Goodwill of Western Missouri and Eastern Kansas

(Formerly The Helping Hand of Goodwill Industries)

Accountants' Report and Consolidated Financial Statements

December 31, 2010 and 2009

BKD LLP
CPAs & Advisors

Goodwill of Western Missouri and Eastern Kansas

(Formerly The Helping Hand of Goodwill Industries)

December 31, 2010 and 2009

Contents

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CPAs & Advisors

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Independent Accountants' Report

Board of Directors
Goodwill of Western Missouri and Eastern Kansas
Kansas City, Missouri

We have audited the accompanying consolidated statements of financial position of Goodwill of Western Missouri and Eastern Kansas (formerly, The Helping Hand of Goodwill Industries) and The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop as of December 31, 2010 and 2009, 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. 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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Goodwill of Western Missouri and Eastern Kansas and The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop as of December 31, 2010 and 2009, and the consolidated changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in *Note 10*, in 2010, the Organization changed its method of accounting for valuing inventory and property and equipment by retroactively restating prior years' financial statements.

BKD, LLP

September 27, 2011

Goodwill of Western Missouri and Eastern Kansas

(Formerly The Helping Hand of Goodwill Industries)

Consolidated Statements of Financial Position

December 31, 2010 and 2009

Assets

	2010	2009
		(Restated-Note 10)
Cash	$ 612,449	$ 175,583
Accounts receivable, net of allowance; 2010 and 2009 - $11,627	791,958	731,429
Inventories	1,002,202	1,079,979
Prepaid supplies and expenses	137,416	40,391
Deposits	96,417	101,467
Investments	3,007,428	2,796,253
Property and equipment, net of accumulated depreciation; 2010 - $5,148,793, 2009 - $5,593,747	2,082,089	2,315,175
Total assets	$ 7,729,959	$ 7,240,277

Liabilities and Net Assets

	2010	2009
Liabilities		
Line of credit	$ 1,493,712	$ 893,712
Accounts payable	729,132	700,398
Accrued expenses	924,374	646,680
Total liabilities	3,147,218	2,240,790
Net Assets		
Unrestricted	4,582,741	4,999,487
Total net assets	4,582,741	4,999,487
Total liabilities and net assets	$ 7,729,959	$ 7,240,277

Goodwill of Western Missouri and Eastern Kansas
(Formerly The Helping Hand of Goodwill Industries)
Consolidated Statements of Activities
Years Ended December 31, 2010 and 2009

	2010	2009
		(Restated-Note 10)
Unrestricted Net Assets		
Revenues, gains and other support		
Sales to the public	$ 12,148,719	$ 13,046,227
Industrial and janitorial services	5,605,770	5,368,136
Contributions	296,224	1,951,140
Governmental agencies and programs	1,278,873	1,554,751
Investment return	346,974	461,792
Other	214,866	35,883
Net assets released from restrictions	-	7,143
Total revenues, gains and other support	19,891,426	22,425,072
Expenses and losses		
Program services		
Retail operations	12,029,738	13,969,044
Workforce development (KS)	76,229	106,639
Workforce development (MO)	1,558,887	1,660,594
Sheltered workshop	4,575,787	4,526,557
Total program services	18,240,641	20,262,834
Management and general	1,870,088	1,690,835
Fundraising	197,443	190,766
Total expenses and losses	20,308,172	22,144,435
Change in unrestricted net assets	(416,746)	280,637
Temporarily Restricted Net Assets		
Net assets released from restrictions	-	(7,143)
Change in temporarily restricted net assets	-	(7,143)
Change in Net Assets	(416,746)	273,494
Net Assets, Beginning of Year as Previously Reported	-	6,319,881
Adjustments Applicable to Prior Years	-	(1,593,888)
Net Assets, Beginning of Year as Restated	4,999,487	4,725,993
Net Assets, End of Year	$ 4,582,741	$ 4,999,487

Goodwill of Western Missouri and Eastern Kansas

(Formerly The Helping Hand of Goodwill Industries)

Consolidated Statement of Functional Expenses

Year Ended December 31, 2010

	Retail Operations	Workforce Development (Kansas)	Workforce Development (Missouri)	Sheltered Workshop	Total Program Services	Management and General	Fundraising	Total
Salaries	$ 4,964,292	$ 26,930	$ 942,640	$ 2,559,935	$ 8,493,797	$ 911,035	$ 108,933	$ 9,513,765
Employee benefits	333,740	6,170	183,302	706,032	1,229,244	130,571	28,962	1,388,777
Payroll taxes	669,915	4,653	93,728	306,852	1,075,148	95,075	9,862	1,180,085
Professional fees	300,983	3,825	7,453	291,097	603,358	121,023	15,629	740,010
Supplies	340,884	5,966	38,755	378,900	764,505	41,310	4,592	810,407
Cost of merchandise	242,647	-	6,376	5,456	254,479	-	-	254,479
Occupancy	4,200,474	9,069	148,490	140,436	4,498,469	240,091	5,188	4,743,748
General insurance	83,982	574	14,304	38,202	137,062	4,671	309	142,042
Interest	1,206	-	-	160	1,366	48,578	-	49,944
Employee recruitment	34,286	542	1,264	6,404	42,496	3,403	13	45,912
Marketing	23,279	83	861	29,146	53,369	1,096	15,726	70,191
Mileage expense	42,809	7,285	72,384	11,488	133,966	984	73	135,023
Vehicle operations	359,458	-	-	29,135	388,593	194	-	388,787
Conferences, meetings and trainings	4,946	3,752	4,426	3,645	16,769	46,831	2,732	66,332
Fund development	-	-	-	-	-	42	111	153
Memberships	1,698	-	2,342	125	4,165	130,335	435	134,935
Community support	684	6,594	19,142	-	26,420	1,714	-	28,134
Depreciation	408,873	786	13,283	43,589	466,531	76,170	4,607	547,308
Miscellaneous	15,582	-	10,137	25,185	50,904	16,965	271	68,140
Total functional expenses	$ 12,029,738	$ 76,229	$ 1,558,887	$ 4,575,787	$ 18,240,641	$ 1,870,088	$ 197,443	$ 20,308,172

See Notes to Consolidated Financial Statements

Goodwill of Western Missouri and Eastern Kansas

(Formerly The Helping Hand of Goodwill Industries)

Consolidated Statement of Functional Expenses

Year Ended December 31, 2009

	Retail Operations	Workforce Development (Kansas)	Workforce Development (Missouri)	Sheltered Workshop	Total Program Services	Management and General	Fundraising	Total
Salaries	$ 5,204,951	$ 61,475	$ 1,019,838	$ 2,592,776	$ 8,879,040	$ 876,090	$ 118,108	$ 9,873,238
Employee benefits	303,583	5,598	175,399	638,710	1,123,290	110,873	25,646	1,259,809
Payroll taxes	599,978	7,143	99,127	318,103	1,024,351	84,925	11,356	1,120,632
Professional fees	270,215	1,400	-	311,379	582,994	134,249	510	717,753
Supplies	469,030	4,454	45,268	394,335	913,087	28,840	5,908	947,835
Cost of merchandise	2,051,770	-	3,622	6,536	2,061,928	-	-	2,061,928
Occupancy	4,119,068	12,046	143,733	108,684	4,383,531	124,678	3,676	4,511,885
General insurance	87,792	445	16,318	39,687	144,242	4,618	323	149,183
Interest	9	-	-	160	169	41,386	-	41,555
Employee recruitment	24,348	37	1,950	8,529	34,864	2,043	24	36,931
Marketing	12,910	180	1,147	1,003	15,240	1,920	16,110	33,270
Mileage expense	40,604	6,604	82,743	16,567	146,518	380	274	147,172
Vehicle operations	168,626	-	-	35,608	204,234	3,451	-	207,685
Conferences, meetings and trainings	8,369	666	2,343	532	11,910	50,283	1,228	63,421
Fund development	11,435	-	-	-	11,435	-	-	11,435
Memberships	2,394	130	2,645	440	5,609	130,275	475	136,359
Community support	2,773	5,642	23,922	-	32,337	861	-	33,198
Depreciation	499,508	798	32,877	35,703	568,886	69,906	6,438	645,230
Miscellaneous	91,681	21	9,662	17,805	119,169	26,057	690	145,916
Total functional expenses	$ 13,969,044	$ 106,639	$ 1,660,594	$ 4,526,557	$20,262,834	$ 1,690,835	$ 190,766	$ 22,144,435

See Notes to Consolidated Financial Statements

Goodwill of Western Missouri and Eastern Kansas

(Formerly The Helping Hand of Goodwill Industries)

Consolidated Statements of Cash Flows

Years Ended December 31, 2010 and 2009

	2010	2009
		(Restated-Note 10)
Operating Activities		
Change in net assets	$ (416,746)	$ 273,494
Items not requiring (providing) operating activities cash flows		
Depreciation	547,308	645,230
Net realized and unrealized gains on investments	(270,082)	(378,194)
Loss on disposition of property and equipment	29,529	-
Changes in		
Accounts receivable	(60,529)	141,893
Inventories	77,777	12,526
Prepaid supplies and expenses	(97,025)	39,143
Deposits	5,050	-
Accounts payable	28,734	95,955
Accrued expenses	277,694	(11,446)
Net cash provided by operating activities	121,710	818,601
Investing Activities		
Purchase of property and equipment	(343,751)	(391,473)
Purchase of investments	(199,009)	(287,126)
Proceeds from disposition of investments	257,916	355,731
Net cash used in investing activities	(284,844)	(322,868)
Financing Activities		
Decrease in outstanding checks in excess of bank balance	-	(7,538)
Net borrowings (payments) on line of credit	600,000	(556,288)
Net cash provided by (used in) financing activities	600,000	(563,826)
Increase (Decrease) in Cash	436,866	(68,093)
Cash, Beginning of Year	175,583	243,676
Cash, End of Year	$ 612,449	$ 175,583
Supplemental Cash Flows Information		
Interest paid	$ 49,944	$ 41,555

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

In December 2010, the Board of Directors of The Helping Hand of Goodwill Industries approved an amendment to the organization's by-laws to change the name of the organization to Goodwill of Western Missouri and Eastern Kansas.

Goodwill of Western Missouri and Eastern Kansas, (the "Organization") is a not-for-profit organization whose mission is to help people with disabilities or disadvantages by maximizing their vocational potential. The Organization's revenues and other support are derived primarily from the sale of donated clothing and merchandise, contracts, grants, and contributions. The Organization operates in 18 counties in northwest Missouri and northeast Kansas.

Principles of Consolidation

The consolidated financial statements include the accounts of the Organization and its wholly-owned subsidiary, The Helping Hand of Goodwill Industries Extended Employment Sheltered Workshop (Sheltered Workshop). All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of 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 financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash

One or more of the financial institutions holding the Organization's cash accounts are participating in the FDIC's Transaction Account Guarantee Program. Under that program, through December 31, 2010, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions.

For financial institutions opting out of the FDIC's Transaction Account Guarantee Program or interest-bearing cash accounts, the FDIC's insurance limits were permanently increased to $250,000, effective July 21, 2010. At December 31, 2010, the Organization did not have any accounts that exceeded federally insured limits.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Accounts Receivable

Accounts receivable are stated at the amount billed to customers. The Organization provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due more than 90 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Inventories

Inventories generally consist of donated goods that are to be sold in the Organization's retail stores. Inventory value is estimated based on average sales adjusted for inventory turnover, which approximates fair value.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Assets under leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Furniture, fixtures and equipment	3-7 years
Vehicles	3 years

Long-lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2010 and 2009.

Government Contracts

Revenue received from government agencies and programs is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the contract agreements. Government programs are subject to audit and acceptance by the government agency and, as a result of such audit, adjustments could be required.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as unrestricted revenue and net assets.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

Income Taxes

The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income. With a few exceptions, the Organization is no longer subject to the U.S. federal examinations by tax authorities for years before 2007.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program, management and general, and fund raising categories based on estimated usage.

Note 2: Investments and Investment Return

Investments at December 31 consisted of the following:

	2010	2009
Money market funds	$ 90,293	$ 81,911
Mutual funds	30,856	83,841
Common and preferred stock	2,037,042	1,865,891
Other equity securities	69,247	87,270
U.S. government agency securities	-	183,209
Corporate debt securities	779,990	494,131
	$ 3,007,428	$ 2,796,253

Total investment return is comprised of the following:

	2010	2009
Interest and dividend income	$ 76,892	$ 83,598
Net realized gains (losses)	168,180	(122,968)
Change in unrealized gains	101,902	501,162
	$ 346,974	$ 461,792

Note 3: Property and Equipment

Property and equipment at December 31 consisted of the following:

	2010	2009
		(Restated-Note 10)
Land	$ 954,632	$ 954,632
Buildings and leasehold improvements	3,953,491	3,925,015
Furniture, fixtures and equipment	2,290,363	2,887,229
Vehicles	32,396	142,046
	7,230,882	7,908,922
Less accumulated depreciation and amortization	5,148,793	5,593,747
	$ 2,082,089	$ 2,315,175

Note 4: Line of Credit

The Organization has a $2,100,000 revolving bank line of credit expiring in 2011. At December 31, 2010 and 2009, there was $1,493,712 and $893,712, respectively, borrowed against this line. The line is collateralized by all of the Organization's investments. Interest varies with the bank's prime rate, which was 3.25% on December 31, 2010 and 2009, and is payable monthly.

Note 5: Operating Leases

Noncancellable operating leases, primarily for retail store locations, expire in various years through 2020. These leases generally contain renewal options for periods ranging from 5 to 10 years and require the Organization to pay part or all executory costs (property taxes, maintenance and insurance).

Future minimum lease payments at December 31, 2010, were:

2011	$ 2,188,026
2012	2,192,382
2013	1,907,139
2014	1,443,461
2015	1,313,554
Thereafter	2,446,324

Rental expense for all operating leases amounted to $3,121,790 and $3,126,493 for the years ended December 31, 2010 and 2009, respectively.

Note 6: Retirement Plans

The Organization has a defined contribution plan covering substantially all employees. The Organization contributes a matching contribution up to 4% of gross salaries for eligible employees. The Organization's expense related to this plan was $59,297 and $65,444 in 2010 and 2009, respectively.

An employee 401(a) plan covers employees whose services are provided pursuant to a service contract entered into by the employer under the Javits, Wagner, O'Day Act. Benefit amounts are determined by the annual contract. The amounts paid for 2010 and 2009 was $560,401 and $545,680, respectively.

Note 7: Disclosures About Fair Value of Assets and Liabilities

ASC Topic 820, *Fair Value Measurement,* defines fair value 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. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include money market funds, mutual funds, common and preferred stock, other equity securities and U.S. government agency securities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include corporate debt securities. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

The following table presents the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2010 and 2009:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2010				
Money market funds	$ 90,293	$ 90,293	$ -	$ -
Mutual funds	30,856	30,856	-	-
Common and preferred stock	2,037,042	2,037,042	-	-
Other equity securities	69,247	69,247	-	-
Corporate debt securities	779,990	-	779,990	-
	$ 3,007,428	$ 2,227,438	$ 779,990	$ -
December 31, 2009				
Money market funds	$ 81,911	$ 81,911	$ -	$ -
Mutual funds	83,841	83,841	-	-
Common and preferred stock	1,865,891	1,865,891	-	-
Other equity securities	87,270	87,270	-	-
U.S. government agency securities	183,209	183,209	-	-
Corporate debt securities	494,131	-	494,131	-
	$ 2,796,253	$ 2,302,122	$ 494,131	$ -

Note 8: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Investments

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

Inventories

As discussed in Note 1, inventory value is estimated based on average sales adjusted for inventory turnover.

Revenue

The Organization's contracts and programs are funded by various governmental agencies. These funds are 35% and 31% of the total revenue of the Organization for the years ended December 31, 2010 and 2009, respectively.

Litigation

The Organization is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the Organization. Events could occur that would change this estimate materially in the near term.

Current Economic Conditions

The current protracted economic decline continues to present not-for-profit organizations with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments and other assets, declines in contributions and grant revenue, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the Organization.

Current economic conditions have made it difficult for many donors to continue to contribute to not-for-profit organizations. A significant decline in contribution revenue and grant revenue could have an adverse impact on the Organization's future operating results.

In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values and other assets that could negatively impact the Organization's ability to maintain sufficient liquidity.

Note 9: Subsequent Events

Subsequent events have been evaluated through September 27, 2011, which is the date the financial statements were available to be issued.

During 2011, the Organization underwent a compliance audit by a state government agency in which it was determined that approximately $313,000 had been overbilled to the state agency for certain program funding. Approximately $290,000 of this relates to 2010 and prior and has been included in accrued expenses in the statements of financial position. The Organization has agreed to a repayment plan with payments ranging from $8,500 – $17,600 monthly through June 2015.

Note 10: Restatement of Financial Statements

The 2009 financial statements have been restated for the items described below in accordance with Accounting Standards Codification 250, *Accounting Changes and Error Corrections* (ASC 250).

Inventories

During 2010, the Organization elected to change its method of valuing inventories. Under the new methodology, inventory is estimated by calculating average sales and adjusting for inventory turnover. In prior years, inventory was valued by applying estimated selling prices to physical inventory counts. Because inventory consists of donated goods, which are kept in inventory for one month before being disposed of, the Organization believes the new method of accounting for inventory more accurately reflects the value of the merchandise on hand. The financial statements have been adjusted to apply the new method retrospectively and the effect of the change on each financial statement line items is shown below. The cumulative effect of the accounting change on net assets is a decrease of $1,231,369. Since a physical inventory count was not taken at December 31, 2010, the effect of this change for fiscal year 2010 is not determinable.

Property and Equipment

During 2010, the Organization performed a physical count of property and equipment and identified disposals applicable to 2008 and prior that were not properly written off. The financial statements have been adjusted to reflect a correction of the period-specific effects of the error, and the effect of the correction on each financial statement line item is shown below. The cumulative effect of the error on net assets is a decrease of $362,519.

Financial Statement Effect

The following financial statement line items for fiscal year 2009 were affected by the change in accounting principle and correction of an error:

	As Originally Reported	As Restated	Effect of Change
Consolidated Statement of Financial Position			
Inventories	$ 1,966,809	$ 1,079,979	$ (886,830)
Property and equipment, net	2,677,694	2,315,175	(362,519)
Total assets	8,489,626	7,240,277	(1,249,349)
Net assets - unrestricted	6,248,836	4,999,487	(1,249,349)
Total net assets	6,248,836	4,999,487	(1,249,349)
Total liabilities and net assets	8,489,626	7,240,277	(1,249,349)
Consolidated Statement of Activities			
Contributions	1,606,601	1,951,140	344,539
Total revenues, gains and other support - unrestricted	22,080,533	22,425,072	344,539
Change in unrestricted net assets	(63,902)	280,637	344,539
Change in net assets	(71,045)	273,494	344,539
Net assets, beginning of year	6,319,881	4,725,993	(1,593,888)
Net assets, end of year	6,248,836	4,999,487	(1,249,349)
Consolidated Statement of Cash Flows			
Change in net assets	(71,045)	273,494	344,539
Changes in inventories	357,065	12,526	(344,539)