

• Consolidated and Combined Financial Statements

•
• **Goodwill Industries of
Northwest Ohio, Inc.
and Subsidiary and
Goodwill Industries
Foundation of
Northwest Ohio, Inc.**

• December 31, 2023 and 2022



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To the Board of Trustees
Goodwill Industries of Northwest Ohio, Inc. and Subsidiary
and Goodwill Industries Foundation of Northwest Ohio, Inc.
Toledo, Ohio

Independent Auditor's Report

Opinion

We have audited the accompanying consolidated and combined financial statements of Goodwill Industries of Northwest Ohio, Inc. and Subsidiary and Goodwill Industries Foundation of Northwest Ohio, Inc. (the Organization), which comprise the consolidated and combined statements of financial position as of December 31, 2023 and 2022, and the related consolidated and combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated and combined financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization 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 Consolidated and Combined Financial Statements

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

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated and 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 consolidated and combined 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated and combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

To the Board of Trustees
Goodwill Industries of Northwest Ohio, Inc. and Subsidiary
and Goodwill Industries Foundation of Northwest Ohio, Inc.
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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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

GBQ Partners LLC

Sylvania, Ohio
May 7, 2024

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GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

**Consolidated and Combined Statements of Financial Position
December 31, 2023 and 2022**



	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 3,723,790	\$ 3,889,779
Accounts receivable	834,067	577,729
Inventories	1,141,472	1,305,645
Prepaid expenses	258,530	144,187
Total current assets	5,957,859	5,917,340
Property and Equipment, net	6,676,516	6,322,471
Other Assets		
Right-of-use assets - operating leases	7,514,769	6,534,133
Right-of-use assets - finance leases	7,640	9,437
Deposits	20,577	16,577
Investments - deferred compensation	46,058	-
Investments	5,758,391	4,920,734
Total other assets	13,347,435	11,480,881
TOTAL ASSETS	\$ 25,981,810	\$ 23,720,692

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

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Consolidated and Combined Statements of Financial Position (continued)
December 31, 2023 and 2022

	2023	2022
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of note payable	\$ 127,129	\$ 111,438
Current portion of operating lease liabilities	2,078,495	1,804,948
Current portion of finance lease liabilities	1,749	1,682
Accounts payable	556,669	665,859
Accrued compensation	699,617	769,071
Deferred revenue	43,898	25,942
Other accrued liabilities	31,027	30,993
Total current liabilities	3,538,584	3,409,933
Long-Term Liabilities		
Note payable, net of current portion	1,556,326	1,944,192
Operating lease liabilities, net of current portion	5,761,943	5,125,130
Finance lease liabilities, net of current portion	6,188	7,937
Deferred compensation	46,058	20,500
Total long-term liabilities	7,370,515	7,097,759
Total Liabilities	10,909,099	10,507,692
Net Assets		
Without donor restrictions:		
Undesignated	9,314,320	8,292,266
Board-designated	5,758,391	4,920,734
Total net assets without donor restrictions	15,072,711	13,213,000
TOTAL LIABILITIES AND NET ASSETS	\$ 25,981,810	\$ 23,720,692

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

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

**Consolidated and Combined Statements of Activities
For the Years Ended December 31, 2023 and 2022**



	2023	2022
Revenue and Support		
Retail sales of donated goods, net	\$ 14,606,888	\$ 13,849,003
Estimated value of donated goods	13,900,198	13,047,688
Contributions	305,901	304,710
Contract sales	2,150,895	2,224,693
Grants	774,374	722,336
Investment income (loss)	709,185	(506,505)
Loss on sale of property and equipment	-	(162)
Other	22,402	8,938
Total revenue and support	32,469,843	29,650,701
Expenses		
Program services:		
Mission	1,362,932	1,394,607
Stores	23,108,647	21,875,200
Donated goods processing	1,717,233	1,815,828
Contracts	1,430,758	1,687,013
Total program services	27,619,570	26,772,648
Supporting services:		
Management and general	2,960,404	2,814,230
Fundraising	30,158	30,495
Total supporting services	2,990,562	2,844,725
Total expenses	30,610,132	29,617,373
Change in net assets without donor restrictions	1,859,711	33,328
Net Assets - Beginning of Year	13,213,000	13,179,672
Net Assets - End of Year	\$ 15,072,711	\$ 13,213,000

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

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Consolidated and Combined Statement of Functional Expenses For the Year Ended December 31, 2023 with Comparative Totals for 2022

	Program Services					Management and General	Fundraising	2023 Total	2022 Total
	Mission	Stores	Donated Goods Processing	Contracts	Program Services Total				
Cost of goods sold	\$ -	\$ 14,132,814	\$ -	\$ -	\$ 14,132,814	\$ -	\$ -	\$ 14,132,814	\$ 13,832,738
Salaries and wages	888,417	3,868,967	600,461	1,079,552	6,437,397	1,540,753	11,840	7,989,990	7,558,251
Payroll taxes	81,548	344,378	50,836	103,288	580,050	124,356	947	705,353	683,410
Employee health benefits	53,333	141,879	55,393	15,640	266,245	284,411	2,170	552,826	588,951
Total payroll related expenses	1,023,298	4,355,224	706,690	1,198,480	7,283,692	1,949,520	14,957	9,248,169	8,830,612
Occupancy	46,357	3,281,092	267,899	31,190	3,626,538	113,092	-	3,739,630	3,766,389
Local transportation	71,562	3,500	438,814	34,182	548,058	57,199	31	605,288	572,739
Supplies	120,904	192,932	117,808	105,331	536,975	35,566	309	572,850	722,268
Professional fees	67,722	136,245	1,018	6,691	211,676	160,075	11	371,762	275,183
Bank charges and interest	413	239,487	52,421	79	292,400	78,165	88	370,653	239,153
Postage and shipping	253	338,922	26	-	339,201	2,626	183	342,010	365,573
Building maintenance	2,004	146,004	34,402	5,928	188,338	41,479	-	229,817	196,923
National and organizational dues	-	-	-	-	-	153,878	24	153,902	163,641
Telephone	3,621	29,453	5,325	4,543	42,942	32,930	120	75,992	79,363
Advertising, printing, and promotion	419	2,246	695	-	3,360	58,394	11,866	73,620	64,557
Miscellaneous	3,032	(1,108)	(135)	(24)	1,765	62,367	2,523	66,655	43,880
Equipment maintenance	1,513	8,267	6,606	21,377	37,763	14,636	-	52,399	71,123
Software expense	255	3,000	-	-	3,255	40,980	5	44,240	16,523
Security and insurance	-	2,821	259	-	3,080	3,068	-	6,148	5,758
Total functional expenses before depreciation and amortization	1,341,353	22,870,899	1,631,828	1,407,777	27,251,857	2,803,975	30,117	30,085,949	29,246,423
Depreciation and amortization	21,579	237,748	85,405	22,981	367,713	156,429	41	524,183	370,950
Total Functional Expenses	\$ 1,362,932	\$ 23,108,647	\$ 1,717,233	\$ 1,430,758	\$ 27,619,570	\$ 2,960,404	\$ 30,158	\$ 30,610,132	\$ 29,617,373

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

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Consolidated and Combined Statement of Functional Expenses For the Year Ended December 31, 2022

	Program Services					Management and General	Fundraising	2022 Total
	Mission	Stores	Donated Goods Processing	Contracts	Program Services Total			
Cost of goods sold	\$ -	\$ 13,832,738	\$ -	\$ -	\$ 13,832,738	\$ -	\$ -	\$ 13,832,738
Salaries and wages	882,189	3,239,615	681,658	1,195,196	5,998,658	1,548,298	11,295	7,558,251
Payroll taxes	83,350	296,917	52,465	123,647	556,379	126,138	893	683,410
Employee health benefits	83,602	102,898	67,194	20,443	274,137	312,708	2,106	588,951
Total payroll related expenses	1,049,141	3,639,430	801,317	1,339,286	6,829,174	1,987,144	14,294	8,830,612
Occupancy	20,022	3,228,845	346,538	86,159	3,681,564	84,825	-	3,766,389
Supplies	251,822	175,393	171,427	90,991	689,633	31,761	874	722,268
Local transportation	34,702	2,585	415,282	60,492	513,061	59,560	118	572,739
Postage and shipping	324	363,123	51	-	363,498	1,980	95	365,573
Professional fees	10,590	119,857	828	7,098	138,373	136,800	10	275,183
Bank charges and interest	262	166,701	17,408	14,697	199,068	39,996	89	239,153
Building maintenance	27	138,103	10,671	14,169	162,970	33,953	-	196,923
National and organizational dues	300	-	-	-	300	163,341	-	163,641
Telephone	5,709	31,725	4,813	4,933	47,180	32,063	120	79,363
Equipment maintenance	1,951	12,175	20,886	30,337	65,349	5,774	-	71,123
Advertising, printing, and promotion	3,127	689	-	-	3,816	49,515	11,226	64,557
Miscellaneous	-	-	-	156	156	40,117	3,607	43,880
Software expense	298	2,750	-	-	3,048	13,454	21	16,523
Security and insurance	3	2,650	321	182	3,156	2,602	-	5,758
Total functional expenses before depreciation and amortization	1,378,278	21,716,764	1,789,542	1,648,500	26,533,084	2,682,885	30,454	29,246,423
Depreciation and amortization	16,329	158,436	26,286	38,513	239,564	131,345	41	370,950
Total Functional Expenses	\$ 1,394,607	\$ 21,875,200	\$ 1,815,828	\$ 1,687,013	\$ 26,772,648	\$ 2,814,230	\$ 30,495	\$ 29,617,373

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

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Consolidated and Combined Statements of Cash Flows For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ 1,859,711	\$ 33,328
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	524,183	370,950
Net unrealized and realized (gain) loss on investments	(348,963)	665,241
Loss on sale of property and equipment	-	162
Changes in operating assets and liabilities that increase (decrease) cash flows:		
Accounts receivable	(256,338)	24,544
Inventories	164,173	758,367
Prepaid expenses	(114,343)	(31,434)
Deposits	(4,000)	12,094
Operating lease right-of-use assets and leases liabilities, net	(70,276)	(32,364)
Accounts payable	(109,190)	229,956
Accrued compensation	(69,454)	116,504
Deferred revenue	17,956	(24,326)
Other accrued liabilities	(20,466)	7,204
Total adjustments	(286,718)	2,096,898
Net cash provided by operating activities	<u>1,572,993</u>	<u>2,130,226</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	(876,431)	(2,074,946)
Proceeds from sale of property and equipment	-	350
Purchases of investments	(1,928,315)	(5,821,859)
Proceeds from sale of investments	1,439,621	4,273,367
Net cash used in investing activities	<u>(1,365,125)</u>	<u>(3,623,088)</u>
Cash Flows from Financing Activities		
Principal payments on note payable	(372,175)	(44,370)
Principal payments on finance lease liabilities	(1,682)	-
Net cash used in financing activities	<u>(373,857)</u>	<u>(44,370)</u>
Net Decrease in Cash and Cash Equivalents	(165,989)	(1,537,232)
Cash and Cash Equivalents - Beginning of Year	3,889,779	5,427,011
Cash and Cash Equivalents - End of Year	\$ 3,723,790	\$ 3,889,779
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for:		
Interest	\$ 83,004	\$ 53,027
Supplemental Disclosure of Noncash Investing and Financing Activities:		
Debt incurred to purchase warehouse	\$ -	\$ 2,100,000

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

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022



Nature and Scope of Activities

Goodwill Industries of Northwest Ohio, Inc. (Goodwill) is a nonprofit Ohio corporation organized in 1933 that provides human services to assist disadvantaged individuals with disabilities to achieve their optimum level of independence. Specifically, the programs of Goodwill provide employment, training, and rehabilitation services to assist in overcoming limitations that prevent the individual from being a productive, independent citizen. In addition, Goodwill operates thrift stores in Northwest Ohio as a means of providing jobs and training, as well as assistance and affordable goods to the local area's families and children. Goodwill is a member of Goodwill Industries International.

ContracTech Inc. (ContracTech) was established as a wholly owned subsidiary in 1992 and was formed to administer general services contracts.

Goodwill Industries Foundation of Northwest Ohio, Inc. is a nonprofit Ohio corporation organized in 2022 to operate to support the charitable mission of Goodwill Industries of Northwest Ohio, Inc., as well as to establish and enhance mission programs.

The consolidated and combined financial statements include the accounts of Goodwill Industries of Northwest, Ohio, Inc. and its subsidiary, ContracTech Inc. and Goodwill Industries Foundation of Northwest Ohio, Inc. (collectively, the Organization). All material balances and transactions between the entities have been eliminated.

Summary of Significant Accounting Policies

Basis of Accounting

The accompanying consolidated and combined financial statements have been prepared on the accrual basis of accounting. The accrual basis of accounting provides for the recognition of revenues when earned and expenses when incurred.

Basis of Presentation

In accordance with accounting principles generally accepted in the United States of America, net assets and revenues, expenses, gains and losses are classified on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board- designated endowment.

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Net Assets (continued)

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions which will be satisfied by actions of the Organization or passage of time. There were no Net Assets With Donor Restrictions as of December 31, 2023 and 2022.

Use of Estimates

The preparation of consolidated and combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated and combined financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant areas involving the use of management's estimates and assumptions are the end of year inventory, depreciable lives and methods of property and equipment, and the allocation of functional expenses. Actual results could differ from those estimates.

Cash Equivalents

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

Depository Credit Risk

The Organization maintains cash deposits with several financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC) up to specified limits. Such excess uninsured amounts, which aggregated approximately \$2,487,800 and \$-0- at December 31, 2023 and 2022, respectively, are uncollateralized and in the event of a financial institution failure may not be returned. Management regularly monitors the financial condition of each institution in which it has depository accounts and believes the risk of loss is minimal.

Accounts Receivable

The Organization extends credit to its nonretail customers based on an evaluation of the customer's credit history. Accounts receivable are carried at original invoice amount less an estimate made for doubtful accounts. Receivables are considered delinquent when payments have not been received in accordance with the contractual terms.

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Summary of Significant Accounting Policies (continued)

Accounts Receivable (continued)

The beginning and ending receivable balances are as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts Receivable	\$ 834,067	\$ 577,729	\$ 602,273

The carrying amount of receivables is reduced by a valuation allowance for expected credit losses, as necessary, that reflects management’s best estimate of the amount that will not be collected. This estimation takes into consideration historical experience, current conditions, and, as applicable, reasonable supportable forecasts. Actual results could vary from the estimate. It is the policy of the Organization to charge off uncollectible accounts when management determines the receivable will not be collected. Based on its assessment, management determined that the risk of credit loss was not material; therefore, there was no valuation allowance recorded as of December 31, 2023 and 2022.

Inventories

The Organization receives contributions of goods and materials (inventory) and processes these contributions as merchandise available for sale in its retail thrift stores. Inventory for these contributions in kind is stated at the estimated fair value of the items contributed.

Investments

Investments, consisting of equity and fixed income mutual funds, are carried at fair value. Fair value is determined based on quoted market values of the funds. Interest, dividends, and realized and unrealized gains and losses on investments, net of related expenses, are presented in the consolidated and combined statements of activities as a component of investment income (loss).

In general, investments are exposed to various risks such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated and combined statement of financial position.

Property and Equipment

Property and equipment are carried at cost, except for donated items which are recorded at fair value when donated. Costs greater than \$500 that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred.

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)

The Organization provides for depreciation and amortization using the straight-line method over the estimated useful lives of the depreciable assets, or for leasehold improvements, the shorter of estimated useful lives or the applicable lease term, which generally range from 5 to 45 years for building and leasehold improvements and 3 to 10 years for other assets.

Impairment of Assets

The carrying value of long-lived assets is reviewed for impairment whenever events or changes in circumstances indicate the amount of the assets may not be recoverable. When an indication of impairment is present and the undiscounted cash flows estimated to be generated by the related assets are less than the assets' carrying amount, an impairment loss will be recorded based on the difference between the carrying amount of the assets and their estimated fair value. There were no such impairment losses recorded for the years ended December 31, 2023 and 2022.

Leases

Pursuant to GAAP, a contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Leases with an initial term of 12 months or less are not recorded within the accompanying consolidated and combined statements of financial position.

Operating leases are included in right-of-use (ROU) assets - operating leases, current portion of operating lease liabilities and long-term operating lease liabilities within the Organization's accompanying consolidated and combined statements of financial position. Finance leases are included in ROU assets - finance leases, current portion of finance lease liabilities and long-term finance lease liabilities in the Organization's accompanying consolidated and combined statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. If the Organization's leases do not provide an implicit rate, the Organization elected the practical expedient to utilize the risk-free rate to determine the present value of lease payments. ROU assets - operating leases also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Summary of Significant Accounting Policies (continued)

Leases (continued)

The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. For certain office equipment leases, like copiers, the Organization has elected the practical expedient to account for the lease and non-lease components as a single lease.

Revenue Recognition

Retail Sales of Donated Goods, Net

Retail store revenue is recorded at the purchase price, net of any sale discounts and in-kind vouchers, at the time the goods are sold. The payments are received, from customers, through cash or credit card.

Salvage sales are included in retail sales on the consolidated and combined statements of activities and are recorded at the purchase price when salvage loads are picked up.

ShopGoodwill is the Organization's online sales platform and is included in retail sales on the consolidated and combined statements of activities. Revenue is recognized at the time the goods are shipped and is recorded twice a month, net of any fees, adjustments and sales tax. The online system only takes credit cards as payment. The funds are deposited into the operating account twice a month from Goodwill Orange County ShopGoodwill.

For the years ended December 31, 2023 and 2022, the Organization recognized revenue of \$14,606,888 and \$13,849,003, respectively, for retail sales that are recognized at a point in time.

Estimated Value of Donated Goods

Generally, contributions are received in the form of goods such as clothing, household furnishings, and electronics. The items are sorted, processed, and distributed to Goodwill's thrift stores. Items which cannot be retailed or reconditioned are sold as salvage. Collection, sorting, processing, renovation, and distribution costs are charged to operations as incurred. Contributions of donated services that require specialized skills and would typically need to be purchased if not provided by donation are recorded at their fair value in the period received.

**GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND
SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION
OF NORTHWEST OHIO, INC.**
**Notes to Consolidated and Combined Financial Statements
December 31, 2023 and 2022**

Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contributions

Contributions are recognized as revenue based upon the presence or absence of donor-imposed conditions. For those contributions absent of donor-imposed conditions, revenue are recognized at the time the Organization is notified of the contribution, regardless of the timing of the cash receipt. For contributions with donor-imposed conditions - that is, those with a measurable performance or other barrier and a right or return or release - revenue is recognized at the time the conditions are substantially met, regardless of the timing of cash receipt.

Contributions are recorded as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) 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, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated and combined statements of activities as net assets released from restrictions.

Contract Sales

Contract sales are recorded as revenue when eligible expenditures, as defined in each contract, are made. Funds received but not yet earned are recorded as deferred revenue. Contract revenue is based on hours worked, units serviced, or billed lump sum. There was no deferred revenue related to contract sales at December 31, 2023 and 2022.

Mission service fees are included in contract sales on the consolidated and combined statements of activities and are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services to their program participants. The revenue is recognized when services are rendered. Programs are funded by Ohioans with Disabilities (OOD), Department of Developmental Disabilities (DODD), or the Veteran Administration. The Organization also has programs that are funded by private donations and grants.

For the years ended December 31, 2023 and 2022, the Organization recognized revenue of \$2,150,895 and \$2,224,693, respectively, from contract sales that are recognized over time.

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Grants

Conditional local government grants and contract funds are recognized as revenue when eligible expenditures, as defined in each contract, are made or service metrics are achieved (over time). Grants of \$43,389 and \$20,923 have not been recognized as qualifying expenditures, have not yet been incurred or metrics not achieved and are included as deferred revenue as of December 31, 2023 and 2022, respectively. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

Functional Expenses

The consolidated and combined financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Each expense is allocated using a method that is appropriate to the manner in which the expense is accrued. Salaries, wages, taxes, and benefits are allocated directly to the proper program, grant, department, administrative, or fundraising category based on hours spent on each. Shared direct expenses are allocated based on the percentage of total staff hours spent in each program area, which include occupancy costs, technology, equipment, telephone, postage, and office supplies.

Advertising

Advertising and promotion costs are expensed as incurred. Such costs were \$73,620 and \$64,557 for the years ended December 31, 2023 and 2022, respectively.

Income Taxes

Goodwill Industries of Northwest Ohio, Inc. and its subsidiary and Goodwill Industries Foundation of Northwest Ohio, Inc. are each exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), and are not classified as private foundations. As such, no provision for income tax expense has been made in the accompanying consolidated and combined financial statements. The IRC provides for taxation of unrelated business income under certain circumstances. The Organization reports no net unrelated business taxable income; however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities.

The Organization follows the income tax standard for uncertain tax positions. Management has determined that they have no uncertain tax positions.

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements

Adoption of ASC 326

Effective January 1, 2023, the Organization adopted the provisions and disclosure requirements described in ASC Topic 326, *Financial Instruments – Credit Losses* (ASC 326). ASC 326 sets forth a current expected credit loss (CECL) model, which requires the Organization to measure all expected credit losses for financial assets (or a group of financial assets) held at the reporting date based on historical experiences, current conditions, and reasonable supportable forecasts. The standard replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost, such as accounts receivable and related allowances. The adoption of ASC 326 did not have a material effect to the accompanying consolidated and combined financial statements.

Liquidity and Availability of Resources

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of programs, contracts, and overhead to support the mission.

At December 31, the Organization's financial resources were earmarked as follows:

	2023	2022
Cash and cash equivalents	\$ 3,723,790	\$ 3,889,779
Account receivable	834,067	577,729
Available for operations	\$ 4,557,857	\$ 4,467,508
Board-Designated Investments	\$ 2,116,134	\$ 1,938,200
Board-Designated Endowment	3,642,257	2,982,534
Total Reserves	\$ 5,758,391	\$ 4,920,734

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures through store sales and other contracts.

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Liquidity and Availability of Resources (continued)

The Organization's board of trustees (the board) has designated a portion of its unrestricted resources for endowment and other purposes. Those amounts are identified as board-designated in the table above. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the board and President/CEO based on the spending policy as described in the *Endowments* note to the consolidated and combined financial statements.

In addition, the Organization has available a \$1,000,000 line of credit with Fifth Third Bank.

Property and Equipment

Property and equipment at December 31 consist of the following:

	2023	2022
Land	\$ 570,452	\$ 570,452
Building and leasehold improvements	7,664,599	6,697,058
Furniture, fixtures, and equipment	2,674,359	2,150,614
Trucks and trailers	310,947	310,946
Construction in progress	77,548	692,498
Subtotal	11,297,905	10,421,568
Less: accumulated depreciation and amortization	(4,621,389)	(4,099,097)
Net Property and Equipment	\$ 6,676,516	\$ 6,322,471

Investments

Investments at December 31 consist of the following:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Equity securities	\$ 646,164	\$ 703,252	\$ 642,614	\$ 662,779
Mutual funds	3,793,203	3,518,406	3,463,068	3,015,680
Exchange traded funds	617,286	728,493	667,302	662,113
Corporate bonds	525,141	516,609	389,673	377,778
REIT	18,743	17,226	18,743	19,029
Asset backed securities	45,543	30,384	45,543	35,587
Money market	290,079	290,079	147,768	147,768
Total Investments	\$ 5,936,159	\$ 5,804,449	\$ 5,374,711	\$ 4,920,734

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Investments (continued)

Investment income for December 31 is as follows:

	2023	2022
Unrealized and realized gain (loss)	\$ 348,963	\$ (665,241)
Investment fees	(23,760)	(18,729)
Interest and dividend income	383,982	177,465
Total Investment Income (Loss)	\$ 709,185	\$ (506,505)

Fair Value Measurements

U.S. GAAP established a fair value hierarchy that prioritizes the inputs to measure the fair value of the assets or liabilities being measured. Fair value is defined as the exchange value that would be received on the measurement date to sell an asset or to value the amount paid to transfer a liability in the principal or most advantageous market available to the entity in an orderly transaction between market participants. The three levels of the fair value hierarchy are as follows:

- Level 1 Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date. Level 1 inputs provide the most reliable measure of fair value as of the measurement date.
- Level 2 Inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active or inputs other than quoted prices that are observable for the asset or liability.
- Level 3 Inputs are significant unobservable inputs for the asset or liability.

The level of the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurements in its entirety.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Equity Securities: Valued at quoted market prices of shares held at year-end.

Mutual and Exchange Traded Funds: Valued at quoted market prices, which represent the net asset value of shares held by the Organization at year-end.

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Fair Value Measurements (continued)

Corporate Bonds: Valued using recently executed transactions of the issuer or comparable issuers, market price quotations (when observable), broker or dealer quotations, matrix pricing, or a discounted cash flow model that factors in, where applicable, interest rate yield curves, bond spreads or credit default swap spreads.

Real Estate Investment Trusts (REIT): Valued at current market price divided by funds from operations.

Asset Backed Securities: Valued based on the present value of all the cash flows of the securities.

Money Market Funds: Valued at the net asset value of shares held by the Organization at year-end.

Deferred compensation: Valued at quoted market prices of the underlying related mutual funds held by the Organization at year-end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

Assets and Liabilities at Fair Value as of December 31, 2023				
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Assets				
Equity securities	\$ 703,252	\$ -	\$ -	\$ 703,252
Mutual funds	3,518,406	-	-	3,518,406
Exchange traded funds	728,493	-	-	728,493
Corporate bonds	-	516,609	-	516,609
REIT	17,226	-	-	17,226
Asset backed securities	-	30,384	-	30,384
Money market	-	290,079	-	290,079
Total assets at fair value	4,967,377	837,072	-	5,804,449
Liabilities				
Deferred compensation	46,058	-	-	46,058

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Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Fair Value Measurements (continued)

	Assets and Liabilities at Fair Value as of December 31, 2022			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Assets				
Equity securities	\$ 662,779	\$ -	\$ -	\$ 662,779
Mutual funds	3,015,680	-	-	3,015,680
Exchange traded funds	662,113	-	-	662,113
Corporate bonds	-	377,778	-	377,778
REIT	19,029	-	-	19,029
Asset backed securities	-	35,587	-	35,587
Money market	-	147,768	-	147,768
Total assets at fair value	<u>4,359,601</u>	<u>561,133</u>	<u>-</u>	<u>4,920,734</u>
Liabilities				
Deferred compensation	<u>20,500</u>	<u>-</u>	<u>-</u>	<u>20,500</u>

Endowments

The Organization's endowments consist of a fund established to support the achievement of the Organization's mission. The Goodwill Industries of Northwest Ohio, Inc. Endowment Fund (the Endowment Fund) consists of funds designated by the board to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, the Organization classifies net assets with donor restrictions of a perpetual nature as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund not classified as perpetual in nature are classified as net assets with donor restrictions until those amounts are appropriated for expenditure.

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022



Endowments (continued)

Return Objectives and Risk Parameters

The Organization has adopted an investment policy for endowment assets that attempts to manage fund assets according to prudent standards as established in common trust law. Investment of the funds shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. The intent is for investments to be broadly diversified so as to participate in market growth. The principal investment objective of the portfolio is to provide a rate of return sufficient to offset the impact of inflation on Endowment Fund assets as well as to provide for a degree of real growth commensurate with a moderate level of risk. In order to attain these investment objectives, Endowment Fund assets are comprised of equity and fixed income securities as well as cash equivalents allocated in a manner broadly consistent with the long-term goals.

Distribution Policy

The board determines an amount to be withdrawn from the cumulative investment return of certain endowment funds to support the activities of the Organization; the remainder is retained to support operations of future years and to offset potential market declines. Annual distributions from the Endowment Fund may be made to the Organization based on the spending guidelines of the Endowment Fund; however, the Organization may request distributions in excess of the spending guidelines.

The President/CEO of the Organization may also take a distribution from the Endowment Fund on a yearly basis based on spending policy of no more than 3.5% of principal based on a rolling three-year average of year-end assets.

Strategies Employed for Achieving Objectives

In order to meet its needs, the investment strategy of the Organization is to emphasize total return; that is, the aggregate return from realized and unrealized capital gains and losses and dividend and interest income.

At December 31, 2023 and 2022, unrestricted board-designated endowment funds totaled \$3,642,257 and \$2,982,534, respectively.

GOODWILL INDUSTRIES OF NORTHWEST OHIO, INC. AND SUBSIDIARY AND GOODWILL INDUSTRIES FOUNDATION OF NORTHWEST OHIO, INC.

Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Endowments (continued)

Strategies Employed for Achieving Objectives (continued)

Changes in unrestricted endowment net assets for the years ended December 31 were as follows:

	2023	2022
Endowment Net Assets - Beginning of Year	\$ 2,982,534	\$ 4,037,483
Net investment return:		
Investment income, net	176,943	145,129
Net appreciation (depreciation)	167,474	(690,078)
Total net investment return	344,417	(544,949)
Contributions	315,306	700,000
Distributions	-	(1,210,000)
Endowment Net Assets - End of Year	\$ 3,642,257	\$ 2,982,534

Retirement Plans

Deferred Compensation Plan

In December 2022, the Organization adopted a nonqualified deferred compensation plan for eligible management or highly compensated employees as approved by the Board. The plan does not allow for employee deferrals. Employer contributions to the plan are made at the discretion of the Board. The Board established an investment account to fund the liability in 2023. The liability associated with this plan has been recorded at an amount equal to the fair value of the assets designated to pay the benefits under the plan. Total plan expense was \$22,500 and \$20,500 for the years ended December 31, 2023 and 2022, respectively.

Defined Contribution Plan

The Organization has a defined contribution pension plan covering substantially all employees. The plan allows for contributions by the Organization to be determined annually at its discretion. Total pension expense, including administrative expenses paid by the Organization, was \$25,089 and \$29,790 for the years ended December 31, 2023 and 2022, respectively.

Major Customers

Contract sales included revenue from three customers in 2023 and two customers in 2022 of approximately 48% and 52%, respectively, of total contract sales. Accounts receivable at December 31, 2023 and 2022 from these customers, aggregated approximately 28% and 48%, respectively, of total receivables.

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Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Major Customers (continued)

Grants included revenue from three grantors in 2023 and 2022, which comprised approximately 93% and 100%, respectively of total grant revenue. Accounts receivable at December 31, 2023 and 2022 from these grantors was approximately 17% and 19% of total receivables, respectively.

Line of Credit

At December 31, 2023, the Organization has available a \$1,000,000 line of credit with interest at 1.72% in excess of the one-month Secured Overnight Financing Rate (SOFR, previously LIBOR) (effective rate of 7.10% and 6.02% as of December 31, 2023 and 2022, respectively). This line of credit is secured by substantially all assets of the Organization and matures on October 4, 2024. There were no borrowings under this line at December 31, 2023 and 2022.

Note Payable

	2023	2022
Mortgage note payable to a bank, due in monthly installments of \$16,171, including interest at 4.50% until July 2027, after which the interest rate will be 3.00% above the weekly average yield on the United States Treasury securities adjusted to a constant maturity of five years, through June 2032, at which time the remaining principal and accrued interest is due and payable. The mortgage is secured by the building, the assignment of rents and all personal property.	\$ 1,683,455	\$ 2,055,630
Less: current portion	(127,129)	(111,438)
Net long-term note payable	\$ 1,556,326	\$ 1,944,192

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Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Note Payable (continued)

The aggregate maturities of the note payable at December 31, 2023 are as follows:

Year Ended	Amount
2024	\$ 127,129
2025	126,607
2026	132,424
2027	138,507
2028	144,870
2029 and thereafter	1,013,918
Total	\$ 1,683,455

Leases

The Organization has operating and finance leases for retail store locations located in Toledo, Bowling Green, Bryan, Defiance, Findlay, Napoleon, Ottawa, Tiffin, Whitehouse, and Wauseon, Ohio, four donation stations with office space, and certain equipment. The Organization's leases have remaining lease terms of 1 year to 10 years, some of which include options to extend for up to 10 years.

The maturities of lease liabilities as of December 31, 2023 were as follows:

	Finance Leases	Operating Leases
2024	\$ 2,026	\$ 2,236,483
2025	2,026	1,924,882
2026	2,026	1,417,732
2027	2,026	981,023
2028	505	489,757
2029 & Thereafter	-	1,390,484
Total undiscounted cash flows	8,609	8,440,361
Less: present value discount	(672)	(599,923)
Total lease liabilities	\$ 7,937	\$ 7,840,438

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Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Leases (continued)

The following summarizes the components of lease expense for the year ended December 31:

	2023	2022
Finance lease expense:		
Amortization of ROU assets	\$ 1,797	\$ 150
Interest on lease liabilities	344	32
Operating lease expense	2,208,268	2,125,466
Short-term lease expense	-	147,197
Total lease expense	\$ 2,210,409	\$ 2,272,845

The following summarizes additional information related to leases for the year ended December 31:

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	\$ 323	\$ -
Financing cash flows from finance leases	1,702	-
Operating cash flows from operating leases	2,246,187	2,157,328
ROU assets obtained in exchange for new finance lease liabilities	-	9,587
ROU assets obtained in exchange for new operating lease liabilities		
Adoption of ASC 842 - beginning of year	-	8,940,418
For the year ended December 31	2,962,791	35,575
Weighted-average remaining lease term in years for finance leases	4.25	5.25
Weighted-average remaining lease term in years for operating leases	5.22	4.14
Weighted-average discount rate for finance leases	3.96%	3.96%
Weighted-average discount rate for operating leases	2.35%	1.46%

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Notes to Consolidated and Combined Financial Statements December 31, 2023 and 2022

Donated Goods and Services

Goodwill receives contributions in the form of goods such as clothing, household furnishings, and electronics, which it monetizes for sale in their thrift stores, e-commerce 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. There are no donor-imposed restrictions associated with the contributions.

No amounts have been reflected in the consolidated and combined financial statements for donated services, as services provided do not meet the definition for services required to be reported under accounting principles generally accepted in the United States of America. A number of volunteers, including the board of directors; however, have donated significant amounts of their time and expertise to the Organization's programs and supportive services.

Contributions of nonfinancial assets for the year ended December 31 consist of the following:

	2023	2022
Donated goods	<u>\$ 13,900,198</u>	<u>\$ 13,047,688</u>

Subsequent Events

The Organization has evaluated subsequent events through the date of the Independent Auditor's Report, which is the date the consolidated and combined financial statements were available to be issued.