As you will see in this report, 2016 was a year of planning and growth for Goodwill of Central & Southern Indiana. With an eye on the larger goals of our strategic plan, we expanded the reach of our mission and continued to empower people to reach their potential. Their stories will provide more insight into the work we do.

Goodwill of Central & Southern Indiana employs more than 3,500 Hoosiers across 39 counties, in more than 100 locations, including our retail stores, charter schools, commercial services contracts and more.
President’s Message

When I consider success for our Goodwill, I include the progress that’s been made toward achieving the initiatives outlined in our five-year strategic plan released last year, and I am encouraged by the positive results on those objective measures. They reflect the dedication and commitment of employees across the organization as well as donors whose contributions help us change lives through employment, health and education.

In January 2017, Goodwill Industries of Central Indiana officially merged with Goodwill of Southern Indiana, which both entities agreed was the best way to expand mission programs to more individuals in need. Much planning and execution went into informing employees and communities in southern Indiana of the coming changes in their retail stores, including a new look, new processes for sorting donations, updated point-of-sale systems and a new discount and loyalty program for customers. We are grateful to our donors and customers, who were patient as we implemented these large-scale changes in a short timeframe. These improvements ensure easier donation processing as well as consistent pricing and policies across our more than 70 stores.

One of the goals outlined in the strategic plan is to enroll more participants into programs and services designed to help reduce barriers to employment. Through the merger, we have expanded our reach to more people than ever before. Later this year, The Excel Center, will open in Clarksville to serve 300 adult students annually who want to earn a high school diploma.

Recently, the positive impact of our organization was recognized by Lilly Endowment, Inc., which awarded Goodwill a $10 million grant that allows us to accelerate the pace with which we can deliver services to the southern portion of our territory. Attracting this grant from a major donor is a humbling acknowledgement of the work we do.

Over a period of five years, the grant enables our Nurse-Family Partnership, which pairs low-income, first-time mothers with registered nurses to ensure healthy pregnancies and child development, to serve 700 southern Indiana families. The grant supports career planning, resources and guidance to employees in southern Indiana through the Goodwill Guides program. We will also add new stores, and we expect to create an estimated 230 new jobs in that region alone.

In an effort to support future growth, we are also cultivating new business models. The Riverview Apartments workforce housing development, located near Goodwill’s headquarters in Indianapolis, creates an affordable downtown rental opportunity for middle-income families while also offering a sustainable source of funding for Goodwill’s mission. The development is expected to be completed in 2019.

I am proud of our employees and impressed by the level of talent represented at Goodwill, and I encourage you to read the stories in this Annual Report to learn how we have integrated our mission, vision and values into our organizational culture. We owe our success to the communities we serve and offer our continued commitment to be good stewards of your donations.

Thank you,

Kent A. Kramer
President & CEO
Goodwill of Central & Southern Indiana

Kent A. Kramer
President & CEO
Goodwill of Central & Southern Indiana
The typical student at The Excel Center — Goodwill’s high school for adult learners — is between 18-24 years old, but returning to school at the age of 47 isn’t the only characteristic that separates Brenda Leake from most of her classmates.

Born with cerebral palsy, Brenda was told she would never be able to drive, have children or graduate from high school. Despite these predictions, she’s been driving for 25 years and has two sons, ages 20 and 17.

“I have used the negative remarks as motivation to reach my goals,” said Brenda. “I want to inspire others by showing them that they can do anything they put their minds to.”

When she enrolled at The Excel Center three years ago, she was determined to overcome this obstacle.

“Brenda is not a big fan of algebra, but she worked tirelessly to improve her understanding and mastery of the subject,” said Ryan Deignan, Graduation Coach at The Excel Center. “I am so thankful that our paths crossed. She inspires me more than she knows.”

As a result of her hard work and persistence, Brenda received her high school diploma in January 2017.
She has also been employed at the Goodwill store in Avon for three years, first preparing clothing for the sales floor and now as a productive member of the e-commerce team, selecting items for sale online. In her capacities as a student and an employee, Brenda always strives for excellence.

Brenda was connected with a dedicated adviser who assisted her in setting goals for the future. Goodwill Guides provide information and resources to retail employees, informing them of services available and helping broaden their skill sets. They help employees pursue higher wage positions — both inside and outside of Goodwill. Brenda now plans to earn an industry-recognized Pharmacy Technician Certification through The Excel Center to expand her career prospects.

“I want to be a model to my young men and show them that sacrifices and hard work pay off,” said Brenda.

“Just because you have a disability, does not mean you are incapable of reaching your life goals.”

– Brenda Leake

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Individuals who were recently incarcerated face a number of challenges reentering society. Primary among them are limited job opportunities.

“Nobody wants to hire you once you’re involved with the criminal justice system,” said Jeremiah Davis, who joined Goodwill in 2011 after being incarcerated.

Jeremiah was first hired for a temporary, third-shift position at the retail outlet on the north side of Indianapolis, and he consistently outperformed his peers in production and quality.

“Jeremiah exhibited extraordinary work ethic, which quickly set him apart,” said Lakeysha Hamilton, Goodwill’s Director of Outlets and Transportation.

After his temporary position ended, Jeremiah contacted Goodwill daily about job opportunities, seizing the moment when one became available.

“I didn't know a lot about Goodwill, but they were the first company to give me a chance, and I promised that I wouldn't waste it,” said Jeremiah. “Once I was exposed to the culture, I learned that they care about my well-being. I began to see possibilities.”

Jeremiah’s dedication was rewarded with several promotions and his superior leadership skills earned him the role of Southside Outlet Manager where he is currently responsible for more than 80 employees — 75% of

“I want to be an example to my children and show them that you can overcome your barriers.”

– Jeremiah Davis
whom face a barrier to employment including criminal history, disability or lack of a high school diploma.

“What I enjoy most about my role is that I have a direct impact on the mission of helping people overcome their challenges,” said Jeremiah.

Jeremiah continuously strives to learn and grow, but his sincere interest in helping others illustrates how he extends his influence. He actively encourages employees to pursue their own development and leads by example, often referencing his own experiences as proof that barriers can be overcome.

“I can relate to many employees, be a testimonial for them on what is possible and help prepare them for success,” said Jeremiah.

He credits the opportunities he has been afforded through Goodwill to a change in mindset that encourages him to set bigger goals.

“I used to be afraid to fail, so I would only take on tasks I knew I could succeed at,” said Jeremiah. “But now, I view failure as a learning experience.”

Jeremiah plans to go to college to earn a business degree and hopes to put it to use at Goodwill.

Recognizing that individuals released from incarceration have a high recidivism rate and lack of employment is the best predictor of re-incarceration, Goodwill designed New Beginnings — a six-month reentry program that helps participants transition back into society.

38%
Indiana’s three-year recidivism rate

3.7%
Recidivism rate for all New Beginnings graduates

188
New Beginnings graduates since 2011

Chrissy Wilkins was referred to Goodwill by Indiana’s Vocational Rehabilitation Services program last year. She was born with Down syndrome and has worked for New Hope Services in Jeffersonville since graduating from high school in 1994. Chrissy was already taking swimming and art classes at the Clark County YMCA when she expressed an interest in taking on a housekeeping role there.

“Chrissy has worked at New Hope Services for more than 20 years,” said Michaela Wadsworth, Program Coordinator at Indiana Mentor. “She was ready to try something new.”

It was determined that Chrissy could benefit from job coaching services, which is how she ultimately ended up connected with Goodwill. Job coaching involves working through the specific duties of a job as well as ways to successfully assimilate into the culture of the workplace—showing up to work on time, wearing the assigned uniform, talking to a manager when questions arise, following the daily task list and more.

Chrissy's Goodwill Employment Specialist reported, “She easily picked up these skills and achieved her goal to work independently.”

Based on Chrissy’s progress, Goodwill has scaled back its involvement in her routine job activities with the YMCA.

She enjoys working there because she feels like a part of the community and values being included.

“I like everything about working at the Y,” said Chrissy.

Chrissy works at the YMCA two days a week, for a few hours each day, and also continues to work at New Hope Services. She lives semi-independently with daily visits from a representative of Indiana Mentor to assist with tasks like cleaning, laundry and cooking.

“The skills she learned for her job at the YMCA have carried over into her house chores as well,” noted Michaela.

Chrissy’s Goodwill Employment Specialist added, “She’s a hard worker, and her drive to succeed reflects that. I’m proud of her.”
*Includes all job placements through Goodwill TalentSource, Disability Services, Goodwill Guides, SCSEP and Goodwill Education Initiatives.


36% Goodwill employees with a disability

828* Job placements through Goodwill in 2016

$20,700 Difference in median annual household income between Hoosiers with a disability and those without¹
A Mother Goes the Distance

Although a teenager at the time, when Dominique Daye learned she was pregnant, her priorities became her son and planning for their future. She didn't have a car or a stable living environment, so she moved from Indianapolis to O'Connor House, a home for single mothers and their children located in Carmel, where she stayed for more than 18 months until she could secure a place of her own.

“Dominique faced obstacles, but she advocated fiercely for herself and her son to overcome them,” said Máire Stocking, RN, her Nurse Home Visitor through Nurse-Family Partnership.

Nurse-Family Partnership, implemented in Indiana by Goodwill since 2011, is a life-changing program that pairs low-income, first-time mothers with registered nurses to ensure healthy pregnancies and child development.

“Máire provided me with resources and information about what to expect while I was pregnant and after Jaycob was born,” said Dominique. “She helped me feel more prepared for his arrival.”

Although she could have pursued a GED, it was important to Dominique to earn a diploma. To achieve this, she traveled four-hours round trip from Carmel to The Excel Center Meadows in Indianapolis, using transportation provided by O’Connor House part of the way, then public transportation for the remainder.

“I knew school would be even more difficult once Jaycob arrived, and I wanted to get it out of the way,” said Dominique. “The Excel Center is flexible and works with students based on their needs, so I was able to accelerate my coursework.”

In May 2016, Dominique graduated from The Excel Center and moved into her own apartment. When she transferred jobs to a location closer to her new home, she negotiated a higher wage based on what she had earned previously for comparable work.

“Máire encouraged me to focus on the positive and keep moving forward,” said Dominique. “I knew I could count on her for support.”

“I’m proud of where I am now. I would most definitely recommend Nurse-Family Partnership to friends and family.”

– Dominique Daye

A Mother Goes the Distance
Dominique’s primary concern is providing a safe, nurturing environment to her son, but she continues to strive toward her goals, which include enrolling in the nursing program at Ivy Tech.

“I am so proud of the strides she has made and excited to see what comes next for her,” said Máire.

Indiana ranks 41st among the states on the significant health measure of infant mortality — the death of a baby before its first birthday.¹ According to a 2015 report by Dr. Ted Miller of the Pacific Institute for Research and Evaluation, Indiana could reduce infant mortality by 46% if Nurse-Family Partnership were expanded to scale.²

Families served by Nurse-Family Partnership since 2011

2,000+

Estimated return on investment for every dollar spent on Nurse-Family Partnership in Indiana³

$6.62

Nurse-Family Partnership graduates who increased their education level in 2016

36%

³ ibid.
A native of Oklahoma, Ti'Sharon Thompson moved to Indiana to live with her aunt as a teenager. She discovered Indianapolis Metropolitan High School her junior year.

On a typical day, Ti'Sharon carries a full schedule at school, attends basketball practice, then goes to work — often arriving home late. She is also actively involved with her church.

“When I’m struggling to balance everything, I try to stay focused on why I’m doing it,” said Ti'Sharon, who plans to major in biochemistry next year. “I know I have a future ahead of me, and it’s all just part of the daily push of getting through high school to get to college.”

An accomplished student, her teachers quickly recognized her work ethic and natural abilities.

“Ti’Scharon really excelled in my chemistry class,” said Eric Sprague, teacher at Indianapolis Met. “She was a great student leader.”

With guidance from the leadership team at the school, Ti'Sharon applied for and was awarded a Lilly Endowment Scholarship, which will pay her full tuition for four years at Indiana University, plus an additional $900 per year for books and supplies.

“Indy Met is open to everyone. Stay focused and try your best, and Indy Met will help you be successful.”

— Ti'Sharon Thompson
“Many students have to work while they go to college, but the scholarship allows me to focus on school,” said Ti’Sharon.

“We know our students very well,” said Christina Lear, Indianapolis Met’s Assistant Principal. “We know their academic profiles, their goals, and what motivates them, so when an opportunity comes up, we can target the right students and guide them in the application process.”

Ti’Sharon will be the first person in her family to attend college. Inspired by the birth of her twin nephews, born at a low birth weight, she plans to become a pediatrician.

“I consistently choose to do better and challenge myself,” said Ti’Sharon. “I’m going to miss high school, but I’m ready to experience the next stage of life.”

Ti’Sharon encourages other students seeking a college- and career-focused high school experience to consider Indianapolis Metropolitan.
Goodwill Industries of Central Indiana, Inc.*
GW Commercial Services, Inc.
Goodwill Education Initiatives, Inc.
Goodwill Industries Foundation of Central Indiana, Inc.

### SOURCES OF REVENUE

- Retail Sales 56%
- Commercial Services 11%
- Mission Services 5%
- Education Services 18%
- Community Support 9%
- Other 1%

### PROGRAM EXPENSES

- Retail 57%
- Commercial Services 15%
- Mission Services 7%
- Education Services 21%

### 2016 SUMMARY
FINANCIAL STATEMENTS

#### BALANCE SHEET
Goodwill Consolidated
December 31, 2016

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<tr>
<th>ASSETS</th>
<th>Dollars in Thousands</th>
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<tr>
<td>Cash</td>
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<td>Accounts Receivable</td>
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<tr>
<th>LIABILITIES</th>
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<td>Bonds &amp; Notes Payable</td>
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<td><strong>Total Liabilities</strong></td>
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| **NET ASSETS**                  | **$92,771**          |

**TOTAL LIABILITIES AND NET ASSETS**

**$124,388**

#### INCOME STATEMENT

Goodwill Consolidated
For the Year Ended December 31, 2016

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<th>REVENUES</th>
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<td><strong>Total Expenses</strong></td>
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**OPERATING INCOME**

$10,026

**UNREALIZED GAIN ON INVESTMENTS**

1,598

**REALIZED GAIN ON INVESTMENTS**

158

**GAIN ON INTEREST RATE SWAP**

110

**NET INCOME**

$11,892**

*Does not include the results of our merger with Goodwill of Southern Indiana, Inc., which became effective January 1, 2017.

**Reflects one-time grant for $10 million from Lilly Endowment to be dispersed over five years.
It is an exciting time to be on the Board of Directors of Goodwill of Central & Southern Indiana. The recent merger will allow us to significantly expand the reach of our mission, and the Lilly Endowment grant puts this expansion on solid footing. Couple that with the dedication and expertise of Kent Kramer and Goodwill’s leadership team, plus the commitment of thousands of employees who work tirelessly to further our mission and serve our customers, and you understand the basis for our excitement.

Goodwill employs more than 3,500 people — two-thirds of whom have one or more barriers to employment, including disability, criminal history and lack of a high school diploma. In addition to accommodating individuals with barriers, Goodwill offers programs and services to directly address these challenges.

The Excel Center currently enrolls approximately 3,500 students each year across its 11 locations. Nearly 2,400 graduates have earned more than 3,500 industry-recognized certifications since 2010. Nurse-Family Partnership has served more than 2,000 families since it was implemented in 2011, improving the prospects for healthy births in those families for generations. Goodwill also offers services geared toward those who have been recently incarcerated as well as career guidance to help individuals broaden their employment prospects.

This Annual Report shares a few stories highlighting those who have been impacted by Goodwill’s services. However, the need for these services continues to exceed the resources available. More than 17% of Hoosiers ages 18-24 lack a high school diploma. Indiana also has the 9th worst ranking in the country for infant mortality. We can do better.

Goodwill relies on your support. Please help us further our mission. Together, we are changing lives.

J. Scott Enright
2017 Chair, Board of Directors
Goodwill of Central & Southern Indiana
Thank you to our supporters

For a list of financial donors, please visit goodwillindy.org.