

Goodwill Industries Intl, Inc.

September 2009

Unaudited

Secondary

Financial

Reports

GOODWILL INDUSTRIES INTERNATIONAL, INC AND RELATED ENTITY
COMPARATIVE CONSOLIDATED STATEMENT OF CASHFLOWS
For The Nine Months Ending September 30, 2009 and 2008

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	September 2009	September 2008
Cash Flows from Operating Activities:		
Changes in Net Assets	1,857,526	(1,436,922)
Adjustments to reconcile changes in net assets to net cash provided by Operating Activities:		
Unrealized Loss (Gain) on Investments	(615,434)	494,463
Realized Loss (Gain) on investments	51,687	75,597
Depreciation and Amortization	841,715	919,985
Gain on sale of car		(21,207)
Amortization of bond issue costs	2,592	2,592
Uncollectible Accounts	23,525	18,900
Change in net assets and liabilities:		
(Increase)Decrease in Accounts and Notes Receivable	150,547	(116,288)
(Increase) Decrease in Pledges Receivable	5,758	21,036
(Increase) Decrease in Grants Receivable	756,619	(257,190)
(Increase)Decrease Prepaid Expenses and other assets	(83,151)	51,584
Increase (Decrease) in Accounts Payable	166,979	(331,108)
Increase(Decrease) in Accrued Expense:	(1,226,536)	(180,267)
Increase(Decrease) in Deferred Revenue	72,211	(111,646)
Increase (Decrease) in Guarantee Reserve	(68,008)	(178,634)
Total Adjustments	<u>78,504</u>	<u>387,817</u>
Net Cash Provided by (Used) in Operating Activities	<u>1,936,030</u>	<u>(1,049,105)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(372,028)	(408,742)
Proceeds from the sale of property and equipment		28,477
Purchases of investments	(925,791)	(6,967,735)
Sales and maturities of investments	<u>122,759</u>	<u>7,843,602</u>
Net Cash Provided by (Used in) Investing Activities	<u>(1,175,060)</u>	<u>495,602</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Principal payments on bond payable	(100,000)	(100,000)
Principal payments on capital leases	(35,579)	(62,389)
Net Cash Used in Financing Activities	<u>(135,579)</u>	<u>(162,389)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	625,391	(715,892)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>1,051,989</u>	<u>1,624,054</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$1,677,380</u>	<u>\$908,162</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$46,746	\$55,652

GOODWILL INDUSTRIES INTERNATIONAL
NET ASSETS RELEASE SUMMARY

	September 2009 YTD Actual	September 2009 YTD Budget	September 2009 YTD Variance	Annual Budget	Remaining Balance
SATISFACTION OF PRGRM REST WATKINS AWARD	1,000	2,000	(1,000)	2,000	1,000
SATISFACTION OF PRORM-KATZ FUND	1,302	1,000	302	1,000	(302)
SATISFACTION OF PRGRM-ROGER MATTHEWS AWARD	6,050	8,000	(1,951)	8,000	1,951
SATISFACTION OF PRGRM REST DULIN NEW CEO TRNG	15,000	15,000	0	20,000	5,000
SATISFACTION OF PRGRM REST DULIN NEW CEO-MEM RELATIONS	1,411	15,000	(13,589)	20,000	18,589
SATISFACTION OF PRGRM REST DULIN SR MGMT	30,000	30,000	0	40,000	10,000
SATISFACTION OF PROGRAM REST-DEL ASSEMBLY TVL FUND	2,880	2,000	880	2,000	(880)
SATISFACTION OF PROGRRM-KENNETH KING	19,021	25,100	(6,079)	25,100	6,079
SATISFACTION OF PROGRAM REST PUBLIC POLICY FUND		45,000	(45,000)	62,000	62,000
SATISFACTION OF PROGRAM REST-UNRESTRICTED GENERAL					0
SATISFACTION OF PROGRAM-INTL RELEASE-GENERAL-CLORE	2,000		2,000		(2,000)
SATISFACTION OF PROGRAM-BARKER FUND-INTL		4,000	(4,000)	4,000	4,000
SATISFACTION OF PROGRAM-GOING GLOBAL	8,750	12,000	(3,250)	16,000	7,250
SUB TOTAL	87,414	159,100	(71,686)	200,100	112,686
GRANTS AND OTHER:					
NET ASSETS RELEASED-CASEY FDN	114,614	124,980	(10,366)	138,975	24,361
SATISFACTION OF PROGRAM-MOTT STAFFING	129,239	136,270	(7,031)	169,770	40,531
SATISFACTION OF PROGRAM-MOTT PLANNING	17,575		17,575		(17,575)
SATISFACTION OF PROGRAM-MICROENTERPRISE	22,664		22,664		(22,664)
SATISFACTION OF PROGRAM-BOA-GOOD ASSETS	77,161		77,161		(77,161)
SATISCACTION OF PROGRAM-DISASTER FUND					0
SATISFACTION OF PROGRAM-KATRINA HUMAN NEEDS					0
SATISFACTION OF PROGRAM-KATRINA INFRASTRUCTURE	20,100		20,100		(20,100)
SATISFACTION OF PROGRAM-IKE					0
SATISFACTION OF PROGRAM-TORNADO FUND					0
SUB TOTAL	381,352	261,250	120,102	308,745	(72,607)
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	468,766	420,350	48,416	508,845	40,079

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**Goodwill Industries International, Inc. and Related Entity
Unrestricted Cash Reserve Calculation
September 30, 2009**

<u>Objective</u>	<u>As of September 30, 2009</u>	<u>2009 Target</u>	<u>As of Dec 31, 2008</u>
Sustain During Short Term	\$3,339,575	\$2,100,000	\$1,036,473
Capital For Research, New Services	1,400,000	1,400,000	1,111,000
Reserves For Board Designated	-	-	710,000
Sustain During Long Term	970,000	970,000	930,000
International Business Development	<u>516,200</u>	<u>630,000</u>	<u>621,455</u>
Subtotal	<u>6,225,775</u>	<u>\$5,100,000</u>	<u>4,408,928</u>

Goodwill Industries International, Inc. And Related Entity
Bond Covenants

Exhibit J

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Terms of Bank Documents

(6.14) As of June 30 and December 31 of each year, commencing on June 30, 2004, the Borrower will achieve Unre: (as defined below):

(1) of not less than 10% of the Borrower's cash operating expenses for each such six month period, through and ir December 31, 2004.

(2) of not less than 15% of the cash operating expenses for each such six-month period as of June 30, 2004 June 30 and December 31 thereafter.

Unrestricted Liquidity - Borrower's unrestricted and unencumbered cash, cash equivalents and readily marketable sec

Unrestricted Liquidity Calculation	12/31/2008	6/30/2009	9/30/2009
Total Operating Expenses	16,236,089	15,939,041	24,347,020
<u>Adjustment for Non-cash Expenses</u>			
Depreciation And Amortization	(599,005)	(563,916)	(841,715)
Release of Net Assets	(407,308)	(335,182)	(468,766)
Income Tax Expense	16,477		
Provision for Bad Debt	(4,774)	(12,600)	(23,525)
<u>Total Cash Operating Expenses</u>	<u>15,241,480</u>	<u>15,027,343</u>	<u>23,013,014</u>
Cash,Cash Equivalents & Marketable Securities	4,440,602	5,850,757	6,257,450
Not less than (15% of cash operating expenses)	\$ 2,286,222	\$ 2,254,101	\$ 3,451,952

(6.15) The Borrower will maintain a ratio of Cash Flow (as described below) to Debt Service (as defined below) of n:
1) 1.10 to 1 for its fiscal year ending December 31, 2004, and

2) 1.25 to 1 for its fiscal year ending December 31, 2005 and for each of its fiscal years thereafter.

Cash Flow - for each such fiscal year, unrestricted net income, plus to the extent deducted to compute such income, depreciation, interest expense, amortization and other non-cash items , minus unrealized gains, plu
Debt Service - for each fiscal year

a) Interest expense for such fiscal year

b) Current maturities of long-term debt of the Borrower outstanding at the end of such fiscal year, including, without the Principal Payments.

Cash Flow to Debt Service Ratio	12/31/2008	6/30/2009	9/30/2009
Change in Net worth from Operations-Unrestricted Fund	(1,008,359)	1,130,667	1,675,145
Adjustments to Cash Flow:			
-Non cash Contributions-Donated Asset			
- Depreciation And Amortization	1,215,694	563,916	841,715
- Interest Expense (Bond/Lease)	71,046	28,001	46,746
-Income tax Expense	(16,477)		
- Other Non- Cash Items (Provision for bad debts)	17,374	12,600	23,525
- Unrealized (Gains)Losses	517,102	(156,921)	(517,308)
<u>Total Increases to Cash Flow</u>	<u>1,804,738</u>	<u>447,596</u>	<u>394,678</u>
Adjusted Net Income	\$ 796,379	\$ 1,578,263	\$ 2,069,823

Debt Service	\$ 171,046	\$ 128,001	\$ 146,746
Ratio =	4.66	12.33	14.10
Required	1.25 to 1	1.25 to 1	1.25 to 1

Goodwill Industries International Inc.
Capital Expenditure Analysis
September 30, 2009

<u>Program</u>	<u>2009 Budget</u>	<u>YTD Actual</u>
Projects for the Membership		
Member Information System (MIS)	\$ -	-
Databooks		-
Retail Data Book - Modifications	30,000	30,000
Contracts Data Book	30,000	31,550
Mission Services Data Book	30,000	9,875
CNA Data Book - convert to MIS	30,000	15,125
Member Data Book (snapshot)	10,000	10,000
	<u>130,000</u>	<u>96,550</u>
Retail Site Selection - Donated Goods Model	25,000	-
Incorporate ADCs		-
GeoVue <-> MIS data exchange		-
Secure Data Distribution	35,000	9,296
	<u>60,000</u>	<u>9,296</u>
Web Site Enhancements	30,000	10,188
Information Architecture and Usability modifications		6,250
Re-Design/skin all sites		-
508 compliance audit enhancements		-
	<u>30,000</u>	<u>16,438</u>
MyGoodwill Enhancements	108,000	64,320
Business Intelligence integration		-
Update Document Management		-
Liferay upgrade to version 5.3		-
Services Tracking Module		-
Grants Management Module		-
Social Networking Module		-
	<u>108,000</u>	<u>64,320</u>
	<u>328,000</u>	<u>186,604</u>
Projects for the MSC		
Accounting System	15,000	-
Intranet (Ed) upgrade to Sharepoint	18,000	-
	<u>48,000</u>	<u>-</u>
	66,000	-
Disaster Recovery Site completion	15,000	-
"Green" Data Center Project	20,000	13,802
Office 2007 Upgrade	7,500	-
Secure IM for office and remote staff	26,000	4,683
Exchange Email Upgrade to 2007	43,750	9,775
	<u>193,250</u>	<u>28,260</u>
Annual Hardware Refresh		
Equipment Replacement	25,000	19,546
(3 year rotation)	45,000	19,043
	<u>25,000</u>	<u>865</u>
	<u>95,000</u>	<u>39,455</u>
	<u>\$ 616,250</u>	<u>\$ 254,318</u>
Capital Leases		
Phone system - new in 2009	100,000	104,675
	<u>100,000</u>	<u>104,675</u>
Office Buildout	15,000	14,117
	<u>\$ 731,250</u>	<u>\$ 373,110</u>

** Items over \$3,000 are capitalized per our policy.

GOODWILL INDUSTRIES INTERNATIONAL, INC.
INVESTMENT ANALYSIS
AS OF SEPTEMBER 30, 2009

		<u>Unrestricted</u>	<u>Temp Restricted</u>	<u>Perm Restricted</u>	<u>Stmnt F.P.</u> <u>9/30/09</u>
Cash	GII	\$ 1,469,634	\$ -	\$ -	
Cash	Intl	123,862	-	-	
Cash	LLC	83,884	-	-	
		<u>1,677,380</u>	<u>-</u>	<u>-</u>	1,677,380
Investments	GII	4,156,057	1,110,337	946,253	
Investments	Intl	392,338	78,004	310,917	
Investments	NAEF	31,675	-	-	
		<u>4,580,070</u>	<u>1,188,341</u>	<u>1,257,170</u>	7,025,581
Sub Total		<u>6,257,450</u>	<u>1,188,341</u>	<u>1,257,170</u>	<u>8,702,961</u>
Back out Intl	Cash	(123,862)		-	
Back out LLC	Cash	(83,884)		-	
Back out NAEF 457	Cash	(31,675)		-	
Back out Harris Bank (K King)	Trust	-		(785,713)	
Back out Barkers	Cash	-		(143,065)	
Adjusted Total (Suntrust)		<u>\$ 6,018,029</u>	<u>\$ 1,188,341</u>	<u>\$ 328,392</u>	

		<u>Unrestricted</u>			<u>Temp Restricted</u>			<u>Perm Restricted</u>		
Investment Policies		Min. Target Max. % <u>Unrestricted</u>			Min. Target Max. % <u>Intermediate</u>			Min. Target Max. % <u>Long Term</u>		
Asset Allocation Categories:										
Equities		30% 35% 40%			0% 0% 0%			45% 55% 65%		
Fixed Income		40% 50% 60%			65% 75% 85%			35% 45% 55%		
Cash		0% 15% 30%			15% 25% 35%			0% 0% 10%		
Suntrust (inc'l Trusco)		<u>Performance % Jan-Sep</u>	<u>Asset Allocation %</u>	<u>Performance % Jan-Sep</u>	<u>Asset Allocation %</u>	<u>Performance % Jan-Sep</u>	<u>Asset Allocation %</u>	<u>Performance % Jan-Sep</u>	<u>Asset Allocation %</u>	
Equities Trusco		27.66%	36%	--	0%	24.46%	55%	181,563	55%	
Fixed Income Trusco		6.61%	49%	6.50%	76%	6.46%	44%	144,495	44%	
Cash Trusco		0.13%	15%	0.13%	24%	0.15%	1%	2,333	1%	
Total Portfolio		12.21%	100%	4.92%	100%	16.33%	100%	328,392	100%	
Cash Suntrust		1,469,634		-		-		-		
		<u>\$ 6,018,029</u>		<u>\$ 1,188,341</u>		<u>\$ 328,392</u>		<u>\$ 328,392</u>		
								0.01		