

**GOODWILL INDUSTRIES OF
SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL
EAST BUILDING, INC.**

Audit of Combined Financial Statements

December 31, 2024



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Independent Auditor's Report

To the Boards of Directors
Goodwill Industries of Southeastern
Louisiana, Inc., Goodworks, Inc., and
Goodwill East Building, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the combined financial statements of Goodwill Industries of Southeastern Louisiana, Inc., Goodworks, Inc., and Goodwill East Building, Inc. (the Organizations), which comprise the combined statement of financial position as of December 31, 2024, the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organizations as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organizations and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal 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* and other schedules listed in the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the 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 June 26, 2025 on our consideration of the Organizations' internal control over financial reporting and 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 Organizations' 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 Organizations' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
June 26, 2025

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Combined Statement of Financial Position
December 31, 2024**

Assets

Current Assets

Cash and Cash Equivalents	\$ 3,824,820
Accounts Receivable, Net	2,894,230
Accrued Interest Receivable	33,390
Merchandise Inventory	2,450,500
Prepaid Expenses and Other	1,305,705

Total Current Assets	10,508,645
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Property and Equipment

Land	4,401,448
Building and Building Improvements	29,688,334
Machinery and Equipment	2,781,480
Furniture and Fixtures	3,480,563
Automobiles and Trucks	2,395,011
Leasehold Improvements	6,020,725
Computer Equipment	2,167,555
Construction in Progress	5,762,985
Condo - Timeshare	156,765

56,854,866

Less: Accumulated Depreciation	20,272,611
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Property and Equipment, Net	36,582,255
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Investments and Other Assets

Investments and Assets Limited as to Use	7,557,463
Notes Receivable	9,887,000
Right-of-Use Assets, Operating Leases	26,179,552
Deposits	194,122

Total Investments and Other Assets 43,818,137

Total Assets	\$ 90,909,037
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The accompanying notes are an integral part of these combined financial statements.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Combined Statement of Financial Position (Continued)
December 31, 2024**

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 1,861,096
Accrued Expenses and Taxes	2,075,776
Deferred Revenue	80,114
Line of Credit	2,530,005
Operating Lease Liabilities, Current Portion	2,713,354
Note Payable, Current Portion	47,614

Total Current Liabilities	<u>9,307,959</u>
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Long-Term Liabilities

Operating Lease Liabilities, Net of Current Portion	23,773,419
Note Payable, Net of Current Portion	5,952,386
Notes Payable (NMTC), Net of Current Portion	14,000,000
Deferred Compensation	204,774

Total Long-Term Liabilities	<u>43,930,579</u>
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Total Liabilities	<u>53,238,538</u>
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Net Assets

Without Donor Restrictions	<u>37,670,499</u>
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Total Net Assets	<u>37,670,499</u>
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Total Liabilities and Net Assets	<u><u>\$ 90,909,037</u></u>
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The accompanying notes are an integral part of these combined financial statements.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Combined Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024**

	Without Donor Restrictions
Sales Revenue	
Retail Stores	\$ 30,922,758
Contributed Revenue - Donated Goods	12,298,244
Salvage and Recycling	2,234,744
Total	<u>45,455,746</u>
Vocational Training Revenue	
Janitorial, Landscaping, Switchboard Operations, and Mail Delivery	9,164,834
Total	<u>9,164,834</u>
Other Sources of Income	
Federal Financial Assistance	2,406,359
Other Grant Income	1,254,537
Investment Gain, Net	687,603
Retail Subsidy	1,272,358
Louisiana Rehabilitation Service	124,871
Contributions	277,320
Miscellaneous	528,992
Total	<u>6,552,040</u>
Total Revenue and Other Income, Net	<u>61,172,620</u>
Expenses	
Program Services	
Retail	41,152,897
Employment Service Contracts	9,233,006
Workforce	6,723,931
Total Program Services	<u>57,109,834</u>
Support Services	
Management and General	6,407,476
Total Support Services	<u>6,407,476</u>
Total Expenses	<u>63,517,310</u>
Change in Net Assets	(2,344,690)
Net Assets, Beginning of Year	<u>40,015,189</u>
Net Assets, End of Year	<u><u>\$ 37,670,499</u></u>

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

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Combined Statement of Functional Expenses
For the Year Ended December 31, 2024**

	Program Services			Support Services	
	Employment			Management	
	Retail	Service	Workforce	and General	Total
		Contracts			
Operating Expense					
Salaries, Wages, Taxes, and Benefits	\$ 15,499,954	\$ 7,437,802	\$ 4,427,136	\$ 3,413,069	\$ 30,777,961
Cost of Goods Sold	13,761,723	-	-	-	13,761,723
Occupancy Cost	5,889,513	14,364	412,192	186,474	6,502,543
Repairs and General Maintenance	302,413	11,642	27,958	30,047	372,060
Supplies and Materials	521,455	469,640	154,405	85,866	1,231,366
Waste Disposal	1,051,246	11,140	15,230	2,812	1,080,428
Training and Support Service	-	12,124	436,817	13,875	462,816
Outreach and Marketing	3,873	446,00	6,258	409,781	420,358
Conference and Travel	65,796	15,744	106,030	244,247	431,817
Communication	470,974	71,859	349,743	185,902	1,078,478
Equipment and Vehicle Cost	578,154	435,283	69,778	213,939	1,297,154
Insurance	896,309	198,412	157,662	188,238	1,440,621
Professional Fees and Dues	208,597	305,747	212,552	714,376	1,441,272
Administrative and Other	506,765	7,493	6,516	241,467	762,241
	39,756,772	8,991,696	6,382,277	5,930,093	61,060,838
Depreciation, Amortization and Interest					
Interest	20,401	-	-	142,881	163,282
Depreciation and Amortization	1,375,724	241,310	341,654	334,502	2,293,190
	1,396,125	241,310	341,654	477,383	2,456,472
Total	\$ 41,152,897	\$ 9,233,006	\$ 6,723,931	\$ 6,407,476	\$ 63,517,310

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

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Combined Statement of Cash Flows
For the Year Ended December 31, 2024**

Cash Flows from Operating Activities

Change in Net Assets	\$ (2,344,690)
Adjustment to Reconcile Change in Net Assets to Net Cash Used in Operating Activities	
Depreciation and Amortization	2,293,190
Unrealized and Realized Gain on Investments	(410,136)
Decrease in Accounts Receivable	608,624
Increase in Accrued Interest Receivable	(12,500)
Increase in Merchandise Inventory	(421,137)
Increase in Prepaid Expenses and Other	(1,064,505)
Increase in Notes Receivable	(9,887,000)
Decrease in Right-of-Use Assets, Operating Leases	2,832,635
Increase in Deposits	(5,922)
Increase in Accounts Payable	1,182,544
Increase in Accrued Expenses and Taxes	524,875
Decrease in Operating Lease Liabilities	(2,800,254)
Decrease in Deferred Revenue	(3,203)

Net Cash Used in Operating Activities (9,507,479)

Cash Flows from Investing Activities

Proceeds from Sale of Investments	710,221
Purchase of Investments	(1,163,486)
Purchase of Property and Equipment	(12,186,878)

Net Cash Used in Investing Activities (12,640,143)

Cash Flows from Financing Activities

Proceeds from Notes Payable	20,000,000
Proceeds from Line of Credit	1,970,057

Net Cash Provided by Financing Activities 21,970,057

Net Decrease in Cash and Cash Equivalents (177,565)

Cash and Cash Equivalents, Beginning of Year 4,002,385

Cash and Cash Equivalents, End of Year \$ 3,824,820

Supplemental Disclosure of Cash Flow Information

Cash Paid for Interest	<u>\$ 163,282</u>
Transfer of Property Held in Construction in Progress to Buildings	<u><u>\$ 1,599,894</u></u>

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

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.**

Notes to Combined Financial Statements

Note 1. Organizations

Goodwill Industries of Southeastern Louisiana, Inc. (Goodwill), Goodworks, Inc., (Goodworks) and Goodwill East Building, Inc. (collectively, the Organizations) offers opportunities to people with employment barriers to improve their economic self-sufficiency through training, education, support services, and employment. While primarily known for their retail stores, the Organizations also have employment services contract and workforce development programs.

The Organizations work with state, federal, and commercial partners to provide employment services contracts across 43 sites. These services support training opportunities for people with employment barriers and include janitorial, grounds maintenance, warehousing, and mail delivery. Workforce development programs include case management services, job readiness training, employment assistance, digital literacy, and supporting services opportunities. These programs work with a variety of vulnerable populations including the formerly incarcerated, disabled, homeless, and those otherwise facing barriers to employment. Included under the workforce development program is the Goodwill Technical College, a division of Goodwill, which offers industry-based certifications in hospitality and customer service, medical billing and coding, medical office administrative assistant, phlebotomy service, and IT help desk service. The retail program operations include twenty-three (23) stores, four (4) attended donation centers (ADC), and one (1) outlet throughout Southeastern Louisiana. Goodwill's retail model is to collect gently used donations from the public and sell them throughout the retail locations or, as a last resort, through the commodity market. The Organizations' breadth of services allows them to play a part in each individual success, whether that means helping someone find a new direction, discover a hidden skill, or gain a sense of self-worth and hope for the future.

Note 2. Summary of Significant Accounting Policies

The Organizations follow the accounting procedures and practices for voluntary health and welfare organizations established by the American Institute of Certified Public Accountants as published in the Industry Audit Guide on *Audits of Voluntary Health and Welfare Organizations*, which constitute generally accepted accounting principles.

Basis of Accounting

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

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.**

Notes to Combined Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation

Financial statement presentation follows the *Not-for-Profit Entities* Topic of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As such, the Organizations are required to report information regarding their financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor restrictions. Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or that can be fulfilled or removed by actions of the Organizations pursuant to those stipulations. Other donor-imposed restrictions are perpetual in nature (also referred to as an endowment fund), where the donor stipulates that resources be maintained in perpetuity. The Organizations have no net assets with donor restrictions as of December 31, 2024.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Combination of Financial Statements

The accompanying financial statements include the accounts of Goodwill Industries of Southeastern Louisiana, Inc., Goodworks, Inc. and Goodwill East Building, Inc. Inter-company transactions and balances have been eliminated in combination.

Accounts Receivable and Allowance for Credit Losses

The Organizations carry accounts receivables net of an allowance for credit losses. The measurement and recognition of credit losses involves the use of judgment. Management's assessment of expected credit losses includes consideration of current and expected economic conditions, market and industry factors affecting the Organizations' customers (including their financial condition), the aging of account balances, historical credit loss experience, customer concentrations, customer creditworthiness, and other sources of payment. Management evaluates its experience with historical losses and then applies this historical loss ratio to financial assets with similar characteristics. The Organizations' historical loss ratio or its determination of risk pools may be adjusted for changes in customer, economic, market or other circumstances. The Organizations may also establish an allowance for credit losses for specific receivables when it is probable that the receivable will not be collected and the loss can be reasonably estimated. Amounts are written off against the allowance when they are considered to be uncollectible, and reversals of previously reserved amounts are recognized if a specifically reserved item is settled for an amount exceeding the previous estimate. Accounts receivable totaled \$3,502,854 as of January 1, 2024. As of December 31, 2024, the total allowance recorded for credit losses was \$-0-.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.**

Notes to Combined Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Concentration of Credit and Market Risk

Goodwill's services are rendered to people with barriers to employment, including disabilities or other disadvantaging conditions in southeastern Louisiana. All of the training fees and grants are generated from services to clients with barriers. Goodwill grants credit to several state offices for the above stated training fees.

Financial instruments that potentially expose the Organizations to concentrations of credit and market risk consist primarily of cash and investments. The Organizations have experienced \$687,603 in net gains in these accounts for the year ended December 31, 2024. The Organizations maintain their cash accounts at four commercial banks. The amount on deposit at December 31, 2024, exceeded the insurance limits of the Federal Deposit Insurance Corporation by \$1,704,572.

Contribution Recognition

The Organizations record contributions as donor restricted if they are received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities and changes in net assets as net assets released from restrictions.

Donor restricted contributions whose restrictions are met in the same reporting period, are reported as without donor restrictions. The Organizations report gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organizations report expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Material and Service

The FASB ASC, *Accounting for Contributions Received and Contributions Made* Topic, requires that contributions be recognized as revenue when received. During 2024, Goodwill recognized contributed merchandise with a fair value of \$12,298,244 as contribution revenue. The donated materials are classified as merchandise inventory. The method of measuring these materials is described in Note 1 under Merchandise Inventory. These donations are all considered unrestricted and used for Goodwill's retail program.

A certain number of volunteers have donated amounts of their time in the Organizations' program services. However, these services do not meet all of the applicable requirements of this Topic; therefore, no amounts have been reflected in the financial statements for these donated services.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.**

Notes to Combined Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Income Taxes

Goodwill was formed in 1947, to provide services to persons with disabilities. This organization was chartered in the state of Louisiana as a non-profit organization and is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Goodworks was formed in 1998, in order to service government contracts. This organization was chartered in the state of Louisiana as a non-profit organization and is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Goodwill East Building, Inc. was formed in 2024 as a result of the purchase of property under a new market tax credit transaction. Goodwill East Building, Inc. was chartered in the state of Louisiana as a non-profit organization and is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Cash and Cash Equivalents

The Organizations consider all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are stated at cost, with the exception of donated items, which are stated at fair market value at date of donation. Excluding land, the Organizations use the straight-line depreciation method over the useful lives of its property and equipment. Buildings and improvements are depreciated over thirty years. Furniture and fixtures are depreciated over seven years. Machinery and equipment, automobiles, and trucks are depreciated over five years and computer equipment is depreciated over three years. Leasehold improvements are being amortized over the life of the lease. The Organizations capitalize fixed assets with costs of \$1,000 or greater and a useful life of one year or more. Depreciation and amortization expense for 2024 was \$2,293,190.

Merchandise Inventory

The FASB ASC, *Accounting for Contributions Received and Contributions Made* Topic, requires that contributions be recognized as inventory when received and be carried at fair value. Management estimates the fair value of inventory using a gross margin method. Inventories of new goods are carried at the lower of cost or market. Costs are determined on a first-in, first-out basis.

Investments

Investments, primarily consisting of equity securities, equity mutual funds, and fixed income securities, are stated at fair value. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the combined statement of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations. Investment gain, net on the combined statement of activities and changes in net assets includes interest income, realized and unrealized gains (losses) on investments net of investment fees. See Note 4.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.**

Notes to Combined Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Investments and Assets Limited as to Use

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair market values in the investments and other assets section of the combined statement of financial position. Investments and assets limited as to use includes investments in mutual funds, which are designated for funding the 457(b) Top Hat plan as discussed further in Note 6. The Organizations record investments in accordance with the *Not-for-Profit Entities* Topic of the FASB ASC which establishes standards for the recognition of fair value of investments in certain equity and debt securities with gains and losses included in the combined statement of activities and changes in net assets. See Note 4.

Allowance for Credit Losses - Debt Securities

Debt securities with a fair value less than its amortized cost basis is considered impaired. Management evaluates debt securities in an unrealized loss position on an annual basis, and more frequently when economic or market conditions warrant such evaluation. If the Organizations have the intent to sell the security, or it is more likely than not that the Organizations will be required to sell the security, the total impairment loss is recognized as an adjustment to the amortized cost basis of the of the investment and reflected in the combined statements of activities and changes in net assets. The new amortized cost basis is not adjusted for subsequent recoveries in fair value.

If the Organizations does not have the intent to sell and determines that it is not more likely than not that it will be required to sell the security, management evaluates whether the decline in fair value is the result of credit losses or other factors. In making the assessment, management may consider various factors including the extent to which fair value is less than amortized cost, performance on any underlying collateral, downgrades in the ratings of the security by a rating agency, the failure of the issuer to make scheduled interest or principal payments and adverse conditions specifically related to the security. If the assessment indicates that a credit loss exists, the present value of cash flows expected to be collected is compared to the amortized cost basis of the security. To the extent that the security's amortized cost basis exceeds the present value of cash flows expected to be collected, an allowance for credit losses is recorded. Recoveries of credit losses can be reversed in subsequent periods. At December 31, 2024, there was no allowance for credit loss related to their debt securities.

Functional Allocation of Expenses

Expenses are initially charged directly to cost centers based on their function. Allocations are then used to distribute certain administrative costs across all programs benefiting from the expense. Allocations to programs for network activities are based on the number of emails used in each department. General business lines of insurance are allocated to programs as a percentage of personnel costs. Occupancy expenses at facilities, where multiple programs are operated, are allocated to programs based on square footage.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.**

Notes to Combined Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Retail Store Revenue and Salvage and Recycling Revenue

Goodwill has twenty-three (23) retail stores that sell primarily donated goods. The sales revenues is not restricted and is recognized at a point-in-time when the goods are exchanged for cash consideration and transferred to the customer. Donated goods that are deemed not suitable for resale are sold as salvage or recycled. The sales prices are determined based on prevailing market rate for salvage/recycling. These sales are transacted regularly throughout the year and revenue is recognized upon delivery.

Vocational Training Revenue

Vocational training revenue includes revenue generated through janitorial, landscaping, switchboard operation and mail delivery contracts. Revenue is recognized when work is performed at rates that are established within the executed contracts.

Note 3. Liquidity and Availability

The Organizations' financial assets available within one year of the combined statement of financial position date for general expenditure for the year ended December 31, 2024 are as follows:

Cash and Cash Equivalents	\$ 3,824,820
Accounts Receivables, Net	2,894,230
Accrued Interest Receivable	<u>33,390</u>

**Financial Assets at Year End Available to Meet Cash
Needs for General Expenditures within One Year**

\$ 6,752,440

As part of their liquidity management, the Organizations have a policy to align availability of financial assets to the timing of general expenditures or the settlement of liabilities and other obligations. Goodwill and Goodworks use their budgets to help manage cash flow needs by monitoring expenses and revenues during the year. Goodwill could also utilize its board-designated long-term investments to manage cash flow needs for current operations.

In addition, the Organizations have an available revolving line of credit in the amount of \$5,000,000, as noted in Note 9. The Organizations have \$2,530,005 outstanding on this line as of December 31, 2024.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.**

Notes to Combined Financial Statements

Note 4. Investments and Assets Limited as to Use

Investments and assets limited as to use are summarized as follows at December 31, 2024:

	Fair Market Value
Equity Securities (Investments)	\$ 4,359,442
Corporate Debt Securities (Investments)	2,738,086
REIT (Investments)	122,843
Equity Mutual Funds (Investments)	132,318
Equity Mutual Funds (Assets Limited as to Use)	204,774
Total	\$ 7,557,463

Note 5. Leases

Goodwill leases real estate under non-cancelable operating leases expiring in various years through 2036. Combined rent expense totaled \$4,196,914 in 2024 and is included in the combined statement of activities and changes in net assets.

Future minimum lease payments as of December 31st are as follows:

Year Ending December 31,	Amount
2025	\$ 3,769,162
2026	3,713,702
2027	3,311,721
2028	3,063,445
2029	3,046,600
Thereafter	16,778,915
	33,683,545
Less: Imputed Interest	7,196,772
Lease Obligations Under Operating Leases	\$ 26,486,773

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.**

Notes to Combined Financial Statements

Note 5. Leases (Continued)

The Organizations determine if an arrangement is a lease at inception of the contract. Right-of-use (ROU) assets represent the right to use the underlying assets for the lease term, and lease liabilities represent the obligation to make lease payments arising from the leases. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Organizations elected the practical expedient method that allows lessees to use a risk-free rate, which is derived from information available at the lease commencement date, in determining the present value of lease payments.

The Organizations lease various properties and office space. The Organizations' operating lease agreements typically have initial terms of 5 to 10 years. In line with Accounting Standards Update (ASU) 2016-02 *Leases (Topic 842)*, the Organizations do not record ROU assets and lease liabilities on leases with an initial term of 12 months, or less, in the combined statement of financial position.

The Organizations' operating leases may include one or more options to renew, with renewals extending the lease term for multiple years. The exercise of lease renewal options is at the Organizations' sole discretion. The Organizations consider it reasonably likely that renewal options will be exercised; therefore, renewal options are recognized as part of ROU assets and lease liabilities.

The Organizations elected the practical expedient method that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes.

The Organizations are the lessee of certain property under the terms of non-cancelable lease agreements accounted for as operating leases. The leases expire in various years through 2024 or beyond.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the year ended December 31, 2024:

Lease Cost

Operating Lease Cost	<u>\$ 4,196,914</u>
Total Lease Cost	<u><u>\$ 4,196,914</u></u>

Other Information

Weighted-Average Remaining Lease Term (in Years):	
Operating Leases	24.9
Weighted-Average Discount Rate Applied (%):	
Operating Leases	4.14

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.**

Notes to Combined Financial Statements

Note 6. Pension Plan and Health and Welfare Benefit Plan

Goodwill initiated a defined contribution pension plan (the Plan) in 1993 for the employees of its federal contracts. The Plan does not have any minimum eligibility requirements to participate. Employer contributions vary based on terms of each Federal contract and regular hours of each employee. When Goodworks was formed in 1998, it assumed responsibility for Plan contributions from Goodwill. Goodworks contributed \$634,409 to the Plan in 2024.

On March 15, 2011, Goodwill entered into two Retirement Plan Service Agreements. One agreement was for a 403(b) Employee Retirement Income Security Act of 1974 (ERISA) plan and the other was for a 457(b) Top Hat plan. The 403(b) plan is for full-time employees. Goodwill matches 50% of the employees' contribution to a maximum of 3% of the employees' salary. The 457(b) Top Hat Plan is no longer participatory and will be closed upon retirement of the remaining two participants. Contributions to the 403(b) plan for the year ended December 31, 2024 were \$22,863. Contributions to the 457(b) plan for the year ended December 31, 2024 were \$-0-. Distributions from the 457(b) plan for the year ended December 31, 2024 were \$-0-. The liability related to the 457(b) plan totaled \$204,774 at December 31, 2024, and is included in deferred compensation in the combined statement of financial position.

Note 7. Fair Value Measurements

FASB ASC Topic 820 defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value. Fair value concepts are applied in recording investments. FASB ASC Topic 820 establishes a fair value hierarchy which prioritizes inputs to the valuation techniques used to measure fair value. The term "inputs" refers broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be based on independent market data (observable inputs) or they may be internally developed (unobservable inputs). The fair value hierarchy prioritizes the inputs to the valuation techniques used to measure fair value into three broad categories. These categories include: Level 1, unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, directly or indirectly observable inputs other than quoted prices for the asset or liability, such as quoted market prices for similar assets or liabilities; and Level 3, unobservable inputs for use when little or no market data exists, therefore, requiring an entity to develop its own assumptions.

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

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.**

Notes to Combined Financial Statements

Note 7. Fair Value Measurements (Continued)

The market approach is used for valuing common stocks, equity mutual funds, and bond mutual funds, which are all classified within Level 1 of the fair value hierarchy. The remainder of the Organizations' investment portfolio consists of corporate bonds, which may not trade on a daily basis. Corporate bonds are generally valued based upon quoted market prices from brokers and dealers, which represent fair value, and are classified within Level 2.

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organizations believe their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets measured at fair value are comprised of the following as of December 31, 2024:

	Total Assets Measured at Fair Value	Based on		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Equity Securities	\$ 4,359,442	\$ 4,359,442	\$ -	\$ -
Corporate Securities	2,738,086	1,682,168	1,055,918	-
REIT	122,843	122,843	-	-
Equity Mutual Funds	337,092	337,092	-	-
Total	\$ 7,557,463	\$ 6,501,545	\$ 1,055,918	\$ -

Note 8. Uncertain Tax Positions

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Organizations believe that they have appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the combined financial statements. Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.**

Notes to Combined Financial Statements

Note 9. Line of Credit

On June 14, 2021, Goodwill entered into a new line of credit agreement with a bank in the amount of \$2,000,000. During 2022 the line increased to \$5,000,000. The loan is a variable rate revolving line of credit due on demand and, if no demand, on December 9, 2026. The line of credit is collateralized by the Organizations' investment portfolio. The balance outstanding as of December 31, 2024 totaled \$2,530,005 with an interest rate of 6.95%. The purpose of this line of credit is to provide long term capital needs.

Note 10. Notes Payable

On June 21, 2024, Goodwill entered into a loan agreement with a bank for a total of \$6,000,000 with a maturity date of June 21, 2029, bearing interest of 7.05%. The purpose of the loan is to provide funds for the renovation of Goodwill's New Orleans East and Tulane properties. The loan calls for monthly interest only payments beginning July 21, 2024 and continuing until July 21, 2025 when monthly payments will consist of principal and interest. As of December 31, 2024, the loan balance totaled \$6,000,000.

As of December 31, 2024, principal payments for the five years and thereafter which follow for the above note payable and the New Market Tax Credit notes payable outlined in Note 11 are:

Year Ending December 31,	Amount
2025	\$ 47,614
2026	101,192
2027	108,066
2028	114,321
2029	5,628,807
Thereafter	<u>14,000,000</u>
Total	<u>\$ 20,000,000</u>

Total interest expense for the above notes payable totaled \$163,282 for the year ended December 31, 2024.

The Organizations are subject to various financial covenants as part of the notes payable agreements. The Organizations were in compliance with covenants as of December 31, 2024.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.**

Notes to Combined Financial Statements

Note 11. New Market Tax Credit

Goodwill purchased a new facility on July 18, 2023 for a purchase price of \$6.2 million. In a transaction eligible under the federal and state New Market Tax Credit Programs, this building was transferred to Goodwill East Building, Inc. along with cash and additional basis in the building for a total of \$10.2 million. In return, Goodwill holds a subordinated leverage loan to an intermediary investor.

The transfer of the building to Goodwill East Building, Inc. is subject to a loan in the amount of \$14 million. the loan is secured by the building and its improvements and is guaranteed by Goodwill. The lenders are Community Development Entities (CDEs). The loan closing was June 5, 2024. The loan is due and payable in 33 years and cannot be prepaid. The following are a result of the transaction mentioned above.

Goodwill has notes receivable in the amount of \$9,887,000 as of December 31, 2024. These notes have an interest rate of up to 1.420%, with a term of 28 years, respectively. Goodwill will receive quarterly interest payments of \$10,450 until end of term.

Goodwill East Building, Inc. has notes payable totaling \$14 million as of December 31, 2024. These notes have interest rates of 1% and are payable in full in 33 years. Interest only payments are due quarterly. Goodwill East Building, Inc. has also recorded prepaid loan fees in the amount of \$250,000. These loan fees are being amortized on a straight-line basis over the life of the loan. By the end of term, Goodwill East Building, Inc. will owe \$14 million in principal. As of December 31, 2024 (and report date of June 26, 2025), the Organizations are in compliance with all loan covenants associated with the agreement mentioned within this note.

Note 12. Related-Party Transactions

Goodwill was approved for participation in Student Financial Aid under the Title IV programs administered by U.S. Department of Education (ED) pursuant to the Higher Education Act of 1965, as amended (HEA) in September 2024. Goodwill must comply with the regulations promulgated under the HEA. Those regulations require that all related party transactions be disclosed, regardless of their materiality to the financial statements. This information is required by ED and is presented for purposes of additional analysis and is not a required part of the basic financial statements.

See Note 11 for related-party transaction related to the New Market Tax Credit transaction for the year ended December 31, 2024.

Note 13. Subsequent Events

Management has evaluated subsequent events through the date that the combined financial statements were available to be issued, June 26, 2025, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Combining Statement of Financial Position
December 31, 2024
(With Comparative Totals for 2023)**

Schedule I

	Goodwill	Goodworks	Goodwill East Building, Inc.	Elimination	2024	2023
Assets						
Current Assets						
Cash and Cash Equivalents	\$ 2,448,170	\$ 508,425	\$ 868,225	\$ -	\$ 3,824,820	\$ 4,002,385
Accounts Receivable, Net	1,382,058	1,512,172	-	-	2,894,230	3,502,854
Accrued Interest Receivable	33,390	-	-	-	33,390	20,890
Merchandise Inventory	2,450,500	-	-	-	2,450,500	2,029,363
Due from Related Parties	92,978	3,342,941	-	(3,435,919)	-	-
Prepaid Expenses and Other	1,076,005	-	229,700	-	1,305,705	241,200
Total Current Assets	7,483,101	5,363,538	1,097,925	(3,435,919)	10,508,645	9,796,692
Property and Equipment						
Land	2,641,448	-	1,760,000	-	4,401,448	2,641,448
Building and Building Improvements	17,993,768	135,832	11,558,734	-	29,688,334	18,067,670
Machinery and Equipment	1,054,031	1,727,449	-	-	2,781,480	2,532,318
Furniture and Fixtures	3,480,563	-	-	-	3,480,563	2,890,244
Automobiles and Trucks	1,891,874	503,137	-	-	2,395,011	2,228,471
Leasehold Improvements	6,020,725	-	-	-	6,020,725	5,818,434
Computer Equipment	2,159,539	8,016	-	-	2,167,555	1,869,816
Construction in Progress	5,653,225	109,760	-	-	5,762,985	7,362,879
Condo - Timeshare	156,765	-	-	-	156,765	156,765
	41,051,938	2,484,194	13,318,734	-	56,854,866	43,568,045
Less: Accumulated Depreciation	18,275,627	1,865,909	131,075	-	20,272,611	17,979,423
Property and Equipment, Net	22,776,311	618,285	13,187,659	-	36,582,255	25,588,622
Investments and Other Assets						
Investments and Assets Limited as to Use	7,557,463	-	-	-	7,557,463	7,765,175
Notes Receivable	9,887,000	-	-	-	9,887,000	-
Right-of-Use Assets, Operating Leases	26,179,552	-	-	-	26,179,552	29,012,187
Deposits	194,122	-	-	-	194,122	188,200
Total Investments and Other Assets	43,818,137	-	-	-	43,818,137	36,965,562
Total Assets	\$ 74,077,549	\$ 5,981,823	\$ 14,285,584	\$ (3,435,919)	\$ 90,909,037	\$ 72,350,876

See independent auditor's report.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Combining Statement of Financial Position (Continued)
December 31, 2024
(With Comparative Totals for 2023)**

Schedule I

	Goodwill	Goodworks	Goodwill East Building, Inc.	Elimination	2024	2023
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable	\$ 1,798,650	\$ 62,446	\$ -	\$ -	\$ 1,861,096	\$ 678,552
Accrued Expenses and Taxes	1,849,400	226,376	-	-	2,075,776	1,550,901
Deferred Revenue	80,114	-	-	-	80,114	83,317
Line of Credit	2,530,005	-	-	-	2,530,005	559,948.00
Operating Lease Liabilities, Current Portion	2,713,354	-	-	-	2,713,354	2,796,870
Note Payable, Current Portion	47,614	-	-	-	47,614	-
Due to Related Parties	3,342,941	-	92,978	(3,435,919)	-	-
Total Current Liabilities	12,362,078	288,822	92,978	(3,435,919)	9,307,959	5,669,588
Long-Term Liabilities						
Operating Lease Liabilities, Net of Current Portion	23,773,419	-	-	-	23,773,419	26,490,157
Note Payable, Net of Current Portion	5,952,386	-	-	-	5,952,386	-
Notes Payable (NMTC), Net of Current Portion	-	-	14,000,000	-	14,000,000	-
Deferred Compensation	204,774	-	-	-	204,774	175,942
Total Long-Term Liabilities	29,930,579	-	14,000,000	-	43,930,579	26,666,099
Total Liabilities	42,292,657	288,822	14,092,978	(3,435,919)	53,238,538	32,335,687
Net Assets						
Without Donor Restrictions	31,784,892	5,693,001	192,606	-	37,670,499	40,015,189
Total Net Assets	31,784,892	5,693,001	192,606	-	37,670,499	40,015,189
Total Liabilities and Net Assets	\$ 74,077,549	\$ 5,981,823	\$ 14,285,584	\$ (3,435,919)	\$ 90,909,037	\$ 72,350,876

See independent auditor's report.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Combining Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024
(With Comparative Totals for 2023)**

Schedule II

	Goodwill Without Donor Restrictions	Goodworks Without Donor Restrictions	Goodwill East Building, Inc. Without Donor Restrictions	Elimination	2024	2023
Sales Revenue						
Retail Stores	\$ 30,922,758	\$ -	\$ -	\$ -	\$ 30,922,758	\$ 27,665,630
Contributed Revenue - Donated Goods	12,298,244	-	-	-	12,298,244	11,665,335
Salvage and Recycling	2,234,744	-	-	-	2,234,744	2,253,748
Total	45,455,746	-	-	-	45,455,746	41,584,713
Vocational Training Revenue						
Janitorial, Landscaping, Switchboard Operations, and Mail Delivery	3,255,941	5,908,893	-	-	9,164,834	9,464,923
Total	3,255,941	5,908,893	-	-	9,164,834	9,464,923
Other Sources of Income						
Federal Financial Assistance	2,406,359	-	-	-	2,406,359	2,493,510
Other Grant Income	1,254,537	-	-	-	1,254,537	957,207
Investment Gain , Net	687,603	-	-	-	687,603	777,268
Retail Subsidy	1,272,358	-	-	-	1,272,358	1,181,170
Administrative Fee Income	983,739	-	-	(983,739)	-	-
Louisiana Rehabilitation Service	124,871	-	-	-	124,871	160,166
Contributions	(66,779)	-	344,099	-	277,320	209,010
Gain on Disposal of Assets	-	-	-	-	-	27,909
Miscellaneous	510,276	6,633	12,083	-	528,992	419,858
Total	7,172,964	6,633	356,182	(983,739)	6,552,040	6,226,098
Total Revenue and Other Income, Net	55,884,651	5,915,526	356,182	(983,739)	61,172,620	57,275,734
Expenses						
Program Services						
Retail	28,770,538	-	163,576	12,218,783	41,152,897	36,509,063
Employment Service Contracts	4,389,946	4,843,060	-	-	9,233,006	9,501,738
Workforce	6,723,931	-	-	-	6,723,931	6,080,026
Total Program Services	39,884,415	4,843,060	163,576	12,218,783	57,109,834	52,090,827
Support Services						
Management and General	18,588,908	1,021,090	-	(13,202,522)	6,407,476	6,238,620
Total Support Services	18,588,908	1,021,090	-	(13,202,522)	6,407,476	6,238,620
Total Expenses	58,473,323	5,864,150	163,576	(983,739)	63,517,310	58,329,447
Change in Net Assets	(2,588,672)	51,376	192,606	-	(2,344,690)	(1,053,713)
Net Assets, Beginning of Year	34,373,564	5,641,625	-	-	40,015,189	41,068,902
Net Assets, End of Year	\$ 31,784,892	\$ 5,693,001	\$ 192,606	\$ -	\$ 37,670,499	\$ 40,015,189

See independent auditor's report.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Combining Statement of Functional Expenses
For the Year Ended December 31, 2024**

Schedule III

	Goodwill					Goodworks			Goodwill East Building, Inc.			
	Program Services		Support Services			Program Services	Support Services		Program Services	Support Services		
	Employment Service		Workforce	Management and General	Total	Employment Service		Management and General	Total	Retail	Management and General	Total
	Retail	Contracts				Contracts						
Operating Expense												
Salaries, Wages, Taxes, and Benefits	\$ 15,499,954	\$ 3,755,673	\$ 4,427,136	\$ 3,413,069	\$ 27,095,832	\$ 3,682,129	\$ -	\$ 3,682,129	\$ -	\$ -	\$ -	
Cost of Goods Sold	1,542,940	-	-	12,218,783	13,761,723	-	-	-	-	-	-	-
Occupancy Cost	5,889,513	11,761	412,192	186,474	6,499,940	2,603	-	2,603	-	-	-	-
Repairs and General Maintenance	302,413	9,682	27,958	30,047	370,100	1,960	-	1,960	-	-	-	-
Supplies and Materials	521,455	247,221	154,405	85,866	1,008,947	222,419	-	222,419	-	-	-	-
Waste Disposal	1,051,246	128	15,230	2,812	1,069,416	11,012	-	11,012	-	-	-	-
Training and Support Service	-	1,183	436,817	13,875	451,875	10,941	-	10,941	-	-	-	-
Outreach and Marketing	3,873	446	6,258	409,781	420,358	-	-	-	-	-	-	-
Conference and Travel	65,796	8,581	106,030	244,247	424,654	7,163	-	7,163	-	-	-	-
Communication	470,974	37,374	349,743	185,902	1,043,993	34,485	-	34,485	-	-	-	-
Equipment and Vehicle Cost	578,154	130,656	69,778	213,939	992,527	304,627	-	304,627	-	-	-	-
Insurance	896,309	102,617	157,662	188,238	1,344,826	95,795	-	95,795	-	-	-	-
Professional Fees and Dues	196,497	17,715	212,552	682,070	1,108,834	288,032	32,306	320,338	12,100	-	-	12,100
Administrative and Other	506,765	2,688	6,516	236,422	752,391	4,805	988,784	993,589	-	-	-	-
	27,525,889	4,325,725	6,382,277	18,111,525	56,345,416	4,665,971	1,021,090	5,687,061	12,100	-	-	12,100
Depreciation, Amortization and Interest												
Interest	-	-	-	142,881	142,881	-	-	-	20,401	-	-	20,401
Depreciation and Amortization	1,244,649	64,221	341,654	334,502	1,985,026	177,089	-	177,089	131,075	-	-	131,075
	1,244,649	64,221	341,654	477,383	2,127,907	177,089	-	177,089	151,476	-	-	151,476
Total	\$ 28,770,538	\$ 4,389,946	\$ 6,723,931	\$ 18,588,908	\$ 58,473,323	\$ 4,843,060	\$ 1,021,090	\$ 5,864,150	\$ 163,576	\$ -	\$ -	\$ 163,576

See independent auditor's report.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Combining Statement of Functional Expenses (Continued)
For the Year Ended December 31, 2024**

Schedule III

	Elimination					Combined Total				
	Program Services			Support Services		Program Services			Support Services	
	Employment Service			Management		Employment Service			Management	
	Retail	Contracts	Workforce	and General	Total	Retail	Contracts	Workforce	and General	Total
Operating Expense										
Salaries, Wages, Taxes, and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,499,954	\$ 7,437,802	\$ 4,427,136	\$ 3,413,069	\$ 30,777,961
Cost of Goods Sold	12,218,783	-	-	(12,218,783)	-	13,761,723	-	-	-	13,761,723
Occupancy Cost	-	-	-	-	-	5,889,513	14,364	412,192	186,474	6,502,543
Repairs and General Maintenance	-	-	-	-	-	302,413	11,642	27,958	30,047	372,060
Supplies and Materials	-	-	-	-	-	521,455	469,640	154,405	85,866	1,231,366
Waste Disposal	-	-	-	-	-	1,051,246	11,140	15,230	2,812	1,080,428
Training and Support Service	-	-	-	-	-	-	12,124	436,817	13,875	462,816
Outreach and Marketing	-	-	-	-	-	3,873	446	6,258	409,781	420,358
Conference and Travel	-	-	-	-	-	65,796	15,744	106,030	244,247	431,817
Communication	-	-	-	-	-	470,974	71,859	349,743	185,902	1,078,478
Equipment and Vehicle Cost	-	-	-	-	-	578,154	435,283	69,778	213,939	1,297,154
Insurance	-	-	-	-	-	896,309	198,412	157,662	188,238	1,440,621
Professional Fees and Dues	-	-	-	-	-	208,597	305,747	212,552	714,376	1,441,272
Administrative and Other	-	-	-	(983,739)	(983,739)	506,765	7,493	6,516	241,467	762,241
	12,218,783	-	-	(13,202,522)	(983,739)	39,756,772	8,991,696	6,382,277	5,930,093	61,060,838
Depreciation, Amortization and Interest										
Interest	-	-	-	-	-	20,401	-	-	142,881	163,282
Depreciation and Amortization	-	-	-	-	-	1,375,724	241,310	341,654	334,502	2,293,190
	-	-	-	-	-	1,396,125	241,310	341,654	477,383	2,456,472
Total	\$ 12,218,783	\$ -	\$ -	\$ (13,202,522)	\$ (983,739)	\$ 41,152,897	\$ 9,233,006	\$ 6,723,931	\$ 6,407,476	\$ 63,517,310

See independent auditor's report.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2024**

Schedule IV

Louisiana Revised Statute (R.S.) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statement or local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

Agency Head

Jodee Daroca, President and CEO

Purpose	Amount
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Conference Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees & Dues	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

*No amount of public funds was used to pay for the salary and benefits of the Agency Head during the year ended December 31, 2024. As such, all amounts presented on this schedule are reported as \$-0-.

See independent auditor's report.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Composite Score Calculation
For the Year Ended December 31, 2024**

Schedule V

Composite Score Calculation				Lines	Ratio	Calculated Strength Factor Score	Final Strength Factor Score	Weighted Score
Primary Reserve Ratio	=	Expendable Net Assets	\$ 21,245,404	(37-17+32,33+34)	0.3345	10 x Primary Reserve Ratio	3.3450	40%
		Total Expenses	\$ 63,517,310	(23)				
Equity Ratio	=	Modified Net Assets	\$ 37,670,499	(37)	0.4144	6 x Equity Ratio	2.4864	40%
		Modified Assets	\$ 90,909,037	(23)				
Net Income Ratio	=	Change in Net Assets Without Donor Restrictions	\$ (2,344,690)	(24)	(0.0383)	1 + (25 x Net Income Ratio)	0.0425	20%
		Total Revenue Without Donor Restrictions	\$ 61,172,620	(16)				
Composite Score								2.3411

Notes to Schedule V:

As required by the Council on Education Policies and Standards, the composite score calculated above using the formula approved by the U.S. Department of Education is included along with the Goodwill Technical College revenue and expenses at Schedule VIII. A score greater than or equal to 1.5 indicated the institution is considered financially responsible.

See independent auditor's report.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Composite Score Calculation (Continued)
For the Year Ended December 31, 2024**

Schedule V

Primary Reserve Ratio				
Lines		Expendable Net Assets		
37	Combined Statement of Financial Position - Without Donor Restrictions	Net Assets w/without donor restrictions		37,670,499
17	Combined Statement of Financial Position - Property and Equipment, Net	Property, plant, and equipment, net (includes Construction in progress and Capital leases)	36,582,255	
7,8,9,10,11,12,13,15,16	Combined Statement of Financial Position - Property and Equipment, Net	Property, plant, and equipment - post-implementation w/without outstanding debt for original purchase		30,819,270
14	Combined Statement of Financial Position - Property and Equipment	Construction in progress		5,762,985
20	Combined Statement of Financial Position - Right-of-Use Assets, Operating Leases	Lease right-of-use, net	26,179,552	
20	Combined Statement of Financial Position - Right-of-Use Assets, Operating Leases	Lease right-of-use, post-implementation		26,179,552
28, 31	Combined Statement of Financial Position, Operating Lease Liabilities, Current Portion and Operating Lease Liabilities, Net of Current Portion	Lease right-of-use asset liability	26,486,773	
28, 31	Combined Statement of Financial Position, Operating Lease Liabilities, Current Portion and Operating Lease Liabilities, Net of Current Portion	Post-implementation right-of-use leases liabilities		26,486,773
32, 33	Combined Statement of Financial Position, Notes Payable for Long-Term Purposes	Long-term Debt for Long-Term Purposes		19,952,386
34	Combined Statement of Financial Position, Post-employment and Pension Liabilities	Post-employment and Pension Liabilities		204,774
		Total Expenses and Losses		
23	Combined Statement of Activities and Changes in Net Assets, Total Expenses	Total Expenses and Losses w/without donor restrictions	63,517,310	

Equity Ratio				
Lines		Modified Net Assets		
37	Combined Statement of Financial Position - Without Donor Restrictions	Net Assets w/without donor restrictions		37,670,499
20	Combined Statement of Financial Position - Right-of-Use Assets, Operating Leases	Lease right-of-use, post-implementation		26,179,552
28, 31	Combined Statement of Financial Position, Operating Lease Liabilities, Current Portion and Operating Lease Liabilities, Net of Current Portion	Post-implementation right-of-use leases liabilities		26,486,773
		Modified Assets		
23	Combined Statement of Financial Position, Total Assets	Total Assets		90,909,037
20	Combined Statement of Financial Position - Right-of-Use Assets, Operating Leases	Lease right-of-use, post-implementation		26,179,552

Net Income Ratio				
Lines		Change in Net Assets Without Donor Restrictions		
24	Combined Statement of Activities and Changes in Net Assets, Change in Net Assets	Change in Net Assets Without Donor Restrictions		(2,344,690)
16	Combined Statement of Activities and Changes in Net Assets, Total Revenue and Other Income, Net	Total Revenues and Gains w/without donor Restrictions		61,172,620

See independent auditor's report.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Composite Score Calculation
Combined Statement of Financial Position
For the Year Ended December 31, 2024**

Schedule VI

Assets		
Current Assets		
1	Cash and Cash Equivalents	\$ 3,824,820
2	Accounts Receivable, Net	2,894,230
3	Accrued Interest Receivable	33,390
4	Merchandise Inventory	2,450,500
5	Prepaid Expenses and Other	1,305,705
		<hr/>
6	Total Current Assets	<hr/> 10,508,645 <hr/>
Property and Equipment		
7	Land	4,401,448
8	Building and Building Improvements	29,688,334
9	Machinery and Equipment	2,781,480
10	Furniture and Fixtures	3,480,563
11	Automobiles and Trucks	2,395,011
12	Leasehold Improvements	6,020,725
13	Computer Equipment	2,167,555
14	Construction in Progress	5,762,985
15	Condo - Timeshare	156,765
		<hr/>
		56,854,866
16	Less: Accumulated Depreciation	<hr/> 20,272,611 <hr/>
17	Property and Equipment, Net	<hr/> 36,582,255 <hr/>
Investment and Other Assets		
18	Investments and Assets Limited as to Use	7,557,463
19	Notes Receivable	9,887,000
20	Right-of-Use Assets, Operating Leases	26,179,552
21	Deposits	194,122
		<hr/>
22	Total Investment and Other Assets	<hr/> 43,818,137 <hr/>
23	Total Assets	<hr/> \$ 90,909,037 <hr/>

See independent auditor's report.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.**
Composite Score Calculation
Combined Statement of Financial Position (Continued)
For the Year Ended December 31, 2024

Schedule VI

Liabilities and Net Assets		
Current Liabilities		
24	Accounts Payable	\$ 1,861,096
25	Accrued Expenses and Taxes	2,075,776
26	Deferred Revenue	80,114
27	Line of Credit	2,530,005
28	Operating Lease Liabilities, Current Portion	2,713,354
29	Note Payable, Current Portion	47,614
		<hr/>
30	Total Current Liabilities	9,307,959
<hr/>		
Long-Term Liabilities		
31	Operating Lease Liabilities, Net of Current Portion	23,773,419
32	Note Payable, Net of Current Portion	5,952,386
33	Notes Payable (NMTC), Net of Current Portion	14,000,000
34	Deferred Compensation	204,774
		<hr/>
35	Total Long-Term Liabilities	43,930,579
		<hr/>
36	Total Liabilities	53,238,538
		<hr/>
Net Assets		
37	Without Donor Restrictions	37,670,499
		<hr/>
38	Total Net Assets	37,670,499
		<hr/>
39	Total Liabilities and Net Assets	\$ 90,909,037

See independent auditor's report.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Composite Score Calculation
Combined Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024**

Schedule VII

	Without Donor Restrictions
Sales Revenue	
1 Retail Stores	\$ 30,922,758
2 Contributed Revenue - Donated Goods	12,298,244
3 Salvage and Recycling	<u>2,234,744</u>
4 Total	<u>45,455,746</u>
Vocational Training Revenue	
5 Janitorial, Landscaping, Switchboard Operations, and Mail Delivery	<u>9,164,834</u>
6 Total	<u>9,164,834</u>
Other Sources of Income	
7 Federal Financial Assistance	2,406,359
8 Other Grant Income	1,254,537
9 Investment Gain, Net	687,603
10 Retail Subsidy	1,272,358
11 Louisiana Rehabilitation Service	124,871
12 Contributions	277,320
13 Gain on Disposal of Assets	-
14 Miscellaneous	<u>528,992</u>
15 Total	<u>6,552,040</u>
16 Total Revenue and Other Income, Net	<u>61,172,620</u>
Expenses	
17 Program Services	
18 Retail	41,152,897
19 Employment Service Contracts	9,233,006
20 Workforce	<u>6,723,931</u>
21 Total Program Services	57,109,834
22 Management and General	<u>6,407,476</u>
23 Total Expenses	<u>63,517,310</u>
24 Change in Net Assets	(2,344,690)
25 Net Assets, Beginning of Year	<u>40,015,189</u>
26 Net Assets, End of Year	<u><u>\$ 37,670,499</u></u>

See independent auditor's report.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Goodwill Technical College Revenue and Expenses
For the Year Ended December 31, 2024**

Schedule VIII

Revenue	
Grant Revenue	\$ 392,698
Tuition Revenue	15,519
Contract Revenue	50,000
Goodwill Supporting Grant	432,590
Miscellaneous Income	207
Total Revenue	891,014
Operating Expense	
Salaries and Wages	482,048
Taxes and Benefits	327,155
Salaries, Wages, and Benefits	809,203
Occupancy Cost	58,295
Supplies and Material	78,402
Training and Supportive Service	74,654
Outreach and Marketing	5,353
Waste Disposal	4,754
Conference and Travel	10,241
Communication	89,753
Equipment and Vehicle Cost	2,669
Repairs and General Maintenance	3,284
Insurance	12,675
Professional Fees and Dues	4,029
Administrative and Other	342
Total Operating Expense	1,153,654
Depreciation	
Depreciation	10,374
Total Depreciation	10,374
Total Expense	1,164,028
Net Loss	\$ (273,014)

See independent auditor's report.

UNIFORM GUIDANCE SECTION

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC. AND GOODWILL EAST BUILDING, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024**

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE	Federal Assistance Listing Number	Program Name	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development					
Passed through Unity of Greater New Orleans					
Continuum of Care Program	14.267	Unity - Home at Last	LA0260L6H032208	\$ -	\$ 59,063
Continuum of Care Program	14.267	Rapid Rehousing	LA0279L6H032206	-	69,045
Total U.S. Department of Housing and Urban Development				-	128,108
U.S. Department of Justice					
Direct Award					
Second Chance Act Re-entry Initiative	16.812	Goodwill Re-Integration Program (GRIP)	2020-CY-BX-0044	-	151,507
Total U.S. Department of Justice				-	151,507
U.S. Department of Labor					
Direct Award					
Re-entry Employment Opportunities	17.270	Pathway Home	PE-35027-20-60-A-22		714,723
Re-entry Employment Opportunities	17.270	Pathway Home -5	24A60PE000021		196,209
Homeless Veterans Reintegration Program	17.805	Homeless Veterans Reintegration Program	24560HV000096	-	172,992
Total U.S. Department of Labor				-	1,083,924
U.S. Department of Agriculture					
SNAP Cluster					
Passed through Department of Children and Family Services					
State Matching Grants for Supplemental Nutrition Assistance Program (SNAP)	10.561	GWTC SNAP	2000704302	-	544,162
Total SNAP Cluster				-	544,162
Total U.S. Department of Agriculture				-	544,162
Passed through State of Louisiana Department of Children and Family Services					
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Aging Out of Foster Care (Lafourche, Houma)	2000225044	-	182,200
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Aging Out of Foster Care (Orleans, Jefferson)	2000225203	-	147,662
Child Support Enforcement	93.563	Aging Out of Foster Care (Orleans, Jefferson)	2101LACSES	-	168,796
Total U.S. Department of Health and Human Services				-	498,658
Total Expenditures of Federal Awards				\$ -	\$ 2,406,359

See accompanying notes to schedule of expenditures of federal awards.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC. AND GOODWILL EAST BUILDING, INC.
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Goodwill Industries of Southeastern Louisiana, Inc. (Goodwill) under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Goodwill, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Goodwill.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

Goodwill has elected to use the 10 percent de minimis indirect cost rate.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Board of Directors
Goodwill Industries of Southeastern Louisiana, Inc.,
Goodworks, Inc., and Goodwill East Building, Inc.

We have audited, in accordance with the 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, the financial statements of Goodwill Industries of Southeastern Louisiana, Inc., Goodworks, Inc., and Goodwill East Building, Inc. (the Organizations) which comprise the combined statement of financial position as of December 31, 2024, the related combined statements of activities and changes in net assets, 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 June 26, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Organizations' 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 combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organizations' 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organizations' 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 combined 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 communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
June 26, 2025

**REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Board of Directors
Goodwill Industries of Southeastern Louisiana, Inc.,
Goodworks, Inc., and Goodwill East Building, Inc.

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Goodwill Industries of Southeastern Louisiana, Inc., Goodworks, Inc., and Goodwill East Building, Inc. (the Organizations) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organizations' major federal program for the year ended December 31, 2024. The Organizations' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organizations complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Our responsibility under those standards and the Uniform Guidance 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 Organizations and to meet our other ethical responsibilities, in accordance with 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 the major federal program. Our audit does not provide a legal determination of the Organizations' 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 Organizations' federal 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 Organizations' 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting a 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 Organizations' compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 Organizations' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organizations' 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, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' 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.

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 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 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 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 in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script, appearing to read "LaPorte".

A Professional Accounting Corporation

Metairie, LA
June 26, 2025

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024**

Part I - Summary of Auditor's Results

Financial Statement Section

Type of Auditor's Report Issued:	Unmodified
Internal Control over Financial Reporting:	
Material Weakness(es) Identified?	No
Significant Deficiency(ies) Identified not Considered to be Material Weakness(es)?	No
Noncompliance Material to Financial Statements Noted?	No

Federal Awards Section

Internal Control over Major Programs:	
Material Weakness(es) identified?	No
Significant Deficiency(ies) Identified not Considered to be Material Weakness(es)?	None Reported
Type of Auditor's Report Issued on Compliance for Major Federal Programs:	Unmodified
Any Audit Findings Disclosed that are Required to be Reported in Accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs:

<u>Title</u>	<u>AL Number</u>
State Matching Grants for Supplemental Nutrition Assistance Program (SNAP)	10.561
Dollar Threshold used to Determine Type A Programs:	\$750,000
Auditee Qualified as Low-Risk Auditee?	Yes

Part II - Schedule of Financial Statement Findings Section

No findings were noted.

Part III - Federal Awards Findings and Questioned Costs Section

No findings were noted.

**GOODWILL INDUSTRIES OF SOUTHEASTERN LOUISIANA, INC.,
GOODWORKS, INC., AND GOODWILL EAST BUILDING, INC.
Schedule of Prior Audit Findings
For the Year Ended December 31, 2024**

None Noted.