



IMPACTING PEOPLE *and* PLANET

GOODWILL OF SILICON VALLEY ANNUAL REPORT 2016

PRESIDENT'S letter

As a social enterprise Goodwill of Silicon Valley uses its businesses, assets, and revenue to facilitate employment and economic sustainability for those with barriers to the work place. We measure our performance against a triple bottom line – People, Planet, and Profit. In this year's annual report, we have included our financial and social impacts like we do every year and added a focus on our environmental impact.

Over the years, we have told the story for our retail and mission businesses, but little attention has been given to the impact we have made in recycling, diversion from landfill, and lowering our carbon footprint. As you will learn in our 2016 report, we diverted 42 million pounds of potential waste from the landfill, recycled over 42,000 mattresses, and continued are conversion to energy efficient lighting and environmental systems in our stores, significantly lowering our energy consumption over the last 5 years. We have plans to add solar to our headquarters in 2017 further reducing our carbon footprint. Most of our efforts to become more environmentally sustainable have resulted in increased jobs for our clients and reduced costs allowing us to invest additional financial resources into our mission. We continue to look at new ways of positively impacting our environment. This year a green team was formed to develop new ways our organization can decrease our landfill impact, energy usage, and water requirements.

Goodwill's Heritage Orchard and Urban Farm is another way that we are providing an impact on the environment. Thousands of pounds of food are grown in our urban farm benefitting Loaves and Fishes and clients of Goodwill. This lowers the need to purchase food from distant farms lowering the carbon footprint. Additionally, our Heritage Orchard planted in 2014 with 110 fruit trees is beginning to literally and figuratively bear fruit. We will soon be able to provide fresh grown apricots, peaches, cherries, apples, and French prunes, for the benefit of our Mission Services.

2016 also saw a new organization, Expandability, partner with Goodwill. Expandability provides training and employment services for those with mental illness and neurological disabilities. We look forward to providing additional resources, greater efficiencies, and new ideas. Their highly respected and successful Autism at Work program is a key initiative for us to grow and replicate in 2017.

We encourage you to take some time reading our annual report. Learn more about us. Your donation truly does impact the people, the planet, and the sustainability of our community.

**“Goodwill of Silicon Valley has been
serving Santa Clara County since 1928”**

Michael E. Fox
President & Chief Executive Officer
Jim Cunneen
Board Chair

2016 BOARD OF *Directors*

“Goodwill of Silicon Valley thanks its all-volunteer
Board for their dedication and service”

OFFICERS

Jim Cunneen – Board Chairman
Phillip Boyce – Immediate Past Chair
Michael E. Fox – President and Chief Executive Officer
Inder Sidhu – Vice Chairman
Jim Campagna – Treasurer
Jessica Welker - Secretary

DIRECTORS

Dale Achabal, Ph.D. – Member
Winston Copeland – Member
Erik Hallgrimson - Member
Dave Sanders – Member
Christopher Schumb - Member
Brian Shetler – Member

SENIOR LEADERSHIP *team*

Michael E. Fox – President/Chief Executive Officer
Christopher Baker – Chief Financial Officer
Trish Dorsey – Vice President of Mission Services
Don Aguilar – Vice President of Human Resources
Stephen Borasi – Director of Retail
Ryan Gleason – Director of Operations
Johnny Cochran – Director of E-Commerce
Jose Montes – Director of Loss Prevention
John Seaman – Director of Workplace Safety
Josh Altieri – Director of Marketing
Cynthia Harvey – Director of Contracts & Maintenance
Mitchell Koblis – Director of Facilities

Thank you

TO OUR GENEROUS DONORS!

Alice J. Dugas • The Ayres Family • Cal CPA Institute
Tjoman Buditaslim • Janet Mathis • Patricia B. Kelly
Richard & Sheryl Heller • Richard & Emily Levin Foundation
Goodwill Industries International, Inc. • Michael Schini
Shantanu Kothavale • Agape Long Term Care • Dale A. Holley
Ernest Ortiz • David M. Granvold • Emily & Abigail Fernicola
Linda Rose • Big Joe Handling Systems • Michael E. Fox, Jr.
Mr. & Mrs. Howard Shaw • Richard Kato • Steve Hunt
Max Steinke • George Winter • Patrick Garland • George Gitchev
Brian Toleno • Douglas Standing • Catherine Lavin
Sunil Veluvali • William Alger

PROGRAM *overview*

VETERANS INDIVIDUALIZED PLACEMENT (VIP) PROGRAM

We work with veterans that are facing homelessness by facilitating employment readiness and job placement. Each veteran partners with a member of the Goodwill support team to develop and execute a job placement plan. These job seekers are provided with housing assistance, food, transportation, and other basic needs during and after the job search phase.

VETERANS FAMILY SERVICES (VFS) PROGRAM

Veterans and their families that are homeless or facing homelessness are invited to Goodwill for help. Our support team works with them to facilitate a plan to secure and sustain safe housing. We do this by providing financial assistance, location of appropriate housing, and case management.

NEW OPPORTUNITY WORK (NOW) PROGRAM - PHASE I

While in custody awaiting trial or completing their sentence at the county jail, Goodwill staff facilitates employability workshops and Moral Reconciliation Therapy for those that have self-identified as wanting to start a new life upon release. These workshops prepare the individual to transition back into employment in a positive and productive fashion. Many of the workshop attendees join the NOW Program Phase II upon release.

NEW OPPORTUNITY WORK (NOW) PROGRAM - PHASE II

Goodwill assists those that are starting over after having been involved in the criminal justice system. Upon enrollment into this program, these job seekers are placed into immediate paid employment as they work on their progression toward obtaining employment within our community. During this transition period, Goodwill support staff works with each person on an individualized basis to facilitate Moral Reconciliation Therapy, mentoring, and ultimately placement into a job that has promise.

EMPLOYMENT READINESS PROGRAM

Goodwill uses its social enterprises for transitional employment opportunities for people that are struggling to obtain employment. While in the paid work program, these job seekers also participate in paid workshops that address cognitive behavior and employability skills training. The support team works individually with each job seeker to assist with their transition into mainstream employment within our community.

GOOD GUARD PROGRAM

Goodwill's professional security guard officer training program, the Good Guard Program prepares each student for a rewarding and long-term career in the security industry. Classes are offered each month and are open to the public.

AFTER-SCHOOL PROGRAMS

Goodwill manages after-school programs at four high schools in San Jose. We work with at-risk students to help them achieve their goal of earning a high school diploma. These programs also engage the students in activities that enrich their experiences such as learning a second language, fitness activities, music, robotics, and much more. Hot meals are available to these students as well. Goodwill is on campus at these schools every afternoon during the school week.

GOOD HEALTH

This program is designed to strengthen independent living skills for high school students that live with developmental disabilities. While this is the focus, we are also able to engage these students into activities that they may not otherwise experience such as attending a prom, a day at the bowling alley, being entertained by dancers, and more.

VOCATIONAL TRAINING PROGRAMS

Goodwill vocational training programs prepare students for careers within the construction, information technology, auto detail, and security fields. Upon graduation, each vocational training program graduate receives job placement assistance to gain entry into these fast growing job sectors.



2016 AT A glance

Goodwill of Silicon Valley has been serving Santa Clara County since 1928 and to this day we continue to serve the community. In 2016, over 14,976 local residents received services in job training, housing assistance, youth programs, and wellness services. We provide jobs and job training programs for people with physical disabilities, the elderly, military veterans, the homeless, people on the autism spectrum, low income students, and community members needing a second chance. Goodwill of Silicon Valley operates as a triple bottom line organization that prioritizes people and the planet, while also generating revenue through social enterprise.

None of our success is possible without our employees, donors, and shoppers!

Impacting

people

families

communities

people

Goodwill of Silicon Valley's Mission Services Department operates an array of programs which provide services to the general public, here are the 2016 highlights:

- 700+ employees at Goodwill of Silicon Valley.
- 14,976 people received services from Goodwill of Silicon Valley.
- 90 families of veterans received housing services.
- 59 homeless veterans got jobs.
- 253 people received services in our Wellness Center (mental health clinic).
- 166 people from Mission Services Department were placed into jobs.
- 11,964 high school students attended the After-School Program.
- 1,331 families received monthly food distribution.
- 141 Good Guard Program graduates, 87% of graduates obtained Guard Card.
- 115 previously incarcerated individuals enrolled into NOW Program.
- 69 NOW Program enrollees obtained jobs.
- 39 NOW Program participants were hired onto Clean Wheels.
- 251 NOW Program classes conducted inside the county jail.



Goodwill of Silicon Valley shares in the responsibility of preserving local environments for future generations. The beauty of our operation is that we protect the environment while creating jobs. In 2016, we continued to implement sustainable business practices that achieve operational efficiencies and reduce our carbon footprint while diverting goods from local landfills. Our goal is to achieve zero waste, and we are getting closer and closer every year. Check out the statistics to the right for more info!

Our *goal*
is to achieve zero waste

• Served 963,059 Donors.

• Diverted over 42 million pounds from local landfills.

• Diverted over 40,000 mattresses from local landfills.

• Diverted 1.7 million lbs of e-waste from local landfills.

DONATION sites

Budd

2341 South Winchester Boulevard
Campbell, CA 95008

Calaveras

25 North Milpitas Boulevard
Milpitas, CA 95035

Cottle

Cottle Light Rail Train Station @
Cottle & HWY 85
San Jose, CA 95119

Crown

6477 Almaden Expressway
San Jose, CA 95120

El Camino Express

715 Sunnyvale-Saratoga Road
Sunnyvale, CA 94087

Indian Blossom Hill

Light Rail Train-Park and Ride Station
San Jose, CA 95123

Lakewood

1119 North Lawrence Expressway
Santa Clara, CA 95051

Lark

14800 Winchester Boulevard
Los Gatos, CA 95030

Los Altos

2175 Grant Road
Los Altos, CA 94022

Narvaez

Capitol Exp. & Narvaez-Park & Ride
Station
San Jose, CA 95136

Our Lady of Peace

2800 Mission College Boulevard
Santa Clara, CA 95054

Park "N" Ride

Santa Teresa Light Rail Train Station
San Jose, CA 95119

Princeton

3510 Homestead Road
Santa Clara, CA 95051

Safeway

840 East Dunne Avenue
Morgan Hill, CA 94022

Union

15549 Union Avenue
Los Gatos, CA 95032

Valley Fair

3070 Stevens Creek Boulevard
Santa Clara, CA 95050

West Valley

5205 Prospect Road
San Jose, CA 95129

STORE *locations*

Almaden Store

3060 Almaden Expressway
San Jose, CA 95118

Alum Rock Store

3020 Alum Rock Avenue
San Jose, CA 95127

Campbell Store

60 S. San Tomas Aquino Road
Campbell, CA 95008

Cupertino Store

1125 De Anza Boulevard
San Jose, CA 95129

Gilroy Store

845 First Street
Gilroy, CA 95020

Hollister Store

1703 Airline Highway
Hollister, CA 95023

Milpitas Store

311 West Calaveras Boulevard
Milpitas, CA 95035

Morgan Hill Store

17630 Monterey Road
Morgan Hill, CA 95037

Mountain View Store

855 East El Camino Real
Mountain View, CA 94040

Palo Alto Store

4085 El Camino Way
Palo Alto, CA 94306

San Carlos Store

1691 West San Carlos Street
San Jose, CA 95128

Santa Clara Store

2800 El Camino Real
Santa Clara, CA 95051

Santa Teresa Store

7098 Santa Teresa Boulevard
San Jose, CA 95139

Silver Creek Store

1640 East Capitol Expressway
San Jose, CA 95121

Snell Store

461 Blossom Hill Road
San Jose, CA 95123

Sunnyvale Store

151 East Washington Avenue
Sunnyvale, CA 94086

The Loft Boutique

1691 West San Carlos Street
San Jose, CA, 95128

Willow Glen Store

1579 Meridian Avenue
San Jose, CA 95125

Winchester Store

1303 South Winchester Boulevard
San Jose, CA 95117

Financials

| PUBLIC SUPPORT AND REVENUE | | | 2016 | 2015 | | 2016 | 2015 |
|--------------------------------------|--|--|--------------|--------------|-------------------------------|--------------|--------------|
| Retail Programs | | | \$28,862,673 | \$28,099,767 | CHANGE IN NET ASSETS | | |
| Donated Goods | | | \$7,841,673 | \$6,568,313 | BEFORE PENSION PLAN | | |
| E-commerce | | | \$4,733,294 | \$3,960,075 | Investment (loss) and | | |
| Operations Programs | | | \$4,197,884 | \$4,470,163 | Impairment | \$4,174,658 | \$1,801,491 |
| Grants and Contributions | | | \$3,831,359 | \$3,380,233 | Pension Plan Investment Loss | (145,168) | (177,069) |
| Gain on Sale of Property & Equipment | | | \$2,135,483 | - | Impairment Loss on Antique | | |
| Contract & Business Service Programs | | | \$1,868,615 | \$1,579,769 | Collection | -- | (12,000) |
| Miscellaneous | | | \$342,144 | \$175,267 | | | |
| Rent Income | | | \$326,756 | \$360,856 | CHANGE IN NET ASSETS | \$4,029,490 | \$1,612,422 |
| Investment Income | | | \$150,759 | \$78,601 | Net Assets, Beginning of Year | \$24,358,856 | \$22,746,434 |
| Total Public Support and Revenue | | | \$54,290,649 | \$48,673,044 | | | |
| EXPENSES | | | | | | | |
| Program Services: | | | | | Net Assets, End of Year | \$28,388,346 | \$24,358,856 |
| Retail Programs | | | \$31,171,218 | \$29,768,769 | | | |
| Cost Assigned to Donated Goods Sold | | | \$7,664,903 | \$6,476,882 | | | |
| Vocational School Programs | | | \$4,859,923 | \$4,310,502 | | | |
| Contract & Business Service Programs | | | \$2,249,142 | \$2,092,828 | | | |
| Total Program Services | | | \$45,945,186 | \$42,648,981 | | | |
| SUPPORTING SERVICES | | | | | | | |
| Management and General | | | \$4,113,360 | \$4,155,554 | | | |
| Fundraising | | | \$57,445 | \$67,018 | | | |
| Total Supporting Services | | | \$4,170,805 | \$4,222,572 | | | |
| Total Expenses | | | \$50,115,991 | \$46,871,553 | | | |



Transforming lives through the power of work

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