



GOODWILL INDUSTRIES of East Texas, Inc.



OPPORTUNITIES IN TYLER

2004 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:** Achiever of the Year Sean McDaniel
- Page 4:** Consumer Services – Services Statement
Industrial Contracts - Vendor /Customer of the Year
- Page 5:** Consumer Services – Workforce Development
- Page 6:** Community Service
Non-Profit Partner of the Year
Gifts In Kind Tyler
- Page 7:** Retail Operations
- Page 8:** Salvage/Recycling/Growth
- Page 9:** Financial Statement
- Page 10:** Board of Directors
Contributors

“WORKING TOGETHER – CHANGING LIVES”

Last year we emphasized the idea of “Working Together” to highlight our **accomplishments** benefiting large numbers of people. This year, we are still “Working Together” but we have focused the result of our efforts on the individual and have tried to show how “**Working Together**”, really can “**Change Lives**.”



Goodwill has a good reputation within our community. We are a “*good*”, not-for-profit agency, and we do “*good*” things. However, when I get the opportunity to explain in more detail all the things we do, together with all the people we serve, I usually hear, “I had no idea your operation was so big or that you did ALL THAT!” But, how do we do ALL THAT? How do we provide jobs and services? We provide them by **Working Together** with the residents and businesses and civil authorities in our region.

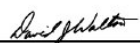
But, “How do we change lives?” you ask. Let me introduce you to Sean McDaniel. Sean’s life demonstrates the difficulties that many people with disabilities face after they “age out” of the programs dedicated to youth and become independent adults. Fortunately, our paths crossed and we were able to bring about a successful result.

As you read through this report, you will see a wide variety of areas touched by Goodwill. Community partnerships with many entities, such as Trane/Residential System, Crème Lure, and the Tyler Independent School District (TISD) help us **provide many jobs in the community**. In addition to these business partnerships, **Goodwill** stores provide a significant portion of the monies that support our programs and operations.

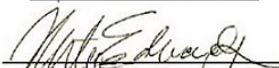
Today’s **Goodwill** store is no longer the old-fashioned “thrift” store. We sell quality new/used clothes, cleaning supplies, personal grooming items, tools, etc, at low discount prices. More and more people are discovering that shopping **Goodwill** is smart shopping.

By “**Working Together**” and “**Changing Lives**”, we help individuals overcome the barriers to employment that they may face. Everyone benefits: the individual, the family, and the community, one job at a time. Thank you for your support.




David Walton, Executive Director




Mike Edwards, Board President

Achiever of the Year-2004



Sean McDaniel

Achievement and **success** are measured in many ways and different degrees. Sometimes in small steps that take many years; sometimes in the progress a person makes in finding a job and advancing into management.

Such is the case for Sean McDaniel who came to **Goodwill Industries of East Texas** in the early 1990's as a consumer for our rehabilitative services. Sean had been a special education student at John Tyler High School in Tyler, Texas, who had graduated with a diploma and no employable skills. Sean was not prepared for life after school; he was only able to read at a fourth grade level but had the desire to succeed in life. After graduating Sean was turned down as a truck driver because he couldn't read; he then tried to enlist in the military, but they also turned him down because of his lack of reading skills.

Sean became a very bitter young man because school had let him down and he had no employable skills, so he turned to stealing to survive. He was eventually sent to prison. While in prison he tried to improve himself by wanting to take the basic skill classes to improve his reading and math, but he was turned down because he already had a high school diploma. He had to take college classes, but he couldn't read well enough to understand them.

After getting out of prison, Sean came to **Goodwill** as a consumer in our rehabilitative services area and progressed to become a certified forklift driver. When there was an opening for a truck driver, Sean applied for the position and got it. With the new attitude that **success** was his if he worked for it, Sean became the lead driver in a short period of time. He left **Goodwill** and moved to Dallas to get married. He got a job as a forklift driver and earned a living wage. For five years Sean was successful in Dallas, but the company he worked for went bankrupt and he was back looking for a job. The same old problem came up again that his reading and math skills were not proficient enough to get a job as an over-the-road truck driver. His time in prison was also against him.

Sean and his family returned to Tyler, and Sean called **Goodwill** to see if there were any job openings. There was an opening for a truck driver and Sean was back working for **Goodwill**. It was only a matter of weeks before the position of manager of transportation and auction services became available. Sean applied for the position and was promoted.

Sean was able to reach his goals in spite of his disability--through perseverance and opportunities afforded him by **Goodwill**. Now Sean wants to help other special education kids by sharing his **journey to success** and to teach them that they must never give up their quests for success and achievement.



Consumer Services

Reorganization for growth and better service was one of the major accomplishments of 2004 for the Consumer Services Division.

The Workforce Development Division and the Industrial Contracts Division were merged into Consumer Services early in the year. Each area will still focus on its portion of the overall agency mission. By having both areas under one leadership team, the interaction between areas will create a strong synergy to enhance our service delivery.

Industrial Contracts

Corporate Partner of the Year:

Trane/Residential Systems is the “Corporate Partner of the Year.” Trane has been partnering with the industrial contracts division for over fifteen years. We worked on nine different jobs for Trane this past year; their jobs employ 25 to 30 people on a daily basis. Trane is the largest business partner, in terms of jobs created, with Goodwill Industries of East Texas.

Small Business Partner of the Year:

Crème Lure is our “Small Business Partner of the Year.” The business started in 1968. We package two different products, fish and worms in a variety of different colors. We employ six to eight people daily to package their product and process up to 50,000 pieces per week.

Overall Operations:

The revenues in our contracts area decreased by less than 2% in 2004; this reduction caused us to shift employees to other areas and affected our employment growth.

Additional business and training opportunities were developed by adding an additional staff manager to the contracts area. This individual used her grant-writing expertise to acquire grants for training and production for our paper towel line of products. By year’s end the training program was not only training employees, but additional paper towel products had been added to the line and additional sales were generated.



Workforce Development

In 2003 we realized that relying solely on state referrals for vocational assessments was not a good business practice. With the reorganization of some of the state agencies, and the short fall of funding within the state, the workforce development area experienced a 29.5% decrease in revenue and a 54.5% decrease in people served.



Tyler ISD bus drops off and picks up most students on a daily basis.

In the spring we began developing a partnership with the Tyler Independent School District (Tyler ISD) to provide vocational assessments to special education students by becoming a participating agency for Tyler ISD. Along with the assessments, Goodwill agreed to offer training opportunities to qualified students.

The partnership uses Goodwill's expertise in vocational assessments to help with the special education student's "individual transition planning (ITP)". The program has been developed to improve students ITP, and to help students determine their vocational objectives.

During the 2004-2005 school year, we expect up to sixty high school seniors to participate. We plan to include younger students in the future, so we can have a greater impact on their ITP.

Along with the paper towel manufacturing training program we have expanded our janitorial training program.

Community Service



Non-Profit Partner of the Year:

First Baptist Church Family Assistance Center is our non-profit partner of the year for 2004.



The Tyler Family Assistance Center

A Ministry of
The First Baptist Church of Tyler
408 W. Locust Tyler, Texas 75702

Working together to create change is what the core of our community service is all about. Over the past two years Goodwill has developed relationships with other non-profit agencies and organizations to help improve people's lives. One such example is the voucher program with our **Non-Profit Partner of the Year: First Baptist Church-Family Assistance Center**. The members of First Baptist Church donate to Goodwill, and Goodwill provides clothing and house ware vouchers to the Family Assistance Center for their clients. In 2004 over 2900 vouchers were distributed and redeemed for over \$14,000 in merchandise. Family Assistance Center's mission grew by 5.2%, and their client list increased to 22,872 individuals served.



With this type of success Goodwill started a new program with its newest business partner, **Tyler Independent School District (TISD)**. The program gives vouchers to the elementary schools for students that are in need of uniforms and clothing. In return TISD has a donation box at its administrative headquarters, and several elementary schools are running donation drives in 2005.



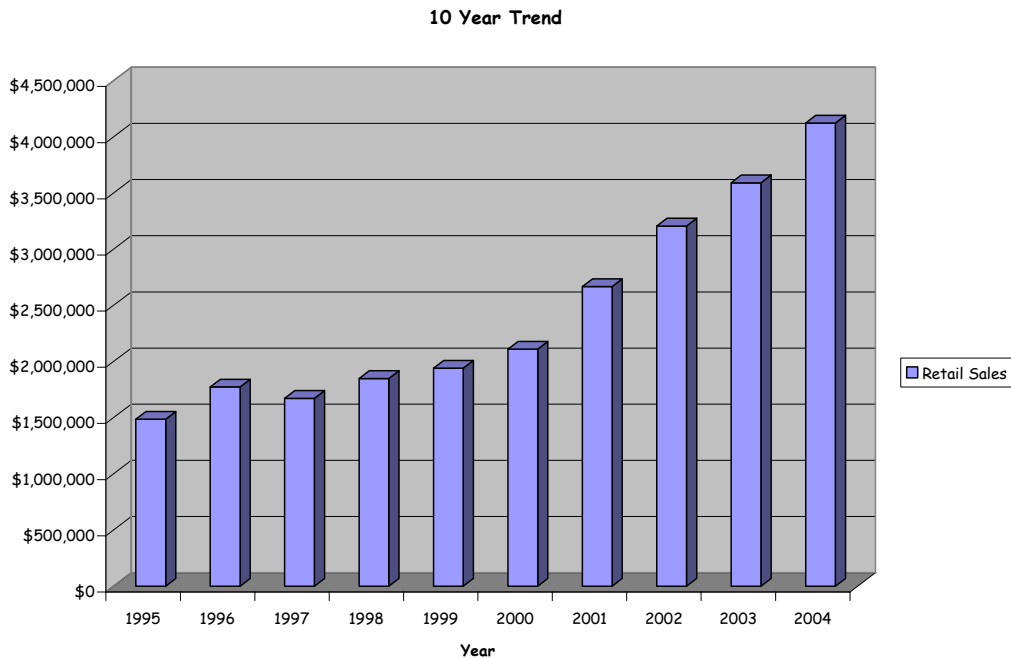
Gifts In Kind Tyler (GIKT) had another year of growth--going from just over sixty members to one hundred members at the end of 2004. In the first two years of GIKT, our members have saved over \$335,000. This past year we received 400 refurbished Dell "All-in-One" printer/copier/scanners that we distributed to over sixty different members. The membership now consists of members from Texarkana to Waco and many communities in between. Gifts In Kind Tyler services all of East Texas and saves the members money that can now be used to further their missions.



Retail Operations

Retail sales continue to be the driving source of revenue for Goodwill. Without the retail revenues our programs would not exist. The revenues are driven by the generous merchandise donations that grew by over 14% in 2004 and over 28% in the month of December. In 2004 we received over 102,000 donations of clothing and household goods. That was the first year we had ever received over 100,000 donations.

Our nine retail stores and their supporting services employ 125 individuals that continue to embrace our mission of providing skills training and job opportunities to people with barriers to employment.



Our 177% sales increase over the last ten years has come from expanding and remodeling our stores. Our flagship store, the Super Store in Tyler, has been the test site for many of our recent merchandising changes. The retail stores contribute approximately 80% of Goodwill's revenues.

Other Operations

Recycling:

Goodwill Industries was one of the first recyclers in the US and continues to be a leader in the field. Donations that are not sold in our retail stores are sold through our auctions. Clothing that does not sell in the stores or is not saleable is sold as salvage to dealers who recycle it to third world countries. Many large furniture items are donated to individuals who have lost their belongings in a fire or other tragedy.

This past year we set up programs for recycling cardboard and computers (e-waste). These programs will be expanded in 2005 to include other products suitable for recycling.

Salvage:

Due to a double-digit increase in donations, our salvage business increased last year by four per cent. The salvage revenue is considered a fringe benefit to our agency's main activity due to the uncontrollable fluctuations of salvage prices in the open market. Goodwill Industries strives to turn each donation into revenue to support programs such as job training, vocational evaluations and extended employment services.

Expansion:

The Palestine project, a new retail store and community service center, has been divided into two phases. Phase I, the 6700 square foot retail store, is planned for completion in the fall of 2005. Additional funding will be needed to construct the community service center. The present proposal is to renovate the current retail store into a temporary community service center that will have United Way of Anderson County, Anderson County Champions for Children, Red Cross and Goodwill Workforce Development as tenants.



Space Available On Our Trucks For Advertisement & Sponsorship



Financial Information for Year 2004 vs. 2003



	2,003	% to Total	2004	% to Total
Cash	385,423	8.8%	497,133	11.0%
Investment	609,739	13.8%	631,983	14.0%
Accounts Receivable	77,289	1.8%	103,571	2.3%
Inventory	200,467	4.6%	255,315	5.7%
Land, Building, Equipment	3,065,309	69.6%	2,959,185	65.6%
Other	66,387	1.5%	65,121	1.4%
Total	4,404,614	100.0%	4,512,308	100.0%
Accounts Payable	155,045	3.5%	154,826	3.4%
Taxes Payable	47,506	1.1%	121,726	2.7%
Notes Payable	894,280	20.3%	698,778	15.5%
Other	9,109	0.2%	3,331	0.1%
Net Assets	3,298,674	74.9%	3,533,647	78.3%
Total Liabilities & Net Assets	4,404,614	100.0%	4,512,308	100.0%
Donated Goods	3,861,621	72.8%	4,123,060	75.2%
Education & Training	124,720	2.4%	76,766	1.4%
Contracts	883,414	16.7%	885,410	16.2%
Salvage	316,291	6.0%	329,262	6.0%
Public Support & United Way	25,000	0.5%	25,000	0.5%
Other	94,575	1.8%	41,005	0.7%
Total Sources	5,305,621	100.0%	5,480,503	100.0%
Wages, Payroll Taxes & Benefits	1,836,797	34.6%	1,968,259	35.9%
Disabled Wages & Benefits	1,289,922	24.3%	1,253,370	22.9%
Cost of Goods	491,041	9.3%	678,688	12.4%
Occupancy	891,394	16.8%	748,809	13.7%
Transportation	113,379	2.1%	201,757	3.7%
Interest	58,872	1.1%	39,307	0.7%
Professional	17,742	0.3%	15,642	0.3%
Other	49,996	0.9%	60,396	1.1%
Depreciation	218,013	4.1%	212,403	3.9%
Contribution to Community	49,304	0.9%	66,904	1.2%
Contribution to Capital	289,161	5.5%	234,968	4.3%
Total Uses	5,305,621	100.0%	5,480,503	100.0%

BOARD OF DIRECTORS & CONTRIBUTORS

Goodwill Industries/Opportunities in Tyler Board of Directors

Board Officers

Board of Directors

Mike Edwards Board President Program Director KTBB radio	Andy Guinn Cornerstone Brokerage	Randell Roberts Roberts & Roberts
Wayne Kilgore Board Vice-President Retired	Don Cothorn Attorney	Alan Shumate Retired
Michael Ace Board Secretary Attorney	Wood Fair Fair Interests	Hank Stuth, Jr. Anderson Automotive Supply
Steve Czurak Board Treasurer Morgan Stanley	Jeff Jones Retired	Betty Waters Tyler Courier Times-Dispatch
	Ed Kennedy Retired	Judy Robinson The University of Texas Health Center
	Thomas Smith Henry & Peters	Jack Peppard Southside Bank

Goodwill Executives

David Walton Executive Director	Rick Hyatt Director of Fin. & Admin.	Jim Wooldridge Director of Development
Mary Cowan, SPHR Director of Human Resources	Gail Gray Director of Donated Goods	

2004 Corporate and Individual Contributors

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Holly Tree Chapel	Ms. Mary Cowan	Mr. & Mrs. Paul Reeves
Merrill Lynch	Barb Day	Mr. & Mrs. Judith Robinson
Remedy Staffing	Mr. & Mrs. Michael Dixon	Ms. Dorothy Gayle Simpson
Society of St. Stephen	Mr. Keith Dollahite	Sally L. Smith
Southside Bank	Vernon Douglas	Mr. & Mrs. Marcus Staples
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Wesco Distributing	Mr. & Mrs. T.A. Gear	Dr. James L. Tarter
Vanguard Optical	Mr. & Mrs. Robert Gentry	Ms. Carolyn Wells
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Carl Hancock	Mr. & Mrs. Carroll Benthall	Mr. & Mrs. Billy Hibbs, Jr.
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Mr. & Mrs. Tom Kenner	Mr. & Mrs. Charles Brown	Mr. & Mrs. Sid Latham
Mr. & Mrs. Robert Carnes	Mr. Terry Logsdon	Mr. & Mrs. Donald Chase
Ms. Beverly McIntyre	Mr. & Mrs. John Cobbs	Mrs. W.T. McLauchlin
Mr. & Mrs. William Colfelt	Mr. & Mrs. Robert C. McRae	





goodwill industries opportunities in tyler

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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.

