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Form **990**
 Department of the Treasury
 Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)
 The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047
2009
Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009

- B** Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
 GOODWILL INDUSTRIES OF SANTA CRUZ MONTEREY & SAN LUIS OBISPO COUNTIES INC
 Doing Business As
 Number and street (or P O box if mail is not delivered to street address) Room/suite
 350 ENCINAL STREET
 City or town, state or country, and ZIP + 4
 SANTA CRUZ, CA 950602101

D Employer identification number
 94-1254638
E Telephone number
 (831) 423-8611
G Gross receipts \$ 16,851,881

F Name and address of principal officer
 NICHOLAS ANDREWS
 350 ENCINAL ST
 SANTA CRUZ, CA 950602101

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list (see instructions)
H(c) Group exemption number ▶

I Tax-exempt status 501(c) (3) ◀ (insert no) 4947(a)(1) or 527

J Website: ▶ www.scgoodwill.org

K Form of organization Corporation Trust Association Other ▶ **L** Year of formation 1953 **M** State of legal domicile CA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
 See PDF Attached Mission Stmt pdf

2 Check this box if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a) **3** 21

4 Number of independent voting members of the governing body (Part VI, line 1b) **4** 20

5 Total number of employees (Part V, line 2a) **5** 609

6 Total number of volunteers (estimate if necessary) **6** 5

7a Total gross unrelated business revenue from Part VIII, column (C), line 12 **7a** -44,481

b Net unrelated business taxable income from Form 990-T, line 34 **7b**

		Revenue	
		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	3,432,896	4,209,298
9	Program service revenue (Part VIII, line 2g)	11,181,784	11,623,219
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	214,234	130,457
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	195,684	409,854
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	15,024,598	16,372,828
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	10,127,461	10,535,136
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 11,167		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	4,529,506	4,791,017
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	14,656,967	15,326,153
19	Revenue less expenses Subtract line 18 from line 12	367,631	1,046,675
Net Assets or Fund Balances			
		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	17,354,852	18,463,400
21	Total liabilities (Part X, line 26)	5,482,024	5,543,898
22	Net assets or fund balances Subtract line 21 from line 20	11,872,828	12,919,502

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

 Signature of officer
 Date 2010-08-15
 NICHOLAS ANDREWS DIRECTOR OF FINANCE
 Type or print name and title

Paid Preparer's Use Only
 Preparer's signature ▶ NICHOLAS ANDREWS Date
 Check if self-employed
 Preparer's identifying number (see instructions)
 Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ GOODWILL INDUSTRIES OF SANT CRUZ MONTEREY & SAN LUIS OBISPO COUNTIES INC
 350 ENCINAL ST
 SANTA CRUZ, CA 950602101
 EIN ▶
 Phone no ▶ (831) 423-8611

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

See Attached Mission Stmt pdf

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 9,739,918 including grants of \$) (Revenue \$ 7,348,442)

COST EFFECTIVE BUSINESS & INDUSTRIAL OPERATIONS WHICH RECYCLE, PROCESS & SELL USED GOODS PROVIDING WORK, JOB SKILLS, JOB TRAINING, AND WORK EXPERIENCE FOR THE DISABLED, DISADVANTAGED & ECONOMICALLY CHALLENGED ONGOING WASTE STREAM DIVERSION WITH THE REDUCTION IN SOCIETAL "THROW AWAY" ENVIRONMENTAL IMPACTS

4b (Code) (Expenses \$ 3,039,581 including grants of \$) (Revenue \$ 2,611,847)

6,419 CLIENTS SERVED BEING DISADVANTAGED OR WITH PHYSICAL, MENTAL AND/OR ECONOMIC BARRIERS TO EMPLOYMENT SERVING VARIOUS VOCATIONAL REHABILITATION SERVICES, INDIVIDUAL EVALUATION, CLASSROOM TRAINING, OUTREACH, WORK EXPERIENCE, JOB SEARCH, & ON-THE JOB TRAINING WITH SUBSIDIZED EMPLOYMENT TRAINING (SET) LEADING TO EMPLOYMENT (SEE ATTACHED OUTCOME MEASUREMENT DOCUMENT)

4c (Code) (Expenses \$ 709,946 including grants of \$) (Revenue \$ 1,662,840)

PROVIDED MICRO-ENTERPRISE OPPORTUNITIES TO LOW INCOME INDIVIDUALS AND FAMILIES PROVIDED SUPPLEMENTAL INCOME & EMPLOYMENT OPPORTUNITIES TO THOSE IN NEED GAVE WORK EXPERIENCE TO THE DISADVANTAGED, INCREASED THE COLLECTION CAPABILITIES OF MATERIAL DONATIONS FOR MISSION RELATED STORES, PROVIDED LOW COST USED AND DISTRESSED GOODS WHILE ENCOURAGING AND SUPPORTING RESUES & RECYLING IN THE LOCAL COMMUNITY AND SURROUNDING AREA

4d Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 13,489,445

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>	Yes	
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		No
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.</i>	Yes	
	◆ Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>		
	◆ Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		
	◆ Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		
	◆ Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		
	◆ Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		
	◆ Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	Yes	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>	Yes	No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? <i>If "Yes," complete Schedule F, Part II</i>		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? <i>If "Yes," complete Schedule F, Part III</i>		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		No
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		No

Part IV Checklist of Required Schedules *(continued)*

21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28 Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34		No
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35		No
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable		
	1a 13		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return		
	2a 609		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		No
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		No
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		No
b	Did the organization make a distribution to a donor, donor advisor, or related person?		No
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body (21); 1b Enter the number of voting members that are independent (20); 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (No); 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? (No); 4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? (No); 5 Did the organization become aware during the year of a material diversion of the organization's assets? (No); 6 Does the organization have members or stockholders? (No); 7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? (No); 7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? (No); 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: 8a The governing body? (Yes); 8b Each committee with authority to act on behalf of the governing body? (Yes); 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O (No).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Does the organization have local chapters, branches, or affiliates? (No); 10b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?; 11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? (Yes); 11A Describe in Schedule O the process, if any, used by the organization to review the Form 990; 12a Does the organization have a written conflict of interest policy? If "No," go to line 13 (Yes); 12b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (Yes); 12c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done (Yes); 13 Does the organization have a written whistleblower policy? (Yes); 14 Does the organization have a written document retention and destruction policy? (Yes); 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? 15a The organization's CEO, Executive Director, or top management official (Yes); 15b Other officers or key employees of the organization (Yes); 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? (No); 16b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

Table with 2 columns: Question, Answer. Rows include: 17 List the States with which a copy of this Form 990 is required to be filed (CA); 18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply: Own website, Another's website, Upon request (checked); 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table; 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization (NICHOLAS ANDREWS, 350 ENCINAL STREET SANTA CRUZ, CA 950602101, (831) 423-8611).

1b Total	518,237	37,993
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2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **2**

		Yes		No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3			No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes		
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5			No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **2**

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a					
	b	Membership dues 1b					
	c	Fundraising events 1c					
	d	Related organizations 1d					
	e	Government grants (contributions) 1e					
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	4,209,298				
	g	Noncash contributions included in lines 1a-1f \$ <u>4,063,211</u>					
	h	Total. Add lines 1a-1f ▶	4,209,298				
Program Service Revenue			Business Code				
	2a	Retail Occupations w/Sales & Salvage of Donated Goods	453,310	7,348,532	7,348,532		
	b	Vocation-Education-Training-Work Experience-Assistance	624,310	2,475,679	2,475,679		
	c	Flea Market Activities	531,190	1,662,840	674,018	988,822	
	d						
	e						
	f	All other program service revenue		136,168	99,808	36,360	
g	Total. Add lines 2a-2f ▶		11,623,219				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) ▶		136,178		136,178	
	4	Income from investment of tax-exempt bond proceeds ▶		3,681		3,681	
	5	Royalties ▶					
	6a	(i) Real		(ii) Personal			
		Gross Rents	230,745				
		Less rental expenses	137,686				
		Rental income or (loss)	93,059				
	d	Net rental income or (loss) ▶		93,059	-44,481	137,540	
	7a	(i) Securities		(ii) Other			
		Gross amount from sales of assets other than inventory	43,750	9,650			
		Less cost or other basis and sales expenses	49,351	13,451			
		Gain or (loss)	-5,601	-3,801			
d	Net gain or (loss) ▶		-9,402	-3,801	-5,601		
8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a						
b	Less direct expenses b						
c	Net income or (loss) from fundraising events ▶						
9a	Gross income from gaming activities See Part IV, line 19 a						
b	Less direct expenses b						
c	Net income or (loss) from gaming activities ▶						
10a	(i) Securities		(ii) Other				
	Gross sales of inventory, less returns and allowances a	497,644					
	Less cost of goods sold b	278,565					
c	Net income or (loss) from sales of inventory ▶		219,079	219,079			
Miscellaneous Revenue		Business Code					
11a	Vending Sales & Commissions	722,300	8,188		8,188		
b	Rebates /Cost Recovery / Misc	900,099	23,549		23,549		
c							
d	All other revenue		65,979		65,979		
e	Total. Add lines 11a-11d ▶		97,716				
12	Total revenue. See Instructions ▶		16,372,828	10,813,315	-44,481	1,394,696	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0	0		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0	0		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	279,042	0	279,042	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7	Other salaries and wages	8,282,301	7,756,990	515,875	9,436
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	31,450	26,668	4,782	0
9	Other employee benefits	1,200,607	1,128,335	72,208	64
10	Payroll taxes	741,736	674,786	66,072	878
11	Fees for services (non-employees)				
a	Management	0	0	0	0
b	Legal	8,808	1,380	7,428	0
c	Accounting	16,463	0	16,463	0
d	Lobbying	0	0	0	0
e	Professional fundraising See Part IV, line 17	0			0
f	Investment management fees	0	0	0	0
g	Other	73,626	26,283	47,343	0
12	Advertising and promotion	222,719	210,293	12,007	419
13	Office expenses	1,110,990	878,569	232,421	0
14	Information technology	23,833	11,465	12,368	0
15	Royalties	0	0	0	0
16	Occupancy	1,604,447	1,461,182	143,265	0
17	Travel	273,010	259,645	13,365	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19	Conferences, conventions, and meetings	27,446	13,244	14,202	0
20	Interest	39,723	0	39,723	0
21	Payments to affiliates	118,706	0	118,706	0
22	Depreciation, depletion, and amortization	533,414	412,710	120,704	0
23	Insurance	176,064	156,351	19,713	0
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Land Fill-Waste-Refuse	248,905	244,776	4,129	0
b	Banking & Merchant Fees & Costs	133,845	104,274	29,571	0
c	Permits-Licenses-Taxes & Regulatory Fees	134,585	117,517	17,068	0
d					
e					
f	All other expenses	44,433	4,977	39,086	370
25	Total functional expenses. Add lines 1 through 24f	15,326,153	13,489,445	1,825,541	11,167
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	126,323	1	98,832
	2 Savings and temporary cash investments	7,036,359	2	6,849,324
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	512,684	4	975,080
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	1,001	7	894
	8 Inventories for sale or use	432,495	8	522,707
	9 Prepaid expenses and deferred charges	201,995	9	134,669
	10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	16,197,400		
	b Less accumulated depreciation	6,946,593	10c	9,250,807
	11 Investments—publicly traded securities	323,941	11	340,225
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	280,873	15	290,862
16 Total assets. Add lines 1 through 15 (must equal line 34)	17,354,852	16	18,463,400	
Liabilities	17 Accounts payable and accrued expenses	941,541	17	994,703
	18 Grants payable		18	
	19 Deferred revenue	15,500	19	29,710
	20 Tax-exempt bond liabilities	4,504,828	20	4,502,055
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	20,155	25	17,430
	26 Total liabilities. Add lines 17 through 25	5,482,024	26	5,543,898
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	10,979,774	27	12,055,897
	28 Temporarily restricted net assets	815,100	28	785,651
	29 Permanently restricted net assets	77,954	29	77,954
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	11,872,828	33	12,919,502	
34 Total liabilities and net assets/fund balances	17,354,852	34	18,463,400	

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . . .	Yes	
2b	Were the organization's financial statements audited by an independent accountant?	Yes	
2c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
2d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . .	Yes	

SCHEDULE A (Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2009

Open to Public Inspection

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

Attach to Form 990 or Form 990-EZ. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization GOODWILL INDUSTRIES OF SANTA CRUZ MONTEREY & SAN LUIS OBISPO COUNTIES INC

Employer identification number

94-1254638

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1 A church, convention of churches, or association of churches section 170(b)(1)(A)(i).
2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E)
3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state
5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II)
6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi) (Complete Part II)
8 A community trust described in section 170(b)(1)(A)(vi) (Complete Part II)
9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2). (Complete Part III)
10 An organization organized and operated exclusively to test for public safety See section 509(a)(4).
11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h
a Type I b Type II c Type III - Functionally integrated d Type III - Other
e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
(ii) a family member of a person described in (i) above?
(iii) a 35% controlled entity of a person described in (i) or (ii) above?
h Provide the following information about the supported organization(s)

Table with 2 columns: Yes, No. Rows: 11g(i), 11g(ii), 11g(iii)

Table with 7 columns: (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (iv) Is the organization in col (i) listed in your governing document?, (v) Did you notify the organization in col (i) of your support?, (vi) Is the organization in col (i) organized in the U S?, (vii) Amount of support?

Part II Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						0

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						0
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) 12

13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f)) 14 0 %

15 Public Support Percentage for 2008 Schedule A, Part II, line 14 15

16a 33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b 33 1/3% support test—2008. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	3,631,180	3,642,959	3,840,452	3,432,896	4,109,498	18,656,985
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	8,340,996	8,709,899	9,401,927	11,499,500	12,007,774	49,960,096
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	11,972,176	12,352,858	13,242,379	14,932,396	16,117,272	68,617,081
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year	121,181	111,218	117,964	111,062	99,800	561,225
c Add lines 7a and 7b	121,181	111,218	117,964	111,062	99,800	561,225
8 Public Support (Subtract line 7c from line 6)						68,055,856

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6	11,972,176	12,352,858	13,242,379	14,932,396	16,117,272	68,617,081
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	344,512	438,494	519,614	217,011	343,378	1,863,009
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	344,512	438,494	519,614	217,011	343,378	1,863,009
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	20,424	35,859	74,105	19,014	31,737	181,139
13 Total support (Add lines 9, 10c, 11 and 12)						70,661,229
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	96.310 %
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	96.190 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	2.640 %
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	2.670 %

19a 33 1/3% support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

Facts And Circumstances Test

OTHER INCOME PART III, LINE 12, DESCRIPTION VENDING/REBATES/MISC, 2005 20424 , 2006 35859 , 2007 74105 , 2008 19014 , 2009 31737 ,

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

For Organizations Exempt From Income Tax Under section 501(c) and section 527

2009

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization is described below. Attach to Form 990 or Form 990-EZ. See separate instructions.

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Table with 2 columns: Name of the organization (GOODWILL INDUSTRIES OF SANTA CRUZ MONTEREY & SAN LUIS OBISPO COUNTIES INC) and Employer identification number (94-1254638)

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
2 Political expenditures \$
3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 \$
2 Enter the amount of any excise tax incurred by organization managers under section 4955 \$
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
4a Was a correction made? Yes No
b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities \$
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities \$
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b \$
4 Did the filing organization file Form 1120-POL for this year? Yes No
5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group
- B** Check if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures
(The term "expenditures" means amounts paid or incurred.)

(a) Filing Organization's Totals	(b) Affiliated Group Totals
----------------------------------	-----------------------------

- 1a** Total lobbying expenditures to influence public opinion (grass roots lobbying)
- b** Total lobbying expenditures to influence a legislative body (direct lobbying)
- c** Total lobbying expenditures (add lines 1a and 1b)
- d** Other exempt purpose expenditures
- e** Total exempt purpose expenditures (add lines 1c and 1d)
- f** Lobbying nontaxable amount Enter the amount from the following table in both columns

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over \$500,000	20% of the amount on line 1e
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000
Over \$17,000,000	\$1,000,000

- g** Grassroots nontaxable amount (enter 25% of line 1f)
- h** Subtract line 1g from line 1a If zero or less, enter -0-
- i** Subtract line 1f from line 1c If zero or less, enter -0-
- j** If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?

Yes **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities? If "Yes," describe in Part IV	Yes		3,138
j Total lines 1c through 1i			3,138
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
Pt I-A Line 1		Not Applicable
Pt I-B Line 4		Not Applicable
Pt II-B Line 1i		California Council of Goodwills Public Policy / Lobbying Expenditures Reported from dues

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2009

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization GOODWILL INDUSTRIES OF SANTA CRUZ MONTEREY & SAN LUIS OBISPO COUNTIES INC

Employer identification number 94-1254638

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

- a Total number of conservation easements
b Total acreage restricted by conservation easements
c Number of conservation easements on a certified historic structure included in (a)
d Number of conservation easements included in (c) acquired after 8/17/06

Table with 2 columns: Held at the End of the Year. Rows 2a, 2b, 2c, 2d.

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year

4 Number of states where property subject to conservation easement is located

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 \$

(ii) Assets included in Form 990, Part X \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 \$

b Assets included in Form 990, Part X \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a Public exhibition, b Scholarly research, c Preservation for future generations, d Loan or exchange programs, e Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

Table with 2 columns: Description (1c-1f) and Amount

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

Table with 6 columns: (a) Current Year, (b) Prior Year, (c) Two Years Back, (d) Three Years Back, (e) Four Years Back. Rows 1a-1g.

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment %, b Permanent endowment %, c Term endowment %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

Table with 3 columns: Description (3a(i), 3a(ii), 3b), Yes, No

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Table with 5 columns: Description of investment, (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows 1a-1e and Total.

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	16,372,828
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	15,326,153
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	1,046,675
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	1,046,675

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	15,742,404
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	416,251
e	Add lines 2a through 2d	2e	416,251
3	Subtract line 2e from line 1	3	15,326,153
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	15,326,153

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	16,789,079
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	416,251
e	Add lines 2a through 2d	2e	416,251
3	Subtract line 2e from line 1	3	16,372,828
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	16,372,828

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Pt XII Line 2d		Part VIII 10B COGS New Goods (278,565)Part VIII Line 6B Rental Expense (137,686)in Audited Stmt-Functional Expenses
Pt XIII Line 2d		Part VIII 10B COGS New Goods (278,565)Part VIII Line 6B Rental Expense (137,686)Not a Net from Audited Stmt Income
Pt IV Line 2b		

**Schedule J
(Form 990)**

Compensation Information

OMB No 1545-0047

2009

**Open to Public
Inspection**

**For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees**

**▶ Complete if the organization answered "Yes" to Form 990,
Part IV, question 23.**

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization

GOODWILL INDUSTRIES OF SANTA CRUZ MONTEREY & SAN LUIS OBISPO COUNTIES INC

Employer identification number

94-1254638

Part I Questions Regarding Compensation

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items
- | | |
|-------------------------------------------------------------------|--------------------------------------------------------------------------|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax idemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef) |

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply

- | | |
|--------------------------------------------------------------|--------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?

b Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?

	Yes	No
1b		
2		
4a		No
4b		No
4c		No
5a		No
5b		No
6a		No
6b		No
7		No
8		No
9		

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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**Schedule K
(Form 990)**

OMB No 1545-0047

Supplemental Information on Tax Exempt Bonds

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).**

2009

▶ **Attach to Form 990. ▶ See separate instructions.**

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
GOODWILL INDUSTRIES OF SANTA CRUZ MONTEREY & SAN LUIS OBISPO COUNTIES INC

Employer identification number
94-1254638

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY	68-0164610	130795PZ4	02-04-2008	4,500,000	Real Property & Improvements		X		X

Part II Proceeds

	A	B	C	D	E				
1	Total proceeds of issue	4,500,000							
2	Gross proceeds in reserve funds								
3	Proceeds in refunding or defeasance escrows								
4	Other unspent proceeds	701,578							
5	Issuance costs from proceeds	274,522							
6	Working capital expenditures from proceeds								
7	Capital expenditures from proceeds	3,523,900							
8	Year of substantial completion	2008							
		Yes	No	Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?		X						
10	Were the bonds issued as part of an advance refunding issue?		X						
11	Has the final allocation of proceeds been made?		X						
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

	A	B	C	D	E			
	Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X					
2	Are there any lease arrangements with respect to the financed property which may result in private business use?	X						

Part III Private Business Use (Continued)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts with respect to the financed property which may result in private business use?		X								
3b Are there any research agreements with respect to the financed property which may result in private business use?		X								
3c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government										
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government										
6 Total of lines 4 and 5										
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X									

Part IV Arbitrage

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X								
2 Is the bond issue a variable rate issue?	X									
3a Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X								
b Name of provider										
c Term of hedge										
4a Were gross proceeds invested in a GIC?		X								
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X								
5 Were any gross proceeds invested beyond an available temporary period?		X								
6 Did the bond issue qualify for an exception to rebate?		X								

SCHEDULE M (Form 990)

NonCash Contributions

OMB No 1545-0047

2009

Open to Public Inspection

Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30. Attach to Form 990.

Department of the Treasury Internal Revenue Service

Name of the organization GOODWILL INDUSTRIES OF SANTA CRUZ MONTEREY & SAN LUIS OBISPO COUNTIES INC

Employer identification number 94-1254638

Part I Types of Property

Table with 4 columns: (a) Check if applicable, (b) Number of Contributions, (c) Revenues reported on Form 990, Part VIII, line 1g, (d) Method of determining revenues. Rows include Art, Books, Clothing, Cars, Boats, Intellectual property, Securities, Real estate, Collectibles, etc.

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

Table with 3 columns: Question, Yes, No. Rows include 30a, 31, 32a, 33 regarding contribution policies and reporting requirements.

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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SCHEDULE O
(Form 990)

Supplemental Information to Form 990

OMB No 1545-0047

2009

**Open to Public
Inspection**

**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.**

Name of the organization

GOODWILL INDUSTRIES OF SANTA CRUZ MONTEREY & SAN LUIS OBISPO COUNTIES INC

Employer identification number

94-1254638

Identifier	Return Reference	Explanation
Pt VI-B, Line 11A		All Board Members provided copy of 990 - Designated Liason Finance Committe & Staff for FAQ
Pt VI-B, Line 12c		See attached document - Each Year Board Members are explain the conflict of interest policy & sign
Pt VI-B, Line 15		See attached CEO Compensation document / Director of Finance Salary approved by consent
Pt VI-C, Line 19		Audited Financials posted on oranzation's website other documents on demand request
Part III Ln 1		Mission Statement pdf Document Attached
Part III Ln 4		Outcome Measurement pdf Document Attached
Part VI-B Ln 12c		Conflict of Interest pdf Document Attached
Part VI-B Ln 15		CEO Compensation Guideline pdf Document Attached

Identifier	Return Reference	Explanation
Part VI-B Ln 13		Whistle Blow er Policy pdf Attached



GOODWILL

Industries of Santa Cruz, Monterey
& San Luis Obispo Counties, Inc.

Our Mission:

Goodwill Industries builds lives, families, and communities by helping people with barriers to employment become successful, supported by innovative enterprises that preserve the earth's resources.

Bylaws: ARTICLE II

Object and Purpose

This corporation is organized to be operated exclusively as a nonprofit public benefit corporation to provide certain public benefit and charitable services in the counties of Santa Cruz, Monterey and San Luis Obispo, California. Its purposes are:

- 1) To improve the quality of life for people who are disabled or disadvantaged by providing the opportunity to increase their earning power in the competitive labor market utilizing the tools of vocational rehabilitation, training and work experience including evaluation and placement services.
- 2) To contribute to the improvement in the quality of life for the general populace of the counties served by increasing the employability and economic contribution of persons who might otherwise be an economic and sociological liability to the citizens of those communities by establishing and conducting programs to increase their vocational competence in the job markets of the area.
- 3) To contribute to the conservation and increased utilization of the communities' material and economic resources by providing cost-effective business and industrial operations designed to reuse, recycle, manufacture or otherwise produce goods and services in a manner that maximizes the agency's economic self-sufficiency.



*Our Business
is Changing Lives!*

A Division of Goodwill
SHORELINE
Workforce Development Services

2009 OUTCOMES MEASUREMENT & MANAGEMENT SYSTEM REPORT

2/26/10

By: John T. Collins, II
Senior Vice President



*Our Business
 is Changing Lives!*

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Executive Summary

Goodwill Industries uses an Outcome Measurement System to evaluate the quality of our workforce development services. The system measures the effectiveness, efficiency, and customer satisfaction aspects of our programs. Programs which fail to meet goals are assigned corrective action plans to improve quality. Outcome measures are refined annually based on program goals and objectives, various funding agency requirements and CARF accreditation. We use this information to ensure that we are providing the best quality programs needed by our community, or close programs when the service is no longer viable.

Most of Shoreline's programs are meeting the objectives of the Outcomes Measurement System. Corrective action plans have been created to remedy many of the shortcomings in programs not meeting objectives and will be monitored throughout 2010. The number of people served sky rocketed in 2009. Shoreline was subsidized by \$ 400,959 from Goodwill operations.

Characteristics of the Persons Served

- The total number of persons served was up 240% . This increase can be attributed to the increased utilization of our neighborhood career centers; the addition of ARRA funded programs and the opening of the San Luis Obispo One Stop.
- The primary customer of our services continues to be people below federal poverty levels.
- Major sources of referrals come from Workforce Investment Act-One Stop Career Centers, and self referrals due to program activities in the career centers.
- Consumer ethnicity is consistent with local population trends.
- Gender is primarily female (57%).
- The age category of our customers is primarily 17-34.
- Geographically we served more people in San Luis Obispo than any other county, which is a significant change in operations.

Outcome Data Components by Program

- The majority of the programs are meeting their annual quality assurance goals & objective.
- Programs not meeting annual goals have written quality assurance plans written that call for corrective action.
- Not meeting job placement goals is the most frequent reasons for skills training not meeting their goals.
- Programs not meeting efficiency goals are being assessed to determine if they should continue to be provided.
- Customer satisfaction is high and for the most part all programs met their program goals.

This report is available online at www.shorelineworks.org



I. Introduction/Methodology

The purpose of this Outcome Measurement System Report is to evaluate the effectiveness, efficiency, characteristics of the person served, and customer satisfaction for each of Shoreline's programs in 2009. This report details for consumers and public the positive outcomes Goodwill made in the lives of the people we served.

There are four major components of the Outcome Measurement System:

1. Written policy on outcomes that clarify to the Board of Directors, administration, staff members, funding sources, and consumers - the purpose, responsibilities, and expected achievements of the outcomes measurement system and the mechanisms for reporting the information provided by the system.
2. Actual effectiveness, efficiency, satisfaction, and characteristic measures were defined during our Strengths, Weaknesses, Opportunities, Service Access, and Threats (SWOT), analysis and modified annually to meet new expectations.
3. Sharing the results of this system through a reporting monthly system and by annually publishing the information in periodicals and in reports to the board and our various constituencies.
4. Using the information for continual quality improvement through a plan to improve outcome measures that did not meet goals.
5. Data was retrieved from Shoreline's Outcomes Measurement System, Data System Action Forms, Budget Variance Reports and Consumer Feedback Questionnaires.

This report along with recommendations for quality improvements is submitted to the board, senior staff, funding sources, and line staff. The line staff and administration continue to be responsible for making improvements to services so we can better serve our customers' needs.

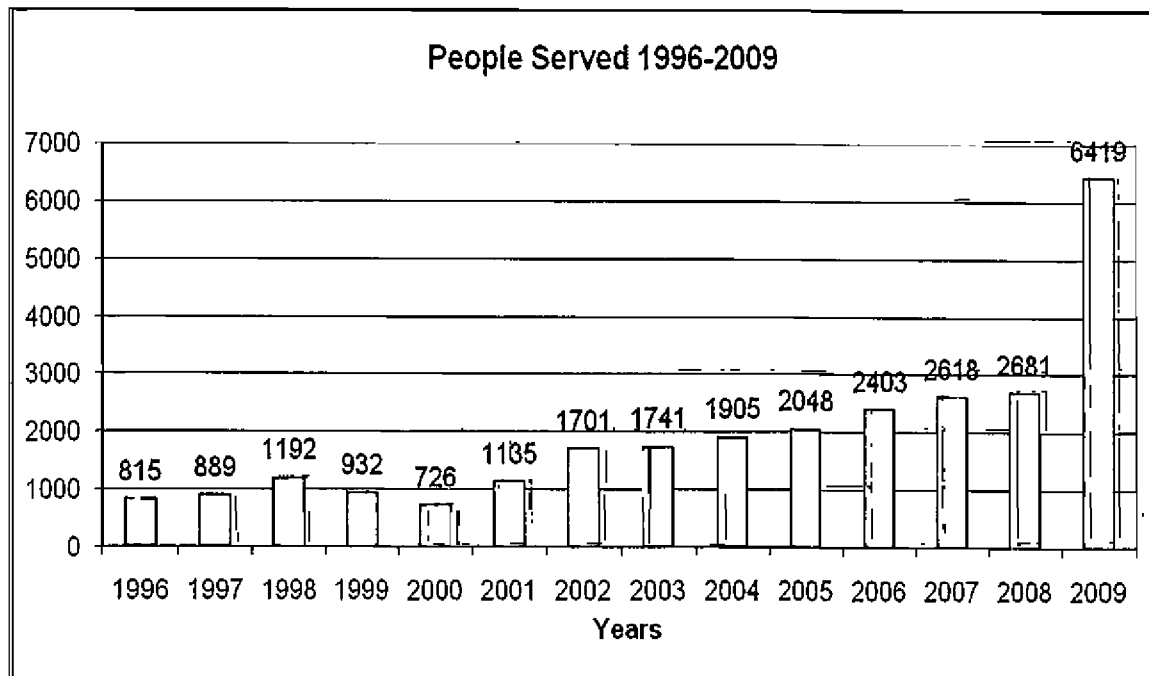


II. Characteristic and Demographics of the Persons Served

Shoreline Workforce Development Services tracked the following characteristics and Demographics of the person served:

I. Consumer Population

The total number of people served in 2009 was 6419 compared with 2681 in 2008, an increase of 240%. Referring agents continue to report large increases in the number of people needing services in 2009 compared to 2008 due to a continuing decline in employment opportunities and the continued change in this geographic areas' economic factor such as the move from manufacturing to service economy. Funding in many core programs such as DoR, workers compensation and WIA is being reduced at the state or federal levels; however, Shoreline has been effective in capturing its fair share of these dollars. In 2009, Shoreline continued to concentrate on services to populations that were self referred due to the increase in contract services. The results of these efforts enabled to expand services greatly. In 2010, Shoreline will continue to focus on self referrals to our Career Centers.





2. Consumer Population by Need*

The general reasons people seek services from Shoreline are as follows:

- Employment barriers due to poverty (incomes below the federal guidelines and on some type of welfare program either, TANF or General Assistance), 35%.
- Disadvantaged individuals (due to poor education or in need of retraining), 12%.
- Individuals who are unemployed or under employed, 39%.
- Orthopedic, spinal and extremity disabilities, 3%.
- People with psychiatric and neuralgic disabilities, 3%.
- All other categories, 8%.

3. Source of Referrals*

The general sources of people referred to Shoreline are referred as follows:

Source	2009	2008	Change	Total % ref.
Pvt. W/C Counselors	1	28	-27	≤1%
Ins Co.	1	21	-20	≤1%
DoR	78	164	-86	≤1%
ROP	180	182	-2	≤2%
Santa Cruz & Monterey Co One Stops	146	1433	-1297	≤2%
TANF Programs	961	41	920	15%
Social Security	3	1	2	≤1%
DOL	0	2	-2	0%
EIP	140	54	86	≤2%
Self referrals	4909	756	4153	76%

4. Consumer Population by Ethnicity*

As with previous years, Shoreline's referrals closely mirror our population as to ethnicity.

- Caucasians, 54%
- Latino, 35%
- African Americans, ≤2%
- Asians, ≤2%
- Native Americans, ≤2%
- Decline to state ≤3%

The trend for the majority of Shoreline's clients switched back from Latino/Latina to Caucasian in 2009.



5. Consumer Population by Gender*

Shoreline continued to serve more women (57%) than men (43%) in 2009, 3676 vs. 2743. Of note, the percentage of men using the programs has increased when compared to 2008.

6. Consumer Population by Age*

17-24	22%	1429
25-34	25%	1587
35-44	22%	1422
45-54	19%	1246
55-64	10%	633
65-	≤2%	102

7. Consumer Population by Geographic Source*

The table below illustrates where clients report their home address.

County	2009	2008	Change	% Change	% Total Geographic
Santa Cruz	1754	1930	-176	-10%	27%
Monterey	1070	628	442	+70%	17%
SLO	3593	120	3473	2994%	56%
Other Co.	2	3	-1	≤33%	≤1%
Total	6419	2681	3738	239%	100%

8. Surplus (Deficits) & E/R by Programs/Geographic Source

The table below illustrates where Surplus revenue or deficits were created as well as the E/R ratio by county for direct service. (Does not include administrative overhead cost) Overall, including administrative overhead cost, Shoreline had a programs deficit in 2009 of \$ 400,959 compared to a deficit of \$ 400,609 in 2008. 75% of the program costs are for human resources.

County	2009 Total Surplus \$	2008 Total Surplus \$	Change By \$	2009 E/R	2008 E/R
Santa Cruz	-203,909	24,410	-228,319	131%	97%
Monterey	-130,287	41,286	-171,575	133%	93%
SLO	-66,763	-198,122	+131,359	111%	238%

*Percentages stated are a percentage of total referrals

** Total department E/R, which includes H & O and administrative cost



9. Revenue per Person Served

For the first time, Shoreline is reporting the revenue per person served based on funds generated from a variety of sources either from contracts, tuition or the sale of services in key programs. The amount of dollars received does not necessarily reflect the cost borne by Goodwill to provide these services. The revenue to provide services was exceeded by the cost by 16% or a contribution of more than \$400,000.

Programs	Numbers served	Dollars received from all sources	Revenue per person served
All Programs	6419	\$2,529,155	\$394
SLO One Stop Career Centers	3531	\$526,262	\$149
OJT Programs & Career Centers, Santa Cruz & Monterey Co.	1445	\$253,970	\$167
JSW & WEX Programs, Santa Cruz & Monterey Co.	650	\$671,236	\$1032
Cosmetology	202	\$459,879	\$2276
Culinary	35	\$96,870	\$2766
Office Career Programs, Santa Cruz & Monterey Co.	89	\$229749	\$2581



10. Cost per Person Served

For the first time, Shoreline is reporting the Cost per person served based on cost applied in key programs. .

Programs	Numbers served	Total Expense	Cost per person served
All Programs	6419	\$2,930,115	\$449
SLO One Stop Career Centers	3531	\$539,210	\$153
OJT Programs & Career Centers, Santa Cruz & Monterey Co.	1445	\$259,619	\$180
JSW & WEX Programs, Santa Cruz & Monterey Co.	650	\$742,327	\$1142
Cosmetology	202	\$542,401	\$2685
Culinary	35	\$101,529	\$2901
Office Career Programs, Santa Cruz & Monterey Co.	89	\$123,815	\$1391

11. Cost/Revenue Comparison

Using the data from tables the table above this information provides a comparison of cost and revenue by per persons served.

Programs	Numbers served	Cost per person served	Revenue per person served
All Programs	6419	\$449	\$394
SLO One Stop Career Centers	3531	\$153	\$149
OJT Programs & Career Centers, Santa Cruz & Monterey Co.	1445	\$180	\$167
JSW & WEX Programs, Santa Cruz & Monterey Co.	650	\$1142	\$1032
Cosmetology	202	\$2685	\$2276
Culinary	35	\$2901	\$2766
Office Career Programs, Santa Cruz & Monterey Co.	89	\$1391	\$2581



III. Outcome Data System Components by Individual Programs

1. Employment Case Management/Service Coordination- Counseling & Case Management

Total Number Served = 22 vs. 28 in 2008 (-6 cases)

Effectiveness Measures-

1) Full Rehabilitation Cases: to maximize the number of job placements and achieve a 50% placement rate. Maximize the number of case closures for consumers unable to be competitively placed.

Result: Objective not met.

2010 Corrective action plan:

Note- The program is closed

Efficiency Measure-

1) To measure Expense to Revenue Ratio & Revenue per case. Achieve a 100% E/R.

Result: Not met.

2010 Corrective action plan:

Note- The program is closed

2) To increase case management revenue billing an average of 90 hours per month.

Result:

2010 Corrective action plan:

Note- The program is closed

Satisfaction Measure-

1) To achieve an average score of 80% satisfactory rating in all areas of consumer satisfaction survey.

Result: Objective not met.

2010 Corrective action plan:

Note- The program is closed

Service Access-

Results:

There was no waiting time in the program.



2. *Comprehensive Vocational Evaluation Services*

Total Number Served- 25 vs. 133 in 2008, the total number decreased 532% due to a decrease in evaluations, CPIE testing by the career center and the career assessment workshop testing are combined with the work experience program.

Effectiveness Measure-

1) To maximize the number of referral questions answered by the vocational evaluators per the referral form, achieve 90%.

Results: Objective met. Evaluation staff answered more than 95% of the referral questions.

Efficiency Measure-

1) To measure Expense to Revenue Ratio & Revenue per case, achieve 100% E/R.

Result: Not met. Vocational evaluation expense to revenue ratio was 185%.

2010 Corrective action plan: Closely evaluate program, shift cost as needed.

Satisfaction Measure-

1) To achieve an average score of 80% satisfactory rating in all areas of consumer satisfaction survey.

Result: Objective met. Customer satisfaction score was; 100% satisfied;

Service Access-

Results: There was no waiting or wait list in vocational evaluation services. Most clients are seen within two weeks of the referral.



3. Employment Skills Training Services

Total Number Served- 326 vs. 410 in 2008

School of Cosmetology

Total Number Served 202 vs. 213 in 2008 (-11 students; -5%)

Effectiveness Measures-

Yearly Outcome Results	2009	2008	2007
1) To achieve a course completion rate of 65%			
Overall	72%	68%	80%
Cosmetology	67%	62%	73%
High School Cosmetology	91%	86%	81%
Esthetician	100%	25%	93%
2) To place 70% of the program graduates			
Cosmetology	39%	48%	2%
Estheticians	9%	100%	28%
3) 70% of the students will pass the State License Examination			
Cosmetology	85%	85%	80%
Esthetician	100%	100%	100%

Results: Job placement continues to be a problem which could be caused by under reporting or poor labor market.

2010 Corrective action: A plan for follow up services and tracking will be developed and followed by the program manager.

Efficiency Measure-

1) To measure Expense to Revenue Ratio & Revenue per case.
 Goal: 90% or less

Results: Not met. Expense to revenue ratio was measured at 118%.

2010 Corrective action: Track expenses better and improve sales of services. The move to 41st Ave will enable to reduce space cost as we will no longer pay rent. An assessment of fees must be done and tuition will be adjusted. Adjust staffing patterns as needed to meet the requirements of a lower student body and changing hours of operations.



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Satisfaction Measure-

1) To achieve an average score of 60% or higher, in excellent rating and 80% satisfactory in all areas of consumer satisfaction.

Results: Objective not met. Consumer satisfaction in Cosmetology was rated at 53% excellent; 94% satisfactory; 6% needs improvement.

Service Access-

Results: The waiting times were significantly decreased this year probably due to the poor economy.

There were 38 people awaiting esthetician enrollment at the end of 2009.

There were 169 people awaiting cosmetology enrollment at the end of 2009.

Office Careers Santa Cruz County:

Total Number Served- 47 vs. 44 in 2008 (10 students; 29%)

Effectiveness Measures-

Yearly Outcome Results	2009	2008	2007
1) To achieve a course completion rate of 85%.	96%	83%	86%
2) To place 80% of the program graduates.	31%	40%	36%
3) To maximize benefits for graduates (50%).	NR	84%	50%
4) To maximize the ratio of starts to tours (60%).	51%	58%	67%
5) To increase earnings by \$1.00 per hour.	-\$3.65	\$5.06	\$4.00
6) To have 100% of students pass the Computer Proficiency Examination (CPE)	100%	100%	100%

Results: Many objectives met; however, job placement continues to be very problematic along with entered employment earnings.

2010 Corrective action: To improve the course placement rate, the instructor in conjunction with the placement staff will evaluate and implement additional early student interventions for students in danger of dropping out or not seeking employment. Additional staffings will be provided to clients to direct student's interest towards job placement. The instructor will incorporate job placement activities into the Curriculum. Carried over from 2008.



Efficiency Measure-

- 1) To measure Expense to Revenue Ratio & Revenue per case.
 Goal: 80% or less

Results: Objective met. Expense to Revenue ratio was 48.5%.

Satisfaction Measure-

- 1) To achieve an average score of 80% or higher, in excellent rating in all areas of consumer satisfaction.

Results: Objective met. Customer satisfaction was measured at 91% excellent; 100% Satisfied.

Service Access-

Results: There was less than a two month waiting list in the office careers program.

Office Careers Monterey County

Total Number Served- 42 vs. 54 in 2008 (-2 students; -3%)

Effectiveness Measures-

Yearly Outcome Results	2009	2008	2007
1) To achieve a course completion rate of 85%.	93%	69%	62%
2) To place 80% of the program graduates.	24%	44%	80%
3) To maximize benefits for graduates (50%)	NR	70%	67%
4) To maximize the ratio of starts to tours (60%).	84%	53%	88%
5) To increase earnings by \$1.00 per hour.	-\$1.86	-\$0.35	-\$0.42
6) To have 100% of students pass the Computer Proficiency Examination (CPE)	100%	100%	100%

2010 Corrective action plan goal: To increase course completion rate the instructor will continue to evaluate the commitment of incoming students during the vocational services plan process. To improve the course placement rate, the instructor in conjunction with the placement staff will evaluate and implement additional early student interventions for students in danger of dropping out or not seeking employment. Additional staffings will be provided to clients to direct student's interest towards job placement. The instructor will incorporate job placement activities into the curriculum. Carried over from 2008.

Efficiency Measure-

- 1) To measure Expense to Revenue Ratio & Revenue per case.
 Goal: 80% or less

Results: Objective met. Expense to revenue ratio was 61%.



Satisfaction Measure-

1) To achieve an average score of 80% or higher, in excellent or satisfactory rating in all areas of consumer satisfaction.

Results: Objective met. Customer satisfaction was measured at 92% excellent; 100% Satisfied.

Service Access-

Results: There was no waiting period in the Marina office careers program.

Culinary

Total Number Served- 35 vs.32 in 2008 (+2 students; +6%)

Effectiveness Measures-

Yearly Outcome Results	2009	2008	2007
1) To achieve a course completion rate of 85%.	81%	64%	86%
2) To place 80% of the program graduates.	50%	71%	55%
3) To maximize benefits for graduates (50%)	NR	25%	43%
4) To maximize the ratio of starts to tours (60%).	85%	74%	96%
5) To increase earnings by \$1.00 per hour.	\$2.00	\$.28	\$1.36
6) 75% of the students will pass the Serving Safe Food Certification test	100%	98%	100%

2010 Corrective action plan goal: To increase job placements, the instructor and job placement staff will continue to work more closely to ensure that students are better prepared for employment and job search. Job placement staff will continue to maintain closer contact with program graduates

Efficiency Measure-

1) To measure Expense to Revenue Ratio & Revenue per case.

Goal: 80% or less

Results: Objective not met. Expense to revenue ratio was 104% which is an improvement compared to 2008

2010 Corrective action plan goal #1: Track expense and improve sales of events. Determine staff needs by June 2010.

Satisfaction Measure-

1) To achieve an average score of 80% or higher, in satisfactory or excellent rating in all areas of consumer satisfaction.



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Results: Objective met. Consumer satisfaction was rated at; 80% excellent and 100% satisfied.

2) To achieve an above average score (4.0 or above) for conferences

Results: Objective generally met. Consumer satisfaction was rated as stated below:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Food	4.0	4.3	4.7
Facility	4.0	4.08	4.1
Staff	3.8	4.86	4.85

(Scale of 1-5 5= excellent)

Service Access-

Results: There was no waiting list to start the culinary program.

Retail Occupations Training Santa Cruz & Monterey Counties

2010 Corrective action plan:

Note- The program is closed

Office Careers San Luis Obispo

2010 Corrective action plan:

Note- The program is closed

Truck Driving Academy San Luis Obispo

2010 Corrective action plan:

Note- The program is closed



4. Community Employment Services Santa Cruz & Monterey Counties

SANTA CRUZ COUNTY

Job Search Workshop Program Santa Cruz County (JSW)

Total Number Served- 385 vs 453 in 2008 (-16%) in intensive workshops.

Effectiveness Measure-Total

1) To maximize the numbers of job placements-achieve a 30% job placement rate per county contract.

Result: Objective met. 30% of the closed cases were placed into competitive employment.

Efficiency Measure-

1) To measure Expense to Revenue Ratio & Revenue per case.

Goal: E/R 100%

Result: Goal met. The expense to revenue ration was 95%.

Satisfaction Measure-

1) To achieve an average score of 80% meeting most "areas of expectations" for consumer satisfaction survey.

Result: Objective met. Customer satisfaction was rated at 99%.

Service Access-

Results: There was no waiting or wait list in this program.

Work Experience Program Santa Cruz County (WEX)

Total Number Served- 412 vs. 257 (+155, +60%)

Effectiveness Measures-

1) WEX Cases: to maximize the number participants into unsubsidized employment achieve a 50% placement rate from all closed cases.

Result: Objective met achieved a 76% placement rate on closed cases.

1) Maximize the number of participants enrolled into work experience program within 30 days achieve a 70% entered rate.

Result: Objective. The staff enrolled 80% referrals into WPR activities within 30 days.

Efficiency Measure-

1) To measure Expense to Revenue Ratio & Revenue per case. Achieve a 100% E/R.

Result: Achieved a 97% E/R.



2) To ensure that clients entering into unsubsidized employment achieve an average wage of \$9.50.

Result: Objective met. The program achieved an average entry rate of \$9.83 per hour.

Satisfaction Measure-

1) To achieve an average score of 80% satisfactory rating in all areas of consumer satisfaction survey.

Result: Objective met. Excellent rating 86%; 100% satisfactory rating

Service Access-

1) To contact 90% of the clients referred for work experience within 10 days from point of first referrals.

Results: Objective Met. 90% of the clients were contacted within 10 days of being referred to the program.

On the Job Training Program Santa Cruz County (OJT)

Total Number Served- 34 vs.16 in 2008 OJT intensive (+16 participants; 100%)

Effectiveness Measure-Total

1) To maximize the numbers of job placements and achieve an 83% job placement rate per Santa Cruz County's WIB contract requirement.

Result: Objective was met 91% of the OJT participants met the contract requirements.

Efficiency Measure-

1) To measure Expense to Revenue Ratio & Revenue per case.

Goal: E/R 100%

Result: Objective not met. The expense to revenue ration was 106%.

Satisfaction Measure-

1) To achieve an average score of 80% satisfactory or excellent rating in all areas of consumer satisfaction survey.

Result: Objective not met. Customer satisfaction was not rated.

2010 Corrective action plan goal: Staff needs to ensure that customers are surveyed for satisfaction.

Service Access-

Results: There was no waiting or wait list in this program.



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Career Center Santa Cruz

Total Number Served- 650 vs. 362 in 2008 (+288 participants; +80%)

Effectiveness Measure-

- 1) To maximize the numbers of customers served with job placement services in the neighborhood Career Center serve 250 people.

Result: Objective met. 650 individuals were served.

Efficiency Measure-

- 1) To measure Expense to Revenue Ratio & Revenue per case.

Goal: E/R 100%)

Result: Objective not met. E/R was 104%)

Satisfaction Measure-

- 1) To achieve an average score of 80%) satisfactory or higher rating in all areas of consumer satisfaction survey.

Result: Objective met. Customer satisfaction was rated at over 99% .

Service Access-

Results: There was no waiting or wait list in this program.

MONTEREY COUNTY

Career Center Salinas

Total Number Served- 693 vs. 362 in 2008 (+331 participants; +91%)

Effectiveness Measure-

- 1) To maximize the numbers of customers served with job placement services in the neighborhood Career Center serve 250 people.

Result: Objective met. 693 individuals were served.

Efficiency Measure-

- 1) To measure Expense to Revenue Ratio & Revenue per case.

Goal: E/R 100%)

Result: Objective not met. E/R was 102%)

Satisfaction Measure-

- 2) To achieve an average score of 80%) satisfactory or higher rating in all areas of consumer satisfaction survey.

Result: Objective not met. No clients were surveyed.]

2010 Corrective Action Plan: Career Center staff will be encouraged to survey all clients using the center in 2010.

Service Access-

Results: There was no waiting or wait list in this program.



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Work Experience Program Monterey County (WEX)

Total Number Served- 150 vs. 31 (+119, 384%)

Effectiveness Measures-

1) WEX Cases: to maximize the number participants into unsubsidized employment achieve a 50% placement rate from all closed cases.

Result: Objective not met; achieved a 19% placement rate on closed cases.

3) Maximize the number of participants enrolled into work experience program within 45 days achieve a 70% entered rate.

Result: Objective met. The staff enrolled 81% referrals within 45 days.

Efficiency Measure-

1) To measure Expense to Revenue Ratio & Revenue per case. Achieve a 100% E/R.

Result: Objective not met; achieved a 138% E/R.

2) To ensure that clients entering into unsubsidized employment achieve an average wage of \$9.50.

Result: Objective met. The program achieved an average entry rate of \$10.66 per hour.

Satisfaction Measure-

1) To achieve an average score of 80% satisfactory rating in all areas of consumer satisfaction survey.

Result: Objective not met. No clients were surveyed.

Service Access-

1) To contact 90% of the clients referred for work experience within 10 days from point of first referrals.

Results: Objective Met. 100% of the clients were contacted within 10 days of being referred to the program.

On the Job Training Program Monterey County (OJT)

Total Number Served- 68 vs. 58 in 2008 in OJT intensive (+10 participants; +17%)

Effectiveness Measure-Total

1) To maximize the numbers of job placements-achieve a 100% job placement rate per Monterey County's WIB contract requirement.

Result: Objective not met. 100% of completions were placed.

Efficiency Measure-

1) To measure Expense to Revenue Ratio & Revenue per case.

Goal: E/R 98%

Result: Objective not met. The expense to revenue ration was 102%.



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2010 Corrective action plan goal: Ensure that billing is done timely as the December revenue was based on estimates rather than actuals.

Satisfaction Measure-

1) To achieve an average score of 80% satisfactory or excellent rating in all areas of consumer satisfaction survey.

Result: Objective met. 94% rated Excellent; 100% rated Satisfactory.

Service Access-

Results: There was no waiting or wait list in this program.

SAN LUIS OBISPO COUNTY

Independent Job Placement San Luis Obispo

This program was closed due to the redirection of resources and the contract for One Stop Service Provider.



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5. One Stop Business and Career Centers San Luis Obispo County

Total Number Served- 3531 vs. 0 in 2008

Effectiveness Measure-

1) To maximize the numbers of goals obtained via the contract requirement, meet 90% of the goals

Result: Objective met, 93% of the contract goals are being met.

Efficiency Measure-

1) To measure Expense to Revenue Ratio & Revenue per case.

Goal: E/R 100%

Result: Objective not met. E/R was 102%

Satisfaction Measure-

1) To achieve an average score of 80% satisfactory or higher rating in all areas of consumer satisfaction survey.

Result: Objective met. 99% of the clients reported being satisfied with the services.

Service Access-

Results: There was no waiting or wait list in this program.



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IV. Customer Satisfaction

Shoreline has developed customer satisfaction feedback questionnaires for each program area. At the end of a program participants were asked to complete a satisfaction questionnaire. These forms were sent to administration for tally.

The survey questionnaires asked consumers to rate their perceptions about length of time for services received, quality of services, professionalism and helpfulness of the staff. This is also gave them an opportunity to give additional feedback concerning the perception of the quality of services.

In most programs, the overall customer satisfaction objectives were achieved. The results of the customer satisfaction are communicated to the Board of Directors, administration, staff, customers, and various publics by the distribution of this report. The marketing and public relations department publishes information annually on selected outcomes.

In 2009, Shoreline staff surveyed employers and referring agents in the OJT program and One Stop Programs as a relative sample of our total employer and referral sources. Survey results from employers and referring agents were very high with excellent levels of customer satisfaction. A detail of these results is contained in each program area of the consumer satisfaction section of this report.

**GOODWILL INDUSTRIES OF SANTA CRUZ, MONTEREY AND
SAN LUIS OBISPO CO. INC.**

CONFLICT OF INTEREST POLICY

Any member or officer of the Board of Directors, employees and volunteers of the Goodwill Industries of Santa Cruz, Monterey and San Luis Obispo Co Inc (Goodwill) shall not receive any compensation, nor shall he or she permit any compensation to accrue to his or her beneficial interest from any source, the receipt or accrual of which would occur by virtue of influence improperly exerted from his or her position as a member or officer of the Board of Directors, employee or volunteer

No member or officer of the Board of Directors, employee or volunteer (hereinafter referred to as "covered person(s)") shall engage in any outside business or professional activity or employment for compensation which is inconsistent or in conflict with the conscientious performance of official duties of Goodwill

While respecting the right to engage in outside activities and investments, covered persons are restricted from engaging in any activity that may constitute a conflict of interest All covered persons who deal with vendors, providers of outside services, and those seeking to or engaged in business with Goodwill must do so in a manner that avoids the appearance of a conflict of interest

For the purpose of this policy, a "conflict of interest" is defined as any situation or activity that gives rise to a covered person being influenced by considerations that affect the covered person professionally or financially in the course of performing work for Goodwill "Conflict of interest" includes any circumstance that could cast doubt on an individual's ability to act with total objectivity with regard to Goodwill's interest

The following are examples (not an all inclusive list) that could constitute a conflict of interest

- Business interest or outside activity that conflicts with duties of the work of Goodwill
- Engaging in any unethical or illegal practice
- Taking any unfair advantage in business dealings
- Accepting financial benefits, gifts or promises of future benefit, the value of which exceeds \$100, from an individual or business that might benefit or appear to benefit from the affiliation
- Participating in transactions or relationships which might reasonably be expected to affect one's judgment in a manner that is adverse to the agency
- Borrowing money from the agency
- Other action(s) that may give the appearance of impropriety

Potential conflicts of interest require reporting to the President or Chair of the Board or, as to employees, to the immediate supervisor. Any Board member or Officer who is aware that he or she may have a potential conflict of interest with respect to any matter before the board shall disclose all relevant information The Chair may request that the covered person not be present for any deliberation on that matter, not be counted for purposes of a quorum, nor vote in connection with the matter

Exceptions to this policy require prior approval by the Executive Committee. All exceptions shall be reported to the full Board of Directors

[Name of individual]

Date

**GOODWILL INDUSTRIES OF SANTA CRUZ,
MONTEREY AND SAN LUIS OBISPO COUNTIES, INC.
350 ENCINAL STREET
SANTA CRUZ, CA 95060**

PRESIDENT'S PERFORMANCE & COMPENSATION GUIDELINES

These guidelines are developed so that the Executive Committee can effectively and efficiently complete the work assigned it by the Board Policy "President's Performance and Compensation".

1. The Executive Committee will delegate the preliminary evaluation and compensation work to the Evaluation Committee, which is made up of the Immediate Past Chair, Chair and Vice Chair. The Immediate Past Chair will be the Chair of this committee.
2. Preliminary meeting – The Evaluation Committee will meet with the president in mid December to discuss the process with the president and to
 - A. Receive a self-evaluation from the President (to be done on the same form that Executive Committee uses to evaluate President).
 - B. Review the goals for the past year and the preliminary results.
 - C. Review and discuss the preliminary Executive goals for the next year.
 - D. Receive compensation information from President regarding current pay and that of other Goodwill executives or non-profit executives in our community for organizations of our size and complexity.
3. At the December Board meeting the Chair will ask all Board members to complete a president's evaluation form and return it by a predetermined time. Completion of this evaluation is mandatory for all Executive Committee members and optional for non-executive committee members.
4. The Evaluation Committee will collect and compile the information from above sources and will receive the President's updated goal attainment for the year being evaluated. They will prepare a preliminary evaluation, consider an appropriate compensation level for the President and consider an incentive for the attainment of completed year's goals. The Evaluation Committee will present this to the Executive Committee at its closed session meeting in January.
5. The Evaluation Committee will revise the evaluation, compensation and incentive based on the closed session Executive Committee discussion. The Evaluation Committee chair will present it to the President in February. Incentive pay (if any) would be payable immediately. Compensation adjustment (if any) would occur the 1st pay period ending in March.

GOODWILL INDUSTRIES OF SANTA CRUZ, MONTEREY AND SAN LUIS OBISPO COUNTIES.

Whistleblower Policy

Goodwill Industries Santa Cruz, Monterey and San Luis Obispo Co Inc (Goodwill) is committed to ensuring that an environment exists for employees to report suspected violations of the law or fraud. Goodwill has set up a mechanism to ensure that complaints are investigated in a timely manner and an employee bringing a complaint is free from retaliation.

Goodwill is dedicated to the fair and accurate accounting of financial matters of Goodwill and expects all employees to act in accordance with the highest ethical standards in the performance of their duties on behalf of Goodwill. Goodwill relies on all of its employees to abide by the intent and spirit of this policy and to report any suspected violations of this policy or other questionable financial, accounting or audit matters or potential legal violations of state and/or federal laws without fear of retaliation.

Goodwill has established the following procedures for the confidential, anonymous submissions of concerns or complaints by employees regarding questionable ethical, business, accounting, or auditing matters.

Filing a Complaint

Any employee who has complaints or concerns with respect to **ethical behavior, accounting controls, auditing matters, violations of state or federal laws or policies** of Goodwill is strongly encouraged to report such a complaint or concern to Goodwill's Audit Committee. Such submissions may be directed to the attention of the Audit Committee thru the Chair of the Audit Committee.

To file a complaint or concern to the Audit Committee, an individual should provide details in writing to the Chair of the Audit to:

Chair of the Audit Committee

Susan Farrar

7807 Soquel Drive

Aptos, CA 95003

Or e-mail at susan@cfsec.org

As many details as possible should be included with the complaint, such as a description of the questionable activity, the names of the individuals involved, the names of possible witnesses, dates, times, places, and any other available details. Goodwill Industries encourages any employee to come forward with information. Retaliation is prohibited against the individual bringing the complaint or concern to the Audit Committee.

However, any individual should feel free to report the complaint anonymously and confidentiality will be protected

Supervisors and managers who receive such *complaints must consult with the Audit Committee prior to taking action*. The Audit Committee has the authority and responsibility for undertaking the investigation, the Audit Committee handles the complaints relating to ethical or accounting practices

Investigating a Complaint

The Audit Committee will oversee the intake and response to complaints. The Audit Committee will fully evaluate and investigate the allegations of misconduct as expeditiously as possible. Individuals should avoid making false statements and not engage in any activity that is either unlawful or unreasonable. If the Audit Committee determines the complaint is outside the scope of the Audit Committee's responsibility, it will refer the complaint to the appropriate level of authority for investigation.

Responding to a Complaint

Complaints will be addressed in a timely manner, and the individual bringing a complaint before the Audit Committee will receive a response either directly or through an anonymous whistleblower hotline to be established in 2006. The Audit Committee will maintain a record of all such complaints and concerns, along with the investigative outcomes, on a confidential basis. Individuals bringing a complaint should in good faith participate in any subsequent procedures necessary to investigate the complaint. At the conclusion of any investigation or proceeding, the outcome will be communicated to the individual bringing the complaint.

Ensuring a Non-Retaliation Policy

Goodwill Industries will not retaliate or take part in any form of reprisal against the individual bringing the complaint. Any such retaliation is prohibited. Employees who believe they may have been subject to retaliation should report such suspected retaliation to the Audit Committee in the same manner described above for the purpose of reporting questionable activity.

Nothing in this policy pre-empts applicable state or federal statutes governing whistleblowers.

Additional Data

Software ID:

Software Version:

EIN: 94-1254638

Name: GOODWILL INDUSTRIES OF SANTA CRUZ MONTEREY & SAN LUIS OBISPO COUNTIES INC

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MICHAEL J PAUL President/CEO	40 00			X	X	X	165,526	0	17,890	
LENNE BENNETT DECEASED Executive VP	40 00					X	74,711	0	5,548	
JOHN T COLLINS Senior VP	40 00					X	103,493	0	4,291	
NICHOLAS ANDREWS Director of Finance	40 00			X		X	87,738	0	7,888	
JAMES HOWLEY Director H/R	40 00					X	86,769	0	2,376	
JASON R BOOK Chairman	2 00	X		X						
JEFF MAJOR Vice Chairman	2 00	X		X						
GENE BASSETT Treasurer	2 00	X		X						
BRUCE DUNN Secretary	2 00	X		X						
SUE FARRAR Director	2 00	X								
MAGGIE IVY Director	2 00	X								
JAN MCKENZIE Director	2 00	X								
PETER BAGNALL Director	2 00	X								
SUSAN BARICH Director	2 00	X								
JESS BROWN Director	2 00	X								
CEIL CIRILLO Director	2 00	X								
GREG FINDLEY Director	2 00	X								
JOHN GONZALEZ Director	2	X								
JULIA JACKSON Director	2	X								
BOB MCKENZIE Director	2	X								
TOM MORAN Director	2	X								
LOU PAOLINO Director	2	X								
JOE TORRES Director	2	X								
SHERLYN TORRES Director	2	X								
MARK HANNAH Director	2	X								