Consolidated Financial Statements, Supplemental Schedules, Single Audit Reports and Report of Independent Certified Public Accountants

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

December 31, 2021 and 2020

Contents

GRANT THORNTON LLP
2501 E. Enterprise Ave., Suite 300
Appleton, WI 54913

D +1 920 968 6700
F +1 920 968 6719

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

Report on the financial statements

Opinion

We have audited the consolidated financial statements of Goodwill Industries of Southeastern Wisconsin, Inc. (a Wisconsin non-stock, not-for-profit corporation) and Affiliates (the “Entity”), 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 financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Entity as of December 31, 2021 and 2020, 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 of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Entity and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity’s ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the 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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US 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 financial statements.

In performing an audit in accordance with US 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 the Entity's ability to continue as a going concern for a reasonable period of time.

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

Grant Thornton

Supplementary information
Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal, state and local government awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, State Single Audit Guidelines and the Provider Agency Audit Guide*, respectively, the schedule of revenues and expenses for the year ended December 31, 2021, as required by certain funding agencies, and the consolidated year-end financial report for the year ended December 31, 2021, as required by the State of Illinois Grant Accountability and Transparency Act, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2022 on our consideration of the Entity'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 Entity'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 Entity's internal control over financial reporting and compliance.

Grant Thornton LLP

Appleton, Wisconsin
May 25, 2022

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,
(In thousands)

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 74,636	$ 53,113
Accounts receivable, net	15,009	33,958
Inventories and supplies	11,755	11,221
Prepaid expenses and other assets	3,414	1,506
Total current assets	104,814	99,798
Property, plant and equipment, net	128,411	118,828
Finance lease right-of-use assets, net	699	1,094
Operating lease right-of-use assets	85,986	89,385
Investments	654	708
Other long-term assets	306	-
Total assets	$ 320,870	$ 309,813
LIABILITIES AND NET ASSETS		
Current liabilities		
Current maturities of long-term debt	$ 13,827	$ 2,070
Current portion of finance lease liabilities	284	412
Current portion of operating lease liabilities	11,525	11,018
Accounts payable	14,384	14,811
Accrued liabilities	18,672	14,886
Contract liability	48	166
Total current liabilities	58,740	43,363
Long-term debt, less current maturities and unamortized bond issuance costs	8,710	29,865
Obligations under finance leases liabilities, less current portion	477	789
Obligations under operating lease liabilities, less current portion	81,654	83,186
Other long-term liabilities	1,916	5,430
Total liabilities	151,497	162,633
Net assets		
Without donor restrictions	168,998	146,865
With donor restrictions	375	315
Total net assets	169,373	147,180
Total liabilities and net assets	$ 320,870	$ 309,813

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

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2021
(In thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue and support			
Retail services	$ 196,196	$ -	$ 196,196
Food and administrative services	94,298	-	94,298
Participant services	17,488	-	17,488
Other revenues	610	-	610
Total operating revenue	308,592	-	308,592
Contributions	2,776	320	3,096
In-kind contributions	144,328	-	144,328
Participant programs	9,356	-	9,356
Miscellaneous income	1,178	-	1,178
Net assets released from restrictions	260	(260)	-
Total operating revenue and support and net assets released from restrictions	466,490	60	466,550
Operating expenses			
Program services	412,662	-	412,662
Management and general	26,734	-	26,734
Fundraising	265	-	265
Total operating expenses	439,661	-	439,661
Excess of operating revenue and support and net assets released from restrictions over operating expenses	26,829	60	26,889
Non-operating activities			
Impairment of property, plant and equipment	(2,412)	-	(2,412)
Operating lease abandonment	(2,274)	-	(2,274)
Loss on disposal of property, plant and equipment	(10)	-	(10)
CHANGE IN NET ASSETS	22,133	60	22,193
Net assets, beginning of year	146,865	315	147,180
Net assets, end of year	$ 168,998	$ 375	$ 169,373

The accompanying notes are an integral part of this consolidated financial statement.

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2020
(In thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue and support			
Retail services	$ 133,496	$ -	$ 133,496
Food and administrative services	90,403	-	90,403
Participant services	14,886	-	14,886
Other revenues	749	-	749
Total operating revenue	239,534	-	239,534
Contributions	16,815	189	17,004
Grant income	2,647	-	2,647
In-kind contributions	116,310	-	116,310
Participant programs	7,596	-	7,596
Miscellaneous income	1,068	-	1,068
Net assets released from restrictions	126	(126)	-
Total operating revenue and support and net assets released from restrictions	384,096	63	384,159
Operating expenses			
Program services	358,396	-	358,396
Management and general	24,592	-	24,592
Fundraising	251	-	251
Total operating expenses	383,239	-	383,239
Excess of operating revenue and support and net assets released from restrictions over operating expenses	857	63	920
Non-operating activities			
Impairment of property, plant and equipment	(3,857)	-	(3,857)
Gain on disposal of property, plant and equipment	87	-	87
CHANGE IN NET ASSETS	(2,913)	63	(2,850)
Net assets, beginning of year	149,778	252	150,030
Net assets, end of year	$ 146,865	$ 315	$ 147,180

The accompanying notes are an integral part of this consolidated financial statement.

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2021
(In thousands)

	Program Services	Management and General	Fundraising	Total
Salaries	$ 117,676	$ 13,347	$ 177	$ 131,200
Employee benefits	21,095	1,744	30	22,869
Payroll taxes	8,988	924	12	9,924
Total salaries and related expenses	147,759	16,015	219	163,993
In-kind supplies	143,631	-	-	143,631
Supplies and other	53,698	231	2	53,931
Rent and occupancy	31,850	945	5	32,800
Professional fees and contracted services	18,208	4,938	39	23,185
Depreciation	10,657	1,029	-	11,686
Finance lease amortization	378	17	-	395
Advertising	258	1,640	-	1,898
Transportation	3,520	110	-	3,630
Equipment purchases, rental and maintenance	2,253	1,609	-	3,862
Interest expense	44	43	-	87
Conferences and training	170	157	-	327
Specific assistance to individuals	282	-	-	282
Bad debt recoveries, net	(46)	-	-	(46)
Total expenses	$ 412,662	$ 26,734	$ 265	$ 439,661

The accompanying notes are an integral part of this consolidated financial statement.

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2020
(In thousands)

	Program Services	Management and General	Fundraising	Total
Salaries	$ 103,727	$ 12,269	$ 183	$ 116,179
Employee benefits	17,326	1,232	25	18,583
Payroll taxes	7,938	855	12	8,805
Total salaries and related expenses	128,991	14,356	220	143,567
In-kind supplies	115,550	-	-	115,550
Supplies and other	52,872	374	1	53,247
Rent and occupancy	28,437	606	3	29,046
Professional fees and contracted services	15,086	3,242	20	18,348
Depreciation	11,348	882	-	12,230
Finance lease amortization	510	9	-	519
Advertising	120	1,404	-	1,524
Transportation	2,879	100	-	2,979
Equipment purchases, rental and maintenance	2,162	1,339	7	3,508
Interest expense	67	2,200	-	2,267
Conferences and training	100	80	-	180
Specific assistance to individuals	317	-	-	317
Bad debt recoveries, net	(43)	-	-	(43)
Total expenses	$ 358,396	$ 24,592	$ 251	$ 383,239

The accompanying notes are an integral part of this consolidated financial statement.

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,
(In thousands)

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 22,193	$ (2,850)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	12,097	12,766
Impairment of property, plant and equipment	2,412	3,857
Operating lease abandonment	2,274	-
Realized and unrealized gain on investments	(74)	(39)
Unrealized (gain) loss on interest rate swaps	(1,085)	793
Loss (gain) on disposal of property, plant and equipment	10	(87)
Change in accounts receivable allowance	(50)	(45)
Changes in operating assets and liabilities		
Accounts receivable	18,999	(22,581)
Inventories and supplies	(534)	(1,117)
Prepaid expenses and other assets	(1,908)	564
Accounts payable and accrued liabilities	269	(214)
Contract liability	(118)	43
Operating lease right-of-use assets and liabilities, net	74	462
Other long-term assets and liabilities	(2,521)	2,446
Net cash provided by (used in) operating activities	52,038	(6,002)
Cash flows from investing activities		
Purchases of property, plant and equipment	(20,599)	(2,237)
Proceeds from sale of property, plant and equipment	24	131
Purchases of investments	(50)	(54)
Net cash used in investing activities	(20,625)	(2,160)
Cash flows from financing activities		
Proceeds from line of credit	-	13,500
Repayment of line of credit	-	(13,500)
Repayment of long-term debt	(9,450)	(1,998)
Payments on finance lease liabilities	(440)	(425)
Net cash used in financing activities	(9,890)	(2,423)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	21,523	(10,585)
Cash and cash equivalents, beginning of year	53,113	63,698
Cash and cash equivalents, end of year	$ 74,636	$ 53,113
Supplemental disclosure of cash flow information		
Cash payments for interest	$ 1,041	$ 1,434
Non-cash transactions		
Assets acquired under finance leases	$ -	$ 207
Purchase of property and equipment financed through operating leases	16,987	12,448
Purchase of property and equipment in accounts payable	3,090	2,051
Donated goods and materials contributed for resale	144,328	115,551

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

NOTE A - ORGANIZATION

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates (collectively, Goodwill) was formed in 1919 and is a Wisconsin non-stock, not-for-profit corporation. The mission of Goodwill is to provide training, employment and supportive services for people with disabilities or disadvantages who seek greater independence. Disabilities or disadvantages include physical or intellectual disabilities, mental health issues, skill limitations, criminal background, lack of education and job preparation, communication challenges and other socio-economic disadvantages.

Goodwill pursues its mission by employing people with disabilities and disadvantages within the organization's own operations in southeastern Wisconsin and northeastern Illinois. In addition, Goodwill provides social services, community programs, vocational training, transitional employment, employment services and supportive services for individuals who have disabilities, are disadvantaged or have other special needs, in order to enhance their employment opportunities, prevent or alleviate rehabilitation problems and facilitate their ability to live independently in the community.

Goodwill Industries of Southeastern Wisconsin, Inc. has the following affiliates and subsidiaries: Goodwill Industries of Metropolitan Chicago, Inc. is a separate, not-for-profit entity that focuses on providing mission services in the Metropolitan Chicago area. Goodwill Retail Services, Inc. is a separate, not-for-profit entity responsible for the retail stores operated by Goodwill. Goodwill Manufacturing, Inc. is a separate, not-for-profit corporation that provides laundry and recycling services. Goodwill Industries of Southeastern Wisconsin, Inc. is the sole member and manager of Goodwill TalentBridge, LLC, which is a full service staffing and recruitment firm.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies used by Goodwill is as follows:

Financial Statement Presentation

The consolidated financial statements are prepared on the accrual basis of accounting. All significant intercompany activity has been eliminated.

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions as without donor restrictions or with donor restrictions, as follows:

Without Donor Restrictions

Net assets and transactions are not subject to donor-imposed stipulations.

With Donor Restrictions

Net assets and transactions are subject to donor-imposed stipulations that will be met by the actions of Goodwill and/or the passage of time. As of December 31, 2021 and 2020, Goodwill has $375 and $315, respectively, of net assets restricted by donors.

All contributions are considered to be available for general operating purposes unless specifically restricted by the donor. Contribution revenue is reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Donor-restricted contributions whose purpose has been fulfilled and/or the stipulated time period has elapsed are reported as reclassifications between net assets with donor restrictions and net assets without donor restrictions.

Measure of Operations

The consolidated statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to Goodwill's ongoing mission operations. Non-operating activities are limited to other activities considered to be of a more unusual or nonrecurring nature, including impairment of property, plant and equipment, operating lease abandonment and (loss) gain on disposal of property, plant and equipment.

Contributed Goods and Services and Donations In-Kind

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue and classified in accordance with donor-imposed restrictions on the contributions. An allowance for uncollectible contributions receivable is provided based on management's judgment and consideration of such factors as prior collection history, type of contributions and nature of fundraising activity.

Goods and materials contributed to Goodwill for resale are recorded at estimated fair market value based on retail sales prices.

In-kind contributions and grants received for goods or services are recorded at estimated fair value at the date of donation.

A portion of Goodwill's revenue is derived from federal, state and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when expenditures have been incurred or performance requirements have been met, in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. Goodwill received cost reimbursable grants of $661 and $1,097 that have not been recognized at December 31, 2021 and 2020, respectively, because qualifying expenditures have not yet been incurred.

Cash and Cash Equivalents

Goodwill considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Goodwill maintains its cash balances at one financial institution, which at times may exceed federally insured limits. Goodwill has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments

Goodwill reports investments at fair value, with net appreciation and depreciation reported in the consolidated statements of activities in miscellaneous income.

Goodwill's investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the values of investments, it is at least reasonably possible that changes in risk in the near term could materially affect Goodwill's investment holdings.

Investments are designated and intended for the use of satisfying the liabilities of the 457(b) plan, as described in Note J.

Accounts Receivable

The majority of Goodwill's accounts receivable is due from agencies. Credit is extended based on an evaluation of a customer's financial condition and, generally, collateral is not required. Accounts receivable are due within 10 to 30 days and are stated as amounts due from customers net of an allowance for doubtful accounts. Accounts outstanding longer than the contractual payment terms are considered past due. Goodwill determines its allowance by considering a number of factors, including the length of time accounts receivable are past due, Goodwill's previous loss history, the customer's current ability to pay its obligation to Goodwill, and the condition of the general economy and the industry as a whole. Goodwill writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts. Total allowances for uncollectible balances were $235 and $285 as of December 31, 2021 and 2020, respectively.

Contributions Receivable

Contributions that are expected to be collected within one year are recorded at net realizable value. Contributions that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed at the estimated risk-free interest rate applicable to the years in which the amounts promised are expected to be received. All amounts outstanding are to be collected within one year, and there was no allowance for uncollectible contributions as of December 31, 2021 and 2020. Contributions receivable of $0 and $15,000 were included in accounts receivable on the consolidated statements of financial position as of December 31, 2021 and 2020, respectively. The contribution receivable as of December 31, 2020 is from one donor and represented 45% of total accounts receivable and 88% of total contributions for the year ended December 31, 2020.

Inventories and Supplies

Inventories primarily represent merchandise held for resale and food. These inventories are valued at the lower of cost or net realizable value using the first-in, first-out method. In-kind contributions of merchandise inventory held for resale are recorded at estimated fair market value based on retail sales prices.

Property, Plant and Equipment

Purchases of property, plant and equipment are recorded at cost. Donated assets are capitalized at estimated fair value when received. Leased property and equipment is capitalized at the present value of lease payments. Goodwill capitalizes all qualifying purchases over $5. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the assets ranging as follows: land improvements from 5 to 15 years; buildings and improvements from 4 to 50 years; and equipment and vehicles from 3 to 15 years. Leased assets are depreciated using the straight-line method over the lesser of the lease term or the estimated useful lives of the assets ranging from 5 to 10 years. Amortization of assets held under finance leases is included in depreciation expense.

During the year ended December 31, 2020, as a result of a change in the use of certain property, management had the property appraised by a third party. Based on the property appraisal, management determined that various land, building and building improvements reflected in property, plant and equipment related to a specific property were impaired. An impairment loss of $3,857 was recognized in the consolidated statement of activities during the year ended December 31, 2020.

Based on market activity during 2021, and offers received to purchase the building shortly after December 31, 2021, which indicated the value of the land, building and building improvements were further impaired, the Company recognized an additional impairment loss of $2,412 in the consolidated statement of activities during the year ended December 31, 2021. Subsequent to December 31, 2021, the associated land, building and building improvements were sold. See Note Q for further discussion.

Bond Issuance Costs

Bond issuance costs represent trust fees, legal fees and other costs associated with various bond issuances, and are netted against long-term debt on the consolidated statements of financial position. These costs are amortized over the life of the bonds (11 to 25 years). Amortization expense was $51 and $17 for the years ended December 31, 2021 and 2020, respectively.

Revenue Recognition

Revenue is measured based on consideration specified in a contract with a customer. Goodwill recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer.

Leases

Goodwill leases various operational facilities and equipment leases under non-cancelable finance and operating lease agreements. Certain leases call for escalating rental payments. At the commencement of a lease, Goodwill includes only the initial lease term unless the option to extend is reasonably certain. Goodwill does not record leases with a lease term of 12 months or less on its consolidated statements of financial position. Variable lease payments that do not depend on a rate of index and short-term rentals are expensed as incurred.

Goodwill has elected to account for leases that have lease payments over the term of the lease of $5 or greater. When calculating the lease liability on a discounted basis, Goodwill applies its estimated incremental borrowing rate if an implicit rate in the lease is not readily available. Goodwill bases its incremental borrowing rate on a collateralized interest rate.

Goodwill's facility leases often contain lease and non-lease components. Goodwill has elected to account for these lease and non-lease components separately. Non-lease components for these assets are primarily comprised of maintenance costs, insurance and utilities that are passed on from the lessor in proportion to the space leased by Goodwill and are recognized in the period in which the obligation for those payments was incurred. Non-lease components are separate from lease components within Goodwill's lease agreements, such that an allocation between the components does not need to be performed. Lease cost for leases is recognized on a straight-line basis over the lease term.

In addition to rent payments, leases for retail space contain payments for real estate taxes, insurance costs, common area maintenance, and utilities that are not fixed. Goodwill accounts for these costs as variable payments and does not include such costs as a lease component. See Note H for further disclosure surrounding leases.

During 2021, Goodwill determined that certain property being leased was no longer a viable option for future development. As the leased property is no longer in use, an impairment of $2,274 of the operating lease right-of-use asset was recognized during the year ended December 31, 2021, which is recorded in operating lease abandonment in the consolidated statements of activities.

Cost Allocation

The financial statements report certain expense categories that are attributable to more than one support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Expenses by function have been allocated between program services, management and general, and fundraising classifications on a functional basis in the accompanying consolidated statements of functional expenses. Such expenses include occupancy, service management, program management, depreciation, and general and administrative expenses, which are allocated on the basis of square footage occupied or used, or on the basis of the total direct cost of the benefiting program.

Advertising

Goodwill expenses the cost of advertising as incurred. Advertising expense for the years ended December 31, 2021 and 2020, was $1,898 and $1,524, respectively.

Income Taxes

Goodwill Industries of Southeastern Wisconsin, Inc., Goodwill Industries of Metropolitan Chicago, Inc., Goodwill Retail Services, Inc. and Goodwill Manufacturing, Inc. have received determination letters from the Internal Revenue Service (IRS) indicating that they are exempt from federal income taxes, except for taxes pertaining to unrelated business income under section 501(c)(3) of the Internal Revenue Code.

Goodwill TalentBridge, LLC has been organized as a limited liability company and, accordingly, is not subject to federal or state income taxes. All income tax attributes of the entity are passed through to its sole member, Goodwill Industries of Southeastern Wisconsin, Inc. The entity is included in the consolidated information return filed by Goodwill Industries of Southeastern Wisconsin, Inc.

The Financial Accounting Standards Board (FASB) issued guidance related to the uncertainty of income tax positions, which clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements and requires additional disclosure. Goodwill recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. As of December 31, 2021 and 2020, Goodwill does not believe there is any uncertainty with respect to its tax positions.

Goodwill files information returns in the U.S. federal and the states of Wisconsin and Illinois jurisdictions. Tax years open under the federal statute of limitations include 2018 through 2021. Tax years open under the state of Wisconsin and state of Illinois statutes include 2017 through 2021. Goodwill had not historically filed any unrelated business income tax ("UBIT") returns but filed in 2018 for federal and the states of Wisconsin and Illinois jurisdictions. Due to tax reform legislation, the Federal and Illinois UBIT returns have been amended to obtain refunds of income tax payments made on UBIT repealed by legislation. The organization filed UBIT returns for 2019 and 2020 for Wisconsin, but does not plan to file such return for 2021. Tax years remain open for years in which a UBIT return has not been filed.

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 relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes to the methodologies used at December 31, 2021 or 2020.

The carrying amount of cash, inventory, accounts payable and accrued expenses approximate fair value due to the short-term nature of those investments. Accounts receivable are stated at net realizable value. Long-term debt consists of bank loans. Based on Goodwill's assessment of the current financial market and corresponding risk associated with the debt, management believes the carrying amount of long-term debt approximates fair value.

Upcoming Accounting Pronouncements

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets,* to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The guidance requires contributed nonfinancial assets to be presented as a separate line item on the statement of activities, apart from cash and other financial asset contributions. The guidance also requires disclosure of the types of contributed nonfinancial assets and, for each category, information about whether the assets were monetized or utilized, a description of the policies to monetize or utilize such assets, a description of donor-imposed restrictions associated with the contributions, and a description of the valuation techniques and principal market used to arrive at a fair value measure at initial recognition. The guidance will be effective for Goodwill for the year ending December 31, 2022. Organizations are required to apply the guidance on a retrospective basis, and early adoption is permitted.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. ASU 2020-04, and subsequent amendments, contain practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. Goodwill is currently evaluating the impact the adoption of this standard will have on the consolidated financial statements and related disclosures.

Adopted Accounting Pronouncement

In April 2020, the FASB staff issued a question-and-answer document ("Q&A") that addresses their belief that the guidance on lease modifications in GAAP does not contemplate concessions being executed as rapidly as they were executed as a result of the major financial crisis arising from the COVID-19 pandemic. In the Q&A, the staff stated that entities may elect to not evaluate whether a concession provided by a lessor to a lessee in response to the COVID-19 pandemic is a lease modification. This election must be applied consistently to leases with similar characteristics and circumstances. The election permits entities, if certain criteria are met, to account for concessions as if they were contemplated in the existing contract or evaluate the lease concessions for lease modification accounting. If elected, abatement concessions are accounted for as negative variable rental revenue and rent deferrals are accounted for as if the lease is unchanged. Goodwill elected to utilize the relief provided by the FASB staff in 2020. This election did not have a material impact on the consolidated financial statements as of December 31, 2021 and 2020.

(In thousands)

NOTE C - INVENTORIES AND SUPPLIES

Inventories and supplies consists of the following as of December 31:

	2021	2020
Retail merchandise	$ 10,904	$ 10,195
Food	851	1,026
Inventories and supplies	$ 11,755	$ 11,221

NOTE D - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consists of the following as of December 31:

	2021	2020
Land	$ 33,226	$ 31,157
Land improvements	10,451	9,044
Buildings and improvements	180,031	174,908
Equipment and vehicles	69,370	56,352
Construction in process	246	660
Total property, plant and equipment	293,324	272,121
Less accumulated depreciation and amortization	(164,913)	(153,293)
Property, plant and equipment, net	$ 128,411	$ 118,828

NOTE E - LINE-OF-CREDIT AGREEMENT

Goodwill has a working capital line-of-credit agreement with a bank, secured by substantially all assets, under which it may borrow up to $13,500 as of December 31, 2021 and 2020. The agreement expires on May 31, 2023. Borrowings under the line-of-credit agreement bear interest at a variable rate (1.84% as of December 31, 2021). There was no outstanding balance as of December 31, 2021 and 2020. The line-of-credit agreement contains certain restrictive covenants which, among other things, require Goodwill to maintain certain liquidity. Goodwill was in compliance with these covenants as of December 31, 2021 and 2020.

(In thousands)

NOTE F - LONG-TERM DEBT

Long-term debt, payable by Goodwill, consists of the following as of December 31:

	2021	2020
WHEFA Revenue Bonds, Series 2014A. The bonds were paid in full during 2021.	$ -	$ 6,536
WHEFA Revenue Bonds, Series 2014B. The bonds were paid in full during 2021.	-	1,634
WHEFA Revenue Bonds, Series 2014C, due in annual installments ranging from $722 to $1,201 through November 2035. The bonds bear interest, due monthly, at variable rates (1.30% at December 31, 2021). Collateralized by certain buildings. The bonds were paid in full in March 2022; see Note Q.	13,212	13,907
WHEFA Revenue Bonds, Series 2012, due in annual installments ranging from $515 to $640 through February 2037. The bonds bear interest, due monthly, at variable rates (1.23% at December 31, 2021). Collateralized by certain buildings.	9,480	10,065
Total debt	22,692	32,142
Less current maturities	(13,827)	(2,070)
Less unamortized bond issuance costs	(155)	(207)
Long-term debt, less current maturities and unamortized bond issuance costs	$ 8,710	$ 29,865

During 2010, Goodwill entered into a guaranty agreement whereby provisions of the agreement provide that certain entities of the consolidated group are jointly liable for the outstanding debt of Goodwill Industries of Southeastern Wisconsin, Inc.

(In thousands)

In an effort to reduce the risk of incurring higher interest costs in periods of rising interest rates, Goodwill is party to various interest rate swap agreements. The agreements effectively convert variable-rate debt to fixed-rate debt to the extent of the notional amount of the swaps. The interest differential is reflected as an adjustment to interest expense as incurred and the fair value of the swaps are reflected on the consolidated statements of financial position in other long-term liabilities. The following is a summary of Goodwill's interest rate swaps at December 31:

Maturity Date	Fixed Rate	Total Interest Rate	Notional Amount	Outstanding Notional Amount	Fair Value Liability 2021	Fair Value Liability 2020
May 2, 2022	2.20%	2.09%	$ 8,940	$ 7,380	$ (65)	$ (226)
December 1, 2024	1.85	1.74	3,500	2,571	(81)	(167)
December 1, 2024	2.51	2.39	11,160	9,480	(437)	(818)
December 1, 2025	2.69	2.56	8,139	6,835	(679)	(1,137)
					$ (1,262)	$ (2,348)

The total change in the fair value of interest rate swaps was recognized in interest expense as a gain of $1,085 in 2021 and a loss of $793 in 2020.

The bonds payable contain certain restrictive covenants that, among other things, require Goodwill to maintain certain liquidity. Goodwill was in compliance with these covenants as of December 31, 2021 and 2020.

Aggregate scheduled principal payments on long-term debt and amortization expense of bond issuance costs as of December 31, 2021, are as follows:

	Long-Term Debt	Bond Issuance Costs
2022	$ 13,827	$ 93
2023	640	6
2024	585	6
2025	585	6
2026	585	6
Thereafter	6,470	38
	$ 22,692	$ 155

NOTE G - REVENUES

Nature of Goods and Services

The following is a description of principal activities from which Goodwill generates its revenue. The products and services, as well as the nature, timing of satisfaction of performance obligations and significant payment terms are as follows:

I. Retail revenues - Revenue is recognized and payment is received at the point of sale;

(In thousands)

II. Food services - Food revenue is recognized when allowable and reimbursable expenditures are incurred and control has transferred to the customer, which is typically when the food is consumed. Payment is due monthly;

III. Administrative services - Revenue is recognized over time as the customer simultaneously receives and consumes the benefits provided by Goodwill's performance as Goodwill performs. The different promised goods or services generally provide a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. As such, revenue for these performance obligations is generally recognized as services are performed. Payment is due monthly;

IV. Participant services - These types of contracts include laundry services, staffing and other services. Customers do not take control of goods and services under these contracts until it is completed. Revenue is recognized in the period service is provided or goods are shipped. Customers are invoiced upon the service being provided or shipment being made. Payment is typically due within 30 days of receipt of invoice; and

V. Other revenues - Other revenues represents recycling and other services, none of which are individually significant. Revenue is recognized in the period service is provided or goods are shipped. Customers are invoiced upon the service being provided or shipment being made. Payment is typically due within 30 days of receipt of invoice.

Sales Taxes Collected and Remitted

Goodwill presents sales taxes collected from its customers and remitted to governmental agencies on a net basis (excluded from revenues) in its consolidated financial statements.

NOTE H - LEASES

The expense components of Goodwill's leases reflected on the consolidated statements of activities were as follows at December 31:

	2021	2020
Finance lease expenses:		
Amortization of right-of-use assets	$ 395	$ 519
Interest on lease liabilities	50	68
Total finance lease expense	445	587
Operating lease expense	14,559	12,808
Total lease expense	$ 15,004	$ 13,395

(In thousands)

Other information related to leases was as follows at December 31:

	2021	2020
Weighted-average remaining lease term (in years):		
Finance leases	3	3
Operating leases	10	10
Weighted-average discount rate:		
Finance leases	5.7%	5.1%
Operating leases	3.5%	3.5%

As of December 31, 2021, future minimum lease payments under non-cancellable leases are as follows:

	Finance Leases	Operating Leases	Total
2022	$ 319	$ 14,505	$ 14,824
2023	296	12,979	13,275
2024	175	11,750	11,925
2025	35	11,008	11,043
2026	-	10,192	10,192
Thereafter	-	49,878	49,878
Total future minimum lease payments	825	110,312	111,137
Less: discount	(64)	(17,133)	(17,197)
Lease liability	$ 761	$ 93,179	$ 93,940

NOTE I - SIGNIFICANT FUNDING AGENCIES AND CUSTOMERS

Goodwill has contracts with the U.S. Naval Supply Systems Command to provide food, laundry and administrative services. The contracts expire on September 30, 2028. Goodwill recognized revenue of $94,298 and $90,403 in 2021 and 2020, or 29% and 34%, respectively, of operating revenue and support related to this customer. This customer accounted for $8,323 and $12,359 or 55% and 36%, respectively, of the total accounts receivable balance as of December 31, 2021 and 2020.

Goodwill receives a substantial amount of funding from various federal and state agencies including the United States Department of Health and Human Services and the Wisconsin Department of Health and Family Services. Governmental grant awards are generally subject to renewal by grantor agencies on an annual basis.

NOTE J - EMPLOYEE BENEFIT PLANS

Goodwill has a defined contribution plan that covers substantially all of its full-time employees. The plan covers eligible employees who have completed one year of service, as defined in the plan, and have attained the age of 21. The IRS has determined that the plan is a qualified tax-exempt plan. Goodwill contributes, on a monthly basis, 5% of the first $25 of total eligible compensation and 8% of compensation thereafter to the plan up to the IRS annual limitations. Participant contributions are not permitted under the plan agreement. Participants become 100% vested in Goodwill's contributions after three years of vesting service, as defined in the plan. During 2021 and 2020, Goodwill's contributions, net of forfeitures, to the plan were $4,415 and $1,498, respectively.

Goodwill has a 403(b) retirement plan that permits employees to defer a portion of their compensation, subject to annual IRS limitations. There were no employer contributions to the 403(b) plan for the years ended December 31, 2021 and 2020.

Goodwill has a 457(b) tax-deferred compensation plan that is available to certain management employees. Participants may defer income into the plan on a pre-tax or post-tax basis, subject to annual IRS limitations. An asset and a liability of $654 and $708 are included on Goodwill's consolidated statements of financial position as of December 31, 2021 and 2020, respectively, within investments and other long-term liabilities.

NOTE K - CONTINGENCIES

Government contracts are subject to audit and adjustment by funding agencies. If government revenue is recorded for expenditures that are subsequently disallowed, Goodwill may be required to repay the questioned costs to the funding agency. Management of Goodwill is not aware of any disallowed expenditures that would have a material adverse effect on its consolidated financial statements.

Goodwill is involved in various legal proceedings, claims and administrative actions arising in the normal course of business. In the opinion of management, Goodwill's liability, if any, under any pending litigation or administrative proceeding will not materially affect its financial condition.

NOTE L - RELATED PARTIES

Certain members of Goodwill's board of directors are employed by various companies with which Goodwill does business.

Goodwill's operating revenue includes approximately $0 and $19 for 2021 and 2020, respectively, from companies with which certain Goodwill directors and management staff members are associated. Goodwill's purchased services and products include approximately $185 and $1,521 for 2021 and 2020, respectively, from companies with which certain Goodwill directors and management staff members are associated.

Contributions include donations received from Goodwill directors and management staff members, which totaled $71 and $108 for 2021 and 2020, respectively. There were no outstanding pledges from Goodwill directors and management staff members at December 31, 2021 and 2020.

NOTE M - DISCLOSURES ABOUT THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The FASB accounting guidance on fair value measurement requires certain financial assets and liabilities be carried at fair value. 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 (exit price). Classification of the financial asset or liability within the fair value hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The guidance describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value. The following is a summary:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in 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; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The determination of where an asset or liability falls in the fair value hierarchy requires significant judgment. Goodwill evaluates its hierarchy disclosures each year and, based on various factors, it is possible that an asset or liability may be classified differently from year to year; however, Goodwill expects that changes in classifications between different levels will be rare.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes to the valuation methodologies used at December 31, 2021 and 2020.

Bond and stock mutual funds - Valued based on quoted market prices as of the date of the consolidated statement of financial position, as determined based on the market prices for the individual investments comprising each fund.

Derivative liability (interest rate swaps) - The fair value of Goodwill's interest rate swap agreements is based on estimates using standard pricing models as of the date of the consolidated statements of financial position. The fair value of the interest rate swaps is based on quotes from the counterparty of these instruments and represents the estimated amount that Goodwill would expect to receive or pay to terminate the agreements.

The carrying amount of Goodwill's financial instruments, which include trade accounts receivable, trade accounts payable and accrued liabilities, approximates their fair values at December 31, 2021 and 2020, due to their short maturities. The carrying value of long-term debt, including the current portion, approximates fair value because the interest rate approximates the current market rate of interest available to Goodwill.

(In thousands)

The following table presents information about Goodwill's assets and liabilities measured at fair value as of December 31, 2021, and indicates the fair value hierarchy of the valuation techniques utilized by Goodwill to determine such fair value.

	Level 1	Level 2	Level 3	Total
Assets				
Bond and stock mutual funds	$ 654	$ -	$ -	$ 654
Liabilities				
Derivative liability, net (interest rate swaps)	-	1,262	-	1,262

The following table presents information about Goodwill's assets and liabilities measured at fair value as of December 31, 2020, and indicates the fair value hierarchy of the valuation techniques utilized by Goodwill to determine such fair value.

	Level 1	Level 2	Level 3	Total
Assets				
Bond and stock mutual funds	$ 708	$ -	$ -	$ 708
Liabilities				
Derivative liability, net (interest rate swaps)	-	2,348	-	2,348

NOTE N - LIQUIDITY AND AVAILABILITY

To meet cash needs for general expenditures, Goodwill has net current financial assets, available within one year of the financial statement date, consisting of the following as of December 31:

	2021	2020
Cash and cash equivalents	$ 74,636	$ 53,113
Accounts receivable, net	15,009	33,958
	$ 89,645	$ 87,071

Overall cash and investment amounts and performance are reviewed annually by the Audit, Risk and Compliance Committee of the Board of Directors. As more fully described in Note E, Goodwill also has availability under the line of credit of $13,500 should an unanticipated liquidity need be identified.

NOTE O - RISKS AND UNCERTAINTIES

The COVID-19 pandemic has impacted and could further impact Goodwill's business and operations and the operations of its suppliers, vendors and customers. The pandemic continues to significantly impact global and U.S. economic conditions as federal, state and local governments react to the public health crisis with mitigation measures, creating significant uncertainties in the U.S. and global economies. The extent to which the pandemic will continue to affect Goodwill's business, operations and financial results will depend on numerous factors that it may not be able to accurately predict and which may cause the actual results to differ from the estimates and assumptions Goodwill is required to make in preparation of consolidated financial statements according to U.S. GAAP.

NOTE P - CARES ACT

As a result of the COVID-19 pandemic and pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Goodwill deferred payment of applicable employment taxes in the amount of $4,748 during the year ended December 31, 2020. Under the CARES Act, 50% of the total deferred employment tax was to be repaid on December 31, 2021, with the remaining amount due on December 31, 2022. As such, $1,884 and $2,374 is recorded in accrued liabilities as of December 31, 2021 and 2020, respectively, and $0 and $2,374 is recorded in other long-term liabilities as of December 31, 2021 and 2020, respectively, on the consolidated statements of financial position.

Also in connection with the CARES Act, during the year ended December 31, 2020, Goodwill recognized $2,647 related to refundable payroll tax credits for qualified wages paid to retained full-time employees. This is included in grant income on the consolidated statement of activities during the year ended December 31, 2020. No amounts are recorded for the year ended December 31, 2021.

NOTE Q - SUBSEQUENT EVENTS

Goodwill evaluated its December 31, 2021, consolidated financial statements for subsequent events through May 25, 2022, the date the consolidated financial statements were available to be issued. Goodwill is not aware of any subsequent events that would require recognition or disclosure in the consolidated financial statements, except as disclosed below.

Effective March 17, 2022, the WHEFA Revenue Bonds, Series 2014C, were paid in full.

Effective March 31, 2022, Goodwill sold its headquarters.

Effective May 9, 2022, the line of credit was amended to extend the expiration date to May 31, 2023.

SINGLE AUDIT REPORTS

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title**	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		
Passed through			
Kenosha County Department of Human Services		N/A	$ 67,215
Total U.S. Department of Agriculture			67,215
U.S. Department of Labor			
WIOA Cluster			
WIA/WIOA Youth Program	17.259		
Passed through			
Kenosha County Department of Human Services		N/A	52,716
Total U.S. Department of Labor			52,716
U.S. Department of Education			
Rehabilitation Services: Vocational Rehabilitation Grants to States	84.126		
Passed through			
Department of Workforce Development		N/A	1,785,044
Illinois Department of Human Services			
January - June 2021		46CZF00281	17,305
July - December 2021		46CAF00281	98,540
Total			1,900,889
Total U.S. Department of Education			1,900,889
U.S. Department of Health and Human Services			
Social Services Block Grant	93.667		
Passed through			
Waukesha County Department of Health and Human Services		435.561	1,867
Illinois Department of Human Services			
January - June 2021		FCSZJ00232	198,996
July - December 2021		FCSAJ00232	201,811
Total			402,674
Block Grants for Prevention and Treatment of Substance Abuse	93.959		
Passed through			
Milwaukee County Behavioral Health Division		N/A	232
Total			232

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title**	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services - Continued			
Temporary Assistance for Needy Families (TANF) Cluster			
Temporary Assistance for Needy Families	93.558		
Passed through			
Waukesha County Department of Health and Human Services		435.561	$ 994
Total TANF Cluster			994
Child Support Enforcement	93.563		
Passed through			
Racine County Human Services Department		437-0701	95,316
Kenosha County Department of Human Services		437-7702	293,126
Total			388,442
Aging Cluster			
Special Programs for the Aging-Title III, Part B - Grants for Supportive Services and Senior Centers	93.044		
Passed through			
Racine County Human Services Department		435.560340	69,883
Total			69,883
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045		
Passed through			
Racine County Human Services Department		435.560350	70,591
Milwaukee County Department of Aging		435.560360	1,315,239
Total			1,385,830
Total Aging Cluster			1,455,713
Medicaid Cluster			
Medical Assistance Program	93.778*		
Passed through			
Community Care		N/A	384,530
Kenosha County Department of Human Services		N/A	227,041
Kenosha County Brookside		N/A	65,647
My Choice Family Care		N/A	580,680
Milwaukee County Behavioral Health Division		N/A	542,362
iCare		N/A	5,425
IRIS		N/A	248,515
Total Medicaid Cluster			2,054,200

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title**	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services - Continued			
Foster Care - Title IV - E	93.658		
Passed through			
Kenosha County Department of Human Services		437.3413	$ 677
Total			677
Child Care and Development Block Grant	93.575		
Passed through			
Kenosha County Department of Human Services		N/A	440,792
Total			440,792
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243		
Passed through			
Milwaukee County Behavioral Health Division		N/A	2,261
Total			2,261
Welfare Reform Research, Evaluations and National Studies	93.595		
Passed through			
Milwaukee County Behavioral Health Division		N/A	318
Total			318
Children's Health Insurance Program	93.767		
Passed through			
Kenosha County Department of Human Services		N/A	9,071
Total			9,071
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		
Passed through			
Chicago Cook Workforce Partnership		N/A	711,742
Total			711,742
Assisted Outpatient Treatment	93.997		
Passed Through			
Milwaukee County Behavioral Health Division		N/A	42,251
Total			42,251
State Health Insurance Assistance Program	93.324		
Passed through			
Racine County Human Services Department		435.560432	2,583
Total			2,583

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title**	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services - Continued			
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043		
Passed through			
Racine County Human Services Department		435.560510	$ 10,427
Total			10,427
Stephanie Tubbs Jones Child Welfare Services Program	93.645		
Passed through			
Kenosha County Department of Human Services		437.3413	392
Total			392
Medicare - Hospital Insurance	93.773		
Passed through			
Kenosha County Brookside		N/A	139,171
Total			139,171
National Family Caregiver Support, Title III, Part E	93.052		
Passed through			
Racine County Human Services Department		435.560520	55,053
Total			55,053
Immunization Cooperative Agreements	93.268		
Passed through			
Racine County Human Services Department		435.560201	12,855
Total			12,855
Total U.S. Department of Health and Human Services			5,729,848
Department of Transportation			
Transit Services Programs Cluster			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		
Passed through			
Racine County Human Services Department		N/A	66,875
Total Department of Transportation			66,875

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title**	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Social Security Administration			
Social Security - Research and Demonstration	96.007	N/A	$ 2,701
Total U.S. Social Security Administration			2,701
Total expenditures of federal awards			$ 7,820,244

*Program identified as a major program.
**Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates does not pass-through Federal or State funds to subrecipients.

The accompanying notes are an integral part of this schedule.

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year ended December 31, 2021

State Awards - Agency, Program Pass-Through Agency**	Profile #	Expenditures
Wisconsin Department of Health Services		
APS - Adult Protective Services	435.312	
Passed through		
Kenosha County Division of Aging		$ 177,250
Total		177,250
CCS Other GPR	435.404	
Passed through		
Kenosha County Department of Human Services		48,067
Total		48,067
Basic County Allocation	435.561	
Passed through		
Waukesha County Department of Health and Human Services		11,007
Total		11,007
CIP 1A Non Federal	435.681*	
Passed through		
Community Care		201,912
My Choice Family Care		304,908
iCare		2,849
IRIS		130,518
Total		640,187
CLTS Waiver CWA Admin GPR	435.877	
Passed through		
Kenosha County Department of Human Services		347
Total		347
CLTS Grandfather Admin GPR	435.880	
Passed through		
Kenosha County Department of Human Services		139
Total		139
Title 3C-2 Home Meals	435.560360	
Passed through		
Milwaukee County Department on Aging		52,664
Total		52,664

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF EXPENDITURES OF STATE AWARDS - CONTINUED

Year ended December 31, 2021

State awards - agency, program pass-through agency**	Profile #	Expenditures
Wisconsin Department of Health Services - Continued		
Aging and Disability Resource Center		
Passed Through		
Racine County Human Services Department	435.560100	$ 1,204,743
Kenosha County Division of Aging	435.560062	2,904
Kenosha County Division of Aging	435.560063	58
Kenosha County Division of Aging	435.560072	3,688
Kenosha County Division of Aging	435.560075	12,789
Kenosha County Division of Aging	435.560082	5,212
Kenosha County Division of Aging	435.560084	5,168
Kenosha County Division of Aging	435.560088	46,452
Kenosha County Division of Aging	435.560098	29,163
Kenosha County Division of Aging	435.560153	3,309
Kenosha County Division of Aging	435.560156	1,684
Kenosha County Division of Aging	435.560157	5,153
Kenosha County Division of Aging	435.560095	14,517
Kenosha County Division of Aging	435.560069	1,307
Kenosha County Division of Aging	435.560022	2,904
Kenosha County Division of Aging	435.560134	752
Kenosha County Division of Aging	435.560085	2,395
Kenosha County Division of Aging	435.560023	7,708
Total		1,349,906
EBS OCI Replacement	435.560327	
Passed through		
Racine County Human Services Department		6,280
Total		6,280
Title 3C-1 Congregate Meal Program	435.560350	
Passed through		
Racine County Human Services Department		68,614
Total		68,614
ALZH Family Support Aging	435.560381	
Passed through		
Racine County Human Services Department		42,892
Total		42,892
Information and Assistance Elderly Benefit Specialist - Benefit Specialist General Purpose Revenue	435.560024	
Passed through		
Racine County Human Services Department		46,158
Total		46,158
Total Wisconsin Department of Health Services		2,443,511

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF EXPENDITURES OF STATE AWARDS - CONTINUED

Year ended December 31, 2021

State awards - agency, program pass-through agency**	Profile #	Expenditures
Wisconsin Department of Workforce Development		
Workforce Development Resource Room	445.509	
Passed through		
Vocational Rehabilitation		$ 483,119
Total Wisconsin Department of Workforce Development		483,119
Wisconsin Department of Children and Families		
JJ Youth Aids	437.3413	
Passed through		
Kenosha County Department of Human Services		20,642
Total		20,642
CF Children First	437.0700	
Passed through		
Kenosha County Department of Human Services		49,320
Total		49,320
Total Wisconsin Department of Children and Families		69,962
Community Based Employment Services		
Passed through		
Illinois Department of Human Services		
January - June 2021	46CZF00281	10,163
Total Community Based Employment Services		10,163
Total expenditures of state awards		$ 3,006,755

*Program identified as a major program.

**Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates does not pass-through Federal or State funds to subrecipients.

The accompanying notes are an integral part of this schedule.

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF EXPENDITURES OF LOCAL GOVERNMENT AWARDS

Year ended December 31, 2021

County, Local and Other Awards - Agency	Program	Expenditures
County awards		
Kenosha County Department of Human Services	County Levy	$ 484,908
Total		484,908
Local awards		
Illinois Department of Human Services	Local Funds	23,437
Kenosha County Division of Aging	Local Funds	201,689
Milwaukee County Behavioral Health Division	Local Funds	28,237
Total		253,363
Other awards		
Kenosha County Brookside	Private Pay	57,769
Total expenditures of local government awards		$ 796,040

The accompanying notes are an integral part of this schedule.

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL, STATE AND LOCAL GOVERNMENT AWARDS

Year ended December 31, 2021

NOTE A - BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal, state and local government awards (the Schedules) summarize expenditures charged to federal, state and local government grants and service contracts administered by Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates (collectively, Goodwill) for the year ended December 31, 2021. The Schedules should be read in conjunction with Goodwill's consolidated financial statements.

For purposes of the Schedules, federal, state and local government awards include all grants, service contracts and similar agreements entered into directly between Goodwill and agencies and departments of the federal, state and local governments. The Schedules have been prepared on the accrual basis of accounting. Revenue is recognized when allowable and related reimbursable expenditures are incurred, and upon meeting the legal or contractual requirements of the funding source. Expenditures of government grant and service contract funds are to be used for the purposes specified by the funding source.

Major Program Determination

Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *State Single Audit Guidelines* and the *Provider Agency Audit Guide*, establish certain criteria for the identification of major programs. Under Uniform Guidance, *State Single Audit Guidelines and the Provider Agency Audit Guide*, tests of compliance with certain types of compliance requirements are required for each major federal and state program of Goodwill. The major programs identified in the accompanying schedule of findings and questioned costs have been determined in accordance with the requirements of Uniform Guidance, *State Single Audit Guidelines* and the *Provider Agency Audit Guide*.

Federal, State and Local Award Expenditures

Expenditures consist of direct and indirect costs. Direct costs are those that can be directly identified with an individual award. The salary of a program coordinator of a federal, state or local government award program and the materials consumed by the program are examples of direct costs.

Unlike direct costs, indirect costs cannot be directly identified with an individual federal, state or local government award program. Indirect costs are the costs of services and resources that benefit many award programs as well as other organization activities. Indirect costs consist primarily of expenses incurred for administration, maintenance, and building and equipment depreciation. Goodwill utilizes indirect cost rates and does not elect to use the 10% de minimus cost rate as covered in 2 CFR 200.414, Indirect (F&A) Costs.

NOTE B - CONTINGENCY

All federal, state and local government awards are subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursement by the grantor agencies for costs disallowed under the terms of the awards. It is the opinion of management that all costs charged against federal, state and local awards are allowable under the regulations of those programs.

GRANT THORNTON LLP
2501 E. Enterprise Ave., Suite 3000
Appleton, WI 54913

D +1 920 968 6700
F +1 920 968 6713

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates (the "Entity"), which comprise the consolidated statements of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 25, 2022.

Report on internal control over financial reporting
In planning and performing our audit of the consolidated financial statements, we considered the Entity's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on compliance and other matters
As part of obtaining reasonable assurance about whether the Entity's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

Appleton, Wisconsin
May 25, 2022

GRANT THORNTON LLP
2501 E. Enterprise Ave., Suite 3000
Appleton, WI 54913

D +1 920 968 6700
F +1 920 968 6713

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, STATE SINGLE AUDIT GUIDELINES AND THE PROVIDER AGENCY AUDIT GUIDE

Board of Directors
Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

Report on compliance for each major federal and state program

Opinion on each major federal and state program

We have audited the compliance of Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates (the "Entity") with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on each of the Entity's major federal and state programs for the year ended December 31, 2021. The Entity's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Entity complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2021.

Basis for opinion on each major federal and state program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)*, the State Single Audit Guidelines* (SSAG)*, and the Provider Agency Audit Guide* (PAAG). Our responsibilities under those standards, the Uniform Guidance, SSAG, and PAAG, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Entity 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Entity's compliance with the compliance requirements referred to above.

Responsibilities of management for compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Entity's federal and state programs.

Auditor's responsibilities for the audit of compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Entity's compliance based on our audit. 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 US GAAS, *Government Auditing Standards*, the Uniform Guidance, SSAG and PAAG will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Entity's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with US GAAS, Government Auditing Standards, the Uniform Guidance, SSAG and PAAG, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Entity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, SSAG and PAAG, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Grant Thornton

Report on internal control over compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the Entity's internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, SSAG and PAAG. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

Appleton, Wisconsin
May 25, 2022

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2021

Financial Statements

1.	Type of auditors' report issued?	Unmodified
2.	Internal control over financial reporting:	
	a. Material weakness(es) identified?	No
	b. Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
3.	Noncompliance material to the financial statements noted?	No

Federal and State Awards

4.	Internal control over major programs:	
	a. Material weakness(es) identified?	No
	b. Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
5.	Type of auditor's report issued on compliance for major programs?	Unmodified
6.	Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.510(a)?	No
7.	Identification of major programs:	

	Federal Assistance Listing Number
Federal	
A. Medicaid Cluster	93.778
	WI Grant Number
State	
A. CIP 1A Non Federal	435.681

8.	Dollar threshold used to distinguish between Type A and Type B major federal programs?	$750,000
9.	Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal and State Award Findings and Questioned Costs

No matters were reported.

Section IV - Summary of Prior Year Findings

No matters were reported.

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended December 31, 2021

Section V - Other Issues

1.	Does the auditor’s report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee’s ability to continue as a going concern?	No
2.	Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiencies, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines* and the *Provider Agency Audit Guide*.	
	U.S. Department of Health and Human Services	No
	Wisconsin Department of Health Services	No
3.	Was a Management Letter or other document conveying audit comments issued as a result of this audit?	No
4.	Name and signature of partner	Amy Henselin Amy Henselin
5.	Date of report:	May 25, 2022

SUPPLEMENTARY SCHEDULES

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF REVENUES AND EXPENSES

Year ended December 31, 2021

	Program Sites Located In						
	Milwaukee County					Waukesha County	Racine County
	AODA/Wiser Choice	Comprehensive Community Service	Business Developer	Assisted Outpatient Grant	HDMP	WATTS Program	Racine Human Services
Contract number					251-421-33		20-214 20-215
Support and revenue							
Milwaukee County							
DHHS Behavioral Health	$ 2,812	$ -	$ 28,237	$ 42,251	$ -	$ -	$ -
Behavioral Health Division	-	513,320	-	-	-	-	-
Wraparound	-	29,041	-	-	-	-	-
Milwaukee County - Department on Aging	-	-	-	-	1,367,903	-	-
Corporation for National & Community Service	-	-	-	-	-	-	-
Racine County	-	-	-	-	-	-	1,752,270
Waukesha County	-	-	-	-	-	13,868	-
Other government	-	11,450	-	-	-	-	-
Support and contributions	-	5,000	-	-	-	-	-
Other revenues	-	-	-	-	27,551	-	-
Total support and revenue	2,812	558,811	28,237	42,251	1,395,454	13,868	1,752,270
Direct program expenses							
Salaries	3,256	507,125	20,400	26,537	959,644	8,710	1,221,459
Employee benefits	253	85,736	3,220	8,655	115,003	1,956	271,419
Payroll taxes	519	39,050	1,617	1,971	73,218	674	90,609
Professional fees	150	108	-	-	131	-	-
Supplies	-	110	-	-	30,274	-	-
Rent and occupancy	-	2,593	-	-	7,610	-	-
Equipment costs	-	-	-	-	-	-	-
Transportation	-	4,411	219	1,160	112,758	1,269	11,582
Conferences and training	-	70	-	-	720	-	12
Specific assistance to individuals	-	-	-	-	-	-	-
Recruitment and advertising	-	1,780	-	-	7,948	-	-
Interest and bad debt	-	-	-	-	-	-	-
Depreciation	-	586	-	-	1,486	-	-
Total direct program expenses	4,178	641,569	25,456	38,323	1,308,792	12,609	1,595,081
Allocated expenses							
Occupancy	311	18,201	-	-	12,927	-	-
Program management	626	51,755	3,816	5,745	148,933	1,437	181,863
Corporate services	421	64,381	2,564	3,860	131,568	1,270	160,658
Total allocated program expenses	1,358	134,337	6,380	9,605	293,428	2,707	342,521
Total expenses	5,536	775,906	31,836	47,928	1,602,220	15,316	1,937,602
Loss	$ (2,724)	$ (217,095)	$ (3,599)	$ (5,677)	$ (206,766)	$ (1,448)	$ (185,332)
Units of service	785	22,927	N/A	N/A	N/A	N/A	N/A

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF REVENUES AND EXPENSES - CONTINUED

Year ended December 31, 2021

	Program Sites Located In Kenosha County						
	Administrative Support	**Case Management**	**Employment Preparation**	**Central Services**	**Child Care Coordination**	**Holiday House**	**Brookside**
Contract number	CFS-GWI-ADMSPT-21	DWD-CHLDSP-CHLDFST-21 DWD-GWI-CCA-QC-21	DWD-CHLDSP-CHLDFST-RCPT-21	CFS-GWI-AMR-21 DHS-GWI-CS-21	DWD-GWI-CCA-QC-21	DWD-GWI-CCA-QC-21	BCC-GWI-MLTI-21
Support and revenue							
Kenosha County	$ 37,438	$ 286,957	$ 136,526	$ 749,389	$ 472,907	$ 11,235	$ 262,586
Other revenues	-	-	-	-	-	78,188	-
Total support and revenue	37,438	286,957	136,526	749,389	472,907	89,423	262,586
Direct program expenses							
Salaries	23,709	200,115	100,288	514,227	322,078	-	184,073
Employee benefits	8,585	44,990	14,710	112,162	83,368	-	40,683
Payroll taxes	1,742	15,605	8,039	38,415	23,820	-	13,939
Professional fees	-	-	-	2,494	86	-	-
Supplies	-	121	201	2,375	-	80,960	-
Rent and occupancy	-	-	-	1,429	301	-	-
Equipment costs	-	-	-	8,592	-	-	-
Transportation	-	-	-	908	25	333	-
Conferences and training	-	40	-	211	238	-	20
Specific assistance to individuals	-	-	877	-	-	-	-
Recruitment and advertising	-	-	-	450	-	-	-
Interest and bad debt	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Total direct program expenses	34,036	260,871	124,115	681,263	429,916	81,293	238,715
Allocated expenses							
Occupancy	-	-	-	-	-	-	-
Program management	3,437	26,347	12,447	67,937	43,420	8,210	24,109
Corporate services	3,428	26,275	12,413	67,752	43,302	8,188	24,044
Total allocated program expenses	6,865	52,622	24,860	135,689	86,722	16,398	48,153
Total expenses	40,901	313,493	148,975	816,952	516,638	97,691	286,868
Loss	$ (3,463)	$ (26,536)	$ (12,449)	$ (67,563)	$ (43,731)	$ (8,268)	$ (24,282)

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF REVENUES AND EXPENSES - CONTINUED

Year ended December 31, 2021

	ORS Placement	Contact Tracers	TXX
Contract Number	#46CZF00281 #46CAF00281	511-0229	#FCSZJ00232 #FCSAJ00232
Support and revenue			
Illinois Department of Human Services	$ 149,445	$ 711,742	$ 400,807
Total support and revenue	149,445	711,742	400,807
Direct program expenses			
Salaries	88,152	557,338	270,414
Employee benefits	25,951	37,990	42,209
Payroll taxes	6,695	48,946	21,484
Professional fees	2,067	945	5,832
Supplies	261	-	2,010
Rent and occupancy	6,254	23,600	17,656
Equipment costs	-	468	-
Transportation	502	-	3,656
Conferences and training	-	-	-
Specific assistance to individuals	-	-	500
Recruitment and advertising	-	-	-
Interest and bad debt	-	-	-
Depreciation	-	-	-
Total direct program expenses	129,882	669,287	363,761
Allocated expenses			
Occupancy	43,551	19,927	133,424
Program management	17,402	7,847	53,661
Corporate services	13,076	67,269	36,218
Total allocated program expenses	74,029	95,043	223,303
Total expenses	203,911	764,330	587,064
Loss	$ (54,466)	$ (52,588)	$ (186,257)

Goodwill Industries of Southeastern Wisconsin, Inc. and Affiliates

SCHEDULE OF REVENUES AND EXPENSES - CONTINUED

Year ended December 31, 2021

	Program Sites Located in Kenosha County									
	Adult Protective Services	**Outreach Services**	**LTC Worker Support**	**Treatment Court Coordination**	**Prevention Services**	**Volunteer Guardianship**	**Comprehensive Community Services**	**Other programs**	**Indirect cost**	**Total agency**
Contract number	DADS-GWI-APS-21	DADS-GWI-CO-21	DADS-GWI-LTC-21	DADS-GWI-TRTMTCRT-21	DADBHS-GWI-PREV-WC-21	DADS-GWI-VG-21	DADS-GWI-CCSCOORD-21			
Support and revenue										
Kenosha County	$ 177,250	$ 103,527	$ 7,820	$ 19,313	$ 41,638	$ 60,968	$ 113,588	$ 458,707,636	$ 167,577	
Other revenues	-	-	-	-	-	-	-	-	-	
Total support and revenue	177,250	103,527	7,820	19,313	41,638	60,968	113,588	458,707,636	167,577	$ 466,490,240
Direct program expenses										
Salaries	118,625	80,061	6,337	15,999	27,300	40,147	82,376	112,983,232	12,838,584	131,200,186
Employee benefits	29,456	5,576	33	87	8,205	11,433	14,147	19,822,893	2,080,736	22,869,456
Payroll taxes	8,551	6,599	522	1,321	2,059	3,006	6,619	8,518,333	990,728	9,924,081
Professional fees	171	-	120	-	-	160	-	18,894,861	4,277,682	23,184,807
Supplies	145	6	77	-	24	39	-	197,190,365	254,797	197,561,765
Rent and occupancy	-	-	-	-	-	-	-	30,982,746	1,758,211	32,800,400
Equipment costs	-	-	-	-	-	-	-	2,229,326	1,623,276	3,861,662
Transportation	3,614	606	-	-	244	382	31	3,360,745	127,614	3,630,059
Recruitment and advertising	574	327	20	-	20	258	89	1,528,734	366,491	1,897,824
Specific assistance to individuals	-	-	-	-	-	-	-	128,881	152,312	282,570
Conferences and training	-	938	-	-	-	-	-	315,585	-	326,701
Interest and bad debt	-	-	-	-	-	-	-	40,590	-	40,590
Depreciation	-	-	-	-	-	-	-	10,430,480	1,648,449	12,081,001
Total direct program expenses	161,136	94,115	7,109	17,407	37,852	55,425	103,262	406,426,771	26,118,880	439,661,104
Allocated expenses										
Occupancy	-	-	-	-	-	-	-	8,997,336	(9,225,677)	-
Program management	16,274	9,505	706	1,758	3,823	5,598	10,429	778,255	(1,485,340)	-
Corporate services	16,230	9,479	704	1,753	3,813	5,582	10,401	15,384,612	(16,099,261)	-
Total allocated program expenses	32,504	18,984	1,410	3,511	7,636	11,180	20,830	25,160,203	(26,810,278)	-
Total expenses	193,640	113,099	8,519	20,918	45,488	66,605	124,092	431,586,974	(691,398)	439,661,104
(Loss) or gain	$ (16,390)	$ (9,572)	$ (699)	$ (1,605)	$ (3,850)	$ (5,637)	$ (10,504)	$ 27,120,662	$ 858,975	$ 26,829,136

NOTES TO SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES

Year ended December 31, 2021

NOTE A - SCHEDULE OF REVENUES AND EXPENSES

The supplemental schedule of revenues and expenses is required for certain funded programs. The supplemental schedule displays actual revenues earned and expenses incurred under the identified programs.

Illinois Grant Accountability and Transparency Act
Grantee Portal - Audit Consolidated Year-End Financial Report

Grantee Portal / Audit Reviews / Audit / CYEFR

Add a Program | Certify & Submit

	CSFA #	Program Name	$ State	$ Federal	$ Other	$ Total
View	444-80-1214	Title XX DFI Ex Offender Program	0	400,807	186,256	587,063
View		Other grant programs and activities		764,329	0	764,329
View		All other costs not allocated			807,546	807,546
		Totals:	0	1,165,136	993,802	2,158,938

Please note the following:

- The CYEFR may be per-populated with programs based on existing awards in the GATA system. These programs cannot be removed. If no spending occurred in a program leave the amounts at zero.
- Any grant expenditures not associated with funding received through the State of Illinois are to be entered in "Other grant programs and activities". The expenditures must be identified as federal (direct or pass-through) or other funding.
- All other expenditures not related to grants are to be entered in "All other costs not allocated".
- The grand total must account for all expenditures for the fiscal year and must tie to the audited financials.

Illinois Grant Accountability and Transparency Act
Grantee Portal - Audit Consolidated Year-End Financial Report

Grantee Portal / Audit Reviews / Audit / CYEFR / Program

Cancel Save

Agency	Department Of Human Services (444)
Program	Title XX DFI Ex Offender Program (444-80-1214) *This program as added due to awards found in the CSFA. It cannot be removed.*
Program Limitations	○ Yes ● No Identify Limitations (required if Yes)
Mandatory Match %	● Yes ○ No Rate (required if Yes): 25
Indirect Cost Rate	10.00 %
Indirect Cost Rate Base	

Category	State Amount	Federal Amount	Match Amount	Total
Personal Services (Salaries and Wages)	0.00	202811.00	67604.00	270,415.00
Fringe Benefits	0.00	47769.00	15923.00	63,692.00
Travel	0.00	2742.00	914.00	3,656.00
Equipment	0.00	0.00	0.00	0.00
Supplies	0.00	1507.00	503.00	2,010.00
Contractual Services	0.00	4374.00	1458.00	5,832.00
Consultant (Professional Services)	0.00	0.00	0.00	0.00
Construction	0.00	0.00	0.00	0.00
Occupancy - Rent and Utilities	0.00	92237.00	41187.00	133,424.00

Category	State Amount	Federal Amount	Match Amount	Total
Research and Development	0.00	0.00	0.00	0.00
Telecommunications	0.00	13242.00	4414.00	17,656.00
Training and Education	0.00	0.00	0.00	0.00
Direct Administrative Costs	0.00	31750.00	21911.00	53,661.00
Miscellaneous Costs	0.00	375.00	125.00	500.00
Total Direct Expenses	**0.00**	**396,807.00**	**154,039.00**	**550,846.00**
Indirect Costs	0.00	4,000.00	32,217.00	36,217.00
Total Expenses	**0.00**	**400,807.00**	**186,256.00**	**587,063.00**

Cancel Save

Illinois Grant Accountability and Transparency Act
Grantee Portal - Audit Consolidated Year-End Financial Report

Grantee Portal / Audit Reviews / Audit / CYEFR / Program

Cancel Save

Program	Other grant programs and activities

Category	Direct Federal	Other Amount	Total
Personal Services (Salaries and Wages)	557338.00	0.00	557,338.00
Fringe Benefits	86935.00	0.00	86,935.00
Travel	0.00	0.00	0.00
Equipment	468.00	0.00	468.00
Supplies	0.00	0.00	0.00
Contractual Services	945.00	0.00	945.00
Consultant (Professional Services)	0.00	0.00	0.00
Construction	0.00	0.00	0.00
Occupancy - Rent and Utilities	19927.00	0.00	19,927.00
Research and Development	0.00	0.00	0.00
Telecommunications	23600.00	0.00	23,600.00
Training and Education	0.00	0.00	0.00
Direct Administrative Costs	7847.00	0.00	7,847.00
Miscellaneous Costs	67269.00	0.00	67,269.00
Total Direct Expenses	**764,329.00**	**0.00**	**764,329.00**

Illinois Grant Accountability and Transparency Act
Grantee Portal - Audit Consolidated Year-End Financial Report

Grantee Portal / Audit Reviews / Audit / CYEFR / Program

Cancel Save

Program	All other costs not allocated

Category	Other Amount
Personal Services (Salaries and Wages)	277965.00
Fringe Benefits	87998.00
Travel	5354.00
Equipment	30875.00
Supplies	8808.00
Contractual Services	78890.00
Consultant (Professional Services)	0.00
Construction	0.00
Occupancy - Rent and Utilities	126019.00
Research and Development	0.00
Telecommunications	29379.00
Training and Education	275.00
Direct Administrative Costs	18444.00
Miscellaneous Costs	143539.00
Total Direct Expenses	**807,546.00**