MERS/MISSOURI GOODWILL INDUSTRIES AND AFFILIATES

COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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Independent Auditor's Report

Board of Directors
MERS/Missouri Goodwill Industries and Affiliates
St. Louis, Missouri

Report on the Audit of the Combined Financial Statements

Qualified Opinion

We have audited the accompanying combined financial statements of MERS/Missouri Goodwill Industries and Affiliates (Agency), which comprise the combined statement of financial position as of December 31, 2023, and the related combined statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2023, 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.

Basis for Qualified Opinion

As more fully described in Note 1 to the financial statements, the Agency values donated inventory at an estimated fair value at the retail store level, less gross profit, based on estimates of inventory turnover. In our opinion, accounting principles generally accepted in the United States of America require that donated inventory be valued at net realizable or market values, including physical count procedures.

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

Other Matter

The 2022 combined financial statements were audited by other auditors, whose report dated March 28, 2023, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Combined Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the combined financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. 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 combined financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 23, 2024, on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
April 23, 2024

MERS/MISSOURI GOODWILL INDUSTRIES AND AFFILIATES

COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

ASSETS		2023		2022
Current Assets				
Cash and cash equivalents	$	13,684,775	$	14,748,622
Accounts and grants receivable (net of allowance for credit losses accounts of $534,098 and $1,006,416 as of December 31, 2023 and 2022, respectively)		4,766,142		6,500,663
Promises to give		641,769		664,220
Inventories		4,454,793		3,971,543
Prepaid expenses		1,661,766		881,473
Investments, at fair value		25,989,819		22,140,850
Total Current Assets		51,199,064		48,907,371
Beneficial interest in trusts, at fair value		1,628,194		1,454,014
Right-of-use assets - operating leases		19,689,454		20,958,466
Property and equipment, net		88,392,712		81,634,330
Construction in progress		2,209,708		3,996,404
Investments, at fair value		49,694		66,759
Total Assets	$	163,168,826	$	157,017,344
LIABILITIES AND NET ASSETS				
Current Liabilities				
Current maturities of long-term debt	$	637,989	$	620,568
Accounts payable		1,259,397		5,588,362
Accrued expenses		7,576,356		6,892,316
Short-Term Lease		5,874,177		6,168,440
Deferred revenue		93,556		135,996
Total Current Liabilities		15,441,475		19,405,682
Long-Term Lease		14,190,729		15,091,012
Long-Term Debt, Less Current Maturities		19,595,006		20,232,995
Total Liabilities		49,227,210		54,729,689
Net Assets				
Without donor restriction, undesignated		111,661,807		100,065,240
With donor restriction				
Time-restricted for future periods		651,615		768,401
Perpetual in nature		1,628,194		1,454,014
		2,279,809		2,222,415
Total Net Assets		113,941,616		102,287,655
Total Liabilities and Net Assets	$	163,168,826	$	157,017,344

See accompanying Notes to Financial Statements.

MERS/MISSOURI GOODWILL INDUSTRIES AND AFFILIATES

COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023		
	Without Donor Restrictions	With Donor Restriction	Total
Public Support			
Contributions of inventory	$ 106,134,203	$ -	$ 106,134,203
Associated organizations	-	696,669	696,669
Other contributions	182,778	128,451	311,229
Contributions of Nonfinancial Assets	871,862	-	871,862
Total Public Support	107,188,843	825,120	108,013,963
Revenue			
Stores and salvage sales	107,154,416	-	107,154,416
Contract services	5,870,619	-	5,870,619
Employment and training	24,406,751	-	24,406,751
Sheltered workshop	962,432	-	962,432
Other program services	91,256	-	91,256
Investment gain, net of fees	3,601,876	-	3,601,876
Change in value of beneficial interest in trust	-	174,179	174,179
Rental income	478,959	-	478,959
Miscellaneous	67,948	-	67,948
Total Revenue	142,634,257	174,179	142,808,436
Net Assets Released from Restrictions	941,905	(941,905)	-
Total Public Support and Revenue	250,765,005	57,394	250,822,399
Expenses			
Program Services			
Stores and salvage	192,448,541	-	192,448,541
Contract services	5,086,959	-	5,086,959
Employment and training	25,411,724	-	25,411,724
Sheltered workshop	1,200,159	-	1,200,159
Other services	254,590	-	254,590
Total Program Services	224,401,973	-	224,401,973
Supporting Services			
Management and general	12,371,659	-	12,371,659
Fundraising	2,394,806	-	2,394,806
Total Supporting Services	14,766,465	-	14,766,465
Total Expenses	239,168,438	-	239,168,438
Change in Net Assets	11,596,567	57,394	11,653,961
Net Assets, Beginning of Year	100,065,240	2,222,415	102,287,655
Net Assets, End of Year	$ 111,661,807	$ 2,279,809	$ 113,941,616

See accompanying Notes to Financial Statements.

MERS/MISSOURI GOODWILL INDUSTRIES AND AFFILIATES

COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022		
	Without Donor Restrictions	With Donor Restriction	Total
Public Support			
Contributions of inventory	$ 97,265,851	$ -	$ 97,265,851
Associated organizations	-	721,220	721,220
Other contributions	1,106,850	296,000	1,402,850
Contributions of Nonfinancial Assets	950,294	-	950,294
Total Public Support	99,322,995	1,017,220	100,340,215
Revenue			
Stores and salvage sales	98,276,482	-	98,276,482
Contract services	6,372,336	-	6,372,336
Employment and training	22,644,354	-	22,644,354
Sheltered workshop	870,041	-	870,041
Other program services	77,512	-	77,512
Investment gain, net of fees	(3,552,758)	-	(3,552,758)
Change in value of beneficial interest in trust	-	(350,098)	(350,098)
Rental income	575,063	-	575,063
Miscellaneous	47,591	-	47,591
Total Revenue	125,310,621	(350,098)	124,960,523
Net Assets Released from Restrictions	1,302,358	(1,302,358)	-
Total Public Support and Revenue	225,935,974	(635,236)	225,300,738
Expenses			
Program Services			
Stores and salvage	175,182,036	-	175,182,036
Contract services	5,340,178	-	5,340,178
Employment and training	23,875,722	-	23,875,722
Sheltered workshop	1,028,033	-	1,028,033
Other services	233,303	-	233,303
Total Program Services	205,659,272	-	205,659,272
Supporting Services			
Management and general	8,526,181	-	8,526,181
Fundraising	1,844,909	-	1,844,909
Total Supporting Services	10,371,090	-	10,371,090
Total Expenses	216,030,362	-	216,030,362
Change in Net Assets	9,905,612	(635,236)	9,270,376
Net Assets, Beginning of Year	90,159,628	2,857,651	93,017,279
Net Assets, End of Year	$ 100,065,240	$ 2,222,415	$ 102,287,655

See accompanying Notes to Financial Statements.

MERS/MISSOURI GOODWILL INDUSTRIES AND AFFILIATES

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services			
	Stores and Salvage	Contract Services	Employment and Training	Sheltered Workshop
Salaries and wages	$ 46,087,936	$ 3,226,497	$ 14,086,349	$ 681,388
Employee welfare	8,600,930	201,904	2,631,147	102,725
Payroll taxes and benefits	4,138,777	327,589	1,480,803	178,151
Total Salaries and Related Expenses	58,827,643	3,755,990	18,198,299	962,264
Cost of donated goods sold	105,650,953	-	-	-
Professional fees and contracts	4,318,221	767,853	1,035,615	62,612
Supplies	2,750,888	275,523	420,320	10,441
Telephone	705,507	71,914	316,793	8,606
Postage and shipping	880,956	5	23,243	-
Occupancy	8,936,282	34,921	1,681,728	29,996
Rental and maintenance of equipment	3,522,637	35,846	291,887	22,519
Local transportation	774,335	85,893	404,023	8,488
Printing and publications	-	-	-	-
Dues to Goodwill Industries International	-	-	-	-
Insurance	890,975	67,679	316,048	14,812
Interest and bank fees	1,925,589	1,905	116,954	1,009
Client services	2,158	-	555,158	4
Miscellaneous expense	26,624	71,457	497,549	3,563
Bad debt expense (recovery)	(3,765)	(137,019)	(331,534)	-
Depreciation	3,239,538	54,992	1,422,485	75,845
Total Expenses	192,448,541	5,086,959	24,948,568	1,200,159
Indirect cost allocation	-	-	463,156	-
Total Expenses Including Indirect Cost Allocation	$ 192,448,541	$ 5,086,959	$ 25,411,724	$ 1,200,159

See accompanying Notes to Financial Statements.

MERS/MISSOURI GOODWILL INDUSTRIES AND AFFILIATES

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

Other Services	Total	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total	Total
$ 102,524	$ 64,184,694	$ 4,956,065	$ 280,387	$ 5,236,452	$ 69,421,146
26,049	11,562,755	842,493	57,999	900,492	12,463,247
8,353	6,133,673	381,145	26,324	407,469	6,541,142
136,926	81,881,122	6,179,703	364,710	6,544,413	88,425,535
-	105,650,953	-	-	-	105,650,953
975	6,185,276	3,376,143	67,907	3,444,050	9,629,326
107,080	3,564,252	688,517	36,788	725,305	4,289,557
1,213	1,104,033	129,736	4,255	133,991	1,238,024
-	904,204	36,311	1,220	37,531	941,735
-	10,682,927	169,207	-	169,207	10,852,134
2,370	3,875,259	284,309	-	284,309	4,159,568
-	1,272,739	194,096	771	194,867	1,467,606
-	-	-	1,895,095	1,895,095	1,895,095
-	-	202,200	-	202,200	202,200
-	1,289,514	261,178	1,359	262,537	1,552,051
3,644	2,049,101	198,657	-	198,657	2,247,758
-	557,320	-	-	-	557,320
275	599,468	210,530	17,379	227,909	827,377
-	(472,318)	-	-	-	(472,318)
2,107	4,794,967	904,228	5,322	909,550	5,704,517
254,590	223,938,817	12,834,815	2,394,806	15,229,621	239,168,438
-	463,156	(463,156)	-	(463,156)	-
$ 254,590	$ 224,401,973	$ 12,371,659	$ 2,394,806	$ 14,766,465	$ 239,168,438

See accompanying Notes to Financial Statements.

MERS/MISSOURI GOODWILL INDUSTRIES AND AFFILIATES

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services			
	Stores and Salvage	Contract Services	Employment and Training	Sheltered Workshop
Salaries and wages	$ 40,427,207	$ 3,395,737	$ 13,433,232	$ 648,441
Employee welfare	6,893,037	152,902	2,287,589	110,540
Payroll taxes and benefits	3,779,799	304,399	1,435,339	60,080
Total Salaries and Related Expenses	51,100,043	3,853,038	17,156,160	819,061
Cost of donated goods sold	96,939,971	-	-	-
Professional fees and contracts	3,678,571	833,009	903,889	56,898
Supplies	2,940,296	273,300	402,763	15,655
Telephone	711,745	59,709	328,307	8,850
Postage and shipping	706,929	-	35,394	-
Occupancy	9,817,583	45,014	1,401,262	16,112
Rental and maintenance of equipment	2,869,188	27,212	138,359	18,295
Local transportation	819,988	71,176	383,592	9,918
Printing and publications	-	-	-	-
Dues to Goodwill Industries International	-	-	-	-
Insurance	878,869	69,914	318,004	13,055
Interest and bank fees	1,737,617	2,152	120,407	1,099
Client services	712	-	429,812	15
Miscellaneous expense	90,995	92,701	593,667	(5,490)
Bad debt expense (recovery)	(220)	(42,976)	346,429	(672)
Depreciation	2,889,749	55,929	815,311	75,237
Total Expenses	175,182,036	5,340,178	23,373,356	1,028,033
Indirect cost allocation	-	-	502,366	-
Total Expenses Including Indirect Cost Allocation	$ 175,182,036	$ 5,340,178	$ 23,875,722	$ 1,028,033

See accompanying Notes to Financial Statements.

MERS/MISSOURI GOODWILL INDUSTRIES AND AFFILIATES

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

		Supporting Services			
Other Services	Total	Management and General	Fundraising	Total	Total
$ 95,077	$ 57,999,694	$ 4,144,928	$ 276,676	$ 4,421,604	$ 62,421,298
19,516	9,463,584	523,978	53,925	577,903	10,041,487
7,776	5,587,393	293,537	21,679	315,216	5,902,609
122,369	73,050,671	4,962,443	352,280	5,314,723	78,365,394
-	96,939,971	-	-	-	96,939,971
1,134	5,473,501	2,100,777	136,580	2,237,357	7,710,858
103,607	3,735,621	410,033	12,290	422,323	4,157,944
600	1,109,211	66,446	1,985	68,431	1,177,642
-	742,323	21,393	1,139	22,532	764,855
-	11,279,971	(146,907)	-	(146,907)	11,133,064
2,302	3,055,356	156,325	-	156,325	3,211,681
-	1,284,674	128,316	1,895	130,211	1,414,885
-	-	160	1,337,310	1,337,470	1,337,470
-	-	187,356	-	187,356	187,356
1,961	1,281,803	222,899	1,369	224,268	1,506,071
3,306	1,864,581	203,300	-	203,300	2,067,881
-	430,539	-	-	-	430,539
(1,976)	769,897	(6,923)	61	(6,862)	763,035
-	302,561	-	-	-	302,561
-	3,836,226	722,929	-	722,929	4,559,155
233,303	205,156,906	9,028,547	1,844,909	10,873,456	216,030,362
-	502,366	(502,366)	-	(502,366)	-
$ 233,303	$ 205,659,272	$ 8,526,181	$ 1,844,909	$ 10,371,090	$ 216,030,362

See accompanying Notes to Financial Statements.

MERS/MISSOURI GOODWILL INDUSTRIES AND AFFILIATES

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

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	$ 11,653,961	$ 9,270,376
Items not requiring (providing) cash		
Depreciation and amortization	5,704,517	4,559,155
Noncash operating leases	1,269,012	6,996,752
Bad debt provision (recoveries)	(472,318)	302,561
Gain on disposal of property and equipment	(36,753)	(7,677)
(Gain) loss on investments	(2,554,392)	4,590,536
Change in value of beneficial interest in trusts	(174,180)	350,098
Changes in assets - (increase) decrease		
Accounts and grants receivable	2,206,839	1,192,306
Promises to give	22,451	(15,429)
Inventories	(483,250)	(325,880)
Prepaid expenses	(780,293)	(515,837)
Changes in liabilities - increase (decrease)		
Accounts payable and accrued expenses	(3,644,926)	1,187,918
Operating lease liability	(1,194,546)	(6,695,766)
Deferred revenue	(42,440)	(20,166)
Net Cash Provided by Operating Activities	11,473,682	20,868,947
Cash Flows from Investing Activities		
Purchases of investments	(9,411,889)	(4,782,443)
Proceeds from sales of investments	8,134,377	4,069,610
Payments for property and equipment and construction in progress	(10,676,202)	(9,075,589)
Proceeds from disposition of property and equipment	36,753	7,677
Net Cash Used in Investing Activities	(11,916,961)	(9,780,745)
Cash Flows from Financing Activities		
Proceeds from line of credit	-	4,000,000
Payments on long term debt	(620,568)	(602,001)
Payments on line of credit	-	(4,000,000)
Net Cash Used in Financing Activities	(620,568)	(602,001)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,063,847)	10,486,201
Cash and Cash Equivalents, Beginning of Year	14,748,622	4,262,421
Cash and Cash Equivalents, End of Year	$ 13,684,775	$ 14,748,622
Supplemental Disclosure of Cash Flow Information		
Interest Paid	$ 624,701	$ 643,355
Adoption of ASU 2016-02, Leases (Topic 842) - Right of Use Operating Leases	$ -	$ 23,514,222
ROU Assets Obtained in Exchange for New Operating Lease Liabilities	$ 6,267,970	$ 4,440,996

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ORGANIZATION

Nature of Organization

MERS/Missouri Goodwill Industries and Affiliates (the "Agency") is a not-for-profit corporation that provides for the vocational needs of people with disabilities and disadvantages. The Agency believes that work not only helps achieve financial stability but also helps with autonomy, self-reliance, and confidence of the clients served. The Agency has become a significant provider of vocational rehabilitation services in Missouri.

MGI Services Corporation ("MGIS") is a not-for-profit corporation established for the accounting purpose of AbilityOne contract services. MERS/Missouri Goodwill Industries and MGIS have commonality through board members. Certain administrative expenses are allocated to MGIS.

Services for Extended Employment and Development, Inc. ("SEED") is a not-for-profit corporation established for the accounting purpose of for the Agency's vocational training for disabled individuals. MERS/Missouri Goodwill Industries and SEED have commonality through board members. Certain administrative expenses are allocated to SEED.

The Agency's primary sources of revenue are store and salvage sales, contract services, contributions and government grants for employment, training, and sheltered workshops.

Principles of Combination

The accompanying combined financial statements include the following affiliated non-profit organizations: MERS/Missouri Goodwill Industries ("M/MGI"), MGI Services Corporation ("MGIS"), and Services for Extended Employment and Development, Inc. ("SEED"). All significant inter-entity transactions and account balances have been eliminated. The designation, "Agency", includes both affiliated organizations combined.

Basis of Accounting

The combined financial statements of the Agency have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates also affect reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Agency considers all temporary investments having maturities of three months or less to be cash and cash equivalents.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ORGANIZATION (CONTINUED)

Accounts and Grants Receivable
Accounts and grants receivable is stated at the amount management expects to collect from outstanding balances. These balances consist primarily of billings for grants, contract revenues and employment and training revenues.

The carrying amount of accounts and grants receivable is reduced by an allowance for credit losses based on estimated losses that will be incurred in collection of all receivables. Management provides for probable uncollected amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Agency separates accounts receivable into risk pools based on their aging. In determining the amount of allowance as of the balance sheet date, the Agency writes off receivables that are not expected to be collectible after ninety days. This loss rate is based on management's expectations about current and future economic conditions. Management believes this method provides a proper recognition of bad debt expense in the period incurred.

Promises to Give
Contributions related to promises to give are recognized when the donor makes an unconditional promise to give, and for conditional promises to give, only when the conditions on which they depend are substantially met and the promise becomes unconditional. These contributions are recorded as net assets with or without donor restriction depending on the existence or nature of any donor restrictions. Promises to give that are expected to be collected within one year are recorded at net realizable value. Promises to give that are expected to be collected in future years are measured at fair value using the present value of their estimated future cash flows.

Inventories
The Agency obtains its inventory from public donations and sells the donated merchandise in its retail sales activities. Donated inventory is valued at an estimated fair value at the retail store level less gross profit based on estimates of inventory turnover at the retail stores.

Investments
The Agency's investments are stated at fair value except for the Agency's investment in a limited partnership, which is accounted for under the equity method. 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. See Note 6 for discussion of fair value measurements.

Interest, dividend, capital gain and royalty income is recorded on the accrual basis. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses on disposals of investments are based on the historic cost of the securities sold using the specific identification method. Unrealized gains and losses on investment securities are based on the difference between the historic cost and the fair value on the measurement date of each investment. Net appreciation (depreciation) includes gains and losses on investments bought and sold as well as held by the Agency during the year. Net investment return/(loss) is reported on the combined statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment fees.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ORGANIZATION (CONTINUED)

Beneficial Interest in Trusts

The Agency has been named as an irrevocable beneficiary of perpetual trusts held and administered by independent trustees. Perpetual trusts provide for the distribution of the net income of the trusts to the Agency; however, the Agency will never receive the assets of the trusts. At the date management received notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the combined statements of activities, and a beneficial interest in perpetual trust is recorded in the combined statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the combined statements of financial position, with trust distributions and changes in fair value recognized in the combined statements of activities.

Property and Equipment

The Agency capitalizes property and equipment additions over $5,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the combined statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Management reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2023 and 2022.

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, "*Leases* (Topic 842)". The new guidance was adopted by the Agency in 2022. ASC Topic 842 includes various other practical expedients that can be elected for new leases that are executed after the adoption of the new requirements. The Agency elected the practical expedient not to select the hindsight, land easements, combining lease and non-lease components and the portfolio approach. The Agency did elect to apply the short-term lease recognition which requires the Agency to present on the combined statement of financial position leases with a term of twelve months or less. These two practical expedients were elected for all classes of underlying assets.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Agency has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the Agency is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ORGANIZATION (CONTINUED)

Revenue and Revenue Recognition
Revenue for retail operations is recognized at a point in time as the customer receives the merchandise.

Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Revenue for contract services is recognized when the satisfaction of the contractual performance obligation is met. The performance obligation is met upon completion of the service.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions are recognized either with or without restrictions placed on the gift by the donor. When a donor stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Donated Inventory, Materials and Services
Donated inventory and materials are recorded as contributions and expense at estimated fair value based on the estimated sale price of the items donated. Donated services are considered insignificant during the years ended December 31, 2023 and 2022.

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Directors has discretionary control over these resources. There is a designated amount that represents investment in property and equipment, net of related debt.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Description of Program and Supporting Services
The following program and supporting services are included in the accompanying combined financial statements:

Program Services
Stores and salvage sales
Mission related activities associated with the collecting, pricing and selling of merchandise through the retail stores.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ORGANIZATION (CONTINUED)

Contract services
Mission related services contracted with other organizations, including janitorial services.

Employment and training
Identifies employment and training goals and the potential of clients as well as providing counseling, training and job placement services necessary to obtain employment.

Sheltered workshop
Provides paid work within a facility setting for clients who have been determined unable to work competitively in the community.

Other services
Includes residential services, transportation services for clients involved in programs, and training and support for clients living independently in the community.

Supporting Services
Management and general
Includes the functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of the Agency's program strategy, secure proper administrative functioning of the Board of Directors, and manage the financial and budgetary responsibilities of the Agency.

Fundraising
Provides the structure necessary to encourage and secure financial support for the Agency through grants and contributions.

Functional Allocation of Expenses
The costs of supporting the various programs and other activities have been summarized on a functional basis in the combined statements of activities. The combined statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on the square footage and other methods.

Printing and Publications
Printing and Publication costs are expensed as incurred. Printing and publication expense amounted to $1,895,095 and $1,337,470 for the years ended December 31, 2023 and 2022, respectively.

Tax Status
The Agency constitutes a qualified not-for-profit organization under Section 509(a) of the Internal Revenue Code and is, therefore, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Income Tax Uncertainties
The Agency follows "FASB Accounting Standards Codification 740-10, *Income Taxes – Overall"*. The Agency has assessed its federal and state tax positions and determined that there were no uncertainties or possible related effects that need to be recorded as of or for the years ended December 31, 2023 and 2022.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ORGANIZATION (CONTINUED)

Adoption of Accounting Policies
At the beginning of 2023, the Agency adopted FASB ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Agency adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Agency's combined financial statements.

Subsequent Events
Subsequent events have been evaluated by management through April 23, 2024, the date the combined financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Agency monitors its liquidity monthly. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the combined statement of financial position date, comprise the following:

	2023	2022
Cash and cash equivalents	$ 13,684,775	$ 14,748,622
Accounts receivable	4,766,142	6,500,663
Promises to give	641,769	664,220
Investments, at fair value	25,989,819	22,140,850
Distributions from beneficial interest in trusts held by others	70,190	79,376
Less net assets with donor restrictions	(9,846)	(104,181)
	$ 45,142,849	$ 44,029,550

NOTE 3 ACCOUNTS AND GRANTS RECEIVABLE

Accounts and grants receivable consists of the following as of December 31:

	2023	2022
Grants	$ 2,344,662	$ 2,233,168
Excel High Schools	496,401	2,508,396
Contract revenues	1,335,390	1,537,664
Employment and training revenues	569,815	529,235
Other	553,972	698,616
Accounts receivable, gross	5,300,240	7,507,079
Less allowance for credit losses accounts	(534,098)	(1,006,416)
Accounts receivable, net	$ 4,766,142	$ 6,500,663

At December 31, 2023 and 2022, respectively, 44% and 51% of accounts and grants receivable were from five Organizations.

NOTE 4 PROMISES TO GIVE

Promises to give include contributions from organizations of $641,769 and $664,220 at December 31, 2023 and 2022, respectively. Management expects to receive the cash for these promises within one year.

NOTE 5 INVESTMENTS

Investments consist of the following as of December 31:

	2023	2022
Common stocks	$14,971,824	$13,774,502
Preferred stocks	101,776	123,503
Mutual funds	2,618,844	1,002,589
Corporate fixed income	5,553,594	3,549,196
Hedge funds	1,539,249	2,451,634
Private equity	1,204,532	1,239,426
Mineral leases	49,694	66,759
Total	$ 26,039,513	$ 22,207,609

Investments are as follows on the accompanying combined statements of financial position as of December 31:

	2023	2022
Investments, current	$ 25,989,819	$ 22,140,850
Investment, long term	49,694	66,759
Total	$ 26,039,513	$ 22,207,609

NOTE 6 FAIR VALUE

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.
Level 2	Inputs to the valuation methodology include: Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2023 as compared to December 31, 2022.

Common Stocks, Mutual Funds and Preferred Stocks: The fair value of marketable securities are valued using quoted market prices in active markets.

Corporate Fixed Income: Certain corporate fixed income securities (bonds) are valued at the closing price reported in the active market in which the bond is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Hedge Funds: Hedge funds are valued at the net asset value ("NAV") of the units held by the Agency at year-end. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported NAV.

Private Equity: In the absence of quoted market prices, fair value is determined by the General Partner based on valuations of the underlying illiquid and privately held investments.

Investment in Mineral Leases: For producing interests, fair value for December 31, 2023 and 2022 were determined using production revenue times a factor of 4, respectively. For nonproducing interests, the value was determined by determining net acreage owned in a tract and multiplying net acreage by the most common bonus consideration that would be expected to be received. Properties that have been leased and are still in their primary terms are valued at 1-time leased bonus received.

NOTE 6 FAIR VALUE (CONTINUED)

Beneficial Interest in Trusts: Perpetual trusts are valued based on the fair value of the trust assets multiplied by the Agency's proportionate share of the trust.

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

The following tables set forth by level, within the fair value hierarchy, the Agency's assets at fair value as of December 31, 2023 and 2022:

2023	Total	Level 1	Level 2	Level 3
Common stocks	$14,971,824	$14,971,824	$ -	$ -
Preferred stocks	101,776	101,776	-	-
Mutual Funds	2,618,844	2,618,844	-	-
Corporate fixed income	5,553,594	-	5,553,594	-
Hedge funds (a)	1,539,249	-	-	-
Private equity	1,204,532	-	-	1,204,532
Mineral leases	49,694	-	-	49,694
Beneficial interest in trusts	1,628,194	-	-	1,628,194
Total	$ 27,667,707	$17,692,444	$ 5,553,594	$ 2,882,420

2022	Total	Level 1	Level 2	Level 3
Common stocks	$13,774,502	$13,774,502	$ -	$ -
Preferred stocks	123,503	123,503	-	-
Mutual funds	1,002,589	1,002,589	-	-
Corporate fixed income	3,549,196	-	3,549,196	-
Hedge funds (a)	2,451,634	-	-	-
Private equity	1,239,426	-	-	1,239,426
Mineral leases	66,759	-	-	66,759
Beneficial interest in trusts	1,454,014	-	-	1,454,014
Total	$ 23,661,623	$14,900,594	$ 3,549,196	$ 2,760,199

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

NOTE 6 FAIR VALUE (CONTINUED)

For the years ended December 31, 2023 and 2022, the total transfers to Level 3 and other changes in assets measured using significant unobservable inputs (Level 3) were as follows:

	Level 3 Assets Year Ended December 31, 2023		
	Private Equity	Mineral Leases	Beneficial Interest In Trusts
Balance, beginning of year	$ 1,239,426	$ 66,759	$ 1,454,014
Purchases	-	-	-
Unrealized gains (losses) relating to instruments still held at the reporting date	(34,894)	(17,065)	174,179
Balance, end of year	$ 1,204,532	$ 49,694	$ 1,628,194

	Level 3 Assets Year Ended December 31, 2022		
	Private Equity	Mineral Leases	Beneficial Interest in Trusts
Balance, beginning of year	$ 1,393,388	$ 69,888	$ 1,804,112
Purchases	108	-	-
Unrealized gains (losses) relating to instruments still held at the reporting date	(154,070)	(3,129)	(350,098)
Balance, end of year	$ 1,239,426	$ 66,759	$ 1,454,014

Unobservable and recurring Level 3 assets are quantified based on the following fair value measurements in December 2023 and 2022.

Private Equity – Asset based approach – Discount for lack of control, marketability yield adjustment.

Mineral Leases – Sales comparison approach – Probability of success, capitalization rate, discount for lack of control, marketability adjustment.

Beneficial Interest in Trusts – Discounted cash flow.

NOTE 6 FAIR VALUE (CONTINUED)

The following table summarized investments for which fair value is measured using the net asset value per share practical expedient as of December 31, 2023 and 2022, respectively.

	Fair Value				
Investment Name	**2023**	**2022**	**Redemption Frequency**	**Redemption Notice Period**	**Unfunded Commitments**
Hedge funds	$1,539,249	$2,451,634	Quarterly	45-60 days	$ 342,177

Hedge Funds

The Agency invests in hedge funds that serve as core hedge fund holdings with the goal of providing additional diversification to an overall investment portfolio. The investment objective is to seek capital appreciation. In doing so, the fund seeks to realize attractive risk-adjusted returns, net of fees and expenses, over a three to five-year investment horizon. In December 2023, the hedge funds had been redeemed; however, the proceeds from the redemption were received in 2024. Therefore, the balance was reported with the hedge funds balance at December 31, 2023.

NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2023	2022
Land and land improvements	$ 19,711,991	$ 19,595,006
Building and building improvements	65,365,480	63,915,861
Leasehold improvements	12,899,353	7,347,522
Equipment, furniture, and fixtures	10,972,536	10,356,185
Vehicles	1,356,594	1,076,412
	110,305,954	102,290,986
Less: Accumulated depreciation	(21,913,242)	(20,656,656)
	88,392,712	81,634,330
Plus: Construction in progress	2,209,708	3,996,404
	$ 90,602,420	$ 85,630,734

NOTE 8 LONG-TERM DEBT

At December 31, 2023 and 2022, long-term debt was as follows:

	2023	2022
3.15% note payable to bank, due in monthly installments of $48,448, including interest, with a balloon payment due July 10, 2027 secured by real property.	$ 9,056,355	$ 9,345,511
2.87% note payable to bank, due in monthly installments of $17,021, including interest, with a balloon payment due November 30, 2028 secured by real property.	3,438,561	3,541,138
2.87% note payable to bank, due in monthly installments of $13,623, including interest, with a balloon payment due November 30, 2028 secured by real property	2,752,165	2,834,265
2.87% note payable to bank, due in monthly installments of $12,766, including interest, with a balloon payment due November 30, 2028 secured by real property.	2,578,921	2,655,853
2.87% note payable to bank, due in monthly installments due of $11,915, including interest, with a balloon payment November 30, 2028 secured by real property.	2,406,993	2,478,796
	20,232,995	20,853,563
Less Current Maturities of Long-Term Debt	(637,989)	(620,568)
Long-Term Debt	$ 19,595,006	$ 20,232,995

Maturities of long-term debt are as follows:

2024	$ 637,989
2025	659,384
2026	679,723
2027	8,513,181
2028	9,742,718
	$20,232,995

NOTE 9 NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until paid	$ 651,615	$ 768,401
Beneficial interest in trust in perpetuity	1,628,194	1,454,014
	$ 2,279,809	$ 2,222,415

Net assets were released from donor restrictions by expiration of time restrictions totaled $941,905 and $1,302,358 for the years ended December 31, 2023 and 2022, respectively.

NOTE 10 DEFERRED COMPENSATION PLANS

The Agency has adopted a tax-deferred annuity plan under Section 403(b) which allows eligible employees to make tax-deferred contributions. Eligible employees may contribute a percentage of their salaries up to the extent permitted by law. In October 2018, the Agency amended the 403(b) plan to include an employer match. The Agency will match ½ up to a maximum employee contribution of 6%. The assets of this qualified Plan are held in trust and are appropriately not included in the combined financial statements. The Agency’s associated expense amounted to $397,410 and $365,830 for the years ended December 31, 2023 and 2022, respectively.

The Agency also sponsors a qualified defined contribution plan under Section 401(a) of the Internal Revenue Code whereby the Agency makes contributions on behalf of eligible employees. Under this plan, employees are not allowed to make tax-deferred contributions. The Agency's associated expense amounted to $1,443,394 and $1,663,759 for the years ended December 31, 2023 and 2022, respectively. The assets of this qualified Plan are held in trust and are appropriately not included in the combined financial statements.

NOTE 11 LEASES

The Agency leases most of the buildings used for its retail stores and certain operating facilities and equipment under various renewable and non-renewable operating lease agreements, whose terms range from one to 20 years.

For the year ended December 31, 2023, the components of the Agency’s lease expenses and its classification of such expenses in the Agency’s combined statements of activities and changes in net assets are as follows:

Operating lease expense	$ 6,955,796
Right-of-use assets obtained in exchange for new operating leases	$ 6,267,970
Cash paid for amounts included in the measurement of operating lease liabilities – operating cash flows	$ 6,886,551

NOTE 11 LEASES (CONTINUED)

Weighted-average remaining lease term in years for operating leases	5.58
Weighted-average discount rate for operating leases	2.02%

At December 31, 2022, future minimum operating lease payments are as follows:

2024	$ 6,212,285
2025	3,870,149
2026	3,034,000
2027	2,110,201
2028	1,606,571
Thereafter	4,502,719
Undiscounted cash flows	21,335,925
Less: Lease present value discount	(1,271,019)
Total lease liabilities	$ 20,064,906

NOTE 12 COMMITMENTS AND CONTINGENCIES

During the years ended December 31, 2023 and 2022, the Agency maintained a revolving loan agreement with its bank. The maximum credit limit is $10,000,000 through July 7, 2023. The revolving line of credit was renewed on July 7, 2023 with a July 5, 2024 maturity date. Interest is payable monthly at the SOFR plus 1%. At December 31, 2023 and 2022, the Agency has no outstanding balances on this line-of-credit.

Grants, bequests and endowments require the fulfillment of certain conditions as set forth in each instrument. Failure to fulfill the conditions could result in the return of the funds, or a portion thereof, to the grantors. Although that is a possibility, the Board believes the contingency is remote, since by accepting the grants and their terms, the Board has accommodated the objectives of the Agency to the provisions of these grants.

The Agency maintains a self-insurance program for its employees' health care costs. The Agency is liable for losses on claims up to $175,000 per employee for the years ended December 31, 2023 and 2022, respectively. The aggregate potential liability for the Agency is $12,373,000 and $10,473,000 for the years ended December 31, 2023 and 2022. The Agency has insurance coverage for any losses in excess of such limits. Self-insurance costs are accrued based on claims reported as of December 31, 2023 and 2022, as well as an estimated liability for claims incurred but not reported. The total accrued liability for self-insurance costs was $972,762 and $828,881 at December 31, 2023 and 2022, respectively.

The Agency is routinely involved in certain litigation and EEOC claims incidental to its business. The ultimate outcome of all claims pending at December 31, 2023, cannot presently be determined. However, management believes the ultimate outcome will not have a material, adverse effect on the Agency's financial position or results of operations.

The Agency maintains cash balances at various banks. These banks provide the maximum protection under regulations issued by the Federal Deposit Insurance Corporation ("FDIC"). The Agency periodically maintains funds in excess of FDIC insurance limits.

NOTE 12 COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Agency invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

NOTE 13 AFFILIATION WITH GOODWILL INDUSTRIES INTERNATIONAL

The Agency is affiliated with Goodwill Industries International. The Agency paid dues to Goodwill Industries International amounting to $202,200 and $187,356 the years ended December 31, 2023 and 2022, respectively. In exchange, Goodwill Industries International has the discretionary ability to pass through federal awards to the Agency.

NOTE 14 REVENUE

Contract fees are billed for services performed in the previous month, in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly) or upon achievement of contractual milestones. The Agency recognizes revenues for these arrangements evenly over time, which is the contract service period. There are no significant financing components recognized by the Agency.

Retail store sales revenue requires the customer to pay when the goods are purchased at the various locations. The Agency recognizes revenues for these arrangements at the point in time that the sale is made. There are no significant financing components recognized by the Agency.

Amounts invoiced and collected in excess of revenues recognized are contract liabilities, which are presented as deferred revenues in the Statements of Financial Position. As of December 31, 2023 and 2022, there are no amounts invoiced and collected in excess of revenue for contract services or retail store revenue that would be considered deferred revenue.

Disaggregation of Revenue

The following tables presents revenue disaggregated by revenue source and pattern of revenue recognition:

	Year Ended December 31, 2023			
	Over Period of Time	Point In Time	Grants	Total Revenues
Stores and salvage sales	$ -	$ 107,154,416	$ -	$ 107,154,416
Contract services	5,870,619	-	-	5,870,619
Sheltered Workshop	454,604	-	507,828	962,432
Total Revenues	$ 6,839,305	$ 107,154,416	$ 507,828	$ 113,987,467

NOTE 14 REVENUE (CONTINUED)

	Year Ended December 31, 2022			
	Over Period of Time	Point In Time	Grants	Total Revenues
Stores and salvage sales	$ -	$ 98,276,482	$ -	$ 98,276,482
Contract services	6,372,336	-	-	6,372,336
Sheltered Workshop	466,969	-	403,072	870,041
Total Revenues	$ 6,839,305	$ 98,276,482	$ 403,072	$ 105,518,859

Contract Balances

The following table provides information about the Agency's net receivables from contracts with customers:

	2023	2022
Accounts receivable, net, beginning of the year	$ 6,500,663	$ 7,974,714
Accounts receivable, net, end of the year	$ 2,421,480	$ 6,500,663