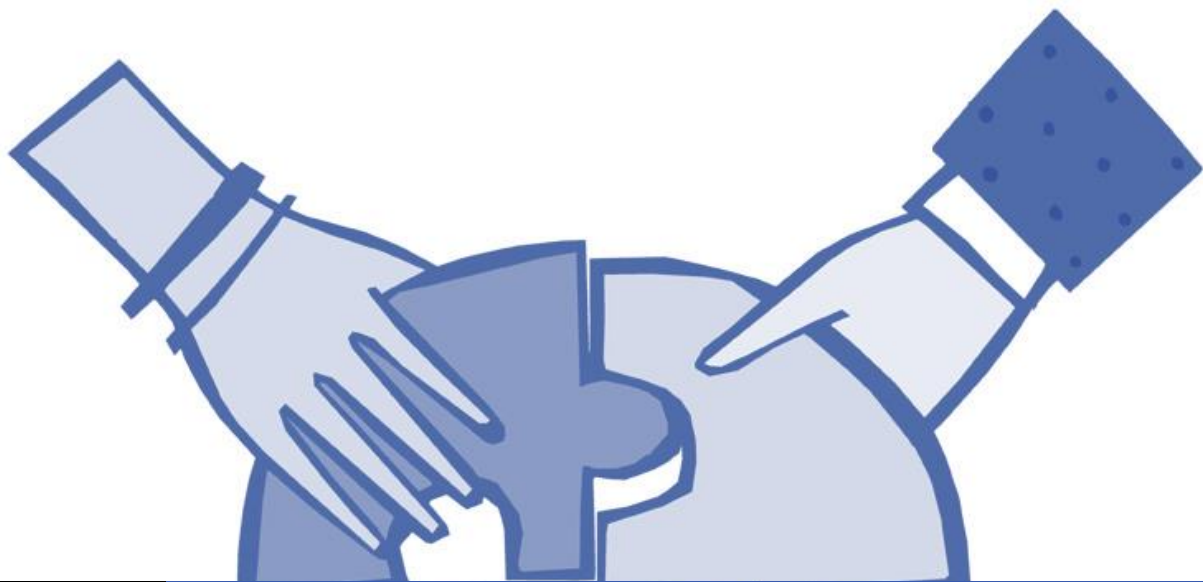


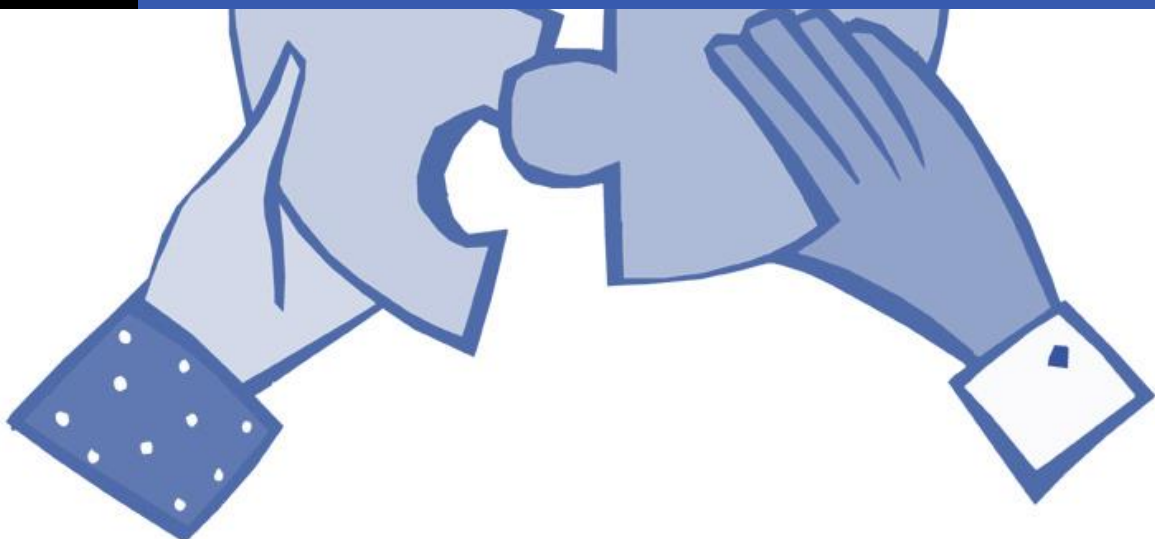
Goodwill

Industries of South Central California



2016

ANNUAL REPORT TO THE COMMUNITY





2016 REPORT

Dear Friends,

Your donation can change a life. That is because your donation, and that of others in our community, can create a job and a job provides purpose, hope and stability to those who have encountered barriers to gainful employment. Goodwill Industries of South Central California serves those with some of the toughest barriers, including individuals with physical or mental disabilities, little formal education or work experience, prior dependence on government assistance or anyone with a disadvantaging condition that prevents obtaining employment. At Goodwill we help individuals break through these barriers by providing full time jobs, skills training and other services.

We are pleased to share our results with you in this 2016 Annual Report to the Community. In the following pages, you will read about the work of our local Goodwill and the impact on the individuals we serve and on our communities and the environment. We are grateful to all you who have helped us change a life.



Patrick Paggi, Chairman of the Board



Sheryl Chalupa, President and CEO

Our mission is to provide work opportunities and skills development to people with barriers to employment.

www.TheGoodwill.org
[Facebook.com/MyGoodwill](https://www.facebook.com/MyGoodwill)

OUR PURPOSE



Our Vision

Every person in Kern, Kings and southern Tulare counties has the opportunity to achieve his/her fullest potential through the power of work.

Our Mission

Goodwill Industries of South Central California provides work opportunities and skills development to people with barriers to employment.

Our Values

Accountability, Integrity, Dignity, Diversity, Ingenuity, Excellence, Opportunity, Accountability



Goodwill Industries of South Central California has earned the Gold participation level through the Guidestar Exchange, a testament to our organization's commitment to data transparency.



Goodwill Industries of South Central California is accredited by CARF (Commission on the Accreditation of Rehabilitation Facilities) for Affirmative Business Enterprise with Governance Standards Applied.



PROGRAM SERVICES

Donated Goods Retail Program

Goodwill's Donated Goods Retail Program provides multiple benefits to the community. It provides a low cost, high quality shopping alternative for consumers, a convenient recycling alternative that keeps useable items out of the landfill and gives them a second life, and most importantly, it provides a vehicle for employment and job training programs. Through the collection and sale of donated clothing and other household items, critical revenue is generated to support the mission through needed jobs in the communities served. The retail stores, donation centers, and warehouses employ hundreds of people. In 2016 Goodwill provided employment at multiple locations in Kern, Kings, and Tulare Counties.

Donated Goods Retail Program By the Numbers

Number of donations: 211,173

Pounds of donations: 17,832,578

Number of retail transactions: 786,754

Number of pounds diverted from landfill: 14,979,365

Number of pounds of electronic waste recycled: 2,171,363

MISSION SERVICES



Employment Programs

Goodwill hired a total of 138 people in 2016, 15 with a vocational disability and 64 with a vocational disadvantage. Additionally, 94% of all employees hired work in full-time positions. 33 employees promoted up within Goodwill during the year with an average annual wage increase of \$4,057 or 14.1%. The average length of time for an employee to promote up was 9.5 months.

Through our employment programs, we provided 3 external referrals, provided internal training opportunities for 351 participants, and completed 197 assessments and IDP creation.

Community Services

Goodwill focused on expanding the relationship with the California Department of Rehabilitation (DOR). DOR is an employment and independent living resource for people with disabilities. Goodwill provides placement and assessment services for DOR. In 2016, Goodwill placed 54 individuals in jobs, provided situational assessments and IDP creation for 33 people, and provided trial work opportunities for 12 people.

We continued our partnership with the Transition to Independent Living (TIL) program, a post-secondary educational experience for adults who have developmental or intellectual disabilities at Taft College. The program provides the instruction, training, support and career skills necessary for students to live a productive and independent lifestyle and in 2015, Goodwill employed 19 students.

We conducted a Job Readiness Program called KERN YES for youth ages 16-24 in coordination with the Office of Kern County Supervisor Leticia Perez, the County of Kern, the Kern Community College District, and various other agencies. Goodwill provided interview preparation and clothing for approximately 90 students.

The Success Center provided one-on-one job search assistance, including computer access, job boards, resume and cover letter preparation, to Goodwill employees and to the general public. In 2016 there were 161 sign-ins totaling 206 hours of assistance.

We provided store vouchers to numerous community partners for a redeemed value of \$70,598 to support local services to the community.



FINANCIAL REPORT

The Community Gave to Goodwill (Revenues)

Sales of goods contributed by the community	\$ 9,726,570	60.7%
Proceeds from surplus, salvage and recycling programs	4,371,232	27.3%
Donated merchandise – value of goods received	1,679,431	10.5%
Fees for professional rehabilitation services	238,935	1.5%
Cash contributions from the community	12,974	0.1%
Total Community Investment	\$16,029,142	100.0%

Goodwill Gave Back to the Community (Expenses)

Salaries, benefits, taxes and related expenses	\$ 8,813,924	51.8%
Occupancy, utilities, telephone and insurance	2,344,446	13.8%
Donated merchandise - value of goods sold	1,679,431	9.9%
Supplies, services, dues, fees, and cost of goods sold	2,965,369	17.4%
Vehicles, travel, equipment rental and maintenance	537,125	3.2%
Depreciation	339,234	2.0%
Advertising, printing, publications, postage and fundraising	238,638	1.4%
Other	82,916	0.5%
Total Return to the Community	\$17,001,083	100.0%
Change in net assets	\$ (971,941)	
Administrative costs	2,084,014	12.3%

Note: On November 1, 2006, we refinanced the mortgage that covered our owned facilities. To obtain a fixed rate on this ten-year mortgage, we entered into an interest rate swap agreement that ran concurrent with that mortgage. Generally accepted accounting principles for non-profit organizations require that any difference between the current value of such an agreement and its related debt be recorded as an operating loss (or gain) and a corresponding long-term liability (or asset). During 2016, this difference was a gain of \$218,625, which brought to zero both the cumulative difference and the liability associated with the swap agreement. On November 1, 2016, we refinanced the mortgage without a swap agreement. *Audit firm: Mayer Hoffman McCann P.C.*

Corporate Documents

The public may find copies of the IRS 990 (tax return), annual report, audit report, and other corporate documents on our website at www.TheGoodwill.org or at www.Guidestar.org.

LOCATIONS



Retail Stores and Donation Locations

Bakersfield

North

1129 Olive Drive (Roberts Lane)
Bakersfield, CA 93308

Southwest

6051-A White Lane (Wilson Road)
Bakersfield, CA 93309

Northwest

3025 Coffee Road (Granite Falls Drive),
Bakersfield, CA 93312

Rosedale Specialty Store & Donation Center

9935 Rosedale Highway (Calloway)
Bakersfield, CA 93312

Northwest

13121 Rosedale Highway (Allen Road)
Bakersfield, CA 93314

East Hills

2671-E Oswell Street (Mall View Road)
Bakersfield, CA 93306

Administrative Office and Salvage Center

4901 Stine Road (Pacheco Road)
Bakersfield, CA 93313

Attended Donation Center

CSUB, Camino Media & Roadrunner Drive

Delano

902 Main Street (9th Street)
Delano, CA 93215

Taft

411 Finley Drive (6th Street)
Taft, CA 93268

Porterville

910 W. Henderson Avenue (CA-65)
Porterville, CA 93257

Lemoore

161 W. Hanford-Armona Road, Suite A
(N. Lemoore Avenue)
Lemoore, CA 93245



LEADERSHIP

The Board of Directors

Patrick Paggi, Chair

Partner, Daniels, Phillips, Vaughan & Bock, CPAs

Douglas Wade, Vice Chair

Assistant VP – Fiscal Services, CSU Bakersfield

Pamela Holiwell, Secretary

Assistant Director, Kern County Department of Human Services

Patrick Hoffman, Treasurer

Shareholder, Barbich Hooper King Dill Hoffman Accountancy Corporation

Samy Abiaoui

Regional President of Central Valley, Mission Bank

N. Taylor Amstutz

Senior Financial Advisor, Amstutz McNaughton Group/ML

Colleen Dillaway**

Director of Marketing, Bright House Networks

Kristin Hagan

Partner, Brumfield & Hagan, LLP

Rasmus Jensen

Market President, Bank of the Sierra

Shaun Kelly

Managing Member, Tolman & Wiker Insurance Services

Patricia Marquez

Development Manager, March of Dimes, Kern Chapter

Greg Muir

Partner, The Law Offices of Young Wooldridge, LLP

Anthony Olivieri

Principal, Olivieri Commercial Group

Cory Rothman

IT Service Desk Regional Manager – North America, IKEA Group

Elizabeth Rozell

Dean of Instruction, Bakersfield College

Jeff Sogar**

Transportation/Logistics Manager, Grimmway Farms

Richard Thompson*

Senior Pastor, First United Methodist Church

*Termed expired on June 30, 2016 ** Resigned/Relocated

The Executive Team

Sheryl Chalupa, President and Chief Executive Officer

James Lambert, Chief Financial Officer

Jake Slayton, Chief Operating Officer