



2017 ANNUAL REPORT



SERVING EASTERN NEBRASKA & SOUTHWEST IOWA



A LETTER FROM LEADERSHIP.

Dear employees and friends of Goodwill,

The year 2017 was one of the most difficult and challenging in Goodwill's history. Media articles published in the fall of 2016 threw the organization into crisis mode. The reporting precipitated an exodus of executives and Board members, significant downturns in donations and retail revenue, an investigation by the Nebraska Attorney General and the loss of public trust.

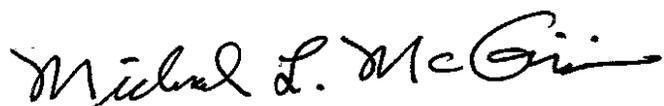
Through it all, Goodwill learned important lessons that will never be forgotten.

Goodwill Omaha will be forever indebted to all staff and Board members who stayed the course. Their extraordinary efforts and progress began to put Goodwill back on track. These individuals guided Goodwill through very difficult times.

Important initiatives and critical actions undertaken and accomplished in 2017 are listed below. These changes began to put Goodwill back onto a good path while continuing to serve those in need throughout our Eastern Nebraska and Southwest Iowa territory.

- Promoted a culture where employees at all levels act with integrity, treat others with respect and consideration, serve as good stewards of resources, maintain a mission focus and a mission-first mentality and communicate in an open and transparent manner.
- Developed a 2018 budget that reflects good stewardship of resources.
- Put checks and balances in place for monitoring the execution of budgets and Goodwill operations to ensure proper approvals of major expenditures, executive compensation and travel, among others.
- Revised our code of ethics, strengthened the nepotism policy, and reemphasized an anonymous hotline for employees to report waste, fraud, abuse or violations of the code of ethics.
- Adopted the Nonprofit Association of the Midlands' Guidelines and Principles for nonprofit management.
- Made Goodwill's IRS Form 990s, annual reports, financial statements and the names of executives and Board members available online.
- Continued to build trust and good relationships with Board members. Revamped the format of Board meeting presentations to make information more understandable and transparent.
- Completed a comprehensive study to expand mission programs in 2018-19 and fully integrate mission programs within retail operations.
- Hired CEO and President, Mike McGinnis, in October 2017.

Moving forward into 2018 and beyond, we will continue to rebuild Goodwill into a cohesive, high-performing organization where employees at all levels trust each other, share common values and pursue Goodwill's worthy mission to change lives and strengthen communities through education, training and work.



Dr. Michael L. McGinnis
CEO & President



Mark L. Stokes
2017 Chairman of the Board



FINANCIAL STATEMENT & GRAPHS

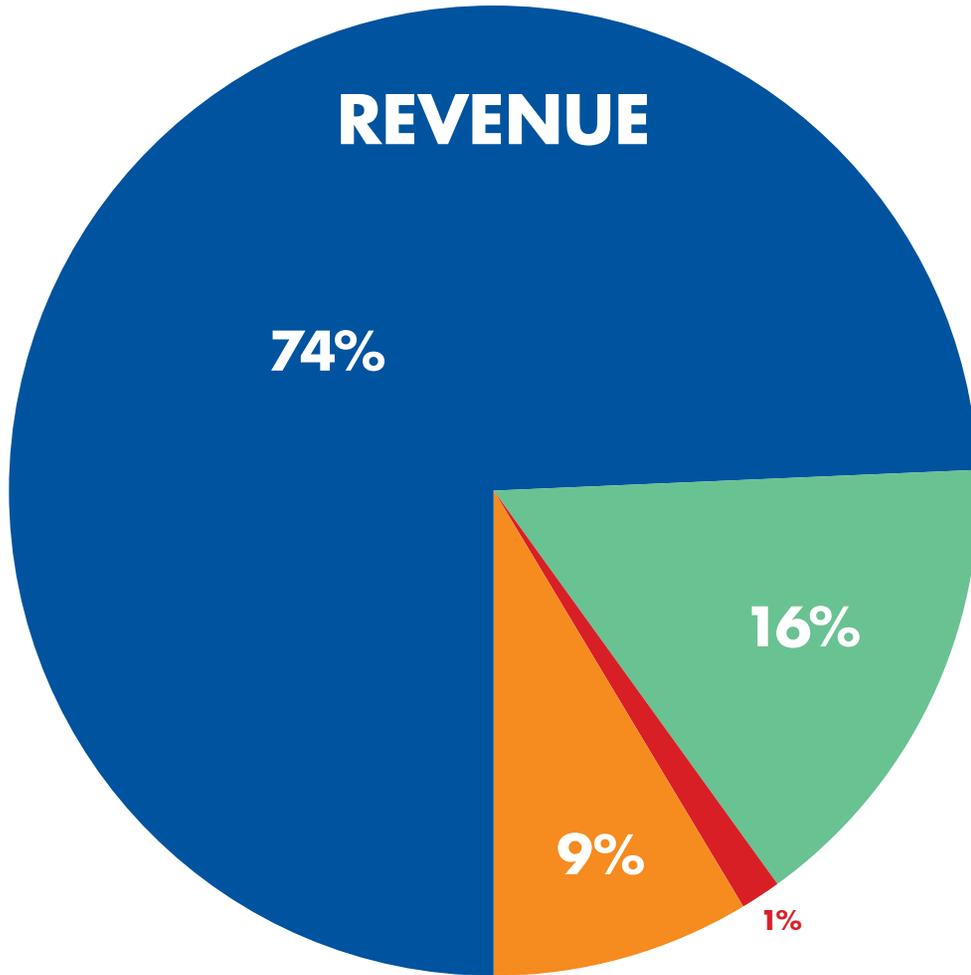
	2017	2016
Retail Sales	\$ 17,992,686	\$ 18,904,365
AbilityOne Contract Fees	\$ 3,807,748	\$ 3,903,052
Commercial Contracts & Other	\$ 325,331	\$ 594,604
Employment & Training Programs	\$ 2,084,612	\$ 2,753,827
Operating Revenue	\$24,210,377	\$26,155,848
Personnel: Wages, Payroll Taxes & Benefits	\$ 15,313,311	\$ 16,586,410
Rent, Utilities & Facilities	\$ 4,238,475	\$ 4,437,516
Depreciation	\$ 1,685,560	\$ 1,734,636
Supplies	\$ 1,383,553	\$ 1,514,853
Marketing & Advertising	\$ 508,878	\$ 528,409
Professional Fees	\$ 1,299,713	\$ 1,220,673
Transportation	\$ 173,663	\$ 239,276
National Organization Dues	\$ 261,363	\$ 272,554
Other Expenses	\$ 525,827	\$ 239,477
Total Expenses	\$25,390,343	\$26,773,804
Net Operating Income/(Loss)	\$(1,179,966)	\$ (617,956)
Other Income/Expense:		
Increase/(Decrease) in Market Value of Investments	\$ 432,454	\$ 184,479
Contributions	\$ 326,129	\$ 505,613
Net Gain	\$ (421,383)	\$ 72,136

THANK YOU

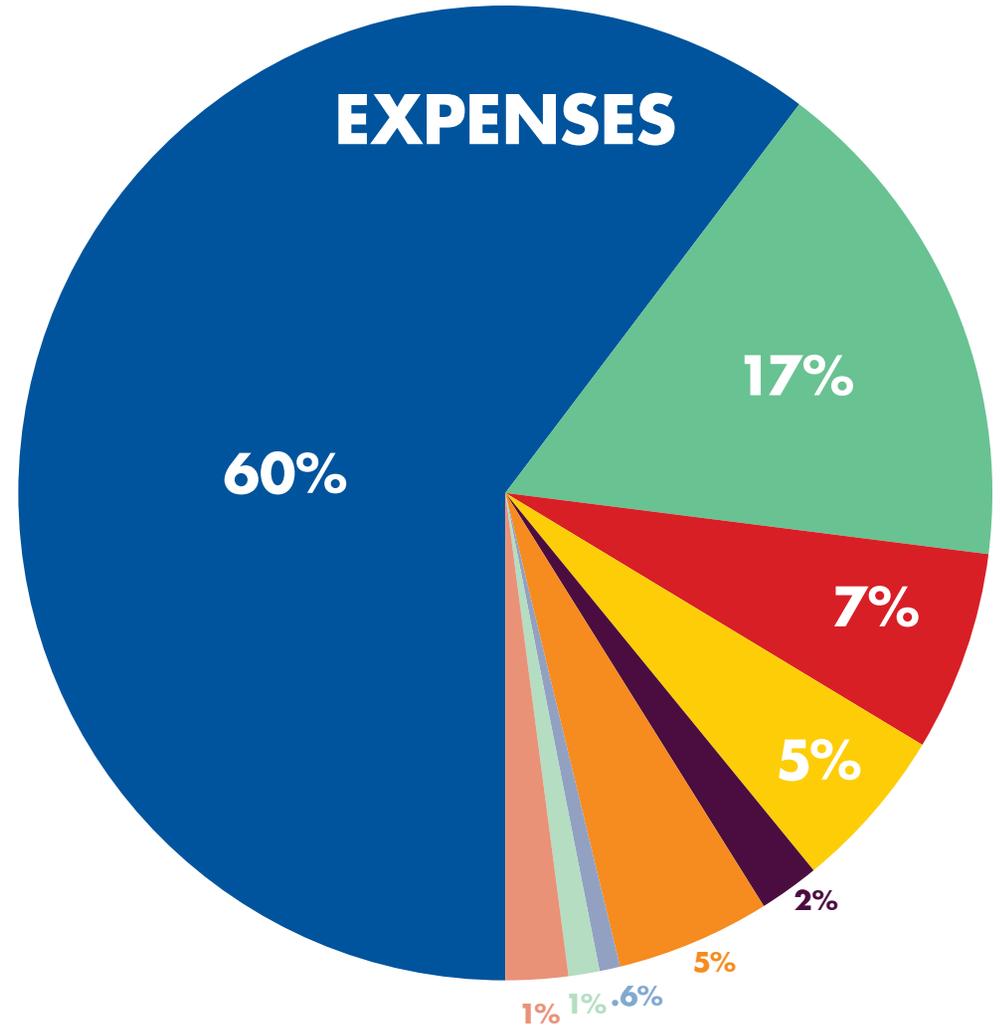
Goodwill's mission to change lives and strengthen communities through education, training and work would not be possible without the generous support of our donors.

To see a complete list of Goodwill donors in 2017 please visit goodwillomaha.org/annualreport

TO VIEW GOODWILL 990 TAX FORMS OR AUDITED FINANCIALS, PLEASE VISIT WWW.GOODWILLOMAHA.ORG/ABOUT



- **\$17.9 M** Retail Sales
- **\$3.8 M** AbilityOne Contracts
- **\$300 K** Commercial Contracts
- **\$2.0 M** Employment Services



- **\$15.3 M** Personnel Expenses
- **\$4.2 M** Rent, Utilities & Facilities
- **\$1.6 M** Depreciation
- **\$1.3 M** Supplies
- **\$508 K** Marketing & Advertising
- **\$1.3 M** Professional Fees
- **\$173 K** Transportation
- **\$216 K** National Organization Dues
- **\$525 K** Other Expenses

MISSION-IN-ACTION



ABILITYONE

The AbilityOne program provides part-time job opportunities for individuals with disabilities in a supportive, team-oriented work environment at several Federal properties.

- Individuals with disabilities worked 81 percent of hours in our AbilityOne contracts which exceeds the federally mandated goal of 75 percent.

BUSINESS SOLUTIONS

Business Solutions creates relationships with businesses, maintains and grows a bank of jobs for participants, assists in assessing participants for potential job placements and provides retention services for businesses and participants.

- In 2017, Business Solutions partnered with Quality CNA to offer sector training opportunities to those needing assistance to become trained and employed in the medical field. Funding for these trainings were secured through the Find Your Future Career Fairs where over 30 employers came to Goodwill twice a year to assess and interview potential candidates for their open positions.
- In 2017, Goodwill hosted 35 hiring events, with 976 job seekers attending those events to connect with area employers.

EMPLOYMENT READY

Employment Ready provides one-on-one job readiness services to unemployed or under-employed individuals in the Omaha Metro, Council Bluffs and Fremont areas. Employment Ready staff reach out to partner agencies offering customizable services for workshops at their location, as well as at Goodwill.

- Employment Ready is a Goodwill-funded program and in 2017, served 1,103 individuals and provided 15,881 employment related services. They assisted people in finding 124 jobs in the community. In addition to Employment Ready staff working at Goodwill sites, they are also active in the community, partnering with other agencies to increase employability throughout the area.

WORK EXPERIENCE

The Work Experience program can be the first step toward successful job placement for youth with disabilities. This program offers high school special education students, who are nearing the completion of their high school education, an opportunity to gain work experience in a supportive environment.

- Work Experience is offered at 11 sites throughout the Omaha, Fremont, Blair and Council Bluffs area. Goodwill launched two new worksites in 2017 with Planet Fitness. In addition to regular programming throughout the school year, summer programs grew, serving more students at more locations.
- In 2017, Work Experience served 317 students across 20 unique school districts. Goodwill contributed \$303,905 in paid student wages.

YOUTHBUILD

YouthBuild Omaha is a program that serves young adults ages 16 to 24 years who have struggled with school, many not having a high school diploma, and need help getting their life back on track.

- The 2016-2017 class of YouthBuild members served 12,452 service hours in the community.
- In 2017, YouthBuild participant, Martin Macias received a state-wide recognition through Serve Nebraska's Step Forward Awards. Martin was awarded the National Service Volunteer Award due to his commitment to service through his participation in YouthBuild. Martin completed over 930 hours of community service work; this is 250 hours more than is required by the program. Goodwill and YouthBuild are very proud of Martin for this achievement.

COMMUNITY SERVICE & VOLUNTEER OPPORTUNITIES

Community service hours are considered to be court-ordered service hours that an individual is required to fulfill. Community service hours must be approved by our Employment Ready team prior to the start date.

Volunteer hours are considered to be donated work time by a citizen, club organization or high school student fulfilling graduation requirements.

- In 2017, 962 individuals completed community service hours in Goodwill retail stores and 592 individuals contributed volunteer hours.

ELIMINATING BARRIERS.

581

PEOPLE EMPLOYED
AT GOODWILL

16,999

EMPLOYMENT SERVICES PROVIDED
TO PEOPLE IN NEED

20

LOCAL SCHOOL DISTRICTS
SERVED BY WORK EXPERIENCE

151

GOODWILL EMPLOYEES
WITH A DISABILITY

1,797

PEOPLE ENROLLED IN GOODWILL
EMPLOYMENT PROGRAMS

932

PEOPLE VISITED GOODWILL
CAREER FAIRS

EMPOWERING PEOPLE.

\$12.16

AVERAGE HOURLY WAGE OF
PARTICIPANTS PLACED
IN EMPLOYMENT

962

INDIVIDUALS WHO SERVED
COMMUNITY SERVICE
IN GOODWILL RETAIL STORES

52

INDIVIDUALS WHO
EARNED DEGREES
OR CERTIFICATES

230

JOBS FOUND BY GOODWILL
PROGRAM PARTICIPANTS AT

317

WORK EXPERIENCE
PARTICIPANTS EARNED

92

INDIVIDUALS WITH
DISABILITIES WORKED

131

DIFFERENT BUSINESSES IN THE
COMMUNITY

\$303,905

BY WORKING IN GOODWILL
RETAIL STORES

90,870

HOURS ON GOODWILL
ABILITYONE CONTRACTS

PROTECTING THE ENVIRONMENT.

515,960

POUNDS OF ELECTRONICS
RECYCLED

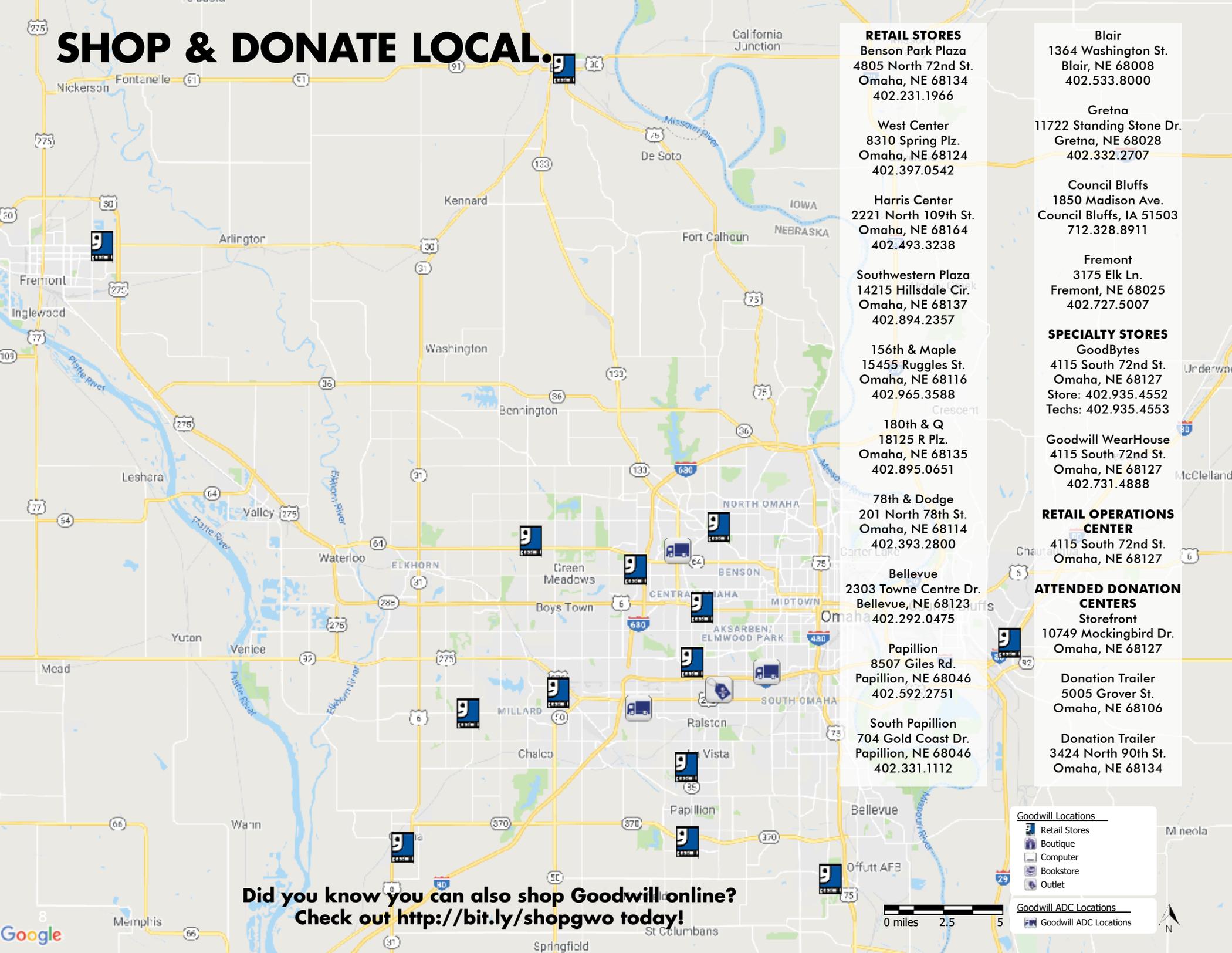
5,435,320

POUNDS OF CLOTHING AND
TEXTILES DONATED

302,595

POUNDS OF METAL
RECYCLED

SHOP & DONATE LOCAL.



RETAIL STORES

Benson Park Plaza
4805 North 72nd St.
Omaha, NE 68134
402.231.1966

West Center
8310 Spring Plz.
Omaha, NE 68124
402.397.0542

Harris Center
2221 North 109th St.
Omaha, NE 68164
402.493.3238

Southwestern Plaza
14215 Hillsdale Cir.
Omaha, NE 68137
402.894.2357

156th & Maple
15455 Ruggles St.
Omaha, NE 68116
402.965.3588

180th & Q
18125 R Plz.
Omaha, NE 68135
402.895.0651

78th & Dodge
201 North 78th St.
Omaha, NE 68114
402.393.2800

Bellevue
2303 Towne Centre Dr.
Bellevue, NE 68123
402.292.0475

Papillion
8507 Giles Rd.
Papillion, NE 68046
402.592.2751

South Papillion
704 Gold Coast Dr.
Papillion, NE 68046
402.331.1112

Blair
1364 Washington St.
Blair, NE 68008
402.533.8000

Gretna
11722 Standing Stone Dr.
Gretna, NE 68028
402.332.2707

Council Bluffs
1850 Madison Ave.
Council Bluffs, IA 51503
712.328.8911

Fremont
3175 Elk Ln.
Fremont, NE 68025
402.727.5007

SPECIALTY STORES

GoodBytes
4115 South 72nd St.
Omaha, NE 68127
Store: 402.935.4552
Techs: 402.935.4553

Goodwill WearHouse
4115 South 72nd St.
Omaha, NE 68127
402.731.4888

RETAIL OPERATIONS CENTER

4115 South 72nd St.
Omaha, NE 68127

ATTENDED DONATION CENTERS

Storefront
10749 Mockingbird Dr.
Omaha, NE 68127

Donation Trailer
5005 Grover St.
Omaha, NE 68106

Donation Trailer
3424 North 90th St.
Omaha, NE 68134

Goodwill Locations

- Retail Stores
- Boutique
- Computer
- Bookstore
- Outlet

Goodwill ADC Locations

- Goodwill ADC Locations

Did you know you can also shop Goodwill online?
Check out <http://bit.ly/shopgwo> today!

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STORY BEHIND THE STORES.

During 2017, Goodwill retail stores faced many changes and challenges such as decreased customer count, material donations and overall revenue. After strategic operational changes, the fourth quarter brought positive trends. Ongoing goals in our retail operations are integrating mission services into all store locations, improving customer service and lowering expenses necessary to operate retail stores.

Below are a few Goodwill retail trends during 2017:

- In January 2017, customer counts were down approximately 10,000 compared to 2016. By the beginning of the fourth quarter, customer counts returned and ultimately showed a slight increase over the same period in 2016.
- Material donations were down 25 percent in early 2017. By the end of the year, material donations were down just seven percent compared to 2016.
- Retail sales began the 2017 year negative eleven percent over 2016. For the early part of the year, retail sales revenue was significantly down. Month over month sales continued to show improvement. Goodwill ended 2017 with sales revenue negative five percent over 2016.

Other retail highlights include:

- In 2017, our e-commerce department sold 10,002 items on shopgoodwill.com.
- 515,960 pounds of computers and electronics were recycled.
- 5,435,320 pounds of clothing and textiles were diverted from landfills.
- 302,595 pounds of metal was recycled.
- Goodwill retail stores also serve as a place for members of the community to serve volunteer hours. Last year, 592 people volunteered in Goodwill stores.

Store of the Year • Our 2017 Specialty Store of the Year honor was awarded to Goodwill WearHouse, a by-the-pound store. The 2017 Traditional Store of the Year honor was awarded to the store located at 156th and Maple. Both of these winning teams exceeded the expectations required to qualify as a store of the year nominee. What they do each and every day shows that they truly care about our mission and make our customers their number one priority.



MEET BENNY.

Benny Marks IV • 2017 Employee of the Year • Custodian II • AbilityOne, Offutt Air Force Base

Every day Benny Marks shows up to work as a role model for his team. He has worked at Offutt Air Force Base for seven years. Marks has excelled and shown many leadership qualities in his role.

“A new employee was having great difficulties in an area and with different trainers. He wasn’t picking up the tasks as quickly as others. After working with management, Benny took the new employee under his wing and provided him the accommodated training needed. This employee is now very successful in his new area,” said Jennifer Montag, Offutt Project Manager.

If you ask Marks his favorite part of his job, he will grin and say cleaning Building D.

“It keeps me busy and helps the day go by,” said Marks.

If you are not familiar, Building D at Offutt is where the Goodwill office is currently located and there is a lot of history within. Formerly known as the Glenn L. Martin Company Assembly Plant and Modification Center; it was an important part of Nebraska’s contribution to America’s World War II effort—producing over 1,500 B-26 Marauder medium bombers and more than 500 B-29 Superfortresses by war’s end.

Now, Building D is home to many offices as well as equipment such as large plows to assist in clearing snow in the winter.

Outside of working hard on base, Marks enjoys spending time by the water at Carter Lake, drawing and is interested in classic cars.

“Although Benny has his own disability, he has been a true asset working with employees with more significant barriers to employment,” Montag said during Marks nomination. “Benny steps up as a team lead, accepts challenges and excels at them. There are multiple employees that would not be as successful in their employment without Benny’s lead. Along with this, Benny is a strong advocate for these employees. He checks in on them if they miss a day, speaks up for them when their voices are not heard, and really cares about each employee on his team.”



MEET JENNIFER.

Jennifer Montag • 2017 Manager of the Year • Project Manager • AbilityOne, Offutt Air Force Base

Jennifer Montag spends her days building strong relationships and camaraderie with her team, all while maintaining the AbilityOne contract for many buildings at Offutt Air Force Base, as the Project Manager.

Montag moved into her position as Offutt Project Manager approximately two years ago. Since then, she has helped maintain and improve employee morale, engagement and development. She has implemented team lead training, monthly trainings and fun activities to help employees learn. Montag and her team of supervisors promote development by observing daily performance, providing employees with feedback and opportunities to grow in different areas and assigning added responsibilities that give those employees the opportunity to lead teams.

Montag has also built a strong working relationship with necessary government points of contact. She and her team have a solid working relationship with the Contracting Officer Representative. Since Montag’s role began, there have not been any documented corrective actions. She makes sure that the contract is executed and that if government needs arise, they are taken care of immediately.

When asking Montag what her favorite part of working at Goodwill is, she said, “I am so very lucky to be surrounded by so many amazing employees and coworkers on a daily basis. I have gained so much from them personally and professionally including some great friendships! I also love that I have such a supportive boss who trusts in my abilities. It’s very empowering.”

Outside of Goodwill, Jennifer loves to spend time with her daughter and renovating her old farmhouse. She also enjoys reading and pinning.

“Jennifer oversees three supervisors and over 80 employees,” said Tobi Mathouser, Director of Mission Services. “This is a huge feat and Jennifer does it well. Her experience, along with her passion, determination and desire to advocate for those who seek an opportunity to be successful in the workplace, has made Jennifer into the Project Manager she is today. Because Jennifer’s team of supervisors and employees feel respected, like they’re part of a family and supported, our government customer is satisfied with the work being done on our contract and has a strong partnership with Goodwill.”



MISSION

GOODWILL CHANGES LIVES AND STRENGTHENS COMMUNITIES THROUGH EDUCATION, TRAINING AND WORK.



VISION

UNEMPLOYMENT WILL BE ELIMINATED AMONG PEOPLE WHO WANT TO WORK.



VALUES

CUSTOMER DRIVEN • INTEGRITY & ACCOUNTABILITY
STEWARDSHIP & RESPONSIBILITY • LEARNING • DIGNITY & DIVERSITY



AbilityOne



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4805 North 72nd Street
Omaha, Nebraska 68134-2304
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