



Goodwill Changing Lives



GOODWILL

of Silicon Valley

Mission Statement

Goodwill of Silicon Valley's mission is to support our employees, our customer and people with challenging barriers to employment; to raise their standard of living and improve their lives through our services and social enterprise.

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LETTER FROM CEO & CHAIRMAN OF THE BOARD

Dear Supporters and Friends of Goodwill,

"The times they are a-changin' " as Bob Dylan so appropriately sang for his time, the times are changing at Goodwill of Silicon Valley. We have effected tremendous growth over the last 3 years, adding new stores, implementing a new store design, investing millions of dollars in our Mission Services, and increasing our focus on impact and results. We have invested over 3 million dollars into capital assets benefiting our local economy and have created over 100 new partnerships with social service organizations, universities, non-profits, and governmental organizations. We added a recycling line in 2011, generating hundreds of thousands of dollars in revenue and decreasing our landfill costs by the same, greatly lowering our waste footprint. We experienced dramatic improvement in every facet of our business and mission in 2011. Our triple bottom line is healthy and growing. Our board and management team are committed to driving significant value to our community. We encourage you to review our annual report and see for yourself the positive changes Goodwill of Silicon Valley is producing for our community.

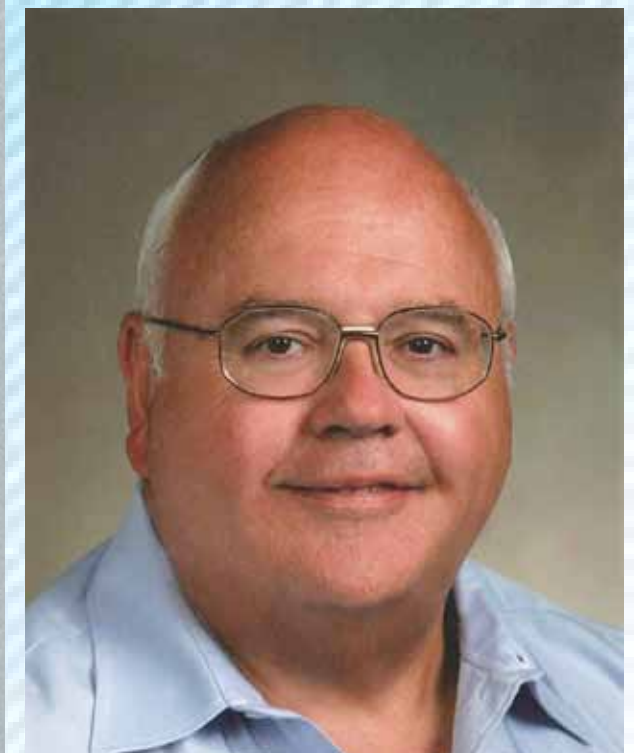
Sincerely,

Michael Fox
President & Chief Executive Officer
Goodwill of Silicon Valley

Phillip Boyce
Chairman of the Board



Michael Fox
President & Chief Executive Officer



Phillip Boyce
Chairman of the Board



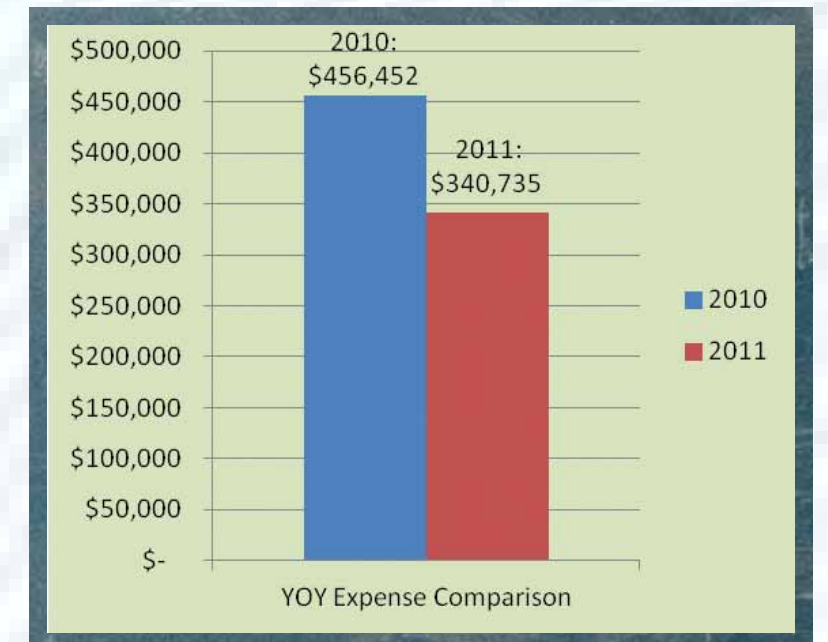
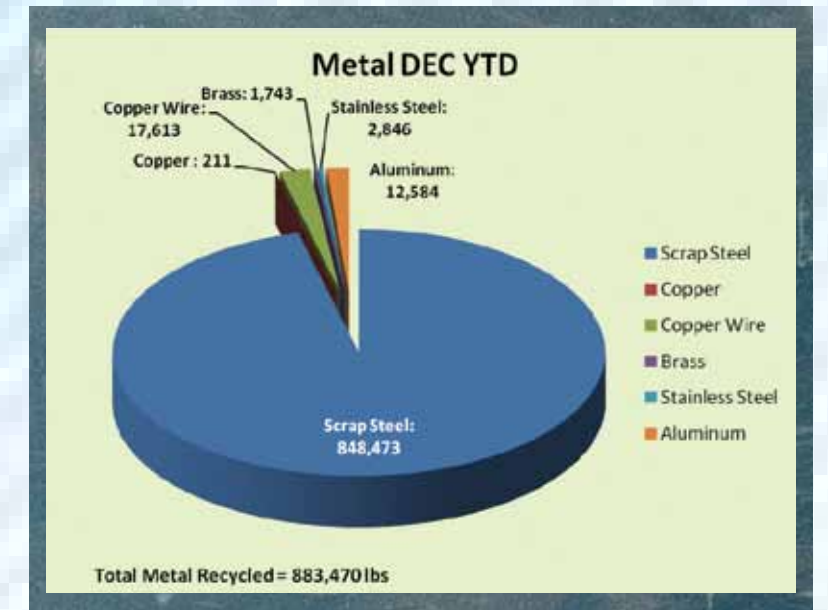
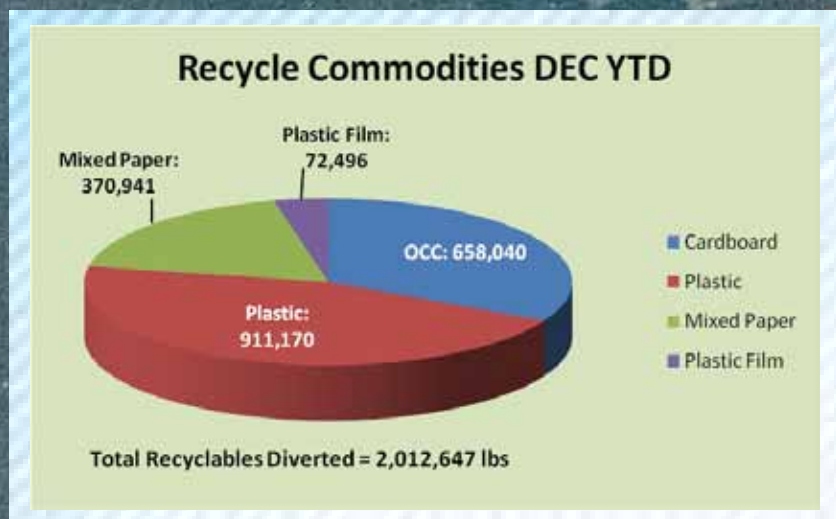
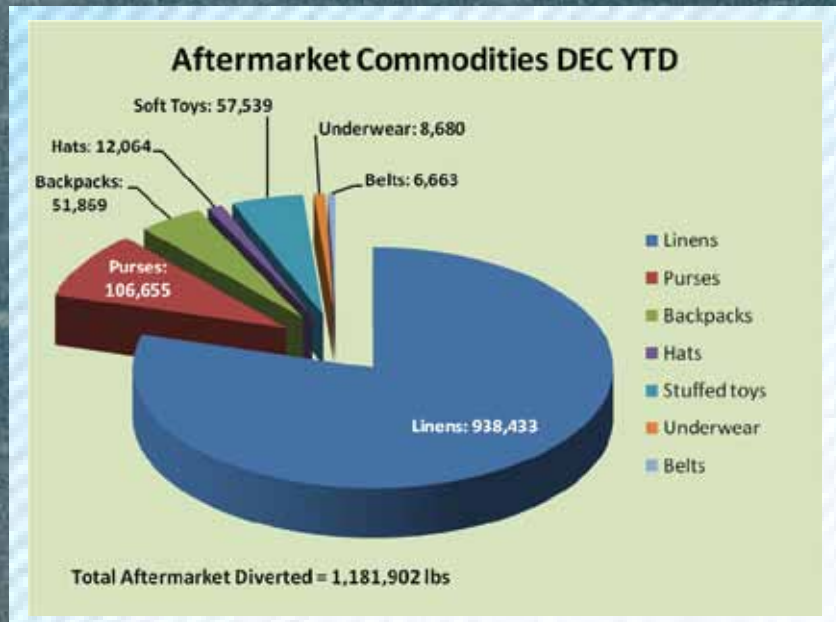
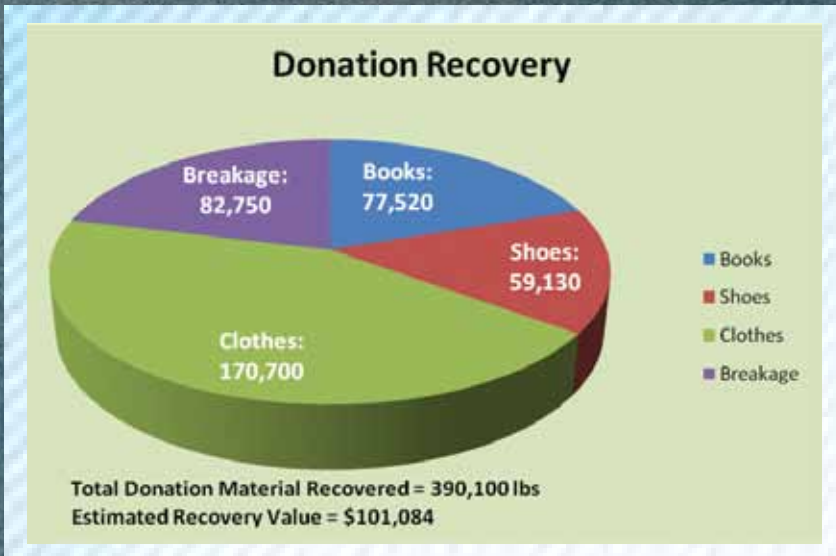
OPERATIONS

Goodwill of Silicon Valley (GWSV) is committed to ensuring that the highest value is realized from every donation. While the highest value is gained by selling donations through our retail stores, this accounts for only a small percentage of the total donation volume. In 2011, Goodwill of Silicon Valley received over 690,000 donations which equates to approximately 28 million pounds. With the retail stores only selling roughly 15% of the total weight, recycling and aftermarket operations are charged with further value extraction and landfill diversion from the remaining 24 million pounds. The success of these efforts has resulted in a 74% landfill diversion.

This figure elevates to 81% when the estimated weight of illegal dumping (non-donation) is removed from the gross tonnage. Recycling and aftermarket businesses focus not only on sustainability initiatives but also to provide a relevant training platform for employees to learn transferable skills.

"We champion sustainable practices"







R RETAIL

The Retail department of Goodwill of Silicon Valley is based upon growth and change. The opening of new stores as well as the renovations of our existing stores revolves around change, change to increase our shopper experience as well as customer satisfaction. In 2011 two stores were remodeled, Willow Glen and Cupertino along with the opening of a new store, Blossom Hill. With 17 retail stores in Santa Clara and San Benito County, GWSV strives to provide great merchandise at low prices.

In 2011 Gi Kaizen was introduced to the backrooms of 5 stores; Alum Rock, Cupertino, Willow Glen, Blossom Hill and Santa Teresa. “Kaizen” in Japanese means continuous improvement and “Gi” stands for Goodwill. By implementing Kaizen at the GWSV stores, it has allowed the backrooms to be cleaner with less clutter, and rational workplaces which has resulted in improved morale, higher productivity and more efficient use of space.

“We act with integrity to build trust at all levels of organization”





MISSION SERVICES

TRANSITIONAL EMPLOYMENT

The Career Readiness Program (CRP) and Transitional On-the-Job Training program (TOJT) were designed to assist individuals with barriers to employment in obtaining and retaining employment. Because for most of the participants in these two programs lack of or very sporadic work history is very common, the main component of these two programs is paid work experience. This work experience can be up to 12 months working in any of our divisions.

*“Goodwill’s CRP Program **CHANGED MY LIFE**; in 2007 I was laid off and I did not find work for five years and after that the CRP Program gave me a job and a new life, it’s a good program. Goodwill is a big company and they gave me an opportunity. I am working here and I am happy.” ~ Atsede Eyewas*

Did you know in 2011, 96% of the participants completed the CRP program and were transitioned to jobs in our community.

VETERANS PROGRAMS

With support from the US Department of Labor and the Veterans’ Administration, Goodwill is able to serve homeless veterans and families of veterans on the verge of homelessness.

The Veterans Individualized Placement (VIP) program serves a total of 120 homeless veterans to 1) find

“We value each other- our being, knowledge, wisdom and expertise”

suitable housing and 2) get jobs to help them maintain that housing. In order to be able to help these veterans, basic needs must be addressed so, VIP participants get intense case management to connect them with food, clothing, counseling, basic computer training, life skills training, job search assistance and job retention support.

The Veterans' Families Services (VFS) program focuses on keeping families of veterans from losing their housing or being homeless for more than 90 days. In 2011, GWSV helped 27 veteran families keep their housing.

YOUTH PROGRAMS

Goodwill's Youth Programs serve about 2,500 high school students per school year. The GoodHealth program is a work experience/life skills program serving special education students in eight different high schools. In 2011, GoodHealth provided more than 11,000 hours of work experience/life skills training to 315 special education High School students.

Also, with the help of two grants from the California Department of Education (CDE) and partnerships with San Jose Unified School District and East Side Union High School District, Goodwill has been able to set and run an After School Safety and Enrichment for Teens (ASSETs) program in two different high schools. In 2011, ASSETs programs served over 2,500 High School students who cumulatively attended more than 37,000 after school activities.

Transitional participants get case management that includes planning, coaching and instruction in basic computer training and employability skills.

Total clients served 3,620

Job search assistance is also provided to help the participant's transition into, and retain, regular employment out in the community.

"I didn't see it as a program. I saw it as "I was working." **It gives me a place to belong. I'm a person.** Before, I was nervous. I didn't have confidence. [Now,] when I see kids come in for their hours, I see me. I think "they can do it." It's Goodwill, but it's more than that. If they complete a task by doing a rack or by interacting with customers, they understand that they are not a bad person. They can do it. They know they are doing something positive." - Elizabeth Campos



"I had past criminal record and it was hard to get a job. **Goodwill gave me a chance.** I thought I would never be able to get back on my feet and provide for my family. Now I'm at a job that they helped me get. I'm living life and feeling happy. That's something I thought I would not get back. I recommend it to anyone struggling. They will help other employers see that you are a human being that makes mistakes and deserves a second chance. Join the program. It will change your life!" ~ Brian Alves

"I became part of the Goodwill program because I wanted to change my life. Before I went to Goodwill I had no place to stay. I had no job. I had no car or anything like that. I came to San Jose with nothing. I didn't know anyone. So I wanted to change my life. I wanted to start all over again, so I could be a better person, a more responsible person, for my kids and for myself. **Goodwill of Silicon Valley overlooked my background and saw the person I am and not the Record I was.** I came to Goodwill for a year, and within that year I made progress. I went from nothing to "I'm doing great now!" ~ Jarrad Beard





GOODSOURCE

GoodSource is a division of Goodwill of Silicon Valley, established in 1976. We are one of the most versatile and flexible outsourcing services in the United States. We provide product assembly, order fulfillment, mailing services, blister packaging, kitting, and warehousing for third party businesses, both big and small. GoodSource has been involved with everything from helping with inventor concepts to assembling medical devices. Whether you are a customer who is running an online business trying to get your products to the end-user in a time efficient manner or a new business that is looking to expand, GoodSource can help!

Through our innovative services we are able to introduce new markets into the economy and adhere to all types of diverse demands found throughout the Silicon Valley from high technology to promotional materials.

Changing the Silicon Valley one BUSINESS at a time!

Did you know we recycle approximately over 12,832 mattresses per year?

GoodSource recycles approximately 855,958 lbs of paper per year.

"We "wow" our internal & external customers"



WELLNESS CENTER

The Wellness Center is a mental health clinic serving low income individuals who are in need of mental health care but, because of the lack of medical insurance, they do not have access to it. The Wellness Center also serves individuals pursuing their Master's or Doctorate degree in Psychology. These counseling practicum interns, under the guidance of our licensed Psychologist, provide counseling services to clients served by Goodwill's Mission Services, Goodwill's employees and other individuals referred by partner agencies. At this time, the Wellness Center is fully funded by Goodwill.

FUTURE

Mission Services goal for 2012

- Increase our services to veterans
- Find a way to include the ex-offender population in our programs
- Increase number served in our transitional employment programs

Goodwill of Silicon Valley has a lot to look forward to in 2012.

In 2012, Retail plans to remodel 2 stores; Campbell and Morgan Hill, as well as open 2 new stores; Snell and Winchester and expand two stores, Silver Creek and Winchester. The total sales are projected to increase and reach \$22,500,000 for all 19 stores. Kaizan will be implemented to 5 additional stores in 2012.

THANK YOU TO OUR 2011 DONORS

Richard or Sheryl Haller
 JustGive.org
 Cupertino Rotary Endowment Foundation
 Network for Good
 United Way Silicon Valley
 J. Leuder
 Anonymous
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 Danny Wallace
 Rakesh Mehta
 Peter M. Joachim
 Wells Fargo Foundation
 Silicon Valley Community Foundation
 Patricia B. Kelly
 Michael E. Fox

DONORS

Dear Donor,

Thank you to our 2010-11 donors, who have helped Goodwill support the mission to help others move forward in their lives. Your commitment to Goodwill of Silicon Valley has a lasting impact on the lives of the many extraordinary people and families. Most of all, thank you for investing in what promises to be a dynamic and exciting tomorrow.

2011 BOARD OF DIRECTORS

Phillip Boyce - Chairman of the Board

Brian Shetler - Vice Chairman

Christopher Schumb - Secretary

Dale Achabal, Ph.D. - Treasurer

Jim Cunneen - Member

Erik Hallgrimson - Member

John Hirokawa - Member

Jeanice Owens - Member

Inder Sidhu - Member

Jessica Welker - Member

CONSOLIDATED STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Unrestricted	Temporarily Restricted	Total 2011	Summarized 2010
Public support and revenue:				
Retail programs	\$ 25,827,886	-	\$ 25,827,886	\$ 22,175,566
Donated goods	7,177,136	-	7,177,136	5,920,267
Grants and contributions	1,949,024	50,000	1,999,024	1,288,397
Production programs	1,050,003	-	1,050,003	1,098,231
Rent income	407,300	-	407,300	454,965
Miscellaneous	73,780	-	73,780	226,557
Vocational school fees	9,03	-	9,034	283,411
Investment income	8,891	-	8,891	93,926
Fundraising	3,871	-	3,871	18,057
	36,506,925	50,000	36,506,925	31,559,377
Net assets released from restrictions	50,000	(50,000)	-	-
Total public support and revenue	36,556,925	-	36,556,925	31,559,377
EXPENSES				
Program services:				
Retail programs	19,408,217	-	19,408,217	16,788,575
Cost assigned to donated goods sold	7,223,678	-	7,223,678	5,906,601
Production programs	1,592,280	-	1,592,280	1,590,016
Vocational school programs	2,628,972	-	2,628,972	2,562,260
Total program services	30,853,147	-	30,853,147	26,847,452
Supporting services:				
Management and general	3,186,533	-	3,186,533	3,469,598
Fundraising	174,075	-	174,075	165,582
Total supporting services	3,360,608	-	3,360,608	3,635,180
Total expenses	34,213,755	-	34,213,755	30,482,632
Change in net assets before pension				
plan investment loss	2,343,170	-	2,343,170	1,076,745
Pension plan investment loss	(613,488)	-	(613,488)	(249,594)
Change in net assets	1,729,682	-	1,729,682	827,151
Net assets, beginning of year	11,428,507	25,000	11,453,507	10,626,356
Net assets, end of year	\$ 13,158,189	25,000	\$ 13,183,189	\$ 11,453,507



Goodwill of Silicon Valley

Transforming lives through the power of work.

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