



GREAT NORTHERN CORPORATION

2012

Annual Report



PRIX FIXE MENU #21
MIXED GREENS SALAD
BRAISED PORK SHOULDER / ORANGE & OLIVES
APPLE GRATIN

DESSERTS
CAPPUCCINO PANNA COTTA
CHOCOLATE TORTE NOIR
STRAWBERRY BÂTTELLE
CREME BRULEE
APPLE GRATIN



“I want to express my gratitude and appreciation for our partnership with Great Northern Corporation. Your hard work and leadership are critical to helping us meet the health needs of Siskiyou County’s low-income residents.”

Elizabeth Mitchell-Collord, MHA
Executive Director, KHSI/Siskiyou Health Partnership



GNC is a non-profit, community based agency serving all of Siskiyou County whose mission is to improve the quality of life for rural communities and individuals through partnerships, technical assistance and access to resources.

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Last Year's Hard Work Becomes this Year's Strengths



GNC entered 2012 a more flexible, nimbler organization — the result of the hard work and often difficult decisions made in prior years. In 2012, with the economy in Siskiyou County still difficult, we needed to be at our best. Fortunately, we were.

Siskiyou County still needs affordable housing. Its residents need healthy food, homes free of environmental hazards and access to family healthcare. To grow, its businesses need access to capital. Its communities need to repair or replace aging water and transportation infrastructure — and meet the needs of emerging technologies.

The ability of our organization and our partners to meet those needs — with often minimal resources — has been gratifying.

On the pages that follow you'll discover a small handful of stories illustrating the power of partnership and commitment. Know that they represent the tip of the iceberg — a small glimpse into the good work that happens here every day.

In one case, you'll see how GNC refused to abandon a business loan client when a state rule change stranded them mid loan. In another, you'll learn how a casual remark by a grower — and the quick thinking of a GNC employee — brought hundreds of pounds of fresh food to the tables of many in Siskiyou County.

Our employees do this kind of work largely because they've sunk their hearts in it. I thank them for their effort, thoughtfulness — and especially their creativity. I treasure their time and talents, and with their help, we'll continue strengthening Siskiyou County's families and communities.

Of course, we work hand-in-hand with many partners, including the Siskiyou County Family Resource Centers, the Jefferson Economic Development Institute, the Siskiyou County Economic Development Council, and the county-wide jurisdictions.

Mark Twain said that "Challenges make life interesting; however, overcoming them is what makes life meaningful."

As I write this, 2013 is undoubtedly preparing a whole new set of challenges for GNC, its staff and its partners. Because we achieved our goals of the last few years, I'm confident we'll meet these challenges with style, grace, wit and economy. Without a doubt, we'll continue to enhance Siskiyou County's communities.

A handwritten signature in orange ink that reads "Bonnie Kubowitz". The signature is stylized and cursive.

Bonnie Kubowitz
Executive Director

BY THE NUMBERS:
GNC'S 2012

\$1,069,924
spent for energy assistance

\$638,780
funded infrastructure projects

\$625,000
invested weatherizing homes

\$527,416
loans generated for housing upgrades

175,430
pounds of food delivered

\$175,000
loaned to businesses

\$122,474
dedicated to touching the lives
of HIV/AIDS clients



Better Homes, Healthier Communities



A community is defined in large part by its homes. So offering low-interest home improvement loans — whose terms are mutable should circumstances change — builds a better community. GNC improved Siskiyou County's homes to the tune of \$527,416 in 2012. Even better, those loan repayments become funds for public improvement projects — a double win for Siskiyou County.

\$527,416
spent upgrading Siskiyou
County housing



The tools have been put away and the last of the sawdust has been swept up by Beaver Valley Construction.

June Chesnick beams. In the space of just a few weeks — with the help of a low-interest home rehabilitation loan — her home has been transformed into a modern, ADA-compliant haven for the active, 83 year-old woman. It looks great.

June's daughter had this to say: "Thank You to Great Northern and the men who have made my mom so happy and me so thrilled to see her that way."

Clearly, there are smiles enough already for a happy ending. But this is only the beginning of the good news.

June's low-interest home rehabilitation loan came via the City of Etna, with GNC orchestrating both the state funding and June Chesnick's application. The loans offer a low interest rate and the benefit of flexibility; should the loan recipient's income or other circumstances change, the city can revisit the loan terms.

Even better, the payments from housing rehabilitation loans enter the city's revolving loan fund, and can be used to fund public improvement projects. So the simple act of making homes more livable also improves the community.

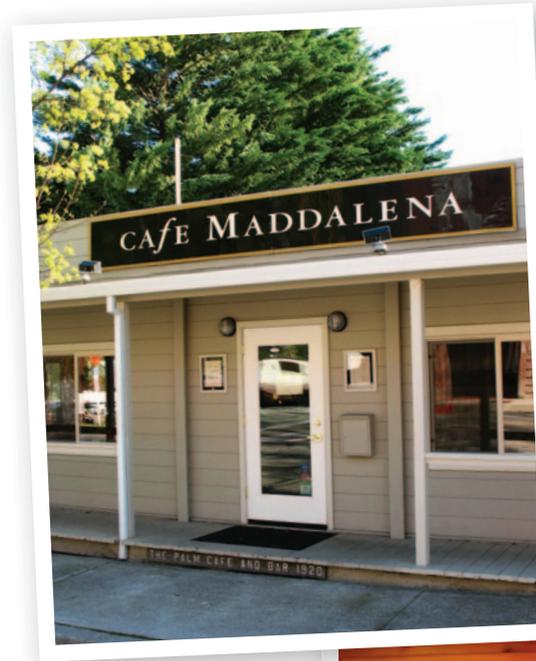
It's yet another example of GNC partnering with cities, residents, the state and contractors to build stronger, more livable communities. ✨



ECONOMIC DEVELOPMENT

One Detail at a Time

Economic development drives jobs, tax revenues, and healthy communities. Yet rural businesses rarely enjoy the same access to capital as their urban counterparts. Which is why GNC partnered with cities and business owners to generate \$175,000 in business loans during 2012. It's just good business.



\$175,000

loaned in support of Siskiyou
County businesses

It's 11:00 pm and the last diners just walked out the door,

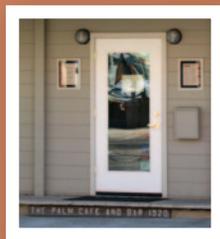
and after a typically hectic dinner service, Cafe Maddalena's Nancy LaMott and Chef Brett LaMott can finally relax. Maddy's is a small Dunsmuir restaurant which looms large in Northern California's restaurant landscape, drawing customers from all over the state. Ask Nancy LaMott why and she'll likely tell you "We try to make everything — not just the food — perfect. The small details add up."

GNC helped qualify them for a low-cost CDBG loan to make improvements — which fell through after the state altered its guidelines at the last minute. Rather than simply walk away, GNC kept looking. Eventually, we found them another loan.

Today, Maddy's enjoys the benefits of a jammed reservation book, new (draft-free) windows, new chairs, dramatically lower heating costs, a fast convection oven and a handful of other improvements.

"Last year was one of our best," noted Nancy. The details, it appears, really do matter.

Economic development may start with chairs, but it rapidly accrues to the whole community in the form of jobs, tax revenues, tourism — and a difficult-to-define community vibrancy. That's why GNC partners with municipalities and other non-profits to get business owners the training, coaching and capital needed to succeed. ✨



A Casual Suggestion Sparks a Community Partnership



175,430
pounds of food delivered
in Siskiyou County

Over the course of 2012, GNC drove 17,658 miles while delivering 175,430 pounds of food. That food found its way to almost half the Siskiyou County residents living below the poverty line. The Food Commodities Program doesn't enjoy a great deal of visibility — unless you've been hungry — but it serves a vital role in Siskiyou County.





The pickers went up and down the ladders and the pears disappeared from the trees.

After being packed in boxes, they were shipped all over Siskiyou County. This was a harvest, but an unusual one; just two days prior, a GNC employee at a local bowling event overhead a grower say he had a surplus of Asian pears still on his trees.

The light bulb went on.

Grower Willis Thompson of the Apples of Gold orchard said GNC could have the pears for our food program if we could pick them within the week. So we immediately called the Sheriff's department to see if their community service volunteers were available. Within a day, they were.

The next morning, GNC employees Claudia Trevisan and Renee Casterline were picking pears alongside the Sheriff's just-mobilized workforce. Hundreds of pounds of pears were picked, stored in crates provided by Pigoni Distributing, and delivered to county food distribution centers. From there, they found their way onto the tables of needy families county-wide.

The pear harvest was serendipitous, but it's the kind of partnership that spontaneously erupts when everyone involved — growers, distributors, government agencies and GNC — want the best for Siskiyou County's residents.

A partnership forged in pears?
Tastes sweet to us. ✨



INFRASTRUCTURE

Fast-Tracking Infrastructure Project Means Water for Dorris Residents

The City of Dorris isn't the only Siskiyou County city in need of infrastructure upgrades. In fact, almost all of Siskiyou County's municipalities face a pressing infrastructure issue — including water supply and wastewater treatment system upgrades. GNC helps them navigate the study, funding and administrative phases of these complex projects.



\$638,780

spent building Siskiyou County infrastructure

If you stood close enough, you could feel the vibrations from the big drilling rig right through your feet.

But this crew wasn't drilling for water; they were collecting samples for a geotechnical review of the site's suitability for a new water tank.

The City of Dorris needed to expand their water system storage with a second tank. Their single storage tank simply wasn't big enough to serve the community during the summer while also meeting fire suppression needs. When property suited for a second tank became available, the city jumped. GNC jumped with them.

GNC helped them acquire and administer a \$63,883 grant to perform site evaluations, storage design, environmental review and engineering work. In essence, we're moving the project to the construction-ready phase.

With so much at stake, we're happy we could partner with the city and all the involved entities so quickly. It's even possible expansion could come by late 2013 or early 2014 — a relatively rapid pace for notoriously complex infrastructure projects.

"Infrastructure" isn't a word that quickens the pulse, but when it's manifested as a cold, clean glass of water for a hot, thirsty Dorris resident, it's plenty glamorous for us. ✨



WEATHERIZATION



GNC's Weatherization Program brought \$625,000 into the community, and our hard-working team turned those funds into 232 comfortable, energy-efficient homes. In simple terms, GNC's Weatherization Program created warmth, efficiency and jobs in Siskiyou County.

\$625,000
spent weatherizing homes



"It's hard work, but weatherizing homes — making them more efficient and comfortable — really means something to these families. They're so grateful."

ENERGY ASSISTANCE

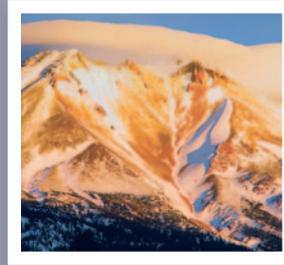


\$1,069,924
spent for energy assistance

"Helping families stay warm when it's cold outside can't help but make you feel good."

When it's coldest, GNC's \$1,069,924 Energy Assistance Program warms the lives of thousands of Siskiyou County residents — especially the most vulnerable, including the disabled, the ill, families with young children and the elderly. In 2012, GNC processed more than 3,600 applications for aid.

HIV/AIDS ASSISTANCE



In 2012, GNC regularly touched the lives of 48 Siskiyou County residents suffering from HIV/AIDS, offering them the medical — and emotional — support they need. Advances in HIV treatments promise much, but our clients also benefit from access to medical and dental care, laboratory and diagnostic services, medication, housing help, bimonthly clinics and more.

\$122,474
dedicated to touching the lives
of HIV/AIDS clients



“Our goal is to help HIV positive individuals receive excellent medical care and stay stable — physically, emotionally and medically.”

Our Challenge in 2012? Serving More with Fewer Resources.

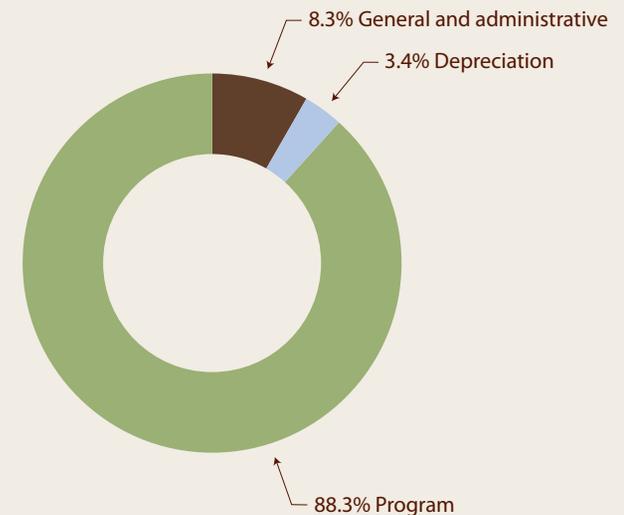
In 2012, GNC faced declines in federal funding. Yet a troubled Siskiyou County economy drove ever-increasing demand for our programs and services.

Our goal is to serve those who need our help the most, and to earn the trust of our partners, funders and those we serve. To meet these lofty standards, we pledge ourselves to the highest standards of financial accountability. To that end, GNC is audited by independent certified public accountants in accordance with generally accepted accounting principles.

2012 TOTAL PROGRAMMATIC EFFICIENCY



2011 TOTAL PROGRAMMATIC EFFICIENCY



STATEMENT OF FINANCIAL POSITION

Assets:	December 31, 2012	December 31, 2011
Current assets	320,407	483,140
Long-term assets	994,888	991,803
Total assets	1,315,295	1,474,943
 Liabilities and net assets:		
Short-term liabilities	295,302	369,100
Long-term liabilities	853,618	857,495
Net assets	166,375	248,348
Total liabilities and net assets	1,315,295	1,474,943

STATEMENT OF ACTIVITIES

Revenues:		
Grant and contract revenue	1,929,296	2,417,440
Other revenue	84,883	61,811
Total revenue	2,014,179	2,479,251
 Expenditures:		
Program expenditures	1,843,446	2,246,447
General and administrative	251,134	211,451
Depreciation expense	40,409	85,622**
Total expenditures	2,134,989	2,543,520

** Captured depreciation in previous audits

“If 2012 was the year we did more with less, then 2013 will be the year the creativity and imagination of our staff and partners pays off. We look forward to building stronger, healthier, more robust communities for Siskiyou County’s residents in 2013 and beyond.”

Bonnie Kubowitz
Executive Director, GNC



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Bonnie Kubowitz
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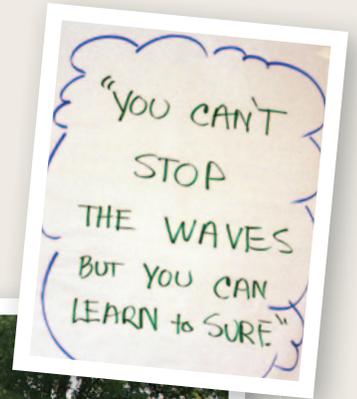


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Solutions to improve lives and enrich communities

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