REGIONS

May 27, 2009

Alan Rosenzweig
Asst. County Administrator
Leon County Florida

Re: Goodwill Industries-Big Bend, Inc

This letter is being written to serve as confirmation the above referenced entity complies with Debt Service Coverage Ratio of at least 1.1 to 1.0.

During the underwriting process Regions Bank evaluated the audited financial statements of Goodwill Industries-Big Bend, Inc and determined the Debt Service Coverage Ratio to be 1.43 to 1.0.

Don't hesitate contacting me at (850) 523-4619 with any questions.

Sincerely,

Michael R. Wilson
Vice President
Community Banking Relationship Manager

2000 Capital Circle N.E.
Tallahassee, Florida 32308-4302
(850) 523.4600
Fax (850) 523.4637

Florida Relay Service
(800) 955-8770
TDD
(850) 576-5235

Goodwill
Industries-Big Bend, Inc.

300 Mabry Street
Tallahassee, FL 32304
Phone (850) 576-7145
Fax (850) 576-4691
www.goodwillbigbend.com

May 1, 2009

Leon County, Florida
c/o Alan Rosenzweig
Asst. County Administrator
301 S. Monroe Street
Suite 502
Tallahassee, Florida 32301

Re: Tax-Exempt Financing Project for Goodwill Industries-Big Bend, Inc., a Florida nonprofit corporation

Ladies and Gentlemen:

Kindly allow this letter to serve as an introduction in connection with a request from our organization, Goodwill Industries-Big Bend, Inc. ("Goodwill"), to Leon County to serve as a conduit governmental issuer in connection with a tax-exempt loan. Goodwill is incurring a loan from Regions Bank to finance a new $3.3 million goodwill donation drop-off and retail facility to be located at 6810 Thomasville Road, Tallahassee, Florida 32312 (located in unincorporated Leon County, Florida). The new facility will be owned, operated and used by Goodwill to provide the nonprofit services of job skills training and workforce development to disadvantaged and disabled individuals in the greater Leon County area. Regions Bank (acting through its subsidiary Regions Equipment Financing Corporation) has agreed to provide a tax-exempt loan to Goodwill in the amount of $2,640,000 (80% loan to value) which will be used (along with a 20% equity contribution (i.e. $660,000) from Goodwill) to finance the new building.

As you may know, Goodwill is a Florida nonprofit corporation which has been designated a tax-exempt 501(c)(3) entity under the federal tax laws. By virtue of being designated a tax-exempt 501(c)(3) entity, Goodwill is eligible to borrow funds on a tax-exempt basis which, in essence, means our organization is eligible to borrow money at cheaper interest rates than conventional bank financing. Understandably, Goodwill is very proud of its long history as a nonprofit job skills training and workforce development facility in the greater Tallahassee community and the quality of the services it provides on a nonprofit basis to individuals in need of employment.

carf

To this end, Regions has offered to provide a loan to Goodwill in the approximate amount of $2,640,000 (representing 80% of the value of the new building). Although the final loan amount will likely be $2,640,000, we are asking the County to approve a maximum loan amount of $2,750,000 to provide some wiggle room. The proceeds of the loan, along with an equity contribution of 20% from Goodwill, will be used to finance a new facility at 6810 Thomasville Road, Tallahassee, Florida. Our organization already owns and operates approximately ten (10) goodwill donation and retail facilities in the Tallahassee area and this new facility broadens and expands the reach of our organization and its operations.

The loan from Regions is structured as a private placement loan (i.e. not publicly-traded bonds) and Regions is the sole lender for the project. The loan will be payable over a ten-year period.

As you may guess, in order to qualify for tax-exempt financing, the federal tax rules require that Goodwill utilize a governmental issuer (like Leon County, Florida) to actually "issue" the debt although it is the responsibility of Goodwill to repay the loan. Goodwill shall be solely responsible for repaying all of the debt owed to Regions. We understand that your County is not liable in any way in connection with the loan (and the financing documents shall expressly provide this point). Moreover, the County will receive full indemnification protection from Goodwill. Regions will be taking a mortgage on the new facility as collateral for its loan.

It is our understanding that the County's Finance Committee must first review (and hopefully approve) our application for conduit financing. Following the approval/recommendation of the County's Finance Committee, we must then present our project to the Board of Commissioners for consideration (and hopeful approval). I plan on attending any and all necessary meetings (along with the bank officials) to answer any questions about our project. The County's proposed application also references a $15,000 application fee and $5,000 issuance fee (even for nonprofit borrowers). If it all possible, we humbly ask the County to waive the application/issuance fee due to the small size of this project and our organization's nonprofit mission of providing help to individuals in the greater Leon County area, your (and my) home County. We, of course, agree to cover the fees of the County's counsel in connection with the project so that the County is not "out-of-pocket" for any third-party amounts in connection with the financing project. In the spirit of disclosure, several years ago we financed another facility located within the City of Tallahassee using this identical financing structure (the City served as the conduit issuer) and the City agreed to waive its $15,000 issuance fee on a similar size project. As you may guess, being a nonprofit means every penny counts and this is the spirit in which we ask you to waive the County's issuance fee for this nonprofit project.

Should you have any immediate questions regarding the financing project for Goodwill, feel free to give me a phone call or ask me at your meeting(s). I can be reached at (850) 576-7145 (extension 102) and stand ready to assist any way I can. I, of course, will attend the County meetings to answer any questions anyone may have. By copy of this letter to Ms. Jolinda Herring of Bryant Miller & Olive, I will provide her with draft copies of our application and request as well.

Both Goodwill and Regions greatly appreciate your assistance with this project and your willingness to allow Goodwill to borrow funds at a reduced rate of interest for its financing project.

I look forward to visiting with each of you at the meeting to discuss the project in detail and to answer any further questions which you may have.

Please find enclosed three (3) originals and ten (10) photocopies of the application and related schedules.

Many thanks for your help.

With kind regards, I am

Fred G. Shelfer, Jr., CEO
Goodwill Industries-Big Bend, Inc.

Cc: Ms. Jolinda Herring, Esq.

Attached is Replacement for
Attachment #1 (Policy) of Agenda Item #2,

Adoption of Leon County Conduit Financing Policy

Meeting of Tuesday, November 25, 2008

This document distributed November 24, 2008

Board of County Commissioners
Leon County, Florida

Policy No. 08-3

Title:	Leon County Conduit Financing Policy
Date Adopted:	November 25, 2008
Effective Date:	November 25, 2008
Reference:	N/A
Policy Superseded:	None

It shall be the Policy of the Board of County Commissioners of Leon County, Florida, that a policy entitled "Leon County Conduit Financing Policy" is hereby adopted, to wit:

Purpose:

Leon County desires to provide appropriate access for non-governmental entities to tax exempt financing through conduit issuances.

Leon County acknowledges that, although each individual issue must be self-supporting and will not at anytime require the direct financial support of the County, the issues will utilize the County's authority and reputation for the issuance and that debt issues that do not ultimately perform to market expectations could negatively impact the County's future capacity to issue debt and the overall reputation of the County.

Leon County further directs that all Authorities seeking to request Tax Equity and Financial Responsibility Act (TEFRA) hearings from the County shall have policies adopted equal to this County policy.

CONDUIT FINANCING POLICY

1) **Definitions.** All terms in capitalized form that are defined in this Section shall have the same meanings as are ascribed to those terms herein, unless a different or additional meaning is given to those terms specifically. Unless the context shall otherwise indicate, words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons. The following terms shall have the meaning indicated below unless the context clearly requires otherwise:

   a) "*Credit Enhanced*" means a bond issue with a third party repayment guarantee such as a bank letter of credit, Federal program or insurance policy from a credit enhancer such as a bank or insurance company with credit ratings in the three highest categories, meaning at least A3 from Moodys, or A- from either FitchRatings or Standard and Poors, which repayment guarantee structure is binding for at least one year from date of issuance and results in the bonds being issued with the long-term credit ratings and the highest short-term rating, if applicable, of the credit enhancer.

   b) "*Credit Rating*" means a professional assessment of creditworthiness from either FitchRatings, Moodys, or Standard and Poors as nationally recognized credit rating agencies, or such other firm as may reasonably attain a similar role in the future.

   c) "*Financial Advisor*" or "FA" means a properly licensed firm retained by either the Issuer or Guarantor Applicant with a fiduciary responsibility to their client under the rules and procedures of the National Association of Securities Dealers, the Municipal Securities Rulemaking Board, Securities and Exchange Commission, and the Florida Statutes. The FA is expected to advise their client on structuring the debt, marketing the debt, and the investment or disposition of debt proceeds. Any FA retained by the Guarantor Applicant shall be acceptable to the Issuer.

   d) "*Guarantor Applicant*" means the entity that makes application to the County for the debt, sponsors the project, and provides the repayment funds. Notwithstanding the use of a conduit issuer and any credit enhancement, the Guarantor Applicant is the entity whose credit is reviewed by the investors or credit enhancers as the underlying source of repayment funds.

   e) "*Investment Grade Credit Rating*" means a Credit Rating of BBB- or higher from FitchRatings, Baa3 or higher from Moodys, and BBB- or higher from Standard and Poors, and such other similar minimum rating level from another similar nationally recognized Credit Rating firm as may reasonably attain a similar role in the future.

   f) "*Issuer*" means an Authority or Leon County as conduit issuer of the debt.

   g) "*Sophisticated Investor*" means a "qualified institutional buyer" as that term is defined under Rule 144A of the Securities and Exchange Commission or an "accredited investor" as that term is defined in Regulation D of the Securities and Exchange Commission.

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2) **Bond Issuance and TEFRA approval.**

a) Debt issues for more than $10,000,000 undertaken for Guarantor Applicants with Credit Ratings below Investment Grade Credit Ratings must use the services of a Financial Advisor mutually acceptable to the Guarantor Applicant and the County.

b) The Authority or Guarantor Applicant will cause an Official Statement and related offering documents to be produced in connection with all public sales of debt.

c) To the extent possible, public hearings should be held in the Leon County Commission and televised to facilitate the most open process possible.

d) Blanket (statewide) TEFRA hearings will not fulfill a local TEFRA hearing requirement. TEFRA approvals for projects involving multiple facilities over a period of time should be specific in identifying the names and locations of the multiple facilities and local TEFRA approvals should be obtained in all jurisdictions where appropriate.

e) Standards for County TEFRA approval request:

i) The Authority or Guarantor Applicant will provide a detailed project description and a distribution list of the participants. The project description should include a description of the plan to obtain all necessary TEFRA approvals.

ii) TEFRA requests will include any related financials, feasibility studies, and required pro-forma statements that were part of the Guarantor Applicant's application to the Authority. For Credit Enhanced debt issues, the Guarantor Applicant's financials do not need to accompany the TEFRA request.

iii) The Authority or Guarantor Applicant will provide minutes of legally noticed hearings regarding the debt issue, along with copies of required legal notices (minutes should include the outcome of any votes that take place, hearing dates, and legal notice publication dates).

iv) The Authority or Guarantor Applicant will provide a description of the sale method, the proposed debt structure, and the minimum debt denominations. When an FA participates in the debt issue, the FA will provide the recommendation about sales method, debt structure, and minimum denominations.

v) The Authority or Guarantor Applicant will provide a credit discussion regarding such things as repayment sources, credit enhancements, ratings, insurance, and debt service reserve levels. When an FA participates in the debt issue, the FA will provide the credit description.

vi) The Authority or Guarantor Applicant will provide copies of resolutions; being certain those resolutions contain legal disclosure confirming that no County funds are pledged when that is the case.

vii) The Authority or Guarantor Applicant will provide notice of any waiver granted pursuant to Section 4 c).

3) **Pooled Finance.**

a) The Authority or Guarantor Applicant will avoid blind-pools justified by demand surveys where funds are issued and invested until used to fund projects. Instead, the Authority or Guarantor Applicant will focus on individual issues for individual projects or focus on draw-down structures that issue debt proceeds from investors only as projects require funding.

4) **Categorization of debt.**

a) For purposes of determining requirements for the Authority or Guarantor Applicant, there are three categories which provide threshold standards:

i) **Rated and/or enhanced debt:** Bonds with credit enhancement and a rating in one of the three highest rating categories. Held by the borrower or a credit enhancer, or an affiliate of either, bonds with a rating in one of the three highest rating categories from a nationally recognized rating service (currently at least A3 from Moodys or A- from FitchRatings or Standard and Poors). These bonds do not have any additional restrictions required.

ii) **System debt:** This is debt being issued to support an existing or on-going concern of at least five years. Revenues must be pledged from the entire enterprise, not from the specific project. The debt must be issued as a sole placement and is not divisible. The financial pro-forma should demonstrate coverage of at least 1.10 of maximum debt service.

iii) **Other Financings:** This is debt being issued that does not meet the definition of either i) or ii), as previously stated. If either privately or publicly placed, these financings must meet the following criteria: (i) a feasibility study (market analysis, management structure, financial plans, etc) with financial projections showing at least 1.10X coverage of maximum annual debt service, and (ii) explanation of supplemental financial support from parent corporations, provision for reasonable and prudent reserves. If publicly placed, the financing must also meet the following criteria:

(a) shall be sold and subsequently transferred only to a Sophisticated Investor or Investors

(b) receive an investment credit grade rating

(c) shall comply with the conditions set forth in paragraph i – iii) or iv - vi), as determined prior to the issuance of the bonds:

(i) The bonds shall be sold in minimum denominations of $100,000; and

(ii) The bonds shall be sold only to Sophisticated Investors who have executed and delivered an "investor's letter", in form and substance satisfactory to the County including, among other things, (A) stating that the purchase of the bonds will be solely for its own account, (B) stating that such Sophisticated Investor can bear the economic risk of its investment in the bonds, (C) stating that such Sophisticated Investor has such knowledge and experience in financial business matters in general and tax-exempt obligations in particular, that it is capable of evaluating the merits and risks of purchasing the bonds, (D) stating that such Sophisticated Investor has made the decision to purchase the bonds based on its own independent investigation regarding the bonds, the borrower and the project and if a disclosure document has been prepared, it has reviewed such disclosure document, and has received the information it considers necessary to make an informed decision to invest in the bonds, and (E) acknowledging that the County, its counsel and its advisors bear no responsibility for the accuracy or completeness of information with respect to the borrower and the project contained in any disclosure document related to the Sophisticated Investor's purchase of the bonds; and

(iii) The bonds shall bear a legend restricting subsequent transfers to other Sophisticated Investors who have executed and delivered an "investor's letter" complying with the preceding paragraph (ii).

Or,

(iv) The bonds shall be sold in minimum denominations of $250,000; and

(v) The bonds shall be sold initially only to Sophisticated Investors who have executed and delivered an "investor's letter", in form and substance satisfactory to the County including, among other things, (A) stating that the purchase of the bonds will be solely for its own account, (B) such Sophisticated Investor can bear the economic risk of its investment in the bonds, (C) stating that such Sophisticated Investor has such knowledge and experience in financial business matters in general and tax-exempt obligations in particular, that it is capable of evaluating the merits and risks of purchasing the bonds, (D) stating that such Sophisticated Investor has made the decision to purchase the bonds based on its own independent investigation regarding the bonds, the borrower and the project and if a disclosure document has been prepared, it has reviewed such disclosure document, and has received the information it considers necessary to make an informed decision to invest in the bonds, and (E) acknowledging that the County, its counsel and its advisors bear no responsibility for the accuracy or completeness of information with respect to the borrower and the project contained in any disclosure document related to the Sophisticated Investor's purchase of the bonds; and

(vi) The bonds shall bear a legend restricting subsequent transfers to investors who by their purchase of the bonds represent that they (A) are purchasing the bonds solely for their own account, (B) can bear the economic risk of their investment in the bonds, (C) have such knowledge and experience in financial business matters that they are capable of evaluating the merits and risks of purchasing the bonds, and (D) have made the decision to purchase the bonds based on their own independent investigation regarding the bonds and have received the information they consider necessary to make an informed decision to invest in the bonds.

(d) Each indenture related to bonds that are subject to the restrictions, as set forth previously, shall provide that the trustee and the paying agent shall not authenticate or register a bond unless the conditions of this policy have been satisfied.

(e) Guarantor Applicants can petition the County for a waiver to issue in smaller denominations than required within this Section. The Guarantor Applicant must demonstrate a compelling public purpose for smaller denominations. The demonstration of a compelling public purpose may require a formal presentation at the discretion of the County. Any waiver granted by the Authority may only be granted prior to submission of TEFRA materials to the County pursuant to Section 2 e).

5) **Investment of Proceeds.**

a) The FA will recommend the investment structure for debt proceeds and bid the investment of proceeds. In the event an FA is not required for a debt amount under $10,000,000 or for a Guarantor Applicant with Investment Grade Credit Ratings, a financial officer of the Guarantor Applicant should submit a signed plan for disposition, investment and safekeeping of the proceeds as a part of the application process which will then be included in the TEFRA request packet for the County. Prior to disbursement of proceeds of debt issued by the County, a trustee bank or financial institution approved by the County shall hold such proceeds.

6) **Continuing Disclosure and Market Transparency.**

a) The Authority or the Guarantor Applicant will arrange to use a recognized agent as an information repository and dissemination agent for 15(c) 2-12 disclosure, to the extent applicable. Guarantor Applicants with Investment Grade Credit Ratings can choose to undertake any disclosure responsibilities under 15(c) 2-12 through a proprietary process.

b) The Authority or the Guarantor Applicant will ensure that copies of all closing transcripts are forwarded to the Leon County Clerk, the County Attorney, and the County Administrator.

7) **Criteria, Application and Fees.**

a) Criteria for financing

i) Community need: The primary criterion for financing any project will be the degree to which the community needs the proposed capital improvement. The issuer will require the presentation of all pertinent data and information, both objective and subjective, with respect to community needs before approving any project. In order to provide community need, a project shall make a significant contribution to the economic growth of Leon County; shall provide or preserve gainful employment; shall protect the environment; or shall serve a public purpose by advancing the economic prosperity, the public health, or the general welfare of the State and its people.

ii) Financial feasibility: The County, as its discretion; shall have the authority to require a financial feasibility study to be completed by an independent financial feasibility consultant of recognized competence at the applicant's expense.

b) Fees

i) A $15,000 application fee is required at the time of application. The application fee is non-refundable in the event the bond issue does not close for any reason.

ii) A financing fee is required to be paid from the proceeds of the bonds at closing of the bond issue in an amount equal to (1%) of the principal amount of the bonds actually issued, or $5,000 whichever is greater.

iii) The applicant shall pay to Leon County, an amount equal to all out-of pocket costs other than normal office expenditures for telephone charges, photocopying and the like incurred by the County in processing the application and issuing the bonds. The applicant shall reimburse the County for time expended by attorneys employed by the Office of the County Attorney in direct support of the bond issue. The applicant shall pay these expenses within ten (10) days after receipt of written invoice or demand for payment. These expenses may be deferred and collected from the proceeds of sale upon approval of the Board, provided the same shall not reduce the applicant's liability to pay the expenses in the event that no closing occurs.

iv) All fees and expenses of all such consultants required by the applicant (including but not limited to financial advisor, bond counsel, engineers, etc.) shall be the sole responsibility of the applicant.

c) Application: The following is applicable to those entities seeking direct conduit financing through the County. The County Administrator and Finance Advisory Committee are hereby authorized to request any additional information deemed necessary to properly evaluate the request.

i) Three original applications shall be submitted.

ii) The applicant shall execute an Expense and Indemnity Agreement in the form included as Attachment #1.

iii) Application questionnaire in the form included as Attachment #2.

d) County Review

i) Upon receipt of an application, the County's Finance Advisory Committee or designee shall determine whether an application is complete. No further processing of an incomplete application shall be done until the application is determined to be complete.

ii) The County's Financial Advisor will prepare its written report to the County with respect to the issue.

iii) A preliminary meeting will be scheduled of the County's Finance Advisory Committee.

(1) The committee may decide whether the applicant may make a presentation.

(2) The committee may recommend the project for further consideration by the Board of County Commissioners, contingent upon the applicant fulfilling all statutory requirements, the requirements of these Financing Guidelines, and any other requirements the County may deem appropriate depending on the circumstances; or

(3) The committee may reject the application; or

(4) The committee may request additional information.

(5) The committee shall submit its finding and recommendations to the Board for its consideration.

8) **Authorities:** It is the County's intent for all Authorities seeking a TEFRA of the County that the Authority adopt the same guidelines.

Attachment #1: Expense and Indemnity Agreement

(Leon County, FL)

Proposed Bond Issue for:

Ladies and Gentlemen:

The undersigned corporation (The "Corporation") has requested you to consider its application to have you issue the bonds referred to above (the "Bonds') for the benefit of the Corporation and as an inducement to such consideration, hereby agrees with you as follows:

Section 1. Payment of Expenses:

Whether or not the Bonds are offered, sold or issued, the Corporation agrees to pay and be liable for, and to hold you harmless against the payment of any and all expenses relating to the Bond issue, including without limitation the frees and disbursements of your financial advisor, special counsel and bond counsel, your administrative charges and out-of pocket expenses, recording charges, expense of printing offering circulars, official statements, and the Bonds, legal advertising and expenses of registering the Bonds with the securities commission of any state.

Section 2. Indemnity:

Whether or not the Bonds are offered, sold or issued, the Corporation agrees to indemnify you, and each of your members, officers, agents, attorneys, advisors and employees against any and all claims and liability of whatsoever nature arising out of or relating directly or indirectly to the Bond issue, whether caused by you or the Corporation or otherwise, including, without limitation, claims based upon actual or alleged misrepresentation, fraud or other tortuous conduct, breach of contractual relationships, or violation of law or administrative rule, whether predicted upon federal or state statutes, common law, principles of equity or otherwise, excepting only claims based upon willful misfeasance or nonfeasance. In furtherance of the foregoing, the corporation agrees to pay any and all attorneys' fees and court costs incurred in the defense of any of the persons herein above indemnified shall be entitled to retain counsel acceptable to you or them to defend any such claim, but that neither you nor any such person will enter into any settlement of the same without the prior written approval of the Corporation.

Section 3. Survival of Agreement:

This Agreement shall survive the closing of the Bond issue and shall not merge into or be superseded by any other agreement other than by a written amendment hereto specifically denominated as such and executed by you and the Corporation.

If the forgoing is acceptable to you, please indicate your acceptance in the space provided below, whereupon the Agreement shall become a binding contract between us.

Dated: as of May 1, 2009

NAME OF CORPORATION: Goodwill Industries--Big Bend, INc.

By: _____
Fred Shelfer, Jr.

Its: CEO

Accepted and agreed to as of the date above written:

(LEON COUNTY, FLORIDA)

LEON COUNTY, FLORIDA

BY: _____
Bryan Desloge, Chairman
Board of County Commissioners

ATTEST:
Bob Inzer, Clerk of the Court
Leon County, Florida

BY: _____

Approved as to Form:
Leon County Attorney's Office

BY: _____
Herbert W. A. Thiele, Esq.
County Attorney

Attachment #2: Leon County Application for Financing

(Please refer to pages 12-15)

Policy No. 08-3
Leon County Conduit Financing Policy

Leon County Application for Financing

(Submit three original fully executed application forms with all required attachments and ten copies of the Application form with attachments and the application fee to the County at 301 S. Monroe St., Ste. 502)

A. Applicant

Corporation Name: **Goodwill Industries-Big Bend, Inc.**

State of Incorporation: **Florida nonprofit corporation**

Business Physical & Mailing Address: **300 Mabry Street**

Tallahassee, Florida 32304

Telephone: **(850) 576-7145 Ext. 102** Fax: **(850) 576-4691**

Contact Person: **Mr. Fred Shelfer, CEO of Goodwill Industries-Big Bend, Inc.**

Applicant's Agent (if any) Name: **Presley Burton & Collier, LLC**

Business Physical & Mailing Address: **Protective Center, 2801 Highway 280 South, Suite 700**

Birmingham, Alabama 35223-2483

Telephone: **(205) 423-3609** Fax: **(205) 423-3610**

Contact Person: **David B. Ringelstein II, Esq.**

Applicant's Legal Counsel: **Williams, Gautier, Gwynn, DeLoach & Sorenson, P.A.**

Contact Person: **Russell Gautier, Esq.**

Telephone: **(850) 386-3300** Fax: **(850) 386-3663**

Management of Project (if other than Applicant): **N/A**

Applicant shall attach copies of items 1-6 below:

- ✓ Names and Business Address of Officers and Directors
- ✓ Articles of Incorporation
- ✓ By-Laws: If Applicant is a non-profit corporation, evidence that the Applicant is an Organization covered under Section 501(c)(3) of the Internal Revenue Code for prior three years.
- ✓ Audited Financial Statements of the Applicant for the proceeding three years.
- N/A Annual Report (if regularly issued).
- N/A If Applicant is a public company under the Securities and Exchange Act of 1934, a copy of form 10-K for the last three years.

Policy No. 08-3
Leon County Conduit Financing Policy

B. Project

Brief Description: (Include number and type of Jobs):

The proceeds of this loan will be used to acquire an approximate 11,000 square foot building located at 6810 Thomasville Road, Tallahassee, Florida 32312 (being located in unincorporated Leon County) for use and operation as a goodwill donation drop-off center and retail store. The building will be owned and operated by Goodwill Industries-Big Bend, Inc. (the applicant). This new facility is projected to provide approximately 25 jobs (for individuals who are disadvantaged and/or disabled and which typically do not otherwise have jobs). The cost of the new facility is $3.3 million to be financed 80% from loan proceeds (i.e. $2,640,000) and 20% from equity contribution from Goodwill (i.e. $660,000). Although the final loan amount will likely be $2,640,000, we are asking Leon County to authorize a maximum loan principal amount of up to $2,750,000 to provide some wiggle room.

By way of background, Goodwill Industries-Big Bend, Inc., is a Florida nonprofit corporation whose corporate mission is to provide job training, education and employment to people with disabilities and other barriers to employment, helping them to reach their fullest potential in supporting themselves and their families. Goodwill Industries funds its nonprofit mission largely through operating donation drop-off locations which retail said donated goods to the public. Goodwill Industries-Big Bend, Inc. operates ten (10) store and donation facilities in the greater City of Tallahassee area along with other store and donation facilities across the Big Bend area covering approximately nineteen (19) counties.

Location: **6810 Thomasville Road, Tallahassee, Florida 32312**

Real Property to be acquired, if any (attach legal description, if available): **see attached legal description**

Description of equipment or other personal property to be acquired (attach list, if applicable):

No new equipment is being acquired with loan proceeds, only the acquisition and improvements.

If the project is a health care project for which a Certificate of Need is required, has Certificate of Need been obtained: **N/A**

No: _____ Yes: _____ Date: _____
(If yes, attach copy and give CON number: If no, give date of applications)

If no Certificate of Need is necessary, explain why: **This is not a healthcare project.**

Estimated total cost of project: **$3,300,000 (only 80% will be financed from loan proceeds, 20% will be in the form of an equity contribution from Goodwill).**

Projects	Amount
Land Acquisition	**N/A (included in price)**

Policy No. 08-3
Leon County Conduit Financing Policy

Design and Construction	**N/A**
Acquisition of existing structures	**$3,300,000**
Equipment Purchase	**0**
Other (Explain)	**N/A**
Estimated Total Cost of Project	**$3,300,000**

Has any feasibility study been performed: No: x Yes: _____
(If yes, attach copy)

Timetable: Attach as detailed a timetable as is available for the project.

Although there is not a formal timetable, the 11,000 square foot building is currently under construction and is approximately 40% complete. The building is being constructed by Trinidad Properties, LLC, a Florida limited liability company, and Goodwill Industries-Big Bend, Inc. will purchase and take title to the property upon completion of the construction (i.e. turn-key project for the new building for the agreed upon cost of $3,300,000). The applicant hopes that construction will be finished on or before July 1, 2009.

Policy No. 08-3
Leon County Conduit Financing Policy

C. Financing

Note: If the applicant has not yet obtained this date, leave this part blank, and the County will assist in structuring the transaction and selecting underwriters, feasibility consultants, and other professionals.

Associated Expenditures	Project Cost
Amount of Bond or Note Issue	**$2,750,000 (final loan amount will likely be $2,640,000 but Applicant is requesting the County to approve slightly more to provide wiggle room for contingencies).**
Total Project Cost	**$3,300,000**
Cost of Issuance	**Estimated to be less than $35,000 (exclusive of the Lender's required real estate due diligence items such as appraisal, appraisal review, title insurance, survey, etc)**
Monies Available from Other Sources (attach explanation)	**$660,000 equity contribution from Goodwill for this project. Also, Goodwill has a separte $250,000 credit line established for this new facility which can cover the costs of issuance and any cost overruns. The applicant has various sources of revenues which have been reviewed by the Lender and include: (i) retail sales to the public; and (ii) certain donations and grants from the corporate community and other charitable donors.**
Sources of Debt Service Payments	**Retail sales generated from all of Goodwill's operation/retail centers**
Additional Security of Guaranties	**N/A**
Credit Enhancement Provider (Letter of Credit, Bond Issuance, Surety Bond, etc.)	**N/A**
Final Maturity	**10 year maturity (debt amortized over 20 years which creates a balloon at the maturity at which point Goodwill will either refinance the remaining principal or retire the loan;**
Total	**See breakdowns above**

Are the proposed bonds to be junior in status to any other obligations of Application? No: _X_ Yes: __
(If yes, explain) _____

_____

Underwriter's name: **N/A (this is a private placement loan)**

Business Physical & Mailing Address: _____

Telephone: _____ Fax: _____

Contact Person: _____

Policy No. 08-3
Leon County Conduit Financing Policy

Underwriter's Counsel: **N/A (this is a private placement loan)**

Business Physical & Mailing Address: _____

Telephone: _____ Fax: _____

Contact Person: _____

C. Financing Cont'd

Feasibility Consultants: **N/A**

Business Physical & Mailing Address: _____

Telephone: _____ Fax: _____

Contact Person: _____

If any, list other Consultants, Contractors, and/or Agents: _____

_____

_____

_____

D. Refunding Issues:

If the proposed bond issue is for purposes of refunding previous debt, attach an official statement and all other "refunding documents," and a summary of the debt to be refunded. **N/A--This is not a refunding issue.**

E. Date of Application:

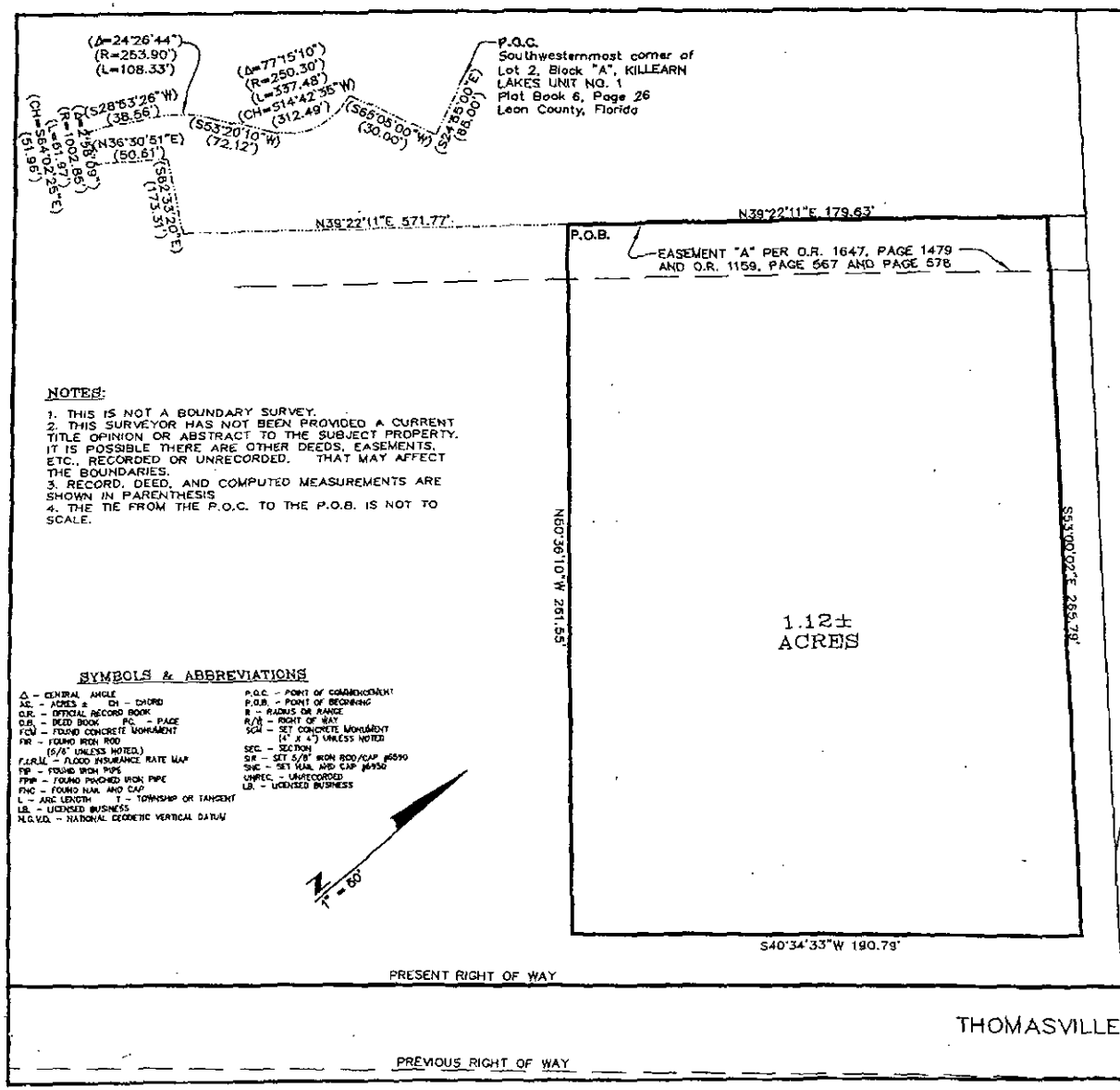
Applicant is required to submit an executed "Expenses and Indemnity Agreement" as required by the Guidelines.

Goodwill Industries Big Bend, Inc.

For the Applicant: _____
Fred Shelfer, Jr.

Its: Chief Executive Officer

(Corporate Seal)



NOTES:

1. THIS IS NOT A BOUNDARY SURVEY.
2. THIS SURVEYOR HAS NOT BEEN PROVIDED A CURRENT TITLE OPINION OR ABSTRACT TO THE SUBJECT PROPERTY. IT IS POSSIBLE THERE ARE OTHER DEEDS, EASEMENTS, ETC., RECORDED OR UNRECORDED, THAT MAY AFFECT THE BOUNDARIES.
3. RECORD, DEED, AND COMPUTED MEASUREMENTS ARE SHOWN IN PARENTHESIS
4. THE TIE FROM THE P.O.C. TO THE P.O.B. IS NOT TO SCALE.

SYMBOLS & ABBREVIATIONS

Δ – CENTRAL ANGLE
AC. – ACRES ±
CH – CHORD
O.R. – OFFICIAL RECORD BOOK
D.B. – DEED BOOK
PG. – PAGE
FCM – FOUND CONCRETE MONUMENT
FIR – FOUND IRON ROD (5/8" UNLESS NOTED)
F.I.R.M. – FLOOD INSURANCE RATE MAP
FIP – FOUND IRON PIPE
FPIP – FOUND PINCHED IRON PIPE
FNC – FOUND NAIL AND CAP
L – ARC LENGTH
T – TOWNSHIP OR TANGENT
LB – LICENSED BUSINESS
N.G.V.D. – NATIONAL GEODETIC VERTICAL DATUM
P.O.C. – POINT OF COMMENCEMENT
P.O.B. – POINT OF BEGINNING
R – RADIUS OR RANGE
R/W – RIGHT OF WAY
SCM – SET CONCRETE MONUMENT (4" X 4") UNLESS NOTED
SEC. – SECTION
SIR – SET 5/8" IRON ROD/CAP #6590
SNC – SET NAIL AND CAP #4950
UNREC. – UNRECORDED
LB. – LICENSED BUSINESS

I HEREBY CERTIFY THAT THIS SKETCH WAS PERFORMED UNDER MY RESPONSIBLE DIRECTION AND SUPERVISION AND THE PLAT AND DESCRIPTION ARE TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF. THE SKETCH MEETS OR EXCEEDS THE MINIMUM TECHNICAL STANDARDS FOR LAND SURVEYING AS ESTABLISHED BY THE FLORIDA BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS (F.A.C. 61G17-6).

ALAN D. PLATT, P.L.S.
PROFESSIONAL LAND SURVEYOR
FLORIDA LICENSED No. 4664

05/15/09
DATE SIGNED

05/15/09
DATE SKETCHED

UNLESS IT BEARS THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER THIS MAP IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT VALID.

SHEET 1 OF 2

CERTIFIED TO:
TERRY OOTEN

A.D. Platt
& ASSOCIATES, INC. - LAND SURVEYORS
489 JOHN KNOX ROAD, TALLAHASSEE, FL 32303
PHONE: (850) 385-1054 FAX: (850) 385-1108
LICENSED BUSINESS No. 6590

SKETCH OF LEGAL DESCRIPTION:
A 1.12± ACRE PART OF THE COMMERCIAL SITE SHOWN ON PLAT OF KILLEARN LAKES UNIT NO. 1, PLAT BOOK 6, PAGE 26, LEON COUNTY, FLORIDA

DRAWING:
9436-TOsParcel
PROJECT:
9436

Goodwill Industries – Big Bend, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2005 and 2004

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

There were $9,166 and $3,400 in bad debts written off in 2005 and 2004, respectively. No reserve for doubtful accounts is presented because management writes-off all amounts when they become uncollectible.

Merchandise Inventory

Purchased merchandise is recorded at the lower of cost or market value. Donated merchandise is recorded at the lower of estimated market value or net realizable value (salvage value). The organization records the processed finished goods portion of donated merchandise inventory based upon a sales to production ratio for each category of finished goods. Unprocessed merchandise is valued at estimated market value and salvage value combined.

Property, Plant and Equipment

The organization follows the policy of capitalizing property, plant and equipment at cost for purchased acquisitions that total more than $500 and at estimated fair value for donated items which are used in its operations. The donated items are reflected as contribution revenue at the time of donation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on a straight-line basis. Estimated useful lives of the assets range from five to thirty-nine years.

Revenue Recognition

The organization recognizes revenue from donated merchandise when the donated items are sold. Increases or decreases in estimated merchandise inventory values are reflected in the statement of activity at the end of each year.

Related Party Transactions

The organization has advanced funds to cover operating expenses to eight affiliated non-profit housing corporations in the North Florida and South Georgia area. These amounts are included in accounts receivable and total $170,509 and $264,331 for 2005 and 2004, respectively.

Goodwill Industries – Big Bend, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2005 and 2004

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization sold real estate to a Board Member on April 6, 2004 for $620,793 and simultaneously entered into a leaseback agreement through January, 2015. The Board Member has remodeled the property to suit the Organization's needs. The transaction was approved by the full Board of Directors at a Special Called meeting on October 30, 2003. The transaction was conducted fully at arm's length among the Organization and the Board Member.

Income tax

The corporation is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and is classified by the Internal Revenue Service as an organization other than a private foundation

NOTE B – CONCENTRATION OF CREDIT RISK

The organization maintains its cash in several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to $100,000, per institution. At December 31, 2005 and 2004, the organization's uninsured cash balances were $674,984and $306,829 respectively.

NOTE C - COMMITMENTS

The organization occupies a majority of its retail stores under lease agreements expiring at various dates through June, 2015. The future minimum rental commitments for all leases are as follows:

2006	$ 1,326,726
2007	1,121,559
2008	848,885
2009	700,823
2010	645,759
Thereafter	2,590,242
	$ 7,233,994

Rental expense under operating leases was $1,148,946 and $752,703, respectively, for the years ended December 31, 2005 and 2004

Goodwill Industries – Big Bend, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2005 and 2004

NOTE D – LONG TERM DEBT

	2005	2004
Notes payable to Capital City Bank - monthly payments of $10,426, to include principal and interest of 5.75%, are required through February 15, 2006 and $7,028 per month through February 15, 2021, secured by first mortgage.	$ 854,416	$ 927,388
Notes payable to Capital City Bank - monthly payments of $10,613 to include principal and interest of 5.25%, are required through June, 2008 and $7,099 per month through June, 2033, secured by first mortgage.	1,066,915	1,135,494
Note payable to Peoples First Community Bank - monthly payments of $5,430 to include principal plus interest of 8.25% are required through July, 2008, secured by first mortgage.	674,390	252,693
Total	$ 2,595,721	$ 2,315,575

Schedule of maturities:

2006	$129,844
2007	127,053
2008	751,591
2009	85,044
2010	89,848
Thereafter	1,412,341
	$2,595,721

Interest costs for 2005 and 2004 were $132,317 and $134,397, respectively. No interest was capitalized.

Goodwill Industries – Big Bend, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2005 and 2004

NOTE E– COMPENSATED ABSENCES

Compensated Absences

The organization provides vacation leave benefits to all its full time employees as specified in its personnel policies. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The organization's policy is to recognize the costs of compensated absences when actually paid to employees. Compensated absences for vacations and sick leave are not accrued and presented because they cannot be reasonably estimated.

NOTE F – CONTINGENCIES

The organization has been named as defendant in three pending legal disputes. The outcome of these actions is undeterminable in the opinion of counsel. Accordingly, no estimate for contingency has been made.

SUPPLEMENTAL INFORMATION

Goodwill Industries – Big Bend, Inc.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 2005

No findings were noted in the 2004 audit.

Goodwill Industries - Big Bend, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2005

Federal Grantor/Pass-through Grantor	Program Title	Federal CFDA Number	Grant Expenditures
Federal Grants:			
U.S. Department of Labor:			
Pass-through programs from:			
Chipola Regional Workforce Development Planning Board	WIA Adult Program	17.258	$ 125,302
	WIA Youth Activities	17.259	130,253
	WIA Dislocated Workers	17.260	95,442
	Employment Service	17.207	10,902
	Unemployment Insurance	17.225	4,571
Workforce Florida, Inc.	WIA Adult Program	17.258	31,676
Total U.S. Department of Labor			398,146
U.S. Department of Health and Human Services:			
Pass-through programs from:			
Gulf Coast Workforce Board, Inc.	Temporary Assistance for Needy Families (TANF)	93.558	105,600
Chipola Regional Workforce Development Planning Board	Temporary Assistance for Needy Families (TANF)	93.558	176,973
State of Georgia, Department of Labor	Temporary Assistance for Needy Families (TANF)	93.558	137,911
Total U.S. Department of Health and Human Services			420,484
U.S. Department of Agriculture:			
Pass-through programs from:			
Chipola Regional Workforce Development Planning Board	Food Stamps	10.551	49,101
Total U.S. Department of Agriculture			49,101
Total Federal Grants			$ 867,731

Notes to Schedule:

1. The Organization follows the accrual basis of accounting in preparing this schedule.
   This method is consistent with the method used in the preparation of the Organization's financial statements.
2. The Organization did not have any non-cash awards or subrecipients during the fiscal year.

Goodwill Industries – Big Bend, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2005

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified:	No
Reportable condition(s) identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program
93.558	Temporary Assistance for Needy Families
17.258 – 17.260	Workforce Investment Act

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	Yes

Goodwill Industries – Big Bend, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2005

Section II – Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

BEN F. BETTS, JR., C.P.A.
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)
JOSEPH T. SCHENCK, C.P.A.
MARK J. JONES, C.P.A.
ROONEY E. REAMS, C.P.A.

BETTS, ROGERS, SCHENCK & JONES
CERTIFIED PUBLIC ACCOUNTANTS
PROFESSIONAL ASSOCIATION

MEMBERS
PRIVATE COMPANIES
PRACTICE SECTION OF THE
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

May 19, 2006

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Goodwill Industries – Big Bend, Inc.

We have audited the financial statements of Goodwill Industries – Big Bend, Inc. as of and for the year ended December 31, 2005, and have issued our report thereon dated May 5, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Goodwill Industries – Big Bend, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Goodwill Industries – Big Bend, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our

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tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Betts, Rogers, Schenck & Jones

BEN F. BETTS, JR., C.P.A.
EDGAR A. ROGERS, JR., C.P.A. (1946-2000)
JOSEPH T. SCHENCK, C.P.A.
MARK J. JONES, C.P.A.
RODNEY E. REAMS, C.P.A.

BETTS, ROGERS, SCHENCK & JONES
CERTIFIED PUBLIC ACCOUNTANTS
PROFESSIONAL ASSOCIATION

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PRACTICE SECTION OF THE
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PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

May 19, 2006

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To Board of Directors
Goodwill Industries – Big Bend, Inc.

Compliance

We have audited the compliance of Goodwill Industries – Big Bend, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. Goodwill Industries – Big Bend, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Goodwill Industries – Big Bend, Inc.'s management. Our responsibility is to express an opinion on Goodwill Industries – Big Bend, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Goodwill Industries – Big Bend, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Goodwill Industries – Big Bend, Inc.'s compliance with those requirements.

In our opinion, the Goodwill Industries – Big Bend, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

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Internal Control over Compliance

Goodwill Industries – Big Bend, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Goodwill Industries – Big Bend, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Betts, Rogers, Schenck & Jones

LEGAL DESCRIPTION:

Commence at the Southwesternmost corner of Lot 2, Block "a", KILLEARN LAKES UNIT NO. 1, as per map of plat thereof recorded in Plat Book 6, Page 26 of the Public Records of Leon County, Florida, and run THENCE South 24 degrees 55 minutes 00 seconds East along the southerly right-of-way boundary line of Beech Ridge Trail 65.00 feet to a point for corner; THENCE leaving said southerly right-of-way boundary line run South 65 degrees 05 minutes 00 seconds West 30.00 feet to a point on the centerline of Beech Ridge Trail, said point also being a point on a nontangent curve concave to the Northwest; THENCE proceed in a southwesterly direction along the centerline of Beech Ridge Trail and along said curve having a radius of 250.30 feet through a central angle of 77 degrees 15 minutes 10 seconds for an arc distance of 337.48 feet (said curve also having a chord bearing South 14 degrees 42 minutes 35 seconds West and a chord distance of 312.49 feet) to a point of tangency; THENCE South 53 degrees 20 minutes 10 seconds West 72.12 feet to a point on a tangent curve concave to the Southeast; THENCE proceed in a southwesterly direction along said curve having a radius of 253.90 feet through a central angle of 24 degrees 26 minutes 44 seconds for an arc distance of 108.33 feet to a point of tangency; THENCE South 28 degrees 53 minutes 26 seconds West 38.56 feet to a point on the centerline of Kinhega Drive, said point also being a point on a nontangent curve concave to the Southwest; THENCE leaving aforesaid centerline of Beech Ridge Trail and continuing along the centerline of Kinhega Drive proceed in a southeasterly direction along said curve having a radius of 1002.85 feet through a central angle of 02 degrees 58 minutes 09 seconds for an arc distance of 51.97 feet (said curve also having a chord bearing South 64 degrees 02 minutes 25 seconds East and a chord distance of 51.96 feet) to a point for corner; THENCE leaving said centerline of Kinhega Drive run North 36 degrees 30 minutes 51 seconds East 50.61 feet to a point on the easternmost right-of-way boundary line of Kinhega Drive; THENCE South 62 degrees 33 minutes 20 seconds East along said easternmost right-of-way boundary line 173.31 feet, thence run North 39 degrees 22 minutes 11 seconds East a distance of 571.77 feet to the POINT OF BEGINNING. From said POINT OF BEGINNING proceed: Thence run North 39 degrees 22 minutes 11 seconds East a distance of 179.63 feet; thence run South 53 degrees 00 minutes 02 seconds East a distance of 265.79 feet; thence run South 40 degrees 34 minutes 33 seconds West a distance of 190.79 feet; thence run North 50 degrees 36 minutes 10 seconds West a distance of 261.55 feet to the POINT OF BEGINNING.
Containing 1.12 acres, more or less.

Goodwill Industries-Big Bend, Inc.
Board of Directors
2009-2010

President/CEO
Fred G. Shelfer, Jr.
300 Mabry Street
Tallahassee, FL 32304
fshelfer@goodwillbigbend.com

Executive Committee
CHAIR
Jim Scarboro
Capital City Bank
P.O. Box 900
Tallahassee, FL 32302-0900
jscar@ccbg.com

VICE CHAIR
Jerry Osteryoung, PhD
2912 Brandemere Drive
Tallahassee, FL 32312
jerry.osteryoung@gmail.com

Treasurer
Gary Bliss
75 Walker Creek Drive
Crawfordville, FL 32327
Island_Angler@yahoo.com

Secretary
Elaine Bryant
1882 Capital Circle NE, Suite 105
Tallahassee, FL 32308
ebryant446@aol.com

Past Chair
Andy McMullian
1121 Rosewood Drive
Tallahassee, FL 32301

Chair, Human Resources
Barbara Lay
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Crawfordville, FL 32327
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Chair, Mission Services
Shirlee Bowne
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Chair, Development
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President, Housing
W. Calvin Melton, PhD
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Tallahassee, FL 32312

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rrogers@baskervilledonovan.com

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alettas@fcul.org

Marty Sipple
227 S. Calhoun Street
Tallahassee, FL 32301
msipple@ausley.com

Gary Stout
5121 Blountstown Highway
Tallahassee, FL 32304
gpstout_98@yahoo.com
gpstout@ingramenterprises.com

Kha Thomas McDonald
P.O. Box 1540
Thomasville, GA 31799
kha@rose.net

State of Florida

Secretary of State

I, Tom Adams, Secretary of State of the State of Florida, Do Hereby Certify That the following is a true and correct copy of

CERTIFICATE OF INCORPORATION

OF

GOODWILL INDUSTRIES - BIG BEND, INC.,

a corporation not for profit, organized and existing under the Laws of the State of Florida, filed on the 28th day of April, A. D., 1967, as shown by the records of this office.

Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capitol, this the 2nd day of May, A.D. 19 67.

Tom Adams

Secretary of State

corp-95
3-66

ARTICLES OF INCORPORATION

GOODWILL INDUSTRIES - BIG BEND, INC.
(A Corporation not for Profit)

We, the undersigned, with other persons being desirous of forming a corporation for charitable and philanthropic purposes, under the provisions of Chapter 617, Florida Statutes, do agree to the following:

ARTICLE I

The name of this corporation is Goodwill Industries - Big Bend, Inc.

ARTICLE II

The general nature of the objects and purposes of this corporation shall be:

1. This corporation is organized and to be operated exclusively for religious, charitable, and educational purposes. It is not organized for profit nor shall any of its net earnings inure in whole or part to the benefit of its members. No substantial part of the activities of this corporation is attempting to influence legislation by propaganda or otherwise, nor participating in any political campaign in behalf of any candidate for public office.

2. This corporation shall provide rehabilitation services, training, employment, and opportunities for personal growth as an interim step in the rehabilitation process for the handicapped, disabled and the disadvantaged who cannot be readily absorbed in the competitive labor market or during such time as employment opportunities for them in the competitive labor market do not exist. By the inspiration of religion and the skillful use of recognized techniques of rehabilitation, social work, life guidance, evaluation, training and useful employment, this corporation shall seek to assist the handicapped, the disabled, and the disadvantaged, to attain the fullest development of which they are capable.

3. The selling of articles, reconditioned, assembled or made by such persons as a part of their vocational rehabilitation shall be a necessary part of the religious, social and educational service program of this corporation.

ARTICLE III

The membership of this corporation shall constitute all persons hereinafter named as subscribers or directors and such other persons as, from time to time hereafter, may become members in the manners prescribed in the by-laws.

ARTICLE IV

This corporation is to exist perpetually.

ARTICLE V

The names and residences of the subscribers to these articles are:

Name	Address
Ernest M. Menendez	P.O. Box 2214 Tallahassee, Florida
Edward L. Herp	WFSU-202 Dodd Hall Fla. State University Tallahassee, Florida
Edwin M. Clark	Midyette-Moor Bldg. Tallahassee, Florida
J. D. Williamson	260 E. Sixth Avenue Tallahassee, Florida
Miss Hazel L. Wilkerson	P.O. Box 3114 Tallahassee, Florida

ARTICLE VI

Section 1. The officers of the corporation shall be a President, such number of Vice Presidents, a Secretary, a Treasurer, and such other officers as may be provided in the by-laws.

Section 2. The names of the persons who are to serve as officers of the corporation until the first meeting of the Board of Directors are:

OFFICE	NAME
President	Ernest M. Menendez P.O. Box 2214 Tallahassee, Florida
Vice Presidents	Edwin M. Clark Midyette-Moor Bldg. Tallahassee, Florida
	Edward L. Herp WFSU-202 Dodd Hall Fla. State University Tallahassee, Florida
Treasurer	J. D. Williamson 260 East Sixth Avenue Tallahassee, Florida
Secretary	Miss Hazel L. Wilkerson P.O. Box 3114 Tallahassee, Florida

Section 3. The officers shall be elected at the annual meeting of the Board of Directors or as provided in the by-laws

ARTICLE VII

Section 1. The business affairs of this corporation shall be managed by the Board of Directors. (This corporation shall have 28 directors initially. The number of directors may be increased or decreased from time to time, by the by-laws, but shall never be less than three.)

Section 2. The Board of Directors shall be members of this corporation.

Section 3. Members of the Board of Directors shall be elected and hold office in accordance with the by-laws.

Section 4. The names and addresses of the persons who are to serve as directors for the ensuing year, or until the first annual meeting of the corporation are:

Name	Address
Ernest M. Menendez	P.O. Box 2214 Tallahassee, Florida

Edward L. Herp	WFSU-202 Dodd Hall Tallahassee, Florida
Edwin M. Clark	Midyette-Moor Building Tallahassee, Florida
J. D. Williamson	260 East Sixth Avenue Tallahassee, Florida
Miss Hazel L. Wilkerson	P.O. Box 3114 Tallahassee, Florida
Roland B. Charron	1341 Jackson Bluff Rd. Tallahassee, Florida
Thomas D. Bailey	913 Gardenia Drive Tallahassee, Florida
William O. Cullom	P.O. Box 2097 Tallahassee, Florida
Millard Davidson	State Road Department The Hayden Burns Bldg. Tallahassee, Florida
Fred O. Dickinson	State Comptroller The Capitol Tallahassee, Florida
Dr. Dorothy Hoffman	P.O. Box 470 Tallahassee, Florida
Father Patrick M. Madden	624 Miccosukee Road Tallahassee, Florida
Murray Sharkey	P.O. Box 511 Tallahassee, Florida
Henry T. Sorensen	135 Belmont Road Tallahassee, Florida
Mrs. Emerson Tully	1716 Golf Terrace Tallahassee, Florida
Dr. Edward K. Walker	310 S. Monroe Street Tallahassee, Florida
Mrs. R. B. Sensabaugh	Civil Defense Office Tallahassee, Florida
Mike J. Beaudoin	2013 S. Magnolia Tallahassee, Florida

Albert M. Dixon	P.O. Box 648 Quincy, Florida
Marion L. Bishop	P.O. Box 8 Monticello, Florida
Judge J. Rayburn Peddie	Bristol, Florida
Robert R. Childs	116 Pine Tree Road Perry, Florida
James P. Milliner	Madison County Court House Madison, Florida
Dr. Arnold Cortazzo	313 North Monroe Tallahassee, Florida
Harold D. Mendelson	Mendelson's Dept. Store 105 South Monroe Street Tallahassee, Florida
Wilfred C. Varn	305 South Gadsden Street Tallahassee, Florida
Dr. Edward F. Slosek	516 North Adams Street Tallahassee, Florida
Rev. Walter D. Edwards	Trinity Methodist Church West Park and Duval Streets Tallahassee, Florida

ARTICLE VIII

Section 1. The Board of Directors of this corporation may provide such by-laws for the conduct of its business and the carrying out of its purposes as they may deem necessary from time to time.

Section 2. Upon proper notice the by-laws may be amended, altered or rescinded by a majority vote of those members of the Board of Directors present at any regular meeting or any special meeting called for that purpose.

ARTICLE IX

Section 1. These Articles of Incorporation may be amended at a special meeting of the membership called for that purpose by a majority vote of those present.

Section 2. Amendments may also be made at a regular meeting of the membership upon notice given as provided by the by-laws, of intention to submit such amendments.

ARTICLE X

No person, firm or corporation shall ever receive any dividends or profits from the undertaking of this corporation and, upon dissolution of this organization, all of its assets remaining after the payment of all costs and expenses of such dissolution shall be distributed first to the Goodwill Industries of America, Inc. for the purpose of reestablishing Goodwill Industries for similar work in the Leon County area or, in the alternative, shall be distributed to organizations which have qualified for exemption under Section 501 (c) (3) of the Internal Revenue Code of the United States, or to the Federal Government, or to the State or Local Government, for a public purpose; and none of the assets will be distributed to any member, officer or trustee of this corporation.

IN WITNESS WHEREOF, we, the undersigned subscribing incorporators, have hereunto set our hands and seals, this 24th day of April 1967, for the purpose of forming this corporation not for profit under laws of the State of Florida.

Ernest M. Menendez

Ernest M. Menendez

Edwin M. Clark

Edwin M. Clark

Edward L. Herp

Edward L. Herp

J. D. Williamson

J. D. Williamson

Hazel L. Wilkerson

Hazel L. Wilkerson

STATE OF FLORIDA)
) SS.
LEON COUNTY)

Before me, a Notary Public duly authorized in the state and county named above to take acknowledgements, personally appeared: Ernest M. Menendez, Edwin M. Clark, Edward L. Herp, J. D. Williamson, and Hazel Wilkerson, to me known to be the persons as subscribers in and who executed the foregoing articles of Incorporation, and they acknowledged before me that they executed and subscribed to these articles of Incorporation.

Witness my hand and official seal in the county and state named this 24th day of April, 1967.

Notary Public
State of Florida at Large
My Commission Expires:

Notary Public, State of Florida at Large
My Commission Expires Aug. 20, 1967
Bonded by American Ins & Casualty Co.

GOODWILL INDUSTRIES – BIG BEND, INC.
TALLAHASSEE, Florida

BYLAWS

Adopted August 28, 1968
Amended August 04, 1969
Amended February 18, 1976
Amended June 24, 1976
Amended January 27, 1977
Amended November 29, 1979
Amended January 31, 1980
Amended September 27, 1988
Amended November 18, 1997
Amended May 26, 2004
Amended September 22, 2005

ARTICLE I

NAME

Section 1. These bylaws have been adopted pursuant to authority evidenced by the Articles of Incorporation of the State of Florida and the membership agreement with Goodwill Industries International, Inc.

Section 2. This corporation has been authorized to use the name GOODWILL INDUSTRIES – BIG BEND, INC. The emblem of the national organization shall be displayed at all times in prominent places.

Section 3. The territory assigned to this corporation by Goodwill Industries International, Inc. includes the counties in the State of Florida: Leon, Gadsden, Dixie, Franklin, Wakulla, Jefferson, Madison, Taylor, Lafayette, Jackson, Holmes, Washington, Bay, Calhoun, Gulf, Liberty, Walton and one-half of Okaloosa. Counties assigned in the State of Georgia: Seminole, Decatur, Grady and Thomas.

ARTICLE II

PURPOSE

This corporation is organized and to be operated exclusively for religious, charitable and education purposes. It is not organized for profit, nor shall any of its net earnings inure in whole or part to the benefit of private stockholders, members or individuals. No substantial part of the activities of this corporation is attempting to influence legislation by propaganda or otherwise, nor participating in any political campaign in behalf of any candidate for public office.

It shall provide rehabilitation services, jobs, training, housing, employment and opportunities for personal growth as an interim step in the rehabilitation process for the disabled and disadvantaged adults who cannot be readily absorbed in the competitive

housing and labor market, or during such time as opportunities for them do not exist. Through the skillful use of recognized techniques of rehabilitation, social work, life guidance, evaluation, training and useful employment, this corporation shall seek to assist the disabled and disadvantaged to attain the fullest development of which they are capable, and thereafter to secure gainful employment and ability to live independently.

The selling of articles reconditioned, assembled or made by such persons as a part of their vocational rehabilitation shall be a necessary part of the religious, social and educational service program of this corporation.

ARTICLE III

MEMBERSHIP

Any individual or organization interested in the purpose and work of the GOODWILL INDUSTRIES – BIG BEND, INC. may, upon approval by the membership committee and election by the Board of Directors, and the payment of membership dues, become a member of GOODWILL INDUSTRIES – BIG BEND, INC. Membership classifications and fees shall be established by the Board of Directors. Each member shall be entitled to receive the regular publications of GOODWILL INDUSTRIES – BIG BEND, INC. and participate in meetings of members.

Membership classification and fees shall be established by the Board of Directors, provided, however, that only those persons fully qualified as members in a classification requiring annual contributions of ten dollars ($10.00) or more shall have the privilege of voting. Each member shall be entitled to receive the regular publications of the GOODWILL INDUSTRIRES – BIG BEND, INC. and participate in meetings of members.

Life members may be proposed by the membership committee and elected by the Board of Directors, providing that the number of life members does not exceed fifteen (15) such members at any given time. Life members shall have at all times the privilege of voting and participating in meetings of members.

ARTICLE IV

OFFICERS

Section 1: The officers of GOODWILL INDUSTRIES – BIG BEND, INC. shall be a Chair, Vice Chair, Secretary, Treasurer and President. All officers shall be elected by the Board of Directors at the annual meeting of the GOODWILL INDUSTRIES – BIG BEND, INC., for a term of one year and shall hold office until a successor may be chosen and qualified in their stead.

Section 2: The membership term of any outgoing Chair, in their last year of membership on the Board, shall be extended for one year. The past Chair shall also be a sitting member of the Executive Committee.

Section 3: There will be a chairperson-elect who will have a year to prepare themselves for their term. They will be required to attend that year's Delegate Assembly with the President/CEO.

Section 4: The chairperson shall be eligible for two terms but elected each year.

Section 5: Vacancies among the officers shall be filled for the unexpired terms by election by the Board of Directors.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Board of Directors shall consist of not more than 33 directors, who shall be elected in accordance with provisions in section 2 of this Article.

Section 2. Not more than 33 directors shall be elected by the members of the corporation at their first meeting, as follows: One-third for a term of three years; one-third for a term of two years; one third for a term of one year. Thereafter, one-third of the directors shall be elected by the members of this corporation by voice vote at each annual meeting of the members, to fill the vacancies of the directors who's term expire in that year. *All aforesaid directors shall hold their office until others are chosen and qualified in their* stead.

Section 3. Board members shall be eligible to serve three consecutive three-year terms, but shall be ineligible for further re-election until one year has elapsed.

Section 4. In case of a vacancy or temporary absence of any officer or director, the Board of Directors may appoint a member to perform the duties of such officer or director during such vacancy or absence. In case of a vacancy of any office, the Board of Directors shall, at their next meeting following such vacancy, elect a replacement to serve the balance of the term of office of such officer whose position has been vacated.

Section 5. The Board of Directors shall declare a vacancy in any membership on the Board of Directors when a Board member is absent from four (4) successive meetings. Any exception to this mandatory action may be taken only by motion from the floor of a Board of Directors meeting property seconded and passed. The Board may, at the same meeting, elect a replacement to fill the unexpired term of the director who has been dropped, upon hearing the recommendation of the Nominating Committee.

Section 6. It shall be the policy of this Corporation to select citizens of the community to participate as members of the Board of Directors and otherwise represent a cross section of the community.

Section 7 : There should be three members on the Board from the Gulf Coast area. They will participate in meetings via teleconferencing. Once per year, the board meeting will be held in the Gulf Coast area.

Section 8: Each year a planning session will be held to review the Corporate Plan for the year. It will be a workshop meeting lasting 4 – 6 hours.

ARTICLE VI

DUTIES OF THE BOARD

Section 1. The Board of Directors shall have the powers and duties necessary or appropriate for the administration of the affairs of the Corporation. All powers of the Corporation, except those specified, granted or reserved to members by law, the Articles of Incorporation, or these Bylaws, shall be vested in the directors.

Section 2. They shall have ample power to purchase and to lease, pledge and sell all such personal and real property, and to make all such contracts and agreements on behalf of the said GOODWILL INDUSTRIES – BIG BEND, INC., as they may deem needful or convenient for the successful prosecution of its purposes and operations. They shall administer any donations and bequests.

Section 3. They shall require adequate bonds from the treasurer, president, and such other employees and servants of the GOODWILL INDUSTRIES – BIG BEND, INC., as they may deem necessary.

Section 4. They shall appoint or remove all committees and prescribe their duties, but no committee except the Executive Committee, shall have the power to obligate the GOODWILL INDUSTRIES – BIG BEND, INC., to any financial outlay or to commit it to any social program unless authorized by the Board of Directors.

Section 5. No compensation shall be paid to the directors. A director may not be an employee of the corporation. No person who receives compensation for services rendered or commissions of any kind from GOODWILL INDUSTRIES – BIG BEND, INC., shall be eligible for voting membership on its Board of Directors. Any proposed contract for the production of goods or the performance of services of any type between GOODWILL INDUSTRIES – BIG BEND, INC. AND any director or any corporation, firm or partnership owned by such director must be approved by an affirmative vote of two-thirds of the members of the Board of Directors, and written notice of any such proposed action must be given to all Board members at least one week prior to any such proposed action.

ARTICLE VII

EXECUTIVE COMMITTEE

The Executive Committee shall consist of nine (9) members: past Chair, Chair, Vice Chair, treasurer, secretary, four (4) members at large who are selected by the Chair, and President, to be elected to membership on this committee for a term of one year by the Board of Directors at its first meeting following the annual meeting. This Executive Committee shall meet between board meetings and perform all work of the Board of Directors, except the purchase and sale of real estate.

ARTICLE VIII

STANDING AND SPECIAL COMMITTEES

The Chair and President shall be members of all committees ex officio, except the Chair shall have the power to vote. The Board of Directors shall appoint such standing and special committees as are deemed necessary for the successful prosecution of the work of the organization and define their duties. Members of the standing committees shall serve for a term of one year or until their successors are elected. Standing and special committees shall meet at the call of the chairmen of the their respective committees or at the call of the President of the Board.

ARTICLE IX

DUTIES OF OFFICERS

Section 1. Chair. The Chair shall preside at all meetings of members, directors, and the Executive Committee. Shall, by virtue of the office, be a member ex officio of all committees.

Section 2. Vice Chair. Shall perform the duties of the Chair, in the absence of the Chair.

Section 3. Treasurer. The treasurer shall have the care and custody of all funds and securities of the corporation and deposit same in the name of the corporation in such depository as the directors may elect. Treasurer shall be subject to such conditions and restrictions as may be made by the Board of Directors, and shall perform such duties as the directors may from time to time require. Accounts shall be audited annual by the Certified Public Accountant employed by the Board of Directors.

Section 4. Secretary. The secretary shall attend the meetings of the members of the corporation, and of the directors, and executive committee, and shall record upon the Books of records of the corporation the proceedings of their respective meetings. Secretary shall notify all members and directors of all meetings and shall perform such other duties as the directors and members of the corporation shall from time to time prescribe.

Section 5. President. The President shall be nominated by Goodwill Industries International, Inc., and elected by the Board of Directors of the GOODWILL INDUSTRIES – BIG BEND, INC. The President shall not be dismissed without consultation with Goodwill Industries International, Inc. In case of conduct prejudicial to the well being of the GOODWILL INDUSTRIES – BIG BEND, INC., he may be suspended, pending investigation and recommendation by Goodwill Industries International, Inc. He shall be the Chief Executive Officer and a non-voting member of the Board of Directors of the GOODWILL INDUSTRIES – BIG BEND, INC., and a member ex officio of all committees. Shall have active direction and management of the business and affairs of the corporation,

shall perform such duties as may be assigned from time to time by the Board. Shall countersign all drafts and checks. Shall be responsible to the Board of Directors, and shall report to them at regular intervals.

ARTICLE X

MEETINGS

Section 1. The annual meeting of the members shall be held at a time and place established by the Executive Committee. Special meetings can be called at any time by the Chair or on written request of seven (7) members stating the object of the meeting. The fiscal year shall end on December 31st.

Section 2. The Board of Directors shall meet at the time of the annual meetings, and bi-monthly during the months of January, March, May, July, September, November, unless otherwise designated by the Board of Directors from time to time and at the call of the Chair or any two (2) Directors. Ten (10) members of the Board of Directors shall constitute a quorum.

Section 3. The Executive Committee shall meet between Board meetings at a time and place established by the Committee. Special meetings may be called by the Chair or upon the written request of two 92) members. Three members of the Executive Committee shall constitute a quorum. The Chair may direct a vote by mail or telephone.

Section 4. Notices. Notices of members, directors and Executive Committee meetings shall be in writing, mailed at least forty-eight (48) hours before members and directors meetings, and twenty-four (24) hours before Executive Committee meetings, addressed to each member, director or Executive Committee member at his usual place of business or abode, delivered in hand, provided.however, that notices of meetings at which bylaws are to be changed shall be in writing fifteen (15) days before the meeting.

Section 5. Adjournment. All meetings of members, directors, or Executive Committee may be adjourned to such other time and place as may be decided by those present and represented.

ARTICLE XI

FISCAL YEAR AND AUDIT

The fiscal year of the corporation shall be 12:01 A.m. January 1 and ending 12:00 P.M. midnight, December 31 of the ensuing year.

An independent annual audit of the books, records and accounts of the corporation shall be made by a firm of Certified Public Accountants chosen by the Board of Directors, which audit shall be initiated and authorized by the Board of Directors no later than January 31 of the year following the fiscal year to be audited.

ARTICLE XII

SEAL

This Corporation shall have a common seal, being a circular seal of the following description, viz: GOODWILL INDUSTRIES – BIG BEND, INC., around the circle, and the date of the organization in the inner circle. The seal shall be in the custody of the secretary.

ARTICLE XIII

RELATIONSHIP TO GOODWILL INDUSTRIES INTERNATIONAL, INC.

Section 1. In return for the general supervision and cooperative helpfulness afforded by Goodwill Industries International, Inc. this corporation shall pay the treasurer of Goodwill Industries International, Inc. an annual fee not to exceed 1.25% of the gross earnings. This fee is to be used in providing supervision and increasing the efficiency of all Goodwill Industries and in the establishment of Goodwill Industries in new centers. It is not in liquidation of any loans, supplies or contributions provided by Goodwill Industries International Inc.

Section 2. In case the work of this corporation should be abandoned, all title to real and personal property of this corporation remaining after the debts of this corporation have been paid shall immediately be vested in the Goodwill Industries International, Inc. for the purpose of re-establishing Goodwill Industries of similar work in the same area served by this corporation.

Section 3. In case this corporation shall cease to become a member of Goodwill Industries International, Inc., the Certificate of Recognition issued by Goodwill Industries International, Inc. shall become null and void. All donations or loans made to said corporation by the said Goodwill Industries International, Inc. shall be immediately returnable in full.

ARTICLE XIV

AMENDMENTS

These bylaws may be amended, altered, supplemented or repealed by the affirmative vote of a majority of the total number of members of the Board, exclusive of vacancies but not less than twelve (12) affirmative votes, whichever is greater, at any regular or specially called meeting of the Board of Directors, provided that written notice of the proposed amendment, alteration, supplementation or repeal has been given to each member of the Board of Directors as heretofore provided in Article X, Section 4. A certified copy of the revised or amended or supplemented or repealed Bylaw or Bylaws shall be recorded promptly with Goodwill Industries International, Inc.

ARTICLE XV

INDEMNIFICATION

Any person, his heirs, executors or administrators, may be indemnified or reimbursed by the corporation for reasonable expenses actually incurred (including reasonable attorney's fees) in connection with any action, suit or proceeding, civil or criminal, to which he or they shall be made a party by reason of their being or having been Director, officer or employee of the corporation. Provided, however, that no person shall be so indemnified or reimbursed in relation to any matter in any such action, suit or proceedings as to which they shall finally be adjudged to have been guilty or liable for gross negligence of willful misconduct in the performance of their duties to the corporation; and, provided, further, that no person shall be so indemnified or reimbursed in relation to any matter in any such action, suite or proceeding which has been made the subject of a compromise settlement except such settlement shall have been approved by a court of competent jurisdiction, or the Board of Directors, acting by vote of Directors not parties to the same or substantially the same action, suit or proceeding, constituting a majority of the whole number of Directors. The foregoing right of indemnification or reimbursement shall not be exclusive of other rights to which such person, his heirs, executors or administrators, may be entitled as a matter of law.

ARTICLE XVI

ROBERTS RULES OF ORDER

Unless otherwise provided in the foregoing Bylaws, all meetings shall be conducted in accordance with the provision of Roberts Rules of Order, Revised.

Address any reply to: 275 Peachtree St. NE., Atlanta, Ga. 30303
Department of the Treasury
522-5050
District Director
Internal Revenue Service

Date: MAY 1 1970 | In reply refer to: 416

Goodwill Industries-Big Bend, Inc.
1341 Jackson Bluff Road
Tallahassee, Florida 32304

Purpose: Charitable

Accounting Period Ending: June 30

Gentlemen:

Based on information supplied, we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. This determination assumes your operations will be as stated in your exemption application. Any changes in operation from those described, or in your character or purposes, must be reported immediately to your District Director for consideration of their effect upon your exempt status. You must also report any change in your name or address.

In this letter we are not determining whether you are a private foundation as defined in new section 509(a) of the Code. Your attention is invited to new section 508(b) of the Code which sets forth requirements for establishing that an organization exempt under section 501(c)(3) is not a private foundation. When procedures are developed to implement these new requirements, we will advise you how to proceed to notify the Internal Revenue Service if you do not believe yourself to be a private foundation.

For years beginning prior to January 1, 1970, you are required to file the annual information return, Form 990-A. For each subsequent year, please refer to the instructions accompanying the Form 990-A for that particular year to determine whether you are required to file. If filing is required, you must file the Form 990-A by the 15th day of the fifth month after the end of your annual accounting period.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or proposed activities are an unrelated trade or business as defined in section 513 of the Code.

Goodwill Industries-Big Bend, Inc.

You are not liable for Federal Unemployment Taxes. You are liable for Social Security Taxes only if you have filed waiver of exemption certificates as provided in the Federal Insurance Contributions Act.

Contributions made to you are deductible by donors as provided in section 170 of the Code. Bequests, legacies, devises, transfers or gifts to you or for your use are deductible for Federal estate and gift tax purposes under the provisions of sections 2055, 2106, and 2522 of the Code.

Every exempt organization is required to have an Employer Identification Number, regardless of whether it has any employees. Our records show you have been assigned number 59-1279499. This number should be entered in the designated space on all Federal returns which should be filed with the Mid-Atlantic Service Center in Philadelphia, Pennsylvania, and referred to on all correspondence which should be addressed to the District Director in Atlanta, Georgia.

This is a determination letter.

Sincerely yours,

A. C. Ross

A. C. Ross
District Director

Department of the Treasury
Internal Revenue Service
Quality Review Staff
Taxpayer Assistance Group
P. O. Box 1055 - RM 907
Atlanta, Georgia 30370-0000

Date: JUN 07 1989

Your Letter Dated:
03/23/89
Refer Reply To:
QRS:EO:TPA
EIN:
59-1279499
FFN:
580042229

GOODWILL INDUSTRIES-BIG BEND, INC.
300 MABRY STREET
TALLAHASSE, FL 32304-3899

Dear Taxpayer:

We have received your letter requesting confirmation of your exemption from Federal Income Tax.

You were recognized as an organization exempt from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code by our letter of April, 1970 .

The tax exempt status recognized by our letter referred to above is currently in effect and will remain in effect until terminated, modified, or revoked by the Internal Revenue Service. Any change in your purposes, character, or method of operation must be reported to us so we may consider the effect of the change on your exempt status. You must also report any changes in your name and address.

Thank you for your cooperation.

Sincerely yours,

Cynthia Anetta

Exempt Organizations Coordinator

Internal Revenue Service

District
Director

Goodwill Industries-Big Bend, Inc.
300 Mabry Street
Tallahassee, Fl 32304

Department of the Treasury

C-1130
Atlanta, GA 30301

Person to Contact:
Taxpayer Assister
Telephone Number:
404 331 7872
Refer Reply to:
Taxpayer Assister
Date: 6-9-89

Dear Sir or Madam:

This is in response to your request for confirmation of your exemption from Federal income tax.

You were recognized as an organization exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code by our letter dated 5-1-70 . You were further determined not to be a private foundation within the meaning of section 509(a) of the Code because you are an organization described in section 170(b)(1)(A)(vi) .

Contributions to you are deductible as provided in section 170 of the Code.

The tax exempt status recognized by our letter referred to above is currently in effect and will remain in effect until terminated, modified or revoked by the Internal Revenue Service. Any change in your purposes, character, or method of operation must be reported to us so that we may consider the effect of the change on your exempt status. You must also report any change in your name and address.

Thank you for your cooperation.

Sincerely yours,

Stephanie Houston
Exempt Organizations Specialist

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

GOODWILL INDUSTRIES – BIG BEND, INC.

December 31, 2007 and 2006

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BEN F. BETTS, JR., C.P.A.
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)
JOSEPH T. SCHENCK, C.P.A.
MARK J. JONES, C.P.A.

BETTS, ROGERS, SCHENCK & JONES
CERTIFIED PUBLIC ACCOUNTANTS
PROFESSIONAL ASSOCIATION

MEMBERS
PRIVATE COMPANIES
PRACTICE SECTION OF THE
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

May 15, 2008

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Goodwill Industries - Big Bend, Inc.
Tallahassee, Florida

We have audited the accompanying statements of financial position of Goodwill Industries - Big Bend, Inc. (a Florida not-for-profit corporation) as of December 31, 2007 and 2006, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Goodwill Industries - Big Bend, Inc. as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2008 on our consideration of Goodwill Industries - Big Bend, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Betts, Rogers, Schenck & Jones

P.O. Box 1368 • 104 North Magnolia Drive • Tallahassee, FL 32302
www.brsj.net • (850) 224-4178 • Fax (850) 561-6874

Goodwill Industries- Big Bend, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31,

	2007	2006
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,096,473	$ 1,308,964
Cash - restricted	1,223,524	-
Accounts receivable	348,931	337,618
Inventory	1,034,540	1,057,587
Prepaid expenses	84,879	185,419
Total current assets	3,788,347	2,889,588
Property, plant and equipment		
Buildings and improvements	6,875,815	5,780,801
Machinery and equipment	2,199,398	1,565,387
Less: accumulated depreciation	(2,156,837)	(1,877,959)
	6,918,376	5,468,229
Land	4,661,498	2,595,887
Total property, plant and equipment	11,579,874	8,064,116
Other assets		
Intangible assets (net)	81,685	37,928
Deposits	120,948	151,156
Total other assets	202,633	189,084
Total assets	$ 15,570,854	$11,142,788

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The accompanying notes are an integral part of these statements.

Goodwill Industries- Big Bend, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31,

	2007	2006
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 201,418	$ 179,347
Accrued expenses	286,202	202,693
Current portion of long- term debt	396,024	253,516
Total current liabilities	883,644	635,556
Long- term liabilities		
Long- term debt, less current portion	8,716,177	4,836,565
Total liabilities	9,599,821	5,472,121
Net assets		
Unrestricted	5,971,033	5,670,667
Total liabilities and net assets	$ 15,570,854	$11,142,788

The accompanying notes are an integral part of these statements.

Goodwill Industries- Big Bend, Inc.

STATEMENTS OF ACTIVITIES

Years ended December 31,

	2007	2006
Unrestricted public support & other revenue:		
Public Support		
Direct contributions	$ 7,352	$ 2,694
Other Revenue		
Sales to public	13,503,852	12,695,054
Salvage sales	725,526	506,931
Grants and contracts	37,232	466,147
Investment earnings	21,137	9,446
HUD Fees	139,436	133,476
Other	59,401	60,678
Total public support & other revenue	14,493,936	13,874,426
Expenses		
Program services- operations	14,170,523	12,934,320
Excess from operations before inventory adjustment	323,413	940,106
Inventory increase (decrease) for the year	(23,047)	118,439
Increase in unrestricted net assets	300,366	1,058,545
Unrestricted net assets at beginning of year	5,670,667	4,612,122
Unrestricted net assets at end of year	$5,971,033	$5,670,667

The accompanying notes are an integral part of these statements.

Goodwill Industries- Big Bend, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

Years ended December 31,

	2007	2006
Program services		
Salaries	$ 6,911,622	$ 6,274,311
Payroll taxes and other fringe benefits	1,717,450	1,581,203
Total salaries and related expenses	8,629,072	7,855,514
Administrative	378,410	353,295
Supplies	309,723	289,208
Telephone and internet	144,123	137,802
Postage and shipping	15,347	11,997
Facility rent expenses	1,487,479	1,462,295
Insurance	283,149	207,154
Interest	373,250	235,210
Utilities	541,785	479,397
Maintenance and repairs	196,143	183,373
Advertising and printing	163,345	74,235
Transportation	523,068	480,727
Membership dues	128,650	125,784
Disposal costs	258,881	280,042
Assistance to clients	7,308	131,124
Staff training and development	11,807	53,402
Bad debts	4,482	5,956
Bank charges and fees	160,242	142,780
Miscellaneous expenses	89,157	96,196
Total program expenses before depreciation	13,705,421	12,605,491
Depreciation and amortization	465,102	328,829
Total program services	$ 14,170,523	$ 12,934,320

The accompanying notes are an integral part of these statements.

Goodwill Industries- Big Bend, Inc.

STATEMENTS OF CASH FLOWS

Years ended December 31,

	2007	2006
Cash flows from operating activities		
Increase (decrease) in net assets	$ 300,366	$ 1,058,545
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	465,102	328,829
(Increase) decrease in inventories	23,047	(118,439)
Decrease (increase) in accounts receivable	(11,313)	(81,037)
Decrease in contract receivable	-	105,952
(Increase) decrease in prepaid expenses	100,540	(69,568)
(Increase) decrease in deposits	30,208	(41,517)
Increase (decrease) in accounts payable	22,071	63,063
Increase (decrease) in accrued expenses	83,509	8,411
Net cash provided by (used in) operating activities	1,013,530	1,254,239
Cash flows from investing activities		
Payments for the purchase of property and equipment	(3,975,783)	(3,323,737)
Intangible assets	(48,834)	(38,571)
Net cash provided by (used in) investing activities	(4,024,617)	(3,362,308)
Cash flows from financing activities		
Principal payment of debt	(2,280,453)	(2,782,140)
Proceeds from long-term borrowing	6,302,573	5,215,600
Net cash provided by (used in) financing activities	4,022,120	2,433,460
Net increase in cash and cash equivalents	1,011,033	325,391
Cash and cash equivalents at beginning of year	1,308,964	983,573
Cash and cash equivalents at end of year	$ 2,319,997	$ 1,308,964
SUPPLEMENTAL DISCLOSURES		
Interest expense	$ 468,181	$ 235,210
Income tax paid	$ -	$ -

The accompanying notes are an integral part of these statements.

Goodwill Industries – Big Bend, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Goodwill Industries - Big Bend, Inc. is a non-profit corporation organized and existing under the laws of the State of Florida. The organization was incorporated on May 2, 1967 and operated primarily as a branch of Goodwill Industries - Suncoast, Inc. until July 1, 1976 at which time the organization established autonomous operations. Goodwill collects donated merchandise and resells it to the general public through its retail stores located throughout North Florida and South Georgia, thereby generating jobs and job training for numerous individuals.

Basis of Accounting

The organization prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

In accordance with SFAS No.117, Financial Statements of Not-for-Profit Organizations, the organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The organization has no temporarily restricted or permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates

Cash and Cash Equivalents

The organization considers all investment instruments with a maturity of three months or less to be cash equivalents. At December 31, 2007 the organization had restricted cash of $1,223,524. These funds are proceeds of a construction loan and their use is restricted to the construction of a building.

Goodwill Industries – Big Bend, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

There were $4,482 and $5,956 in bad debts written off in 2007 and 2006, respectively. No reserve for doubtful accounts is presented because management writes-off all amounts when they become uncollectible.

Merchandise Inventory

Purchased merchandise is recorded at the lower of cost or market value. Donated merchandise is recorded at the lower of estimated market value or net realizable value (salvage value). The organization records the processed finished goods portion of donated merchandise inventory based upon a sales to production ratio for each category of finished goods. Unprocessed merchandise is valued at estimated market value and salvage value combined.

Property, Plant and Equipment

The organization follows the policy of capitalizing property, plant and equipment at cost for purchased acquisitions that total more than $500 and at estimated fair value for donated items which are used in its operations. The donated items are reflected as contribution revenue at the time of donation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on a straight-line basis. Estimated useful lives of the assets range from five to thirty-nine years.

Revenue Recognition

The organization recognizes revenue from donated merchandise when the donated items are sold. Increases or decreases in estimated merchandise inventory values are reflected in the statement of activity at the end of each year.

Related Party Transactions

The organization has advanced funds to cover operating expenses to nine affiliated non-profit housing corporations in the North Florida and South Georgia area. These amounts are included in accounts receivable and total $287,384 and $242,219 for 2007 and 2006, respectively.

Goodwill Industries – Big Bend, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

On April 12, 2006 the organization entered into a lease with a Board Member for an annual rent of $144,000. In 2005 the organization selected real estate suitable for retail operations and the Board Member agreed to develop the property and lease the developed property to the organization. The transaction was approved by the full Board of Directors at a meeting on April 27, 2005. The transaction was conducted fully at arm's length among the organization and the Board Member.

The organization purchased real estate which was being leased from a Board Member on August 24, 2006 for $1,834,365. The transaction was approved by the full Board of Directors at a meeting on June 1, 2006. The transaction was conducted fully at arm's length among the organization and the Board Member.

On March 7, 2007 the organization purchased real estate and at the time of purchase a Board Member held a contract to purchase the real estate. The Board Member had entered into the contract at the request of the organization, whose goal was to secure the property for purchase and development. The organization assumed the contractual position of the Board Member and reimbursed the Board Member $50,000 for a deposit the Board Member had previously paid to the seller. The transaction was approved by the full Board of Directors at a meeting on February 28, 2007. The transaction was conducted fully at arm's length among the organization and the Board Member.

Income tax

The corporation is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and is classified by the Internal Revenue Service as an organization other than a private foundation

NOTE B – CONCENTRATION OF CREDIT RISK

The organization maintains its cash in several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to $100,000, per institution. At December 31, 2007 and 2006, the organization's uninsured cash balances were $1,813,930 and $793,153 respectively.

Goodwill Industries – Big Bend, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE C - COMMITMENTS

The organization occupies a majority of its retail stores under lease agreements expiring at various dates through June, 2015. The future minimum rental commitments for all leases are as follows:

2008	$ 1,597,195
2009	1,201,528
2010	1,052,237
2011	905,894
2012	858,598
Thereafter	2,792,868
	$ 8,408,320

Rental expense under operating leases was $1,487,479 and $1,462,295, respectively, for the years ended December 31, 2007 and 2006.

Goodwill Industries – Big Bend, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE D – LONG TERM DEBT

	2007	2006
Notes payable to Capital City Bank - monthly payments of $7,028, to include principal and interest of 5.75%, are required through February 15, 2021, secured by first mortgage.	$ 773,772	$ 811,788
Notes payable to Capital City Bank - monthly payments of $3,514, to include principal and interest of 5.25%, are required through June, 2008, secured by first mortgage.	20,781	60,684
Notes payable to Capital City Bank - monthly payments of $10,613 to include principal and interest of 5.25%, are required through June, 2008 and $7,099 per month through June, 2033, secured by first mortgage.	897,555	933,915
Note payable to Peoples First Community Bank - monthly payments of $5,430 to include principal plus interest of 8.25% are required through July, 2008, secured by first mortgage.	-	662,623
Note payable to NMHG - monthly payments of $565, to include principal and interest of 8%, are required through April, 2011, secured by equipment.	19,977	24,921
Note payable to Peoples First Community Bank - monthly payments of $1,161, to include principal and interest of 8%, are required through February, 2011, secured by equipment.	-	49,045

Goodwill Industries – Big Bend, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE D – LONG TERM DEBT (Continued)	**2007**	**2006**
Note payable to Regions Bank - monthly payments of $21,451, to include principal and interest of 5.86%, are required through October, 2016 with a balloon payment of $1,134,782 secured by first mortgage.	$2,435,996	$2,547,105
Note payable to Regions Equipment Finance Corporation - monthly payments of $9,006, to include principal and interest of 7.56%, are required through September, 2012, secured by equipment.	430,170	-
Note payable to Wachovia Bank - monthly payments of $7,297.22, to include principal and interest of 7.25%, are required through May, 2012 with a balloon payment of $912,159 in June, 2012, secured by first mortgage.	992,962	-
Note payable to Wachovia Bank - monthly payments of $1,459.44, to include principal and interest of 7.25%, are required through May, 2012 with a balloon payment of $182,432 in June, 2012, secured by first mortgage.	198,593	-
Note payable to Regions Bank - monthly payments of $12,030, to include principal and interest of 5.86%, are required through August, 2017 with a balloon payment of $1,099,150 in September, 2017, secured by first mortgage.	1,692,395	-
Note payable to Regions Bank - monthly payments of $8,002 for interest through May, 2008, followed by monthly payments of $11,864 to include principal and interest of 5.86%, are required through August, 2017 with a balloon payment of $1,083,975 in September, 2017, secured by first mortgage.	1,650,000	-
	$9,112,201	$5,090,081

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Goodwill Industries – Big Bend, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE D – LONG TERM DEBT

Schedule of maturities:

2008	396,024
2009	419,491
2010	446,351
2011	470,626
2012	1,550,174
Thereafter	5,829,535
	$9,112,201

Interest costs for 2007 and 2006 were $373,250 and $235,210, respectively. Interest capitalized was $94,931 in 2007.

NOTE E– COMPENSATED ABSENCES

Compensated Absences

The organization provides vacation leave benefits to all its full time employees as specified in its personnel policies. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The organization's policy is to recognize the costs of compensated absences when actually paid to employees. Compensated absences for vacations and sick leave are not accrued and presented because they cannot be reasonably estimated.

SUPPLEMENTAL INFORMATION

BEN F. BETTS, JR., C.P.A.
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)
JOSEPH T. SCHENCK, C.P.A.
MARK J. JONES, C.P.A.

BETTS, ROGERS, SCHENCK & JONES
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MEMBERS
PRIVATE COMPANIES
PRACTICE SECTION OF THE
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

May 15, 2008

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Goodwill Industries – Big Bend, Inc.

We have audited the financial statements of Goodwill Industries – Big Bend, Inc. as of and for the year ended December 31, 2007, and have issued our report thereon dated May 15, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Goodwill Industries – Big Bend, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Goodwill Industries – Big Bend Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Goodwill Industries – Big Bend, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Beth, Rogers, Schaub & Jones

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

GOODWILL INDUSTRIES – BIG BEND, INC.

December 31, 2005 and 2004

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BEN F. BETTS, JR., C.P.A.
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RODNEY E. REAMS, C.P.A.

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PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

May 5, 2006

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Goodwill Industries - Big Bend, Inc.
Tallahassee, Florida

We have audited the accompanying statements of financial position of Goodwill Industries - Big Bend, Inc. (a Florida not-for-profit corporation) as of December 31, 2005 and 2004, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Goodwill Industries - Big Bend, Inc. as of December 31, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2006 on our consideration of Goodwill Industries - Big Bend, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Our audit was performed for the purpose of forming an opinion on the basic financial statements of Goodwill Industries - Big Bend, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Betts, Rogers, Schenck & Jones

Goodwill Industries- Big Bend, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31,

	2005	2004
ASSETS		
Current assets		
Cash and cash equivalents	$ 983,573	$ 637,923
Accounts receivable	256,581	382,957
Contract receivable	105,952	302,638
Inventory	939,148	863,868
Prepaid expenses	115,851	133,412
Total current assets	2,401,105	2,320,798
Property, plant and equipment		
Buildings and improvements	4,395,653	3,810,764
Machinery and equipment	1,194,102	1,034,995
Less: accumulated depreciation	(1,630,447)	(1,548,804)
	3,959,308	3,296,955
Land	1,049,000	1,049,000
Total property, plant and equipment	5,008,308	4,345,955
Other assets		
Deposits	108,996	40,463
Total assets	$ 7,518,409	$ 6,707,216

The accompanying notes are an integral part of these statements.

Goodwill Industries- Big Bend, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31,

	2005	2004
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 116,284	$ 95,811
Accrued expenses	194,282	158,955
Long- term debt- current portion	129,844	150,305
Total current liabilities	440,410	405,071
Long- term liabilities		
Long- term debt- less current portion	2,465,877	2,165,270
Total liabilities	2,906,287	2,570,341
Net assets		
Unrestricted	4,612,122	4,136,875
Total liabilities and net assets	$ 7,518,409	$ 6,707,216

The accompanying notes are an integral part of these statements.

Goodwill Industries- Big Bend, Inc.

STATEMENTS OF ACTIVITIES

Years ended December 31,

	2005	2004
Unrestricted public support & other revenues:		
Public Support		
Direct contributions	$ 8,932	$ 8,040
Other Revenue		
Sales to public	10,449,360	8,367,295
Salvage sales	479,722	320,375
Grants and contracts	915,631	1,766,065
Investment earnings	2,630	1,578
HUD Fees	125,208	123,591
Other	29,270	54,174
Total public support & other revenue	12,010,753	10,641,118
Expenses		
Program services- operations	11,610,786	10,241,417
Excess (deficit) from operations before inventory adjustment	399,967	399,701
Inventory increase (decrease) for the year	75,280	(9,792)
Increase (decrease) in unrestricted net assets	475,247	389,909
Unrestricted net assets at beginning of year	4,136,875	3,746,966
Unrestricted net assets at end of year	$4,612,122	$4,136,875

The accompanying notes are an integral part of these statements.

Goodwill Industries- Big Bend, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

Years ended December 31,

	2005	2004
Program expenses		
Salaries	$ 5,669,329	$ 5,049,235
Payroll taxes and other fringe benefits	1,467,736	1,444,495
Total salaries and related expenses	7,137,065	6,493,730
Administrative	426,584	497,828
Supplies	294,698	252,337
Telephone	117,810	105,554
Postage and shipping	12,348	16,964
Facility rent expenses	1,148,946	752,703
Insurance	112,371	99,965
Interest	132,317	134,397
Utilities	391,115	325,451
Maintenance and repairs	157,101	104,808
Advertising and printing	82,257	81,685
Transportation	400,060	331,060
Membership dues	112,442	102,921
Disposal costs	406,007	288,377
Assistance to clients	134,615	225,436
Staff training and development	87,194	25,772
Bad debts	9,166	3,400
Bank charges and fees	114,606	89,774
Miscellaneous expenses	82,941	55,771
Total program expenses before depreciation	11,359,643	9,987,933
Depreciation of building and equipment	251,143	253,484
Total program expenses	$ 11,610,786	$ 10,241,417

The accompanying notes are an integral part of these statements.

Goodwill Industries- Big Bend, Inc.

STATEMENTS OF CASH FLOWS

Years ended December 31,

	2005	2004
Cash flows from operating activities		
Increase (decrease) in net assets	$ 475,247	$ 389,909
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	251,143	253,484
(Increase) decrease in inventories	(75,280)	(18,068)
Decrease (increase) in accounts receivable	126,376	(125,313)
Decrease in contract receivable	196,686	139,031
(Increase) decrease in prepaid expenses	17,561	31,119
(Increase) decrease in deposits	(68,533)	4,273
Increase (decrease) in accounts payable	20,473	(122,106)
Increase (decrease) in accrued expenses	35,327	(175,775)
Net cash provided by (used in) operating activities	979,000	376,554
Cash flows from investing activities		
Payments for the purchase of property and equipment	(913,496)	(179,851)
Proceeds from sale of property	-	608,238
Net cash provided by (used in) investing activities	(913,496)	428,387
Cash flows from financing activities		
Principal payment of debt	(159,950)	(684,263)
Proceeds from long-term borrowing	440,096	-
Net cash provided by (used in) financing activities	280,146	(684,263)
Net increase in cash and cash equivalents	345,650	120,678
Cash and cash equivalents at beginning of year	637,923	517,245
Cash and cash equivalents at end of year	$ 983,573	$ 637,923
SUPPLEMENTAL DISCLOSURES		
Interest expense	$ 132,317	$ 134,397
Income tax paid	$ -	$ -

The accompanying notes are an integral part of these statements.

Goodwill Industries – Big Bend, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2005 and 2004

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Goodwill Industries - Big Bend, Inc. is a non-profit corporation organized and existing under the laws of the State of Florida. The organization was incorporated on May 2, 1967 and operated primarily as a branch of Goodwill Industries - Suncoast, Inc. until July 1, 1976 at which time the organization established autonomous operations. Goodwill collects donated merchandise and resells it to the general public through its retail stores located throughout North Florida and South Georgia, thereby generating jobs and job training for numerous individuals.

Basis of Accounting

The organization prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

In accordance with SFAS No.117, Financial Statements of Not-for-Profit Organizations, the organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The organization has no temporarily restricted or permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates

Cash and Cash Equivalents

The organization considers all investment instruments with a maturity of three months or less to be cash equivalents.