



ANNUAL REPORT 2011

A Time for Every Purpose



Great Northern Corporation (GNC)



My earnest gratitude to
Great Northern...
for this winter's warmth....
From the Heart of
H.D. Watson



Dear Great Northern,
Thank you for
helping with
our Pac. Power
last month.
It really saved
the day.
Sincerely,
Mary McChrist



GNC is a community based nonprofit organization dedicated to supporting, strengthening and empowering local families and communities to improve the quality of life in Siskiyou County.

Our vision is to provide programs that support equal access across all streams of our society – to healthy homes that are free of environmental hazards, to personal and family health care services, to business capital, to community development of infrastructure for safe water and sewer systems, high speed communications delivery and to the research and resources in support of such projects.



As a local business owner, Northern Corporation. You believed in me (SVA) and were actually willing to lend me \$20,000. I am grateful for this assistance and must say, "Without you I would not be here today. Thank you so very much!"

As a single mother of two grown sons, I've existed much of my life at the poverty level. That has taught me how to gracefully weave my financial commitments and obligations, for very seldom did I make all my bills on time. I also learned to master the ability of robbing time to prevent a disruption of services. These skills have kept me quite some time now – a bit nerve-racking indeed, but an effective strategy.

I have been seriously working, often on very long hours, beyond any last vestiges of "poverty" in that area as can be seen in the SVA that

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“GNC is moving forward, strategically positioning the organization for stability and longevity – not status quo.”



EXECUTIVE DIRECTOR'S MESSAGE

A Time for Every Purpose

Awe. Respect. Gratitude. These are just a few of the emotions I feel as I think back over last year's course of business and the ways GNC navigated through 2011.

Awe at the magnitude of the challenges we faced and at how, seemingly against the odds, we met those challenges. Deep respect for the courage, and selflessness of our board, staff and volunteers. Gratitude not only for our incredible partners, jurisdictions and clients that we serve, but also for the wise and dedicated board who keep GNC on course. There is, indeed, "a time for every purpose." The past year was exceptional because it seemed to be a time for every purpose all at the same time. This Annual Report provides an opportunity to recap and share some of our notable milestones for GNC in the year 2011.

GNC's programs are among the last places those in dire need are treated with compassion when they seek assistance. We cast a wide safety net – help to pay for heating costs, distributing food to feed

families, solutions regarding substandard housing and weatherization, guidance for economic stability and other emergency services. Everyone in Siskiyou County deserves to live at a level that affords them the ability to have their basic human needs met and allows them a lifestyle with a measure of dignity. GNC manages programs that meet much of what low wealth households need most.

GNC is moving forward, strategically positioning the organization for stability and longevity - not status quo. That means aggressively focusing our efforts to build on our abilities to serve our communities and to work even harder on developing our assets for the future. It also means building our capacity at a time when every deserving nonprofit is seeking help through volunteer and financial means. It means continuing to challenge ourselves and others to join in this great endeavor to improve lives and enrich our communities.

Bonnie Kubowitz
Executive Director



USDA Food Commodities and Emergency Food Program

GNC serves as the commodities food distributor for Siskiyou County, which is the 5th largest in the state by land area. In square miles, it approaches the size of the states of Connecticut and Rhode Island combined. With a population of 45,000, an average income of \$50,400 for a family of four and an unemployment rate over 20%, demand for this program continues to increase daily.



Housing Rehabilitation

GNC's Housing Rehabilitation Program is the only locally controlled Housing and Community Development organization in Siskiyou County. Services include writing and administering grants in partnership with the County and Cities that are awarded funding for rehabilitation of sub-standard homes occupied by low income residents.



Rental Assistance

The Section 8 Housing Choice Voucher Program is a Federal housing program which provides housing assistance to low-income renters and homeowners. This assistance comes in the form of subsidies that offset the monthly rent or mortgage payment obligation of the recipients.



Economic Development – Loan Programs

GNC operates proven Economic Development Loan Programs that are available to emerging and expanding businesses and entrepreneurs throughout Siskiyou County. These loans are intended to stimulate job creation and business growth.



Infrastructure

GNC's commitment is to improve infrastructure through financial and technical assistance to local jurisdictions in Siskiyou County. Improvements to infrastructure are the driving force behind economic and public services development strategies and are critical to Siskiyou County.



Home Weatherization

The Weatherization Program is federally and privately funded to improve energy efficiency for low income residents in Siskiyou County. Qualified renters and owners living in houses, apartments, and manufactured or mobile homes receive improvements such as double pane windows and insulation.



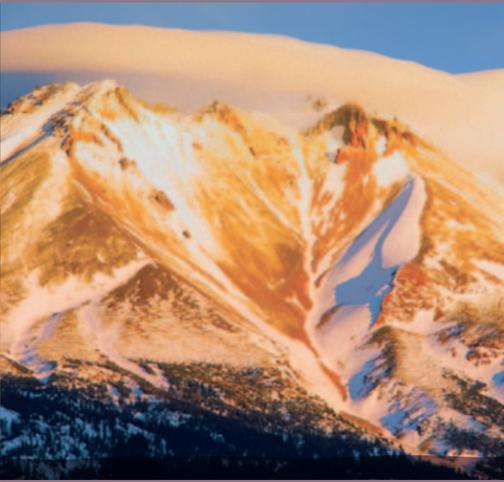
Energy Assistance

The Home Energy Assistance Program is federally funded to help income qualified households by providing a direct grant payment to their utility or fuel provider to help offset the cost of heating their home.



HIV/AIDS Assistance

The Siskiyou County HIV/AIDS Foundation provides access to health care and support services for individuals who are HIV positive. Its main purpose is to keep each HIV positive individual medically, physically and emotionally stable through:



- ▶ Distributed USDA Commodities to 23 sites; individuals helped – 27,804
- ▶ Purchased and distributed Emergency Food to 11 sites; individuals helped – 8,930
- ▶ Distributed to two soup kitchens providing 18,576 meals; individuals helped – 7,152

- ▶ Successfully rehabilitated homes – 23
- ▶ Projects awarded to local contractors – 11
- ▶ California Development Block Grant (CDBG) program funding managed – \$1.6 million

- ▶ Income qualified households assisted in Siskiyou County – 210
- ▶ Income qualified households assisted in Modoc County – 15
- ▶ Program income circulated into these counties – \$810,000

- ▶ Successfully awarded business loans – 7 totaling \$200,000
- ▶ New or retained jobs – 14
- ▶ California Development Block Grant (CDBG) program funding managed – \$1.7 million

- ▶ Completed infrastructure projects – 4
- ▶ Individuals served – 2,700
- ▶ Program funding managed – \$2.2 million

- ▶ Households weatherized by federal and private funding – 808
- ▶ Individuals assisted – 1,657
- ▶ Funding expended to assist individuals and families – over \$1 million

- ▶ Applications requested – 4,555
- ▶ Households benefiting from energy assistance – 2,718
- ▶ Contract funds expended to assist households – \$1,119,731

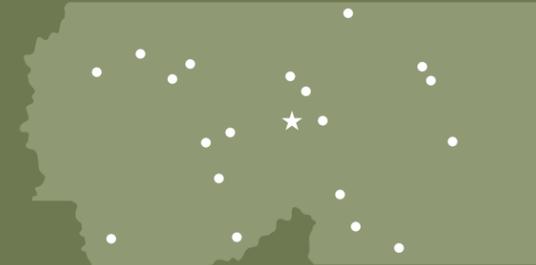
- ▶ Medical care, laboratory and diagnostic services
- ▶ Bimonthly HIV clinics with an infectious disease specialist
- ▶ Accessing medications, dental and vision care

Rural communities hold the keys to survival in their own hands. With help from policies that build on their strengths as desirable places to live and raise families, they can thrive.

Core values are the heart of GNC, and the stories that follow showcase this best. The pictures work well with our values; they connect the dots in an interesting, inspiring way that will leave you intellectually and emotionally engaged. Annual metrics provided on pages 6-7 show the scope of our deliverables through these programs.



► USDA Food Commodities and Emergency Food Program



The Trail Family

Putting Values into Practice – the Trail Family Gives Back

THE TRAIL FAMILY OF YREKA describes themselves as ‘low to no tech’ and “zero waste” when it comes to dry farming and raising meat goats for breeding in rural Siskiyou County. Parents Anna and Marc home school their daughter, Dominique. Her formally approved high school project found a natural segue to the food commodities distribution services of GNC.

The Trails have received food from GNC’s food commodities program and recently observed the increase in numbers of people who need assistance, and that quantities and quality were not meeting local needs. “Dominique wanted to do a project

that helped our family business and link it to community service. She was raised to keep ‘the big picture’ in mind and saw a way that she could give back to an organization that had helped us over the years,” said her mom.

Dominique wondered why all the helpers were always seniors. “Where are the kids to help with this program?” she asked. Dominique ‘dry farmed’ potatoes, onions and other vegetables with the goal to donate them to GNC’s food program. “I wanted to see what we could produce without a lot of effort or resources,” Dominique explained. “Turns out that, although smaller than vegetables that have had organic fertilizer and more water, they still grow

and there is plenty to give away. It might be good for people to know how easy it is to grow some foods here in our area.”

GNC staff met the Trail family for the first time in late August to pick up vegetable donations from Dominique’s garden. They were delivered to emergency food pantries throughout Siskiyou County. “There is no reason to ever waste food,” says Marc Trail. “We are proud of our daughter’s ability to practice the values we all share and delight in mentoring her high school project. Everybody wins.”



The Wilson Family

Collaboration Creates Safe, Comfortable Home for the Wilson Family

“We are so grateful for our fresh start in our home. Our utility costs are down, the crew was fantastic and we are so comfortable.”

THE WILSONS, family of seven in Yreka, contacted Great Northern Corporation when they realized that the older home they had purchased had more than cosmetic issues that needed to be addressed. The Wilson’s applied for Weatherization, and during the initial assessment, found that the health issues the family was having were related to a carbon monoxide leak traced to their existing heat source. The scope of work the house needed was larger than what the Weatherization department could fulfill, so the family was referred to GNC’s Housing Rehabilitation Department. The work done by Housing Rehabilitation remedied the health and safety issues caused by the heater and improved the overall condition of the home.

The Wilson’s were involved in the rehabilitation as often as possible. They recycled their old trampoline into fencing and railings for the entrance steps. They did daily clean up for the contractors and designed the landscaping. Their gratitude for the improved health, security and comfort for the family was expressed regularly through their thoughts and actions. “We are so grateful for our fresh start in our home. Our utility costs are down, the crews were fantastic and we are so comfortable,” says Dawn Wilson. “We can’t thank you enough for your expertise and encouragement.”



The Mitchell Family

Mother of Two Achieves Healthy Home Through Rental Assistance

“Because of rental assistance I am able to provide my children with a nice, safe place to live.”

WHEN IT COMES TO GNC’S management of Section 8 Rental Assistance, sometimes the story is best told by our client’s themselves. This is Rocie’s story... “My name is Rocie and I am the single mother of two children. Because of rental assistance I am able to provide my children with a nice, safe place to live. Before we had rental assistance things were really tough because my pay checks would only cover the rent. Rental assistance allows me to provide healthy

meals for my children because after paying rent I have money left over to purchase groceries as well as pay necessary utilities. When I was pregnant with my second child, I was laid off and had very little income from unemployment but because we had rental assistance we were able to keep our home. Now that we have rental assistance we now have one less thing to worry about.”

▶ Economic Development – Loan Programs



Heinz Danzeberger

Labor of Love Opens Red Door Gallery

“The key is building public recognition of the richness of arts resources available in the region.”

HEINZ DANZEBERGER’S enjoyment of photography began in Europe in the 1980’s. His involvement in the medium took a turn in 2005 when the industry moved toward digital printing. The idea for a high-quality printing service inspired Heinz to work on business development with GNC’s partner, Jefferson Economic Development Institute (JEDI). When his plans were complete, Heinz turned to GNC’s Economic Development Loan Program to open a business in the City of Mt. Shasta.

From its downtown location, Red Door Gallery provides a space for local artists to showcase their work and offers the latest in digital archival pigment print technology. Heinz produces giclee and

museum quality prints for the visual artist, photographer, designer and publisher. He strives for the creation of the perfect print, his “labor of love.”

“I like the location on the main street in Mt. Shasta. I market to artists, so they come and see me, and that says more than a big fancy website. It is a different approach - personal interaction with the artist,” he said. “The key is building public recognition of the richness of arts resources available in the Mt. Shasta region,” Heinz reminds us. Drop in to the Red Door Gallery and see firsthand what a difference a GNC Loan makes.

▶ Infrastructure Development



Water line trench

Partnerships Make Fresh Water Flow – The Tennant Story

“Being in a remote location in the County, to get a project of this magnitude was a monumental achievement. GNC and the engineers who worked on the project have made a huge contribution in our small town.”

Board of Directors, Tennant CSD

BEFORE 2001, the small community of Tennant, located in the high plateau north of Weed off Highway 97, required all residents to boil their drinking water because it failed to meet California State drinking water standards. With the passage of the American Recovery and Reinvestment Act (ARRA), the community received a grant for 100% of the cost to replace its antiquated water system. In order to qualify, the project had to be “shovel ready,” and environmental documentation prepared in just three months.

Tennant chose GNC as grant manager to insure all reporting and funding allocations were properly tracked and timely. GNC staff took the lead in meeting all state and federal guidelines for the project and provided guidance to the Tennant Community Services District.

The project concluded with 6,200 feet of new water piping, a well, a generator building, and a 275,000-gallon welded steel tank that delivers fresh drinking water to our rural neighbors.



Employee Ron Morris assisting Jim Taylor

Comfort and Warmth Envelopes the Home – The Taylor Family Story

“We’re looking forward to winter now that we have the insulation in the attic.”

WHEN JIM AND MARY TAYLOR, long-time residents of Weed, saw the ad in the paper for GNC’s Weatherization Program, they hoped it might improve the comfort in the home where they raised their kids and are now retired. After speaking with program staff, they were looking forward to the weatherization work; when the work was completed they were delighted.

“Heavens!” says Mary. “We noticed the changes immediately! Our winter monthly power bills have been reduced by twenty percent. But really, comfort in our home is what we notice more than anything. We can’t say enough about this great program and GNC’s fabulous service.”

GNC’s weatherization crew installed R38 ceiling insulation, weather-stripped and repaired two outside doors, made minor repairs to make the house envelope tighter and installed three smoke alarms. “Upon qualification, the process was seamless,” Mary says. “When your people came they were wonderful, polite and professional. They cleaned up completely each day; we had to do absolutely nothing. We could not have asked for a better group of people to come into our home.”



Easing the Burden of High Heating Costs Through Energy Assistance

“My earnest gratitude to Great Northern...for this winter’s warmth... from the heart of P.J. Watson”

THE ENERGY ASSISTANCE DEPARTMENT reaches out to touch the lives of thousands of Siskiyou County residents each year by helping them keep their houses warmer through the cold winter months. By providing assistance to offset the cost of heating with electric, kerosene, propane, diesel or firewood the program reduces heating costs for low income households.

Assistance is provided to households that include vulnerable populations, such as elderly, young children, disabled, those with life-threatening illnesses and those with high energy burdens. It also strives to quickly help those facing service interruptions or

who are out of heating fuel or firewood. This means that the federal funds from this program are paid to the fuel providers to serve those with the greatest need.

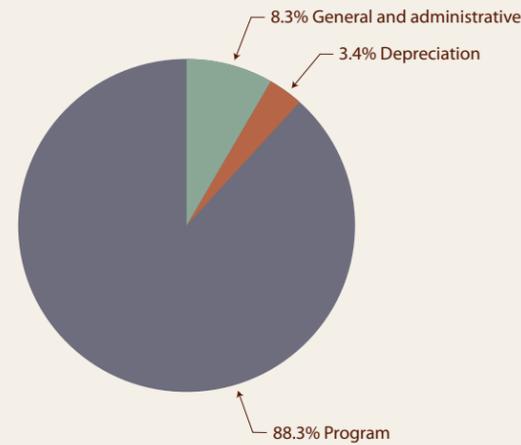
The hard working staff in the Energy Assistance department has little face to face interaction with the people the program serves but many clients do send along notes and cards expressing their gratitude. Staff members are appreciative to receive notes like these: “Thank you so much for the firewood. It is 29 degrees outside this morning but I am warm and cozy.” “...Thank you so much for the home heating fuel support. It’s a great burden off our minds.”

The Financial Challenges Greatly Influenced Revenue in 2011

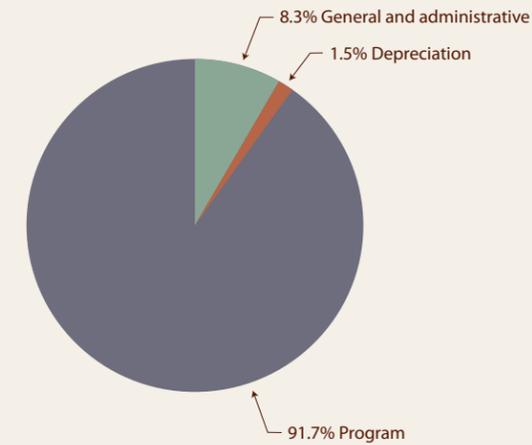
Operationally, GNC took early and significant action to reduce spending in anticipation of decreased revenue. While GNC's general and administrative work load increased by 15.4% the administrative cost to manage the workload only increased by 3.8%.

Doing the most good for those in need is our highest goal. We pledge to maintain the highest standards of financial accountability to earn your continued trust. To that end, GNC is audited by independent certified public accountants in accordance with generally accepted accounting principles.

2011 Total Programmatic Efficiency



2010 Total Programmatic Efficiency



STATEMENT OF FINANCIAL POSITION

Assets:	December 31, 2011	December 31, 2010
Current assets	483,140	600,286
Long-term assets	991,803	935,444
Total assets	1,474,943	1,535,730
Liabilities and net assets:		
Short-term liabilities	369,100	671,377
Long-term liabilities	857,495	552,969
Net assets	248,348	311,384
Total liabilities and net assets	1,474,943	1,535,730

STATEMENT OF ACTIVITIES

Revenues:		
Grant and contract revenue	2,417,440	1,855,355
Other revenue	61,811	174,194
Total revenue	2,479,251	2,029,549
Expenditures:		
Program expenditures	2,246,447	1,916,238
General and administrative	211,451	203,793
Depreciation expense	85,622**	32,221
Total expenditures	2,543,520	2,152,252

** Captured depreciation in previous audits



"We find that when we treat people respectfully, no matter their lot in life, they respond in a positive way. We have developed compassion for those less fortunate than ourselves. It feels great when we help them climb out of the hole a little bit."

GNC Employee



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Solutions to improve lives and enrich communities

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