

Goodwill
Industries of
Northern
Michigan Inc. and
Affiliates



Years Ended
December 31,
2025 and 2024

Consolidated
Financial
Statements
and
Supplementary
Consolidating
Information

Rehmann

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

June 9, 2026

Board of Directors
Goodwill Industries of Northern Michigan Inc. and Affiliates
Traverse City, Michigan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Goodwill Industries of Northern Michigan Inc. and Affiliates** (collectively the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (the "financial statements").

In our opinion, based on our audit and the report of other auditors, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Goodwill Industries of Northern Michigan Inc. and Affiliates as of December 31, 2025 and 2024, and the consolidated changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Carson Square Limited Dividend Housing Association Limited Partnership ("Carson Square LDHALP") or East Bay Flats Limited Dividend Housing Association Limited Partnership ("East Bay Flats LDHALP") whose statements for these subsidiaries constitute 28% and 10% of consolidated total assets at December 31, 2025 and 2024, respectively, and 2% and 1% of consolidated total revenues, support and gains for the year ended December 31, 2025 and 2024, respectively. Those statements were audited by other auditors whose reports thereon was furnished to us, and our opinion, insofar as they relate to the amounts included for the above entities, are based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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.

A handwritten signature in black ink that reads "Lehmann Lobson LLC". The signature is written in a cursive, flowing style.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Consolidated Statements of Financial Position

	December 31	
	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,243,741	\$ 2,300,402
Receivables		
Unconditional promises to give	997,955	606,761
Grants	219,507	223,012
Program service fees and other, net of allowance for credit losses of \$28,166 and \$8,371, respectively	68,348	246,008
Total receivables, net	1,285,810	1,075,781
Inventory	648,598	614,131
Prepaid expenses	98,352	41,830
Total current assets	6,276,501	4,032,144
Net property and equipment	27,337,460	26,885,458
Restricted cash	1,210,780	1,656,374
Investments	7,962,614	6,406,816
Other assets	19,632	23,256
Net operating lease right-of-use assets	2,864,494	3,239,938
Unconditional promises to give, net	824,212	1,281,045
Total assets	\$ 46,495,693	\$ 43,525,031
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of long-term debt	\$ 4,704,887	\$ 3,364,295
Short-term borrowings	2,725,000	2,725,000
Accounts payable	301,663	431,792
Accrued expenses	842,254	817,500
Current portion of operating lease obligations	346,359	322,653
Current portion of finance lease obligations	41,996	48,968
Refundable advances on conditional contributions	35,244	312,617
Funds held for others	18,085	11,274
Total current liabilities	9,015,488	8,034,099
Long-term debt, net of current portion	4,745,629	5,523,806
Operating lease obligations, net of current portion	2,641,781	2,985,387
Finance lease obligations, net of current portion	113,359	178,291
Other liabilities	429,819	252,655
Total liabilities	16,946,076	16,974,238
Net assets		
Without donor restrictions		
Attributable to the Organization	23,941,887	21,769,034
Attributable to noncontrolling interest	3,626,823	2,567,955
Total net assets without donor restrictions	27,568,710	24,336,989
With donor restrictions attributable to the controlling organization	1,980,907	2,213,804
Total net assets	29,549,617	26,550,793
Total liabilities and net assets	\$ 46,495,693	\$ 43,525,031

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

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Consolidated Statement of Activities

	Year Ended December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support, and gains			
Retail sales	\$ 14,440,506	\$ -	\$ 14,440,506
Contributions - donated inventory	5,508,546	-	5,508,546
Contributions of cash and other financial assets	745,873	443,305	1,189,178
Grants	3,183,233	-	3,183,233
Rental	1,158,691	-	1,158,691
Program service fees	634,560	-	634,560
Net investment return	719,344	-	719,344
Other revenue	80,326	-	80,326
Net assets released from restrictions	676,202	(676,202)	-
Total revenue, support, and gains	27,147,281	(232,897)	26,914,384
Expenses			
Program services			
Retail operations	16,009,130	-	16,009,130
Housing services	4,787,961	-	4,787,961
Food services	1,411,308	-	1,411,308
Job services	8,790	-	8,790
Total program services	22,217,189	-	22,217,189
Supporting services			
Management and general	2,349,726	-	2,349,726
Fundraising	527,321	-	527,321
Total supporting services	2,877,047	-	2,877,047
Total expenses	25,094,236	-	25,094,236
Change in net assets	2,053,045	(232,897)	1,820,148
Change in net assets attributable to the noncontrolling interest	(119,808)	-	(119,808)
Change in net assets attributable to the Organization	\$ 2,172,853	\$ (232,897)	\$ 1,939,956

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

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Consolidated Statement of Activities

	Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support, and gains			
Retail sales	\$ 13,500,197	\$ -	\$ 13,500,197
Contributions - donated inventory	5,307,460	-	5,307,460
Contributions of cash and other financial assets	762,885	2,100,602	2,863,487
Grants	2,264,532	200,000	2,464,532
Rental	1,033,175	-	1,033,175
Program service fees	602,610	-	602,610
Net investment return	583,350	-	583,350
Other revenue	63,259	-	63,259
Net assets released from restrictions	811,933	(811,933)	-
Total revenue, support, and gains	24,929,401	1,488,669	26,418,070
Expenses			
Program services			
Retail operations	15,969,674	-	15,969,674
Housing services	4,527,691	-	4,527,691
Food services	1,369,270	-	1,369,270
Job services	50,302	-	50,302
Total program services	21,916,937	-	21,916,937
Supporting services			
Management and general	2,408,236	-	2,408,236
Fundraising	414,232	-	414,232
Total supporting services	2,822,468	-	2,822,468
Total expenses	24,739,405	-	24,739,405
Change in net assets	189,996	1,488,669	1,678,665
Change in net assets attributable to the noncontrolling interest	(114,347)	-	(114,347)
Change in net assets attributable to the Organization	\$ 304,343	\$ 1,488,669	\$ 1,793,012

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

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Consolidated Statements of Changes in Net Assets

	Without Donor Restrictions		With Donor Restrictions	
	Attributable to the Organization	Attributable to the Noncontrolling Interest	Attributable to the Organization	Total
Balances, January 1, 2024	\$ 21,464,691	\$ 2,682,302	\$ 725,135	\$ 24,872,128
Change in net assets	304,343	(114,347)	1,488,669	1,678,665
Balances, December 31, 2024	21,769,034	2,567,955	2,213,804	26,550,793
Change in net assets	2,172,853	(119,808)	(232,897)	1,820,148
Capital contributions	-	1,238,676	-	1,238,676
Syndication costs	-	(60,000)	-	(60,000)
Balances, December 31, 2025	<u>\$ 23,941,887</u>	<u>\$ 3,626,823</u>	<u>\$ 1,980,907</u>	<u>\$ 29,549,617</u>

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

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Consolidated Statement of Functional Expenses

Year Ended December 31, 2025

	Program Services					Supporting Services		Total Expenses
	Retail Operations	Housing Services	Food Services	Job Services	Total Program Services	Management and General	Fundraising	
Salaries and fringe benefits								
Salaries and wages	\$ 4,820,444	\$ 1,812,056	\$ 494,417	\$ -	\$ 7,126,917	\$ 1,235,617	\$ 251,319	\$ 8,613,853
Employee benefits	400,305	143,034	53,240	-	596,579	126,797	12,822	736,198
Taxes and fringe benefits	403,127	156,328	40,084	-	599,539	99,811	20,540	719,890
Total salaries and fringe benefits	5,623,876	2,111,418	587,741	-	8,323,035	1,462,225	284,681	10,069,941
Cost of goods sold-donated goods	5,493,077	-	-	-	5,493,077	-	-	5,493,077
Supplies and purchases	532,824	196,982	55,651	-	785,457	385,150	99,105	1,269,712
Postage and shipping	1,145,739	1,653	997	-	1,148,389	18,565	14,352	1,181,306
Lease costs	549,453	387,087	-	-	936,540	-	-	936,540
Repairs and maintenance	391,750	333,502	34,961	-	760,213	25,851	-	786,064
Cost of goods sold - purchased	333,750	-	451,685	-	785,435	-	-	785,435
Professional fees	46,088	294,787	6,162	3,090	350,127	152,624	65,643	568,394
Interest	164,574	310,043	-	-	474,617	61,476	-	536,093
Utilities	212,321	195,172	24,669	-	432,162	6,279	-	438,441
Direct client assistance	278,112	84,697	-	-	362,809	1,081	513	364,403
Garbage	259,242	16,033	3,285	-	278,560	380	-	278,940
Advertising	203,564	357	-	-	203,921	1,340	5,990	211,251
Cleaning services	62,110	95,068	12,260	-	169,438	11,143	-	180,581
Insurance	80,149	38,898	17,216	-	136,263	31,040	-	167,303
Dues and subscriptions	97,091	23,635	13,519	4,700	138,945	9,058	4,716	152,719
Vehicles	73,501	6,441	49,805	-	129,747	-	-	129,747
Conventions and meetings	987	5,242	-	1,000	7,229	59,305	49,675	116,209
Travel	36,766	11,523	1,890	-	50,179	26,878	2,646	79,703
Miscellaneous	-	56,793	20	-	56,813	-	-	56,813
Payment in lieu of taxes	-	37,466	-	-	37,466	-	-	37,466
Credit losses	949	3,516	-	-	4,465	19,794	-	24,259
Total expenses before depreciation and amortization	15,585,923	4,210,313	1,259,861	8,790	21,064,887	2,272,189	527,321	23,864,397
Depreciation and amortization	423,207	577,648	151,447	-	1,152,302	77,537	-	1,229,839
Total expenses	\$ 16,009,130	\$ 4,787,961	\$ 1,411,308	\$ 8,790	\$ 22,217,189	\$ 2,349,726	\$ 527,321	\$ 25,094,236

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

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Consolidated Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services					Supporting Services		Total Expenses
	Retail Operations	Housing Services	Food Services	Job Services	Total Program Services	Management and General	Fundraising	
Salaries and fringe benefits								
Salaries and wages	\$ 5,162,317	\$ 1,782,695	\$ 466,095	\$ -	\$ 7,411,107	\$ 1,149,525	\$ 220,617	\$ 8,781,249
Taxes and fringe benefits	475,958	165,879	48,006	-	689,843	131,905	18,905	840,653
Employee benefits	376,579	139,108	44,019	-	559,706	84,324	10,096	654,126
Total salaries and fringe benefits	6,014,854	2,087,682	558,120	-	8,660,656	1,365,754	249,618	10,276,028
Cost of goods sold-donated goods	5,348,172	-	-	-	5,348,172	-	-	5,348,172
Postage and shipping	1,144,754	1,708	926	-	1,147,388	8,169	9,917	1,165,474
Supplies and purchases	488,690	132,028	76,887	19	697,624	401,846	63,802	1,163,272
Professional fees	53,223	484,740	4,315	3,880	546,158	231,422	69,490	847,070
Lease costs	509,543	153,765	2,905	-	666,213	80,271	-	746,484
Cost of goods sold - purchased	295,120	417	407,984	-	703,521	-	370	703,891
Repairs and maintenance	219,335	239,295	36,072	-	494,702	31,844	-	526,546
Interest	184,907	317,728	-	-	502,635	213	-	502,848
Utilities	160,580	184,848	22,545	-	367,973	7,247	-	375,220
Direct client assistance	259,347	88,247	-	-	347,594	-	975	348,569
Garbage	262,450	14,404	2,597	-	279,451	450	-	279,901
Miscellaneous	143,090	4,150	-	-	147,240	83,180	-	230,420
Vehicles	78,865	9,560	72,333	-	160,758	22,154	-	182,912
Cleaning services	53,928	90,786	19,655	-	164,369	4,009	-	168,378
Insurance	83,647	45,036	17,640	-	146,323	10,099	-	156,422
Advertising	125,598	-	412	-	126,010	9,582	2,276	137,868
Travel	48,373	23,634	1,970	662	74,639	42,260	5,189	122,088
Dues and subscriptions	88,288	12,656	9,665	-	110,609	8,540	319	119,468
Conventions and meetings	4,629	6,476	3,444	1,882	16,431	35,251	12,276	63,958
Credit losses	4,269	28,955	-	-	33,224	6,371	-	39,595
Payment in lieu of taxes	-	21,249	-	-	21,249	-	-	21,249
Total expenses before depreciation and amortization	15,571,662	3,947,364	1,237,470	6,443	20,762,939	2,348,662	414,232	23,525,833
Depreciation and amortization	398,012	580,327	131,800	43,859	1,153,998	59,574	-	1,213,572
Total expenses	\$ 15,969,674	\$ 4,527,691	\$ 1,369,270	\$ 50,302	\$ 21,916,937	\$ 2,408,236	\$ 414,232	\$ 24,739,405

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

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 1,820,148	\$ 1,678,665
Adjustments to reconcile changes in net assets to net cash from operating activities		
Depreciation and amortization	1,229,839	1,213,572
Credit losses	24,259	39,595
Non-cash lease expense	375,444	382,943
Loss on disposal of property and equipment	-	5,768
Net realized and unrealized gain on investment securities	(431,352)	(328,006)
Changes in operating assets and liabilities which (used) provided cash		
Receivables, net	222,545	(1,243,628)
Inventory	(34,467)	23,936
Prepaid expenses	(56,522)	46,539
Other assets	3,624	3,624
Accounts payable	(130,129)	148,366
Accrued expenses	24,754	182,513
Refundable advances on conditional contributions	(277,373)	312,617
Funds held for others	6,811	666
Operating lease obligations	(319,900)	(318,819)
Other liabilities	57,164	(46,498)
Net change in cash from operating activities	2,514,845	2,101,853
Cash flows from investing activities		
Proceeds from sale of investments	(1,810,358)	(3,417,802)
Purchases of investments	685,912	3,800,865
Purchases and construction of property and equipment	(1,504,477)	(1,018,469)
Proceeds from sale of property and equipment	750	-
Net change in cash from investing activities	(2,628,173)	(635,406)
Cash flows from financing activities		
Repayments of long-term debt	(4,265,917)	(338,761)
Proceeds from issuance of long-term debt	4,828,332	-
Repayments of finance lease obligations	(130,018)	(53,719)
Payment of syndication costs	(60,000)	-
Capital contributions	1,238,676	-
Net change in cash from financing activities	1,611,073	(392,480)
Net change in cash, cash equivalents, and restricted cash	1,497,745	1,073,967
Cash, cash equivalents, and restricted cash, beginning of year	3,956,776	2,882,809
Cash, cash equivalents, and restricted cash, end of year	\$ 5,454,521	\$ 3,956,776
Reconciliation to Consolidated Statements of Financial Position		
Cash and cash equivalents	\$ 4,243,741	\$ 2,300,402
Restricted cash	1,210,780	1,656,374
Cash, and cash equivalents, and restricted cash, end of year	\$ 5,454,521	\$ 3,956,776
Supplemental disclosure of cash flows information		
Cash paid for interest, including capitalized interest in the amount of \$36,800 and \$0 in 2025 and 2024, respectively	\$ 572,893	\$ 502,848
Supplemental disclosure of non-cash activities		
Rental property in exchange for developer fee	\$ 120,000	\$ -

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

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

1. NATURE OF ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Mission

The accompanying consolidated financial statements present the consolidated financial position, change in net assets and cash flows of **Goodwill Industries of Northern Michigan, Inc.** ("GWNMI"), and its wholly-owned subsidiaries, Carson Square, LLC; Carson Square Goodwill, LLC; GWNM East Bay Flats GP, LLC; and G.W. Homeless Services of Northern Michigan, Inc. ("GWH"), an entity in which GWNMI has a controlling financial interest, (collectively the "Organization").

GWNM East Bay Flats GP, LLC is a .007% general partner in GWNM East Bay Flats Limited Development Housing Association Limited Partnership ("GWNM East Bay Flats LDHALP"). GWNM East Bay Flats LDHALP is a variable interest entity that is consolidated by GWNM East Bay Flats GP, LLC. There were no operations or activity in either GWNM East Bay Flats GP, LLC or GWNM East Bay Flats LDHALP in 2024.

Carson Square LLC is a .007% general partner in Carson Square Limited Dividend Housing Association Limited Partnership ("Carson Square LDHALP"). Carson Square LDHALP is a variable interest entity that is consolidated by Carson Square, LLC.

Income or losses of Carson Square LDHALP and GWNM East Bay Flats LDHALP are allocated to the controlling and noncontrolling interest based on the ownership percentages.

Assets and liabilities of the respective entities are as follows at December 31:

	Carson Square LDHALP		GWNM East Bay Flats LDHALP	
	2025	2024	2025	2024
Assets	\$ 4,244,374	\$ 4,333,646	\$ 8,732,325	\$ -
Liabilities	1,726,114	1,711,779	7,569,859	-

The mission of GWNMI is to bring food to neighbors, help vulnerable people find home, and provide empowering employment through our community-supported social enterprise and collaborative partnerships. The Organization serves the northern Michigan region through the following:

Retail Operations: The Organization utilizes its nine retail stores, salvage, and e-commerce operations to provide on-the-job training and employment opportunities. Revenue from the sale of donated clothing, new goods and other household goods goes directly toward growing and supporting critical community-based programs and services.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Housing Services: Through the following programs, the Organization helps people experiencing homelessness access shelter and housing, and works collaboratively with community partners to create a high-functioning regional homeless response system.

- **Street Outreach** reaches out to people experiencing unsheltered homelessness where they are, living in their cars, under bridges, in the woods, or places not meant for human habitation, and offers resources to help them find a safe and secure home. The Organization collaborates with other members of the Basic Needs Coalition to ensure people's needs are met while we help people overcome obstacles to ending homelessness, provide referrals for emergency assistance and community services, and help connect people to long-term solutions for ending homelessness.
- **The Goodwill Inn** is a housing-focused, low-barrier, year-round emergency homeless shelter, providing over 43,000 nights of shelter to individuals and families experiencing homelessness. We meet basic needs and provide safe, stable shelter while housing navigators help our guests find permanent solutions to homelessness. The emergency shelter has 120 beds including 11 family suites. Stays can last as long as six months, during which guests focus on finding permanent housing.
- **Patriot Place** is an emergency homeless shelter offering a safe haven and assistance for male and female Veterans facing homelessness, helping them gain stability as they move towards permanent housing. Eight townhomes with three residents each provide shelter for 24 veterans with stays lasting up to six months. One single-room occupancy rental townhome provides housing for three veterans, and on-site staff working in the support house provide comprehensive services designed for Veterans including case management, housing navigation, meals and snacks, transportation, employment services, justice outreach, financial literacy and other workshops, and connections to community services. Patriot Place serves a combined 48 low-income rural veterans annually, preserving and enhancing veteran housing and shelter resources in rural Michigan.
- **Housing Support Services** helps people to maintain safe and permanent housing after exiting homelessness. Our housing-based case managers provide on-site support services for residents at Carson Square, East Bay Flats, Keystone, and Brookside, connecting residents to community services, helping them reach their goals, and supporting them in achieving long-term housing success.
- **Carson Square** is a 36-unit permanent supportive housing community in Traverse City providing on-site support services for individuals and families exiting homelessness and fleeing domestic violence. Residents contribute no more than 30% of their income toward rent, with the remainder subsidized through project-based vouchers. Carson Square plays a vital role in GWNMI's mission to help people find a home in northern Michigan.
- **East Bay Flats** is a 64-unit permanent supportive housing community providing safe, stable housing for people exiting homelessness with on-site wrap-around support services to help residents maintain housing, improve health, reach their goals, and work toward greater stability. Similar to Carson Square, East Bay Flats is a critical component of our work to expand the number of units of housing with supports available to people moving out of homelessness into housing.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Food Services: The Organization's food services programs work to ensure that vulnerable families and individuals are provided with the nutritional resources they need.

- **The Food Rescue** program acts as an intermediary rescuing and delivering 2.2 million and 2.6 million pounds of food during the years ended December 31, 2025 and 2024, respectively, for the 16,000 seniors, children, people with disabilities, and other individuals in our region who use food pantries and meal programs to access the nutritious food they need. The Organization picks up food from 210 locations including grocery stores, bakeries, and 82 farms, and deliver it to over 65 food pantries, community meal sites, and baby pantries of the Northwest Food Coalition, at no cost to them. In accordance with the Organization's policy, these agency transactions are not reported as an asset or liability on the Organization's consolidated statement of financial position.
- **Good Meals** prepares daily meals for guests at the Goodwill Inn, NMCAA's Meals on Wheels program for homebound seniors, and GWNMI's employees.
- **The Good Partner Voucher** program is a collaborative initiative that provides store vouchers to over 50 social service organizations across a 19-county region. These vouchers enable individuals and families facing emergencies to select needed items from our retail stores, including clothing and housewares. In 2025 and 2024, the program distributed approximately \$593,000 and \$453,000, respectively, worth of vouchers, supporting neighbors in need during times of crisis. The liability related to outstanding vouchers at December 31, 2025 and 2024 is not insignificant.

Job Services: The Organization's Workforce Development program works to provide the Organization's employees with growth and development opportunities so they can expand their personal and professional capabilities and take on larger challenges within GWNMI or in positive destinations beyond GWNMI.

Affiliation with Goodwill Industries International, Inc.: The Organization is a member of Goodwill Industries International, Inc. ("GII"). Members are required to remit approximately 1% of earned revenue from retail operations to GII without donor restrictions. Dues paid to GII totaled \$105,612 and \$94,212 for the years ended December 31, 2025 and 2024, respectively.

Basis of Presentation

The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All significant inter - entity balances and transactions have been eliminated from the consolidated financial statements.

Net assets and revenues, support, and gains or 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 designated net assets without donor restrictions for particular purposes. See Note 12.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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. 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. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization does not have any net assets held in perpetuity as of December 31, 2025 or 2024. See Note 11.

Concentration Risk

In 2024, the Organization launched an \$18 million comprehensive fundraising campaign to end chronic homelessness and secure the future of its Food Rescue program. Campaign activities resulted in lead donations from major donors. At December 31, 2025 and 2024, three and four donors accounted for 74% and 95% of total promises to give, respectively. Two and four donors accounted for approximately 46% and 90% of total contributions of cash and other financial assets for the year ended December 31, 2025 and 2024, respectively.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue, support and expenses during the year. Actual results could differ from those estimates. Significant estimates include but are not limited to the valuation of inventory and donated goods contributed.

Cash and Cash Equivalents

Cash and cash equivalents consists of demand deposits in banks, money market mutual funds, and cash on hand. The Organization maintains demand deposits in financial institutions, which at times may exceed federally insured limits. Management believes the Organization is not exposed to any significant interest rate or other financial risk on these deposits.

Restricted Cash

Restricted cash consists of tenant security deposits, reserve for replacement, reserve for taxes and insurance, operating assurance reserve, supportive services reserve, operating reserve, and funds held for local collaborative coalitions.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Receivables

Accounts receivable related to program service fees and other, retail, and e-commerce are reported at the amount management expects to collect on outstanding balances. Accounts receivable related to program service fees and other are customer obligations due under normal terms generally requiring payment within 30 days. Management estimates an allowance for expected credit losses based on the amount it expects to collect from customers, based on the length of time the receivables have been outstanding, historical collection experience, current market conditions and forecasted economic and business environments.

Accounts receivable relating to program service fees and other, retail, and e-commerce was \$68,348, \$246,008, and \$451,099 at December 31, 2025, 2024, and January 1, 2024, respectively.

Unconditional Promises to Give

The Organization recognizes receivables (unconditional promises to give) at their estimated fair value. A receivable is considered to be past due on a donor-specific basis. Management reviews the likelihood of collection of each receivable based on donor behavior and economic conditions and determined that all receivables were collectible at December 31, 2025 and 2024.

Inventory

Inventory is comprised of items donated by the public and certain purchased items, which are sold through the Organization's retail stores. Inventories of used goods donated by the public are recorded at estimated fair value. Costs incurred to process and ready the inventory for sale are used as the inputs for estimating fair value. Inventories of new goods purchased are stated at the lower of cost or net realizable value. Cost is determined by the specific identification method. There is a significant amount of work in bringing donated goods to salable value, and the Organization records inventory only for goods brought to their points of sale. Donated merchandise that has not reached its point of sale is not significant and has not been valued and is therefore not included in inventory.

Investments

Investments are stated at fair value. Net investment return including realized and unrealized gains and losses, interest and dividend income, less external investment expenses is included in the consolidated statements of activities as increases or decreases in net assets without donor restrictions unless restricted by the donor or stipulated by law. See Note 4 for fair value measurements.

The Organization 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 that such changes could materially affect the amounts reported in the consolidated statements of financial position and consolidated statements of activities.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Net Property and Equipment and Depreciation

Property and equipment are stated at cost or fair value of a gift at the date of the donation. Depreciation is based upon the straight-line method over the estimated useful lives of the assets, or the lease term if shorter, which range from 3 to 40 years. Costs for maintenance and repairs are charged to expense as incurred. Management reviews these assets for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. Certain property and equipment were acquired with funds from government grant contracts that include the requirement that a portion of the funds received by the Organization would have to be paid back to the grantor if the agreed-upon use of such funds were to be changed by the Organization.

Leases

The Organization determines if an arrangement is a lease at inception and considers classification of leases as operating or finance. Operating leases are included in net operating lease right-of-use ("ROU") assets, current portion of operating lease obligations, and operating lease obligations, net of current portion, on the Organization's consolidated statements of financial position. Finance leases are included in net property and equipment, current portion of finance lease obligations, and finance lease obligations, net of current portion, on the consolidated statements of financial position.

The ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of the Organization's leases do not provide an implicit rate, the Organization uses the risk free rate based on the information available at commencement date in determining the present value of future payments for both operating and finance leases. The operating lease ROU asset also includes any lease payments made and initial direct costs incurred and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Operating lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. For finance leases, the initial ROU asset is depreciated on a straight line basis over the lease term, along with recognition of interest expense associated with accretion of the lease liability, which is ultimately reduced by the related fixed payments as they are made. Variable rent payments related to both operating and finance leases are expensed as incurred. The Organization's variable lease payments primarily consist of real estate, maintenance and usage charges.

The Organization has elected to exclude short-term leases from the recognition requirements of Accounting Standards Codification ("ASC") 842, *Leases*. A lease is short-term if, at the commencement date, it has a term of less than or equal to one year. Lease expense related to short-term leases is recognized on a straight-line basis over the lease term. The Organization has also elected to combine lease and non-lease components when measuring lease liabilities.

Management reviews these ROU assets for impairment whenever events or circumstances indicate that their carrying values may not be fully recoverable.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Funds Held for Others

The Organization performs accounting services for three unrelated entities: Grand Traverse Collaborative Coalition, Antrim County Collaborative Coalition and Kalkaska County Collaborative Coalition. In conjunction with the accounting services, the Organization maintains cash balances for all entities for current payables. As a result, the Organization records restricted cash and an offsetting liability in the consolidated statements of financial position for the amounts due to the entities. At December 31, 2025 and 2024, \$18,085 and \$11,274 of restricted cash and related liability is included on the consolidated statements of financial position.

Revenue Recognition

Retail Sales

Retail sale of donated goods includes traditional store sales as well as outlet store sales and is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing goods to the customer. Customers pay for goods sold on a stand-alone selling price basis and revenue is recognized at the point of sale. The Organization has the following retail policy and programs:

- The Organization's sales policy provides a right of return to the customer which begins at the point of sale and expires at the end of the return period (10 days for the retail stores). A return entitles the customer to a refund in the form of the original payment (cash or credit card) in the amount of the selling price of the goods being returned.
- The Organization allows customers to purchase gift certificates. Customers can then purchase goods in retail locations as if the gift certificate was cash.

The Organization has not reported a liability for estimated returns as the amounts are not considered to be material to the consolidated financial statements. A liability for outstanding gift certificates of \$22,581 and \$19,357, respectively as of December 31, 2025 and 2024 is included in accrued expenses in the consolidated statements of financial position.

E-commerce Sales

E-commerce sales are included as a component of retail sales in the consolidated statements of activities. E-commerce sales result from customer purchases of retail and consumer products on various e-commerce sites and is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the goods to the customer. These amounts are generated from sales to customers across the geographic United States. Customers pay for goods on a stand alone selling price basis sold and revenue is recognized upon shipment.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

The Organization's e-commerce sales policy provides a right of return to the customer which begins at the point of sale and expires at the end of the return period (7 days of receipt if the merchandise was damaged during shipping). The Organization has not reported a liability for estimated returns as the amount is not material to the consolidated financial statements.

Shipping and handling fees billed to customers are included in retail sales, while costs of shipping are included in supplies and purchases and postage in the consolidated statements of functional expenses. Costs of shipping and handling are considered a fulfillment cost.

Program Service Fees

The Organization performs various services for other customers. Revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing these services to the customer. These amounts are generated from customers located in the northern Michigan region. Performance obligations for client services are generally satisfied at a point in time as they primarily represent charges for meal services. The Organization determines the transaction price based on standard charges for services provided to similar customers and contracts. The Organization's payment terms with customers generally require payment within 30 days.

The Organization collects sales tax as required by the State of Michigan Department of Treasury. The Organization excludes sales tax from the measurement of all transaction prices as they are collected and remitted directly to the State of Michigan as a pass-through.

Revenue from contracts with customers for the Organization was as follows for the years ended December 31:

	2025	2024
Retail sales - point in time	\$ 14,440,506	\$ 13,500,197
Program service fees - point in time	\$ 634,560	\$ 602,610

Rental Revenue and Tenant Receivables

At the inception of a contractual arrangement, the Organization determines whether the contract contains a lease by assessing whether there is an identified asset and whether the contract conveys the right to control the use of the identified asset in exchange for consideration over a period of time. Lease classification is determined at the commencement date, which governs the pattern of rental revenue recognition and the presentation thereof reflected in the consolidated statements of activities over the lease term. The Organization considers rent and tenant assistance payments as part of the same exchange transaction and is considered rental revenue collectively. Tenant rental assistance payments totaled approximately \$313,000 and \$266,000 in 2025 and 2024, respectively.

The Organization leases residential real estate to its tenants with a lease term of 12 months or less. Any fixed lease payments are recognized on a straight-line basis over such term.

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The Organization reviews the collectability of charges under its tenant operating leases on a regular basis, taking into consideration changes in factors such as the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area where the property is located. In the event that collectability with respect to any tenant changes, the Organization recognizes an adjustment to rental revenue. The Organization's review of collectability of charges under its operating leases includes any accrued rental revenues related to the straight-lined method of reporting rental revenue. There were no adjustments for uncollectible charges in 2025 or 2024.

Tenant receivables consist of the balance of delinquent rents and are insignificant at December 31, 2025 and 2024. Rent is due in advance and is recorded as prepaid rent. Tenant security deposits are required to support tenant receivables and related leases. Tenant security deposits and prepaid rent are included in other liabilities on the consolidated statements of financial position.

The following is a schedule of the Organization's investment in property held for lease as of December 31:

	2025	2024
Land	\$ 1,314,834	\$ 724,834
Building and improvements	10,026,258	10,685,848
Furniture and fixtures	700,319	700,319
Construction in progress	568,469	52,735
Subtotal	12,609,880	12,163,736
Less accumulated depreciation	2,109,445	2,190,195
Total investment in property held for lease	\$ 10,500,435	\$ 9,973,541

The Organization attempts to maximize the amount it expects to derive from the underlying property following the end of a lease, to the extent the lease is not extended. The Organization intends to continue to hold this property for long-term investment and, accordingly, places a strong emphasis on regular and preventative maintenance. However, the residual value of a property is still subject to various market-specific, asset-specific, and tenant-specific risks and characteristics.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Grant Awards

Grant awards are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

- ***Grant awards that are conditional contributions:*** Support and the related grant receivable is recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred. Grants are derived mainly from cost reimbursable federal and state grants which are conditional upon the incurrence of allowable qualifying expenses. As of December 31, 2025, contributions of grants from governments of approximately \$1,231,000 had not yet been recognized because qualifying expenses had not yet been incurred. Refundable advances related to these conditional contributions totaled \$35,244 and \$312,617 at December 31, 2025 and 2024, respectively. Amounts questioned as a result of audits, if any, may result in refunds to governmental agencies. Management does not believe any liability for reimbursements, which may arise as the result of these audits, would be material. No allowance was deemed necessary for grants receivable as of December 31, 2025 and 2024.
- ***Grant awards that are exchange transactions:*** Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. There were no grant awards that were considered exchange transactions during the years ended December 31, 2025 and 2024.

Contributions

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give include a measurable performance or other barrier and a right of return or right of release and are not recognized as support until the conditions on which they depend are met. The Organization has elected the simultaneous release option for conditional contributions that are also subject to purpose restrictions. Under this option, increases in net assets without donor restrictions will include the donor restricted contributions for which the purpose restrictions are met in the same year as the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When those restrictions have been satisfied or expire, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Donated goods for resale, in the Thrift Shops, are recorded as contributions at their estimated fair value. This merchandise requires program-related expenses/processes before it reaches its point of sale. For the years ended December 31, 2025 and 2024, the Organization recognized contributed merchandise with an estimated fair value of \$5,509,000 and \$5,307,000, respectively. Costs incurred to process and ready the goods for sale are used as the inputs for estimating the fair value of contributions received for donated goods. The related cost of sales of the donated goods are included in the consolidated statements of functional expenses. The fair value of donated goods is approximately 59% clothing related, 37% related to household goods, and 4% consists of other items for the years ended December 31, 2025 and 2024.

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Notes to Consolidated Financial Statements

In-Kind Contributions

Volunteers contribute significant amounts of time to program services, administration and fundraising activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Management estimates approximately 7,000 and 4,900 volunteer hours for the years ending December 31, 2025 and 2024, respectively.

Income Taxes

GWNMI and its affiliate, G.W. Homeless Services of Northern Michigan, Inc. qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and are exempt from similar state and local taxes. Although GWNMI and its affiliate were granted an income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income." Such income, pursuant to the Internal Revenue Code and related regulations, includes investment income, such as interest received from sources other than directly from contributions. GWNMI and its affiliate have not been classified as a private foundation.

Carson Square, LLC, Carson Square Goodwill, LLC and GWNM East Bay Flats GP, LLC are disregarded as separate entities from its owner under provisions of the Internal Revenue Code whereby taxable income, as well as tax credits, are passed directly to the single owner for inclusion in its income tax return. Carson Square, LLC and GWNM East Bay Flats GP, LLC records its share of taxable income and tax credits from Carson Square, LDHALP and GWNM East Bay Flats LDHALP, respectively. Taxes as a result of LLC activity was not significant in 2024 or 2025.

The Organization analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, for all open tax years in these jurisdictions, to identify potential uncertain tax positions. The Organization has evaluated its income tax filing positions for years 2022 through 2025, the years which remain subject to examination as of December 31, 2025. The Organization concluded that there are no significant uncertain tax positions requiring recognition in the Organization's consolidated financial statements. The Organization does not expect the total amount of unrecognized tax benefits ("UTB") (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Organization does not have any amounts accrued for interest and penalties related to UTBs at December 31, 2025 or 2024, and is not aware of any claims for such amounts by federal or state income tax authorities.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting service. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated on a square footage basis or on estimates of usage, whichever is more appropriate. Although the methods of allocation used are considered reasonable, there are methods that could be used to produce different amounts.

Reclassification

Certain amounts as reported in the 2024 consolidated financial statements have been reclassified to conform with the 2025 presentation.

Subsequent Events

In preparing these consolidated financial statements, the management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to the most recent consolidated statements of financial position presented herein, through the date these consolidated financial statements were available to be issued.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following at December 31:

	2025	2024
Financial assets		
Cash and cash equivalents	\$ 4,243,741	\$ 2,300,402
Receivables, net	2,110,022	2,356,826
Investments	7,962,614	6,406,816
Subtotal	14,316,377	11,064,044
Less amounts unavailable for general expenditures within one year due to		
Board-designated net assets	(1,400,000)	(1,400,000)
Donor-restricted net assets	(1,980,907)	(2,213,804)
Add time restricted net assets available in the next year	537,000	494,761
Total financial assets available to meet cash needs for general expenditure within one year	\$ 11,472,470	\$ 7,945,001

As part of the Organization's liquidity plan, the Organization receives retail sales revenue and program revenue that is available for general expenditures, without donor restrictions limiting its use, within one year of the consolidated statement of financial position date. The line of credit described in Note 8 is also available for general expenditures, without donor or other restrictions limiting its use, within one year of the consolidated statement of financial position date.

The Board of Directors has designated \$1,400,000 for program expansion which is not available for general expenditure. However, these funds could be made available if necessary.

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Notes to Consolidated Financial Statements

3. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are estimated to be collected as follows at December 31:

	2025	2024
Receivable in less than one year	\$ 997,955	\$ 606,761
Receivable in one to five years	946,000	1,506,000
Subtotal	1,943,955	2,112,761
Less discount to net present value at a rate of 5.4% and 5.7% in 2025 and 2024	(121,788)	(224,955)
Unconditional promises to give, net	\$ 1,822,167	\$ 1,887,806

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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 are described as follows:

- Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability.

The asset'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 measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. For financial assets recorded at fair value, the description includes an indication of the level of the fair value hierarchy in which the assets are classified. There have been no changes in the methodologies used at December 31, 2025 or 2024.

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Common stocks and money market mutual funds: Level 1 fair value measurement is based upon the closing price reported on the active market in which the individual securities are traded.

Corporate bonds: Corporate bonds are valued at the closing price reported in the active market in which the security is traded and are classified as Level 1.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Organization management 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.

Assets Recorded at Fair Value on a Recurring Basis

The following tables set forth by level, within the fair value hierarchy, the recorded amount of assets measured at fair value on a recurring basis at December 31:

2025	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Investments				
Common stocks	\$ 3,035,809	\$ -	\$ -	\$ 3,035,809
Corporate bonds	4,926,805	-	-	4,926,805
Total investments at fair value	7,962,614	-	-	7,962,614
Cash equivalents				
Money market mutual funds	200,428	-	-	200,428
Total assets at fair value	\$ 8,163,042	\$ -	\$ -	\$ 8,163,042

2024	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Investments				
Common stocks	\$ 2,593,142	\$ -	\$ -	\$ 2,593,142
Corporate bonds	3,813,674	-	-	3,813,674
Total investments at fair value	6,406,816	-	-	6,406,816
Cash equivalents				
Money market mutual funds	1,062,944	-	-	1,062,944
Total assets at fair value	\$ 7,469,760	\$ -	\$ -	\$ 7,469,760

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Notes to Consolidated Financial Statements

5. INVENTORY

Inventory consists of the following amounts at December 31:

	2025	2024
Donated goods	\$ 423,735	\$ 408,266
Other - purchased goods for sale	224,863	205,865
Total inventory	\$ 648,598	\$ 614,131

6. PROPERTY AND EQUIPMENT

Net property and equipment consists of the following amounts at December 31:

	2025	2024
Land	\$ 4,166,321	\$ 3,576,321
Building and improvements	28,708,857	29,993,115
Machinery and equipment	1,425,493	1,285,314
Transportation	1,343,068	848,065
Leasehold improvements	1,687,424	878,108
Furniture and fixtures	1,143,080	1,143,080
Construction in progress	568,469	52,735
Total	39,042,712	37,776,738
Less accumulated depreciation	11,705,252	10,891,280
Net property and equipment	\$ 27,337,460	\$ 26,885,458

Construction in progress at December 31, 2024 related to construction of the Petoskey store and was placed into service in 2025. Construction in progress at December 31, 2025 related to the rehabilitation of the GWNM East Bay Flats LDHALP property. Total estimated costs to complete is \$2,628,000.

Depreciation and amortization expense was \$1,229,839 and \$1,213,572 during the years ending December 31, 2025 and 2024, respectively.

Interest in the amount of \$36,800 was capitalized during 2025. There was no interest capitalized in 2024.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

7. LEASES

The Organization's lease arrangements relate to buildings and vehicles. The Organization's leases generally have initial terms ranging from five to fifteen years and may include renewal or early-termination options, and rent escalation clauses. The Organization is required to make fixed minimum rent payments, variable rent payments, or a combination thereof, relating to its right to use an underlying leased asset.

The following table summarizes right-of-use ("ROU") assets recorded on the Organization's consolidated statements of financial position at December 31:

	2025	2024	Consolidated Statements of Financial Position
Assets			
Operating leases	\$ 2,864,494	\$ 3,239,938	Net operating lease right-of-use assets
Finance leases	<u>150,026</u>	<u>226,012</u>	Net property and equipment
Total lease assets	<u>\$ 3,014,520</u>	<u>\$ 3,465,950</u>	

The following table summarizes the composition of net lease cost during the year ended December 31:

	2025	2024
Operating lease cost	\$ 463,594	\$ 422,246
Finance lease cost		
Amortization of right-of-use assets	49,264	48,798
Variable lease cost	67,687	108,715
Short-term lease cost	<u>355,995</u>	<u>166,725</u>
Total lease cost	<u>\$ 936,540</u>	<u>\$ 746,484</u>

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

The following table summarizes other information related to the Organization's leases during the year ended December 31:

	2025	2024
Cash paid for amounts included in the measurement of lease obligations		
Financing cash flows from finance leases	\$ 130,018	\$ 53,719
Operating cash flows from operating leases	451,580	358,122
Right-of-use assets obtained in exchange for new finance lease obligations	\$ 58,114	\$ 182,402
Right-of-use assets obtained in exchange for new operating lease obligations	-	1,054,947
Weighted-average remaining lease term - finance leases (years)	4.16	3.39
Weighted-average remaining lease term - operating leases (years)	7.37	7.96
Weighted-average discount rate - finance leases	4.30%	4.22%
Weighted-average discount rate - operating leases	3.98%	4.07%

For finance leases, both interest on lease obligations and operating cash flows are immaterial.

The following table presents a maturity analysis summary of the Organization's lease obligations recorded on the consolidated statements of financial position as of December 31, 2025:

Year	Finance Leases	Operating Leases
2026	\$ 47,697	\$ 457,473
2027	40,198	467,395
2028	29,700	474,964
2029	29,700	489,914
2030	22,275	453,448
Thereafter	-	1,111,581
Total lease payments	169,570	3,454,775
Less interest/present value discount	14,215	466,635
Total lease obligations	155,355	2,988,140
Less current portion	41,996	346,359
Long-term lease obligations	\$ 113,359	\$ 2,641,781

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

8. SHORT-TERM BANK BORROWINGS

The Organization has a line of credit available to support working capital purposes with maximum borrowings of \$2,725,000. Interest is charged at the current SOFR rate (effective rate of 3.87% and 4.49% as of December 31, 2025 and 2024, respectively) and collateralized by investments held with the lender. There were outstanding borrowings of \$2,725,000 at December 31, 2025 and 2024. The line of credit matures in June 2026 and is expected to be renewed.

The Organization has a line of credit available to support working capital purposes with maximum borrowings of \$1,000,000. Interest is charged at the current SOFR rate (effective rate of 3.87% and 4.49% as of December 31, 2025 and 2024, respectively) and collateralized by investments held with the lender. There were no borrowings outstanding at December 31, 2025 and 2024. The line of credit matures in June 2026 and is expected to be renewed.

9. LONG-TERM DEBT

Long-term debt obligations consist of the following amounts at December 31:

	2025	2024
Unsecured investment bond held by a bank, full payment of \$3,000,000 is due June 6, 2030. Interest is charged at 2.5% per annum until paid off.	\$ 3,000,000	\$ -
Michigan Strategic Fund bond, requiring semiannual redemptions ranging from \$80,000 to \$105,000, due on April 1 and October 1, with interest charged ranging from .99% to 4.65% (effective rate of 3.87% and 4.63% at December 31, 2025 and 2024, respectively). The loan is secured by a letter of credit, and matures on October 1, 2027.	410,000	600,000
Unsecured investment bond held by a not-for-profit organization. Interest is charged at a rate of 0.25% with all unpaid principal and interest payable in full upon maturity on June 1, 2030.	250,000	-

(continued)

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

	2025	2024
HOME loan - MSHDA bears interest at 3% per annum. No payments will be required on the loan so long as any deferred developer fees remain unpaid up to 12 years (2029). In the event of the earliest of deferred developer fees being paid in full or 13 years, payments of principal are due of not less than 50% of surplus cash. The mortgage note matures July 2065. Substantially all real and personal property of the Partnership is pledged as collateral.	\$ 591,301	\$ 591,301
First mortgage - MSHDA originated in August 2017 with an original balance of \$798,526. The note bears an interest rate of 7.0%. Principal and interest are payable in monthly installments of \$5,101 through July 2052. Substantially all rental property and equipment of Carson Square LDHALP are pledged as collateral to the mortgage.	733,397	737,768
Construction loan - IFF (a nonprofit lender) - The GWNM East Bay Flats LDHALP has a loan with an original balance up to \$6,500,000. During the construction period, interest only payments are required at an interest rate of 6.00%. Upon final close, the loan carries an amortization period of 40 years and bears interest at a rate of 6.00%. The mortgage is collateralized by land and real property owned by the GWNM East Bay Flats LDHALP.	4,600,000	-
Unsecured investment bond held by a bank, extinguished in 2025.	-	2,750,000
Unsecured investment bond held by a not-for-profit organization, extinguished in 2025.	-	166,668
Mortgage payable with a bank, repaid in 2025.	-	4,071,066
Total long-term debt	9,584,698	8,916,803
Less unamortized debt issuance costs	134,182	28,702
Long-term debt, less unamortized debt issuance costs	9,450,516	8,888,101
Less current portion	4,704,887	3,364,295
Long-term debt, less current portion	\$ 4,745,629	\$ 5,523,806

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Scheduled annual principal maturities of long-term debt and expected amortization of related debt issuance costs for each of the five years succeeding December 31, 2025 and thereafter are as follows:

Year	Principal Amount	Debt Issuance Cost Amortization	Change in Net Carrying Value
2026	\$ 4,809,887	\$ 105,000	\$ 4,704,887
2027	220,601	3,549	217,052
2028	11,368	1,091	10,277
2029	12,189	1,091	11,098
2030	3,263,071	1,091	3,261,980
Thereafter	1,267,582	22,360	1,245,222
Total	\$ 9,584,698	\$ 134,182	\$ 9,450,516

During 2025, the Organization extinguished certain bonds. As there were no debt issuance costs and no difference between the fair value of the new debt and the carrying value of the original debt, no gain or loss was recognized in connection with these extinguishments.

Under the terms of the Michigan Strategic Fund bond agreement, the Organization must maintain an irrevocable letter of credit to secure the payment of the principal amount of the bonds plus 45 days accrued interest thereon. If a draw occurs under the letter of credit, the Organization must repay the funds within 366 days. The existing letter of credit, in the amount of \$414,549 (original principal plus 45 days interest at 9.00%), expires on October 15, 2027.

10. RETIREMENT PLAN

GWNMI participates in a deferred compensation retirement plan qualified under Section 401(k) of the Internal Revenue Code covering all full-time employees who have reached the age of 21 and have completed 90 days of service. Under this plan, eligible employees are permitted to contribute up to the maximum percentage allowable of their gross compensation in to the retirement plan as determined by the Internal Revenue Code. GWNMI has the option to make a discretionary matching contribution at a rate of 100% of the employee's percentage deferral up to a maximum of 3%. GWNMI made contributions to the plan of approximately \$120,000 and \$150,000 during the years ending December 31, 2025 and 2024, respectively.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consists of the following as of December 31:

	2025	2024
Purpose restricted - Good Meals	\$ 1,000	\$ 2,000
Purpose restricted - Patriot Place	75,813	23,602
Purpose restricted - Food Rescue	7,094	83,202
Time restricted	1,453,000	1,857,000
Purpose and time restricted	444,000	248,000
Total net assets with donor restrictions	<u>\$ 1,980,907</u>	<u>\$ 2,213,804</u>

Net assets released from restrictions for the years ended December 31 consisted of the following:

	2025	2024
Purpose restricted	\$ 85,202	\$ 619,933
Purpose and time restricted	112,000	120,000
Time restricted	479,000	72,000
Total net assets released from restrictions	<u>\$ 676,202</u>	<u>\$ 811,933</u>

12. BOARD DESIGNATED NET ASSETS

During 2009, the Board of Directors designated net assets for mission expansion purposes. The board designated net assets was \$1,400,000 at December 31, 2025 and 2024.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Notes to Consolidated Financial Statements

13. ENDOWMENT FUNDS HELD WITH GRAND TRAVERSE REGIONAL COMMUNITY FOUNDATION

The Organization is the named beneficiary of endowment funds for the purpose of the Goodwill Inn and Food Rescue, maintained by the Grand Traverse Regional Community Foundation ("Community Foundation"). Donors contribute directly to the Community Foundation. The funds are permanent; nevertheless, the earnings may be used to fund the Organization's operating activities. These assets are owned and directed by the Community Foundation, and the Community Foundation has variance power over the endowment funds. Accordingly, the Organization has not recorded an asset in the consolidated financial statements to reflect its interest in these funds. A summary of the financial information of the endowment funds are as follows:

	Goodwill Inn	Food Rescue	Total
Beginning net assets, January 1, 2024	\$ 137,583	\$ 101,312	\$ 238,895
Net investment return	15,229	11,245	26,474
Contributions	-	2,000	2,000
Grant distributions	(5,390)	(3,800)	(9,190)
Ending net assets, December 31, 2024	147,422	110,757	258,179
Net investment return	21,363	16,887	38,250
Contributions	-	12,000	12,000
Grant distributions	(5,340)	(3,870)	(9,210)
Ending net assets, December 31, 2025	<u>\$ 163,445</u>	<u>\$ 135,774</u>	<u>\$ 299,219</u>

Distributions to the Organization from the endowment funds are reported in the consolidated statements of activities as contributions. Distributions totaled \$9,210 and \$9,190 for the years ended December 31, 2025 and 2024, respectively.

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY CONSOLIDATING INFORMATION

June 9, 2026

Board of Directors
Goodwill Industries of Northern Michigan Inc. and Affiliates
Traverse City, Michigan

We have audited the consolidated financial statements of ***Goodwill Industries of Northern Michigan Inc. and Affiliates*** (the "Organization"), for the years ended December 31, 2025 and 2024, and have issued our report thereon dated June 9, 2026, which expressed an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary consolidating information, which is the responsibility of management, is presented only for purposes of additional analysis and is not a required part of the consolidated financial statements. Such consolidating information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Rehmann Lobson LLC



**SUPPLEMENTARY CONSOLIDATING INFORMATION
FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024**

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Consolidating Schedule of Financial Position

December 31, 2025

	Goodwill Industries of Northern Michigan, Inc.	G.W. Homeless Services of Northern Michigan, Inc.	Carson Square Goodwill, LLC	Carson Square, LLC	Carson Square, LDHALP	East Bay Flats LLC	East Bay Flats LDHALP	Eliminations	Total
ASSETS									
Current assets									
Cash and cash equivalents	\$ 2,973,275	\$ 161,164	\$ -	\$ -	\$ 94,822	\$ -	\$ 1,014,480	\$ -	\$ 4,243,741
Receivables									
Unconditional promises to give	997,955	-	-	-	-	-	-	-	997,955
Grants	219,507	-	-	-	-	-	-	-	219,507
Program service fees and other, net of allowance for credit losses of \$28,166	286,600	-	-	-	2,485	-	59,263	(280,000)	68,348
Intercompany receivable	4,893,312	-	79,508	-	-	-	-	(4,972,820)	-
Total receivables, net	6,397,374	-	79,508	-	2,485	-	59,263	(5,252,820)	1,285,810
Inventory	648,598	-	-	-	-	-	-	-	648,598
Prepaid expenses	85,035	-	-	-	2,109	-	11,208	-	98,352
Total current assets	10,104,282	161,164	79,508	-	99,416	-	1,084,951	(5,252,820)	6,276,501
Net property and equipment	14,049,895	2,787,130	-	-	3,524,710	-	7,255,725	(280,000)	27,337,460
Restricted cash	218,515	-	-	-	600,616	-	391,649	-	1,210,780
Investments	7,962,614	-	-	-	-	-	-	-	7,962,614
Other assets	-	-	-	-	19,632	-	-	-	19,632
Net operating lease right-of-use assets	2,864,494	-	-	-	-	-	-	-	2,864,494
Unconditional promises to give, net	824,212	-	-	-	-	-	-	-	824,212
Investment in subsidiaries	133,411	-	-	53,905	-	(2)	-	(187,314)	-
Total assets	\$ 36,157,423	\$ 2,948,294	\$ 79,508	\$ 53,905	\$ 4,244,374	\$ (2)	\$ 8,732,325	\$ (5,720,134)	\$ 46,495,693

See independent auditors' report on supplementary consolidating information.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Consolidating Schedule of Financial Position

December 31, 2025

	Goodwill Industries of Northern Michigan, Inc.	G.W. Homeless Services of Northern Michigan, Inc.	Carson Square Goodwill, LLC	Carson Square, LLC	Carson Square, LDHALP	East Bay Flats LLC	East Bay Flats LDHALP	Eliminations	Total
LIABILITIES AND NET ASSETS									
Current liabilities									
Current portion of long-term debt	\$ 200,000	\$ -	\$ -	\$ -	\$ 9,887	\$ -	\$ 4,495,000	\$ -	\$ 4,704,887
Short-term borrowings	2,725,000	-	-	-	-	-	-	-	2,725,000
Accounts payable	291,702	-	-	-	4,815	-	5,146	-	301,663
Accrued expenses	745,036	-	-	-	37,861	-	59,357	-	842,254
Current portion of operating lease obligations	346,359	-	-	-	-	-	-	-	346,359
Current portion of finance lease obligations	41,996	-	-	-	-	-	-	-	41,996
Refundable advances on conditional contributions	35,244	-	-	-	-	-	-	-	35,244
Funds held for others	18,085	-	-	-	-	-	-	-	18,085
Intercompany payable	17,811	2,272,287	-	-	138,501	-	2,544,221	(4,972,820)	-
Total current liabilities	4,421,233	2,272,287	-	-	191,064	-	7,103,724	(4,972,820)	9,015,488
Long-term debt, net of current portion	3,454,263	-	-	-	1,291,366	-	-	-	4,745,629
Operating lease obligations, net of current portion	2,641,781	-	-	-	-	-	-	-	2,641,781
Finance lease obligations, net of current portion	113,359	-	-	-	-	-	-	-	113,359
Other liabilities	-	-	-	-	243,684	-	466,135	(280,000)	429,819
Total liabilities	10,630,636	2,272,287	-	-	1,726,114	-	7,569,859	(5,252,820)	16,946,076
Net assets									
Without donor restrictions:									
Attributable to the Organization	23,545,880	676,007	79,508	53,905	53,905	(2)	(2)	(467,314)	23,941,887
Attributable to noncontrolling interest	-	-	-	-	2,464,355	-	1,162,468	-	3,626,823
Total net assets without donor restrictions	23,545,880	676,007	79,508	53,905	2,518,260	(2)	1,162,466	(467,314)	27,568,710
With donor restrictions attributable to the Organization	1,980,907	-	-	-	-	-	-	-	1,980,907
Total net assets	25,526,787	676,007	79,508	53,905	2,518,260	(2)	1,162,466	(467,314)	29,549,617
Total liabilities and net assets	\$ 36,157,423	\$ 2,948,294	\$ 79,508	\$ 53,905	\$ 4,244,374	\$ (2)	\$ 8,732,325	\$ (5,720,134)	\$ 46,495,693

See independent auditors' report on supplementary consolidating information.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Consolidating Schedule of Financial Position

December 31, 2024

	Goodwill Industries of Northern Michigan, Inc.	G.W. Homeless Services of Northern Michigan, Inc.	Carson Square Goodwill, LLC	Carson Square, LLC	Carson Square, LDHALP	Eliminations	Total
ASSETS							
Current assets							
Cash and cash equivalents	\$ 2,075,190	\$ 161,010	\$ -	\$ -	\$ 64,202	\$ -	\$ 2,300,402
Receivables							
Unconditional promises to give	606,761	-	-	-	-	-	606,761
Grants	223,012	-	-	-	-	-	223,012
Program service fees and other, net of allowance for credit losses of \$8,371	241,406	-	-	-	4,602	-	246,008
Intercompany receivable	2,357,562	-	79,508	-	-	(2,437,070)	-
Total receivables, net	3,428,741	-	79,508	-	4,602	(2,437,070)	1,075,781
Inventory	614,131	-	-	-	-	-	614,131
Prepaid expenses	40,437	-	-	-	1,393	-	41,830
Total current assets	6,158,499	161,010	79,508	-	70,197	(2,437,070)	4,032,144
Net property and equipment	20,281,020	2,946,398	-	-	3,658,040	-	26,885,458
Restricted cash	1,074,221	-	-	-	582,153	-	1,656,374
Investments	6,406,816	-	-	-	-	-	6,406,816
Other assets	-	-	-	-	23,256	-	23,256
Net operating lease right-of-use assets	3,239,938	-	-	-	-	-	3,239,938
Unconditional promises to give, net	1,281,045	-	-	-	-	-	1,281,045
Investment in subsidiaries	133,420	-	-	53,912	-	(187,332)	-
Total assets	\$ 38,574,959	\$ 3,107,408	\$ 79,508	\$ 53,912	\$ 4,333,646	\$ (2,624,402)	\$ 43,525,031

See independent auditors' report on supplementary consolidating information.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Consolidating Schedule of Financial Position

December 31, 2024

	Goodwill Industries of Northern Michigan, Inc.	G.W. Homeless Services of Northern Michigan, Inc.	Carson Square Goodwill, LLC	Carson Square, LLC	Carson Square, LDHALP	Eliminations	Total
LIABILITIES AND NET ASSETS							
Current liabilities							
Current portion of long-term debt	\$ 3,355,075	\$ -	\$ -	\$ -	\$ 9,220	\$ -	\$ 3,364,295
Short-term borrowings	2,725,000	-	-	-	-	-	2,725,000
Accounts payable	424,019	-	-	-	7,773	-	431,792
Accrued expenses	769,807	-	-	-	47,693	-	817,500
Current portion of operating lease obligations	322,653	-	-	-	-	-	322,653
Current portion of finance lease obligations	48,968	-	-	-	-	-	48,968
Refundable advances on conditional contributions	312,617	-	-	-	-	-	312,617
Funds held for others	11,274	-	-	-	-	-	11,274
Intercompany payable	17,811	2,272,182	-	-	147,077	(2,437,070)	-
Total current liabilities	7,987,224	2,272,182	-	-	211,763	(2,437,070)	8,034,099
Long-term debt, net of current portion	4,223,643	-	-	-	1,300,163	-	5,523,806
Operating lease obligations, net of current portion	2,985,387	-	-	-	-	-	2,985,387
Finance lease obligations, net of current portion	178,291	-	-	-	-	-	178,291
Other liabilities	52,802	-	-	-	199,853	-	252,655
Total liabilities	15,427,347	2,272,182	-	-	1,711,779	(2,437,070)	16,974,238
Net assets							
Without donor restrictions:							
Attributable to the Organization	20,933,808	835,226	79,508	53,912	53,912	(187,332)	21,769,034
Attributable to noncontrolling interest	-	-	-	-	2,567,955	-	2,567,955
Total net assets without donor restrictions	20,933,808	835,226	79,508	53,912	2,621,867	(187,332)	24,336,989
With donor restrictions attributable to the Organization	2,213,804	-	-	-	-	-	2,213,804
Total net assets	23,147,612	835,226	79,508	53,912	2,621,867	(187,332)	26,550,793
Total liabilities and net assets	\$ 38,574,959	\$ 3,107,408	\$ 79,508	\$ 53,912	\$ 4,333,646	\$ (2,624,402)	\$ 43,525,031

See independent auditors' report on supplementary consolidating information.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES
Consolidating Schedule of Activities
 Year Ended December 31, 2025

	Goodwill Industries of Northern Michigan, Inc.		G.W. Homeless Services of Northern Michigan, Inc.	Carson Square Goodwill, LLC	Carson Square, LLC	Carson Square, LDHALP	East Bay Flats, LLC	East Bay Flats, LDHALP		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Eliminations	Total
Revenue, support, and gains (losses)										
Retail sales	\$ 14,440,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,440,506
Contributions - donated inventory	5,508,546	-	-	-	-	-	-	-	-	5,508,546
Contributions of cash and other financial assets	745,873	443,305	-	-	-	-	-	-	-	1,189,178
Grants	3,183,233	-	-	-	-	-	-	-	-	3,183,233
Rental	667,867	-	-	-	-	418,445	-	72,379	-	1,158,691
Program service fees	634,560	-	-	-	-	-	-	-	-	634,560
Net investment return	719,296	-	48	-	-	-	-	-	-	719,344
Developer fees	280,000	-	-	-	-	-	-	-	(280,000)	-
Other revenue	55,722	-	-	-	-	23,927	-	677	-	80,326
Loss on investment in subsidiaries	(9)	-	-	-	(7)	-	(2)	-	18	-
Net assets released from restrictions	676,202	(676,202)	-	-	-	-	-	-	-	-
Total revenue, support, and gains (losses)	26,911,796	(232,897)	48	-	(7)	442,372	(2)	73,056	(279,982)	26,914,384
Expenses										
Program services										
Retail operations	16,009,130	-	-	-	-	-	-	-	-	16,009,130
Housing services	4,015,630	-	159,267	-	-	523,798	-	89,266	-	4,787,961
Food services	1,411,308	-	-	-	-	-	-	-	-	1,411,308
Job services	8,790	-	-	-	-	-	-	-	-	8,790
Total program services	21,444,858	-	159,267	-	-	523,798	-	89,266	-	22,217,189
Supporting services										
Management and general	2,327,545	-	-	-	-	22,181	-	-	-	2,349,726
Fundraising	527,321	-	-	-	-	-	-	-	-	527,321
Total supporting services	2,854,866	-	-	-	-	22,181	-	-	-	2,877,047
Total expenses	24,299,724	-	159,267	-	-	545,979	-	89,266	-	25,094,236
Change in net assets	2,612,072	(232,897)	(159,219)	-	(7)	(103,607)	(2)	(16,210)	(279,982)	1,820,148
Change in net assets attributable to the noncontrolling interest	-	-	-	-	-	(103,600)	-	(16,208)	-	(119,808)
Change in net assets attributable to the Organization	\$ 2,612,072	\$ (232,897)	\$ (159,219)	\$ -	\$ (7)	\$ (7)	\$ (2)	\$ (2)	\$ (279,982)	\$ 1,939,956

See independent auditors' report on supplementary consolidating information.

GOODWILL INDUSTRIES OF NORTHERN MICHIGAN INC. AND AFFILIATES

Consolidating Schedule of Activities

Year Ended December 31, 2024

	Goodwill Industries of Northern Michigan, Inc.		G.W. Homeless Services of Northern Michigan, Inc.	Carson Square Goodwill, LLC	Carson Square, LLC	Carson Square, LDHALP		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Eliminations	Total
Revenue, support, and gains (losses)								
Retail sales	\$ 13,500,197	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,500,197
Contributions - donated inventory	5,307,460	-	-	-	-	-	-	5,307,460
Contributions of cash and other financial assets	762,872	2,100,602	13	-	-	-	-	2,863,487
Grants	2,264,532	200,000	-	-	-	-	-	2,464,532
Rental	698,402	-	-	-	-	334,773	-	1,033,175
Program service fees	602,562	-	48	-	-	-	-	602,610
Net investment return	583,350	-	-	-	-	-	-	583,350
Other revenue	38,626	-	-	-	-	24,633	-	63,259
Loss on investment in subsidiaries	(8)	-	-	-	(8)	-	16	-
Net assets released from restrictions	811,933	(811,933)	-	-	-	-	-	-
Total revenue, support, and gains (losses)	24,569,926	1,488,669	61	-	(8)	359,406	16	26,418,070
Expenses								
Program services								
Retail operations	15,969,674	-	-	-	-	-	-	15,969,674
Housing services	3,924,700	-	153,035	-	-	449,956	-	4,527,691
Food services	1,369,270	-	-	-	-	-	-	1,369,270
Job services	50,302	-	-	-	-	-	-	50,302
Total program services	21,313,946	-	153,035	-	-	449,956	-	21,916,937
Supporting services								
Management and general	2,384,431	-	-	-	-	23,805	-	2,408,236
Fundraising	414,232	-	-	-	-	-	-	414,232
Total supporting services	2,798,663	-	-	-	-	23,805	-	2,822,468
Total expenses	24,112,609	-	153,035	-	-	473,761	-	24,739,405
Change in net assets	457,317	1,488,669	(152,974)	-	(8)	(114,355)	16	1,678,665
Change in net assets attributable to the noncontrolling interest	-	-	-	-	-	(114,347)	-	(114,347)
Change in net assets attributable to the Organization	\$ 457,317	\$ 1,488,669	\$ (152,974)	\$ -	\$ (8)	\$ (8)	\$ 16	\$ 1,793,012

See independent auditors' report on supplementary consolidating information.