

GOODWILL INDUSTRIES OF EAST TEXAS. INC.



OPPORTUNITIES IN TYLER 2006 ANNUAL REPORT





Our Mission

Goodwill Industries – Opportunities in Tyler is dedicated to providing skills training and vocational opportunities for people with barriers to employment.

| | |
|-----------------|---|
| Page 2: | Executive Director Statement |
| Page 3: | Workforce Development |
| Page 4: | Retail |
| Page 5: | Opportunities In Tyler (Contracts) |
| Page 6: | Community Service |
| Page 7: | Community Donors |
| Page 8: | Goodwill Working |
| Page 9: | Financial Statement |
| Page 10: | Board of Directors |

Go Green-Support Goodwill

PUT PEOPLE TO WORK !

The President of a company was trying to determine how much 2 plus 2 equaled. He summoned his Marketing Vice-President and asked “How much is 2 plus 2?” The response was “Oh, I guess it’s somewhere between 3.9 and 4.1.” The President asked his Engineering Vice President the same question and the response was 4.000000000! Finally, still not satisfied, the President asked his Chief Financial Officer, “How much is 2 plus 2?” The CFO responded with a question of his own. “How much do you want it to be?”

When one is asked, “What is Goodwill?” One can respond in much the same way as the CFO and say, “What do you want us to be?” We can be a retailer. We can be a recycler. We can be a sub-contractor. We can be a contractor. We can be a manufacturer. We can be a school. We can be an international business. We can be a rehabilitation resource.

Through all the different activities that Goodwill performs that impact the environment in one way or another, however, runs a common thread – the individual whose life is changed and who attains a new sense of hope from the Goodwill mission. Our goal is to help people with disabilities or other disadvantaging conditions overcome barriers to employment and achieve the maximum level of independence and self-sufficiency. Everything we do either **puts people to work** or **helps people find jobs**.

Let’s “Go Green” together! Your continuing donations, partnerships and support extend the life and value of all our precious resources.



A handwritten signature in black ink, appearing to read "David Walton".

David Walton, Executive Director



A handwritten signature in black ink, appearing to read "Michael Ace".

Michael Ace, Board President

WORKFORCE DEVELOPEMENT

The Workforce Development Division of Goodwill Industries assists the Agency in fulfilling its mission. It is our job in Workforce Development to assist individuals with barriers to employment, usually a mental or physical disability, to realize their full economic potential and achieve independence. We accomplish this by providing services such as Vocational Evaluation, Work Adjustment Training, Vocational Skills Adjustment Training, Personal Skills Adjustment Training, Placement and other programs. Our main referral source for these services is the State of Texas.

Our growth is directly tied to the growth of Retail – we rely on Retail to augment the cost of services. Due to the retail growth in 2006, the Workforce Development Division was able to increase the number of individuals served. We performed 141 Vocational Evaluations, a 20% increase over last year, and served 47 individuals in our Work Adjustment Training program. This is an increase of 25% over last year.

In 2006, Goodwill began serving a new population by partnering with the State of Texas in the new Transitional Program. The Transitional Program provides funding for persons under 18 years of age. Prior to the transitional program, referrals had to be at least 18 years of age. This new population is special education high school students who attend school for part of their day and work at Goodwill in Work Adjustment Training for the remainder of the day. The reason is to begin training at an earlier age so that when the student graduates from high school he/she will be better prepared for competitive employment. All parties involved, especially the school districts participating in the program, are very pleased with the results. The fact that training is initiated at a younger age is showing a positive effect on their school and home life. In order to accommodate this increase in students, Goodwill added a Work Adjustment Trainer to the staff.

We continue to strive to improve our programs and services, and hope to reach new populations in 2007.



RETAIL OPERATIONS



Thanks to strong support from our East Texas communities, the Donated Goods Division bounced back from a strenuous and costly 2005. The generosity was displayed by the more than 116,000 individual recorded donations plus a number that we missed. As a result, Total Division Revenues increased by 8% over 2005, which provided funds used to help expand the services of the Workforce Development Division. The new services allowed us to train more people who are trying to find the solid base upon which they can build their futures, futures that are self-fulfilling and self-supporting.

At the same time that we provide funds for other agency activities, the Donated Goods Division also provides jobs enabling persons with disabilities or other barriers to employment to improve their work skills. In 2006, we employed 129 people in part-time positions that act as short-term training posts. By establishing a work history, these persons can then, more easily, move on to other jobs as the opportunities present themselves. Our long-term goal has always been to help people move through Goodwill into more rewarding, competitive jobs in the community marketplace.

To demonstrate our “hand up, not a hand out” philosophy, we continued the Work for Voucher program.

- If someone is in need of clothing or other household items that we have received, he/she may work in one of our stores or on the dock and receive a \$5.50 voucher for every hour worked.
- All that is needed to perform this work is a referral letter from PATH, a sister agency within Tyler, or any church.
- If we happen to have something needed in our auction goods, no work effort is required.

Other community support activities include donations of clothing to elementary school children; toys, books and stuffed animals to children’s wards of local hospitals; and blankets to the Humane Society.

We actively support the quarterly Women of Grace fashion show. This event provides clothing to women trying to re-enter the workforce. Each participant is given the clothing that she models plus vouchers to add additional pieces.

The Donated Goods Division is looking for continued growth in 2007 in order to continue our support for the vital programs that help people in need.





Opportunities In Tyler (OIT), our Extended Employment Service Center/Contracts division, experienced a difficult 2006.

Operating Revenues decreased from last year. The major contributor to the decrease was the State of Texas with a (\$55,415) decrease in paper towel purchases and a (\$40,153) decrease in Grounds Maintenance fees. At the same time, Goodyear Tire and Rubber workers went on strike in early September and were still on strike at yearend. Trane, a local air conditioner manufacturer, experienced a slowdown and was closed for part of November and most of December. Compounding these negative influences is the high price of gasoline, which has encouraged other customers to add processing locations on each coast, thereby, further eliminating work for us. The ripple effect of these factors was the temporary loss of between 12 and 20 piece rate jobs. At yearend, we were forced to scale back to a 4-day workweek.

Notwithstanding these challenges, we have been actively marketing our packaging and assembly services. Mentoring Minds, the Greenberg Mail House, Vesuvius Corporation and Resource Ag Packaging have been contracting with us. We have also become the principal back room fulfillment service for Ultra Pro cosmetics. Currently, we warehouse 4,000,000 pieces of lipstick, eyebrow pencil, rouge, lip gloss, etc.

In addition to expansion of our packaging and assembly service, we began baking our own brand of dog cookies. Stormy, the CBS 19 weather dog, is helping us market our Dog-Gone Goodwill Dog Cookies. Stormy was adopted from the Humane Society of Smith County; we have partnered with them so that a portion of all sales is donated to them. During 2006 we raised over \$2,400 for the Humane Society.

We are also producing our own brand of scented candle. For the first half-year, we generated almost \$23,000 in revenues. These candles are being sold through our retail stores as well as by other entities, which use them as employee awards or a fundraising tool.

Other new opportunities and existing contracts, which are expected to grow in 2007, make us optimistic for the future. These developments will allow us to continue to offer employment to the special members of our East Texas community and give them a chance to earn their place in society through the Power of Work!

Moving away from the pure business side of our operation, it is with great sadness that we lost during 2006, three of our dedicated employees; Bridgette Jones, Kurt O'Neill and Roger Lindsey. Bridgette had been employed at OIT for 22 ½ years. Her smile will be missed.





Goodwill Industries / Opportunities In Tyler serves the community through voucher and school-to-work programs: our partnership with the Literacy Council whereby we provide ESL classes at our downtown location, and light-duty, return-to-work jobs for people recovering from on-the-job accidents. In 2006, we started two new services/activities. We joined the National Association for the Exchange of Industrial Resources (NAEIR) and expanded our baking operation to produce Stormy's Dog-Gone Goodwill Dog Cookies.

Maintained programs:

Normally, a voucher program involves giving clothing or other available items to anyone who demonstrates a need and presents an approved request form. We changed the procedure to be consistent with our mission. We take a "Hand Up, rather than a Hand Out" approach. With our system, an individual presents his/her request form and we offer an opportunity to work for the items. For every hour worked, we give a \$5.50 credit. At the end of the shift, the credits can be redeemed for the needed items. We feel that this is the first step to developing the self-confidence required to get back to work. Goodwill believes in the Power of Work!

Our school-to-work program is now three years old. Once a week for one-half day, special education students from Whitehouse ISD and Chapel Hill ISD come to our Super Store or our Opportunities In Tyler workshop and are given actual jobs to perform. This facilitates the transition from the school to the workplace when they graduate. Several students have begun to work at OIT and are demonstrating their capabilities every day.

Our partnership with the Literacy Council of Tyler is two years old. Every Tuesday and Thursday, ESL classes are held at our downtown conference room. Current enrollment is approximately 10 students.

Many times individuals injured on the job cannot return to their original place of employment quickly because the factory is not designed to act as a recovery center. As a result the person just sits at home and collects Worker's Comp payments. In an effort to encourage the person to return to full productivity as quickly as possible, a light duty task helps redevelop coordination and a positive attitude. We have offered this service to the community for several years.

New Programs:

We joined NAEIR (National Association for the Exchange of Industrial Resources), an organization similar to Gifts In Kind, in 2006. NAEIR is headquartered in Memphis and receives donations of excess supplies/product/equipment from major companies. These donations are then given to any member 501-c-3, not-for-profit agency. The only cost is the freight to move the item from Memphis to the agency's site. We are contacting sister 501-c-3's in Tyler and offering the information to them as well.

Stormy's Dog-Gone Goodwill Dog Cookies kicked off with a major promotion in February 2006. We are using a portion of the sales dollars as a fundraising source for the Humane Society of Smith County. Stormy is the Channel 19 CBS weather dog, and the television station has supported the product introduction with many minutes of free advertising. This new product has created 5 jobs at OIT and raised \$2,481.46 for the Humane Society. The pet owners get a good treat for their animals. We put people to work. The Humane Society supports its spay and neutering program with the monies raised. It's a definite Win-Win-Win situation!

"Believe In The Power Of Work"



Goodwill Industries / Opportunities in Tyler continues to be strongly supported by our community. During 2006, we received 116,000 donations of clothing, housewares, and other goods that were used to supply our stores with items to sell. These donations, which are converted to cash through our retail, auction, and salvage activities, provide the bulk of funds that support our training and extended employment programs and enable us to fulfill our mission.

Other donations and support came in the form of cash, grants, and in-kind donations from individuals and businesses. We also wish to recognize the many unknown donors that support the local United Way campaign. The funds that we receive as a United Way agency help greatly in training and job creation.

The following is a list of donors whom we wish to thank individually.

| | |
|--|----------------------------------|
| Abox Packaging Company | Brookshire's Grocery Company |
| Crème Lure Company | Document Solutions |
| East Texas Council of Governments | Express Personnel |
| J.D. Byrider | Arthur & JoAnn McLendon |
| Robert & Terry McRae | Linda Odom |
| Pollard Memorial United Methodist Church | David & Amanda Rainwater |
| Roberts & Roberts | Society of St. Stephen |
| Starrville Methodist Church | T.B. Butler Publishing Co., Inc. |
| Threlkeld & Co. | Total Wrecks |
| Willstaff Personnel | Gerald Wilson |

Finally, we would like to recognize and thank the dedicated volunteers who serve on our Board of Directors. Their time and support to the organization is invaluable and greatly appreciated.

Thank you everyone!

GOODWILL WORKING



Goodwill At Work





FINANCIAL STATEMENT

| | 2005 | % to Total | 2006 | % to Total |
|---|--------------------|-------------------|--------------------|-------------------|
| Cash | \$361,938 | 8.10% | \$599,194 | 12.90% |
| Investment | 703,876 | 15.70% | 766,976 | 16.50% |
| Accounts Receivable | 151,795 | 3.40% | 105,492 | 2.30% |
| Inventory | 212,264 | 4.80% | 263,511 | 5.70% |
| Land, Building, Equipment | 2,980,322 | 66.70% | 2,906,661 | 62.5% |
| Other | 58,620 | 1.30% | 11,707 | .10% |
| Total | \$4,468,815 | 100.00% | \$4,653,541 | 100.00% |
| Accounts Payable | \$117,467 | 2.60% | \$105,237 | 2.30% |
| Taxes Payable | 144,442 | 3.20% | 195,697 | 4.20% |
| Notes Payable | 811,555 | 18.10% | 663,391 | 14.30% |
| Other | 3,809 | 0.10% | 3,040 | 0.10% |
| Net Assets | 3,391,542 | 76.00% | 3,686,176 | 79.10% |
| Total Liabilities & Net Assets | \$4,468,815 | 100.00% | \$4,653,541 | 100.00% |
| Donated Goods | \$4,088,210 | 73.70% | \$4,405,813 | 75.00% |
| Education & Training | 83,717 | 1.50% | 115,921 | 2.00% |
| Contracts | 1,006,947 | 18.10% | 1,006,566 | 17.20% |
| Salvage | 323,954 | 5.90% | 297,058 | 5.00% |
| Public Support & United Way | 44,814 | 0.80% | 46,788 | 0.80% |
| Total Sources | \$5,547,643 | 100.00% | \$5,872,146 | 100.00% |
| Wages, Payroll Taxes & Benefits | \$1,888,792 | 34.00% | \$1,842,703 | 31.40% |
| Disabled Wages & Benefits | 1,651,554 | 29.80% | 1,708,501 | 29.00% |
| Cost of Goods | 762,473 | 13.80% | 712,107 | 12.10% |
| Occupancy | 722,114 | 13.00% | 788,130 | 13.40% |
| Transportation | 322,565 | 5.80% | 284,085 | 4.80% |
| Interest | 48,072 | 0.90% | 46,182 | 0.80% |
| Professional | 24,972 | .050% | 20,735 | 0.40% |
| Other | 4,554 | 0.10% | 2,400 | 0.04% |
| Depreciation | 187,623 | 3.40% | 172,671 | 2.90% |
| Contribution to Community | 77,029 | 1.40% | | |
| Contribution to Capital | -142,105 | 2.70% | 294,633 | 5.26% |
| Total Uses | \$5,547,643 | 100.00% | \$5,872,146 | 100.00% |

BOARD OF DIRECTORS



Goodwill Industries/Opportunities in Tyler Board of Directors

Board Officers

Board of Directors

Michael Ace
Board President

Helen Brewer
Retired Teacher

Jack Peppard
Southside Bank

Judy Robinson
Board Vice-President
UTHCT

Martha Coyle
Retired Teacher

Randall C. Roberts
Roberts & Roberts

Christy Roach
Board Secretary
Teacher

Steve Czurak
Morgan Stanley

Alan Shumate
Retired

Thomas Smith
Board Treasurer
Bridge Wealth
Management

Dan Delgado
CBS 19

Kelly Sanders
Citizens State Bank

Bobbie Harris
Coldwell Bankers

Ben Siburt
Assoc. Minister

Jeff Jones
Retired

Neal Smith
Attorney

Ed Kennedy
Retired

Dan Boschler
Palestine Representative

Executive Staff

David Walton
Executive Director

Rick Hyatt
Director of Fin. & Admin.

Mary Cowan, SPHR
Director of Organizational Development

Gail Gray
Director of Donated Goods



goodwill industries
opportunities
in tyler

**Administrative Offices
and
Employment Center**

409 West Locust
Tyler, Texas 75702
(903) 593-8438
Fax: (903) 593-8774

E-mail Address: general@tylergoodwill.com

**Industrial Contracts Campus
and
Extended Employment Center**

500 ENE Loop 323
Tyler, Texas 75706
(903) 593-2481
Fax: (903) 592-7262

E-mail Address: mike@tylergoodwill.com

Mission Statement

Goodwill Industries - Opportunities in Tyler is dedicated to providing skills training and vocational opportunities for people with barriers to employment.

