (Loss)	<u>\$ (2,200,858)</u>	<u>\$ 1,179,513</u>

NOTE E – PREPAID EXPENSES AND ASSETS

Prepaid expenses consist of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Prepaid insurance	\$ 191,853	\$ 144,858
Prepaid background check	348	348
Prepaid contracted services	9,600	9,600
Prepaid maintenance/support/security	3,920	3,540
Prepaid postage	181	919
Prepaid rent	34,724	32,759
Prepaid office supplies	650	363
Prepaid supplies	8,169	5,971
Prepaid utilities	25,524	22,994
Prepaid technology expense	94,333	25,740
Prepaid telephone expense	--	959
Prepaid miscellaneous	6,260	--
Prepaid warranty	<u>--</u>	<u>600</u>
Total	<u>\$ 375,562</u>	<u>\$ 248,651</u>

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE F – FIXED ASSETS

Fixed assets consist of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 2,719,325	\$ 2,588,075
Buildings and improvements	8,415,364	7,387,207
Furniture and equipment	7,851,976	7,144,605
Autos and trucks	1,131,729	1,058,152
Leasehold improvements	3,254,712	2,561,121
Computers and software	<u>2,323,719</u>	<u>2,352,423</u>
	25,696,825	23,091,583
Less accumulated depreciation	<u>(13,943,689)</u>	<u>(12,986,323)</u>
Fixed Assets - Net	<u>\$ 11,753,136</u>	<u>\$ 10,105,260</u>

Depreciation expense at December 31, 2022 and 2021, is \$1,157,424 and \$1,000,048, respectively, and is included in depreciation and amortization on the Consolidated Statements of Functional Expenses.

NOTE G – DEFERRED REVENUE

Deferred revenue at December 31, 2022 and 2021, consists of the following:

	<u>2022</u>	<u>2021</u>
Deferred Grant, Rent, and Sale Proceeds	\$ <u>893,031</u>	\$ <u>944,334</u>

NOTE H – ACCRUED AND WITHHELD EXPENSES

Accrued and withheld expenses consist of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Payroll related withholdings and accruals	\$ 163,182	\$ 151,634
Accrued Source America commissions	123,226	123,430
Accrued health and welfare benefits	80,455	80,173
Accrued sales tax payable	164,746	136,883
Gift certificates, vouchers, and coupons	128,843	86,969
Other miscellaneous accruals	<u>12,680</u>	<u>1,000</u>
Total	<u>\$ 673,132</u>	<u>\$ 580,089</u>



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE I – LONG-TERM DEBT

Long-term debt consists of the following:

	<b>2022</b>	<b>2021</b>
Note payable – financial institution, payable in monthly installments of \$16,452 beginning Feb 1, 2022, 3.55% interest, through January 2031, secured by land and building with a book value of \$3,257,138 at December 31, 2022.	<b><u>\$ 2,624,608</u></b>	<b><u>\$ 2,725,588</u></b>
Total	<b><u>\$ 2,624,608</u></b>	<b><u>\$ 2,725,588</u></b>

Following are maturities of long-term debt for the years ending December 31:

<u>Year Ended</u>	
2023	\$ 105,927
2024	109,503
2025	113,711
2026	117,820
2027	122,078
Thereafter	<u>2,055,569</u>
Total	<b><u>\$ 2,624,608</u></b>

Interest expense on long-term debt for the years ended December 31, 2022 and 2021, is \$96,448 and \$100,855, respectively, and is included in interest expense on the Consolidated Statements of Functional Expenses.

NOTE J – PROMISES TO GIVE PAYABLE

At December 31, 2022 and 2021, the Organization has \$250,000 and \$0, respectively, in promises to give payable to other entities. All promises to give payable are due to be paid out within one year and as such, no discount has been recorded.

NOTE K – LEASES AS A LESSEE

The Organization leases certain office equipment, vehicles and real estate at various terms under long-term non-cancelable operating lease and finance lease agreements. The leases expire at various dates through 2042. Many of the leases contain renewal options. Those options have not been included in the contract considerations as they are not reasonably assured to occur.

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE K – LEASES AS A LESSEE (Continued)

The weighted-average discount rate is based on the discount rate implicit in the lease. 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 risk-free rate option has been applied to all classes of assets.

Reported under FASB ASC 842—year ended December 31, 2022:

Lease Cost

Operating lease cost	\$ 3,736,118
Finance lease cost: Interest expense	54,893
Amortization of right-of-use assets	111,568
Variable and short-term lease cost	691,828

Weighted-Average Information

Weighted-average remaining lease term in years:	
Operating leases	11.79
Finance leases	14.30
Weighted-average discount rate:	
Operating leases	2.38%
Finance leases	3.27%

Future Minimum Lease Payments

	<u>Operating Leases</u>	<u>Finance Leases</u>
December 31,		
2023	\$ 3,319,838	\$ 338,250
2024	2,990,375	338,250
2025	2,666,085	338,250
2026	2,532,923	338,250
2027	2,441,677	338,250
Thereafter	<u>15,555,700</u>	<u>5,705,053</u>
Total lease payments	29,506,598	7,396,303
Less interest	<u>( 3,773,905)</u>	<u>( 2,018,919)</u>
Present value of lease liabilities	<u>\$ 25,732,693</u>	<u>\$ 5,377,384</u>



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE K – LEASES AS A LESSEE (Continued)

Reported under FASB ASC 840—year ended December 31, 2021:

The Organization has several non-cancelable operating leases, primarily for store locations, vehicles, and office equipment.

Rent expense, including additional charges, under these leases totals \$4,260,249 for the year ended December 31, 2021 and is included in equipment rental, vehicle expense, and rent expense in the Consolidated Statements of Functional Expenses.

During the year ended December 31, 2015, the Organization sold a building that was subsequently leased back after the sale. The transaction did not meet the requirements for treatment as a capitalized lease. The gain on the sale of \$1,322,238 is being deferred and recognized over the initial lease term of twenty years. \$64,393 and \$64,393, respectively, of the gain is recognized during the years ended December 31, 2022 and 2021.

NOTE L – DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

The following program and supporting services are included in the accompanying financial statements.

STORES

Revenue generated through the sale of gently used donations at the Organization's retail stores is the primary means through which Organization funds its mission.

SALVAGE

Goodwill has a system for placing gently used donations on its retail store's sales floor. Goods are priced and merchandised constantly. Items unsold and on the sales floor over a set period of time are pulled from the retail sales floor and sold as salvage through the salvage commodity market.

MISSION SERVICES

The Organization's Department of Mission Related Services is responsible for carrying out the mission of the Organization, which is to put people to work. Goodwill's Mission Related Services team does this through a variety of job training, placement, and advancement programs that incorporate one-on-one case management and supported employment. Participants are empowered to develop self-sufficiency for the purposes of creating long-term employability and financial stability.



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years December 31, 2022 and 2021

NOTE L – DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES (Continued)

ADMINISTRATION

The Organization provides the strategic vision and implementation from the board level to the staff, as well as providing the oversight of accounting, people and talent development, communications, and community development necessary to deliver quality products and services in a competitive environment. In addition, through the efforts of the Association, the Organization and other non-profits will share administrative space, common-area space, technology, and other infrastructure reducing the cost to provide a quality work environment and sustaining it for more efficient use of resources. The Organization presently collects rent from two organizations, while design studies are being conducted for future renovation. For the years ended December 31, 2022 and 2021, rental income under these arrangements totals \$186,316 and \$192,215, respectively.

COMMUNITY RELATIONS/FUNDRAISING

The Organization provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations. Currently, formal fundraising events have been discontinued; however, the Organization still seeks and encourages financial support from individuals, foundations, and corporations through the use of private donations, grants, endowments, awards, etc.

NOTE M – CONCENTRATIONS AND COMMITMENTS

Concentration of Credit Risk

The Organization maintains its cash in various financial institutions. Cash is insured up to \$250,000 by the Federal Deposit Insurance Corporation. At December 31, 2022 and 2021, the Organization has \$15,206,581 and \$11,181,301, respectively, of uninsured deposits.

Investment balances are insured with a combination of Federal Deposit Insurance Corporation, Securities Investor Protection Corporation, and private insurance coverage. At December 31, 2022 and 2021, uninsured investment balances total \$9,934,384 and \$15,090,095, respectively. Corporate bonds and equity securities maintained in the investment balances are subject to interest rate and market risk. In addition, investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the Organization's total investments at December 31, 2022 are as follows:

<u>Issuer</u>	<u>Reported Amount</u>
BNY Mellon Bond Funds	\$1,438,395
BNY Mellon Small Cap Multi-Strategy Fund	\$ 533,429



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE M – CONCENTRATIONS AND COMMITMENTS (Continued)

Concentration of Revenue and Support

At December 31, 2022 and 2021, approximately 88% and 95%, respectively, of trade accounts receivable are attributable to two customers.

During 2022 and 2021, the Organization received approximately 72% and 66%, respectively, of its annual revenue from store sales and donated inventory and approximately 5% and 5%, respectively, from salvage revenue.

During 2022 and 2021, the Organization received approximately 1.75% and 1.4%, respectively, of its annual revenue each year from Federally funded state and local pass-through grants and purchase of service agreements. At December 31, 2022 and 2021, approximately 6% and 1.6%, respectively, of net trade accounts receivable were due under those grants and purchase of service agreements. Amounts are received and expended by the Organization under Federal programs and are subject to audit by cognizant government agencies. Noncompliance with certain provisions of laws regulations, contracts, and grants relating to Federal programs could have a direct and material effect on the determination of financial statement amounts.

During 2022 and 2021, the Organization received approximately 24% and 24%, respectively, of its revenue from Federal government contracts to provide employment for individuals with disabilities to perform custodial services at the Fort Benning Military Installation in Ft. Benning, Georgia, and the Marine Corps Logistics Base in Albany, Georgia. In October 2008, the Organization expanded services and revenue diversification to include a grounds maintenance contract at the Marine Corps Logistics Base in Albany, Georgia. These contracts expire at various times and renewal is not guaranteed. At December 31, 2022 and 2021, 90% and 96%, respectively, of accounts receivable represents amounts due under these contracts.

Geographic Concentration

The Organization conducts its operations in central and south Georgia as well as central Alabama, and, therefore, is subject to risks from changes in local economic conditions. A downturn in the local economy could cause a decrease in contributions concurrently with an increase in community need for the Organization's services.

Commitments

The contracts for the services provided at the Marine Corps Logistics Base are five-year contracts and continue through February 2023 and June and November 2027. The contracts for the services provided at the Fort Moore Military Installation are four and five-year contracts and continue through June 2025 and February 2026. Contracts are normally updated annually and are anticipated to continue.



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE M – CONCENTRATIONS AND COMMITMENTS (Continued)

At December 31, 2022, Goodwill is party to various contracts and commitments:

<u>Services</u>	<u>Amount</u>
Software support	\$122,717 remaining

Claims and litigation

The Organization is party to various claims and legal proceedings covering matters that arose in the ordinary course of business activities. These matters are being handled by the Organization's insurance company. Management believes that any liability that may ultimately result from these matters will not have a material effect on the financial condition or results of operations.

NOTE N – RELATED PARTY TRANSACTIONS

Goodwill has a management contract with Powerworks. The contract is normally renewed annually and is structured so that it can be terminated by either party. This contract requires Powerworks to pay Goodwill a management fee and to reimburse any directly identifiable expenses incurred by Goodwill on its behalf. During 2022 and 2021, Powerworks paid management fees totaling \$2,018,980 and \$1,849,385 and reimbursed Goodwill for expenses totaling \$1,443,474 and \$1,170,212, respectively. Management fees represent overhead support costs. In addition, the contract calls for Goodwill to receive compensation from Powerworks of 75% of Powerworks' monthly net income after depreciation and management fees. During the years ended December 31, 2022 and 2021, Goodwill received \$2,093,144 and \$2,433,911, respectively, under this agreement. At December 31, 2022 and 2021, the receivable owed to Goodwill from Powerworks totals \$180,398 and \$121,425, respectively.

During the years ended December 31, 2022 and 2021, Goodwill invoiced the Association \$6,760 and \$3,452, respectively, for various expenses. Goodwill also collected a rental management fee during the years ended December 31, 2022 and 2021, of \$12,000 and \$12,000, respectively, from the Association. Occasionally, Goodwill will advance cash to the Association. During the years ended December 31, 2022 and 2021, Goodwill made no cash advances to the Association.

Goodwill pays dues to the Association for its respective share of common expenses of the campus property. During the years ended December 31, 2022 and 2021, Goodwill paid dues of \$79,305 and \$79,305, respectively. At December 31, 2022 and 2021, the receivable owed to Goodwill from the Association totals \$1,009 and \$0, respectively.



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE N – RELATED PARTY TRANSACTIONS (Continued)

Three Goodwill senior management members hold seats on the Board of Directors of B.R.I.D.G.E. of Columbus, Inc. (B.R.I.D.G.E.), a local non-profit organization. During 2019, Goodwill entered into a management contract with B.R.I.D.G.E. The contract is structured so that it can be terminated by either party upon ninety days written notice. This contract requires B.R.I.D.G.E. to pay Goodwill a management fee and to reimburse any directly identifiable expenses incurred by Goodwill on its behalf. During the years ended December 31, 2022 and 2021, B.R.I.D.G.E. paid management fees totaling \$2,400 and \$2,400, respectively and reimbursed Goodwill for expenses totaling \$157,653 and \$110,667, respectively. Management fees represent overhead support costs. In addition, the contract calls for Goodwill to receive compensation from B.R.I.D.G.E. of 75% of B.R.I.D.G.E.'s monthly net income after depreciation and management fees. During the years ended December 31, 2022 and 2021, Goodwill received \$0 and \$0, respectively, under this agreement. At December 31, 2022 and 2021, the receivable owed to Goodwill from B.R.I.D.G.E. totals \$42,486 and \$6,087, respectively.

The contract also provides that Goodwill can make cash advances to B.R.I.D.G.E. During the years ended December 31, 2022 and 2021, Goodwill made \$15,000 and \$0, respectively, in cash advances to B.R.I.D.G.E. Goodwill made a contribution to B.R.I.D.G.E. in the amount of \$100,394 and \$54,162, respectively, during the years ended December 31, 2022 and 2021. At December 31, 2022 and 2021, the payable owed to B.R.I.D.G.E. from Goodwill is \$100,394 and \$50,585, respectively.

NOTE O – RETIREMENT PLANS

The Organization sponsors a defined contribution 401(k) plan. All full-time employees are eligible to participate upon completion of a consecutive ninety-day period of service and being 21 years of age or older. Employees may elect to defer, on a before-tax basis, a minimum amount of 1% of their compensation up to the limit for participant contributions set by the Internal Revenue Service. For the Goodwill 401(k) plan, the employer will contribute a safe harbor matching contribution equal to 100% of a participant's salary deferral that does not exceed 6% of the participant's compensation. For the Powerworks 401(k) plan, the employer may make a matching contribution. Retirement plan expense, including select administrative fees, for the years ended December 31, 2022 and 2021, is \$403,282 and \$350,773, respectively.

NOTE P – HEALTH AND WELFARE PLAN

The Organization sponsors a defined contribution health and welfare benefit plan for employees associated with Javits-Wagner-O'Day Act set-aside contracts. The plan is 100% employer paid and provides health, dental, emergency, and prescription card coverage. Contributions to the plan during the years ended December 31, 2022 and 2021, are \$723,086 and \$810,678, respectively.



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE Q – LEASES AS A LESSOR

The Organization leases office space to tenants on a month-to-month basis and under a non-cancelable operating lease with a remaining term of twelve months at December 31, 2022. The Organization has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to ownership of the assets. Some leases provide the lessees with options to extend at the end of the term. There are no residual value guarantees. Variable lease payments consist of common area maintenance assessed based on square footage occupied.

The cost of the leased property is \$3,179,668 and \$3,179,668 at December 31, 2022 and 2021, respectively, and the carrying amount at December 31, 2022 and 2021, is \$1,638,893 and \$1,664,838, respectively, which reflects \$1,540,775 and \$1,514,830 of accumulated depreciation at December 31, 2022 and 2021, respectively.

The following is a schedule by year of future minimum rentals under the leases:

Years ending December 31,	
2023	\$ 160,149
2024	80,718
2025	<u>20,180</u>
Total	\$ <u>261,047</u>

Following is rental income and variable lease payment income recognized under operating leases during the years ending December 31:

	<u>2022</u>	<u>2021</u>
Operating lease income	<b>\$186,316</b>	\$192,215
Variable lease payment income	<b>\$ 24,615</b>	\$ 24,615

NOTE R – FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents - The carrying amount approximates fair value because of the shortmaturities of those instruments.

Accounts receivable, accrued interest receivable, accounts payable, accrued wages, accrued and withheld expenses, and promises to give payable - The carrying amounts of those instruments approximates their fair value because of the short maturities of those instruments.

Investments - The fair values of investments, except the real estate investment trust and mutual funds, are measured on a recurring basis based on quoted prices in active markets for identical assets.

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE R – FINANCIAL INSTRUMENTS (Continued)

Investments - real estate investment trust and mutual funds - The fair value of the real estate investment trust and mutual funds are based on price of interests at initial offering or the net asset value per share as determined by the manager of the investment company.

Long-term debt and lease obligations - The carrying amount of these items approximates its fair value because rates are similar to rates currently available to the Organization for debt with similar terms and remaining maturities.

The fair value and carrying amounts of financial instruments at December 31, 2022, are as follows:

	<u>Fair Value</u>	<u>Carrying Amount</u>
Cash and cash equivalents	\$ 15,450,877	\$15,450,877
Accounts receivable	2,877,413	2,877,413
Accounts payable	173,609	173,609
Accrued wages	1,671,933	1,671,933
Accrued and withheld expenses	673,132	673,132
Promises to give payable	250,000	250,000
Long-term debt	2,624,608	2,624,608
Operating lease liability	25,732,693	25,732,693
Finance lease liability	5,377,384	5,377,384

The fair values for the above assets and liabilities reported at fair value at December 31, 2022, fall within the level 1 and 2 inputs of the fair value hierarchy. Level 1 inputs are those inputs that are measured at quoted prices in an active market for an identical asset or liability. Level 2 measurements generally use available indirect information, such as quoted prices for *similar* assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets and liabilities reported at fair value on a recurring basis at December 31, 2022, are as follows:

	<u>Fair Value</u>	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Unobservable (Level 3)
Mutual funds	\$ 94,918	\$ --	\$ 94,918
Real estate investment trust	56,462	--	56,462
U.S. Treasury notes	100,877	100,877	--
Common stocks	8,243,732	8,243,732	--
Corporate bonds	<u>1,438,395</u>	<u>1,438,395</u>	<u>--</u>
Total	<u>\$ 9,934,384</u>	<u>\$ 9,783,004</u>	<u>\$ 151,380</u>



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE R – FINANCIAL INSTRUMENTS (Continued)

Level 3 measurements are unobservable inputs which are based on the investment company's assumptions about the assumptions market participants would use.

Level 3 investments, beginning of year, December 31, 2021	\$ 329,619
Total gain included in net investment gain	15,892
Sales	(194,131)
Purchases	<u>          --</u>
Level 3 investments, end of year, December 31, 2022	<u>\$ 151,380</u>

Unrealized gains of \$15,892 are included in net investment loss on the Consolidated Statement of Activities.

NOTE S – INCOME TAXES

The Organization's evaluation on December 31, 2022, revealed no uncertain tax provisions that would have a material impact on the financial statements. The 2019 through 2021 tax years remain subject to examination by the IRS. In addition, the 2019 through 2021 tax years remain subject to examination by the State of Georgia. The Organization does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

NOTE T – LINES OF CREDIT

The Organization has lines of credit with interest rates ranging from 7.9% to 10.9% and a combined limit of \$205,000. The Organization owes \$31,177 at December 31, 2022.

NOTE U – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date, if applicable.

	<u>2022</u>	<u>2021</u>
Financial assets at year-end	\$ 28,262,674	\$ 30,111,704
Less those unavailable for general expenditures within one year:	<u>          --</u>	<u>          --</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 28,262,674</u>	<u>\$ 30,111,704</u>

As part of the Organization's liquidity management, it maintains excess cash reserves in highly liquid bank accounts.

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE V – REVENUE FROM CONTRACTS WITH CUSTOMERS

In the following table, revenue is disaggregated by timing of revenue recognition for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Goods/services transferred to customers at a point in time	\$35,765,952	\$30,812,317
Goods/services transferred to customers over time	<u>11,522,196</u>	<u>11,143,494</u>
Total	<u>\$47,288,148</u>	<u>\$41,955,811</u>

Contract receivables included in accounts receivable - trade and related party at December 31, 2022 and 2021:

<u>2022</u>	<u>2021</u>
<u>\$2,740,433</u>	<u>\$3,335,704</u>

The following is a description of principal activities from which the Organization generates its revenue:

Products and services	Nature, timing of satisfaction of performance obligations, and significant payment terms
Store sales and donated inventory	The Organization recognizes revenue when a customer takes possession of merchandise. This occurs at the point of sale in the retail locations. The amount of revenue recognized is the total sales price as no refunds are provided.
Salvage revenue	The Organization recognizes revenue when a customer takes possession of merchandise. This occurs at the point of sale. The amount of revenue recognized is the total sales price.
Mission services	Mission services include vocational training, pre-employment, job search, educational literacy, personal management, and work experience services. The Organization recognizes revenue as services are provided. Services are billed and paid on a monthly basis.



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE V – REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

Products and services	Nature, timing of satisfaction of performance obligations, and significant payment terms
Federal and other contracts	Contract revenue includes janitorial and grounds maintenance services. The Organization recognizes revenue as services are provided. Services are billed and paid on a monthly basis.

NOTE W – ACCOUNTING PRONOUNCEMENTS ADOPTED

Effective January 1, 2022, the Organization adopted the provisions of FASB ASC Topic 842 (ASU 2016-02), *Leases* as well as ASU 2018-11 *Leases (Topic 842): Targeted Improvements*. ASC 842 requires that a lease liability and related ROU asset representing the lessee’s right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases, except for those with a lease term of twelve months or less. Leases are classified as either finance leases or operating leases. ASU 2018-11 provided entities with an additional transition method that allowed an entity to apply the new standard to at the adoption date, versus at the beginning of the earliest period presented.

The Organization has elected to record in its financial statements the effect of FASB ASC 842 as of the beginning of the year of adoption, which is January 1, 2022. Accordingly, the Organization has recognized \$27,986,766 right-of-use assets and lease liabilities of \$27,986,766 measured under FASB ASC 842 in its consolidated statement of financial position, and the related cumulative effect on earnings as an adjustment to net assets, as of the adoption date. Adoption of FASB ASC 842 resulted in no change to beginning net assets without donor restrictions for the year ended December 31, 2022. The comparative period ending December 31, 2021 is presented under the provisions of FASB ASC 840.

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract.

*Leases (Topic 842) Discount Rate for Lessees That Are Not Public Business Entities (ASU-2021-09)*- Topic 842 currently provides lessees that are not public business entities with a practical



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

NOTE W – ACCOUNTING PRONOUNCEMENTS ADOPTED (Continued)

expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this Update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election. Entities, including local councils, that have not yet adopted Topic 842 as of November 11, 2021, are required to adopt the amendments in this Update at the same time that they adopt Topic 842. The Organization has adopted the provisions of FASB ASC 842 as of January 1, 2022 and has elected to use the risk-free rate for its all of its classes of assets. See also Note K, Leases.

Effective January 1, 2022, the Organization adopted the provisions of FASB ASU 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendments in this Update apply to nonprofit organizations that receive contributed nonfinancial assets (also referred to as gifts-in-kind) and address presentation and disclosure of those contributed nonfinancial assets. The term “nonfinancial assets” includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, cryptocurrency, services, and unconditional promises of those assets. Under ASU 2020-07, organizations must present gifts-in-kind as a separate line item in the statement of activities, apart from gifts of cash and other financial assets. In addition to this presentation requirement, the gifts-in-kind must be further broken down into categories (fixed assets, supplies, contributed services, etc.) in the notes to the financial statements. For each category of contributed nonfinancial assets recognized in the financial statements, further footnote disclosures are required under the ASU, including whether the gifts-in-kind were sold or used, among other disclosures. The provisions of ASU 2020-07 must be applied on a retrospective basis (meaning that all periods presented in comparative financial statements must reflect the requirements of the new standard). Adoption of this standard had no effect on its net assets for the years ending December 31, 2022 and 2021.



OTHER FINANCIAL INFORMATION

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
SUPPLEMENTAL STATEMENT OF FINANCIAL POSITION WITHOUT ELIMINATIONS  
December 31, 2022 and 2021

ASSETS

	Goodwill Industries	Powerworks Industries	Columbus Community Campus Condominium Association, Inc.	Combined Total	2021 Total
Cash and cash equivalents	\$ 11,526,119	\$ 3,838,142	\$ 86,616	\$ 15,450,877	\$ 11,655,371
Accounts receivable - trade, net	359,371	2,517,071	970	2,877,412	3,352,749
Accounts receivable - related party	181,407	--	--	181,407	127,512
Accrued interest receivable	--	--	--	--	7,402
Inventories	2,374,268	--	--	2,374,268	2,044,898
Investments	9,934,384	--	--	9,934,384	15,090,095
Prepaid expenses and assets	369,152	6,260	150	375,562	248,651
Operating lease right-of-use assets	25,730,423	2,270	--	25,732,693	--
Finance lease right-of-use assets	5,243,677	--	--	5,243,677	--
Fixed assets - net	<u>10,710,495</u>	<u>1,042,641</u>	<u>--</u>	<u>11,753,136</u>	<u>10,105,260</u>
 Total Assets	 <u>\$ 66,429,296</u>	 <u>\$ 7,406,384</u>	 <u>\$ 87,736</u>	 <u>\$ 73,923,416</u>	 <u>\$ 42,631,938</u>



LIABILITIES AND NET ASSETS

	Goodwill Industries	Powerworks Industries	Columbus Community Campus Condominium Association, Inc.	Combined Total	2021 Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>LIABILITIES</b>					
Accounts payable	\$ 111,502	\$ 4,199	\$ --	\$ 115,701	\$ 658,888
Accounts payable - related party	57,908	180,398	1,009	239,315	172,010
Deferred revenue	893,031	--	--	893,031	944,334
Accrued wages	1,294,875	377,058	--	1,671,933	1,717,350
Accrued and withheld expenses	434,205	238,927	--	673,132	580,089
Promise to give payable	250,000	--	--	250,000	--
Long-term debt	2,624,608	--	--	2,624,608	2,725,588
Operating lease liabilities	25,730,423	2,270	--	25,732,693	--
Finance lease liabilities	5,377,384	--	--	5,377,384	--
	<u>36,773,936</u>	<u>802,852</u>	<u>1,009</u>	<u>37,577,797</u>	<u>6,798,259</u>
<b>NET ASSETS</b>					
Without donor restrictions	<u>29,655,360</u>	<u>6,603,532</u>	<u>86,727</u>	<u>36,345,619</u>	<u>35,833,679</u>
Total net assets	<u>29,655,360</u>	<u>6,603,532</u>	<u>86,727</u>	<u>36,345,619</u>	<u>35,833,679</u>
Total Liabilities and Net Asset:	<u>\$ 66,429,296</u>	<u>\$ 7,406,384</u>	<u>\$ 87,736</u>	<u>\$ 73,923,416</u>	<u>\$ 42,631,938</u>

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
SUPPLEMENTAL STATEMENT OF ACTIVITIES  
GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
For Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT, REVENUE, AND GAINS</b>			
Store sales and donated inventory	\$ 33,392,205	\$ --	\$ 33,392,205
Salvage revenue	2,292,217	--	2,292,217
Mission services grants	861,287	--	861,287
Net investment loss	( 2,200,858)	--	( 2,200,858)
Contributions	382,296	--	382,296
Rental income	186,316	--	186,316
Gain on disposal of fixed assets	59,192	--	59,192
Other contracts	47,423	--	47,423
Other income	59,741	--	59,741
Total support, revenue, and gains	<u>35,079,819</u>	<u>--</u>	<u>35,079,819</u>
<b>EXPENSES</b>			
Stores	27,142,554	--	27,142,554
Salvage	153,436	--	153,436
Mission services	6,213,153	--	6,213,153
Total program services	<u>33,509,143</u>	<u>--</u>	<u>33,509,143</u>
Supporting services			
Administrative	1,674,364	--	1,674,364
Community relations/fundraising	26,467	--	26,467
Total supporting services	<u>1,700,831</u>	<u>--</u>	<u>1,700,831</u>
Total expenses	<u>35,209,974</u>	<u>--</u>	<u>35,209,974</u>
Change in Net Assets	( 130,155)	--	( 130,155)
NET ASSETS, beginning of year	<u>29,785,515</u>	<u>--</u>	<u>29,785,515</u>
NET ASSETS, end of year	\$ <u>29,655,360</u>	\$ <u>--</u>	\$ <u>29,655,360</u>

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



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
SUPPLEMENTAL STATEMENT OF ACTIVITIES  
GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
For Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT, REVENUE, AND GAINS</b>			
Store sales and donated inventory	\$ 28,734,540	\$ --	\$ 28,734,540
Salvage revenue	2,052,252	--	2,052,252
Mission services grants	631,776	--	631,776
Net investment gain	1,179,513	--	1,179,513
Contributions	355,532	--	355,532
Rental income	192,215	--	192,215
Gain on disposal of fixed assets	66,026	--	66,026
Other contracts	40,521	--	40,521
Other income	66,868	--	66,868
Total support, revenue, and gains	<u>33,319,243</u>	<u>--</u>	<u>33,319,243</u>
<b>EXPENSES</b>			
Stores	23,343,025	--	23,343,025
Salvage	227,205	--	227,205
Mission services	4,803,415	--	4,803,415
Total program services	<u>28,373,645</u>	<u>--</u>	<u>28,373,645</u>
Supporting services			
Administrative	933,681	--	933,681
Community relations/fundraising	29,204	--	29,204
Total supporting services	<u>962,885</u>	<u>--</u>	<u>962,885</u>
Total expenses	<u>29,336,530</u>	<u>--</u>	<u>29,336,530</u>
Change in Net Assets	3,982,713	--	3,982,713
NET ASSETS, beginning of year	<u>25,802,802</u>	<u>--</u>	<u>25,802,802</u>
NET ASSETS, end of year	<u>\$ 29,785,515</u>	<u>\$ --</u>	<u>\$ 29,785,515</u>

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
SUPPLEMENTAL STATEMENT OF ACTIVITIES  
COLUMBUS COMMUNITY CAMPUS CONDOMINIUM ASSOCIATION, INC.  
For Year Ended December 31, 2022

REVENUE AND GAINS WITHOUT DONOR RESTRICTIONS	
Dues revenue	\$ <u>104,460</u>
Total revenue and gains without donor restrictions	<u>104,460</u>
EXPENSES	
Bank and credit card fees	698
Insurance	24,670
Professional and consulting fees	12,723
Repairs and maintenance	24,733
Printing	1,380
Utilities	<u>24,279</u>
Total expenses	<u>88,483</u>
Change in Net Assets Without Donor Restrictions	15,977
NET ASSETS, beginning of year	<u>70,750</u>
NET ASSETS, end of year	\$ <u><u>86,727</u></u>

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



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
SUPPLEMENTAL STATEMENT OF ACTIVITIES  
COLUMBUS COMMUNITY CAMPUS CONDOMINIUM ASSOCIATION, INC.  
For Year Ended December 31, 2021

REVENUE AND GAINS WITHOUT DONOR RESTRICTIONS	
Dues revenue	\$ <u>104,460</u>
Total revenue and gains without donor restrictions	<u>104,460</u>
EXPENSES	
Bank and credit card fees	688
Insurance	21,708
Professional and consulting fees	12,350
Repairs and maintenance	25,379
Utilities	<u>21,360</u>
Total expenses	<u>81,485</u>
Change in Net Assets Without Donor Restrictions	22,975
NET ASSETS, beginning of year	<u>47,775</u>
NET ASSETS, end of year	<u><u>\$ 70,750</u></u>

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
SUPPLEMENTAL STATEMENT OF ACTIVITIES  
POWERWORKS INDUSTRIES, INC.  
For Year Ended December 31, 2022

REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS	
Federal contracts	\$ 10,758,271
Other contracts	76,645
Other income	<u>20,964</u>
Total revenue and support without donor restrictions	<u>10,855,880</u>
EXPENSES	
Program services	
Contracts	10,021,370
Supporting services	
Management and general	<u>208,392</u>
Total expenses	<u>10,229,762</u>
Change in Net Assets Without Donor Restrictions	626,118
NET ASSETS, beginning of year	<u>5,977,414</u>
NET ASSETS, end of year	<u><u>\$ 6,603,532</u></u>

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



GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.  
AND RELATED ENTITIES  
SUPPLEMENTAL STATEMENT OF ACTIVITIES  
POWERWORKS INDUSTRIES, INC.  
For Year Ended December 31, 2021

REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS	
Federal contracts	\$ 10,529,112
Other contracts	115,190
Other income (loss)	<u>( 2,356)</u>
Total revenue and support without donor restrictions	<u>10,641,946</u>
EXPENSES	
Program services	
Contracts	9,620,156
Supporting services	
Management and general	<u>210,487</u>
Total expenses	<u>9,830,643</u>
Change in Net Assets Without Donor Restrictions	811,303
NET ASSETS, beginning of year	<u>5,166,111</u>
NET ASSETS, end of year	<u><u>\$ 5,977,414</u></u>

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