

Goodwill of Western Missouri and Eastern Kansas
Independent Auditor's Report and Consolidated Financial Statements
December 31, 2021 and 2020

FORV/S

Goodwill of Western Missouri and Eastern Kansas

December 31, 2021 and 2020

Contents

Independent Auditor's Report	1
---	----------

Consolidated Financial Statements

Statements of Financial Position	3
Statements of Activities.....	4
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to Financial Statements	8

Supplementary Information

The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop Statements of Financial Position	25
The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop Statements of Activities.....	26
The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop Statements of Functional Expenses	27
The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop Statements of Cash Flows.....	29

Independent Auditor's Report

Board of Directors
Goodwill of Western Missouri and Eastern Kansas
Kansas City, Missouri

Opinion

We have audited the consolidated financial statements of Goodwill of Western Missouri and Eastern Kansas and The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Goodwill of Western Missouri and Eastern Kansas and The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop as of December 31, 2021 and 2020, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of Goodwill of Western Missouri and Eastern Kansas and The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about Goodwill of Western Missouri and Eastern Kansas and The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop's ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but it is not absolute

assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Goodwill of Western Missouri and Eastern Kansas and The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Goodwill of Western Missouri and Eastern Kansas and The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information listed in the table of contents including the financial statements of The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

FORVIS,LLP

Kansas City, Missouri
August 5, 2022

Goodwill of Western Missouri and Eastern Kansas
Consolidated Statements of Financial Position
December 31, 2021 and 2020

Assets

	<u>2021</u>	<u>2020</u>
Cash	\$ 4,509,076	\$ 4,579,016
Restricted cash	15,400	200,000
Accounts receivable, net of allowance; 2021 - \$1,039, 2020 - \$21,440	1,268,832	736,819
Investments	1,084,465	1,046,254
Inventories	1,866,780	1,634,913
Prepaid supplies and expenses	244,785	274,301
Deposits	324,212	263,552
Property and equipment, net of accumulated depreciation; 2021 - \$6,269,251, 2020 - \$5,990,676	<u>2,821,494</u>	<u>2,997,265</u>
Total assets	<u><u>\$ 12,135,044</u></u>	<u><u>\$ 11,732,120</u></u>

Liabilities and Net Assets

Liabilities

Line of credit	\$ -	\$ 951,464
Accounts payable	1,032,780	1,245,005
Accrued expenses	2,031,168	2,014,876
Deferred revenue	114,214	118,965
Long-term debt	<u>122,913</u>	<u>3,068,288</u>
Total liabilities	<u>3,301,075</u>	<u>7,398,598</u>

Net Assets

Without donor restrictions	8,649,270	4,128,348
With donor restrictions	<u>184,699</u>	<u>205,174</u>
Total net assets	<u>8,833,969</u>	<u>4,333,522</u>
Total liabilities and net assets	<u><u>\$ 12,135,044</u></u>	<u><u>\$ 11,732,120</u></u>

Goodwill of Western Missouri and Eastern Kansas
Consolidated Statements of Activities
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net Assets Without Donor Restrictions		
Revenues, gains and other support		
Sales to the public	\$ 23,161,454	\$ 16,817,403
Industrial and janitorial services	4,929,999	4,987,089
Contributions	679,677	768,474
Governmental agencies and programs	1,550	116,150
Paycheck Protection Program loan forgiveness	2,905,483	-
Other	583,536	60,709
Net assets released from restrictions	<u>401,705</u>	<u>11,710</u>
Total revenues, gains and other support	<u>32,663,404</u>	<u>22,761,535</u>
Expenses and losses		
Program services		
Retail operations	19,233,908	16,649,559
Workforce development	806,814	818,670
Sheltered workshop	<u>3,149,563</u>	<u>3,295,149</u>
Total program services	<u>23,190,285</u>	<u>20,763,378</u>
Management and general	4,759,558	4,315,659
Fundraising	<u>192,639</u>	<u>289,002</u>
Total support services	<u>4,952,197</u>	<u>4,604,661</u>
Total expenses and losses	<u>28,142,482</u>	<u>25,368,039</u>
Change in net assets without donor restrictions	<u>4,520,922</u>	<u>(2,606,504)</u>
Net Assets With Donor Restrictions		
Contributions	381,230	204,912
Net assets released from restrictions	<u>(401,705)</u>	<u>(11,710)</u>
Change in net assets with donor restrictions	<u>(20,475)</u>	<u>193,202</u>
Change in Net Assets	4,500,447	(2,413,302)
Net Assets, Beginning of Year	<u>4,333,522</u>	<u>6,746,824</u>
Net Assets, End of Year	<u>\$ 8,833,969</u>	<u>\$ 4,333,522</u>

Goodwill of Western Missouri and Eastern Kansas
Consolidated Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services				Support Services			Total
	Retail Operations	Workforce Development	Sheltered Workshop	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries	\$ 8,287,971	\$ 522,406	\$ 1,818,001	\$ 10,628,378	\$ 1,700,858	\$ 94,295	\$ 1,795,153	\$ 12,423,531
Employee benefits	761,922	84,892	522,156	1,368,970	218,906	13,806	232,712	1,601,682
Payroll taxes	595,373	32,528	137,306	765,207	135,949	7,299	143,248	908,455
Professional fees	751,610	38,572	7,818	798,000	965,514	50,268	1,015,782	1,813,782
Supplies	631,402	16,436	4,777	652,615	48,257	172	48,429	701,044
Cost of merchandise	888,404	34,376	254,301	1,177,081	1,236	-	1,236	1,178,317
Occupancy	5,554,340	4,578	16,977	5,575,895	535,001	487	535,488	6,111,383
Equipment rental	223,983	2,762	39,578	266,323	26,734	-	26,734	293,057
Repairs and maintenance	243,942	1,410	15,700	261,052	38,137	-	38,137	299,189
Software maintenance and support	3,399	8,707	-	12,106	170,275	5,087	175,362	187,468
General insurance	293,989	20,355	101,940	416,284	74,081	5,369	79,450	495,734
Interest	8,019	-	161	8,180	25,724	-	25,724	33,904
Employee recruitment	254	18,480	-	18,734	27,877	-	27,877	46,611
Marketing	21,026	5,838	-	26,864	207,889	137	208,026	234,890
Vehicle operations	353,042	6,222	21,804	381,068	16,065	1,421	17,486	398,554
Conferences, meetings and trainings	27,257	1,939	-	29,196	100,603	70	100,673	129,869
Fund development	-	-	-	-	5,791	699	6,490	6,490
Memberships, dues and subscriptions	15,225	2,992	181,965	200,182	212,968	4,184	217,152	417,334
Community support	-	(9,755)	-	(9,755)	-	8,800	8,800	(955)
Depreciation	497,931	11,749	26,888	536,568	45,671	-	45,671	582,239
Lease termination loss	-	-	-	-	106,006	-	106,006	106,006
Miscellaneous	74,819	2,327	191	77,337	96,016	545	96,561	173,898
Total expenses and losses	\$ 19,233,908	\$ 806,814	\$ 3,149,563	\$ 23,190,285	\$ 4,759,558	\$ 192,639	\$ 4,952,197	\$ 28,142,482

Goodwill of Western Missouri and Eastern Kansas
Consolidated Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services			Total Program Services	Support Services			Total
	Retail Operations	Workforce Development	Sheltered Workshop		Management and General	Fundraising	Total Support Services	
Salaries	\$ 6,450,273	\$ 428,114	\$ 1,734,224	\$ 8,612,611	\$ 1,773,576	\$ 205,220	\$ 1,978,796	\$ 10,591,407
Employee benefits	570,067	122,812	505,969	1,198,848	246,840	28,015	274,855	1,473,703
Payroll taxes	456,188	28,755	131,031	615,974	393,939	12,173	406,112	1,022,086
Professional fees	547,789	65,746	8,470	622,005	358,461	2,503	360,964	982,969
Supplies	631,693	3,744	1,974	637,411	46,143	153	46,296	683,707
Cost of merchandise	701,725	1,721	466,808	1,170,254	1,104	-	1,104	1,171,358
Occupancy	5,542,025	49,299	14,656	5,605,980	574,970	195	575,165	6,181,145
Equipment rental	209,978	1,783	38,374	250,135	22,477	-	22,477	272,612
Repairs and maintenance	194,558	-	30,678	225,236	30,677	-	30,677	255,913
Software maintenance and support	48,242	45,769	-	94,011	166,199	4,188	170,387	264,398
General insurance	228,304	14,076	80,263	322,643	64,667	6,822	71,489	394,132
Interest	10,832	-	302	11,134	46,808	-	46,808	57,942
Employee recruitment	-	22,659	-	22,659	35,436	-	35,436	58,095
Marketing	5,187	301	-	5,488	169,716	1,096	170,812	176,300
Vehicle operations	482,728	6,742	15,064	504,534	10,668	66	10,734	515,268
Conferences, meetings and trainings	11,999	5,267	1,996	19,262	29,026	1,144	30,170	49,432
Fund development	239	25	-	264	173	15,210	15,383	15,647
Memberships, dues and subscriptions	1,017	9,784	189,149	199,950	161,948	2,761	164,709	364,659
Community support	-	(3,874)	-	(3,874)	100	9,265	9,365	5,491
Depreciation	508,933	26,817	41,422	577,172	53,542	-	53,542	630,714
Miscellaneous	47,782	(10,870)	34,769	71,681	129,189	191	129,380	201,061
Total expenses and losses	\$ 16,649,559	\$ 818,670	\$ 3,295,149	\$ 20,763,378	\$ 4,315,659	\$ 289,002	\$ 4,604,661	\$ 25,368,039

Goodwill of Western Missouri and Eastern Kansas

Consolidated Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Operating Activities		
Change in net assets	\$ 4,500,447	\$ (2,413,302)
Items not requiring (providing) cash		
Depreciation	582,239	630,714
Net realized and unrealized (gains) losses on investments	(11,553)	42,619
Loss on disposition of property and equipment	8,665	4,585
Contributed property and equipment	-	(30,500)
Contributions received restricted for acquisition of property and equipment	(13,750)	(200,000)
Lease termination loss	106,006	-
Paycheck Protection Program loan forgiveness	(2,905,483)	-
Changes in		
Accounts receivable	(532,013)	478,628
Inventories	(231,867)	41,352
Prepaid supplies and expenses	29,516	(41,884)
Deposits	(60,660)	(31,329)
Accounts payable	(249,769)	499,856
Accrued expenses	(57,396)	(87,749)
Deferred revenue	(4,751)	24,372
	1,159,631	(1,082,638)
Investing Activities		
Purchase of property and equipment	(377,877)	(157,715)
Proceeds from disposition of property and equipment	288	10,271
Purchase of investments	(26,658)	(31,127)
	(404,247)	(178,571)
Financing Activities		
Proceeds from contributions restricted for acquisition of property and equipment	13,750	200,000
Net borrowings (payments) on line of credit	(951,464)	951,464
Proceeds from issuance of long-term debt	-	2,873,165
Principal payments on long-term debt	(16,792)	(16,831)
Principal payments on capital lease obligations	(55,418)	(53,019)
	(1,009,924)	3,954,779
Change in Cash and Restricted Cash	(254,540)	2,693,570
Cash and Restricted Cash, Beginning of Year	4,779,016	2,085,446
Cash and Restricted Cash, End of Year	\$ 4,524,476	\$ 4,779,016
Reconciliation of Cash and Restricted Cash to the Statements of Financial Position		
Cash	\$ 4,509,076	\$ 4,579,016
Restricted cash	15,400	200,000
	\$ 4,524,476	\$ 4,779,016
Supplemental Cash Flows Information		
Interest paid	\$ 24,145	\$ 57,942
Property and equipment additions in accounts payable	50,043	12,499

Goodwill of Western Missouri and Eastern Kansas

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Goodwill of Western Missouri and Eastern Kansas, (the “Organization”) is a not-for-profit organization whose mission is to help people with disabilities or disadvantages by maximizing their vocational potential. The Organization’s revenues and other support are derived primarily from the sale of donated clothing and merchandise, contracts, grants and contributions. The Organization operates in 10 counties in northwest Missouri and northeast Kansas.

Principles of Consolidation

The consolidated financial statements include the accounts of the Organization and its wholly-owned subsidiary, The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop (Sheltered Workshop). All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues, expenses gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash

Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents. At December 31, 2021, the Organization’s cash accounts exceeded federally insured limits by approximately \$3,878,000.

Restricted Cash

Restricted cash represents cash restricted for long-term purposes (*e.g.*, acquisition of property and equipment). These amounts are restricted and not available for current operations.

Investments and Net Investment Return

The Organization measures securities, other than investments that qualify for the equity method of accounting, at fair value. Investment return includes dividend, interest and realized and unrealized gains and losses on investments carried at fair value, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Goodwill of Western Missouri and Eastern Kansas

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Accounts Receivable

Accounts receivable are stated at the amount of consideration from customers, of which the Organization has an unconditional right to receive plus any accrued and unpaid interest. The Organization provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due more than 90 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Accounts receivable also include amounts associated with grants, contributions and other miscellaneous transactions not associated with transactions with customers. Refer to the contributions policy note regarding timing of recognition. All remaining receivables are due within one year.

Inventories

Inventories generally consist of donated goods that are to be sold in the Organization's retail stores. Inventory value is estimated based on average sales adjusted for inventory turnover, which approximates fair value.

Deposits

Deposits primarily consist of up-front security deposits required for leases and other agreements. Deposits are held as an asset until the end of the stated agreement term or when its assessed the amount is no longer recoverable.

Property and Equipment

Property and equipment acquisitions over \$2,500 (equipment and furniture) or \$1,000 (improvements) are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings	40 years
Leasehold improvements	3-20 years
Furniture, fixtures and equipment	3-10 years
Vehicles	3-7 years

Goodwill of Western Missouri and Eastern Kansas

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Long-lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2021 and 2020.

Deferred Revenue

Revenue from grants and contracts is deferred and recognized over the periods to which the revenues relate.

Deferred Rent

As further discussed in *Note 9*, the Organization records deferred rent, including lease incentives, related to escalating lease payments where the lease expense is recognized on a straight-line basis. Deferred rent is included with accrued expenses on the consolidated statements of financial position.

Paycheck Protection Program (PPP) Loan

The Organization received a PPP loan established by the CARES Act and has elected to account for the funding as a loan in accordance with ASC Topic 470, *Debt*. Interest is accrued in accordance with the loan agreement. Any forgiveness of the loan is recognized as a gain in the consolidated financial statements in the period the debt is legally released. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender; as a result of such audit, adjustments could be required to any gain recognized.

Sales to the Public

Revenue from sales to the public is recognized as the Organization satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing goods. The Organization determines the transaction price based on standard charges for goods provided, reduced by implicit and explicit price concessions. The Organization determines its estimates of implicit and explicit price concessions based upon its discount policies and historical experience. The estimated amounts include variable consideration for product discounts and returns.

Goodwill of Western Missouri and Eastern Kansas

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Industrial and Janitorial Services

Industrial and janitorial services revenue is recognized as the Organization satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services. The Organization determines the transaction price based on standard charges for services provided, reduced by implicit and explicit price concessions. The Organization determines its estimates of implicit and explicit price concessions based upon its discount policies and historical experience. The estimated amounts include variable consideration for change orders on services provided.

Government Contracts

Revenue received from government agencies and programs is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the contract agreements. Government programs are subject to audit and acceptance by the government agency and, as a result of such audit, adjustments could be required.

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

Goodwill of Western Missouri and Eastern Kansas

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

In-kind Contributions

In addition to receiving cash contributions, the Organization receives in-kind contributions of advertising and marketing, food and entertainment for special events and vehicles from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense in its consolidated financial statements, and similarly increase contribution revenue by the same amount. For the years ended December 31, 2021 and 2020, \$134,628 and \$177,324, respectively, was received in in-kind contributions.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are 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 or certain grantor restrictions, net assets for an operating reserve.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Taxes Collected from Customers and Remitted to Governmental Authorities

Taxes collected from customers and remitted to governmental authorities are presented in the accompanying consolidated statements of activities on a net basis.

Goodwill of Western Missouri and Eastern Kansas

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Shipping and Handling Costs

Shipping and handling costs of \$487,961 and \$350,084 for 2021 and 2020, respectively, are included in program expenses.

Research and Development

The Organization has entered into a contract related to the development of a prototype Data Acquisition Station which will utilize artificial intelligence to automatically categorize donated softlines by size, items, quality and fabric, create a digital inventory of softline donations and estimate the value of the softline donations towards a goal of dynamic pricing. The Organization recorded approximately \$60,000 and \$140,000 of research and development costs during the years ended December 31, 2021 and 2020, respectively, which are included in program expenses.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on estimated usage.

Income Taxes

The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income. The Organization files tax returns in the U.S. federal jurisdiction.

Note 2: Liquidity and Availability

The Organization regularly monitors liquidity required to meet its general expenditure needs and other obligations as they come due. The Organization has various sources of liquidity at its disposal, including cash and a committed line of credit with a bank that can be drawn upon as needed. See *Note 5* for information about the line of credit arrangement.

Goodwill of Western Missouri and Eastern Kansas

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

The following table reflects the Organization’s financial assets as of December 31, 2021 and 2020, reduced by the amounts that are not available to meet general expenditures within one year because of internal board designation and with donor restrictions. In the event that the need arises to utilize the board-designated funds for liquidity purpose, the reserves could be drawn upon at the discretion of the board.

	2021	2020
Cash	\$ 4,509,076	\$ 4,579,016
Restricted cash	15,400	200,000
Accounts receivable, net	1,268,832	736,819
Investments	1,084,465	1,046,254
Total financial assets	6,877,773	6,562,089
Less:		
Donor restricted funds	(184,699)	(205,174)
Board designated operating reserve funds	(1,084,465)	(1,046,254)
Financial assets available to meet cash needs for general expenditures within one year	\$ 5,608,609	\$ 5,310,661

Note 3: Investments and Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Goodwill of Western Missouri and Eastern Kansas
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

The following table presents the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2021				
Fixed income mutual funds	\$ 1,083,808	\$ 1,083,808	\$ -	\$ -
Money market funds	657	657	-	-
	<u>\$ 1,084,465</u>	<u>\$ 1,084,465</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2020				
Fixed income mutual funds	\$ 1,045,597	\$ 1,045,597	\$ -	\$ -
Money market funds	657	657	-	-
	<u>\$ 1,046,254</u>	<u>\$ 1,046,254</u>	<u>\$ -</u>	<u>\$ -</u>

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2021.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Goodwill of Western Missouri and Eastern Kansas
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

Note 4: Property and Equipment

Property and equipment at December 31 consisted of:

	<u>2021</u>	<u>2020</u>
Land and improvements	\$ 368,741	\$ 368,741
Buildings and leasehold improvements	3,830,857	3,873,621
Furniture, fixtures and equipment	4,010,025	3,859,872
Vehicles and trailers	775,417	730,167
Construction in process	<u>105,705</u>	<u>155,540</u>
	9,090,745	8,987,941
Less accumulated depreciation	<u>6,269,251</u>	<u>5,990,676</u>
	<u>\$ 2,821,494</u>	<u>\$ 2,997,265</u>

Note 5: Line of Credit

The Organization has a \$2,500,000 revolving bank line of credit expiring in November 2022. At December 31, 2021, there were no borrowings against this line. At December 31, 2020, there was \$951,464 borrowed against this line. The line is collateralized by the Organization's 1817 Campbell Street building. Interest accumulates on any outstanding balance at a rate equal to 0.5 percentage points over the *Wall Street Journal* Prime Rate with a minimum of 4 percent. Interest is payable monthly and was 4 percent at December 31, 2021 and 2020.

Note 6: Long-term Debt

Long-term debt at December 31 consists of:

	<u>2021</u>	<u>2020</u>
Notes payable (A)	\$ -	\$ 16,794
Capital lease obligations (B)	122,913	178,329
Paycheck Protection Program (PPP) loan (C)	<u>-</u>	<u>2,873,165</u>
	<u>\$ 122,913</u>	<u>\$ 3,068,288</u>

(A) Notes payable with due dates ranging from November 2021 to December 2021; payable monthly ranging from \$525 to \$945 with interest payable monthly ranging from 3.4 percent to 3.6 percent; collateralized by vehicles and equipment.

Goodwill of Western Missouri and Eastern Kansas
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

- (B) Capital leases include leases covering transportation equipment expiring in January 2024; payable monthly ranging from \$1,315 to \$3,952, including interest of 5 percent.
- (C) In April 2020, the Organization received a loan through the Small Business Administration (SBA) Paycheck Protection Program (PPP) established by the CARES Act. The loan matures in two years and is payable monthly including 1.00 percent interest beginning after the applicable deferral period. During 2021, the Organization received notification from the SBA that the loan balance and accrued interest had been fully forgiven. Gain on forgiveness of the PPP loan is recognized as revenue in the consolidated statements of activities.

Aggregate annual maturities on capital lease obligations at December 31, 2021 are:

	Capital Lease Obligations
2022	\$ 63,209
2023	63,209
2024	<u>3,159</u>
	129,577
Less amount representing interest	<u>6,664</u>
Present value of future minimum lease payments	<u><u>\$ 122,913</u></u>

Property and equipment include the following property under capital leases at December 31:

	2021	2020
Vehicles	\$ 327,071	\$ 327,071
Less accumulated depreciation	<u>212,505</u>	<u>168,078</u>
	<u><u>\$ 114,566</u></u>	<u><u>\$ 158,993</u></u>

Goodwill of Western Missouri and Eastern Kansas

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Note 7: Revenue from Contracts with Customers

Revenue from Sales to the Public

Revenue is measured as the amount of consideration the Organization expects to receive in exchange for transferring distinct goods to customers. Sales to the public revenues consist substantially of product sales and is reported net of sales discounts offered to customers, if any, and returns. The Organization determines its estimates for discounts and returns based upon its discount policies and historical experience. The Organization recognizes revenue when performance obligations under the terms of contracts with its customers are satisfied, which occurs when control passes to a customer to enable them to direct the use of and obtain benefit from a product. This typically occurs when a customer obtains legal title, obtains the risks and rewards of ownership, has received the goods at the point of sale or according to the contractual shipping terms either at the shipping point or destination and is obligated to pay for the product. Payment is due at the time of purchase and the Organization offers a 7-day return policy in which customers can return purchased goods for in-store credit.

During 2021, the Organization began a customer loyalty program in which participating customers receive one loyalty point for each dollar spent. Each point is worth \$.10 and may be redeemed on future purchases. Points expire one year after issuance. When points are awarded, the Organization records a contract liability for the estimated value of points expected to be redeemed. Revenue is recognized when points are redeemed or expire. The total contract liability associated with the loyalty program at December 31, 2021 was \$78,071 and is included in deferred revenue on the consolidated statement of financial position.

Industrial and Janitorial Services Revenue

Industrial and janitorial services revenues consist substantially of cleaning and janitorial services. Revenue is measured as the amount of consideration the Organization expects to receive in exchange for providing services to customers. The Organization determines the transaction price based on standard charges for services provided, reduced by implicit or explicit price concessions, if any. The Organization determines its estimates for any implicit or explicit price concessions based upon its discount policies and historical experience. The estimated amounts also include variable consideration for change orders involving level of service. Contracts for cleaning services are generally considered a single performance obligation as the individual services represent a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. The Organization recognizes revenue over time as the services are provided in accordance with amounts to which the Organization has a right to invoice as invoiced amounts correspond directly to the value transferred to the customer. Services are billed at the end of each month for services provided within that month and are due within 30 days.

Goodwill of Western Missouri and Eastern Kansas

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Disaggregation of Revenue

The following table presents the Organization's revenues disaggregated by the timing of such revenue recognized during the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Timing of revenue and recognition		
At a point in time	\$ 23,161,454	\$ 16,817,403
Over a period of time	<u>4,929,999</u>	<u>4,987,089</u>
Total	<u>\$ 28,091,453</u>	<u>\$ 21,804,492</u>

The Organization has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Organization's line of business that provided the good or service, including type of product sold
- Geography of the service location

Contract Balances

The following table provides information about the Organization's receivables and contract liabilities from contracts with customers:

	<u>2021</u>	<u>2020</u>
Accounts receivable, beginning of year	\$ 596,607	\$ 1,158,514
Accounts receivable, end of year	1,049,148	596,607
Deferred revenue, beginning of year	\$ 23,836	\$ 17,600
Deferred revenue, end of year	109,664	23,836

Accounting Policies and Practical Expedients Elected

For shipping and handling activities, the Organization is applying an accounting policy election, which allows an entity to account for shipping and handling activities as fulfillment activities rather than a promised good or service when the activities are performed, even if those activities are performed after the control of the good has been transferred to the customer. Therefore, the Organization expenses shipping and handling costs at the time revenue is recognized.

The Organization is also applying an accounting policy election, which allows an entity to exclude from revenue any amounts collected from customers on behalf of third parties, such as sales taxes and other similar taxes the Organization collects concurrent with revenue-producing activities. Therefore, revenue is presented net of sales taxes and similar revenue-based taxes.

Goodwill of Western Missouri and Eastern Kansas
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

For significant financing components, the Organization elected a practical expedient, which allows an entity to recognize the promised amount of consideration without adjusting for the time value of money if the contract has a duration of one year or less, or if the reason the contract extended beyond one year is because the timing of delivery of the product is at the customer's discretion. As the Organization's contracts are typically less than one year in length and do not have significant financing components, the Organization does not present revenue on a present value basis.

Note 8: Conditional Gifts

The Organization has received the following conditional promises to give at December 31, 2021 and 2020 that are not recognized in the consolidated financial statements:

	2021	2020
Conditional promises to give upon incurring qualifying expenses subject to the Uniform Guidance regulations	\$ 20,511	\$ 132,616
Conditional promises to give upon incurring qualifying expenses and specific individuals serviced	38,000	-
	\$ 58,511	\$ 132,616

Note 9: Operating Leases

Noncancellable operating leases, primarily for retail store locations, expire in various years through 2035. These leases generally contain renewal options for periods ranging from five to 10 years and require the Organization to pay part or all executory costs (property taxes, maintenance and insurance).

Future minimum lease payments under operating leases at December 31, 2021, are:

2022	\$ 3,238,306
2023	3,102,179
2024	2,732,084
2025	1,930,610
2026	1,372,932
Later years	4,755,039
Total minimum lease payments	\$ 17,131,150

Goodwill of Western Missouri and Eastern Kansas

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

In accordance with ASC Topic 840, *Leases*, rental agreements with escalating lease payments are recognized in the consolidated statements of activities on a straight-line basis. The difference between the cash payments and amount recognized are recorded as a deferred liability. Additionally, incentives provided to the Organization under the lease agreements are deferred and amortized against rent expense over the term of the lease. The deferred rent liability at December 31, 2021 and 2020 was \$1,113,332 and \$1,302,913, respectively, and is included in accrued expenses on the consolidated statements of financial position. Rental expense for all operating leases amounted to \$3,284,296 and \$3,385,731 for the years ended December 31, 2021 and 2020, respectively.

In July 2021, the Organization entered into a lease termination agreement in which the Organization paid a fee of \$175,000 and was fully released from the remaining obligations under the lease agreement. As a result, a lease termination loss of \$106,006 was recognized during 2021 and is included in management and general expenses on the consolidated statement of activities.

Note 10: Retirement Plans

The Organization has a defined contribution plan covering substantially all employees. The Organization contributes a matching contribution up to 4 percent of gross salaries for eligible employees. The Organization's expense related to this plan was \$86,613 and \$88,285 in 2021 and 2020, respectively.

An employee 401(a) plan covers employees whose services are provided pursuant to a service contract entered into by the employer under the *Javits, Wagner, O'Day Act*. Benefit amounts are determined by the annual contract. The amounts paid for 2021 and 2020 were \$497,051 and \$484,465, respectively.

Note 11: Net Assets with Donor Restrictions

Net assets with donor restrictions as of December 31 are restricted for the following purposes:

	2021	2020
Capital projects	\$ 15,400	\$ 200,000
Bridge to technology	92,166	-
Re-entry services	27,133	-
Digital skills	50,000	-
Support employees in need	-	5,174
	\$ 184,699	\$ 205,174

Goodwill of Western Missouri and Eastern Kansas
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2021	2020
Capital projects	\$ 198,350	\$ -
Bridge to technology	42,807	-
Re-entry services	61,903	-
Digital skills	25,833	-
Artemis initiative	30,881	-
Mobile lab	31,553	-
Support employees in need	10,378	11,710
	\$ 401,705	\$ 11,710

Note 12: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Accounts Receivable

Approximately 64 percent and 58 percent of the Organization’s accounts receivable balance at December 31, 2021 and 2020, respectively, was due from two agencies.

Allowance for Accounts Receivable

Estimates for allowance of uncollectible accounts receivable are described in *Note 1*.

Inventories

As discussed in *Note 1*, inventory value is estimated based on average sales adjusted for inventory turnover.

Functional Allocation of Expenses

As discussed in *Note 1*, certain costs have been allocated among the program, management and general and fundraising categories based on the direct cost method and other methods.

Goodwill of Western Missouri and Eastern Kansas

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Revenue

The Organization's industrial and janitorial service contracts and governmental programs are funded by various governmental agencies. These funds were 15 percent and 22 percent of total revenue for the years ended December 31, 2021 and 2020, respectively.

Litigation

The Organization is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the Organization. Events could occur that would change this estimate materially in the near term.

Note 13: Future Change in Accounting Principle

Accounting for Leases

The Financial Accounting Standards Board amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2021. The Organization is evaluating the impact the standard will have on the consolidated financial statements; however, the standard is expected to have a material impact on the consolidated financial statements due to the recognition of additional assets and liabilities for operating leases.

Note 14: Subsequent Events

Subsequent events have been evaluated through August 5, 2022, which is the date the consolidated financial statements were available to be issued.

In January 2022, the Organization entered into a new 10-year lease agreement through 2032 with two 5-year renewal options. Lease payments due under the agreement range from \$231,000 to \$253,000 per year resulting in a total commitment of \$2,420,000 over the term of the lease.

Goodwill of Western Missouri and Eastern Kansas

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

In February 2022, the Organization entered into an 18-month sublease agreement with an unrelated party through 2023 with one 1-year renewal option. Sublease payments due to the Organization under the agreement are \$103,240 per year, resulting in a total commitment of \$154,860 from the entity over the term of the lease.

Effective July 2022, the Organization renewed a retail store lease through June 2032 with two 5-year renewal options. Lease payments due under the agreement range from \$192,400 to \$273,900 per year resulting in a total commitment of \$2,311,000 over the term of the lease. In addition, the Organization has committed to funding approximately \$282,000 of capital improvements associated with the property. The lease was signed in May 2022.

Effective Nov 2022, the Organization renewed a retail center lease through October 2024 with a 1-year renewal option. Lease payments due under the agreement are \$366,350 per year resulting in a total commitment of \$732,700 over the term of the lease. The lease was signed in April 2022.

Supplementary Information

Goodwill of Western Missouri and Eastern Kansas

The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop

Statements of Financial Position

December 31, 2021 and 2020

Assets

	<u>2021</u>	<u>2020</u>
Cash	\$ 222,301	\$ 603,235
Accounts receivable, net of allowance; 2021 - \$0, 2020 - \$20,940	815,221	413,276
Due from parent organization	-	10,614,187
Equipment, net of accumulated depreciation; 2021 - \$565,194, 2020 - \$558,933	<u>21,158</u>	<u>58,641</u>
Total assets	<u>\$ 1,058,680</u>	<u>\$ 11,689,339</u>

Liabilities and Net Assets

Liabilities

Accounts payable	\$ 71,521	\$ 364,521
Accrued expenses	93,459	70,303
Long-term debt	<u>-</u>	<u>5,619</u>
Total liabilities	<u>164,980</u>	<u>440,443</u>

Net Assets

Without donor restrictions	<u>893,700</u>	<u>11,248,896</u>
Total net assets	<u>893,700</u>	<u>11,248,896</u>
Total liabilities and net assets	<u>\$ 1,058,680</u>	<u>\$ 11,689,339</u>

Goodwill of Western Missouri and Eastern Kansas

The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop

Statements of Activities

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues, Gains and Other Support		
Industrial and janitorial services	\$ 4,929,999	\$ 4,988,001
Contributions	-	39
Other	2,562	11,083
	<u>4,932,561</u>	<u>4,999,123</u>
Expenses and Losses		
Ability One program services	3,149,563	3,295,149
Management and general	325,410	327,360
	<u>3,474,973</u>	<u>3,622,509</u>
Change in Net Assets Without Donor Restrictions Before Transfer to Parent Organization	1,457,588	1,376,614
Transfer to Parent Organization	<u>(11,812,784)</u>	<u>-</u>
Change in Net Assets Without Donor Restrictions	(10,355,196)	1,376,614
Net Assets Without Donor Restrictions, Beginning of Year	<u>11,248,896</u>	<u>9,872,282</u>
Net Assets Without Donor Restrictions, End of Year	<u>\$ 893,700</u>	<u>\$ 11,248,896</u>

Goodwill of Western Missouri and Eastern Kansas

The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop

Statement of Functional Expenses

Year Ended December 31, 2021

	Ability One Program Services	Management and General	Total
Salaries	\$ 213,369	\$ -	\$ 213,369
Direct labor - non-disabled	686,593	-	686,593
Direct labor - disabled	918,039	-	918,039
Employee benefits	522,156	-	522,156
Payroll taxes	137,306	-	137,306
Professional fees	7,818	-	7,818
Supplies	4,777	-	4,777
Cost of merchandise	254,301	-	254,301
Management fee to parent organization	-	325,410	325,410
Occupancy	16,977	-	16,977
Equipment rental	39,578	-	39,578
Repairs and maintenance	15,700	-	15,700
General insurance	101,940	-	101,940
Interest	161	-	161
Vehicle operations	21,804	-	21,804
Memberships	181,965	-	181,965
Depreciation	26,888	-	26,888
Miscellaneous	191	-	191
	<u> </u>	<u> </u>	<u> </u>
Total functional expenses	<u>\$ 3,149,563</u>	<u>\$ 325,410</u>	<u>\$ 3,474,973</u>

Goodwill of Western Missouri and Eastern Kansas

The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop

Statement of Functional Expenses

Year Ended December 31, 2020

	Ability One Program Services	Management and General	Total
Salaries	\$ 34,480	\$ -	\$ 34,480
Direct labor - non-disabled	699,399	-	699,399
Direct labor - disabled	1,000,345	-	1,000,345
Employee benefits	505,969	-	505,969
Payroll taxes	131,031	-	131,031
Professional fees	8,470	-	8,470
Supplies	1,974	-	1,974
Cost of merchandise	466,808	-	466,808
Management fee to parent organization	-	327,360	327,360
Occupancy	14,656	-	14,656
Equipment rental	38,374	-	38,374
Repairs and maintenance	30,678	-	30,678
General insurance	80,263	-	80,263
Interest	302	-	302
Vehicle operations	15,064	-	15,064
Conferences, meetings and trainings	1,996	-	1,996
Memberships	189,149	-	189,149
Depreciation	41,422	-	41,422
Miscellaneous	34,769	-	34,769
	<u>\$ 3,295,149</u>	<u>\$ 327,360</u>	<u>\$ 3,622,509</u>
Total functional expenses	\$ 3,295,149	\$ 327,360	\$ 3,622,509

Goodwill of Western Missouri and Eastern Kansas
The Helping Hand of Goodwill Industries
Extended Employment Sheltered Workshop
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Operating Activities		
Change in net assets	\$ (10,355,196)	\$ 1,376,614
Items not requiring cash		
Depreciation	26,888	41,422
Net asset transfer to parent organization	11,812,784	-
Changes in		
Accounts receivable	(401,945)	494,128
Due from parent organization	(1,198,597)	(1,997,906)
Supplies and other	16,211	-
Accounts payable	(293,000)	271,388
Accrued expenses	23,156	(66,601)
	<u>(369,699)</u>	<u>119,045</u>
Net cash provided by (used in) operating activities		
Investing Activities		
Purchase of equipment	(5,616)	(6,233)
	<u>(5,616)</u>	<u>(6,233)</u>
Net cash used in investing activities		
Financing Activities		
Principal payments on long-term debt	(5,619)	(5,998)
	<u>(5,619)</u>	<u>(5,998)</u>
Net cash used in financing activities		
Change in Cash	(380,934)	106,814
Cash, Beginning of Year	<u>603,235</u>	<u>496,421</u>
Cash, End of Year	<u>\$ 222,301</u>	<u>\$ 603,235</u>