

DARE TO *Dream*



MISSION VISION *Statement*

***GOODWILL INDUSTRIES-OPPORTUNITIES IN TYLER
IS DEDICATED TO PROVIDING
SKILLS TRAINING AND VOCATIONAL OPPORTUNITIES
FOR PEOPLE WITH BARRIERS TO EMPLOYMENT.***

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United Way

EXECUTIVE STATEMENT

In 1902, the Reverend Edgar J. Helms dared to dream. He knew what the problem at hand was; too many workers, too few jobs. How could he help individuals affected by this situation? He created jobs by repairing and restoring donated, used goods and he funded the jobs through the resale of the same donated, used goods. He put people to work. Today, Goodwill Industries of East Texas, Inc. continues to fulfill that dream.

In February 2002, we began remodeling an old Payless/Cashways building located on 6.5 acres in a prime retail location. On May 23rd, our dream of a new Superstore became a reality and it has been a rousing success. We increased the number of persons employed and provided funds to expand other training services.

In addition, we have been working with other community agencies exploring ways that they can expand and/or relocate to our site. The Tyler Junior Chamber of Commerce now holds their Haunted House there, annually. We have the space to begin to expand our donated goods program and plan to hold used-car auctions at the new site in 2003. In the future, we envision this site as a campus filled with other social/human service agencies that will enable all of the providers to serve the community more effectively.

Late in 2002, we purchased three acres south of Tyler, in the town of Palestine. We plan to build a new Goodwill Center that will open in 2004. Opportunities exist to the north in Mineola and Gilmer, to the south in Jacksonville, to the east in Henderson, and to the west in Canton, Mabank and Athens.

On the pages that follow, you can see what we did, today. The vision of tomorrow is developing. With the hard work and dedication of the entire staff, volunteer board members and the community at large we will make it reality.

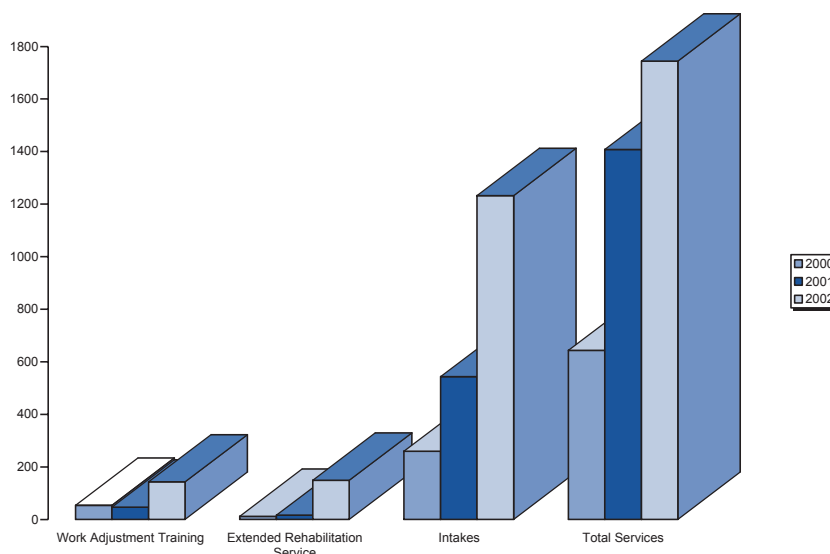


WORKFORCE DEVELOPMENT

Goodwill's Director of Workforce Development has "Dared to Dream". Over forty years ago, Robert Neill, pictured on the front cover, dared to dream to become a surgeon and play college football. Those dreams ended one November night after an accident that occurred during a hazing tradition that left him paralyzed from the chest down. That did not end Robert's dreaming, it just changed the contents of the dreams. After the accident Robert went on to earn two college degrees. While working on his masters degree he worked as an intern at Goodwill and his dream changed to helping others in spite of his disability. Now Robert is the director of the department he started in as an intern over twenty years ago. Robert brings a true understanding of being disabled to the department and his understanding helps drive the department to reach its goals. Through his understanding and leadership the department is has taken on a new meaning.

The department offers services such as vocational evaluation, work adjustment training, job coaching, job quest training, placement assistance and supported employment. Goodwill partners with businesses by helping to solve problems such as high turnover, low employee productivity, high training costs and an ever increasing tax burden.

Services Growth 2000-2002



Over the past three years clients served have increased by an astounding 171%. This trend shows that even in difficult economy the additional need is there. Strong retail sales have provided us the additional money to add services and case workers to handle the additional clients.

Services and Clients served in 2002

Vocational Evaluations: Assessment process used to determine aptitude, abilities, strengths and limitations of each individual obtaining the service. People served: 143

Work Adjustment Training: A service program aimed at assisting an individual in hands-on work experience and maintaining positive work behaviors. People served: 107

Personal/Social Adjustment Training: 12-week program which takes place in a classroom setting designed to teach individual basic skills that may be needed on a daily basis. People served: 21

Extended Rehabilitation Service: A program that provides support services to individuals who require long-term support to maintain employment. People served: 149

Job Quest Training: A program designed to develop and enhance a person's ability to find employment by using applications, resumes and interviews. People served: 35

Job Placements: Placement of individuals in competitive positions outside of the Goodwill organization, since May 2002. People served: 17

Intakes: Individuals interviewed with applications for positions of employment. People served: 1232

GETTING INVOLVED

It's All About People and the Community

The mission starts with the needs of the people that live in the community we serve. It is not about us and what is good for Goodwill, but what is needed by the community. It is with those thoughts in mind that in 2002 Goodwill Industries-Opportunities in Tyler embarked on several new programs that benefit the community at large.

Gifts In Kind Tyler

Gifts In Kind Tyler was started as an affiliate of Gifts In Kind International in the fall of 2002. Gifts In Kind is the world's leading charity in product philanthropy that distributes product to qualified nonprofits for administrative fees only. The mission of Gifts In Kind Tyler is to encourage non-profit organizations to work together to save money so that money can be put into programs for the people we serve. By participating in Gifts in Kind, organizations can reduce their expenses and further their missions by using the donated products in their daily operations. This new program will be offered to all qualified nonprofits in the Tyler/Smith county area and surrounding counties.

ConnecTyler

ConnecTyler is a nonprofit organization working to improve computer literacy throughout our community. During the past two years that ConnecTyler has been helping people, they have distributed over 100 computers to nonprofit organizations. During the summer Goodwill partnered with ConnecTyler and offered to supply warehousing space for the computers in process and then distribute them. This partnership has given ConnecTyler more flexibility in their operations, ability to continue distributing refurbished computers and reduced their operating expenses. It has also given Goodwill another chance to work with local nonprofits on a one on one basis.

JC Haunted House

The Tyler Junior Chamber of Commerce collaborated this fall on their "Haunted House" project. The haunted house is now located in back of the new superstore in Tyler. The old lumber yard warehouse made a perfect location for the house and allowed the community to see another side of Goodwill.

Helping to Serve

During 2002 Goodwill Industries/Opportunities in Tyler helped with contributions to individuals served by the following organizations by making gifts from our stores.

Big Sandy Fire Department
Cathedral of Immaculate Conception
Christ Episcopal Church
Christian Women's Job
Dixie Fire Department
East Texas Crisis Center
East Texas Workforce
First Assembly of God-Brownsboro
First Baptist Church
Green Acres Baptist Church
Harvest Time Church
Newcomers Club

PATH
South Main Church of Christ
Southern Oaks Baptist Church
Special Health Resources of East Texas
Stewart Regional Blood Center
St. Paul Children's Foundation
The Church of Latter Day Saints
The Salvation Army
Tyler Aids Service
Tyler Council of Church Women
Tyler Family Assistance Center

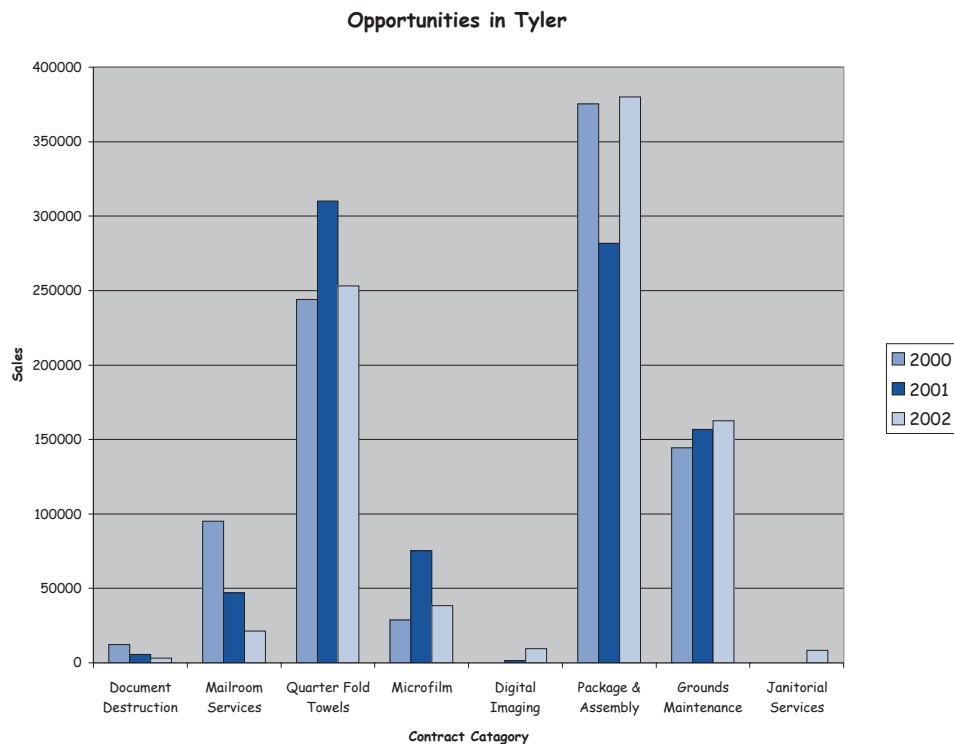


OPPORTUNITIES IN TYLER

Opportunities in Tyler (OIT) is all about the people who work there. With over ninety employees the sheltered workshop is a fitting example of the mission of Goodwill. The mission is about providing skills training and vocational opportunities for people with disadvantaging conditions and barriers to employment. OIT employs physically and mentally disabled and disadvantaged adults.

The goal of OIT is to provide a high quality, cost effective service to local businesses while providing a way for employees to overcome any barriers to employment. This helps our employees achieve their highest level of personal and economic independence.

"Dare to Dream" is something Gary Hall, Director of Contracts does very well. Gary is always looking for new contracts that will provide more jobs for more people. As the economy changes there are always changes in the types of contracts that are available. As the chart below shows the contract business varies from year to year and you must stay open minded to new opportunities to create additional community wealth.



As mailroom services have slowed down, the opportunities in package and assembly increased in 2002. Package and assembly has become the largest dollar volume area in 2002 with a 35% increase in volume. The business from "Annie's Attic" (Strategic Fulfillment), has been the driving force for the increase in package and assembly with an average of 7000 kits per day. Our recycling of rubber for Goodyear Tire & Rubber continued to be strong in 2002 and continues to help provide employment for an average of nine people per week. Some of the products we sell are quarterfold disposable paper towels and insulated box liners.

In addition, other services that we can provide:

- Digital Imaging & document storage
- Grounds maintenance
- Janitorial services
- Microfilming

We continue to expand our services when there is a need from our local business community. By expanding our services we help create additional community wealth, not welfare.



CONTRACTS

In spite of the difficult economy over the last two years the sales have stayed almost even. This has been done by creating new business opportunities. In the fall of 2002 a janitorial service and a digital imaging business were started.

The growth areas that we see for the next several years are:

- ***Digital Imaging***

Our largest area of potential growth over the next several years is digital imaging. The largest potential is with the State of Texas and this could develop several partnerships with other Goodwills in the state. The synergistic part of this business will be microfilming and document destruction.

- ***Quarter Fold Towels***

The majority of our sales have been to the State of Texas. In 2003 we are going to expand our business into the retail stores and commercial sales to other Goodwills.

- ***Grounds Maintenance***

An area of steady growth over the last three years and with proper supervisors in place this business will continue to grow. The opportunity to grow outside of state contracts should be present in 2003. An additional labor pool is available through a partnership with "The Salvation Army" for day laborers.

- ***Janitorial Services***

The startup process was begun in 2002 and over the next several years the business will be developed. With training and proper qualified employees this segment of the business will develop community wealth.

These growth areas will create new job opportunities at OIT. As we expand and remodel our retail store locations, additional space will be added for contract businesses. Our planned relocation in Palestine will have an area for contracts and workforce development in the new building. This type of expansion will increase our employment in these communities and give local businesses the opportunity to do business with Goodwill.



RETAIL OPERATIONS

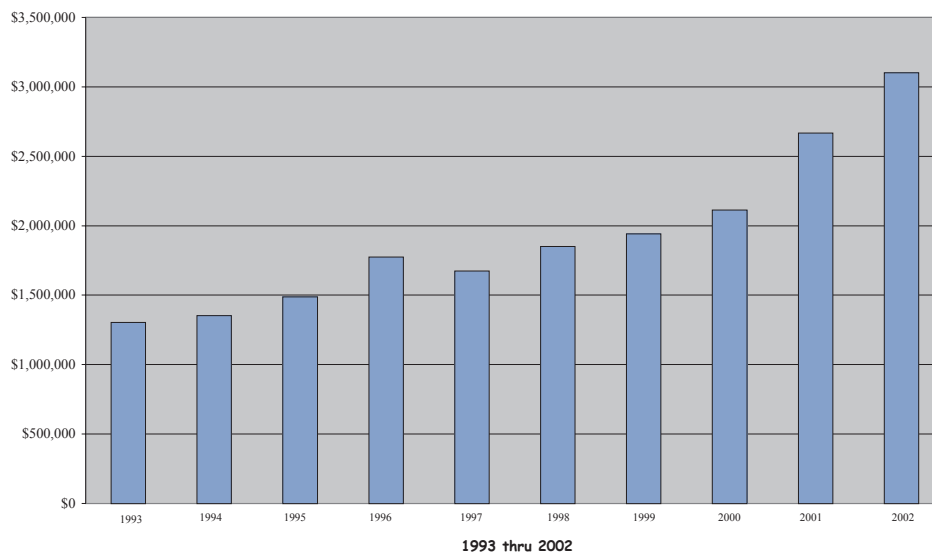
Retail Stores & Donated Goods

In the fall of 2001 Judy Kennedy began to "Dare to Dream" of a Goodwill SuperStore. On May 23, 2002 the dream came true when the SuperStore opened to a parking lot packed with customers overflowing onto Loop #323. Everyone wanted to see the newest Goodwill retail store.



The ribbon cutting started the biggest shopping day in Goodwill Industries of East Texas' history. In November 2002 the store became our first "Million Dollar" store. The additional sales are allowing us to continue many of our training programs. The sales in outlying stores have grown because of the new store and many new customers are finding Goodwill retail stores for the first time. The merchandise selection has changed over the past year to include new products and closeout product. Some of the new lines that we added are: Closeout product from a major west coast department store chain, cleaning products from Arm & Hammer and health and beauty products from Lander. The addition of new products and re-merchandising of our stores has given us a 54% increase in our average sale over the past three years. Goodwill stores in East Texas are truly "A Unique Shopping Experience".

10 Year Sales Growth



On the last Saturday of each month a "Super Auction" is held behind the new SuperStore and many of the items too large to carry in the stores are sold at a public auction. The items range from furniture to computers to exercise equipment. At the end of 2002 we started taking car donations for auctions in 2003.

RETAIL OPERATIONS

Sales have continued growing over the past five years and as we move into the 21st century we will continue to grow by remodeling our stores and relocating stores that we have outgrown. When relocating in some communities we will enlarge our stores to add retail space, workforce development services and area for contracts.

Palestine, Texas will be our first relocation that involves building a larger store with expanded service capabilities. A large tract of land was purchased in the fall of 2002 off Loop 256 in Palestine for the purpose of building the new store.



The property is located behind a Ryan's Family Steakhouse and across the street from most of the medical offices and a hospital in Palestine. The store will add new jobs to the community and will allow us the opportunity to provide additional training and job placement in Anderson County.

During the summer a donation box was placed on the property of a Goodyear Tire & Rubber factory. This is another example of the community working with Goodwill to help provide the donated goods that produce the revenue to pay for training program we offer to people with disadvantaging conditions and barriers to employment.

We continue upgrading our retail operations department and early in the fall all of our delivery trucks we decaled with a new Goodwill logo.



FINANCIAL STATEMENT

Financial Information for the Year 2002 vs. 2001

	2001	% to Total	2002	% to Total
Cash	303,458	6.7%	395,559	8.9%
Investment	549,522	12.1%	535,370	12.0%
Account Receivable	92,361	2.0%	106,758	2.4%
Inventory	146,260	3.2%	225,877	5.1%
Land, Building, Equipment	3,378,084	74.5%	3,131,269	70.1%
Other	64,701	1.4%	72,390	1.6%
Total	4,534,386	100.0%	4,467,223	100.0%
Account Payable	59,479	1.3%	68,961	1.5%
Taxes Payable	81,646	1.8%	108,788	2.4%
Notes Payable	1,780,308	39.3%	1,274,641	28.5%
Other	1,115	0.0%	5,320	0.1%
Net Assets	2,611,838	57.6%	3,009,513	67.4%
Total Liabilities & Net Assets	4,534,386	100.0%	4,467,223	100.0%
Donated Goods	2,666,611	66.3%	3,100,310	68.4%
Education & Training	146,850	3.7%	139,187	3.1%
Contracts	877,077	21.8%	877,818	19.4%
Salvage	235,697	5.9%	265,236	5.9%
Public Support & United Way	45,000	1.1%	25,000	0.6%
Other	50,628	1.3%	122,569	2.7%
Total Sources	4,021,863	100.0%	4,530,120	100.0%
Wages, Payroll Taxes & Benefits	1,259,116	31.3%	1,517,404	33.5%
Disabled Wages & Benefits	1,133,355	28.2%	1,244,231	27.5%
Cost of Goods	316,581	7.9%	490,623	10.8%
Occupancy	645,318	16.0%	418,562	9.2%
Transportation	102,690	2.6%	127,208	2.8%
Interest	18,344	0.5%	75,101	1.7%
Professional	20,081	0.5%	17,088	0.4%
Other	44,106	1.1%	42,113	0.9%
Depreciation	217,019	5.4%	200,117	4.4%
Contribution to Capital	265,253	6.6%	397,673	8.8%
Total Uses	4,021,863	100.0%	4,530,120	100.0%



BOARD OF DIRECTORS & CONTIBUTORS

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Program Director KTBB radio

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Judy Kennedy
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