GOODWILL OF CENTRAL AND SOUTHERN INDIANA, INC. AND SUBSIDIARIES
AND
GOODWILL FOUNDATION OF CENTRAL AND SOUTHERN INDIANA, INC.

COMBINED FINANCIAL STATEMENTS

DECEMBER 30, 2023 AND DECEMBER 31, 2022

AND

SUPPLEMENTAL INFORMATION

DECEMBER 30, 2023

CPAs / ADVISORS

blue

**GOODWILL OF CENTRAL AND SOUTHERN INDIANA, INC.
AND SUBSIDIARIES AND GOODWILL
FOUNDATION OF CENTRAL AND SOUTHERN INDIANA, INC.**

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CPAs / ADVISORS

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
Goodwill of Central and Southern Indiana, Inc. and Subsidiaries
and Goodwill Foundation of Central and Southern Indiana, Inc.
Indianapolis, Indiana

Opinion

We have audited the accompanying combined financial statements of Goodwill of Central and Southern Indiana, Inc. and Subsidiaries and Goodwill Foundation of Central and Southern Indiana, Inc. (hereby referred to as "the Organizations"), nonprofit organizations, which comprise the combined statements of financial position as of December 30, 2023 and December 31, 2022, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Organizations as of December 30, 2023 and December 31, 2022, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Organizations and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 3 to the combined financial statements, the Organizations adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments- Credit Losses (Topic 326)* in 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Combined Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with 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 combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks.
  Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' 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 combined financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' 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.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental information identified in the accompanying table of contents is presented for purposes of additional analysis rather than to present the financial position, results of activities, and cash flows of the individual entities. It is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The supplemental information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with 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 combined financial statements as a whole.

Blue & Co., LLC

Indianapolis, Indiana
March 12, 2024

**GOODWILL OF CENTRAL AND SOUTHERN INDIANA, INC.
AND SUBSIDIARIES AND GOODWILL
FOUNDATION OF CENTRAL AND SOUTHERN INDIANA, INC.**

COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 30, 2023 AND DECEMBER 31, 2022

ASSETS

	2023	2022
Current assets		
Cash and cash equivalents	$ 32,523,286	$ 30,337,484
Trade accounts receivable, net of allowance of $203,839 in 2023 and $321,867 in 2022	6,202,526	4,494,564
Contributions and pledges receivable, net	1,266,209	1,554,752
Other receivables	5,084,708	1,099,901
Prepaid expenses	2,184,697	1,510,653
Inventory - purchased goods	1,003,563	1,290,685
Inventory - donated goods	6,301,216	6,130,888
Total current assets	54,566,205	46,418,927
Property and equipment, net	152,588,658	154,203,039
Other assets		
Investments	74,772,256	66,686,105
Investment in affiliate	1,407,016	1,353,499
Deposits and other	180,000	80,000
Interest rate swaps	2,323,017	3,067,116
Total other assets	78,682,289	71,186,720
Total assets	$ 285,837,152	$ 271,808,686

LIABILITIES AND NET ASSETS

	2023	2022
Current liabilities		
Current portion of long-term debt	$ 1,683,056	$ 4,723,217
Current portion of finance lease liabilities	16,018	78,636
Current portion of operating lease liabilities	9,413,388	9,510,112
Accounts payable	3,280,425	2,923,117
Refundable advances	2,505,000	1,100,000
Accrued salaries, wages, and other liabilities	8,234,806	6,602,662
Other accrued liabilities	5,266,512	4,418,899
Total current liabilities	30,399,205	29,356,643
Long-term debt less current portion	23,172,907	24,850,010
Long-term finance lease liabilities less current portion	31,308	70,376
Long-term operating lease liabilities less current portion	42,736,928	46,022,203
Refundable advances	1,500,000	2,000,000
Other	262,437	253,374
Total other liabilities	67,703,580	73,195,963
Total liabilities	98,102,785	102,552,606
Net assets		
Without restrictions	168,258,333	149,421,946
With restrictions	19,476,034	19,834,134
Total net assets	187,734,367	169,256,080
Total liabilities and net assets	$ 285,837,152	$ 271,808,686

See accompanying notes to combined financial statements.

GOODWILL OF CENTRAL AND SOUTHERN INDIANA, INC.
AND SUBSIDIARIES AND GOODWILL
FOUNDATION OF CENTRAL AND SOUTHERN INDIANA, INC.

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 30, 2023 AND DECEMBER 31, 2022

	2023	2022
Revenues, gains and support		
Sales - donated goods	$ 146,482,540	$ 139,530,693
Commercial services	19,880,917	17,419,548
Mission advancement	12,536,304	8,093,832
Education services	35,369,302	30,253,557
United Way support	808,743	769,163
Grants and contributions	2,042,178	4,390,779
Other revenue and support	3,649,200	3,962,485
Net assets released from restrictions for specified purpose	4,353,189	4,750,055
Total revenues, gains, and support	225,122,373	209,170,112
Expenses		
Retail services	116,902,772	110,804,462
Commercial services	24,885,529	22,460,986
Mission advancement	19,334,743	14,376,706
Education services	35,665,091	33,174,664
General and administrative	17,163,345	13,990,123
Fundraising	1,491,584	1,237,770
Total expenses	215,443,064	196,044,711
Excess revenues, gains, and support over expenses	9,679,309	13,125,401
Other changes in net assets without restrictions		
Investment return, net	9,811,342	(10,922,938)
Gain (loss) on interest rate swaps	(744,099)	2,675,670
Loss on disposition of property and equipment	(63,682)	(3,236)
Gain on investment in affiliate	153,517	56,554
Total other changes in net assets without restrictions	9,157,078	(8,193,950)
Total changes in net assets without restrictions	18,836,387	4,931,451
Changes in net assets with restrictions		
Contributions	3,666,233	1,637,972
Investment return, net	328,856	(777,436)
Net assets released from restrictions for specified purpose	(4,353,189)	(4,750,055)
Total changes in net assets with restrictions	(358,100)	(3,889,519)
Changes in net assets	18,478,287	1,041,932
Net assets		
Beginning of year	169,256,080	168,214,148
End of year	$ 187,734,367	$ 169,256,080

See accompanying notes to combined financial statements.

GOODWILL OF CENTRAL AND SOUTHERN INDIANA, INC.
AND SUBSIDIARIES AND GOODWILL
FOUNDATION OF CENTRAL AND SOUTHERN INDIANA, INC.

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 30, 2023

	Retail Services	Commercial Services	Mission Advancement	Education Services	General and Administrative	Fundraising	2023 Totals
Salaries and wages	$ 64,693,828	$ 11,064,213	$ 12,096,422	$ 18,131,205	$ 7,345,390	$ 648,951	$ 113,980,009
Benefits	11,813,495	2,750,544	2,961,733	5,750,401	1,886,341	217,493	25,380,007
Cost of sales	188,429	4,057,663	-0-	-0-	-0-	-0-	4,246,092
Professional fees	4,160,293	1,088,477	669,146	2,285,880	1,899,526	1,283,185	11,386,507
Supplies	6,511,257	1,125,714	631,154	2,036,201	813,449	121,032	11,238,807
Occupancy	22,882,636	3,862,339	339,756	3,528,933	1,715,512	42,498	32,371,674
Depreciation	4,550,907	738,641	130,758	2,003,370	611,179	9,079	8,043,934
Travel and transportation	895,891	115,757	421,979	170,576	331,178	6,331	1,941,712
Advertising	1,015,543	33,870	188,537	646,411	903,976	48,972	2,837,309
Interest	3,418	-0-	-0-	-0-	789,643	-0-	793,061
Staff development	39,287	34,546	457,003	255,324	169,738	5,498	961,396
Memberships and dues	1,283	12,004	8,899	12,402	280,317	3,624	318,529
Student services	-0-	-0-	-0-	741,688	-0-	-0-	741,688
Client services	3,318	39	1,318,737	3,671	-0-	-0-	1,325,765
Grants and contributions	-0-	-0-	-0-	-0-	-0-	6,824,619	6,824,619
Other	143,187	1,722	110,619	99,029	417,096	9,776	781,429
	116,902,772	24,885,529	19,334,743	35,665,091	17,163,345	9,221,058	223,172,538
Less: eliminations	-0-	-0-	-0-	-0-	-0-	(7,729,474)	(7,729,474)
	$ 116,902,772	$ 24,885,529	$ 19,334,743	$ 35,665,091	$ 17,163,345	$ 1,491,584	$ 215,443,064

See accompanying notes to combined financial statements.

GOODWILL OF CENTRAL AND SOUTHERN INDIANA, INC.
AND SUBSIDIARIES AND GOODWILL
FOUNDATION OF CENTRAL AND SOUTHERN INDIANA, INC.

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Retail Services	Commercial Services	Mission Advancement	Education Services	General and Administrative	Fundraising	2022 Totals
Salaries and wages	$ 59,208,789	$ 10,074,359	$ 9,623,597	$ 17,465,065	$ 6,688,881	$ 570,828	$ 103,631,519
Benefits	10,396,987	2,359,559	2,241,330	4,729,164	1,464,506	182,825	21,374,371
Cost of sales	763,840	4,602,693	-0-	-0-	-0-	-0-	5,366,533
Professional fees	4,266,589	418,109	414,082	2,527,692	1,538,088	1,092,932	10,257,492
Supplies	6,857,801	845,603	601,067	1,318,484	846,371	50,290	10,519,616
Occupancy	21,351,711	3,119,986	255,649	3,671,248	1,565,693	40,899	30,005,186
Depreciation	4,534,677	768,043	201,013	2,018,027	463,983	1,766	7,987,509
Travel and transportation	1,081,942	117,694	163,245	124,845	136,946	2,883	1,627,555
Advertising	1,237,582	32,030	50,569	562,836	611,074	17,888	2,511,979
Interest	906,212	-0-	-0-	-0-	-0-	-0-	906,212
Staff development	13,594	10,939	332,490	158,979	119,361	542	635,905
Memberships and dues	2,406	12,618	6,117	13,098	246,423	2,081	282,743
Student services	-0-	-0-	-0-	492,900	-0-	-0-	492,900
Client services	3,929	5,950	460,152	3,109	18	1,158	474,316
Grants and contributions	-0-	-0-	-0-	-0-	-0-	6,183,909	6,183,909
Other	178,403	93,403	27,395	89,217	308,779	28,711	725,908
	110,804,462	22,460,986	14,376,706	33,174,664	13,990,123	8,176,712	202,983,653
Less: eliminations	-0-	-0-	-0-	-0-	-0-	(6,938,942)	(6,938,942)
	$ 110,804,462	$ 22,460,986	$ 14,376,706	$ 33,174,664	$ 13,990,123	$ 1,237,770	$ 196,044,711

See accompanying notes to combined financial statements.

GOODWILL OF CENTRAL AND SOUTHERN INDIANA, INC.
AND SUBSIDIARIES AND GOODWILL
FOUNDATION OF CENTRAL AND SOUTHERN INDIANA, INC.

COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 30, 2023 AND DECEMBER 31, 2022

	2023	2022
Operating activities		
Change in net assets	$ 18,478,287	$ 1,041,932
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	8,043,934	7,987,509
Amortization	5,958	5,958
Credit loss expense (recoveries)	(59,268)	202,833
Loss on disposal of property and equipment	63,682	3,236
(Gain) loss on interest rate swaps	744,099	(2,675,670)
Gain on investment in affiliate	(153,517)	(56,554)
Unrealized and realized (gain) loss on investments	(7,608,096)	13,246,030
Changes in operating assets and liabilities		
Trade accounts receivable	(1,648,694)	(621,845)
Contributions and pledges receivable, net	288,543	3,288,488
Other receivables	(4,084,807)	(272,546)
Prepaid expenses and other	(727,561)	(250,715)
Inventory	116,794	262,123
Accounts payable and accrued liabilities	2,463,730	(1,916,079)
Refundable advances	905,000	3,100,000
Other long-term liabilities	9,063	25,772
Net cash flows from operating activities	16,837,147	23,370,472
Investing activities		
Purchase of property and equipment	(9,501,899)	(7,327,302)
Gain on investment in affiliate	153,517	56,554
Proceeds from sale of investments	3,505,146	7,635,162
Purchase of investments	(3,983,201)	(7,839,121)
Net cash flows from investing activities	(9,826,437)	(7,474,707)
Financing activities		
Borrowings and repayments on line of credit, net	-0-	(871,200)
Principal payments on long-term debt	(4,723,222)	(4,205,685)
Payments on finance lease obligations	(101,686)	(153,614)
Net cash flows from financing activities	(4,824,908)	(5,230,499)
Net change in cash, cash equivalents, and restricted cash equivalents	2,185,802	10,665,266
Cash, cash equivalents, and restricted cash equivalents		
Beginning of year	30,337,484	19,672,218
End of year	$ 32,523,286	$ 30,337,484
Supplemental disclosures of cash flows information		
Cash paid for interest	$ 786,177	$ 900,254
Non cash investing activities		
Property and equipment included in accounts payable	$ 373,335	$ 558,076
Property and equipment acquired through finance lease	$ -0-	$ 140,250

See accompanying notes to combined financial statements.

1. NATURE OF BUSINESS

Principles of Combination

These combined financial statements include the consolidated accounts of Goodwill of Central and Southern Indiana, Inc. and its subsidiary companies (collectively referred to as "Goodwill") and Goodwill Foundation of Central and Southern Indiana, Inc. ("Foundation"). Goodwill and the Foundation (collectively referred to as the "Organizations") are considered related companies. All material inter-company accounts and transactions have been eliminated.

Description of Organizations

Goodwill of Central and Southern Indiana, Inc. ("GCSI") and its subsidiaries, GW Commercial Services, Inc. ("GWCS") and Goodwill Education Initiatives, Inc. ("GEI") are Indiana non-profit organizations that offer employment, education, health, and related services to disadvantaged adults and young people throughout central and southern Indiana. Goodwill defines disadvantaged individuals as those with a barrier to employment such as a disability, a criminal history, and/or a low education level (less than a high school diploma).

GCSI created a wholly owned, single-purpose limited liability company, Goodwill Riverview Partners, LLC (GRP), in 2017 to participate in a workforce housing joint venture project. (See Note 19).

GCSI created a wholly-owned subsidiary, Goodwill de Puerto Rico, Inc. (GW Puerto Rico), in 2023 which will include retail stores and a warehouse outlet center. The activity related to GW Puerto Rico was not material to the 2023 combined financial statements.

GCSI's retail operation collects donations of used clothing (Textile) and household items (Wares) and sells them through a network of 71 thrift stores and four warehouse outlet centers. Excess and unsalable donated items are sold through salvage and recycling channels (Salvage). Unique items, jewelry and books (E-commerce) are often sold through e-commerce channels. The retail operation also accepts and sells donated automobiles, using a third party for marketing, vehicle towing, and auction services. The retail operation employs nearly 3,500 individuals, over 66% of whom have barriers to employment. These operations generate revenue and cash flow that fund a large portion of GCSI's other mission-related operations and general and administrative expenses.

GWCS is operated under common management with GCSI and provides rehabilitative training and jobs for people who have significant disabilities, primarily through service contracts with various federal governmental entities pursuant to AbilityOne (formerly known as the Javits-Wagner-O'Day Act of 1971). AbilityOne requires certain federal governmental entities to purchase selected products and services, via such contracts, from non-profit agencies employing blind or significantly disabled individuals. GCSI operates nine AbilityOne contracts at government sites in Indiana and employs approximately 143 people with significant disabilities. GCSI's Commercial Services operation provides a variety of outsource packaging, assembly and fulfillment services to external customers, employing over 300 people with disabilities and other barriers.

GCSI's Mission Advancement ("MA") operation provides case management, counseling, training, education, job coaching, job placement and related supportive services, for disabled, disadvantaged, unemployed and under-employed individuals who wish to find and retain employment, and increase their economic self-sufficiency. MA also manages programs that provide holistic whole-family services to Goodwill's low-wage workers, program participants, and students and their families. The GWCS and MA segments of GCSI are funded by a combination of contracts with external customers, service contracts with federal and state governmental entities, United Way grants, private grants, gifts from individuals and foundations, and subsidies from GCSI's retail operation.

GEI provides educational opportunities designed to enable young people and adults to prepare for more productive lives. GEI operates 17 public charter high schools in Indiana under the provisions of the Indiana Charter School laws and the chartering authorities of the Mayor of Indianapolis and the Indiana Charter School Board. The following table provides more information regarding GEI's charter schools.

School Name	School Location	Chartering Authority	Number of Years in Operation	Student Enrollment at December 30, 2023
Indianapolis Metropolitan High School	Indianapolis, IN (at GCSI headquarters facility)	Mayor of Indianapolis	20	250
The Excel Center for Adult Learners	Four locations in Indianapolis, IN, including one at GCSI headquarters facility	Mayor of Indianapolis	13	1,243
The Excel Center - Anderson	Anderson, IN	Indiana Charter School Board	12	308
The Excel Center - Kokomo	Kokomo, IN	Indiana Charter School Board	11	374
The Excel Center - Lafayette	Lafayette, IN	Indiana Charter School Board	11	358
The Excel Center - Richmond	Richmond, IN	Indiana Charter School Board	11	202
The Excel Center - West	Indianapolis, IN	Mayor of Indianapolis	11	346
The Excel Center - University Heights	Indianapolis, IN	Mayor of Indianapolis	9	345
The Excel Center - Noblesville	Noblesville, IN	Indiana Charter School Board	9	204
The Excel Center - Shelbyville	Shelbyville, IN	Indiana Charter School Board	8	157
The Excel Center - Clarksville	Clarksville, IN	Indiana Charter School Board	7	342
The Excel Center - Muncie	Muncie, IN	Indiana Charter School Board	6	275
The Excel Center - Bloomington	Bloomington, IN	Indiana Charter School Board	5	114
The Excel Center - Southeast	Indianapolis, IN	Indiana Charter School Board	1	105
Total				4,623

The schools contract with GCSI for certain business support services, including marketing, human resources, finance, technology, and facilities management. The schools receive the majority of their funding from the Indiana Department of Education. Their revenues are supplemented with funds from the United States Department of Education, private grants, gifts and support from GCSI. Indianapolis Metropolitan High School (the Met) primarily serves at-risk students in grades 9-12. The Excel Centers primarily serve adults who previously dropped out of high school and are seeking their high school diplomas rather than a General Education Diploma.

Goodwill is a member of Goodwill Industries International, Inc. (GII). Goodwill pays GII annual dues in exchange for the Goodwill brand name, national advocacy, and other support. During 2023 and 2022, Goodwill paid dues of approximately $232,000 and $187,000, respectively, to GII. Goodwill operates autonomously and reports its financial results independent of GII or any other GII-affiliated entity. Goodwill operates in a geographic territory assigned to it by GII encompassing 40 counties in central and southern Indiana.

Goodwill is a member agency of United Way of Central Indiana, Inc. and Metro United Way (Louisville, KY). During 2023 and 2022, Goodwill received United Way grants of approximately $809,000 and $769,000, respectively, included within United Way support in the combined statements of activities and changes in net assets.

Goodwill Foundation of Central and Southern Indiana, Inc. (Foundation) was organized in 1971 as an Indiana not-for-profit corporation. The purpose of the Foundation is to solicit financial support from the general public and to disburse such funds to support Goodwill and GEI, to help establish new programs or services for disabled and disadvantaged individuals in central and southern Indiana, further Goodwill's educational efforts, provide college scholarships to qualifying graduates of GEI's charter schools and attract promising college students to careers in human services by providing scholarships and internships. The Foundation has common management with Goodwill, reimburses Goodwill for certain fundraising expenses and pays Goodwill a management fee. The accompanying combined financial statements of Goodwill have not been consolidated with those of the Foundation due to less than a majority voting interest and lack of controlling financial interest between the two organizations.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Use of Estimates

The accompanying combined financial statements were prepared on the accrual basis of accounting. The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates. For annual financial reporting purposes, Goodwill utilizes a 52-week period ending on the Saturday closest to December 31.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Goodwill maintains cash balances at commercial banks. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 30, 2023 and December 31, 2022, Goodwill maintained cash and cash equivalents in excess of the FDIC coverage limits by approximately $32,000,000 and $30,000,000, respectively.

Trade Accounts Receivable (Contract Receivable)

Trade accounts receivable are unsecured customer obligations generally requiring payment within 30 days of the invoice date. Accounts receivable are stated at the amount billed to the customer or at amounts determined by public statute. Generally, customer account balances with invoices dated over 30 days are considered delinquent. Management individually reviews all accounts receivable balances that are past due and based on an assessment of current creditworthiness and other factors, estimates the portion, if any, of the balance that will not be collected. Contract receivables are written off when they are determined to be uncollectible. The allowance for credit losses is estimated based on expected credit losses considering the Organization’s historical losses, the existing economic conditions, and the financial sustainability of its customers. The Organizations recorded an allowance for credit losses of approximately $204,000 and $322,000 at December 30, 2023 and December 31, 2022, respectively.

Inventories

The retail store and e-commerce operations of Goodwill sell donated inventories. These items have little or no economic value to Goodwill when first received and therefore are not recorded at the time of donation. Donated goods are sold through retail store, e-commerce, salvage and recycling sales channels. Costs included in donated goods inventory include those incurred to collect, transport and process donated items to place them for sale in Goodwill's retail stores, e-commerce operations, or to salvage and recycling dealers. Retail store, e-commerce, recycling and salvage sales are reflected in the combined statements of activities and changes in net assets as sales - donated goods.

Goodwill's commercial services operation has purchased inventories generally classified as raw material, work in process and finished goods. These inventories are valued in the combined financial statements at standard cost. Cost of sales is included in retail and commercial services expenses in the combined statements of functional expenses.

Property and Equipment and Right-of Use Assets

Property and equipment are recorded at historical cost, or, if donated, at fair value. Depreciation is computed on the straight-line method over estimated useful lives ranging from 10 to 30 years for buildings and building improvements, and from 3 to 10 years for technology assets, equipment and other capital assets. Leasehold improvements are depreciated over a period of time not exceeding the life of the corresponding finance or operating lease. Material property additions and improvements over $5,000 are capitalized and expenditures for normal maintenance and repairs are expensed as incurred. Goodwill accumulates certain costs for capital projects until the projects are placed in service, at which time they become depreciable fixed assets. Right-of use assets are recognized on the lease commencement date in an amount that represents the present value of the future lease payments over the lease term.

Investments and Investment Income

Accounting standards require that investments in equity securities with readily determinable fair values and all investment in debt securities be measured at fair value in the combined statements of financial position. Interest, dividends, and realized and unrealized gains and losses, net of related expenses, are reflected in the combined statements of activities and changes in net assets, as a component of investment return, net.

Investment in Affiliate

Investments in affiliate are recorded on the equity method of accounting. The investment approximated $1,407,000 and $1,353,000 as of December 30, 2023 and December 31, 2022, respectively.

Net Assets

The Organizations' combined financial statements are prepared in conformity with accounting principles generally accepted in the United States of America for not-for-profit organizations. Accordingly, the Organizations' accounts are stated on the accrual basis of accounting, whereby revenues are recorded as earned and expenses are recorded as incurred. The accompanying combined financial statements have been prepared with a focus on the entity as a whole. Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions.

Accordingly, the net assets of the Organizations are classified and reported as follows:

- Without Donor Restriction - These include revenues and expenses from the regular operations of Goodwill, which are at the discretion of management and the Board of Directors.

- With Donor Restriction - These include contributions and grants with restrictions specified by the donors or grantors.

Income Taxes

The Foundation is a not-for-profit corporation, as described under Code Section 501(c)(3) of the Internal Revenue Code (IRC). GCSI, GWCS and GEI are not-for-profit corporations, as described under Code Section 501(c)(3) of the Internal Revenue Code (IRC). As such, The Foundation, GCSI, GWCS, and GEI are generally exempt from income taxes. The Foundation, GCSI, GWCS, and GEI are required to file Federal Form 990-Return of Organization Exempt from Income Tax, which is an informational return only.

GRP is organized as an LLC; whereby net taxable income is taxed directly to GCSI and not GRP. Since GCSI is the sole member of GRP, GRP is treated as a disregarded entity under the appropriate code of the IRC. As such, the financial activity of GRP is included in GCSI's Federal Form 990 Return of Organization Exempt from Income Tax.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by Goodwill and recognize a tax liability if Goodwill has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by Goodwill and has concluded that as of December 30, 2023 and December 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying combined financial statements. Goodwill is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Goodwill has filed its federal and state income tax returns (Federal Forms 990 and State Forms NP-20) for periods through December 31, 2022. These income tax returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions). As of the date the combined financial statements were available to be issued, there were no audits for any tax periods in progress.

Sales - Donated Goods and Commercial Services Revenue

Sales of donated goods and commercial services are considered revenues from contracts with customers in which revenue is recorded when performance obligations are satisfied. Sales of donated goods revenue is recognized at the point of sale. Commercial services revenue is recognized over time on a monthly basis for services performed under contracts, and on a daily basis for shipment of goods to customers of Goodwill's packaging and assembly operations.

The transaction price in the contract is based upon the stand-alone selling prices of the promised goods or services. The Organizations do not enter into contracts in which the period between transfer of goods or services to the customer and payment by the customer is greater than one year. Therefore, the consideration amounts are not adjusted for the time value of money. The Organizations recognize any incremental costs to obtain a contract as an expense when incurred as these costs are not material and would be amortized over a period less than one year if recognized.

AbilityOne contracts are typical recurring service contracts based on input methods such as labor hours expended and time cleaning square footage of government centers. Packaging/assembly contracts transfer based on output methods of units produced.

All other revenue reported within the combined statements of activities and changes in net assets are considered non-exchange transactions, thus, revenue is recorded based on any restrictions on the usage of such revenue. There are no such conditions on this revenue recorded within revenue, gains (losses), and support within the combined statements of activities and changes in net assets. Amounts received in non-exchange transactions prior to incurring compliance are reported as refundable advances in the combined statements of financial position. The Organizations recognized refundable advances of approximately $4,005,000 and $3,100,000 as of December 30, 2023 and December 31, 2022, respectively.

Contributions and Pledges

The Organizations recognize contributions when cash or unconditional promises to give are received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The Organizations use the allowance method to estimate uncollectible pledges receivable. The allowance is based on historical experience and management's analysis of specific promises made.

The following unconditional promises to give are include in contributions and pledges receivable, net, within the combined statements of financial position as of December 30, 2023 and December 31, 2022:

	2023	2022
Contributions and pledges receivable	$ 1,278,010	$ 1,566,553
Less: allowance for uncollectible	(11,801)	(11,801)
Net contributions and pledges receivable	$ 1,266,209	$ 1,554,752

	2023	2022
Less than one year	$ 1,278,010	$ 1,566,553

Expense Allocation

Expenses have been classified as retail and commercial services, mission advancement, education services, general and administrative, and fundraising. The Organizations use actual direct expenditures and cost allocations, based on estimates of time and usage by Goodwill personnel and programs, which primarily include salaries, wages, and employee benefits, to classify its expenses. The expenses that are allocated include depreciation and interest, which are allocated based on the ratio of direct costs charged to the category to total direct costs. Although the methods used were appropriate, alternative methods may provide different results.

Advertising

Advertising and printing expenses totaled approximately $2,837,000 and $2,512,000 during 2023 and 2022, respectively. Goodwill's policy is to record advertising expenditures in the period in which they are incurred.

Reclassifications

Certain amounts in the prior year combined financial statements have been reclassified to conform with current year presentation. The reclassifications had no effect on the previously reported net assets or change in net assets.

Going Concern Evaluation

Management evaluates whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern for a period of one year from the date the combined financial statements were available to be issued.

Subsequent Events

Goodwill has evaluated events or transactions occurring subsequent to the financial statement date for recognition and disclosure in the accompanying combined financial statements through the date the combined financial statements were available to be issued, which is March 12, 2024.

3. CHANGE IN ACCOUNTING PRINCIPLE

On January 1, 2023, the Organizations adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, utilizing the modified retrospective approach. This ASU replaces the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to estimate credit losses. The new guidance requires financial assets measured at amortized cost to be presented at the net amount expected to be collected. The Organizations applied the guidance to financial assets measured at amortized cost (primarily trade accounts receivable and other receivables) that existed as of January 1, 2023 (the date of initial application). The adoption of this ASU did not have a material impact on the Organization's financial statements.

4. CONTRIBUTED NONFINANCIAL ASSETS

Gifts-in-kind (GIK) included in inventory – donated goods in the combined statements of financial position as of December 30, 2023 and December 31, 2022 is comprised of the following:

	2023	2022
Textiles	$ 2,249,577	$ 2,072,207
Wares	601,780	937,137
E-commerce	1,669,268	877,937
Salvage	1,780,591	2,243,607
	$ 6,301,216	$ 6,130,888

The Organizations receive a significant amount of its inventory as contributed nonfinancial assets, which it monetizes through sales in retail stores, e-commerce platforms, and salvage programs. These contributed nonfinancial assets are valued at their fair market value identified at their sale price through either retail stores, e-commerce platform, or salvage market price. Items not sold during the fiscal year are recorded to inventory and a description of their valuation process can be found in the inventories policy in Footnote 2. There were no donor-imposed restrictions associated with contributed non-financial assets as of December 30, 2023 and December 31, 2022.

5. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organizations regularly monitor liquidity required to meet their operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organizations have various sources of liquidity at their disposal, including cash and cash equivalents, investments, and operating lines of credit. For purposes of analyzing resources available to meet general expenditures over the next 12 months, the Organizations consider all expenditures related to its ongoing activities, capital expenditures, and other commitments to be general expenditures. The Organizations operate with a balanced budget and anticipate generating sufficient revenue to cover general expenditures. Goodwill's retail operations provide daily cash flow, which partially offsets the variability of cash flows from other sources, such as accounts receivable and fundraising efforts. Goodwill assesses the risk that certain events, like severe weather, could have a temporary adverse impact on cash flows. As a result, Goodwill maintains a fixed-income investment portfolio, and a bank line of credit, that together will generally provide 25-30 days of operating expenses. GEI receives more than 90% of its revenue from state and Federal government sources. Cash distributions from government sources are generally received monthly throughout the year. GEI's cash receipts are highly predictable and its expenditures closely align with receipts. Additionally, GEI's charter authorizers require GEI to maintain a cash balance equal to at least 45 days of operating expenses.

The Organizations' financial assets and liquidity resources available within one year of the combined statements of financial position date for general expenditure as of December 30, 2023 and December 31, 2022 are as follows (excluding a line of credit restricted for capital expenditures):

	2023	2022
Financial assets		
Cash and cash equivalents	$ 32,523,286	$ 30,337,484
Trade accounts receivable, net	6,202,526	4,494,564
Related party and other receivables, contributions and pledges		
(excluding restricted pledges, net)	5,831,250	1,444,793
Financial assets available in one year	44,557,062	36,276,841
Liquidity resources		
Line of credit ($-0- in use as of December 30, 2023 and		
December 31, 2022, respectively)	5,000,000	5,000,000
Total financial assets and liquidity resources	$ 49,557,062	$ 41,276,841

In addition, the Organizations have approximately $74,800,000 and $66,700,000 of investments as of December 30, 2023 and December 31, 2022, respectively. While the Organizations do not intend to spend these funds within the next year, the amount could be made available, if necessary.

The Foundation solicits contributions from the general public and invests funds received from donors in accordance with its investment policy, as established, and amended from time to time, by its board of directors. The Foundation disburses such funds to support Goodwill to help establish new programs or services for disabled and disadvantaged individuals in central and southern Indiana, further Goodwill's educational efforts, provide college scholarships to qualifying graduates of GEI's charter schools, and attract promising college students to careers in human services by providing paid internships. The Foundation's support to Goodwill is generally in the form of grants.

The Foundation makes available for its annual operating expenditures and support an amount equal to five percent of the rolling three-year average of its total endowment (5% distribution limit).

The Foundation operates with a balanced budget and anticipates that its annual expenditures for operating expenses and support to Goodwill and GEI will be covered by the 5% distribution limit described above. Operating expenses include administrative and general expenses and fundraising costs. The Foundation manages its cash available for its annual expenditures by operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets, and ensuring it can meet long-term grant commitments and obligations imposed by donor restrictions through its investment policies and practices.

6. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable (contracts receivable) as of December 30, 2023 and December 31, 2022 are summarized as follows:

	2023	2022
Trade accounts receivable	$ 6,406,365	$ 4,816,431
Less: allowance for credit losses	(203,839)	(321,867)
	$ 6,202,526	$ 4,494,564

Trade accounts receivable (contracts receivable) as of January 2, 2022 approximated $4,076,000.

The following table presents an analysis of the allowance for credit losses for the years ended December 30, 2023 and December 31, 2022:

	Balance at Beginning of Period	Charges (credits) to Expense	Deductions*	Balance at End of Period
Allowance for credit loses				
December 31, 2022	$ 156,387	$ 368,313	$ (202,833)	$ 321,867
December 30, 2023	$ 321,867	$ (177,296)	$ 59,268	$ 203,839

*Uncollectibile accounts written off net of recoveries.

7. INVENTORIES

Inventories as of December 30, 2023 and December 31, 2022 are summarized as follows:

	2023	2022
Donated goods	$ 6,301,216	$ 6,130,888
Purchased goods	1,003,563	1,290,685
	$ 7,304,779	$ 7,421,573

8. INVESTMENTS

Investments, at fair value, consist of the following as of December 30, 2023 and December 31, 2022:

	2023	2022
Mutual funds - fixed income	$ 4,420,457	$ 4,264,269
Mutual funds - short-term	5,904,346	5,305,268
Mutual funds - domestic equities	19,810,648	23,529,735
Mutual funds - international	12,763,024	8,027,049
Exchange traded funds	22,798,200	16,701,063
Alternative investments	9,075,581	8,858,721
	$ 74,772,256	$ 66,686,105

Investment return, net of related expenses, for the years ended December 30, 2023 and December 31, 2022 included in the combined statements of activities and changes in net assets is set forth in the following table:

	2023	2022
Interest and dividends	$ 2,532,102	$ 1,545,656
Realized gain (loss) on investments	1,930,033	(774,434)
Unrealized gain (loss) on investments	5,678,063	(12,471,596)
	$ 10,140,198	$ (11,700,374)

The Organizations' investments in equity securities with readily determinable fair values and all investments in debt securities are stated at fair value in the combined statements of financial position (see Note 9). The Foundation’s alternative investments consist of private equity and natural resources fund of fund. These investments are not readily marketable, are less liquid than the Organizations' other investments and are carried at estimated fair values provided by the investment managers. The investment managers report the respective estimated fair values on a one or two quarter lag and management includes all current-quarter cash activity in the estimated fair values reported at the combined statements of financial position date. The Foundation reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of alternative investments. Those estimated fair values may differ materially from the values that would have been used had a ready market for these investments existed (see Note 9). Realized and unrealized investment gains and losses are reported in the combined statements of activities and changes in net assets as a component of investment return, net.

9. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organizations have the ability to access.

- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 30, 2023 and December 31, 2022.

- *Mutual funds*: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organizations are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by Goodwill are deemed to be actively traded.

- *Exchange traded funds*: Valued at the NAV of shares of the underlying stocks held by the Organizations at year-end. These funds are required to publish their daily NAV and to transact at that price. The exchange traded funds held by the Organizations are deemed to be actively traded.

- *Interest rate swap agreements:* Valued using pricing models that are derived principally from observable market data based on discounted cash flows and interest rate yield curves at quoted intervals for the full term of the swaps.

- *Limited partnership funds*: Funds are valued at the percentage ownership of the NAV as reported to the Organizations by the individual managers.

The following table sets forth by level, within the hierarchy, the Organizations' assets measured at fair value on a recurring basis as of December 30, 2023 and December 31, 2022:

	December 30, 2023			
	Total	Level 1	Level 2	Level 3
Investments				
Mutual funds				
Fixed income	$ 4,420,457	$ 4,420,457	$ -0-	$ -0-
Short-term	5,904,346	5,904,346	-0-	-0-
Domestic equities	19,810,648	19,810,648	-0-	-0-
International	12,763,024	12,763,024	-0-	-0-
Exchange traded funds				
Fixed income	11,287,503	11,287,503	-0-	-0-
Basic materials	11,510,697	11,510,697	-0-	-0-
	65,696,675	$ 65,696,675	$ -0-	$ -0-
Limited partnership funds (a)	9,075,581			
	$ 74,772,256			
Other assets				
Interest rate swap agreements	$ 2,323,017	$ -0-	$ 2,323,017	$ -0-

	December 31, 2022			
	Total	Level 1	Level 2	Level 3
Investments				
Mutual funds				
Fixed income	$ 4,264,269	$ 4,264,269	$ -0-	$ -0-
Short-term	5,305,268	5,305,268	-0-	-0-
Domestic equities	23,529,735	23,529,735	-0-	-0-
International	8,027,049	8,027,049	-0-	-0-
Exchange traded funds				
Fixed income	11,975,439	11,975,439	-0-	-0-
Basic materials	4,725,624	4,725,624	-0-	-0-
	57,827,384	$ 57,827,384	$ -0-	$ -0-
Limited partnership funds (a)	8,858,721			
	$ 66,686,105			
Other assets				
Interest rate swap agreement	$ 3,067,116	$ -0-	$ 3,067,116	$ -0-

(a) In accordance with Subtopic 820-10, certain investments that were measured at NAV per share or its equivalent have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented at fair value in the combined statements of financial position.

The Organizations hold investments which are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying combined financial statements.

Fair Value of Investments in Entities that Use Net Assets Value

		December 30, 2023				
		Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Lockup
Investment						
Limited partnerships - private equities	(c)	$ 4,393,936	$ 306,064	Not applicable	None	None
Limited partnerships - natural resources	(b)	$ 1,598,286	$ 3,401,714	Not applicable	None	None
Limited partnerships - renewable energy	(b)	$ 3,083,359	$ -0-	Quarterly	90 days	None

		December 31, 2022				
		Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Lockup
Investment						
Limited partnerships - private equities	(c)	$ 3,982,598	$ -0-	Not applicable	None	None
Limited partnerships - natural resources	(b)	$ 1,759,473	$ 3,240,527	Not applicable	None	None
Limited partnerships - renewable energy	(b)	$ 3,116,650	$ -0-	Quarterly	90 days	None

(b) The Foundation has invested in three separate natural resources funds. Two funds invest primarily in energy – specifically, natural gas and oil production, distribution, transportation, storage, generation and transmission; and timber – specifically, agricultural land investments focused on active timber production and capital appreciation; and minerals and mining. The third fund seeks to acquire and manage income-generating commercial scale renewable energy projects and sells energy produced from the projects back to utilities and municipalities.

(c) The Foundation has invested in four separate private equity funds, one of which invests primarily in U.S. and foreign private equity and venture capital funds, in both developed and emerging markets. Developed market funds include investments in the United States and Europe, while emerging markets funds include investments primarily in Central and Eastern Europe and China. The second fund invests mainly in early-stage technology venture firms due to low valuations and the opportunity to build companies to large exit valuations. It also invests in healthcare companies both domestically and in India and China. The fund invests primarily in venture capital and other private equity sub-funds; however, it will also invest approximately 25% of its investable capital in direct investments. The third fund deploys the majority of its capital to established and emerging global venture capital funds while reserving a meaningful percentage for direct investments in information technology, communications and healthcare companies. The fourth fund makes investments in lower middle market consumer products, niche manufacturing and specialty business services companies located in the United States.

(b) & (c) Natural resources and private equity investments do not typically have observable, readily available market prices. They are closed-end investments and require a specified commitment of capital upon inception of the funds which is drawn down over a specified period of the fund's life. The funds do not provide redemption options for investors and do not permit subscriptions by new or existing investors subsequent to closing. They generally hold interests for which there is no active market, although in some cases, limited transactions may occur in a secondary market where an investor purchases another investor's existing interest and commitment. Accordingly, estimated fair values may differ materially from the values that would have been used had a ready, active market for these investments existed. Management intends to and has the ability to hold these investments to maturity. In the event the Foundation would have to exit these investments in a forced sale, it is very likely that the ultimate sales values would be significantly less than the estimated fair values. Management is unable to determine the prices it could obtain for these investments in a forced sale.

Liquidation values could differ materially from reported fair values and fair values could be materially impacted if the sub-fund managers misstate their fund valuations. Valuation of alternative investment assets relies on the managers of the underlying funds to provide accurate and timely information to assess their respective fund valuations. The Fund general partners evaluate all valuation policies used by managers of underlying funds and analyze the roles of all third parties involved in the valuation process prior to investing in an underlying fund. After an investment has been made, the Fund general partners assess the reasonableness of all valuations determined by underlying funds and determine fair values for all funds on a quarterly basis. On an annual basis, financial statements and capital account statements for each alternative investment fund are produced and reviewed for compliance with fair value accounting standards and adherence to U.S. GAAP.

The Foundation's investment committee engages a third-party investment advisor to provide advice and counsel for the Foundation's investment portfolio. The advisor meets quarterly with the investment committee and provides an investment performance report, an economic and market outlook and recommendations on existing and potential new investment strategies and managers.

The Foundation's investment objectives are to provide for long-term growth while maintaining a diversified portfolio that seeks to reduce significant risk of loss. The Foundation's management relies on its advisor to conduct reasonable due diligence on potential and existing investment managers.

The advisor conducts face-to-face meetings with prospective and current fund managers, evaluates investment strategy, process and principles, reviews relevant investment offering materials, ensures fund managers are in compliance with reporting requirements, reviews backroom activities, performs reference checks, reviews the qualifications and backgrounds of key fund management personnel and reviews fund performance regularly. Investment performance is measured against relevant benchmarks on a quarterly, year to date, 1-year, 3-year, 5-year, 10-year and since-inception basis.

10. PROPERTY AND EQUIPMENT

At December 30, 2023 and December 31, 2022, property and equipment consisted of the following:

	2023	2022
Land and improvements	$ 20,839,100	$ 20,839,100
Leasehold improvements	11,476,022	10,366,248
Buildings and improvements	97,408,708	95,978,679
Equipment and vehicles	47,831,053	48,038,116
Computers and software	4,015,920	5,945,555
Right-of use assets under finance leases	47,000	149,000
Right-of use assets under operating leases	50,965,434	54,435,447
Construction in progress	7,426,502	1,794,430
	240,009,739	237,546,575
Less accumulated depreciation	87,421,081	83,343,536
	$ 152,588,658	$ 154,203,039

Depreciation expense for the years ended December 30, 2023 and December 31, 2022 was approximately $8,044,000 and $7,988,000, respectively. There were outstanding commitments on property and equipment as of December 30, 2023 of approximately $1,449,000 related to buildings and improvements.

11. LINE OF CREDIT

On November 12, 2020, the Organizations entered into a revolving line of credit note (line of credit) with a bank, in the amount of $5,000,000. On May 8, 2023 the LIBOR rate on the line of credit for interest was replaced with the Secured Overnight Financing Rate (SOFR). The line of credit bears interest at a variable rate equal to the sum of SOFR plus a credit spread adjustment of 0.11%, plus 1.50%, (6.88% as of December 30, 2023) and matures in November 2024. As of December 30, 2023 and December 31, 2022, the Organizations had no borrowings against the line of credit.

12. LONG-TERM DEBT

A summary of long-term debt as of December 30, 2023 and December 31, 2022 is as follows:

	2023	2022
Term loan, at a variable rate of Secured Overnight Financing Rate plus plus 2.11% (7.49% as of December 30, 2023), monthly principal and interest payments due through November 2027, secured by assets with a net book value of approximately $16,380,000 as of December 30, 2023.	$ 18,453,966	$ 19,735,891
Term loan, at variable rate of Secured Overnight Financing Rate plus 2.36% (7.74% as of December 30, 2023), monthly principal and interest payments due through July 2028, secured by assets with a net book value approximately $2,879,000 as of December 30, 2023.	1,890,000	1,998,000
Term loan, at variable rate of Secured Overnight Financing Rate plus 2.36% (7.74% as of December 30, 2023), monthly principal and interest payments due through July 2028, secured by assets with a net book value of approximately $3,137,000 as of December 30, 2023.	1,890,000	1,998,000
Term loan, at variable rate of Secured Overnight Financing Rate plus 2.35% (7.73% as of December 30, 2023), monthly principal and interest payments due through December 2028, secured by assets with a net value of approximately $2,791,000 as of December 30, 2023.	1,080,000	1,140,000
Term loan, at variable rate of Secured Overnight Financing Rate plus 2.35% (7.73% as of December 30, 2023), monthly principal and interest payments due through December 2028, secured by assets with a net book value of approximately $3,366,000 as of December 30, 2023.	1,606,500	1,695,750
Note payable, monthly principal due through January 2023, paid in full during January 2023.	-0-	3,076,047
	24,920,466	29,643,688
Less unamortized debt issuance costs	64,503	70,461
Less current portion	1,683,056	4,723,217
	$ 23,172,907	$ 24,850,010

On November 12, 2020, the Organizations issued a term loan with a bank, in the amount of $22,293,270. The term loan bears interest at a variable rate equal to the sum of the Secured Overnight Financing Rate, plus two hundred and eleven basis points, or 2.11%, (7.49% as of December 30, 2023), monthly principal of $103,576 and matures in November 2027. The Organizations also entered into an interest rate swap transaction for the term loan at a fixed rate of 2.78% during the seven-year term. The term loan is collateralized by mortgages on buildings owned by the Organizations. The net book value of the buildings was approximately $16,380,000 as of December 30, 2023. The term loan requires the Organizations to comply with certain covenants which include certain financial requirements. As of December 30, 2023, the Organization's management believes it is in compliance with these covenants.

In 2021, the Organizations converted a capital expenditure line of credit borrowing for retail stores into four term loans totaling $7,305,000, each of which has a seven-year term and is secured by a mortgage on the underlying retail store. The loans bear interest at floating variable rates that ranged from 7.73% to 7.74% at December 30, 2023 with monthly principal payments ranging from $5,000 to $9,000. The Organizations entered into interest rate swap agreements that fix the interest rates on the loans for a term of seven years to match the duration of the loan agreements. The fixed swap rates range from 3.47% to 3.82%. The term loans require the Organizations to comply with certain covenants. As of December 30, 2023, the Organization's management believes it is in compliance with these covenants.

In November 2021, the Organizations entered into an installment purchase contract (note payable) to acquire a retail store it had previously leased from the owner for $3,330,000. The lease between the Organizations and the owner was terminated in exchange for the note payable. The Organizations paid off the unamortized note payable balance in January 2023. The Organizations paid no interest under terms of the note.

Maturities of long-term debt for the years succeeding December 30, 2023 are as follows:

Year Ending		
2024	$	1,683,056
2025		1,722,574
2026		1,761,799
2027		14,747,537
2028		5,005,500
	$	24,920,466

Interest expense was approximately $793,000 and $906,000 during 2023 and 2022, respectively.

13. DERIVATIVE FINANCIAL INSTRUMENTS – INTEREST RATE SWAPS

Objectives and Strategies for Using Derivatives

The Organizations make limited use of derivative financial instruments for the purpose of managing interest rate risk. In particular, forward interest rate swaps (which are designated as cash flow hedges) are used to manage the risk associated with interest rates on variable-rate borrowings and to lower its overall borrowing costs. At December 30, 2023 and December 31, 2022, the interest rate swap agreements had a notional amount of $24,920,000 and $26,568,000, respectively.

Two interest rate swap agreements effectively change the Organizations' interest rate exposure on the term loan due November 2027 to an averaged fixed rate of 2.91%. The financial institution pays the variable rate, 7.49% and 6.33% as of December 30, 2023 and December 31, 2022, respectively. The interest rate swaps for the term loan mature November 2027 and December 2028.

An additional interest rate swap agreement also effectively changes the Organizations' interest rate exposure on the three term loans due in 2028 to a fixed rate of 3.47%. The financial institution pays the variable rates, ranging from 7.73% to 7.74% as of December 30, 2023 and ranging from 6.16% to 6.50% as of December 31, 2022. The interest rate swap for the term loans mature in July 2028. The Organizations are exposed to credit loss in the event of nonperformance by the other parties to the interest rate swap agreements. However, the Organizations do not anticipate nonperformance by counterparties.

The derivatives are not designated as a hedging instrument and are marked-to-market on the combined statements of financial position at fair value. Any related gain or loss is included in the combined statements of activities and changes in net assets in other changes in net assets without restrictions as a component of gain (loss) on interest rate swaps. During 2023, the Organizations recognized an unrealized loss on interest rate swaps of approximately $744,000. During 2022, the Organizations recognized an unrealized gain on interest rate swaps of approximately $2,676,000. Cash flows from the interest rate swaps are classified as an operating activity within the combined statements of cash flows.

As of December 30, 2023 and December 31, 2022, the fair value of the interest rate swaps recorded in the combined statements of financial position was an asset of approximately $2,323,000 and $3,067,000, respectively.

Additional information regarding fair value measurements of the interest rate swap agreements is disclosed in Note 9.

14. NET ASSETS WITH DONOR RESTRICTIONS

In December 2016, the Organizations received a restricted $10,000,000 grant from a third-party funder to support employment opportunities, Nurse Family Partnership, philanthropy, and data capacity related to its merger with Goodwill of Southern Indiana, Inc. In March 2021, the Organizations received a restricted $6,950,000 grant from a third-party funder. In November 2021, the Organizations received a restricted $12,000,000 grant from a third-party funder. The restricted grants received during 2021 were for the Organization's Ex-Offender Re-Entry programs and Nurse Family Partnership programs. During 2023 and 2022, the Organizations incurred approximately $4,350,000 and $4,750,000, respectively, of grant-eligible expenses. The grant activity is reflected as net assets released from restriction in the combined statement of activities and changes in net assets.

Net assets with donor restrictions are available for the following purposes as of December 30, 2023 and December 31, 2022:

	2023	2022
Subject to expenditure for specific purposes		
Youth and adult education	$ 4,962,256	$ 2,305,275
Nurse-Family Partnership	9,192,891	10,739,313
Targeted adult skills training	4,244,677	5,724,506
Workforce development	1,076,210	1,065,040
Total net assets with donor restrictions	$ 19,476,034	$ 19,834,134

15. RETIREMENT PLAN

The Organizations maintain a discretionary thrift plan which allows eligible employees to contribute pre-tax gross income, subject to certain IRS limitations. The Organizations match 100% of eligible employees pre-tax contributions up to 6% of eligible income. The Organizations may also make additional discretionary contributions to the plan. Employer matching contributions vest immediately, while employer discretionary contributions vest after three years or in the event of death or disability. The Organizations' expense relating to contributions to the thrift plan for 2023 and 2022 was approximately $3,388,000 and $2,368,000, respectively.

16. WORKER'S COMPENSATION

The Organizations maintain a high-deductible worker's compensation insurance policy, under which the Organizations pay the first $100,000 of each claim. The Organizations' insurer pays the remainder of each claim that exceeds $100,000. The Organizations maintain an estimated liability for open claims based on the insurer's claims information. At December 30, 2023 and December 31, 2022, the liabilities for worker's compensation claims were approximately $131,000 and $278,000, respectively, which are included in accrued salaries, wages and other liabilities on the combined statements of financial position. The Organizations incurred approximately $613,000 and $827,000 in 2023 and 2022, respectively, for worker's compensation insurance expense and administration fees, included within benefits within the combined statements of functional expenses. The Organizations maintain a direct pay letter of credit with a commercial bank as credit security for the high deductible worker's compensation policy. The letter of credit amount was $500,000 in 2023 and 2022. The Organizations pay 1.25% annually for the letter of credit.

17. SELF-FUNDED HEALTH INSURANCE PLAN

The Organizations maintain a self-funded health insurance plan. A third-party administrator has been retained to process all benefit claims. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonable estimated. These losses include an estimate of claims that have been incurred but not reported. Under a stop loss agreement, the Organizations are generally responsible for the funding of all claims and related administrative costs up to $500,000 per individual per policy year for 2023 and 2022. There is no aggregate limit. Total health insurance expense was approximately $8,152,000 and $6,988,000 for 2023 and 2022, respectively. At December 30, 2023 and December 31, 2022, the estimated liability for accrued claims was approximately $1,004,000 and $1,058,000, respectively.

18. LEASES

The Organizations recognize right-of-use (ROU) assets and lease liabilities for leases with terms greater than 12 months or leases that contain a purchase option that is reasonably certain to be exercised. Leases are classified as either finance or operating leases. This classification dictates whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease.

The Organizations have operating leases for retail stores, buildings used in operations, and equipment. The Organizations have finance leases for various equipment. Leasing arrangements required fixed payments and also include an amount that is probable will be owed under residual value guarantees, if applicable. Lease payments also include payments related to purchase or termination options when the lessee is reasonably certain to exercise the option or is reasonably certain not to exercise the option, respectively. The Organization's lease agreements do not contain any material restrictive covenants. The leases have remaining terms of 1 to 13 years.

The Organization's ROU assets and lease liabilities are recognized on the lease commencement date in an amount that represents the present value of future lease payments over the lease term. The Organizations utilize its collateralized incremental borrowing rate commensurate to the lease term as the discount rate for its leases unless the Organizations can specifically determine the lessor's implicit rate. Certain lease contracts contain non-lease components such as maintenance and utilities. The Organizations have made a policy election to not separate the lease and non-lease components, and thus recognize a single lease component for all of its right-of-use assets and lease liabilities. The operating lease ROU asset also includes any lease payments made and excludes lease incentives, if any.

Short-term leases (leases with an initial term of 12 months or less or leases that are cancelable by the lessee and lessor without significant penalties) are not capitalized but are expensed on a straight-line basis over the lease term. There were no significant short-term leases during 2023 and 2022.

In evaluating contracts to determine if they qualify as a lease, the Organizations consider factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organizations can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. Furthermore, the Organizations assess whether it is reasonably certain to exercise options to extend or terminate a lease considering all relevant factors that create economic incentive to exercise such options, including asset, contract, market, and entity-based factors. These evaluations may require significant judgment.

The components of the Organization's lease cost for the years ended December 30, 2023 and December 31, 2022 is as follows:

	2023	2022
Finance lease cost		
Amortization expense	$ 101,686	$ 153,614
Interest on lease liabilities	4,067	6,145
Total finance lease cost	$ 105,753	$ 159,759
Operating lease cost	$ 9,896,279	$ 11,996,193

The Organization's right-of-use assets and lease liabilities as of and for the years ended December 30, 2023 and December 31, 2022 is as follows:

	2023	2022
Right-of-use assets, net		
Finance lease assets	$ 47,000	$ 149,000
Operating lease assets	50,965,434	54,435,447
Total right-of-use assets, net	$ 51,012,434	$ 54,584,447

	2023	2022
Lease liabilities		
Finance lease liabilities, current	$ 16,018	$ 78,636
Finance lease liabilities, noncurrent	31,308	70,376
Total finance lease liabilities	$ 47,326	$ 149,012
Operating lease liabilities, current	$ 9,413,388	$ 9,510,112
Operating lease liabilities, noncurrent	42,736,928	46,022,203
Total operating lease liabilities	$ 52,150,316	$ 55,532,315

Additional information regarding cash payments under the Organization's operating leases and financing leases during 2023 and 2022, as well as the inputs used in determining the ROU assets and liabilities at December 30, 2023 and 2022, is as follows:

	2023	2022
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	$ 9,704,393	$ 11,858,621
Operating cash flows from finance leases	$ 4,067	$ 6,145
Finance cash flows from finance leases	$ 101,686	$ 153,614
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 6,227,463	$ 11,843,160
Right-of-use assets obtained in exchange for new finance lease liabilities	$ -0-	$ 140,250
Weighted-average remaining lease term - operating leases	5.93	6.89
Weighted average remaining lease term - finance leases	2.83	2.73
Weighted average discount rate - operating leases	4%	4%
Weighted average discount rate - finance leases	4%	4%

Future payments of lease liabilities are as follows:

Year Ending	Finance Leases	Operating Leases
2023	$ 16,658	$ 9,884,837
2024	16,960	9,757,313
2025	15,532	9,106,437
2026	-0-	7,063,978
2027	-0-	5,822,307
Thereafter	-0-	12,601,455
Total lease payments	49,150	54,236,327
Less: Imputed interest	(1,824)	(2,086,011)
	$ 47,326	$ 52,150,316

19. RELATED PARTY TRANSACTIONS

In 2017, Goodwill entered into an arms-length joint venture agreement with a real estate development company (the Developer) owned by a member of Goodwill's board of directors. Goodwill and the Developer own equal shares of the joint venture, which operates a 208-unit workforce housing apartment complex (the Complex) on real estate adjacent to Goodwill's Indianapolis headquarters. Workforce housing is specifically targeted to residents earning between 61-120% of Area Median Income (as defined by the U.S. Department of Housing and Urban Development). Goodwill and the Developer previously acquired the real estate on which the Complex sits. The Complex broke ground in 2018 and was completed in 2020. Full lease-up started during 2021. The board member recused himself from all board of directors' discussions and voting related to joint venture beginning in 2017.

Goodwill and the Developer each contributed $1,750,000 of real estate and cash as equity in the Complex. The total Complex cost was $28,000,000. The Developer secured the remainder of the financing required for the Complex, including a bank loan of $21,300,000, and tax-increment financing (TIF) bonds of $4,200,000 issued through the City of Indianapolis. The Developer serves as the sole guarantor of the bank loan and TIF bonds and serves as the manager of the joint venture. The joint venture agreement has a term of 15 years, during which Goodwill and the Developer will retain equal ownership of the Complex and share equally in the net cash flows. In addition, the Complex will remain Workforce Housing for at least 15 years.

Goodwill created a wholly-owned, single-purpose limited liability company, Goodwill Riverview Partners, LLC (GRP), to participate in the joint venture. Goodwill transferred its real estate, with a fair value of $1,250,000, to GRP in 2018. Additionally, the Foundation loaned $501,000 to GRP. GRP transferred the real estate and cash as equity to the joint venture when the Complex financing closed in 2018. The loan from the Foundation was paid in full during 2021.

Goodwill's investment in the joint venture is reflected in the combined statements of financial position as a component of investment in affiliate. The loan from the Foundation was reflected as a related party payable on the combined statements of financial position. During 2023 and 2022, revenue from the Complex of approximately $1,527,000 and $1,447,000, respectively, was recognized. During 2023 and 2022, expense from the Complex of approximately $1,373,000 and $1,391,000, respectively, was recognized. There was no other activity in the joint venture during 2023 and 2022.

20. ENVIRONMENTAL LIABILITY

The Organizations are part of an Indiana Department of Environmental Management (IDEM) investigation related to certain environmental claims at and near the Organizations' Indianapolis headquarters building. The Organizations have accrued approximately $60,000 as of December 30, 2023 and December 31, 2022. The accrual is based on estimates, quotes and actual charges for mitigation efforts, ongoing monitoring and legal fees related to the IDEM investigation. The Organizations incurred approximately $31,000 and $14,000 of expense in 2023 and 2022, respectively, related to this matter, which is reflected as part of occupancy expenses in the combined statements of functional expenses. The Organizations' insurance carriers were notified of the IDEM investigation in 2015. The Organizations believe their contracts with the insurance carriers are enforceable for claims related to the IDEM investigation. However, the Organizations would be responsible for any amounts that its insurance carriers do not cover. The Organizations are currently assessing any potential receivables to be recorded for recoveries from the insurance carriers.

As of December 30, 2023 and December 31, 2022, no receivable has been recorded. Future revisions in the Organizations' estimates of these claims could materially impact its results of operations and financial position. The Organizations use the best information available to determine the level of accrued liabilities and the Organizations believe its accruals are adequate.

21. STATE, LOCAL AND FEDERAL GRANT AWARDS

Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Government Sources, issued by the Indiana State Board of Accounts, requires Indiana not-for-profit entities to disclose federal, state, and local awards expended during the entities' annual reporting period. As of December 30, 2023 and December 31, 2022, the Organizations expended the following state awards, which are included within mission advancement within the combined statements of activities and changes in net assets:

	2023	2022
State of Indiana		
Department of Health - Safety Pin - Nurse Family Partnership	$ 251,151	$ 428,317
Department of Health - State Expansion - Nurse Family Partnership	6,880,160	3,098,061
Department of Health - State Expansion - My Healthy Baby	76,243	22,822
Department of Health - Home Visiting - Nurse Family Partnership	73,764	-0-
Family and Social Services Administration - Disability Services - Vocational Rehabilitation	40,646	17,068
Total state awards	$ 7,321,964	$ 3,566,268

Approximately $4,891,000 and $4,597,000 of federal awards were expended during 2023 and 2022, respectively, by the Organizations. These amounts were reported in the schedule of expenditures of federal awards for each specific entity in its separately issued consolidated financial statements. There were no local awards expended during 2023 and 2022.

22. COMMITMENTS AND CONTINGENCIES

Litigation

At times, the Organizations may be involved in litigation and regulatory investigations arising in the normal course of business. Management is not aware of any matters that would have a material adverse effect on the Organizations' future financial position, results from operations, and cash flows.

SUPPLEMENTAL INFORMATION

GOODWILL OF CENTRAL AND SOUTHERN INDIANA, INC. AND SUBSIDIARIES AND GOODWILL FOUNDATION OF CENTRAL AND SOUTHERN INDIANA, INC.

COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 30, 2023

	Goodwill	Goodwill Foundation	Eliminations	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 28,774,832	$ 3,748,454	$ -0-	$ 32,523,286
Trade accounts receivable, net of allowance of $203,839	6,202,526	-0-	-0-	6,202,526
Related party receivables	938,096	-0-	(938,096)	-0-
Contributions and pledges receivable, net	-0-	1,266,209	-0-	1,266,209
Other receivables	2,983,708	2,101,000	-0-	5,084,708
Prepaid expenses	2,184,697	-0-	-0-	2,184,697
Inventory - purchased goods	1,003,563	-0-	-0-	1,003,563
Inventory - donated goods	6,301,216	-0-	-0-	6,301,216
Total current assets	48,388,638	7,115,663	(938,096)	54,566,205
Property and equipment, net	152,588,658	0	-0-	152,588,658
Other assets				
Investments	10,324,803	64,447,453	-0-	74,772,256
Investment in affiliate	1,407,016	-0-	-0-	1,407,016
Deposits and other	180,000	-0-	-0-	180,000
Interest rate swaps	2,323,017	-0-	-0-	2,323,017
Total other assets	14,234,836	64,447,453	-0-	78,682,289
Total assets	$ 215,212,132	$ 71,563,116	$ (938,096)	$ 285,837,152

	Goodwill	Goodwill Foundation	Eliminations	Total
LIABILITIES AND NET ASSETS				
Current liabilities				
Current portion of long-term debt	$ 1,683,056	$ -0-	$ -0-	$ 1,683,056
Current portion of finance lease liabilities	16,018	-0-	-0-	16,018
Current portion of operating lease liabilities	9,413,388	-0-	-0-	9,413,388
Accounts payable	3,161,331	119,094	-0-	3,280,425
Accrued salaries, wages, and other liabilities	8,234,806	-0-	-0-	8,234,806
Related party accounts payable	-0-	938,096	(938,096)	-0-
Refundable advances	2,000,000	505,000	-0-	2,505,000
Other accrued liabilities	5,266,512	-0-	-0-	5,266,512
Total current liabilities	29,775,111	1,562,190	(938,096)	30,399,205
Long-term debt less current portion	23,172,907	-0-	-0-	23,172,907
Long-term finance lease liabilities less current portion	31,308	-0-	-0-	31,308
Long-term operating lease liabilities less current portion	42,736,928	-0-	-0-	42,736,928
Refundable advances	-0-	1,500,000	-0-	1,500,000
Other	262,437	-0-	-0-	262,437
Total liabilities	95,978,691	3,062,190	(938,096)	98,102,785
Net assets				
Without restrictions	119,233,441	49,024,892	-0-	168,258,333
With restrictions	-0-	19,476,034	-0-	19,476,034
Total net assets	119,233,441	68,500,926	-0-	187,734,367
Total liabilities and net assets	$ 215,212,132	$ 71,563,116	$ (938,096)	$ 285,837,152

GOODWILL OF CENTRAL AND SOUTHERN INDIANA, INC.
AND SUBSIDIARIES AND GOODWILL
FOUNDATION OF CENTRAL AND SOUTHERN INDIANA, INC.

COMBINING STATEMENT ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 30, 2023

	Goodwill	Goodwill Foundation	Eliminations	Total
Revenues, gains and support				
Sales - donated goods	$ 146,482,540	$ -0-	$ -0-	$ 146,482,540
Commercial services	19,880,917	-0-	-0-	19,880,917
Mission advancement	12,536,304	-0-	-0-	12,536,304
Education services	35,369,302	-0-	-0-	35,369,302
United Way support	808,743	-0-	-0-	808,743
Grants and contributions	-0-	2,042,178	-0-	2,042,178
Foundation grants and contributions	6,499,572	-0-	(6,499,572)	-0-
Other revenue and support	3,649,200	-0-	-0-	3,649,200
Net assets released from restrictions for specified purpose	-0-	4,353,189	-0-	4,353,189
Total revenues, gains and support	225,226,578	6,395,367	(6,499,572)	225,122,373
Expenses				
Retail services	116,902,772	-0-	-0-	116,902,772
Commercial services	24,885,529	-0-	-0-	24,885,529
Mission advancement	19,334,743	-0-	-0-	19,334,743
Education services	35,665,091	-0-	-0-	35,665,091
General and administrative	17,163,345	-0-	-0-	17,163,345
Fundraising	1,155,664	8,065,394	(7,729,474)	1,491,584
Total expenses	215,107,144	8,065,394	(7,729,474)	215,443,064
Excess revenues, gains, and support over (under) expenses	10,119,434	(1,670,027)	1,229,902	9,679,309
Other changes in net assets without restrictions				
Foundation management fees	1,229,902	-0-	(1,229,902)	-0-
Investment return, net	1,505,232	8,306,110	-0-	9,811,342
Loss on disposition of property and equipment	(63,682)	-0-	-0-	(63,682)
Loss on interest rate swaps	(744,099)	-0-	-0-	(744,099)
Gain on investment in affiliate	153,517	-0-	-0-	153,517
Total other changes in net assets without restrictions	2,080,870	8,306,110	(1,229,902)	9,157,078
Total change in net assets without restrictions	12,200,304	6,636,083	-0-	18,836,387
Changes in net assets with restrictions				
Contributions	-0-	3,666,233	-0-	3,666,233
Investment return, net	-0-	328,856	-0-	328,856
Net assets released from restrictions for specified purpose	-0-	(4,353,189)	-0-	(4,353,189)
Change in net assets with restrictions	-0-	(358,100)	-0-	(358,100)
Change in net assets	12,200,304	6,277,983	-0-	18,478,287
Beginning of year	107,033,137	62,222,943	-0-	169,256,080
End of year	$ 119,233,441	$ 68,500,926	$ -0-	$ 187,734,367