

Goodwill



Industries of South Central California

2010 Annual Report



Message from the President/CEO & Chairman of the Board of Directors

Dear Friends,



Mrs. Sheryl Chalupa
President/CEO



Mr. Harry Bryant
Board Chairman

The need for Goodwill's expertise in helping people enter the work force has certainly grown in the last few years and will continue to grow. Our vision for the future of our Goodwill is one of first-class services provided in a first-class environment with outcomes that benefit not only the people we serve, but the entire community. To accomplish this, we must strive for excellence in every aspect of our organization. Much of our work in 2010 reflects our collective efforts to prepare for the challenges of the future.

The most significant measure of our success is our ability to help people find jobs, both within Goodwill where they can learn skills that will help them be successful in competitive community-based jobs in the future, and through external placements in the community. In 2010, we maintained an employee-base of 250 people, 48 of whom were clients placed for training during the year. We also developed jobs in the community where we placed 39 people into employment.

Many changes began to take place in 2010 – all driven by the strategic goals we adopted which will serve as a road map to our vision for the future. Most notable about our strategic planning process, however, is the recognition that as the rate of change in our society has increased over the years our planning processes will need to change to remain relevant. Strategic planning, which used to be an event we would do every 3-5 years, is evolving into a continuous strategic thinking process. Instead of a big plan that too often sits on the shelf and becomes quickly outdated, the organization adopted a plan with clear metrics and a mechanism for having ongoing strategic discussions at every board meeting coupled with more frequent reviews and updates of the full plan.

The plan adopted by the board spells out our corporate mission which is to provide work opportunities and skills development to people with barriers to employment. It also focuses on three strategic areas: People – We will advance our mission through improving the lives of our clients, employees, and volunteers; Growth – We will advance our mission through the cultivation of resources; and Efficiency – We will advance our mission through continuous improvement and innovation.

We know that to fulfill our mission and achieve our strategic objectives there will need to be major, and sometimes painful, changes to the way we do business. But we are excited about the possibilities those changes will bring. We continue to be inspired by those who come to us seeking jobs and a brighter future and we are determined to make that a reality for even more people throughout our territory.

We deeply appreciate the efforts of the staff, the Board of Directors, and friends in the community who make our mission possible. Please know that your efforts change lives – and change our community.

2010 Highlights

PEOPLE: we will advance our mission through improving the lives of the people we serve.

- Total employee count at year end: 253
- Total individuals served: 1,505
- External job placements increased by 56% over 2009
- 70% of all Goodwill employees had a declared barrier to employment

GROWTH: we will advance our mission through the cultivation of resources.

- 175,835 community donations of material goods
- Four new Attended Donation Centers opened in Bakersfield
- New program launched in October: Work Adjustment Program (WAP)
- Facebook page launched with 250+ Fans

EFFICIENCY: we will advance our mission through continuous improvement and innovation.

- 86 cents of every dollar spent in our retail stores went directly towards Mission Services
- Workplace safety improved with recordable injuries reduced 5% and first aid visits reduced 17% as compared to 2009.
- Transportation costs per donation decreased by 22% as compared to 2009



Mission Services Report

In 2010, Goodwill served 1,505 local individuals with barriers to employment

Vocational Programs/Services...

- Retail Skills Training Program: 37
- Janitorial Skills Training Program: 6
- Call Center Training: 19
- Independent Living Skills Program: 11
- Work Adjustment Program: 3
- Transitional Employment Program: 9
- Customized Employment Services: 16
- Situational Assessment Services: 35
- Supported Employment Services: 9

(Note: some clients participated in more than one program)

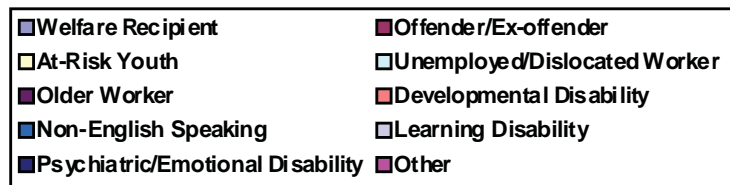
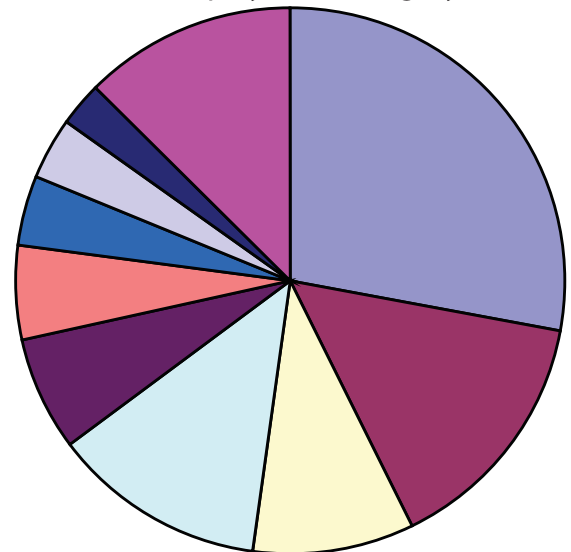
Grant/Community Programs...

- GoodGuides Youth Mentoring: 56
- Transition to Independent Living: 15
- Volunteer Program: 32
- Community Service Program: 1,085

Job Placement Services...

- Total Job Placement: 87
- External Job Placements: 39
- Internal Job Placements: 48
- Job Development Services: 28
- Average wage of client placed: \$9.97

% of individuals served by barrier-to-employment category



Financial Report

Community Investment

Sales (including value of donated goods received).....	\$	11,218,721
Rehabilitation Services.....	\$	871,383
Public Support.....	\$	242,177
Other Revenue.....	\$	554,142
Total Community Investment.....	\$	<u>12,886,423</u>

Goodwill Return to the Community

Salaries & Wages.....	\$	5,660,804
Payroll Taxes & Benefits.....	\$	1,415,449
Total Payroll Related Expenses.....	\$	<u>7,076,253</u>
Supplies & Services Purchased.....	\$	750,226
Telephone & Postage.....	\$	135,265
Occupancy.....	\$	2,229,286
Equipment Rental & Maintenance.....	\$	162,361
Other Expense (including value of donated goods sold).....	\$	2,813,454
Total Return to the Community.....	\$	<u>13,166,845</u>

CHANGE IN NET ASSETS..... \$ **(280,422)**

Administrative Costs..... \$ **1,778,900** (13.5%)

Notes:

- The 2010 audit was performed by Brown Armstrong McCown Starbuck & Keeter Accountancy Corporation of Bakersfield and is available for inspection in the CEO office at 4901 Stine Road, Bakersfield, during regular business hours or on the GISCC website at www.giscc.org
- IRS 990 information may be found by visiting the State of California Attorney General's website (look under Charities Search) or at Guidestar.com. It is also available for inspection in the CEO office at 4901 Stine Road, Bakersfield, during regular business hours or on the GISCC website at www.giscc.org
- The complete 2010 Outcomes Measurement Report is available for inspection in the CEO office at 4901 Stine Road, Bakersfield, during regular business hours or on the GISCC website at www.giscc.org
- The most recent CARF Survey Report is available for inspection in the CEO office at 4901 Stine Road, Bakersfield, during regular business hours or on the GISCC website at www.giscc.org
- Other Expense does not reflect gains or losses attributable to our interest rate swap agreement. In 2006, in conjunction with the refinancing of our owned facilities, we entered into this swap agreement to convert the loan agreement interest rate from variable to fixed. Generally accepted accounting principles for non-profit organizations require that any difference between the current value of such an agreement and the related debt be recorded as an operating loss (or gain) and a corresponding long-term liability (or asset). In 2010, this difference was a loss of \$194,764 and the cumulative loss from the inception of the loan through 2010 is \$956,308. However, no payment for the loss is required to be made to the mortgage lender unless the loan is retired early. Management does not intend to retire the loans early and anticipates no need to do so. Consequently, we have excluded these losses from the above presentation to provide the reader with a more-relevant depiction of our operating results.

Employee of the Year

Bonnie Silvey



Retail Store Manager

Bonnie Silvey was hired by Goodwill in 2003 after a lifetime of working in various roles and industries. Starting as a Store Supervisor, Bonnie quickly demonstrated a knack for leadership and was promoted 15 short months later. In 2010, Bonnie was assigned to become the Store Manager of Goodwill's second busiest retail store - and she thrived in the environment. Using a "hands on" approach, Bonnie was most often working on the sales floor or in the production area. If she was not there, she was likely assisting in the donation drop-off area - where she was once found by the CEO on top of a huge stack of donations. Bonnie is known for having a no-nonsense approach while running a retail store and that approach has helped her to make significant improvements in revenue and efficiencies in each retail store she has managed.

Achiever of the Year

Michael Gloria



Michael Gloria came to Goodwill in 2010 as a referral from the Department of Rehabilitation. In recovery after years of drug abuse, Michael entered Goodwill's Janitorial Skills Training Program which he successfully completed after 10 weeks. After graduating from the training program, Michael began a job search that turned into a waiting game given the current economic climate. After a few months, Michael was hired by Goodwill as a part-time building janitor - and he thrived in his new job. Michael accepted all tasks and responsibilities with complete commitment and dedication. He never missed a day of work and he became a celebrated part of the Goodwill team. Michael is an asset to the community and is living proof that the Mission of Goodwill truly does change lives.

Janitorial Skills Training

Award Recipients

Service Excellence



Christopher "Junior" Flores

Outstanding Leadership



Ramon Garza

Exceptional Teamwork



GoodGuides Staff

Workplace Excellence



Rhonda Higgins

Employer of the Year



Account Control Technology

Community Partner of the Year



Community Clean Sweep

Downtown Center



Address: 1731 Chester Ave.
Location: Bakersfield, CA 93301
Total Sq. Ft.: 30,024
Retail Sq. Ft.: 7,191
Own/Lease: Lease
Lease Term: 11/30/11
Employees: 21

Olive Drive Retail Store



Address: 1115 Olive Dr.
Location: Bakersfield, CA 93308
Total Sq. Ft.: 12,694
Retail Sq. Ft.: 7,647
Own/Lease: Lease
Lease Term: 4/30/15
Employees: 26

White Lane Retail Store



Address: 6051 White Ln.
Location: Bakersfield, CA 93309
Total Sq. Ft.: 12,744
Retail Sq. Ft.: 7,350
Own/Lease: Own
Lease Term: N/A
Employees: 35

Coffee Road Retail Store



Address: 3025 Coffee Rd.
Location: Bakersfield, CA 93312
Total Sq. Ft.: 18,112
Retail Sq. Ft.: 11,171
Own/Lease: Own
Lease Term: N/A
Employees: 39

East Hills Retail Store



Address: 2671-D E. Oswell St.
Location: Bakersfield, CA 93306
Total Sq. Ft.: 10,530
Retail Sq. Ft.: 7,396
Own/Lease: Lease
Lease Term: 8/31/13
Employees: 32

Delano Retail Store



Address: 902 Main St.
Location: Delano, CA 93215
Total Sq. Ft.: 7,500
Retail Sq. Ft.: 4,750
Own/Lease: Own
Lease Term: N/A
Employees: 16

Ridgecrest Retail Store



Address: 880 N. China Lake Blvd.
Location: Ridgecrest, CA 93555
Total Sq. Ft.: 6,620
Retail Sq. Ft.: 4,117
Own/Lease: Lease
Lease Term: 8/31/15
Employees: 17

Taft Retail Store



Address: 411 Finley Dr.
Location: Taft, CA 93268
Total Sq. Ft.: 6,975
Retail Sq. Ft.: 4,785
Own/Lease: Lease
Lease Term: 11/30/14
Employees: 16

Stine Clearance Center



Address: 4901 Stine Rd.
Location: Bakersfield, CA 93313
Total Sq. Ft.: 10,009
Retail Sq. Ft.: 7,913
Own/Lease: Own
Lease Term: N/A
Employees: 11

Union Clearance Center



Address: 301 Espee St.
Location: Bakersfield, CA 93305
Total Sq. Ft.: 28,905
Retail Sq. Ft.: 12,905
Own/Lease: Lease
Lease Term: 3/16/11
Employees: 24

Rosedale Bookstore



Address: 9935 Rosedale Hwy.
Location: Bakersfield, CA 93312
Total Sq. Ft.: 6,000
Retail Sq. Ft.: 2,900
Own/Lease: Lease
Lease Term: 10/14/14
Employees: 12

Attended Donation Centers



Site 1: Olive Drive Church
Address: 5500 Olive Dr., 93308

Site 2: Dr. Juliet Thorner Elementary School
Address: 5501 Thorner St., 93306

Site 3: Rosedale North Elementary School
Address: 11500 Meacham Rd., 93312

Site 4: California State University, Bakersfield
Address: 9001 Stockdale Hwy., 93311

Goodwill

Industries of South Central California



Goodwill Industries of South Central California is a 501(c)(3) non-profit organization with the mission to provide work opportunities and skills development to people with barriers to employment. Currently, Goodwill Industries of South Central California has 11 locations to serve its territory which includes all of Kern County, Kings County, and the southern-half of Tulare County. For more information, please visit our website at www.giscc.org

Executive Staff

- Sheryl Chalupa, President & CEO
- Ken Beurmann, VP of Business Development
 - Jim Lambert, Chief Financial Officer
- Randy Walker, VP of Administrative Operations

Contact Information

Goodwill Industries of South Central California
4901 Stine Road
Bakersfield, CA 93313
P: (661) 837-0595, F: (661) 837-0801

Board of Directors

Officers:

- Harry Bryant, Chair (Bryant Insurance Services)
- Dustin Dodgin, Vice-Chair (Law Offices of Klein DeNatale et al.)
- Patrick Paggi, Treasurer (Daniel, Phillips, Vaughan, and Bock, CPAs)
- Cheryl Scott, Secretary (Kern Economic Development Corporation)
 - Sheryl Chalupa, President & CEO (GISCC)

Members-at-Large:

- Rick Davis (Kern County Board of Trade)
- Kristen Doud (CSU Bakersfield Foundation)
- Vincent Fong (Office of Congressman Kevin McCarthy)
 - Anne Fonseca (KVS Transportation)
 - Sarah Freeman (Target Distribution Center)
- Greg Hash (Fallgatter Rhodes Insurance Services)
 - JR Lewis (Karpe Real Estate)
- John Means (Kern Community College District)
 - Diana Burton Owens (Zuk Financial Group)
 - Sharon Peters (Kaiser Permanente)
 - Jeff Ross (Taft College)
- Joseph Schoenstein (Bright House Networks)
- Richard Thompson (First United Methodist Church)
 - Patrick Thompson (CB Richard Ellis)