Goodwill Easter Seals Miami Valley

Consolidated Financial Statements as of and for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Goodwill Easter Seals Miami Valley
Dayton, Ohio

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Goodwill Easter Seals Miami Valley (a Non-Profit organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Goodwill Easter Seals Miami Valley as of December 31, 2025 and 2024, and the changes in their consolidated net assets and their consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. 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 Goodwill Easter Seals Miami Valley and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Goodwill Easter Seals Miami Valley's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT - CONTINUED

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the 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 Goodwill Easter Seals Miami Valley'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 Goodwill Easter Seals Miami Valley'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidated schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT - CONTINUED

Supplementary Information – Continued

The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2026 on our consideration of Goodwill Easter Seals Miami Valley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Goodwill Easter Seals Miami Valley's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Goodwill Easter Seals Miami Valley's internal control over financial reporting and compliance.

Other Information Included in the Corporation's Annual Report

Management is responsible for the other information included in the Corporation's Annual Report for 2025 and 2024. The other information comprises information on the Corporation's operations, financial results, and financial position, but it does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Brady, Ware & Schoenfeld, Inc.

Dayton, Ohio
April 23, 2026

GOODWILL EASTER SEALS MIAMI VALLEY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

	2025	2024
ASSETS		
ASSETS:		
Cash and cash equivalents	$ 1,115	$ 1,402
Accounts receivable (net of $222 and $105 allowance for expected credit losses in 2025 and 2024)	2,997	2,476
Note receivable	5,660	5,660
Pledges receivable	132	196
Inventories	3,619	2,947
Investments	28,075	27,817
Prepaid expenses and other assets	1,685	1,590
Cost in excess of net assets acquired	115	120
Operating lease right-of-use assets	9,035	9,347
Restricted cash	226	285
Property and equipment, net	65,181	63,907
TOTAL	$ 117,840	$ 115,747
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	$ 2,079	$ 1,288
Accrued liabilities	4,914	4,951
Deferred revenue	187	468
Operating lease liabilities	9,059	9,351
Long-term debt, net of deferred issuance costs	19,225	20,013
Total liabilities	35,464	36,071
NET ASSETS:		
Without donor restrictions	80,895	78,049
With donor restrictions	1,481	1,627
Total net assets	82,376	79,676
TOTAL	$ 117,840	$ 115,747

See notes to consolidated financial statements.

GOODWILL EASTER SEALS MIAMI VALLEY

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025 (Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES:			
Retail Division - contributions of nonfinancial assets	$ 45,168	$	$ 45,168
Retail Division - sales	48,155		48,155
Program Services Division	12,719		12,719
Business Services Division	6,487		6,487
Miami Valley Works	200		200
Non-Profit Support Services	833		833
Net assets released from restrictions	760	(760)	
Total operating revenues	114,322	(760)	113,562
FUNCTIONAL EXPENSES:			
Retail Division	83,912		83,912
Program Services Division	15,214		15,214
Business Services Division	6,397		6,397
Miami Valley Works	569		569
Non-Profit Support Services	854		854
Management Services Division	6,794		6,794
Fundraising costs	388		388
Occupancy and indirect costs	1,430		1,430
Total functional expenses	115,558		115,558
CHANGE IN NET ASSETS FROM OPERATIONS	(1,236)	(760)	(1,996)
OTHER CHANGES:			
Other public contributions	804	511	1,315
Unrealized gain on investments	2,581	87	2,668
Investment income, net of fees	678	16	694
Fixed interest rate swaps	(284)		(284)
Gain from sales of assets	76		76
Other income	227		227
Total other changes	4,082	614	4,696
CHANGE IN NET ASSETS	2,846	(146)	2,700
NET ASSETS:			
Beginning of year	78,049	1,627	79,676
End of year	$ 80,895	$ 1,481	$ 82,376

See notes to consolidated financial statements.

GOODWILL EASTER SEALS MIAMI VALLEY

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024 (Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES:			
Retail Division - contributions of nonfinancial assets	$ 42,435	$	$ 42,435
Retail Division - sales	45,753		45,753
Program Services Division	12,976		12,976
Business Services Division	6,328		6,328
Miami Valley Works	175		175
Non-Profit Support Services	826		826
Net assets released from restrictions	987	(987)	
Total operating revenues	109,480	(987)	108,493
FUNCTIONAL EXPENSES:			
Retail Division	78,880		78,880
Program Services Division	14,578		14,578
Business Services Division	6,261		6,261
Miami Valley Works	509		509
Non-Profit Support Services	848		848
Management Services Division	6,425		6,425
Fundraising costs	375		375
Occupancy and indirect costs	1,543		1,543
Total functional expenses	109,419		109,419
CHANGE IN NET ASSETS FROM OPERATIONS	61	(987)	(926)
OTHER CHANGES:			
Other public contributions	585	901	1,486
Unrealized gain on investments	2,417	72	2,489
Investment income, net of fees	474	8	482
Fixed interest rate swaps	88		88
Net contribution from acquisition	64		64
Gain from sales of assets	54		54
Other income	207		207
Total other changes	3,889	981	4,870
CHANGE IN NET ASSETS	3,950	(6)	3,944
NET ASSETS:			
Beginning of year	74,099	1,633	75,732
End of year	$ 78,049	$ 1,627	$ 79,676

See notes to consolidated financial statements.

GOODWILL EASTER SEALS MIAMI VALLEY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2025 (Dollars in thousands)

	Program Services					Supporting Services			
	Retail Division	Program Services Division	Business Services Division	Miami Valley Works	Non-Profit Support Services Division	Manage-ment Services Division	Fundraising Costs	Occupancy and Indirect Costs	Total
SALARIES AND RELATED EXPENSES:									
Employee salaries and wages	$ 19,004	$ 8,942	$ 4,299	$ 324	$ 632	$ 3,528	$ 227	$ 373	$ 37,329
Temporary labor and outside staffing	219					2			221
Employee benefits	989	1,026	682	12	114	521	44	59	3,447
Payroll taxes	1,626	700	394	28	50	248	18	30	3,094
Total salaries and related expenses	21,838	10,668	5,375	364	796	4,299	289	462	44,091
OTHER EXPENSES:									
Supplies	775	365	154	4	3	31	1	3	1,336
Cost of goods sold	47,151	196	222						47,569
Occupancy	6,625	769	94	34	20	429	2	217	8,190
Transportation	1,124	829	77		1	35		58	2,124
Software contracts and equipment	648	300	62	4	5	690	31	28	1,768
Printing and publications	392	108	12	2	1	48	42		605
Professional fees and contract services	1,529	642	89	95	1	721	13	109	3,199
Telephone	313	178	28	6	7	41	2	4	579
Interest	278	15				32	(1)	123	447
Membership dues	5	4	154	1		313	1		478
Taxes, licenses, and permits	30	(65)				5		(40)	(70)
Postage and shipping	369	10	19			7	3		408
Conventions, meetings, and conferences	2	5	3	2		15	4		31
Awards and grants						5			5
Special assistance to individuals		313	2	25					340
Depreciation and amortization	2,833	877	106	32	20	123	1	466	4,458
Total other expenses	62,074	4,546	1,022	205	58	2,495	99	968	71,467
TOTAL FUNCTIONAL EXPENSES	$ 83,912	$ 15,214	$ 6,397	$ 569	$ 854	$ 6,794	$ 388	$ 1,430	$ 115,558

See notes to consolidated financial statements.

GOODWILL EASTER SEALS MIAMI VALLEY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024 (Dollars in thousands)

	Program Services					Supporting Services			
	Retail Division	**Program Services Division**	**Business Services Division**	**Miami Valley Works**	**Non-Profit Support Services Division**	**Manage-ment Services Division**	**Fundraising Costs**	**Occupancy and Indirect Costs**	**Total**
SALARIES AND RELATED EXPENSES:									
Employee salaries and wages	$ 17,462	$ 8,781	$ 4,247	$ 286	$ 625	$ 3,401	$ 223	$ 377	$ 35,402
Temporary labor and outside staffing	671								671
Employee benefits	879	741	628	12	117	474	20	60	2,931
Payroll taxes	1,539	714	396	25	49	245	17	25	3,010
Total salaries and related expenses	20,551	10,236	5,271	323	791	4,120	260	462	42,014
OTHER EXPENSES:									
Supplies	697	355	134	3	2	36	2	3	1,232
Cost of goods sold	44,476	200	170						44,846
Occupancy	5,776	681	100	32	19	428	2	197	7,235
Transportation	1,151	799	98		2	37		78	2,165
Software contracts and equipment	551	301	51	3	4	699	29	20	1,658
Printing and publications	453	34	15	3	2	43	51	1	602
Professional fees and contract services	1,574	520	133	92	1	496	15	167	2,998
Telephone	295	176	35	8	7	52	3	5	581
Interest	307	16				31	1	124	479
Membership dues	5	5	147	2		341	2		502
Taxes, licenses, and permits	180	94				1		41	316
Postage and shipping	377	6	8			9	2		402
Conventions, meetings, and conferences	1	16	4	1	1	12	7		42
Awards and grants						4			4
Special assistance to individuals	1	318	2	12					333
Depreciation and amortization	2,485	821	93	30	19	116	1	445	4,010
Total other expenses	58,329	4,342	990	186	57	2,305	115	1,081	67,405
TOTAL FUNCTIONAL EXPENSES	$ 78,880	$ 14,578	$ 6,261	$ 509	$ 848	$ 6,425	$ 375	$ 1,543	$ 109,419

See notes to consolidated financial statements.

GOODWILL EASTER SEALS MIAMI VALLEY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 2,700	$ 3,944
Adjustments to reconcile change in net assets to net cash, cash equivalents and restricted cash provided by operating activities:		
Depreciation and amortization	4,458	4,010
Provision for credit losses	147	59
Gains from sales of assets	(76)	(54)
Change in mark to market asset, interest rate swap	284	(88)
Interest expense - deferred issuance costs	35	37
Unrealized gains on investments	(2,668)	(2,489)
Inherent contribution from acquisitions		(64)
Amortization of operating lease right-of-use assets	2,224	2,059
Change in assets and liabilities:		
Accounts receivable	(668)	(415)
Pledges receivable	64	(48)
Inventories	(672)	(79)
Prepaid expenses and other assets	(38)	(73)
Accounts payable	791	41
Accrued liabilities	(37)	400
Deferred revenue	(281)	330
Operating lease liabilities	(2,204)	(2,046)
Net cash, cash equivalents and restricted cash provided by operating activities	4,059	5,524
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(5,805)	(3,865)
Proceeds from sales of assets	149	68
Cash received from acquisitions		52
Purchases of investments	(7,145)	(5,070)
Proceeds from sales of investments	9,555	4,542
Net cash, cash equivalents and restricted cash used by investing activities	(3,246)	(4,273)
CASH FLOW FROM FINANCING ACTIVITIES:		
Payments on long-term debt	(1,159)	(1,209)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(346)	42
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of year	1,687	1,645
End of year	$ 1,341	$ 1,687

See notes to consolidated financial statements.

1. DESCRIPTION OF THE ORGANIZATION

Goodwill Easter Seals Miami Valley (the "Corporation") was incorporated in 1934. Its mission is to empower people with disabilities and other disadvantages to achieve independence and improve their quality of life. The Corporation operates over 40 retail thrift stores and a variety of programming and contracts within its 29-county territory (27 counties in Southwest Ohio and 2 in Northeast Kentucky). The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation's primary sources of revenue are donated goods sales, grants, and service contracts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The financial statements of the Corporation have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP requires the Corporation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Corporation. These net assets may be used at the discretion of the Corporation's management and the board of trustees. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Principles of Consolidation—The accompanying consolidated financial statements include the Corporation and its wholly-owned subsidiaries, Goodwill Resource Solutions, Sunrise Center for Adults, Inc., Focused Youth Incorporated, Goodwill Employee Solutions Ltd., and GESMV West Campus Center. All significant intercompany transactions have been eliminated.

Acquisition Accounting for Transactions— On September 30, 2024, the Corporation acquired $52 of cash from Project READ. There were no liabilities assumed or discharged during the acquisition. The acquisition was accounted for using the acquisition method of accounting. The transaction resulted in an inherent contribution of $52. An additional $12 inherent contribution was also recorded during 2024 unrelated to this transaction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash Equivalents—The Corporation considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents, with the exception of those held within its investment portfolio.

Restricted Cash—The Corporation is required to maintain separate cash accounts to hold funds restricted for asset management fees associated with the West Campus Community Services Center project. The Corporation submits invoices to its bank to authorize release of funds.

Pledges Receivable—Unconditional pledges receivable are recorded at net realizable value. Unconditional pledges receivable to be collected beyond one year are discounted to present value.

Concentration of Credit Risk—The Corporation utilizes financial instruments that potentially create a concentration of credit risk. Cash and cash equivalents and restricted cash are deposited in demand and money market accounts, and deposits held with financial institutions may exceed the amount of insurance provided on such deposits. The Corporation has not experienced any material losses on its deposits of cash and cash equivalents and restricted cash.

Accounts Receivable—The Corporation recognizes allowance for losses on accounts receivable in an amount equal to the current expected credit losses. The estimation of the allowance is based on an analysis of historical loss experience, current receivables aging, management's assessment of current conditions and reasonable expectation of future conditions, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. The Corporation assesses the collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible. The expense associated with the allowance for expected credit losses is recognized in management services expenses, or within the program service to which it is associated. The allowance for expected credit losses was $222 and $105 at December 31, 2025 and 2024, respectively. Credit loss expense was $147 and $59 for 2025 and 2024.

The Corporation writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be offset to credit loss expense in the year of recovery. There were write offs of $30 and $24 in 2025 and 2024.

Inventories—Inventories consist of donated goods and materials contributed to the Corporation for resale at the Corporation's retail locations and are recorded at cost which includes transportation, collection, and labor incurred to process donated goods. Inventory also includes donated vehicles recorded at an amount that approximates fair value and purchased merchandise recorded at cost (FIFO cost method).

Investments—Investments are stated at market value. Realized gains and losses are determined on the identified cost basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and Equipment—Property is recorded at cost or, if donated, at fair value when received. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the estimated life of the property or the term of the lease, whichever is shorter.

Contributions with donor-imposed stipulations regarding how long contributed assets must be used are recorded as net assets with donor restrictions. Otherwise, the contributions are recorded as net assets without donor restrictions.

Cost in Excess of Net Assets Acquired (Goodwill)—Cost in excess of net assets acquired (goodwill), from the acquisition of Goodwill Lima, Inc. in 2007, represents the excess of cost over fair value of assets acquired and is being amortized over 40 years. Amortization expense for each of the next five years is $5.

Debt Issuance Costs—Debt issuance costs are amortized to interest expense on the straight-line basis over the life of the debt, ranging from 5 to 30 years.

Leases—The Corporation leases certain retail stores, warehouses, programming space, vehicles and equipment. Contracts are evaluated for lease components at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the consolidated statements of financial position. The Corporation excludes all leases of one year or less from the ROU assets and lease liabilities.

ROU assets represent the Corporation's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Corporation uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Corporation's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Certain retail store and warehouse leases include common area maintenance (CAM) charges. When CAM is not fixed, it is treated as variable lease payments and excluded from the measurement of the right-of-use asset and lease liability. These payments are recognized in the period in which the obligation is incurred.

The Corporation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

For substantially all leases, lease and non-lease components are accounted for as a single lease component.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

In evaluating contracts to determine if they qualify as a lease, the Corporation considered factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgement.

In allocating consideration in the contract to the separate lease components and the non-lease components, the Corporation uses standalone prices of the lease and non-lease components if available. If the standalone price for a component has a high level of variability or uncertainty, this allocation may require significant judgement.

In determining the discount rate used to measure the ROU assets and operating lease liabilities, the Corporation uses rates implicit to the lease, or if not readily available, its incremental borrowing rate. The incremental borrowing rate is based on SOFR plus a credit spread.

Deferred Revenue—Deferred revenue represents that portion of income received but not yet earned through providing services.

Revenue Recognition—The Corporation derives its revenue primarily from donated goods sales, grants, and service contracts. Revenue from donated goods sales is derived from customers at the Corporation's various retail locations across its territory. Revenue is recognized when control of these donated goods is transferred to customers, in an amount that reflects the consideration the Corporation expects to be entitled to in exchange for those goods. Control of donated goods transfers to the customer at the time of sale. Sales and other taxes the Corporation collects concurrent with revenue-producing activities are excluded from revenue. Incidental items that are immaterial in the context of the contract are recognized as expense. Costs incurred to obtain a contract are expensed as incurred when the amortization period is less than a year.

Revenue from grants and service contracts is derived from various governmental entities, private entities, insurance providers, and private pay individuals in return for services provided by the Corporation. Revenue is recognized after the services have been provided in an amount that reflects that consideration the Corporation expects to be entitled to in exchange for those services. Incidental items that are immaterial in the context of the contract are recognized as expense. Costs incurred to obtain a contract are expensed as incurred when the amortization period is less than a year.

The Corporation's contracts are cancellable at any time by either party, with proper notice as defined in each contract. The Corporation's standard payment terms are typically due 30 days from invoice date. Payment terms can vary based upon the entity that is paying. Some government agencies have set terms across all service providers in which they specify when payments will be made once requested or billed. In these cases, the Corporation does not dictate payment terms. The Corporation does not have any significant financing components. There is no variable consideration related to services provided.

The contract balances at December 31, 2025 and 2024 are presented on the consolidated statements of financial position. At January 1, 2024, contract balances included accounts receivable of $2,120 and deferred income of $138.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue from performance obligations satisfied at a point in time consists of donated goods sales and service fees received in exchange for various services provided to the clients of the Corporation.

For performance obligations related to donated goods sales and fees for services provided, the benefit of the good or service is transferred at a point in time. Therefore, no disaggregation of revenues is presented. Revenue is recorded for these goods and services after the service has been provided or when control of the good has been transferred to the customer.

Conditional Promises to Give—The Corporation receives conditional funding from various governmental grants. This funding is recognized as the Corporation meets the donor-imposed conditions, which generally represent incurring allowable costs related to the specific grants. The Corporation has approximately $2,737 and $4,522 of unrecognized conditional promises to give at December 31, 2025 and 2024.

Contributed Nonfinancial Assets —The Corporation recognizes contributed nonfinancial assets within revenue. Contributed nonfinancial assets largely consist of clothing and household goods donated at retail thrift stores, and vehicles. Unless otherwise noted, contributed nonfinancial assets do not have donor-imposed restrictions.

Cost Allocation—The Corporation follows the direct allocation method where possible. Costs that can be identified to specific programs or administrative services are charged directly to those services. Certain costs benefit multiple program and support services. If the costs benefit multiple services in proportions that can be reasonably determined, then such costs are proportionately allocated to those services. If proportionate allocation cannot be easily determined, then such costs are allocated in a reasonable and consistent basis as determined by management.

Significant expenses allocated by the Corporation include depreciation and occupancy-related costs associated with its Community Service Center and Headquarters. These costs are allocated to program and support services based on square footage.

Use of Estimates—The preparation of 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 disclosure 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.

Fair Value— Accounting standards have a single definition of fair value and a framework for measuring fair value in accordance with generally accepted accounting principles. These standards apply whenever other authoritative literature requires (or permits) certain assets and liabilities to be measured at fair value. Items carried at fair value on a recurring basis consist of certain investment funds. The Corporation also uses fair value concepts to test various long-lived assets for impairment, in the event a triggering event has occurred.

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market. The Corporation uses a fair value hierarchy that has three levels of inputs, both observable and unobservable, with use of the lowest possible level of input to determine fair value.

Reclassifications—Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 financial statement presentation.

Subsequent Events—In preparing these consolidated financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through April 23, 2026, the date the consolidated financial statements were available to be issued.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, are as follows:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	$ 1,115	$ 1,402
Accounts receivable, net	2,997	2,476
Pledges receivable	132	196
Investments	28,075	27,817
Restricted cash	226	285
	32,545	32,176
Less amounts not available to be used within one year:		
Net assets with donor restrictions	1,481	1,627
Assets restricted for NMTC asset management	226	285
	1,707	1,912
Financial assets available to meeting general expenditures within one year	$ 30,838	$ 30,264

In addition to financial assets available at a point in time, the Corporation's operating divisions generate revenue to support annual expenditures.

As part of liquidity management, the Corporation invests excess cash in accordance with its short-term reserves policy. The policy allows for investment in certain funds with maturity dates less than one year from the date of purchase.

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

3. LIQUIDITY AND AVAILABILITY – CONTINUED

Investments included board-designated endowment funds of $22,828 and $19,760 at December 31, 2025 and 2024, respectively. The funds are available for use within one year upon approval by the board of trustees. The Corporation's endowment spending policy is described in Note 7.

4. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

For purposes of the consolidated statements of financial position and cash flows, cash and cash equivalents are considered operating cash held in checking or savings accounts at financial institutions. Restricted cash consists of those amounts restricted in connection with the West Campus Community Services Center project for asset management fees. The restrictions pertaining to asset management fees will expire at the end of the New Market Tax Credit (NMTC) compliance period in 2029.

The following table provides a reconciliation of cash, cash equivalents and restricted cash within the consolidated statements of financial position that sum to the totals of the same such amounts presented in the consolidated statements of cash flows:

	2025	2024
Cash and cash equivalents	$ 1,115	$ 1,402
Restricted cash	226	285
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	$ 1,341	$ 1,687

5. PLEDGES RECEIVABLE

	2025	2024
Receivable in less than one year	$ 105	$ 155
Receivable in one to five years	30	45
	135	200
Less discount to present value	3	4
	$ 132	$ 196

At December 31, 2025 and 2024, the present value of pledges receivable has been determined using a discount rate of 3%.

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

6. INVESTMENTS

Investments at December 31, 2025 and 2024 consist of the following:

	2025	2024
Marketable equity securities	$ 325	$ 285
Equity mutual funds	17,638	15,781
Fixed income certificates of deposit	3,968	6,169
Fixed income corporate bonds	1,930	1,352
Fixed income agency securities	158	307
Fixed income mutual funds	2,961	2,754
Cash equivalents	1,095	1,169
	$ 28,075	$ 27,817

7. ENDOWMENT FUNDS

Endowment funds are included in investments on the consolidated statements of financial position. Endowment-related activities for the years ended December 31, 2025 and 2024 are as follows:

	Donor Restricted	Board Designated	Total
Endowment funds at December 31, 2023	$ 860	$ 17,872	$ 18,732
Authorized distributions	(188)	(525)	(713)
Investment gain, net	80	2,413	2,493
Endowment funds at December 31, 2024	752	19,760	20,512
Transfers to endowment		1,055	1,055
Authorized distributions	(17)	(850)	(867)
Investment gain, net	103	2,863	2,966
Endowment funds at December 31, 2025	$ 838	$ 22,828	$ 23,666

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

7. ENDOWMENT FUNDS - CONTINUED

The Corporation is authorized to spend up to 5% of its board-designated endowment annually, as specified in the endowment spending policy. The purpose of the spending policy is to fund programs provided by the Corporation that are important to the community, and do not otherwise have available funding. The board-designated endowment is also available to the Corporation in the event of a downturn in revenue or to temporarily fund new ventures, should the board of trustees elect to do so.

8. PROPERTY AND EQUIPMENT, NET

Property and equipment at December 31, 2025 and 2024 consists of the following:

	2025	2024
Land	$ 15,378	$ 15,378
Land improvements	1,914	1,914
Buildings	54,803	53,810
Leasehold improvements	5,712	3,909
Furniture and equipment	25,274	22,963
Transportation equipment	3,862	3,652
Construction in progress	883	922
Total cost	107,826	102,548
Less accumulated depreciation	42,645	38,641
Property and equipment, net	$ 65,181	$ 63,907

9. FAIR VALUE

Accounting standards provide a framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements).

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

9. FAIR VALUE – CONTINUED

The three levels of the fair value hierarchy under the accounting standards are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Fair values of the Corporation's financial assets measured on a recurring basis at December 31, 2025 and 2024, are as follows:

	2025			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Assets				
Marketable equity securities	$ 325	$ 325	$	$
Equity mutual funds	17,638	17,638		
Fixed income certificates of deposit	3,968	3,968		
Fixed income corporate bonds	1,930		1,930	
Fixed income agency securities	158		158	
Fixed income mutual funds	2,961	2,961		
Cash equivalents	1,095	1,095		
Fixed interest rate swaps	209		209	
	$ 28,284	$ 25,987	$ 2,297	$

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

9. FAIR VALUE – CONTINUED

	2024			
	Fair Value	Level 1	Level 2	Level 3
Assets				
Marketable equity securities	$ 285	$ 285	$	$
Equity mutual funds	15,781	15,781		
Fixed income certificates of deposit	6,169	6,169		
Fixed income corporate bonds	1,352		1,352	
Fixed income agency securities	307		307	
Fixed income mutual funds	2,754	2,754		
Cash equivalents	1,169	1,169		
Fixed interest rate swaps	493		493	
	$ 28,310	$ 26,158	$ 2,152	$

Following is a description of the valuation methodologies used for assets measured at fair value. There were no changes in the valuation methodologies used during the years 2025 and 2024.

Equity securities, mutual funds, certificates of deposit and cash equivalents – The valuation of these investments is based on quoted market prices.

Corporate bonds and agency securities – These investments are estimated by using price models or quoted prices of securities with similar characteristics.

Fixed interest rate swaps – The valuation is determined by the financial institution that has entered into the swap agreements with the Corporation. The instruments are valued using a proprietary method based on financial principles and assumptions believed to be reliable.

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 the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

10. DEBT OBLIGATIONS

Debt obligations at December 31, 2025 and 2024 are as follows:

	2025	2024
2015 Tax-exempt Dayton/Montgomery County Economic Development Revenue Bond, due monthly beginning January 2017 through January 2031	$ 5,610	$ 6,120
2020 Term Loan, due monthly beginning August 2020 through July 2025		260
2022 Tax-exempt Dayton/Montgomery County Economic Development Revenue Bond, due monthly beginning October 2022 through September 2029	5,684	5,929
2022 NMTC Notes Payable, due quarterly, beginning March 2029 through December 2052	7,760	7,760
2024 Installment Loan due in five equal annual payments beginning January 2025 through January 2029	216	360
2025 Installment Loan due in five equal annual payments beginning March 2026 through March 2030	336	
Unpaid principal on long-term debt	19,606	20,429
Less deferred issuance costs, net of accumulated amortization	381	416
	$ 19,225	$ 20,013

10. DEBT OBLIGATIONS – CONTINUED

The 2015 Tax-exempt Economic Development Bond (the "2015 Bond") was entered into during December 2015 to finance construction of four retail stores and to refinance the remaining 2005 bond obligation of $2,323. The aggregate bond principal is $10,200, to which the Corporation had drawn in full by December 2016 (end of construction period). The 2015 Bond had a floating rate based on LIBOR that resets monthly. In November 2022, the Corporation amended the bond to replace the operative LIBOR-based rate with a SOFR-based rate. The variable rates were 3.70% and 4.14% at December 31, 2025 and 2024, respectively. The Corporation entered into an interest rate swap agreement with a bank, whereby the bank pays the Corporation the same floating rate of interest based on the notional principal and the Corporation paid a fixed rate to the bank. The fixed rate was 2.15% until August 2023. At that time, the Corporation amended the bond and swap agreement to extend the maturity date. The amended swap agreement has a fixed rate of 2.69%. The notional principal of the swap amortizes through the expiration date of the agreement, which is January 1, 2031. The fair valuation of the interest swap resulted in a mark-to-market asset of $136 and $276 at December 31, 2025 and 2024, respectively. The asset is included in prepaid expenses and other assets in these consolidated financial statements.

The 2020 Term Loan was entered into on July 1, 2020 as a refinancing of the 2003 Tax-exempt State of Ohio Economic Development Revenue Bond. The loan had a floating rate based on SOFR that was reset on a monthly basis and subject to alternate rate provisions. The rate was 6.89% at December 31, 2024. The Corporation entered into an interest rate swap agreement with a bank, whereby the bank paid the Corporation the same floating rate of interest based on the notional principal and the Corporation paid a fixed rate of 3.16% to the bank. The notional principal of the swap amortized through the expiration date of the agreement, which was July 1, 2025. The fair valuation of the interest swap resulted in a mark-to-market asset of $3 at December 31, 2024. The loan was paid off in July 2025.

The 2022 Tax-exempt Economic Development Bond (the "2022 Bond") was entered into during September 2022 to finance the purchase of a retail store, capital expenditures, and to refinance two term loans. The aggregate bond principal is $6,450. The 2022 Bond has a floating rate based on SOFR that is reset on a monthly basis. That rate was 4.14% and 4.73% at December 31, 2025 and 2024, respectively. The Corporation entered into an interest rate swap agreement with a bank, whereby the bank pays the Corporation the same floating rate of interest based on the notional principal and the Corporation paid a fixed rate of 3.47% to the bank. The notional principal of the swap amortizes through the expiration date of the agreement, which is August 30, 2029. The fair valuation of the interest swap resulted in a mark-to-market asset of $73 and $214 at December 31, 2025 and 2024, respectively. The asset is included in prepaid expenses and other assets in these consolidated financial statements.

The 2024 Installment Loan was entered into during December 2024 to finance the purchase of certain network equipment and licensing. The 2025 Installment Loan was entered into during December 2025 to finance the purchase of additional network equipment and licensing. The interest rate on the two loans is 0%.

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

10. DEBT OBLIGATIONS – CONTINUED

The Corporation has a $1,500 revolving line of credit agreement. The line of credit has a floating rate based on SOFR plus 225 basis points, which was 6.00% and 6.56% at December 31, 2025 and 2024, respectively. The line of credit agreement expires May 31, 2026 and is collateralized by the general business assets of the Corporation. There was no outstanding balance on the line of credit at December 31, 2025 and 2024.

The debt obligations of the Corporation contain certain restrictive covenants under which, among other things, the Corporation must maintain a minimum ratio of unrestricted cash and investment balances in relation to long term indebtedness and requires a certain debt service coverage ratio. The Corporation's assets cannot be collateralized under future borrowings without consent of PNC Bank. Real property having a carrying value of $31,064 and $31,786 as of December 31, 2025 and 2024 is pledged as collateral under these borrowings.

Principal maturities for the next five years and thereafter for all debt obligations at December 31, 2025 are as follows:

2026	$ 903
2027	912
2028	922
2029	5,701
2030	885
Thereafter	10,283
Total	$ 19,606

Interest expense on all debt obligations was $447 and $479 for 2025 and 2024, respectively.

Interest expense includes deferred debt issuance costs of $35 and $37 for 2025 and 2024, respectively. Amortization of the deferred debt issuance costs for the next five years and thereafter are as follows:

2026	$ 33
2027	33
2028	33
2029	28
2030	12
Thereafter	242
Total	$ 381

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

11. NEW MARKETS TAX CREDIT PROGRAM

On February 25, 2022, the Corporation entered into a financing arrangement under the guidelines of the Internal Revenue Service's New Markets Tax Credit (NMTC) program, to fund the construction of its new West Campus Community Services Center in Trotwood, Ohio. The arrangement required the formation of a nonprofit corporation (GESMV West Campus Center) that owns the building. In addition, the Corporation and a third-party investor were required to loan $8,000 to a group of Qualified Community Development Entities (CDE's) through an investment fund. The Corporation's portion of the loan was $5,660. These CDE's subsequently loaned $7,760 back to GESMV West Campus Center to fund the capital project through two notes bearing interest at 1%. Interest only payments are made quarterly with principal payments scheduled from March 2029 through 2052.

Payment on the notes is guaranteed by the Corporation in the event of default. The notes are further secured by an open-ended mortgage, assignment of leases and rents, UCC-1, an indemnity agreement on hazardous materials and handicap access, and an account pledge agreement.

The Corporation has an unconditional guarantee agreement on the New Market Tax Credits if a recapture event occurred. A recapture event is considered remote based on historical factors.

The $5,660 loaned by the Corporation to the CDEs is supported by a note receivable with interest at 1.37%, with principal payments beginning in March 2029.

Construction of the West Campus Community Services Center is complete, and the facility opened for services in January 2023. The facility is leased to the Corporation for the furtherance of its exempt purpose in Trotwood, Ohio and surrounding communities.

12. LEASING ACTIVITIES

The Corporation has operating leases of buildings for retail and programming activities, and leases of vehicles and equipment. The leases have remaining lease terms of 1 year to 10 years. The Corporation reasonably expects to exercise the first renewal period options included in any retail store leases. Therefore, first renewal period options are included in the calculated lease term unless a specific circumstance exists to exclude such an option.

The Corporation does not have any leases that qualify as finance leases. The ROU assets and operating lease liabilities included on the consolidated statements of financial position represent operating leases.

The following summarizes the weighted average remaining lease term and discount rate for operating leases as of December 31, 2025 and 2024:

	2025	**2024**
Weighted average remaining lease term	6 years	6 years
Weighted average discount rate	6.20%	5.70%

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

12. LEASING ACTIVITIES – CONTINUED

The maturities of operating lease liabilities as of December 31, 2025 were as follows:

2026	$	2,512
2027		2,222
2028		1,712
2029		1,369
2030		928
Thereafter		2,491
Total lease payments		11,234
Less: interest		2,175
Total minimum lease payments	$	9,059

The following summarizes the line items in the consolidated statements of functional expenses which include the components of lease expense for the year ended December 31:

	2025		2024	
Operating lease expense included in functional expenses	$	2,621	$	2,353

The following summarizes cash flow information related to leases for the year ended December 31:

	2025		2024	
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$	2,657	$	2,369
Lease assets obtained in exchange for lease obligations				
Operating leases	$	1,912	$	3,062

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

13. MEMBERSHIP DUES

The Corporation is a part of the membership organizations of Goodwill Industries International, Inc. (GII) and National Easter Seal Society, Inc. (NESS). The GII membership establishes a dues structure for each member based on revenues of the respective members. The NESS membership establishes a dues structure for each member based on the size of the market assigned to the respective member. Total expense for GII membership dues was $208 and $240 in 2025 and 2024, respectively. Total NESS membership dues expense was $91 and $88 in 2025 and 2024, respectively.

14. EMPLOYEE BENEFIT PLAN

The Corporation has a defined contribution benefit plan that covers substantially all employees. The Corporation matches 50% of the first 6% of the employees' contributions. The Corporation's matching contribution under the plan was $290 and $281 for the years ended December 31, 2025 and 2024, respectively.

15. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	2025	2024
Subject to expenditure for specified purpose	$ 642	$ 875
Subject to the passage of time	839	752
Net assets with donor restrictions	$ 1,481	$ 1,627

Net assets were released from donor restrictions either by incurring expenses satisfying the restricted program purposes or through the passage of time. Net assets totaling $743 and $799 were released from purpose restrictions for the years ended December 31, 2025 and 2024. Net assets totaling $17 and $188 were released from time restrictions for the years ended December 31, 2025 and 2024.

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

16. CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the consolidated statements of activities included:

	2025	2024
Clothing	$ 25,294	$ 23,541
Household goods and other	19,874	18,894
Retail Division - contributions of nonfinancial assets	$ 45,168	$ 42,435

Donated clothing and household goods are sorted, processed, and primarily sold in retail thrift stores. Certain items are sold online, and items that cannot be sold in stores are sold as salvage. The Corporation sells contributed vehicles through its auto auction.

In estimating the value of clothing, household goods and vehicles, the Corporation estimated the fair value based on its average sales price for similar products.

The inherent cost of contributed nonfinancial assets sold through the Corporation's retail operation is included in cost of goods sold on the consolidated statements of functional expenses.

17. SUPPLEMENTAL CASH FLOW INFORMATION

	2025	2024
Cash paid during the year for:		
Interest	$ 448	$ 512
Noncash transactions:		
Purchase of network equipment and licensing with long-term debt	$ 336	$ 360

INDEPENDENT AUDITORS' 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*

Board of Trustees
Goodwill Easter Seals Miami Valley
Dayton, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Goodwill Easter Seals Miami Valley (a Non-Profit organization), which comprise the consolidated statement of financial position as of December 31, 2025 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 23, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

BRADY WARE & SCHOENFELD

INDEPENDENT AUDITORS' 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* – CONTINUED

Report on Compliance and Other Matters

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

Purpose of This Report

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

Brady, Ware & Schoenfeld, Inc.

Dayton, Ohio
April 23, 2026

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Goodwill Easter Seals Miami Valley
Dayton, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Goodwill Easter Seals Miami Valley's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Goodwill Easter Seals Miami Valley's major federal programs for the year ended December 31, 2025. Goodwill Easter Seals Miami Valley's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Goodwill Easter Seals Miami Valley's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Goodwill Easter Seals Miami Valley and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Goodwill Easter Seals Miami Valley's compliance with the compliance requirements referred to above.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE – CONTINUED

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Goodwill Easter Seals Miami Valley's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Goodwill Easter Seals Miami Valley's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Goodwill Easter Seals Miami Valley's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Goodwill Easter Seals Miami Valley's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Goodwill Easter Seals Miami Valley's internal control over compliance. Accordingly, no such opinion is expressed.

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

BRADY WARE
& SCHOENFELD

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE – CONTINUED

Report on Internal Control over Compliance

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

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

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

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

Brady, Ware & Schoenfeld, Inc.

Dayton, Ohio
April 23, 2026

GOODWILL EASTER SEALS MIAMI VALLEY

CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Expenditures to Subrecipients
Department of Health and Human Services				
Temporary Assistance for Needy Families, pass-through program from:				
Champaign County Department of Jobs and Family Services	93.558	None	$ 4,530	$ -
Clark County Department of Jobs and Family Services	93.558	None	330,892	
Greene County Department of Jobs and Family Services	93.558	None	179,327	
Logan County Department of Jobs and Family Services	93.558	None	54,385	
Montgomery County Department of Jobs and Family Services	93.558	None	1,367,662	204,192
Highland County Department of Jobs and Family Services	93.558	None	76,420	
Total Temporary Assistance for Needy Families			2,013,216	204,192
Special Programs for Aging - Title III, Part B Grants for Supportive Services and Senior Centers, pass-through program from:				
Area Agency on Aging	93.044	None	125,748	
Special Programs for Aging - Title III, Part D Disease Prevention and Health Promotion Services, pass-through funds from:				
Area Agency on Aging	93.043	None	24,472	
Block Grants for Prevention and Treatment of Substance Abuse pass-through funds from:				
Montgomery County Alcohol, Drug Addiction and Mental Health Services Board (ADAMHS)	93.959	None	19,992	
Medical Assistance Program pass-through funds from:				
Montgomery County ADAMHS	93.788	None	209,790	
Assisted Outpatient Treatment pass-through funds from:				
Montgomery County ADAMHS	93.997	None	498	
Department of Agriculture				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, pass-through funds from:				
Montgomery County Department of Jobs and Family Services	10.561	None	96,742	
Department of Labor				
Senior Community Service Employment Program, direct program	17.235	None	539,381	
TOTAL FEDERAL AWARDS			$ 3,029,839	$ 204,192

1. BASIS OF PRESENTATION

The accompanying consolidated schedule of expenditures of federal awards includes the federal award activity of Goodwill Easter Seals Miami Valley under programs of the federal government for the year ended December 31, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Goodwill Easter Seals Miami Valley, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Goodwill Easter Seals Miami Valley.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Uniform Guidance allows recipients to use a 10 percent de minimis indirect cost rate for federal awards with award dates through September 30, 2024. The de minimis indirect cost rate was increased to up to 15 percent for federal awards with award dates beginning October 1, 2024. Goodwill Easter Seals Miami Valley has elected to not use the applicable de minimis indirect cost rate.

GOODWILL EASTER SEALS MIAMI VALLEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

SUMMARY OF AUDITORS’ RESULTS

1. The auditors’ report expresses an unmodified opinion on whether the consolidated financial statements of Goodwill Easter Seals Miami Valley were prepared in accordance with GAAP.

2. No significant deficiencies or material weaknesses relating to the audit of the consolidated financial statements are reported in the Independent Auditors' 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 non-compliance material to the consolidated financial statements of Goodwill Easter Seals Miami Valley which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No significant deficiencies or material weaknesses in internal control over major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance.

5. The auditors' report on compliance for the major federal award programs expresses an unmodified opinion on all major federal programs.

6. There are no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) reported in this Schedule.

7. The program tested as a major program was: 93.558.

8. The threshold for distinguishing Type A and B programs was $1,000,000.

9. The Corporation was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENTS AND COMPLIANCE AUDITS

No matters are reportable.