

GOODWILL INDUSTRIES OF
THE SOUTHERN RIVERS, INC.
AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
Years Ended December 31, 2009 and 2008

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INDEPENDENT AUDITORS' REPORT

Members

American Institute of
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To the Board of Directors
Goodwill Industries of the Southern Rivers, Inc.
Columbus, Georgia

We have audited the accompanying consolidated statements of financial position of Goodwill Industries of the Southern Rivers, Inc. (a nonprofit organization) and its subsidiary as of December 31, 2009 and 2008, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Goodwill Industries of the Southern Rivers, Inc. and its subsidiary as of December 31, 2009 and 2008, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2010, on our consideration of Goodwill Industries of the Southern Rivers, Inc.'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the consolidated basic financial statements taken as a whole. The Management Letter to Stakeholders, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it. The accompanying Supplemental Statement of Financial Position Without Eliminations, Supplemental Statement of Activities – Goodwill Industries of the Southern Rivers, Inc., Supplemental Statement of Activities – Ben and Jerry’s of the Southern Rivers, Inc., Supplemental Statement of Activities – Columbus Community Campus, LLC, and Schedule of State Awards Expended are presented for purposes of additional analysis and are not a required part of the consolidated basic financial statements. With the exception of the accompanying Supplemental Statement of Activities – Ben and Jerry’s of the Southern Rivers, Inc. which was compiled, such information has been subjected to the auditing procedures applied in the audits of the consolidated basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the consolidated basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the consolidated basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the consolidated basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the consolidated basic financial statements taken as a whole.

Fountain, Arrington, Bass, Mercer & Lee, P.C.

FOUNTAIN, ARRINGTON, BASS, MERCER & LEE, P.C.
Certified Public Accountants

Columbus, Georgia
May 15, 2010



Dear Stakeholder,

These pages represent how well our performance aligned with our vision and mission. Up front, you will find the Financial Reports for 2009 compared to our results from the previous two years. We'd made great strides coming into 2009, but lowering the bar or simply matching 2008 numbers was not an option for us. We want you to know we don't take stewardship lightly.

While the numbers may grab your attention, changed lives will grab your heart. In 2009 our organizations served 12,295, placing 2006 individuals into employment. Collectively that created an overall economic impact of \$35.1 Million. At Ben and Jerry's we served 6 at risk youth with 13,000 hours of hands on work experience and work behavior training. At Powerworks Industries (a related party), over \$1.6 Million was paid in payroll, and over \$1 Million of these wages were paid to individuals with disabilities. Also at PowerWorks, of the 164,673 total hours worked by non-exempt employees, 117,953 of those hours were paid to individuals with a disability. Our vision has worked its way into the nooks and crannies of our daily operations, and each day brings news of fruitfulness among the communities in which our teams have the privilege to serve.

We are grateful for each gently used donation retail receives; every corporate, foundation or personal monetary gift made; every blade of grass we cut, shrub or tree we prune; every foot of floor we strip and wax or office, restroom we clean; every ice cream you buy. We are grateful for the trust placed in us to care for the resources we are entrusted with from you our community.

With appreciation,

A handwritten signature in black ink that reads "Jane P. Nichols". The signature is written in a cursive, flowing style.

Jane P. Nichols
President and CEO

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
AND SUBSIDIARY
COLUMBUS, GEORGIA
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2009 and 2008

ASSETS

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 1,583,037	\$ 1,270,202
Accounts receivable - trade	299,381	179,149
Accounts receivable - related party	534,110	387,999
Split-interest agreement	29,655	35,514
Accrued interest receivable	5,866	7,230
Inventories	732,559	703,417
Investments	2,444,058	2,226,215
Prepaid expenses and assets	115,816	143,186
Fixed assets - net	7,524,460	6,941,394
Loan receivable-affiliate	<u>461,044</u>	<u>461,044</u>
 Total Assets	 <u>\$ 13,729,986</u>	 <u>\$ 12,355,350</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 209,417	\$ 96,712
Accounts payable - related party	1,015	6,372
Deferred revenue	--	71,776
Accrued wages	407,590	324,330
Accrued and withheld expenses	229,610	190,252
Notes payable	<u>3,397,916</u>	<u>3,500,000</u>
 Total liabilities	 <u>4,245,548</u>	 <u>4,189,442</u>

NET ASSETS

Unrestricted	9,230,547	8,006,158
Temporarily restricted	129,655	35,514
Permanently restricted	<u>124,236</u>	<u>124,236</u>
 Total net assets	 <u>9,484,438</u>	 <u>8,165,908</u>
 Total Liabilities and Net Assets	 <u>\$ 13,729,986</u>	 <u>\$ 12,355,350</u>

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
AND SUBSIDIARY
COLUMBUS, GEORGIA
CONSOLIDATED STATEMENT OF ACTIVITIES
For Year Ended December 31, 2009

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
SUPPORT, REVENUE AND GAINS				
Store sales and donated inventory	\$ 9,951,925	\$ --	\$ --	\$ 9,951,925
Recycling revenue	52,814	--	--	52,814
Salvage revenue	1,236,372	--	--	1,236,372
Contracts	87,606	--	--	87,606
Mission services grant	609,314	100,000	--	709,314
Net investment gain	216,479	--	--	216,479
Contributions	13,477	--	--	13,477
Split-interest agreements	1,340	--	--	1,340
Cafeteria revenue	7,768	--	--	7,768
Rental income	404,858	--	--	404,858
Common area maintenance income	26,912	--	--	26,912
Loss on sale of fixed assets	(690)	--	--	(690)
Other income	59,039	--	--	59,039
Net assets released from restrictions	5,859	(5,859)	--	--
Total support, revenue and gains	<u>12,673,073</u>	<u>94,141</u>	<u>--</u>	<u>12,767,214</u>
EXPENSES				
Program Services				
Stores	9,090,238	--	--	9,090,238
Recycling	122,487	--	--	122,487
Salvage	248,616	--	--	248,616
Contracts	108,283	--	--	108,283
Mission services	1,335,987	--	--	1,335,987
Total program services	<u>10,905,611</u>	<u>--</u>	<u>--</u>	<u>10,905,611</u>
Supporting services				
Administrative	433,237	--	--	433,237
Community relations/fundraising	109,836	--	--	109,836
Total supporting services	<u>543,073</u>	<u>--</u>	<u>--</u>	<u>543,073</u>
Total expenses	<u>11,448,684</u>	<u>--</u>	<u>--</u>	<u>11,448,684</u>
Change in Net Assets	1,224,389	94,141	--	1,318,530
NET ASSETS, beginning of year	<u>8,006,158</u>	<u>35,514</u>	<u>124,236</u>	<u>8,165,908</u>
NET ASSETS, end of year	<u>\$ 9,230,547</u>	<u>\$ 129,655</u>	<u>\$ 124,236</u>	<u>\$ 9,484,438</u>

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
AND SUBSIDIARY
COLUMBUS, GEORGIA
CONSOLIDATED STATEMENT OF ACTIVITIES
For Year Ended December 31, 2008

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
SUPPORT, REVENUE AND GAINS				
Store sales and donated inventory	\$ 8,814,374	\$ --	\$ --	\$ 8,814,374
Recycling revenue	337,419	--	--	337,419
Salvage revenue	1,127,819	--	--	1,127,819
Contracts	87,467	--	--	87,467
Mission services grant	637,541	--	--	637,541
Net investment loss	(275,567)	--	--	(275,567)
Contributions	525	--	--	525
Split-interest agreements	--	35,514	--	35,514
Fundraising	57,874	--	--	57,874
Cafeteria revenue	10,055	--	--	10,055
Rental income	410,697	--	--	410,697
Common area maintenance income	36,779	--	--	36,779
Gain on sale of fixed assets	1,167	--	--	1,167
Other income	44,707	--	--	44,707
Total support, revenue and gains	11,290,857	35,514	--	11,326,371
EXPENSES				
Program Services				
Stores	8,664,310	--	--	8,664,310
Recycling	315,308	--	--	315,308
Salvage	234,416	--	--	234,416
Contracts	110,111	--	--	110,111
Mission services	1,127,096	--	--	1,127,096
Total program services	10,451,241	--	--	10,451,241
Supporting services				
Administrative	453,622	--	--	453,622
Community relations/fundraising	174,159	--	--	174,159
Total supporting services	627,781	--	--	627,781
Total expenses	11,079,022	--	--	11,079,022
Change in Net Assets	211,835	35,514	--	247,349
NET ASSETS, beginning of year	7,794,323	--	124,236	7,918,559
NET ASSETS, end of year	<u>\$ 8,006,158</u>	<u>\$ 35,514</u>	<u>\$ 124,236</u>	<u>\$ 8,165,908</u>

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
AND SUBSIDIARY
COLUMBUS, GEORGIA

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2009

	Program Services					Mission Services
	Stores	Recycling	Salvage	Contracts		
Compensation and related expenses						
Salaries and wages	\$ 3,965,095	\$ 65,521	\$ 29,830	\$ 58,864	\$	\$ 728,456
Employee benefits	446,769	9,548	5,577	1,730		46,904
Workers' compensation	105,036	2,114	440	1,491		7,831
Payroll taxes	286,703	4,085	1,801	3,969		53,743
Total compensation and related expenses	4,803,603	81,268	37,648	66,054		836,934
Advertising	109,137	--	--	--	--	--
Background checks	6,052	75	--	375	--	2,591
Bad debt expense	--	2,000	19,700	--	--	--
Bank and credit card fees	106,276	--	334	--	--	30
Commissions	--	--	--	--	--	--
Contracted services	550	--	--	4,536	--	85,764
Cost of goods sold	444,583	--	--	--	--	--
Depreciation and amortization	385,108	5,278	3,775	614		26,707
Drug screening	5,609	--	--	189		5,986
Dues and subscriptions	2,355	--	--	--		915
Employee recruitment	62	--	--	--		--
Employee relations	1,076	184	104	--		665
Equipment rental	63,449	--	18,828	--		7,543
Equipment maintenance	46,844	5,109	33,137	--		3,364
Indirect cost allocation	850,488	--	3,529	28,232		55,214
Insurance	62,620	4,622	--	--		--
Interdepartment services	(45,662)	--	45,538	(6,543)		124
Interest	--	--	--	--		--
Miscellaneous	34,309	--	180	--		8,304

Program Services

	Stores	Recycling	Salvage	Contracts	Mission Services
	\$	\$	\$	\$	\$
Office supplies	17,016	769	633	--	21,788
Penalties and interest	--	--	--	--	--
Pest control	3,652	120	24	--	--
Postage, shipping and freight	2,149	--	1,780	--	308
Printing	4,024	66	--	--	38,645
Professional and consulting fees	3,450	1,149	--	--	11,075
Rent	1,150,813	--	--	--	82,031
Repairs and maintenance	44,822	443	50	--	2,365
Safety and security	13,956	81	--	--	343
Staff training and development	481	--	100	--	5,157
Supplies	141,749	1,018	70,223	13,991	26,793
Taxes and licenses	2,375	--	--	--	--
Technology expenses	79,964	305	1,024	--	72,670
Telephone	39,251	1,485	400	--	12,627
Travel	21,429	36	285	835	25,972
Uniforms	2,685	1,869	--	--	832
Utilities	481,008	15,875	2,719	--	--
Vehicle expense	204,955	735	8,605	--	1,240
Total Functional Expenses	\$ 9,090,238	\$ 122,487	\$ 248,616	\$ 108,283	\$ 1,335,987

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
AND SUBSIDIARY
COLUMBUS, GEORGIA

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2009

	Supporting Services			Total
	Administrative	Community Relations Fundraising		
Compensation and related expenses				
Salaries and wages	\$ 1,048,653	\$ 73,387	\$	\$ 5,969,806
Employee benefits	177,622	11,775		699,925
Workers' compensation	8,586	521		126,019
Payroll taxes	70,728	5,855		426,884
Total compensation and related expenses	1,305,589	91,538		7,222,634
Advertising	--	--		109,137
Background checks	935	45		10,073
Bad debt expense	--	--		21,700
Bank and credit card fees	14,918	--		121,558
Commissions	6,660	--		6,660
Contracted services	27,088	--		117,938
Cost of goods sold	--	--		444,583
Depreciation and amortization	102,292	4,532		528,306
Drug screening	232	--		12,016
Dues and subscriptions	148,852	94		152,216
Employee recruitment	5,795	--		5,857
Employee relations	23,391	15		25,435
Equipment rental	1,387	--		91,207
Equipment maintenance	4,118	182		92,754
Indirect cost allocation	(1,983,770)	(4,314)	((1,050,621)
Insurance	81,927	--		149,169
Interdepartment services	6,543	--		--
Interest	92,688	--		92,688
Miscellaneous	6,938	958		50,689

	Supporting Services		
	Administrative	Community Relations Fundraising	Total
Office supplies	\$ 26,932	\$ 3,052	\$ 70,190
Penalties and interest	906	-	906
Pest control	1,496	-	5,292
Postage, shipping and freight	5,651	558	10,446
Printing	--	4,279	47,014
Professional and consulting fees	106,722	-	122,396
Rent	198	-	1,233,042
Repairs and maintenance	34,155	-	81,835
Safety and security	3,182	-	17,562
Staff training and development	114,166	-	119,904
Supplies	6,348	1,287	261,409
Taxes and licenses	65,384	-	67,759
Technology expenses	84,404	5,169	243,536
Telephone	22,743	1,618	78,124
Travel	29,558	823	78,938
Uniforms	562	-	5,948
Utilities	80,857	--	580,459
Vehicle expense	4,390	-	219,925
Total Functional Expenses	\$ 433,237	\$ 109,836	\$ 11,448,684

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
AND SUBSIDIARY
COLUMBUS, GEORGIA
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2008

	Program Services					Mission Services
	Stores	Recycling	Salvage	Contracts	Mission Services	
Compensation and related expenses						
Salaries and wages	\$ 3,885,046	\$ 119,001	\$ 33,760	\$ 63,166	\$	758,959
Employee benefits	406,909	18,052	5,251	4,450		41,581
Workers' compensation	114,982	3,220	625	1,415		10,990
Payroll taxes	279,972	8,543	2,357	4,402		58,732
Total compensation and related expenses	4,686,909	148,816	41,993	73,433		870,262
Advertising	84,948	--	--	489		85
Background checks	16,039	99	135	445		2,528
Bad debt expense	--	8,835	55,883	--		--
Bank and credit card fees	76,740	--	--	118		--
Commissions	--	27,783	3,162	--		--
Contracted services	15,695	--	--	11,620		491
Cost of goods sold	300,352	--	--	281		--
Depreciation and amortization	385,684	29,310	4,319	633		24,811
Drug screening	7,940	73	81	260		3,330
Dues and subscriptions	1,580	225	--	--		285
Employee recruitment	1,342	--	--	--		1,209
Employee relations	1,130	322	33	--		708
Equipment rental	29,737	245	5,634	--		3,848
Equipment maintenance	48,479	15,337	30,921	34		7,585
Indirect cost allocation	773,679	19,408	3,235	19,408		24,468
Insurance	60,790	3,689	--	--		--
Interdepartment services	5,070	--	24,991	(10,292)		(30,061)
Interest	--	--	--	--		--
Miscellaneous	21,698	--	--	--		6,334

Program Services

	Stores	Recycling	Salvage	Contracts	Mission Services
	\$	\$	\$	\$	\$
Office supplies	28,514	1,225	534	121	8,871
Penalties and interest	--	--	--	--	--
Pest control	2,130	336	96	--	--
Postage, shipping and freight	1,853	--	4,100	--	417
Printing	18,081	28	28	--	45,162
Professional and consulting fees	3,329	--	--	--	3,197
Rent	968,662	--	--	--	53,721
Repairs and maintenance	65,510	1,767	152	--	675
Safety and security	13,883	110	61	3	191
Staff training and development	2,350	265	--	--	863
Supplies	104,500	6,449	50,457	11,586	6,552
Taxes and licenses	3,081	4,025	--	--	136
Technology expenses	60,003	2,792	--	--	50,454
Telephone	55,257	3,337	--	--	12,016
Travel	45,056	1,647	--	467	20,722
Uniforms	2,384	3,471	--	1,136	89
Utilities	541,011	33,685	--	301	783
Vehicle expense	230,894	2,029	8,601	68	7,364
Total Functional Expenses	\$ 8,664,310	\$ 315,308	\$ 234,416	\$ 110,111	\$ 1,127,096

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
AND SUBSIDIARY
COLUMBUS, GEORGIA

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2008

	Supporting Services			Total
	Community Relations		Total	
	Administrative	Fundraising		
Compensation and related expenses				
Salaries and wages	\$ 890,327	\$ 105,318	\$ 5,855,577	
Employee benefits	184,034	11,024	671,301	
Workers' compensation	7,910	1,081	140,223	
Payroll taxes	64,874	7,971	426,851	
Total compensation and related expenses	1,147,145	125,394	7,093,952	
Advertising	1,012	864	87,398	
Background checks	757	60	20,063	
Bad debt expense	-	-	64,718	
Bank and credit card fees	8,174	585	85,617	
Commissions	11,770	-	42,715	
Contracted services	16,510	1,013	45,329	
Cost of goods sold	-	-	300,633	
Depreciation and amortization	97,258	4,521	546,536	
Drug screening	-	27	11,711	
Dues and subscriptions	147,681	113	149,884	
Employee recruitment	4,184	-	6,735	
Employee relations	19,792	-	21,985	
Equipment rental	1,427	117	41,008	
Equipment maintenance	4,681	105	107,142	
Indirect cost allocation	(1,796,599)	(11,171)	(967,572)	
Insurance	86,927	-	151,406	
Interdepartment services	10,292	-	-	
Interest	146,164	-	146,164	
Miscellaneous	5,533	58	33,623	

	Supporting Services		Total
	Administrative	Community Relations Fundraising	
Office supplies	\$ 23,769	\$ 968	\$ 64,002
Penalties and interest	508	--	508
Pest control	1,399	--	3,961
Postage, shipping and freight	6,498	2,414	15,282
Printing	19,336	5,009	87,644
Professional and consulting fees	111,435	--	117,961
Rent	--	--	1,022,383
Repairs and maintenance	31,647	--	99,751
Safety and security	5,280	--	19,528
Staff training and development	77,836	650	81,964
Supplies	9,340	33,527	222,411
Taxes and licenses	61,743	--	68,985
Technology expenses	83,698	4,102	201,049
Telephone	19,808	3,166	94,051
Travel	20,247	2,010	90,818
Uniforms	--	--	6,245
Utilities	60,075	--	635,622
Vehicle expense	8,295	627	257,810
Total Functional Expenses	\$ 453,622	\$ 174,159	\$ 11,079,022

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
AND SUBSIDIARY
COLUMBUS, GEORGIA
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ <u>1,318,530</u>	\$ <u>247,349</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	528,306	546,536
Loss on disposition of fixed assets	690	--
Net unrealized (gain) loss on investments	(192,135)	291,846
Net realized loss on sale of investments	29,473	51,264
Changes in assets and liabilities		
Accounts receivable - trade	(120,232)	225,969
Accounts receivable - related party	(146,111)	(155,417)
Split-interest agreement	5,859	(35,514)
Accrued interest receivable	1,364	1,175
Inventories	(29,142)	(24,608)
Prepaid expenses	27,370	(22,562)
Accounts payable	112,705	23,744
Accounts payable - related party	(5,357)	(3,438)
Deferred revenue	(71,776)	56,533
Accrued wages	83,260	(18,811)
Accrued and withheld expenses	39,358	24,408
Total adjustments	<u>263,632</u>	<u>961,125</u>
Net cash provided by operating activities	<u>1,582,162</u>	<u>1,208,474</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	773,452	717,480
Purchase of investments	(831,212)	(782,414)
Proceeds from sale of fixed assets	25,000	1,167
Acquisition of fixed assets	<u>(1,134,483)</u>	<u>(557,321)</u>
Net cash used in investing activities	<u>(1,167,243)</u>	<u>(621,088)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	3,500,000	--
Payments on notes payable	<u>(3,602,084)</u>	<u>--</u>
Net cash used in financing activities	<u>(102,084)</u>	<u>--</u>
Increase in cash and cash equivalents	312,835	587,386
Cash and cash equivalents, beginning	<u>1,270,202</u>	<u>682,816</u>
Cash and cash equivalents, ending	<u>\$ 1,583,037</u>	<u>\$ 1,270,202</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid during the year for interest	<u>\$ 86,781</u>	<u>\$ 154,198</u>

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

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The consolidated financial statements include the accounts of Goodwill Industries of the Southern Rivers, Inc. ("Goodwill") and its subsidiary, Columbus Community Campus, LLC (the "Campus"), collectively referred to as the Organization. Goodwill is a not-for-profit, tax-exempt organization established to provide rehabilitation, training, placement, and employment services for people with disabilities and disadvantages. Goodwill is primarily funded from the sale of donated items through its retail division, contracts and certain Federal grant revenues. Additional revenue is provided from private sources.

The Campus was formed in 2006 and is organized for the purpose of creating and maintaining stable, affordable, mission-enhancing work environments for multiple non-profit partners who have ownership rights through their co-habitation in the Campus. Income currently collected will be for the benefit of the property and to reimburse Goodwill for expenses incurred. As the project progresses, income will be used to offset long-term maintenance expense. In 2008, the Campus was part of the Consolidated Government, MidTown, Inc., and other area property owners in a partnership to study the revised flood maps. Additionally, the three properties were consolidated into one and re-zoned to reflect best use in office use. The Organization remains a Limited Liability Company.

Ben and Jerry's of the Southern Rivers, Inc. (Ben & Jerry's) is a not-for-profit, tax-exempt, Georgia corporation organized for the purpose of the operation of a Ben and Jerry's Ice Cream Shop under the PartnerShop Program for the purpose of employing at-risk youth and providing them with job skills. The Internal Revenue Service has determined that Ben and Jerry's is a supporting organization to Goodwill under section 509 (a) (3). Compiled financial statements for Ben & Jerry's are presented in the accompanying supplementary information.

Principles of Consolidation

All inter-company accounts and transactions have been eliminated in preparing the consolidated financial statements.

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Permanently restricted net assets: Net assets subject to donor-imposed stipulations that are to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Temporarily restricted net assets: Net assets subject to donor-imposed stipulations that are to be met by actions of the Organization and/or the passage of time.

Unrestricted net assets: Net assets not subject to donor-imposed stipulations.

At December 31, 2009 and 2008, the Organization has permanently restricted, temporarily restricted and unrestricted net assets.

Cash and Cash Equivalents

For purposes of the Consolidated Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Accounts receivable are uncollateralized customer and contract obligations due under normal trade terms generally requiring payment within 30 days from the invoice date or as provided within the contract. Follow-up correspondence is made if unpaid accounts receivable go beyond 30 days.

Management closely monitors outstanding accounts receivable and charges to expense any balances that are determined to be uncollectible or establishes an allowance for doubtful accounts. As of December 31, 2009 and 2008, the Organization established an allowance for doubtful accounts in the amount of \$36,219 and \$13,097, respectively.

Inventories

Inventories consist of donated merchandise held and available for resale, valued at their estimated selling price, and purchased goods stated at the lower of cost or market determined by the first-in, first-out method.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Consolidated Statements of Financial Position. Investment transactions are recorded on the trade date. Realized gains and losses on the sale of investments are calculated on the basis of specific identification of securities sold.

Investment management fees and service charges are netted against investment income for financial reporting purposes. The net realized and unrealized gains and losses and investment management fees and services charges are included as an increase or decrease in net assets in the accompanying Consolidated Statements of Activities.

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets and Depreciation

Fixed assets are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on the straight-line method over the assets' estimated useful lives. The various classifications of fixed assets and useful lives employed are as follows:

Land improvements	10 - 15 years
Buildings and improvements	5 - 40 years
Furniture and equipment	3 - 10 years
Autos and trucks	2 - 7 years
Leasehold improvements	3 - 15 years
Computers and software	3 - 10 years

Maintenance, repairs, and minor renewals are charged against income when incurred. Additions and major renewals are capitalized.

The Organization's policy is to capitalize fixed assets purchased or donated in excess of \$2,000.

Donor-designated Endowments

The Organization's endowment consists of donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment. The remaining portion of the donor-restricted endowment fund (investment return) is classified as unrestricted net assets as explicitly specified by the donor for use of support of the Organization's general operations. The Organization believes this treatment is in a manner

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donor-designated Endowments (Continued)

consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to expend or accumulate investment return on donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) general economic conditions, (3) the possible effect of inflation and deflation, (4) the expected total return from income and the appreciation of investments, (5) other resources of the Organization, and (6) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempts to maintain the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve limited portfolio volatility and a relatively high and secure level of return, including investment income as well as capital appreciation, within acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to grow the funds. Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return over inflation of at least 3.5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The Organization has a policy of growing rather than spending the funds. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the endowment funds, some of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal rate annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donor-designated Endowments (Continued)

Changes in endowment net assets as of December 31, 2009 are as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year, December 31, 2008	\$ 755,730	\$ 124,236	\$ 879,966
Investment income	26,636	--	26,636
Net appreciation	<u>119,243</u>	<u>--</u>	<u>119,243</u>
Endowment net assets, end of year, December 31, 2009	<u>\$ 901,609</u>	<u>\$ 124,236</u>	<u>\$1,025,845</u>

Changes in endowment net assets as of December 31, 2008 are as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year, December 31, 2007	\$ 892,093	\$ 124,236	\$1,016,329
Investment income	26,013	--	26,013
Net depreciation	<u>(162,376)</u>	<u>--</u>	<u>(162,376)</u>
Endowment net assets, end of year, December 31, 2008	<u>\$ 755,730</u>	<u>\$ 124,236</u>	<u>\$ 879,966</u>

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted and Unrestricted Revenue and Support

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities as net assets released from restriction.

Donated Services

No amounts have been reflected in the consolidated financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization. According to generally accepted accounting principles, these services do not meet criteria for recognition as donated services.

Income Tax Status

Goodwill is exempt from Federal and State income taxes under section 501(c)(3) of the Internal Revenue Code and did not conduct any unrelated business activities in 2009 or 2008. The Campus is a Limited Liability Company mirroring the tax status of the parent organization of Goodwill Industries of the Southern Rivers, Inc. Any net income derived by the Campus will be deemed unrelated business income and will be subject to income tax. During the year ended December 31, 2009, unrelated business income generated tax of \$4,393. These taxes were deemed immaterial and therefore, the Organization made no provision for income taxes in the accompanying consolidated financial statements. In addition, Goodwill has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of section 509(a) of the Internal Revenue Code.

Restatement

For comparative purposes only, 2008 financial statement amounts have been restated to exclude Ben and Jerry's audited balances as a compilation was performed for this entity for 2009.

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities and in the Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Taxes

Taxes assessed by governmental authorities on revenue-producing transactions are presented on the Consolidated Statements of Activities net of sales.

Advertising

The Organization uses advertising to promote its programs and services throughout its 50 county territory. Each revenue generator utilizes various advertising and other paid marketing materials to communicate the services available and provide for donation solicitation. These materials are important to show how the Organization's mission services are sustained long term from these funding mechanisms. The production costs of advertising are expensed as incurred. Advertising expenses total \$109,137 and \$87,398 for the years ended December 31, 2009 and 2008, respectively, and are charged to the various programs benefited in the Consolidated Statements of Functional Expenses.

Subsequent Events

Management has evaluated subsequent events through May 15, 2010, the date the financial statements were available to be issued.

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NOTE B - ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Trade receivables	\$ 293,931	\$ 171,479
Returned checks	<u>5,450</u>	<u>7,670</u>
Total Accounts Receivable	<u>\$ 299,381</u>	<u>\$ 179,149</u>

NOTE C - CHARITABLE SPLIT-INTEREST AGREEMENTS

During 2008, the Organization received notification of an agreement naming the Organization as the beneficiary of a charitable lead annuity trust administered by a third-party institution. Under the terms of the split-interest agreement, the Organization is to receive \$4,000 annually through March 2018. For the year ended December 31, 2009, the Organization received \$7,200 in proceeds.

The following provides the present value of future expected benefits as of December 31, 2009 and 2008, based on terms contained within the agreement and a discount rate of 2.25%.

	<u>2009</u>	<u>2008</u>
Split-interest agreements	<u>\$ 29,655</u>	<u>\$ 35,514</u>

NOTE D - INVENTORIES

Inventories at December 31, 2009 and 2008, consist of the following:

	<u>2009</u>	<u>2008</u>
Purchased merchandise	\$ --	\$ 40,567
Donated merchandise	<u>732,559</u>	<u>662,850</u>
Total Inventories	<u>\$ 732,559</u>	<u>\$ 703,417</u>

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NOTE E – INVESTMENTS

The Organization has a formal investment policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increasing interest rates. The Organization also has a formal investment policy that limits its investment choices or the amount the Organization may invest in any one issuer.

Investments are stated at fair market value and consist of the following:

	<u>2009</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized (Depreciation) Appreciation</u>
Certificates of deposit	\$ 207,825	\$ 207,825	\$ --
Money market securities	107,224	107,224	--
U. S. Treasury notes	365,721	378,746	13,025
Common stocks	864,876	927,927	63,051
Corporate bonds	<u>795,456</u>	<u>822,336</u>	<u>26,880</u>
Total	<u>\$ 2,341,102</u>	<u>\$ 2,444,058</u>	<u>\$ 102,956</u>

As of December 31, 2009, maturities of debt investments are as follows:

	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>11-16 Years</u>	<u>Thereafter</u>	<u>Total</u>
Corporate bonds	<u>\$ 683,359</u>	<u>\$ 113,472</u>	<u>\$ 25,505</u>	<u>\$ --</u>	<u>\$ 822,336</u>

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NOTE E – INVESTMENTS (Continued)

As of December 31, 2008, the credit ratings of the Organization's investments in corporate bonds ranged from A to AAA.

		<u>2008</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized (Depreciation) Appreciation</u>
Certificates of deposit	\$ 200,998	\$ 200,998	\$ --
Money market securities	81,584	81,584	--
U. S. Treasury notes	390,204	437,863	47,659
Common stocks	933,861	800,437	(133,424)
Corporate bonds	<u>708,265</u>	<u>705,333</u>	<u>(2,932)</u>
Total	<u>\$ 2,314,912</u>	<u>\$ 2,226,215</u>	<u>\$ (88,697)</u>

As of December 31, 2008, maturities of debt investments are as follows:

	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>11-16 Years</u>	<u>Thereafter</u>	<u>Total</u>
Corporate bonds	<u>\$ 505,165</u>	<u>\$ 110,031</u>	<u>\$ 27,278</u>	<u>\$ 62,859</u>	<u>\$ 705,333</u>

Investment return is summarized as follows:

	<u>2009</u>	<u>2008</u>
Interest and dividend income	\$ 72,124	\$ 87,359
Net realized loss	(29,473)	(51,264)
Net unrealized gain (loss)	192,135	(291,846)
Investment fees	<u>(18,307)</u>	<u>(19,816)</u>
Net Investment Gain (Loss)	<u>\$ 216,479</u>	<u>\$ (275,567)</u>

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NOTE F – PREPAID EXPENSES AND ASSETS

Prepaid expenses consist of the following at December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Prepaid insurance	\$ 69,313	\$ 105,606
Prepaid maintenance/support/security	4,898	1,286
Prepaid postage	620	766
Prepaid rent	15,031	15,031
Prepaid supplies	9,375	10,298
Prepaid dues/subscriptions	--	3,045
Prepaid professional fees	--	432
Prepaid utilities	6,370	6,370
Prepaid travel	260	352
Loan fees, net of amortization of \$2,579	<u>9,949</u>	<u>--</u>
Total	<u>\$ 115,816</u>	<u>\$ 143,186</u>

NOTE G – FIXED ASSETS

Fixed assets consist of the following:

	<u>2009</u>	<u>2008</u>
Land and improvements	\$ 3,408,335	\$ 3,716,664
Buildings and improvements	2,989,637	2,321,131
Furniture and equipment	1,834,109	1,474,963
Autos and trucks	668,000	668,000
Leasehold improvements	1,282,531	961,189
Computers and software	<u>636,698</u>	<u>571,258</u>
	10,819,310	9,713,205
Less accumulated depreciation	<u>(3,294,850)</u>	<u>(2,771,811)</u>
Fixed Assets - Net	<u>\$ 7,524,460</u>	<u>\$ 6,941,394</u>

Depreciation expense at December 31, 2009 and 2008, is \$525,727 and \$546,536, respectively.

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NOTE H - LOAN RECEIVABLE-AFFILIATE

The Organization has a loan receivable from one of its subsidiary totaling \$461,044 as of December 31, 2009 and 2008. The loan is unsecured and there is no formal loan agreement specifying the terms of payments. No interest is being assessed on the loan receivable.

NOTE I - DEFERRED REVENUE

Deferred revenue at December 31, 2009 and 2008, consists of the following:

	<u>2009</u>	<u>2008</u>
Repair allowance	\$ ---	\$ 7,743
Deferred rent and deposits	<u>---</u>	<u>64,033</u>
Total	<u>\$ ---</u>	<u>\$ 71,776</u>

A repair allowance of \$10,000 was received in 2006 as part of a building purchase agreement. \$2,257 of the allowance was expended during 2007, leaving a balance remaining of \$7,743 which was expended during 2009.

NOTE J - ACCRUED AND WITHHELD EXPENSES

Accrued and withheld expenses consist of the following at December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Accrued interest	\$ 8,779	\$ 2,872
Payroll related withholdings and accruals	118,869	132,767
Accrued sales tax payable	39,940	42,220
Gift certificates, vouchers and coupons	1,752	1,852
Ad valorem tax	11,979	--
Other miscellaneous accruals	<u>48,291</u>	<u>10,541</u>
Total	<u>\$ 229,610</u>	<u>\$ 190,252</u>

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NOTE K – NOTES PAYABLE

Notes payable consist of the following at December 31:

	<u>2009</u>	<u>2008</u>
Line of credit, bank, due in monthly installments of interest only at the daily LIBOR Market Index Rate plus 1.45% with the remaining principal and accrued interest due March 31, 2009, secured by real estate with a book value of \$3,909,030 at December 31, 2008.	\$ --	\$ 3,500,000
Line of credit, bank, due in monthly installments of principal of \$14,583, plus accrued interest at prime minus .25% with the remaining principal and accrued interest due March 31, 2012, secured by real estate with a book value of \$4,245,580 at December 31, 2009.	<u>3,397,916</u>	<u>--</u>
Total Notes Payable	<u>\$ 3,397,916</u>	<u>\$ 3,500,000</u>

Following are maturities of notes payable for each of the next three years:

2010	\$ 175,000
2011	175,000
2012	<u>3,047,916</u>
Total	<u>\$ 3,397,916</u>

Interest expense on the above notes for the years ended December 31, 2009 and 2008, is \$92,688 and \$146,164, respectively.

NOTE L – NET ASSETS

Temporarily restricted net assets consist of cash restricted for purpose and a split interest agreement restricted as to time. Permanently restricted net assets consist of contributions related to an endowment fund, which were required by the donor to be invested in perpetuity. They are represented in the Consolidated Statements of Financial Position under Investments. Income from the investments is considered unrestricted and is available to be used to support the Organization's general operations. However, income from these investments is not being used by the Organization at the present time and is being reinvested.

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NOTE M – DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

The following program and supporting services are included in the accompanying financial statements.

STORES

Revenue generated through the sale of gently used donations at the Organization's retail stores is the primary means through which Organization funds its mission.

RECYCLING

The Organization contracts with a city in Georgia, to collect, process and sell recyclables on the commodities market, saving landfill space while providing employment opportunities for six individuals. The Organization's portion of the revenue, after expenses and revenue sharing, go back to support the Organization's mission and its job training, placement and advancement programs.

SALVAGE

Goodwill has a system for placing gently used donations on its retail store's sales floor. Goods are priced and merchandised constantly. Items unsold and on the sales floor over a set period of time are pulled from the retail sales floor and sold as salvage through the salvage commodity market.

CONTRACTS

The Organization provides contracted custodial services for a few commercial customers. Many of the employees hired for contracts participated in the Organization's custodial training program.

MISSION SERVICES

The Organization's Department of Mission Related Services is responsible for carrying out the mission of the Organization, which is to put people to work. Goodwill's Mission Related Services team does this through a variety of job training, placement and advancement programs that incorporate one-on-one case management and supported employment. Participants are empowered to develop self-sufficiency for the purposes of creating long-term employability and financial stability.

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NOTE M – DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES (Continued)

ADMINISTRATION

The Organization provides the strategic vision and implementation from the board level to the staff, as well as providing the oversight of accounting, people and talent development, communications and community development necessary to deliver quality products and services in a competitive environment. In addition, through the efforts of the Columbus Community Campus, LLC, the Organization and other non-profits will share administrative space, common-area space, technology and other infrastructure reducing the cost to provide a quality work environment and sustaining it for more efficient use of resources. The Organization presently collects rent from three organizations, while design studies are being conducted for future renovation. For the year ended December 31, 2009 and 2008, rental income under these arrangements totals \$385,621 and \$397,978, respectively.

FUNDRAISING AND COMMUNITY RELATIONS

The Organization provides the structure necessary to encourage and secure private financial support from individuals, foundations and corporations. Currently, formal fundraising events have been discontinued; however, the Organization still seeks and encourages financial support from individuals, foundations and corporations through the use of private donations, grants, endowments, awards etc.

NOTE N – LEASES

The Organization has several non-cancelable operating leases, primarily for store locations, that expire at various dates through 2018.

Future minimum lease payments under these operating leases as of December 31, 2009 are:

Years ending December 31,	
2010	\$ 1,245,677
2011	1,179,058
2012	1,090,530
2013	1,068,142
2014	1,054,526
Thereafter	<u>3,165,860</u>
Total	<u>\$ 8,803,793</u>

Rent expense under these and other month-to-month leases totals \$1,233,042 and \$1,022,383 for the years ended December 31, 2009 and 2008, respectively.

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COLUMBUS, GEORGIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2009 and 2008

NOTE O – CONCENTRATIONS

The Organization maintains its cash in various financial institutions. Cash is fully insured by the Federal Deposit Insurance Corporation at December 31, 2009 and 2008.

Investment balances are insured with a combination of Federal Deposit Insurance Corporation, Securities Investor Protection Corporation and private insurance coverage. At December 31, 2009 and 2008, uninsured investment balances total \$58,816 and \$53,206, respectively. Corporate bonds and equity securities maintained in the investment balances are subject to interest rate and market risk.

At December 31, 2009, approximately 72% of trade accounts receivable are attributable to two customers.

During 2009 and 2008, the Organization received approximately 4% and 5%, respectively, of its revenue from Federally funded state pass-through grants. At December 31, 2009 and 2008, approximately 17% and 30%, respectively, of trade accounts receivable were due under those grants. Amounts are received and expended by the Organization under Federal programs and are subject to audit by cognizant government agencies. Noncompliance with certain provisions of laws regulations, contracts and grants relating to Federal programs could have a direct and material effect on the determination of financial statement amounts.

NOTE P – RELATED PARTY TRANSACTIONS

The Organization transacts business with a related party, Power Works Industries, Inc. (“Power Works”). The Organization’s executive committee is the Board of Directors for Power Works. Power Works elects its own members annually. Accordingly, the Organization is not considered to have a controlling financial interest in Power Works and consolidation of the financial statements of the two organizations is not considered appropriate.

The Organization has a management contract with Power Works. The contract is normally renewed annually and is structured so that it can be terminated by either party. This contract requires Power Works to pay the Organization a management fee and to reimburse any directly identifiable expenses incurred by the Organization on its behalf. During 2009 and 2008, Power Works paid management fees totaling \$63,516 and \$94,450 and reimbursed the Organization for expenses totaling \$182,029 and \$391,482, respectively. In addition, the contract calls for the Organization to receive compensation from Power Works of 75% of Power Works’ monthly net income after depreciation and management fees. During the years ended December 31, 2009 and

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
AND SUBSIDIARY
COLUMBUS, GEORGIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2009 and 2008

NOTE P – RELATED PARTY TRANSACTIONS (Continued)

2008, the Organization received \$930,283 and \$824,302, respectively, under this agreement. This compensation is offset against indirect cost in the financial statements.

Occasionally, the Organization makes cash advances to Power Works. During the year ended December 31, 2009, the Organization made no advances to Power Works. During the year ended December 31, 2008, the Organization made advances to and received payment on those advances of \$42,000 from Power Works.

At December 31, 2009 and 2008, the receivable from Power Works totals \$279,310 and \$217,130, respectively.

The Organization also transacts business with Ben & Jerry's, a subsidiary. The Organization has a management contract with Ben & Jerry's. The contract is normally renewed annually and is structured so that it can be terminated by either party. This contract requires Ben & Jerry's to pay the Organization a management fee and to reimburse any directly identifiable expenses incurred by the Organization on its behalf. During 2009 and 2008, Ben & Jerry's paid management fees totaling \$56,822 and \$48,820 and reimbursed the Organization for expenses totaling \$117,623 and \$136,308, respectively.

At December 31, 2009 and 2008, the receivable from Ben & Jerry's totals \$254,800 and \$170,869, respectively.

NOTE Q – RETIREMENT PLANS

The Organization sponsors a defined contribution 401(k) plan. All full-time employees are eligible to participate upon completion of a consecutive ninety-day period of service. Employees may elect to defer up to a maximum of 15% of compensation. The Organization may, at its sole discretion, make matching contributions. Net retirement plan expense for the years ended December 31, 2009 and 2008 is \$63,897 and \$83,424, respectively.

The Organization sponsors a defined contribution 457(b) plan. Certain management employees designated by the administrative committee are eligible to participate. The Organization may, at its sole discretion, make matching contributions. Net retirement plan expense for the years ended December 31, 2009 and 2008 is \$790 and \$6,269, respectively.

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
AND SUBSIDIARY
COLUMBUS, GEORGIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2009 and 2008

NOTE R – OPERATING LEASE COMMITMENTS

The Organization leases office space to tenants on a month-to-month basis and under a non-cancelable operating lease with a remaining term of twelve months at December 31, 2009. The cost of the leased property is \$4,378,069 and the carrying amount at December 31, 2009 and 2008, is \$4,245,580 and \$3,909,030, respectively, which reflects \$132,489 and \$81,303 of accumulated depreciation at December 31, 2009 and 2008, respectively.

The following is a schedule by years of future minimum rentals under the leases at December 31, 2009.

Year ending December 31,

2010	\$ <u>122,330</u>
Total	\$ <u>122,330</u>

Most of the lease agreements contain renewal options for three to five years. Rental income earned under these leases during the years ended December 31, 2009 and 2008, is \$385,621 and \$397,978, respectively.

NOTE S – COMMITMENTS

The Organization renewed its contract in 2006 to provide the service for acceptance and processing of recyclables for the Columbus Consolidated Government. As provided by the contract, 50% of the net revenue earned from the sale of these recyclables is paid to the Columbus Consolidated Government. The total amount paid to the Columbus Consolidated Government for the years ended December 31, 2009 and 2008 totals \$0 and \$23,667, respectively. This contract expired June 30, 2009.

The Organization is also party to several other contracts for services whose terms are month-to-month and can be cancelled by either party upon a thirty-day notice.



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MERCER & LEE, P.C.**
Certified Public Accountants

D. Clyde Fountain, C.P.A.
W. Alan Arrington, C.P.A., C.V.A.
David J. Bass, C.P.A.
Anthony W. Mercer, C.P.A.
John J. Lee, C.P.A.

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

Members
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Georgia Society of
Certified Public Accountants
Alabama Society of
Certified Public Accountants

Board of Directors
Goodwill Industries of the Southern Rivers, Inc.
Columbus, Georgia

We have audited the financial statements of Goodwill Industries of the Southern Rivers, Inc. (a nonprofit organization) as of and for the year ended December 31, 2009, and have issued our report thereon dated May 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Goodwill Industries of the Southern Rivers, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Goodwill Industries of the Southern Rivers, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting. The financial statements of Columbus Community Campus, LLC were not audited in accordance with *Government Auditing Standards*.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Goodwill Industries of the Southern Rivers, Inc. in a separate letter dated May 15, 2010.

This report is intended for the information and use of the audit committee, management, the Board of Directors, others within the Organization, federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Fountain, Arrington, Bass, Mercer & Lee, P.C.

FOUNTAIN, ARRINGTON, BASS, MERCER & LEE, P.C.
Certified Public Accountants

Columbus, Georgia
May 15, 2010



**FOUNTAIN, ARRINGTON, BASS,
MERCER & LEE, P.C.**
Certified Public Accountants

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

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Certified Public Accountants
Georgia Society of
Certified Public Accountants
Alabama Society of
Certified Public Accountants

Board of Directors
Goodwill Industries of the Southern Rivers, Inc.
Columbus, Georgia

Compliance

We have audited the compliance of Goodwill Industries of the Southern Rivers, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. Goodwill Industries of the Southern Rivers, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Goodwill Industries of the Southern Rivers, Inc.'s management. Our responsibility is to express an opinion on Goodwill Industries of the Southern Rivers, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Goodwill Industries of the Southern Rivers, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Goodwill Industries of the Southern Rivers, Inc.'s compliance with those requirements.

In our opinion, Goodwill Industries of the Southern Rivers, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

Management of Goodwill Industries of the Southern Rivers, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Goodwill Industries of the Southern Rivers, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Goodwill Industries of the Southern Rivers, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Fountain, Arrington, Bass, Mercer & Lee, P.C.

FOUNTAIN, ARRINGTON, BASS, MERCER & LEE, P.C.
Certified Public Accountants

Columbus, Georgia
May 15, 2010

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2009

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Goodwill Industries of the Southern Rivers, Inc.
2. No significant deficiencies in internal control are reported in the "Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*".
3. No instances of noncompliance material to the financial statements of Goodwill Industries of the Southern Rivers, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major programs were disclosed by the audit, which would be required to be reported in accordance with *Government Auditing Standards*.
5. The auditors' report on compliance for the major federal award programs for Goodwill Industries of the Southern Rivers, Inc. expresses an unqualified opinion on all major federal programs.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as a major program are:

Vocational Rehabilitation Grants to States	CFDA #82.126
Resident Opportunity and Supportive Services Grant	CFDA #14.870
8. The threshold for distinguishing Types A and B programs is \$300,000.
9. Goodwill Industries of the Southern Rivers, Inc. qualifies as a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
AND SUBSIDIARY
COLUMBUS, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009

FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF EDUCATION		
Passed through Georgia Department of Labor, Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	\$ 261,236
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Passed through from the Housing Authority of Columbus, GA, Resident Opportunity and Supportives Services Grant	14.870	218,230
U.S. DEPARTMENT OF LABOR		
Passed through from the Columbus Consolidated Government, Workforce Investment Act Youth Activities	17.259	35,209
Passed through Georgia Department of Labor, Rehabilitation Services Senior Community Service Employment Program	17.235	1,297
U.S. DEPARTMENT OF VETERANS AFFAIRS		
Vocational Rehabilitation for Disabled Veterans	64.116	<u>15,975</u>
Total		<u>\$ 531,947</u>

Note: The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

OTHER FINANCIAL INFORMATION

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
AND SUBSIDIARY
COLUMBUS, GEORGIA

SUPPLEMENTAL STATEMENT OF FINANCIAL POSITION WITHOUT ELIMINATIONS

December 31, 2009 and 2008

ASSETS

	Goodwill Industries	Ben & Jerry's	Columbus Community Campus	Combined Total	2008 Total
Cash and cash equivalents	\$ 1,751,229	\$ 5,604	\$ 39,633	\$ 1,796,466	\$ 1,281,331
Accounts receivable - trade, net	287,444	127	11,937	299,508	179,195
Accounts receivable - affiliate	750,726	-	4,803	755,529	395,221
Split-interest agreement	29,655	-	-	29,655	35,514
Accrued interest receivable	5,866	-	-	5,866	7,230
Inventories	732,559	10,026	-	742,585	712,310
Investments	2,236,233	-	-	2,236,233	2,226,215
Prepaid expenses and assets	115,816	2,468	-	118,284	147,294
Fixed assets - net	3,181,384	350,380	4,343,076	7,874,840	7,317,909
Loan receivable - affiliate	1,192,346	-	-	1,192,346	908,200

Total Assets	\$ 10,283,258	\$ 368,605	\$ 4,399,449	\$ 15,051,312	\$ 13,210,419
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LIABILITIES AND NET ASSETS

	Goodwill Industries	Ben & Jerry's	Columbus Community Campus	Combined Total	2008 Total
LIABILITIES					
Accounts payable	\$ 207,829	\$ 1,027	\$ 1,588	\$ 210,444	\$ 102,412
Accounts payable - affiliate	5,564	254,800	216,870	477,234	184,463
Deferred revenue	--	--	--	--	71,776
Accrued wages	407,590	--	--	407,590	324,330
Accrued and withheld expenses	209,577	1,334	20,033	230,944	191,397
Notes payable - bank	--	--	3,397,916	3,397,916	3,500,000
Notes payable - affiliate	--	461,044	731,302	1,192,346	908,200
Total liabilities	<u>830,560</u>	<u>718,205</u>	<u>4,367,709</u>	<u>5,916,474</u>	<u>5,282,578</u>
NET ASSETS					
Unrestricted	9,198,807	(349,600)	31,740	8,880,947	7,768,091
Temporarily restricted	129,655	--	--	129,655	35,514
Permanently restricted	124,236	--	--	124,236	124,236
Total net assets	<u>9,452,698</u>	<u>(349,600)</u>	<u>31,740</u>	<u>9,134,838</u>	<u>7,927,841</u>
Total Liabilities and Net Assets	<u>\$ 10,283,258</u>	<u>\$ 368,605</u>	<u>\$ 4,399,449</u>	<u>\$ 15,051,312</u>	<u>\$ 13,210,419</u>

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
COLUMBUS, GEORGIA
SUPPLEMENTAL STATEMENT OF ACTIVITIES
GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
For Year Ended December 31, 2009

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
SUPPORT, REVENUE AND GAINS				
Store sales and donated inventory	\$ 9,951,925	\$ --	\$ --	\$ 9,951,925
Recycling revenue	52,814	--	--	52,814
Salvage revenue	1,236,372	--	--	1,236,372
Contracts	87,606	--	--	87,606
Mission services grants	609,314	100,000	--	709,314
Net investment gain	216,479	--	--	216,479
Contributions	13,477	--	--	13,477
Split-interest agreements	1,340	--	--	1,340
Cafeteria revenue	7,768	--	--	7,768
Rental income	19,237	--	--	19,237
Loss on sale of fixed assets	(690)	--	--	(690)
Other income	59,039	--	--	59,039
Net assets released from restrictions	5,859	(5,859)	--	--
Total support, revenue and gains	<u>12,260,540</u>	<u>94,141</u>	<u>--</u>	<u>12,354,681</u>
EXPENSES				
Program Services				
Stores	9,090,238	--	--	9,090,238
Recycling	122,487	--	--	122,487
Salvage	248,616	--	--	248,616
Contracts	108,283	--	--	108,283
Mission services	1,335,987	--	--	1,335,987
Total program services	<u>10,905,611</u>	<u>--</u>	<u>--</u>	<u>10,905,611</u>
Supporting services				
Administrative	49,309	--	--	49,309
Community relations/fundraising	109,836	--	--	109,836
Total supporting services	<u>159,145</u>	<u>--</u>	<u>--</u>	<u>159,145</u>
Total expenses	<u>11,064,756</u>	<u>--</u>	<u>--</u>	<u>11,064,756</u>
Change in Net Assets	1,195,784	94,141	--	1,289,925
NET ASSETS, beginning of year	<u>8,003,023</u>	<u>35,514</u>	<u>124,236</u>	<u>8,162,773</u>
NET ASSETS, end of year	<u>\$ 9,198,807</u>	<u>\$ 129,655</u>	<u>\$ 124,236</u>	<u>\$ 9,452,698</u>

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
COLUMBUS, GEORGIA
SUPPLEMENTAL STATEMENT OF ACTIVITIES
GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
For Year Ended December 31, 2008

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
SUPPORT, REVENUE AND GAINS				
Store sales and donated inventory	\$ 8,814,374	\$ --	\$ --	\$ 8,814,374
Recycling revenue	337,419	--	--	337,419
Salvage revenue	1,127,819	--	--	1,127,819
Contracts	87,467	--	--	87,467
Mission services grants	637,541	--	--	637,541
Net investment loss	(275,567)	--	--	(275,567)
Contributions	525	--	--	525
Split-interest agreements	--	35,514	--	35,514
Fundraising	57,874	--	--	57,874
Cafeteria revenue	10,055	--	--	10,055
Rental income	12,719	--	--	12,719
Gain on sale of fixed assets	1,167	--	--	1,167
Other income	44,707	--	--	44,707
Total support, revenue and gains	<u>10,856,100</u>	<u>35,514</u>	<u>--</u>	<u>10,891,614</u>
EXPENSES				
Program Services				
Stores	8,664,310	--	--	8,664,310
Recycling	315,308	--	--	315,308
Salvage	234,416	--	--	234,416
Contracts	110,111	--	--	110,111
Mission services	1,127,096	--	--	1,127,096
Total program services	<u>10,451,241</u>	<u>--</u>	<u>--</u>	<u>10,451,241</u>
Supporting services				
Administrative	30,828	--	--	30,828
Community relations/fundraising	174,159	--	--	174,159
Total supporting services	<u>204,987</u>	<u>--</u>	<u>--</u>	<u>204,987</u>
Total expenses	<u>10,656,228</u>	<u>--</u>	<u>--</u>	<u>10,656,228</u>
Change in Net Assets	199,872	35,514	--	235,386
NET ASSETS, beginning of year	<u>7,803,151</u>	<u>--</u>	<u>124,236</u>	<u>7,927,387</u>
NET ASSETS, end of year	<u>\$ 8,003,023</u>	<u>\$ 35,514</u>	<u>\$ 124,236</u>	<u>\$ 8,162,773</u>

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

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
COLUMBUS, GEORGIA
SUPPLEMENTAL STATEMENT OF ACTIVITIES
BEN AND JERRY'S OF THE SOUTHERN RIVERS, INC.
For Year Ended December 31, 2009

UNRESTRICTED SUPPORT AND REVENUE

Store sales	\$	243,224
Miscellaneous revenue		133
Total unrestricted support and revenue		243,357

EXPENSES

Compensation and related expenses		
Salaries and wages		81,621
Employee benefits		4,930
Workers' compensation		1,852
Payroll taxes		6,107
Total compensation and related expenses		94,510

Advertising		11,063
Background checks		489
Bank and credit card fees		6,717
Contracted services		50
Cost of goods sold		84,254
Depreciation and amortization		31,372
Drug screening		189
Employee relations		220
Equipment maintenance		1,533
Indirect cost allocation		56,822
Insurance		3,618
Office supplies		1,178
Pest control		336
Postage, shipping and freight		39
Printing		250
Professional and consulting fees		5,200
Rent		27,748
Repairs and maintenance		3,478
Safety and security		448

EXPENSES (Continued)

Staff training and development	\$	325
Supplies		3,057
Taxes and licenses		2,500
Technology expenses		3,061
Telephone		3,879
Travel		446
Uniforms		205
Utilities		<u>11,903</u>
Total expenses		<u>354,890</u>
Change in Net Assets	(111,533)
NET ASSETS, beginning of year	(<u>238,067</u>)
NET ASSETS, end of year	\$ (<u><u>349,600</u></u>)

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
COLUMBUS, GEORGIA
SUPPLEMENTAL STATEMENT OF ACTIVITIES
BEN AND JERRY'S OF THE SOUTHERN RIVERS, INC.
For Year Ended December 31, 2008

UNRESTRICTED SUPPORT AND REVENUE

Store sales	\$	273,024
Miscellaneous revenue		<u>69</u>
Total unrestricted support and revenue		<u>273,093</u>

EXPENSES

Compensation and related expenses		
Salaries and wages		88,974
Employee benefits		8,604
Workers' compensation		2,675
Payroll taxes		<u>6,499</u>
Total compensation and related expenses		<u>106,752</u>

Advertising		10,178
Background checks		1,083
Bank and credit card fees		6,049
Contracted services		208
Cost of goods sold		86,054
Depreciation and amortization		30,527
Drug screening		486
Employee recruitment		214
Employee relations		147
Equipment maintenance		6,481
Indirect cost allocation		48,820
Insurance		3,225
Office supplies		1,330
Pest control		336
Postage, shipping and freight		171
Printing		54
Professional and consulting fees		5,000
Rent		27,361

EXPENSES (Continued)

Repairs and maintenance	\$	3,071
Safety and security		429
Supplies		2,743
Taxes and licenses		2,643
Technology expenses		4,521
Telephone		3,673
Travel		3,373
Uniforms		411
Utilities		12,077
Vehicle expense		<u>231</u>
Total expenses		<u>367,648</u>
Change in Net Assets	(94,555)
NET ASSETS, beginning of year	(<u>143,512</u>)
NET ASSETS, end of year	\$ (<u><u>238,067</u></u>)

GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
 COLUMBUS, GEORGIA
 SUPPLEMENTAL STATEMENT OF ACTIVITIES
 COLUMBUS COMMUNITY CAMPUS, LLC
 For Year Ended December 31, 2009

UNRESTRICTED REVENUE AND GAINS

Rental income	\$	385,621
Common area maintenance income		<u>26,912</u>
Total unrestricted revenue and gains		<u>412,533</u>

EXPENSES

Commissions		6,660
Contracted services		1,362
Depreciation and amortization		56,245
Insurance		30,070
Interest		92,688
Miscellaneous		200
Office supplies		11
Pest control		600
Professional and consulting fees		46,093
Rent		198
Repairs and maintenance		33,831
Safety and security		2,127
Supplies		23
Taxes and licenses		65,284
Utilities		<u>48,536</u>

Total expenses		<u>383,928</u>
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Change in Net Assets		28,605
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NET ASSETS, beginning of year		<u>3,135</u>
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NET ASSETS, end of year	\$	<u><u>31,740</u></u>
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GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
 COLUMBUS, GEORGIA
 SUPPLEMENTAL STATEMENT OF ACTIVITIES
 COLUMBUS COMMUNITY CAMPUS, LLC
 For Year Ended December 31, 2008

UNRESTRICTED REVENUE AND GAINS

Rental income	\$	397,978
Common area maintenance income		<u>36,779</u>
 Total unrestricted revenue and gains		 <u>434,757</u>

EXPENSES

Commissions		11,770
Depreciation and amortization		46,944
Dues and subscriptions		250
Insurance		37,104
Interest		146,164
Miscellaneous		107
Pest control		1,014
Postage, shipping and freight		72
Printing expense		32
Professional and consulting fees		46,918
Repairs and maintenance		31,416
Safety and security		2,090
Taxes and licenses		61,673
Utilities		<u>37,240</u>
 Total expenses		 <u>422,794</u>

Change in Net Assets		11,963
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NET ASSETS, beginning of year		<u>(8,828)</u>
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NET ASSETS, end of year	\$	<u><u>3,135</u></u>
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GOODWILL INDUSTRIES OF THE SOUTHERN RIVERS, INC.
 AND SUBSIDIARY
 COLUMBUS, GEORGIA
 SCHEDULE OF STATE AWARDS EXPENDED

For the Year Ended December 31, 2009

	Federal CFDA Number	Award Amount	Pass-through Grantor's Number	2009 Expenditures
FUNDING AGENCY PROGRAM/GRANT				
U.S. DEPARTMENT OF EDUCATION				
Passed through Georgia Department of Labor, Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	Federal \$ 342,187 State 92,613 Total \$ 434,800	C04M0067100-211-09	\$ 31,559
Passed through Georgia Department of Labor, Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	Federal \$ 335,720 State 90,862 Total \$ 426,582	C10M09-67100-211	27,576
Passed through Georgia Department of Labor, Rehabilitation Services Vocational Rehabilitation Grants to States, Authorization and invoicing	84.126	Federal \$ -- State -- Total \$ --	C04M0067100-211-09	10,663
Passed through Georgia Department of Labor, Rehabilitation Services Vocational Rehabilitation Grants to States, Authorization and invoicing	84.126	Federal \$ -- State -- Total \$ --	C10M09-67100-211	905
Total Grant Expenditures				\$ 70,703