

VALUES IN



2014 ANNUAL REPORT



Our **Mission**

Our business is changing lives...
helping people help themselves
through the power of work.

Our **Vision**

Everyone has the opportunity to find their purpose,
reach their highest level of self-sufficiency,
and become productive members of our community.

Our **Values**

Commitment

We demonstrate our value to
and impact on the organization.

Innovation

We exercise the power
to make improvements.

Integrity

We earn trust through
all of our actions.

Learning

We grow and succeed
through learning.

Respect

We value and
connect with others.

Teamwork

We achieve goals and
deliver our mission together.

Letter from the President & CEO and The Chair of the Board

2014 marked the start of our revised three-year strategic plan. The plan's theme, "People First", defines not only our mission in the community, but how we will operate as a business.

Our mission is to help individuals achieve their employment goals and become productive members in our communities. We placed 2,326 individuals into jobs in 2014. In addition, we employed 1,282 people within our Goodwill operations. We also intensified our efforts to help each client see that a career, not only a job, is possible.

At Goodwill, our focus on "people first" is supported by our core values. They are: **commitment, innovation, integrity, learning, respect and teamwork**. You can see our core values on the walls of our stores, community employment centers, and offices. More importantly, you will see them in our interactions with one another and with the people we serve.

Our values in action contributed to our success in 2014. Through *teamwork*, we opened three stores, three attended donation centers, and placed ten unattended donation boxes in our territory; expanding our retail and donation footprint to 80 locations. At the same time, *innovation*- our willingness to explore possibilities- drove our work with the Federal Government where we leveraged our warehousing and supply support services expertise to expand and become a multi-state operation, employing 35 individuals in Virginia and Charleston, S.C. on one contract.

Growing and succeeding through *learning* is fundamental to our mission and delivered through our Career Development and Vocational Services Programs, where we served 17,732 people. This includes 390 Veterans, 3,586 returning citizens*, and 593 individuals with severe disabilities. Our Goodwill associates logged 18,858 hours in workshops and classes to improve their work at Goodwill, too.

*Persons recently released from incarceration

The *commitment* of our partners grew in 2014 as we deepened relationships with area businesses- some of whom employ Goodwill graduates, while others hired Goodwill to provide temporary staffing, document shredding, e-recycling, janitorial services, or employee training services. We also welcomed new partners who hosted donation events, provided volunteer support, or made financial donations. Our partners understand that with Goodwill, their businesses can change lives for the better.

Last year, the community continued to shop and donate, providing the ongoing fuel for our job training and career development programs. In turn, we remained committed to our role as stewards of the community's investment in our mission. Whether through the actions of our donation attendants, employment specialists, or accounting team, each brings *integrity* to the work they do on behalf of Goodwill.

Finally, as our "People First" strategic theme gained momentum in 2014, our associates demonstrated *respect*, showing each other the difference they make in our work and communities. Our deepening use of our values in leadership has set a strong emphasis for our work in 2015.

We thank you for your belief in people first and your part in helping us to change lives through the power of work.



Charles Layman
President & CEO



David A. Modena
Chair of the Board

Donated Goods

Teamwork at its best.

Our retail stores, outlets, auctions, transportation and logistics comprise our Donated Goods Program and define teamwork at its best. Together, they processed 1,165,000 donations and kept 37 million pounds of household goods out of area landfills. They also engaged 2,900,000 transactions with our shopping customers and traveled 433,000 miles moving material donations to be sold in support of our mission.

Donated Goods staff also worked with many other teams at Goodwill to successfully open three new stores- in Hanover County, Newport News, and Henrico County, bringing our total store count to 32 throughout the territory. Our Donated Goods teams are made up of individuals that live in many of the 39 cities and counties that we serve. We live local and serve local.



Samantha Lawhorn

Participant, Supported Employment Program

Samantha came to Goodwill through our Skills Building Program five years ago. Today, “Sammi” works through the Supported Employment Program at our Alverser retail store. “My favorite thing to do is hanging clothes,” she says.

Her love for her work is evident when you visit Sammi. She takes her contribution to team goals seriously and pushes herself to exceed her contribution to those goals. “Getting donated clothing ready to sell is fundamental to the success of our store. We couldn’t do it without Sammi and her team,” says Barry Mitchell, Alverser store manager.

Skills Trainer Shannon Payne says, “Sammi’s energy and commitment to her job are truly awesome. She is multi-talented, willing to switch gears whenever needed to meet the changing needs of her Goodwill team, and exemplifies flexibility. All this is accomplished with grace and a beautiful smile.”

Government Contracts & Commercial Business Services

Innovation captures opportunity.

SourceAmerica® is a nonprofit agency that assists with implementation of the Federal AbilityOne Program. AbilityOne enables the Federal Government to buy products and services nationwide from participating community-based nonprofit agencies dedicated to training and employing individuals with disabilities.

Through our partnership with SourceAmerica®, Goodwill participates in seven AbilityOne contracts with the Federal Government. In 2014, we expanded our contract with the Navy into Charleston, S.C., providing 35 more jobs for the individuals we serve.

We continue to service six other government contracts for a total of 165 associates in warehousing, custodial and commissary operations. We also received two designations from SourceAmerica® in 2014:

- Tier 3 rating for the 2014-2016 Total Facilities Management ranking.
- Gold level certification for Quality Work Environment Initiative.

Goodwill Staffing Solutions, our staffing business that works to employ individuals in temporary to permanent hire positions, placed 389 individuals into employment.

Christina Miller

Janitorial Lead, Goodwill

Chrissy came to Goodwill nearly five years ago, thanks to a referral from a former colleague that had joined Goodwill. Through the Supported Employment Program, Chrissy decided that work on our janitorial team was a good fit. Always industrious, Chrissy held down a second job while working for Goodwill for nearly two years. She has proven to be a self-starter at the 78,000 square foot facility that her team cleans, often selected to serve as team lead.

In January, Chrissy was officially promoted to Janitorial Lead Associate. "It felt good to be promoted," Chrissy says. "I feel like finally somebody sees I do a good job." When Chrissy got promoted, client and Building Manager Art Thurston said, "Based on how hard she works, everybody thinks she's the lead already!"

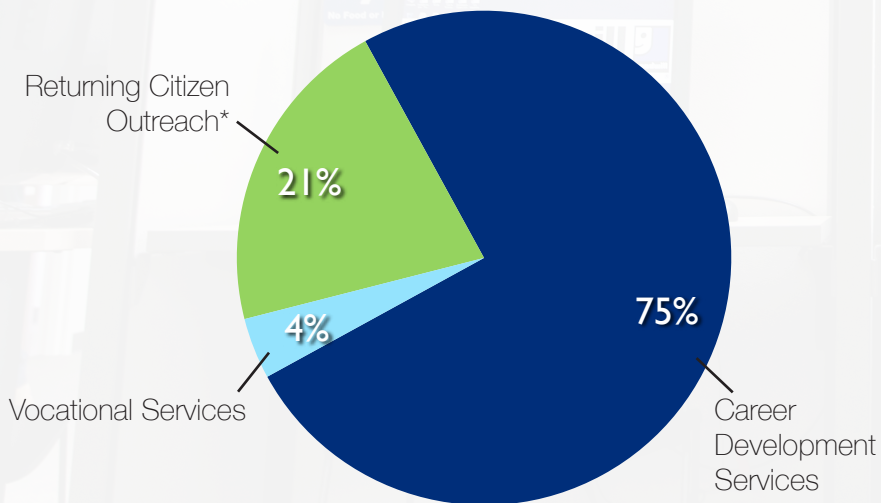


Career Development Services & Vocational Rehabilitation Services

Learning leads to self-sufficiency.

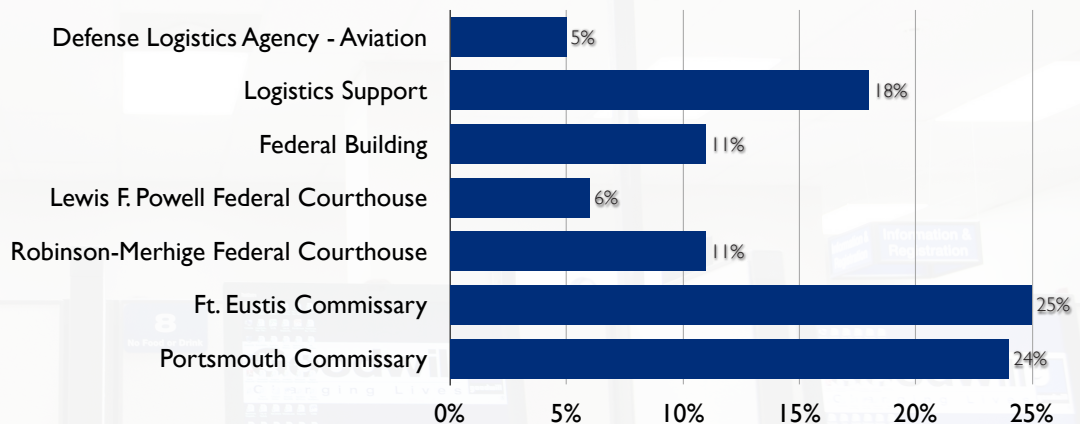
In 2014, we served 17,732 people through our five Community Employment Centers and Vocational Rehabilitative Services Programs. We placed 2,326 individuals into employment including 70 Veterans, 83 individuals with severe disabilities, 161 youth, and 281 returning citizens (persons recently released from incarceration).

2014 People Served - 17,732



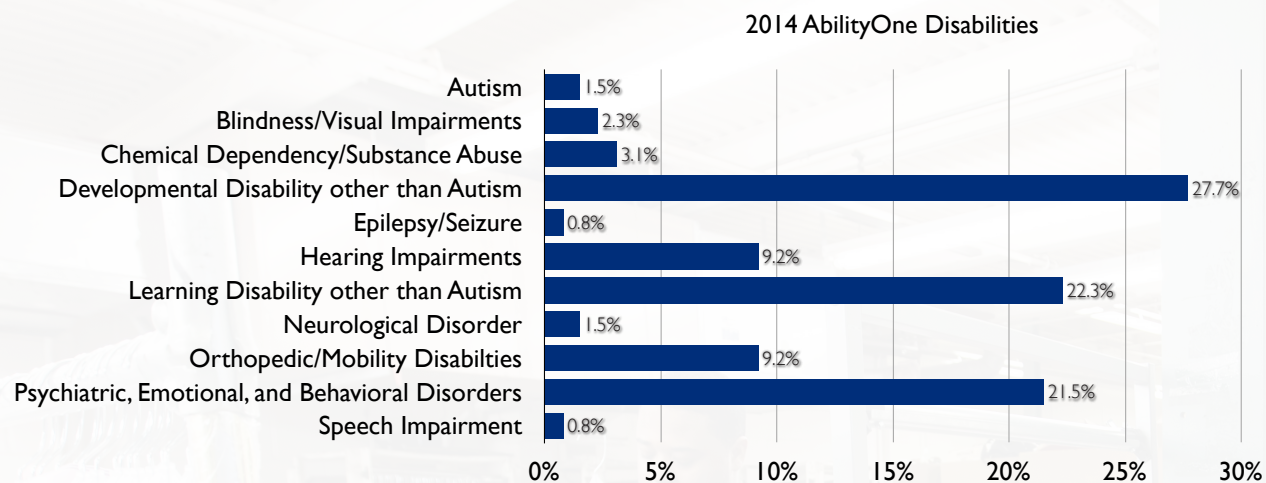
*Persons recently released from incarceration

2014 AbilityOne Participants by Employment Location

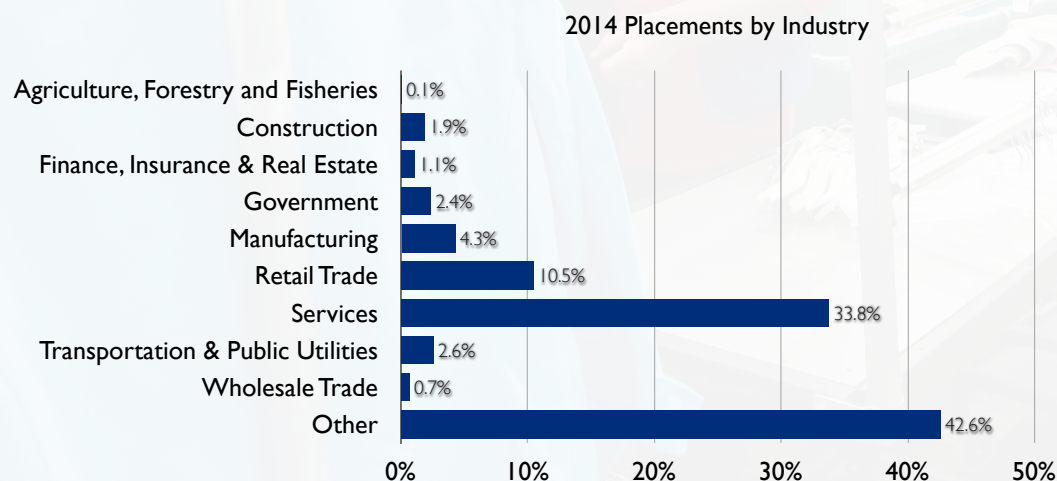


2014 Starting Average Wage





Goodwill prepares individuals for jobs across a wide range of industries:



Mykea Newman

Graduate, Transition to Independence and Employment (TIE) Program

Mykea came to the TIE Program feeling uncertain about her future. "Despite the uncertainty, I didn't have the discipline on my own to get to where I needed to be," Mykea explained. After just a few days in the program, Mykea found the confidence and self-esteem she needed to learn how to pursue job leads, to interview, and to gain and maintain employment. "I am honored to have been in Goodwill's TIE Program and it has been a blessing to me."

Mykea is now a shift supervisor for McDonald's and continues to benefit from the skills she learned through Goodwill.

Goodwill

Respect reinforces our strong workplace.

In 2014, our Goodwill embarked on a long-term learning exercise about the role of our values in strengthening and sustaining our culture. With The Luck Companies as our guide, our leadership team began “Values-Based Leadership” (VBL) training.

The learning continues as we bring more leaders into Values Based Leadership classroom training and work intentionally to practice VBL principles in our day-to-day work.

commitment
teamwork
innovation
integrity **learning**
respect



Joshua Charity

Assistant Manager, e-Recycling Program, Central Virginia

Josh came to Goodwill looking for a better future. He brought customer service and sales skills with him. At the time, Josh did not understand Goodwill's mission, or even that he could find a career here. That quickly changed through his interviews and first position as a donation attendant. Since 2011, Josh has used his customer service and sales expertise through four promotions and now serves as an assistant manager for our e-Recycling program, where he puts his love of electronics to full use. Josh says, “I like that I can meet customers’ needs.” About his time at Goodwill, Josh says, “There is trust here, open communication and plenty of learning opportunities. My bosses know and respect my desire to advance. I plan to be with Goodwill for a long time.”

Beatrice Wallace

Client, Richmond Community Employment Center

Downsizing brought Beatrice to Goodwill's Community Employment Center. Having worked for the same employer for 15 years, Beatrice was worried that her age and looking for another job while unemployed would make her search nearly impossible. At Goodwill, she found staff and resources that got her temporary work through Goodwill Staffing Solutions, job interviews for permanent employment, and financial education through the goodChoiceProgram. Beatrice is now a Donation Attendant with Goodwill. When asked what she is most thankful for, Beatrice says, “The support, honesty and respect that I got at Goodwill. They showed me that all that I wanted to achieve was possible. And it was!”



Business Partners

A commitment to changing lives.

At Goodwill, we believe there are specific behaviors that demonstrate commitment.

They are: passion for our mission; trustworthiness; standing up for others; perseverance; and delivering on promises.

Our business partners live these behaviors in their work with us. We are grateful to the following organizations that increase our community impact:

Partners in Donated Goods Initiatives

1-800 GOT JUNK
Altria
American Family Fitness Centers
Anheuser-Busch
Ashland Christian Center
ATF K9 Division
Capital Region Airport Commission
Central Virginia Waste Management
Chesterfield Towne Center
Cintas
College Hunks Hauling
Commonwealth Catholic Charities
Courthouse Estates
Dell Reconnect
Geico
Goochland Clothes Closet
Haynes
HOPE Thrift/HOPE Church
Kane Office Movers
Kiln Creek
Libbie Market
Long & Foster
Mancon
Men's Wearhouse
PODS of Central Virginia

Rio Car Washes
Running Man
Sierra Club, University of Richmond
Stihl, Inc.
Tikkun of Norfolk
Virginia Baptist Homes
Whitten Brothers
Whole Foods Market
YMCA of Greater Richmond

Local Schools and Colleges

Bryant & Stratton
Chesterfield County Public Schools
ECPI
First Colonial High School JROTC
Henrico County Public Schools
James River High School
Landstown High School
Newport News Public Schools
Norfolk Public Schools
Regent University
Richmond Public Schools
St. Christopher's School
The Achievable Dream Academy
The College of William and Mary

Thomas Nelson Community College
Tidewater Community College
University of Richmond
Virginia Commonwealth University
Virginia Union University

Partners in Collaboration

Amazon
BOFA Nurse Training Center
Bon Secours Medical Office - Mechanicsville
C&F Bank
Canada Dry
Capital One
Care Advantage
CARITAS
Catholic Charities
Christopher Newport University
Newport News Department of Human Services
Chesapeake Public Library
City of Hampton
City of Newport News
City of Norfolk
City of Virginia Beach
Fleet and Family Service Center

Business Partners

A commitment to changing lives.

Partners in Collaboration (cont.)

Girl Scouts of the Colonial Coast
Greater Richmond SHRM
Hampton VA Medical Center
KRA Corporation
Marriott Downtown Norfolk Waterside
Microsoft
National Guard Family Assistance
Peninsula Worklink
Petersburg Advisory Council
Physicians for Peace
Piedmont Corporation
Retail Alliance of Hampton Roads
Shared Knowledge
St. James' Episcopal Church
SunTrust
TFC Recycling
Thalhimer Commercial Realty
The Planning Council
TowneBank
VA Community Capacity Initiative
Virginia Aquarium and Marine Science Center
Virginia Credit Union
Virginia Employment Commission
Virginia Peninsula Food Bank
Virginia Ship Repair Association
Virginia Wounded Warrior Program
Ways to Work
Wells Fargo
Westin

Partners in Service

AARP Senior Employment Program
Boaz and Ruth
Catholic Charities
Chaplain Services
Charles City Public Schools
Chesapeake Community Service Board
Chesapeake Jail
Chesterfield County Department of Mental Health
and Support Services
Chesterfield County Department of Social Services
Chesterfield County Public Schools
Colonial Heights Public Schools
Community College Workforce Alliance
Community Residences
Department of Aging and Rehabilitative Services
(DARS)
Dillwyn Correctional Center
District 19 Community Services Board
Fleet and Family Services
Foundation for Rehabilitation Equipment &
Endowment (FREE)
Goochland Community Service Board
Henrico Area Mental Health Developmental
Services
Henrico County Department of Social Services
Hilliard House
Huntersville Community Center
J. Sargeant Reynolds Community College
John Tyler Community College
Judeo Christian Outreach Center
Lunenburg Correctional Center
Neighborhood Resource Center

New Kent County Public Schools
Newport News Sheriff's Office
Norfolk Community Service Board
Norfolk Department of Human Services
Offender Aid & Restoration (OAR)
Opportunity Inc.
Partnership for Families Northside (PFFN)
Petersburg Jail Annex
Portsmouth Department of Social Services
Portsmouth Public Schools
Red Cross
Richmond Behavioral Health Authority
Richmond City Department of Social Services
Richmond City Jail
Rubicon
Samaritan House
Senior Connections
SourceAmerica®
St. Joseph's Villa
The City of Norfolk-Veteran's Services
Thomas Nelson Community College
Tidewater Community College
Tidewater Military Services Council
Virginia Beach Department of Social Services
Virginia Department of Veterans Services/
Virginia Values Veterans (V3)
Virginia Employment Commission (VEC)
Virginia Peninsula Food Bank
WCLM Radio 1450
William Byrd Community House
YMCA of South Hampton Roads
York County Public Schools

2014 Financial Report

Integrity - earning trust through all of our actions.

Goodwill Operations (in millions)

Contributions and Revenues

Contributions and Sales of Donated Goods	\$	43.7
Contracts		12.7
Fees and Grants from Governmental Agencies		2.9
Public Support		0.9
Other		0.2
	\$	<u>60.4</u>

Expenditures

Donated Goods and Store Operations	\$	31.6
Contracts		12.1
Education, Training & Employment		4.3
Placement Services		0.7
Administrative Expenses		6.8
Fund Raising		0.3
Total Expenses	\$	<u>55.8</u>

Reinvestment in Mission

	\$	4.6
Beginning Assets		30.1
Ending Assets	\$	<u>34.7</u>



Chris Jones

Client, Portsmouth Community Employment Center

Chris left the workforce to care for his ailing grandparents. Four years later after their passing, he knew he needed to get back to work. Chris came to our Community Employment Center in Portsmouth, but couldn't imagine how Goodwill could help him find a job. "I was so surprised by the resources in the center and the help I got from the staff there," said Chris. "Not only did the center have computers, Internet access, job leads, and workshops, the staff gave me the hope and the confidence I needed to begin my search."

Chris was a frequent Goodwill visitor after that first day and today is employed as a donation attendant for Goodwill.

Financial Donors - Annual Fund

A commitment to people.

We humbly thank the following individuals, foundations and corporations for their commitment to helping Goodwill change lives through the power of work:

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Maria P. Rasmussen
Chris and Julie Rouzie
Brad and Janet Sauer
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LuAnn Orie
John S. Pierce
William S. Richardson
W. Scott Sims
Jocelyn D. Trimiew
Gail P. Welstead

Advocates (\$50-\$499)

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 New Directions Community Outreach
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 The Robins Foundation
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 St. James's Episcopal Church
 of Richmond
 Stihl, Inc.
 TESCO Foundation
 TowneBank Foundation
 The United Way of Greater Richmond
 and Petersburg
 United Way of South Hampton Roads
 Wells Fargo Foundation
 Westover South & Woods Civic Association

Memorials

In memory of Beverly Carlson by Michael J. Winckler
 In memory of Bonnie Hassold by
 Mr. and Mrs. Robert W. Hassold
 In memory of Bonnie Hassold by
 Mr. and Mrs. Michael C. Hildebrand
 In memory of Bonnie Hassold by Janet Sauer
 In memory of Christine Heinz by John Martinsen
 In memory of the Hite and Gorman Families
 by Theresa Hite-Gorman
 In memory of Bohn C. Lindemann by Caroline Y. Brandt
 In memory of Mildred Smith "Granny" Litsey by
 Mr. and Mrs. John McCabe

Honorariums

In honor of Derby D. Brackett by her Family
 In honor of Alexander J. Kay, Jr.'s birthday by
 Alexander J. Kay III
 In honor of Alexander J. Kay, Jr.'s birthday by Frances Kay
 In honor of Alexander J. Kay, Jr. by
 Mr. & Mrs. S. Bruce Williams
 In honor of J. Charles Link's retirement by
 Gerald F. Smith, Jr.
 In honor of J. Charles Link's retirement by
 Mr. and Mrs. James E. Tyler
 In honor of Ellen Thornhill by Arthur Camire
 In honor of Martha Murdock by Arthur Camire
 In honor of R. Wayne White by Mary Ellen Berry
 In honor of Hasan Zarif by Robert H. Armstrong
 In honor of Hasan Zarif by
 Chaplain Brenda O. Smith-Braam

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President & CEO Charles Layman was honored with Goodwill International's **J.D. Robins Jr. Distinguished Career Award**. This award recognizes a Goodwill Industries chief executive officer for his/her outstanding career contributions and dedication to the advancement of the Goodwill Industries movement over a span of at least 25 years, with at least 15 years as a CEO. The J.D. Robins award is named in honor of the late J.D. Robins Jr. in recognition of his extraordinary influence in the areas of Goodwill management and process improvement. At the ceremony, Mr. Layman also received his pin for 45 years of service to Goodwill.

Our locations

For a complete listing of our stores, attended donation centers, and Community Employment Centers throughout our territory, visit our website www.goodwillvirginia.org

Central Virginia Support Center

6301 Midlothian Turnpike
Richmond, VA 23225
Monday - Friday 8 a.m. - 5 p.m.
Phone: (804) 745-6300
Fax: (804) 276-6519

Hampton Roads Retail Operations Center

1911 Saville Row
Hampton, VA 23666
Monday - Friday 8 a.m. - 5 p.m.
Phone: (757) 248-9405
Fax: (757) 248-9416

New Locations in 2014



Virginia Center Commons
Hanover County



Warwick Road
Newport News



Short Pump
Henrico County





www.goodwillvirginia.org

