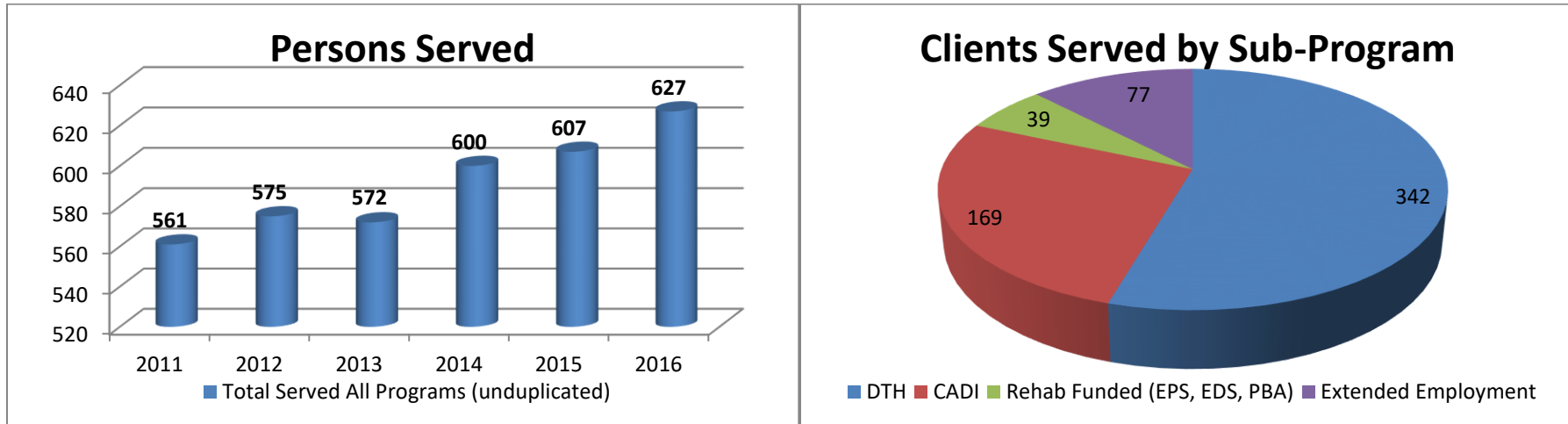


WACOSA – Outcomes Management Report
Year in Review

Period Reported: 1/1/2016 – 12/31/2016

<u>Indicator:</u>	<u>Result</u>	<u>(+) or (-) from Previous Year</u>
Total Persons Served in 2016 –	627	(+3%)
Admissions in 2016 -	62	(-23%)
Discharges in 2016 -	85	(-31%)
Total Community crews 2016 -	51	(-4%)
New Community crews in 2016 -	3	(-25%)
Total Individual Placements 2016 -	91	(-17%)
New Individual Placements 2016-	31	(-28%)
Total center-based contract hours -	79,975	(-8%)
Total DocuShred revenue -	164,820	(+6.6%)
Total DocuShred pounds collected –	936,596	(+4.5%)
Total ThriftWorks revenue	238,342	(+10.65%)
Average hourly pay:		
Individual Placements (Extended Employment) -	\$10.07/hr.	(+.62/hr.)
Community crews/enclaves -	\$6.47/hr.	(+.34/hr.)
Center-based employment -	\$3.61/hr.	(+.13/hr.)
Total Development income –	\$306,008	(+38%)
Total number of volunteers -	318	(+126%)
Volunteer Hours (approximate) -	3,674	(+1%)



Analysis/Trending of “Year in Review” Data:

We are pleased to note a continued increase in the number of persons served by WACOSA over the past 4 years. The past 6 years are noted in the chart above. 2012 to 2013 remained relatively stable, with a small drop between the two years. 2014 – 2016 once again saw progressive growth of 4.5% in numbers of persons served. WACOSA has experienced a 32% increase in total numbers of persons served from 2008 to the present. This consistent growth speaks well of WACOSA’s continued relevance in the community and the overall need for the organization’s services. The slight drop in numbers from 2012 to 2013 had much to do with the overall funding climate in the Minnesota Health and Human Services at the time. The freezing of client services due to cuts brought on by both the federal sequestration and a state restriction on Waiver funded services caused waiting lists throughout the state during this time and were the primary causes for service reductions in 2013.

While 2016 saw WACOSA continuing to grow client numbers, the bulk of this increase came at the close of the year when one of our competitors approached us to begin service for 12 new clients, along with their support staff, to maintain these individuals entirely in their already-established community job placements. Without this growth, the year would have remained relatively flat in terms of numbers served. As in past reports, reports from our MOHR lobbyists continue to be less than optimistic regarding any new spending being injected in to the Health and Human Services (HHS) budget during the 2017 legislative session. Presently, Minnesota’s governor continues to oppose growth in HHS spending, has proposed the elimination of partial day rates for clients and has not acknowledged the need for additional resources to help give increases to Direct Service Personnel (DSP’s) in order to remain competitive in attracting qualified staff. Minnesota’s 3.7% unemployment rate, coupled with the increase of the state minimum wage to \$9.50/hr., has resulted in the gap between minimum wage and WACOSA’s entry wage narrowing to \$1.83 between the two. This, in turn, has created an incredibly difficult hiring environment in 2016, leaving approximately 12 open DSP positions at the close of the year.

New state and federal initiatives continue looming large in the coming months and years that threaten the way WACOSA has historically provided services. Center-based services remain in disrepute, as does the payment of special minimum wage. Many of these impending initiatives are being

required by the federal government without new funding to accompany the mandate/s. As a result, the state DEED office is being forced to funnel funds away from many deserving services in order to accommodate new federal requirements. Minnesota's Olmstead Plan and Employment First Policy have now been largely implemented across Minnesota. While the Olmstead Plan was not implemented to restrict services but to bolster integration efforts, we nevertheless continue to see a vilification of center-based services. Additionally, the Work Force Innovation and Opportunity Act (WIOA) is in the process of reaching full implementation resulting in chaos for new school graduates, incumbent clients, their families and funders. Clients and their guardians are being required to undergo counseling to determine their interest in community employment, resulting in many parents, guardians and caregivers growing frustrated and often vocally unhappy with the process. Early reports indicate approximately 80% of clients/families served by programs like WACOSA say they are happy with current services. Presently, Independent Living Centers across the state are being paid by the state to orchestrate the required counseling sessions. Redefining the use of Home and Community-Based Waiver funding will become our next hurdle to negotiate, as assessments are interpreted in the coming months and determinations are made as to whether or not services provided at programs like WACOSA are integrated. Failure to pass this integration test will result in the need to redesign services until such a time as they are deemed properly integrated. If such a declaration is made, changes must be in place by 2019 in order to continue accessing these funds. Presently, WACOSA receives approximately 80% of its funding from the Medicaid Waiver. Overall, these new initiatives, along with efforts to eliminate Section 14C of the Fair Labor and Standards Act, are all underway, purporting to:

- Increase the number of people getting competitive, integrated jobs by implementing the informed choice mandates of MN's Employment First policy.
- Facilitate the movement of adults into integrated, competitive employment.
- Expand the numbers of transition-age youth who achieve competitive, integrated employment.
- Overall, increase integration of persons with barriers to employment and activities of daily living and decrease isolation, as perceived by state and federal entities.

WACOSA will continue to reflect upon and improve our services in order to advance these initiatives. Nevertheless, we continue to take exception to intimations that center-based services are no longer a relevant or acceptable choice for our service recipients, a philosophy asserted by advocates at both state and national levels. It is our perception that opponents of center-based services, by enlarge, have already decided that such services are isolating, based upon positions expressed in multiple state and federal written and public forums. These concepts will be further analyzed in the months and years that follow, culminating, if state and federal plans hold, in complete transition by 2019. At this time, it remains unclear what impact such initiatives will ultimately have on WACOSA's services and upon services like WACOSA's nationwide. (For further in-depth analysis, see WACOSA's Buzz Newsletter, special edition, "Change is on the Horizon", summer, 2015).

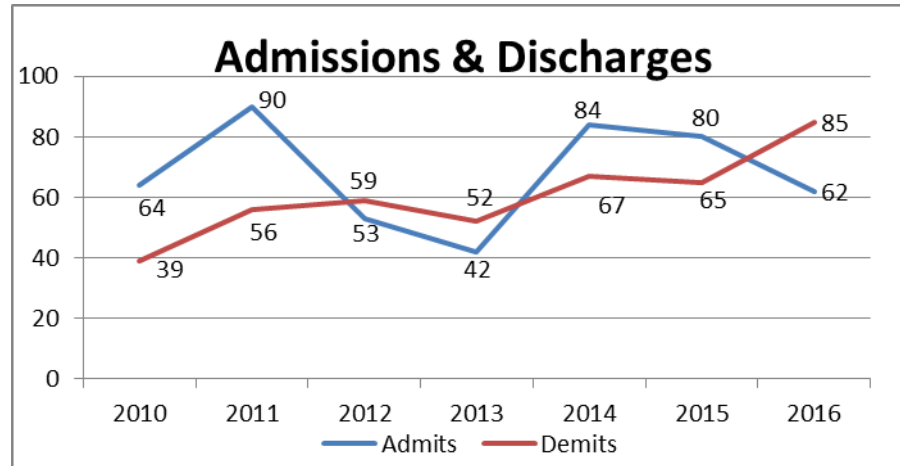
Finally, also significant are the cuts coming from Disability Waiver Rate Setting (DWRS). This initiative, introduced in 2013, was designed to be funding neutral, while developing individual rates for all clients across Minnesota, based upon each person's unique need. The implementation of this process statewide is resulting in potential cuts of over 35% for some organizations, once banding protections are lifted and rates are fully implemented in 2019. Additional approvals from the Centers for Medicaid Services (CMS) for an extended period of banding have been sought by Minnesota DHS. Presently, these approvals have not yet been granted. A quick calculation by WACOSA's Finance Department indicates that WACOSA will lose approximately 12% of its funding, should these changes be fully realized in 2019. While such a cut would have a significant impact on our services, we expect WACOSA could absorb the impact, which is not necessarily the case for many programs across Minnesota.

2016 saw clients served by sub-program remain relatively stable, with the exception of CADI funded clients, increasing by 9%. This increase was the result of two groups of clients adding to our numbers during the year. The first of these, Goodwill Industries, requested that we assume serving a number of clients already placed in community employment, along with the job coach who was working with them. This request came as Goodwill decided to dismantle its 245D licensed services in 2016, requiring alternative placements for Goodwill clients. Additionally, as a result of local provider Opportunity Services' (OS) talks/negotiations with Stearns County, a number of OS clients in danger of losing their services were referred to WACOSA, also accounting for the growth in numbers. Historically, both CADI and DT&H referrals remain the strongest referrals to WACOSA, with 2016 being no exception.

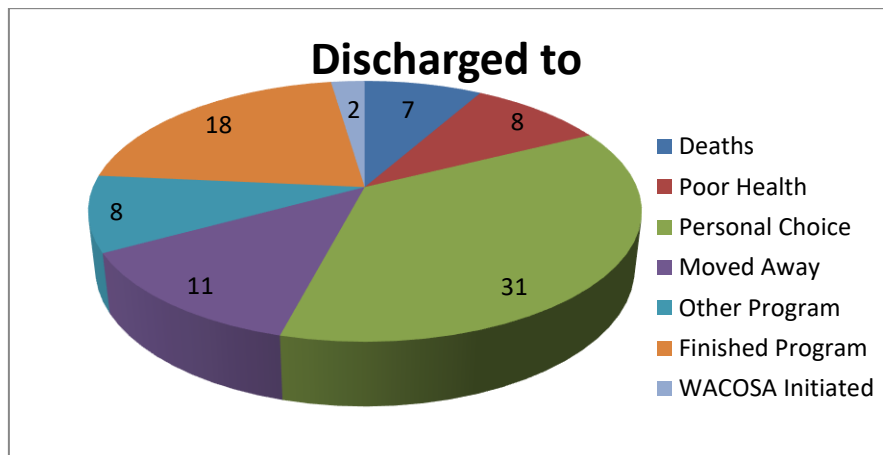
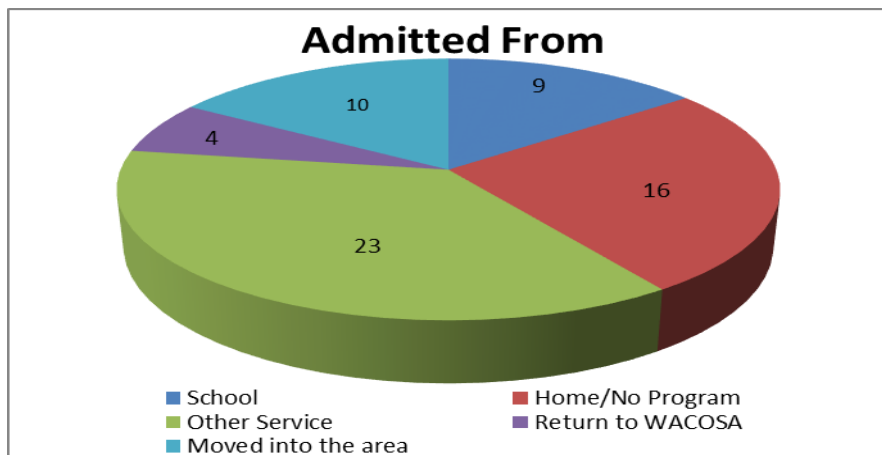
Numbers by sub-program continue to demonstrate that DT&H services continue as the largest of WACOSA's service areas with CADI second, Extended Employment third, rounded out by Rehab Funded services. These numbers are consistent for the past several years and are expected to remain so into the future. As reported in past Outcomes Measurement data, we continue to expect a continual decrease in numbers of persons served in our center-based EE clientele in the coming years. This decline in workers has been steadily occurring over the past 10+ years as a result of the state of Minnesota's continual and expressed commitment to reduce center-based funding for clients in favor of community-funded services. This trend is being played out and is expected to continue, given the state's continued commitment toward community employment and away from center-based services. Total Community Crews, New Community Crews, Total Placements and New Placements all lost ground slightly in 2016. The category of Community Crews in general lost ground due to WACOSA's inability to recruit the number of staff necessary to keep our crews growing. In fact, WACOSA was forced to decline a total of 5 crews in 2016 due to lower than expected personnel numbers that made staffing new work crews almost impossible. Client ability levels inconsistent with the duties required also played a factor in WACOSA's not being able to accept these crews. Placement numbers were lower than expected due to clients taking longer than expected to complete community assessments. Such assessments are critical in making it more likely for clients to be successful in obtaining and sustaining future competitive employment

Finally, consumer wages indicate growth of approximately .34/hr. and .62/hr. respectively for clients on crews and for those participating in Placement Services. Additionally, growth of .13/hr. can be seen in center-based work. We believe this third year of continued improvement for all areas is the result of an improving economy, along with work remaining a bit more complex, garnering higher pay. Additionally, it is probable that the state minimum wage increasing to \$9.50/hr. also played a part in this improvement, since wages tend to go up proportionately.

2016 Admission and Discharge Analysis:



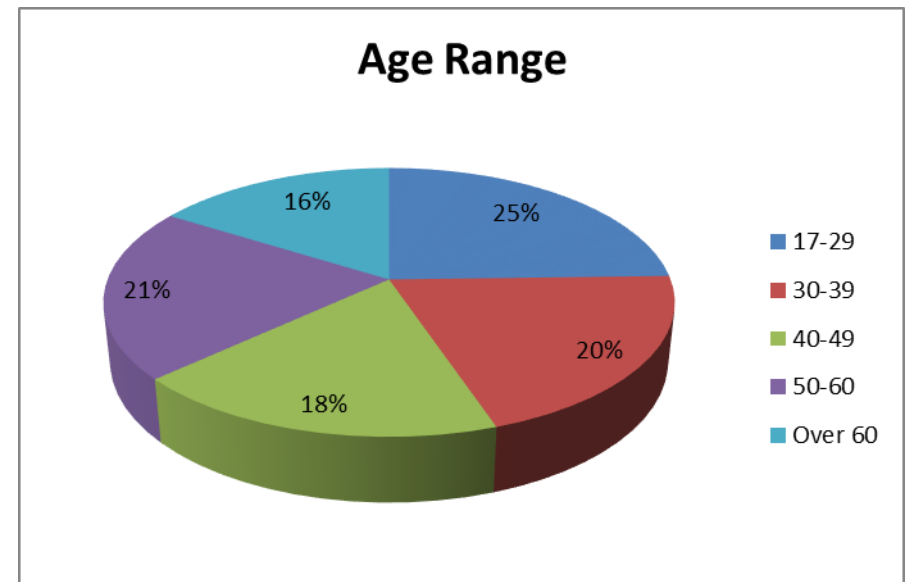
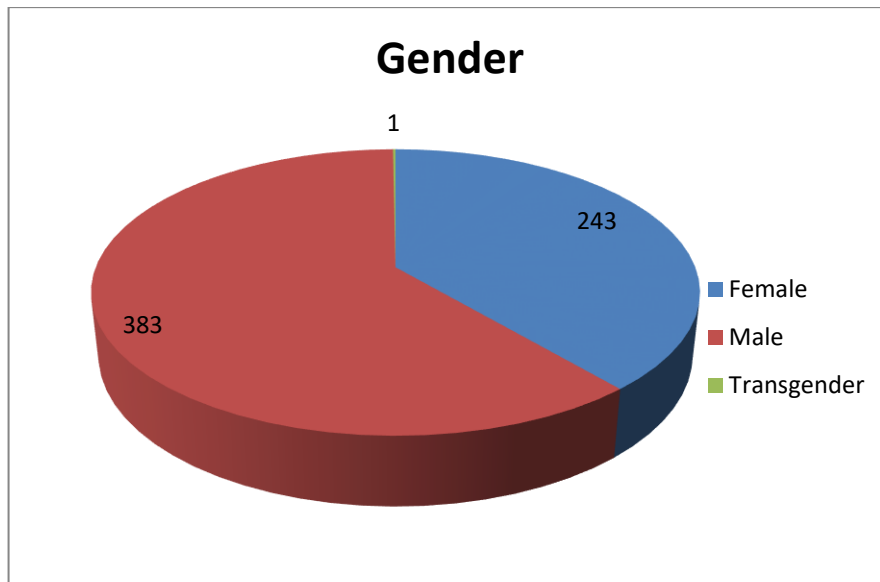
In 2016 saw admissions overall decline 23%, with discharges increasing by 31%. This is the first time since 2012 and 2013 we have observed this inversion. It's hard to know exactly what caused this dynamic in 2016. With the exception of deaths, all but one category of "Discharged to" grew, with the exception of "Poor Health", which dropped by 43%. Of the reasons for "Discharged to", Personal Choice, Moving Away, and Finishing Program were most noteworthy in the data. Of these, it should be noted that Finishing Program saw an increase of 50% (6 individuals), which is an overall good result for WACOSA's clients and our mission direction. We will continue to observe this dynamic over time to see what if any trends may exist. It is worth pointing out that, as in years past, clients exercising their personal choice to leave program remains the number one reason for discharge, further



demonstrating the choice-centered nature of WACOSA's services.

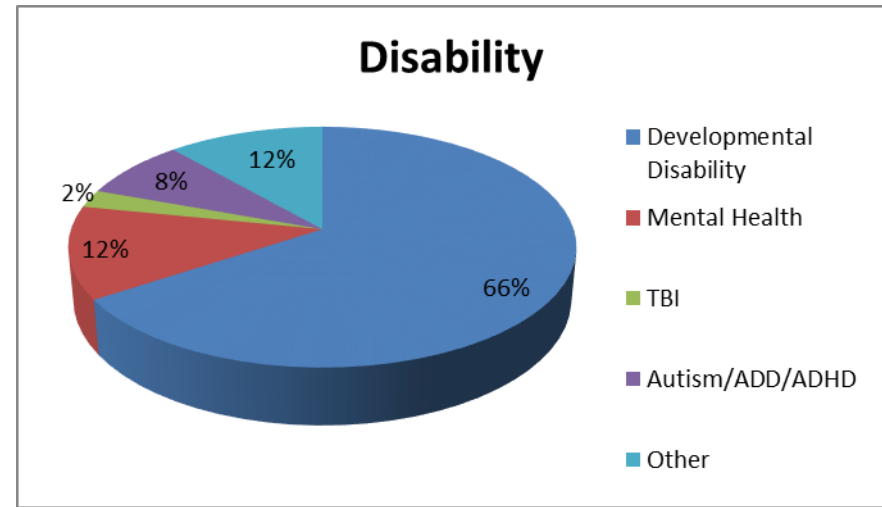
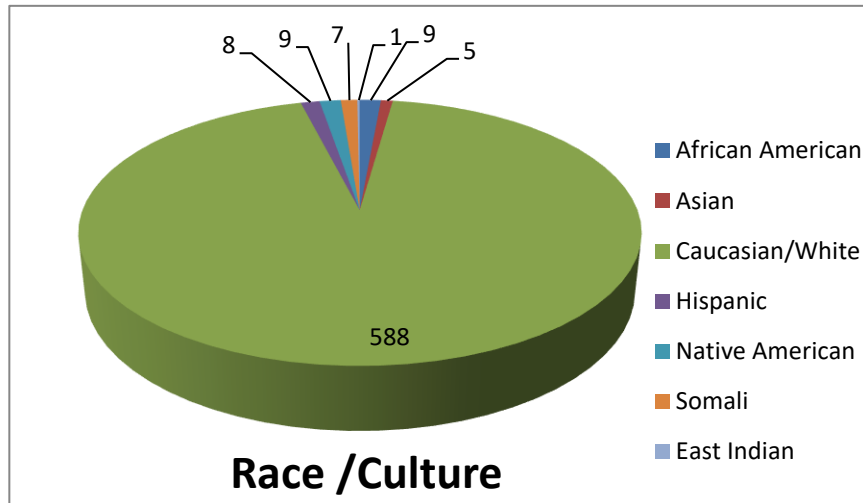
Historically, the largest number of admissions entering WACOSA programs have come from “Home/No Program”. In 2014, we saw a significant change in this dynamic, with 29 admissions to WACOSA’s services coming from “Other Services”. In 2015, the category of “Other Services” grew again to 35, or by approximately 21%. While this dropped by 34% (23) in 2016, this category continued in 2016 to remain the number one reason for admission into WACOSA’s services. The category of “Other Services” includes competitor’s programs, along with shorter term Vocational Rehabilitation assessments and job trials. The remaining categories demonstrated a mix of admissions in 2016, with Home/No Program being the second most prominent place from which admissions came. Again, these results closely mirror those of 2015. Finally, as predicted in last year’s report, state and federal WIOA initiatives taking place in 2016 resulted in a drop in admissions of school graduates by 47%. The protracted period of time that graduates must spend going through state DEED services rather than coming straight in to services like those offered by WACOSA are the reason for this drop. We anticipate this number will continue to drop in the coming year as WIOA is fully implemented. The WIOA initiative will figure prominently into WACOSA’s service design and vision as the year/s progress.

2016 Client Demographics:



An analysis of demographics for 2016 shows information, by enlarge, to be unremarkable from 2015, in terms of changes and trends. In general, WACOSA serves a disproportionate number of male to female clients at a ratio of approximately 2 to 1.5. This year is the second year we have included Transgender as a new category, since WACOSA has 1 individual now identifying in this way. The largest single age range for clients at WACOSA is 17–29. For the second year in a row, clients age 50–60 surpassed ages 30-39, dropping 4% lower from last year. The most significant change in terms of age range was the increase of clients over 60 by 5%. The bulk of WACOSA clients fall within the age ranges of 17–49 years of age, with clients from 50 - 60 coming in second and ages 30–39 coming in a close third. Over 60 is the smallest group that WACOSA serves and has

remained so, as expected, from the earliest tracking of outcomes measurement data. This category will be monitored for future trends, given the 5% growth in this category in 2016.



“Caucasian” continues to represent the largest ethnic category of persons served and continues to be relatively stable again when compared to 2015. Of interest in 2016 is the growth of “Somali” clients by 40%. This percentage appears somewhat more impressive than it really is given the small number of clients represented. Nevertheless, we are pleased to see growth in this population, given the representation of this ethnic group in the local community. It is noteworthy that WACOSA continues to expand its services to more diverse categories of individuals. All other categories showed little to no change from 2015 to 2016. With regard to Disability, clients categorized as having a “Developmental Disability” continue to represent the largest disability category being served, growing slightly in 2016. Otherwise, “Disability” data for 2016 remained fairly constant when compared to 2015.

WACOSA

Outcomes Management Report – Program Objectives/Results

Period Reported: 1/1/2016 – 12/31/2016

Note: For all goals, persons responsible for collecting and tracking data are Client Managers and Training Specialist Leads.

Community Employment Services (CES):

Measurement Category	To Whom Applied	Objective	Data Source	Goal	Result/s	Goal Met / Not Met
Effectiveness	Participants working in CES	Develop new community crews	Client work records	8	4	Not Met
	Participants working in CES/Placement	Develop individual placements	Client payroll	50	91	Met
	Work Crew Participants	Maintain average hourly wage	Client payroll	\$6.15/hr.	\$6.47/hr.	Met
	Participants in Placement Services	Maintain average hourly wage	Client payroll	\$8.40/hr.	\$10.07/hr.	Met
Efficiency	Participants referred for PBA's	Minimize time to achieve employment	Client placement records	69% within 90 days	70%	Met
Service Access	All participants in WACOSA's CES programs	Minimize wait time for services	Intake records	100% enter within 14 days of completed referral information	100%	Met

Day Training and Habilitation Services (DT&H):

Measurement Category	To Whom Applied	Objective	Data Source	Goal	Result/s	Goal Met / Not Met
Effectiveness	Clients in the Whitney Seniors Program	Clients will meet community goals	Client records/data tracking	75%	89%	Met
	Clients in the North program	Clients will meet community goals	Client records/data tracking	65%	87%	Met
Efficiency	Clients in DT&H services expressing interest in independent placement	Minimize time to complete employment assessment process	Client records/data tracking	90% within 90 days, following 45 day assessment	100%	Met
Service Access	Clients in DT&H services	Minimize wait time for services	Intake records	100% enter within 14 days of completed referral information	100%	Met

Organizational Employment Services (OES):

Measurement Category	To Whom Applied	Objective	Data Source	Goal	Result/s	Goal Met / Not Me
Effectiveness	Participants working on center-based work	Maintain/increase employment	Client production records	87,933 hours	79,975	Not Met
Efficiency	DocuShred Services staff and clientele	Increase business efficiencies	DocuShred Records	Average of 56,546 pounds per month	78,049 pounds per month	Met
Service Access	All participants in WACOSA's OES programs	Minimize wait time for services	Intake records	100% enter within 14 days of completed referral information	100%	Met

Work Adjustment (EDS):

Measurement Category	To Whom Applied	Objective	Data Source	Goal	Result/s	Goal Met / Not Met
Effectiveness	Individuals participating in EDS	Increase average hourly wage	Client payroll records	\$5.50/hr.	\$9.00	Met
Efficiency	Individuals participating in EDS	Minimize time spent in EDS	EDS attendance records	80% of clients will spend 90 days or less	100%	Met
Service Access	All participants in WACOSA's EDS program	Minimize wait time for services	Intake records	100% enter within 14 days of completed referral information	100%	Met

Situational Assessment (EPS):

Measurement Category	To Whom Applied	Objective	Data Source	Goal	Result/s	Goal Met / Not Met
Effectiveness	Individuals participating in EPS	Maximize days and clients participating in community-based EPS	EPS attendance records	75% participating 2+ days in community	100%	Met
Efficiency	Individuals participating in EPS	Minimize time to complete new placement assessment	EPS client records	100% complete assessment (20 days of start)	77%	Not Met
Service Access	All participants in WACOSA's EPS program	Minimize wait time for services	Intake records	100% enter within 14 days of completed referral information	100%	Met

Autism Spectrum Disorders (ASD):

Measurement Category	To Whom Applied	Objective	Data Source	Goal	Result/s	Goal Met / Not Met
Effectiveness	Participants in ASD In the North Program	Maximize persons served	Client records	11	15	Met
	Participants in ASD North Program	Complete 10 minutes of work without staff assistance	Client goal tracking data	80%	26%	Not Met
Efficiency	Participants in ASD	Improve transition ability between locations	Client goal tracking data	66%	53%	Not Met
Service Access	All participants in WACOSA's ASD services	Minimize wait time for services	Intake records	100% enter within 14 days of file comp.	100%	Met

Consumer Satisfaction (Scores of neutral or above rated as satisfied. Scores rounded up to the nearest whole number):

Objective	Goal	Result/s	Goal Met / Not Met
Maximize overall client satisfaction	95%	93%	Not Met
Maximize overall stakeholder (parents, guardians, residential staff and referral partners) satisfaction	95%	97%	Met
Maximize overall business customer satisfaction	98%	94%	Not Met

(Note: Also see Stakeholder/Client/Business Customer satisfaction analysis, trending and future recommendations on separate reports)

Analysis/Trending of Objectives/Results:

We remain pleased regarding performance on program objectives over the course of 2016. Approximately 78% of categories accomplished or surpassed objectives set, which represents a growth of 8% when compared to 2015's numbers. Community crew wages surpassed goal by \$.32/hr. and improved over last year \$.34/hr. Placement wages surpassed goal in 2016 by \$1.67/hr. and improved over last year by \$.62/hr. All wages showed significant positive rebounding in 2016. This likely had much to do with the state increase in minimum wage, driving all wages up proportionately. The improving economy and the ability of employers pay better are perhaps other contributing factors. It is worth noting that requests for community crews remain at an all-time high. In 2013, WACOSA was forced to decline 8 new crew requests, in light of shortages of clients and/or staff to lead the crews. 2014 - 2016 were no exception with a total of 13 crews being declined for the same reasons, for all three years combined.

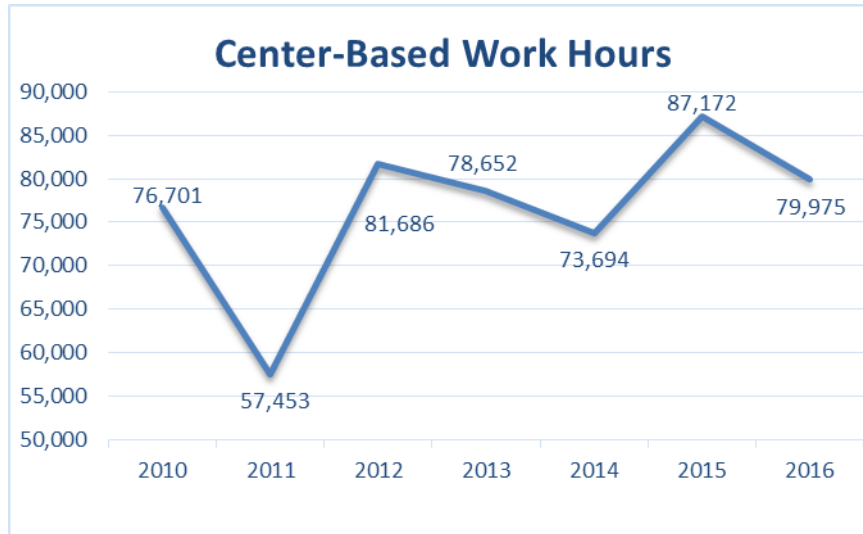
Under OES, center-based work hours fell short of goal by 79,975. As discussed later in the section Analysis/Trending of Center-Based Work, this shortage was the result of a number of losses of larger center-based contracts throughout the year.

For the category EDS, the average hourly pay grew by \$3.50/hr. for a total of \$9.00/hr., again likely due the increase in the state minimum wage driving wages up in general. The efficiency objective set for EDS where 80% of clients will spend 90 days or less in service ended at 100% again in 2016. While we are pleased with this showing, it should be noted that this service is currently on the decline, with fewer and fewer days billed for service recipients each year. We continue to see a trend in which referral sources are opting to send clients directly for PBA services, skipping EDS, in light of money shortages. We will continue to monitor this trend to see if it continues or reverses at some future point.

Finally, ASD clients at WACOSA served in the North Program remained at a relatively constant 15 from 2013 to the present, surpassing goal by 4. Agency-wide, 50 individuals with a primary ASD diagnosis were served in 2016, one less than 2015. 2016 continued focusing on learning and applying best practices in serving individuals on the autism spectrum.

Analysis of Consumer Satisfaction Results: *Consumer satisfaction scores remained reasonably stable in 2016, with the scores of "No Opinion" being recorded as satisfied during client interviews. Our experience has demonstrated that client satisfaction can fluctuate naturally from time-to-time without necessarily being of any substantive concern or, conversely, reason for celebration. Interviews and written data tended to indicate that the response of "No Opinion" could be correctly scored as satisfied, since clients did not seem reluctant to share things they found to be unacceptable in their program day. A higher response rate and new clients getting used to new program services are others possible reasons for this slight fluctuation. The drop of 4% in satisfaction with our business customers is difficult to articulate for certain, though we believe the primary reason for this can be found in the overall satisfaction rating of 86% with our work crews/enclaves. Difficulty in staffing and/or turnover in consistent staffing were shared by employers as at least one reason for this less-than-expected score. This concern is not surprising given the challenges of attracting and retaining qualified staff over the past several years. Additional monitoring will be conducted in the years that follow to determine what, if any, trends exist.*

Analysis/Trending of Center-Based Work:



Hours worked on center-based contract work dropped from 2015 to 2016 by approximately 8% and fell short of goal by 7,958 hours. While this result is somewhat disappointing, it is not unexpected, given the tenuous nature of a number of our significant customers in 2016. In particular, West Rock was down by 6,000 hours, along with our losing DPMS when they moved out of the area, accounting for 1,700 hours. Additionally, Nahan was down by 2,600 hours and RIE was also down by 3,200 hours. The largest increases for hours by employer were Electrolux at 1,500 hours and Fields Manufacturing by 1,800 hours which helped, but could not make up for the significant losses incurred. WACOSA's sales department continues working to replace the lost hours with additional work from existing customers, along with generating work from new customers, when possible. As with last year, staff shortages continued to create challenges completing center-based work in 2016. Replacing the loss of these larger contracts in 2016, along with the continued challenges of keeping staff positions filled, represent some of the greatest obstacles as we move into the coming year.

2016 is the first year we began earnestly tracking and reporting on bids lost over the course of the year, along with the reason for each loss. It is our hope this information will better inform us regarding what we can do to maximize retention of the customers we have, since keeping customers is much most cost effective than locating new customers. The chart above reflects this information. It should be noted that WACOSA frequently bids jobs for vendors who are, themselves, bidding for work. Often these vendors fail to win the job they are bidding, resulting in our also failing to get the work. This remains the primary reason we lost work opportunities in 2016. Not a fit for WACOSA constitutes the second largest category, continuing to demonstrate that the abilities of our workforce often dictates the type of work we can accept. As years progress, we will continue to track this data to see what, if any, trends exist that might inform our future bidding strategies.

In 2016, total in-house sales revenue was \$476,157, an increase of approximately 27% when compared to 2015. At first glance, this appears inconsistent with the number of center-based hours lost in 2016. WACOSA's Sales and Operations Departments worked cooperatively this year to raise

prices on most of our contracts, many of which have not been raised for several years. Given the significant number of pieces (i.e. Electrolux) being produced annually, this accounted for significantly higher revenues in 2016 than in past years. We submitted 160 total bid opportunities in 2016, 57 more than in 2015. This growth is the result of a number of things. New customers gave us more opportunities to bid. Additionally, positive changes in the economy caused the job market to get tighter, resulting in more outsourcing being done by businesses. With these improvements came a number of challenges, as well. As we submitted substantially more bids, we also greatly increased the number of jobs we failed to win. As a result, we lost 65% of all bid opportunities in 2016. While this appears to be significant, winning too many bids can indicate pricing is too cheap, while the reverse can indicate it is too tight. WACOSA's bidding team shoots for an approximate win ratio of approximately 60 – 65%. Our win ratio was 35% in 2016, ending shy of expectation by approximately 25 – 30%. As noted in the chart above, most of the bids lost, approximately 43%, were the result of customers who bid for work, but who also did not win the bid. Other reasons for bids lost are noted.

At first glance, it would appear we experienced over 500 more jobs in 2016 than 2015. This is not the case. It should be noted that we began tracking jobs differently in 2016, resulting in this numerical disparity. In 2015, we did not include re-orders. 2016's figure now includes new and existing jobs, along with re-orders. We also continue to be somewhat selective regarding the work that we choose to do, given the fact that WACOSA's workforce is often at capacity at the time the job opportunity becomes available. We will continue to focus on seeking out work that better accommodates the skills that our workers with higher needs can accomplish. As demonstrated in the above chart, highs and lows throughout the years continue to testify to the unstable nature of getting and retaining center-based work as the economy improves and worsens. The current economy is expected to improve the availability of bid opportunities for the foreseeable future. We remain confident, based upon numbers of bids delivered and recent bids accepted, that work quantity and variety will continue to rebound in the coming year. In summary, in 2016 our sales department accomplished:

- 160 total bid opportunities in 2016
- 786 total jobs completed in 2016
- 56 new jobs performed in 2016 (3 more than 2015)
- 7 new customers (customers who have not done work with WACOSA for 5 years or longer) began doing business with WACOSA in 2016. Of these, 21 new jobs were created, 9 more than 2015.
- WACOSA's Production Department assembled/packaged over 12,204,942 pieces in 2016 (up approximately 22% from 2015)

Cultural Competency Analysis:

A Cultural Competency Plan was implemented at WACOSA in the spring of 2013. This plan outlines WACOSA's cultural competency objectives and directs that cultural competency will be addressed annually. This plan is used to ensure that services are delivered to all persons in a culturally sensitive manner. The plan covers all levels of the organization including clients, governance, administration and staff. The following represent objectives, along with current status of these objectives, as reviewed by WACOSA's administration:

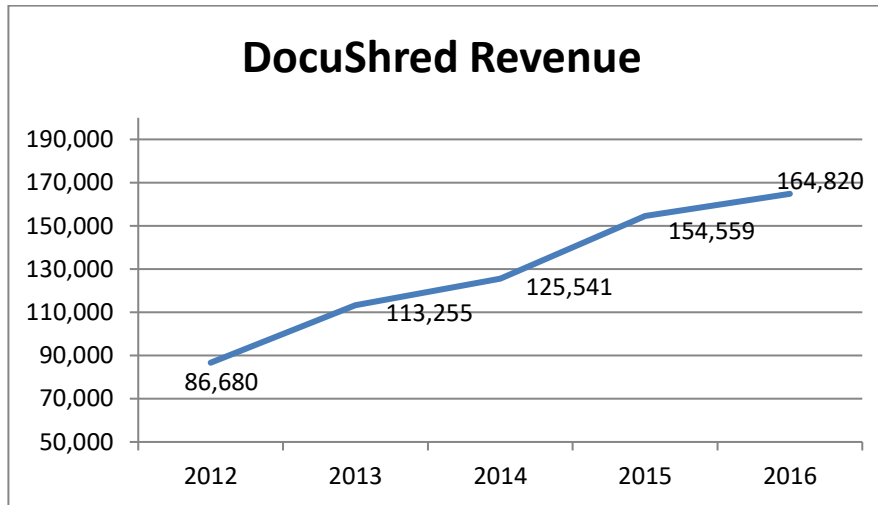
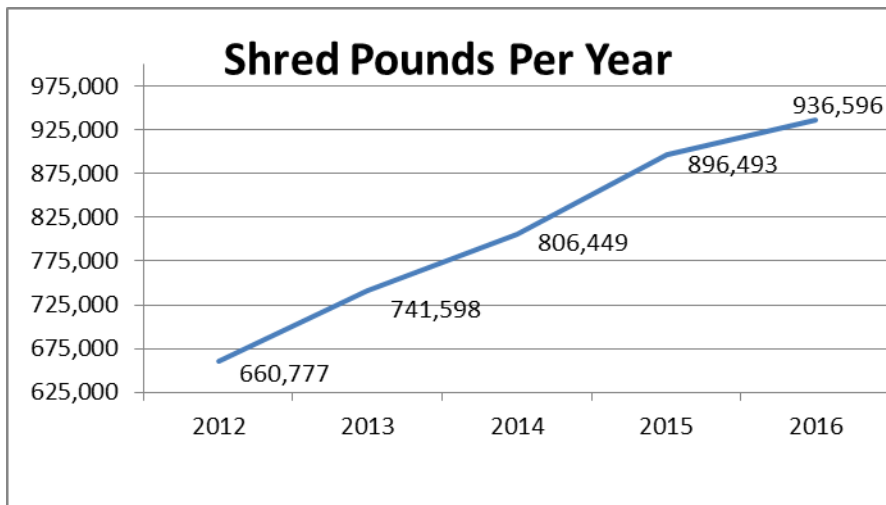
Goal I: Ensure that clients receive from all staff effective, understandable, and respectful services that are provided in a manner compatible with their cultural beliefs and language – Client satisfaction for 2016 was reported to be 87% when asked directly about satisfaction with the services they receive. It is also important to note that 10% of clients, when asked, had "No Opinion". Additionally, all other supporting stakeholders scored their

overall satisfaction with WACOSA's services as 99%. 74% of WACOSA's clients reported specifically feeling culturally respected, though it is important to note, again, that 23% of client respondents had "no opinion", perhaps lending credence to a lack of understanding the question, as it is expressed. Cultural considerations, as they relate to program service activities, are integrated in to annual review documentation that is addressed by each person's interdisciplinary team during annual meetings. Meetings throughout 2016 consistently revealed that clients and their caregivers feel respected for their individual cultural beliefs and observances. While we will continue to seek out new ways to ask for this information, for now, no concerns have been overtly expressed by either clients or their supporting stakeholders in this regard.

Goal II: Implement Strategies to recruit, retain and promote at all levels a diverse staff and leadership that is representative of the service area demographics – WACOSA is governed by an affirmative action plan required by the Department of Labor, our funders and CARF accreditation. This plan is reviewed annually to ensure that WACOSA maintains appropriate diversity, normed against national, state and regional statistics. Our 2016 review of this plan determined that WACOSA is properly positioned regarding staff diversity at all levels. Additionally, WACOSA promotes internally whenever possible and does so with a focus on diversifying our staff and leadership, as well. WACOSA's Board of Director's currently has one member with a disability but is requesting that we recruit another board member with a disability that can contribute to the governance of the organization. Presently, we are seeking out this new member. The WACOSA Board of Directors is willing to operate at 13 members, as opposed to the traditional 12, should we find the appropriate candidate, before attrition occurs.

GOAL III: Ensure services are sensitive to linguistic needs of clients/stakeholders – WACOSA serves a variety of persons who require alternative communication systems with which to share their input and concerns. Upon beginning services, all persons are assessed regarding the system/s of communicating that best fit their needs. Depending upon each person served, communication programs may be written and maintained to aid with skill development and making their needs functionally known. Communication system examples that have been or are currently in place include Boardmaker, Bliss, American Sign (ASL) and the iPad based ProLoQuo2Go app. Additionally, WACOSA provides all written documentation in alternative formats, as requested, and provides interpreter services in sign and alternative languages, as may be required for team meetings. Finally, WACOSA staff pays particular attention to the unique communication nuances of each stakeholder receiving services and often times WACOSA will provide specialized training to staff for a particular individual. Often, these individuals maintain communication systems unique only to themselves, requiring time and practice with particular clients to fully master and comprehend. Sometimes these individuals have developed self-taught systems that are combinations or hybrids of pre-existing systems. Regardless, WACOSA staff makes it a point to become fluent in each and every system that clients may present.

Analysis/Trending of DocuShred:



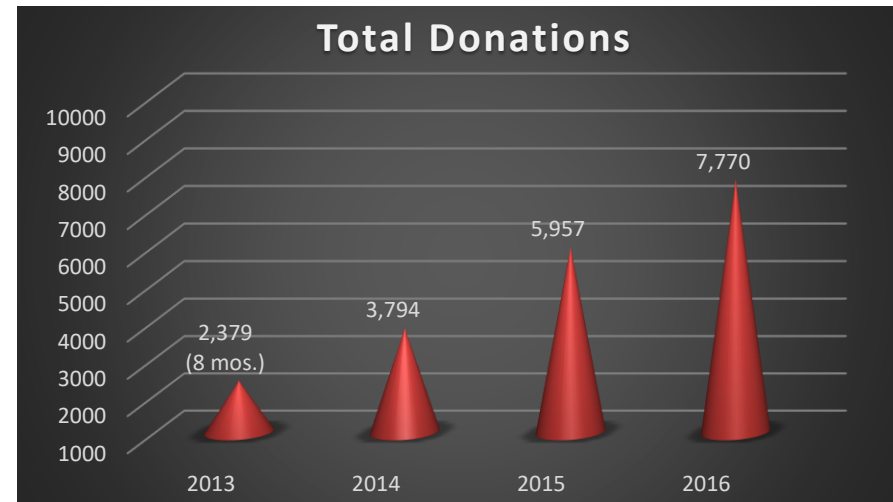
2016 was another good year for WACOSA’s DocuShred. WACOSA has seen a 45% increase in pounds shredded per year in the past 5-year period and a 71% increase since its first full year of business in 2008. Total pounds collected for the year were up approximately 4% when compared to 2015. Average pounds destroyed per month surpassed goal by 21,503 pounds (38%), and was approximately 4% more than 2015. DocuShred revenues again grew to an all-time high in 2016 of \$164,820, a 6.6% increase over 2015 and a 98% increase in the past 5 years, with June being the best month in 2015 and May being the best month in 2016. Finally, total shred hours worked by clients saw an overall increase of 18% from 2015 to 2016 (10,728 to 12,727). This growth continues to demonstrate the overall stability of our DocuShred operation, showing consistent loyalty by our existing customers, along with the addition of new business customers, as well.

When comparing 2015 to 2016, WACOSA collected 40,103 more total pounds of shred in 2016. This growth can again be attributed to continued marketing techniques (i.e. coupon programs, word-of-mouth etc.) that appear to be working effectively. Additionally, it should be noted that 95 requests from businesses and private citizens for new contracts were made in 2016, with 60 new contracts actually signed. This is 2 fewer new contracts signed in 2016 than 2015. We continue to explore why approximately one third of the 95 contracts being requested are never formally signed and expect to report this information at a later time. We do believe one possibility could be that the one-third noted may be significantly inflated, with it likely many customers requesting and not signing formal contracts, still send their shredding to WACOSA. Again, as much as is possible, we will continue to explore new ways of tracking this information in the years that follow.

WACOSA saw an increase in every area of its DocuShred storefront operations in 2016, when compared to 2015. The storefront took in 336,364 pounds, an increase of 20% when compared to 2015. The average of walk-in customers per week in 2016 posted an increase of almost 10% (89 customers) over the average of 81 customers per week in 2015. The storefront took in an average 6,469 pounds per week in 2016, a 23% increase from 2015. Storefront shredding accounted for 36% of the total pounds of documents destroyed for the year, 5% more than 2015. Overall, trending

clearly demonstrates that the amount of shred destroyed since the beginning of the DocuShred operation has increased steadily both in pounds collected per year and per month, with the exception of 2010, which posted a slight loss of approximately 3%. Additionally, the storefront is clearly showing its ability to provide a significant amount of the total shred received over the course of the year. Discussions will continue throughout 2017 regarding strategies to continue improvements in the DocuShred operation.

Analysis of ThriftWorks! Store Operation:



ThriftWorks! completed its third full year of operation on December 31st, 2016. We continue to be very pleased with the performance of the store since its opening in May, 2013. 2016 continued to see a number of challenges that prevented the store from breaking even. Given continued issues related to personnel expense and the limited square footage to display, sell, and prep donations, we are beginning to question if breakeven is a realistic goal. Profitability in the thrift industry, especially when stores are operated by non-profit organizations, frequently relies upon the assistance of large numbers of volunteers. While we continue our efforts to grow our volunteer base, it is also true that staffing shortages continue to represent a significant challenge throughout Minnesota, in general. Because volunteers have no fulltime commitment to WACOSA and cannot always be relied upon to report to work, it becomes imprudent to rely heavily upon this source of labor. Moreover, if volunteers opt to leave their volunteer position, the length of time it takes to recruit and hire replacement employees would leave the store vulnerable to significant staffing shortages and potentially compromise our customer base. We will continue to analyze this issue in the months and years that follow. Regardless, ThriftWorks! continues to make significant strides in sales and donations and is an important resource for helping WACOSA's name become better known in our community. We frequently hear customers report not knowing about WACOSA's services until visiting the ThriftWorks! Store. In 2017, we will continue to negotiate the dynamics of the thrift business and expect to continue growing our sales and donations, though likely more modestly, in the foreseeable future.

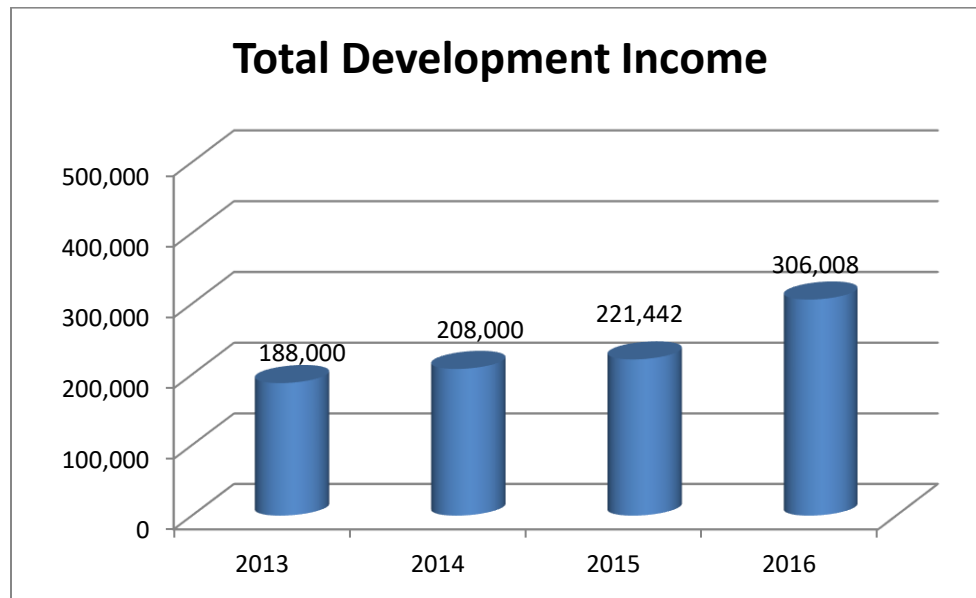
In 2016, the store generated \$238,342 in sales revenue from community donations. This represented a significant increase of \$22,940 (10.65%) over 2015. Approximately \$1,400 of this total was in-store "round ups" where customers chose to round the amount of their purchase up to the next whole

number in order to donate the residual to WACOSA. October represented our highest sales month for the year and also represented a record month since the store's opening at \$23,489, followed closely by December at \$22,385. Overall, revenue per square foot increased from \$48 a square foot in 2015 to almost \$53 in 2016. As stated earlier, our limited square footage in which to display and sell goods will eventually hinder our ability to grow revenues. This is already evident as we see revenues growing by approximately 37% less between 2015 and 2016, when compared to 2014 to 2015. This is equally evident in the modest growth of sales per square foot of \$5.00 from 2015 to 2016, when compared to the \$13.00 per square foot growth from 2014 to 2015. Sales staff report other efforts (i.e. rotating goods that are not selling off the floor, pricing and getting new goods on the floor, holding additional sale opportunities etc.) can be employed to continue to use ThriftWorks! current 4,500 square feet of showroom efficiently to increase additional sales revenues. Nevertheless, it remains a reality that, eventually, revenue growth will more or less stabilize, based upon the factors noted.

At the present time, we continue to experience steady monthly sales growth with the average sale for the past 12 months being \$7.39 (.24 increase from 2015) per customer. 2016 saw 32,258 transactions (increase of 6.3% from 2015) for the year, an average of approximately 2,688 a month or growth of approximately 6% when compared to 2015. Donations for 2016 ended at 7,770 (increase of 30% from 2015) with our highest donation month being October with 794, a 25% improvement over the highest month of 2015. Experience is teaching us that the last quarter of the year is often consistently the strongest in sales and donations. Continued success with our store can be attributed to a persistent marketing effort and significant word-of-mouth campaign among our organizational stakeholders, volunteers and loyal community members/shoppers. At the close of 2016, we continue to maintain some back up goods in stock as a cushion in the event of lean donation times, should they develop. In the past, we have had significantly higher amounts of back up goods in stock but have opted to reduce this cushion given the continued steady growth of donations, along with the potential of product loss due to damage and soiling of goods following long periods of storage. Finally, we continue to assess store accessibility, aesthetics and the total shopping experience to ensure that the environment is pleasant and welcoming for all.

We are also pleased by the continued successes we have experienced in training individuals with high functioning Autism, related conditions and other disabilities in our retail sales training program. In 2016, 15 individuals worked in the retail training program. Since the store's opening, 33 individuals have gone through or are currently in the program. Of these 33, 8 are currently working in the community. It is important to note that there are likely more ThriftWorks! graduates working in the community. However, for accuracy sake, we feel we can only include individuals who still receive services from WACOSA and/or who have kept in contact and have subsequently updated us that they are still employed in the community. Finally, of the 33 who have undertaken the ThriftWorks Retail Training Program, 7 individuals have a diagnosis specifically related to Autism Spectrum Disorders. Trainees have or will take part in such retail tasks as accepting donations, sorting, pricing, operating the cash register, direct customer assistance, merchandising and cleaning, as well as other store preparation activities.

Development Income:



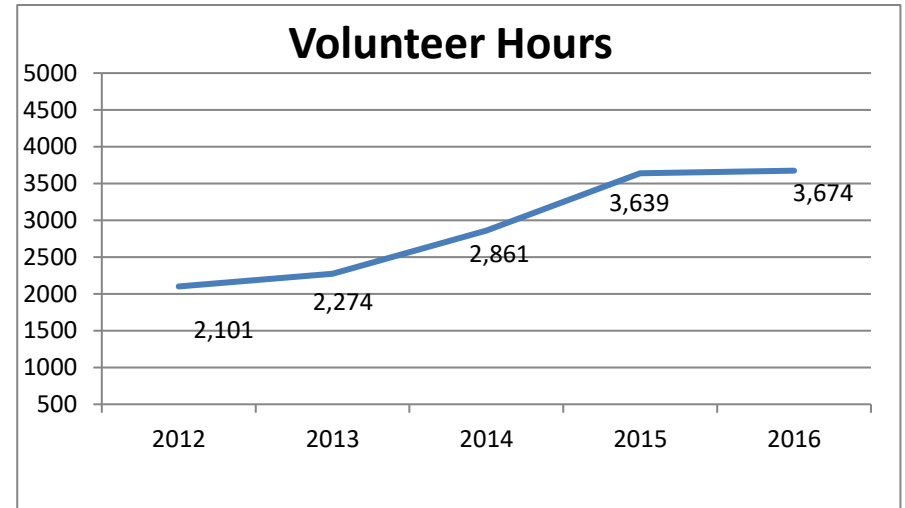
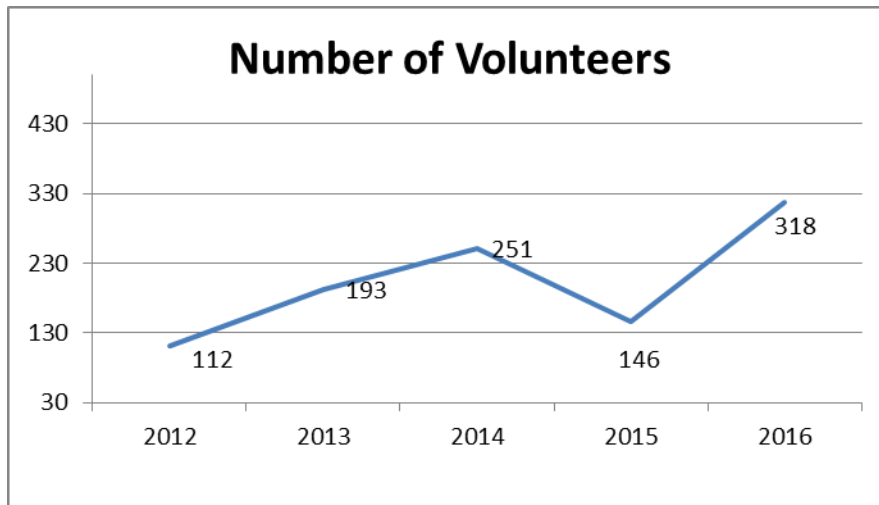
2016 will be the fourth year we are reporting WACOSA's development income in the Outcomes Measurement Report. While development efforts had been successful prior to the creation of this department, a clear, focused effort to help WACOSA grow its development income was lacking prior to 2013. As a result, this department was created in 2013 with the intent to capture previously unrealized development income, cultivate new donors, manage existing donors, explore and respond to an ever-increasing number of grant opportunities and build the foundation for a successful planned giving program. As a result, a Fund Development Manager was hired to provide leadership in this regard. However, in the first quarter of 2015, the new Manager resigned and a new search for her replacement began. This position was once again filled in June, 2015, only to become vacant again in October, 2016. Presently, WACOSA's Sales, Marketing and Communications Manager, along with WACOSA's Executive Director, continue to fill in to keep the most critical responsibilities of this office satisfied, until a suitable replacement can be found.

With the third full year of this department's efforts complete, we are pleased with our continued progress, in spite of the period in which the job has been vacant. In 2016, WACOSA accomplished \$306,008 in total development dollars agency-wide. It is important to note, however, that this high included a combined, restricted donation from Auto Parts Headquarters (APH) and the Bartlett Family of \$119,830 used to remodel the 320 Sundial North Program area. If we include this donation, WACOSA experienced an increase of 38% in Development income in 2016. If we calculate this number without this donation, WACOSA experienced a total Development income of \$186,178, a loss of approximately 16% from the preceding year, not unexpected given the continual turnover in this position. It should be noted that WACOSA has continued to be the recipient of the APH/Bartlett donation each year for the past several years. Also consistent is the fact that this contribution is generally restricted based upon the preferences the Bartlett's have for its use. This expected restriction has continued to work well for WACOSA, given the continuous number of

projects and improvements needed to keep WACOSA's buildings and surroundings attractive to our constituents. At this time, while not guaranteed, we have no reason to believe this donation will discontinue for 2017.

WACOSA had 175 total donors in 2016, down 7 from the preceding year. Primary revenue came from activity related to annual giving, as well as an external fundraiser hosted by Auto Parts Headquarters that generated approximately \$112,000 designed to benefit WACOSA. Approximately \$25,000 was raised at WACOSA's second annual Harvesting Happiness Breakfast, \$2,000 more than was raised at this event in 2015. 81 individuals attended the event, 7 less than the preceding year. Additionally, we increased business sponsors for the event from 16 to 22. A MNDOT grant was also secured in 2016 for \$103,369, one in a succession of grants secured since 2010. Circumstances required this vehicle be transferred to Tri-Cap to complement their fleet needs, since the vehicle ultimately did not meet WACOSA's needs. This situation was unique and is not expected to reoccur as new 5310 vehicles are secured.

2016 Volunteer Data:



Numbers of volunteers hit a peak in 2014, dropping back in 2015 with fewer student groups coming to WACOSA to conduct activities with our clients. In 2016, we saw a 126% resurgence of volunteers as students began again returning to work with our clients for one-time visits. Additionally, we experienced a total of 156 one-time volunteers in the WACOSA South program over the year, as well as hosting 111 one-time students from Rasmussen College's Nursing Program who were on site a total of 1,373 hours. While these occurrences produced a larger volunteer number, it is also worth noting that, while ThriftWorks! only had 8 volunteers over the course of the year, these individuals volunteered regularly, contributing an impressive 1,112 hours of time. The hours contributed by the Rasmussen College Nursing Program, coupled with the ThriftWorks! contribution, both helped significantly to account for the 1% boost in the total number of volunteer hours in 2016. Finally, given their senior status, it is also impressive that WACOSA's Senior Program volunteered 757 hours in 2016, ranking as one of the highest contributing blocks of volunteer hours in 2016 at WACOSA.

At the direction of WACOSA's governance and leadership, we plan to continue a concerted effort to improve our volunteer infrastructure. The following are some additional volunteer highlights for 2016:

- *We continued to offer one-time volunteer opportunities and began utilizing SignUp.com to allow volunteers to schedule their own shifts. We hosted 169 one-time volunteers, with two coming back for three separate events in two different programs. We utilized RSVP and other resources to provide one-time volunteers to help staff during events throughout the year including Spring Fling Week, the summer picnic, United Way day and the client holiday dinner. Volunteers from the St. Cloud Federal Credit Union assisted clients on Columbus Day in picking pumpkins and other fall activities. Our one-time volunteers donated a total of 375 hours.*
- *We added a Senior Activities Assistant one-time volunteer position available to assist at Whitney. Volunteers are also able to utilize SignUp.com to schedule those shifts.*
- *We created a Volunteer Mentor and Volunteer Lead position to help assist with training new volunteers who come in to ThriftWorks! and the Whitney Senior Program.*
- *We created a Coffee Buddy volunteer position to help provide clients with more one-to-one support during activities. It also allows volunteers with limited mobility to start or continue volunteering as it does not require lifting or other physical requirements.*
- *We began to extend the volunteer program in search of volunteers in the Sauk Centre area.*
- *We created and implemented a training for all staff working with volunteers to complete. This training gives staff the tools they will need to self-manage volunteers.*
- *We added a volunteer section to recognize new volunteers, volunteers receiving awards, and general volunteer tips or reminders in the Wellness newsletter that all staff and volunteers receive.*
- *We accepted our first on-going volunteer under the age of 18 at Whitney during the summer. The 16 year old was a foreign exchange student from Japan who was attending her junior year at Apollo High School.*
- *Nearly half of our regular, non-board member volunteers, 8 of 17, chose to volunteer at ThriftWorks!*
- *We began the process of Service Enterprise Initiative (SEI) to become certified as a Service Enterprise Organization. Certification would show that we meet the standards of Points of Light as an organization committed to using our volunteers' skills and time to meet our mission.*
- *We hosted an intern from SCSU's Vocational Rehabilitation Master's Program who completed 258 hours of service.*
- *WACOSA sent 3 staff to drive vans during Metro Bus's Annual Dinner with Santa. Those staff completed 12 hours of corporate volunteering.*
- *Supervisors at WACOSA hired one volunteer and one intern after their volunteering experience.*
- *We continue to: utilize interns from the local colleges and universities, highlight the volunteer positions on AM 800 WJON multiple times a year, recognize one volunteer in each edition of WACOSA's Buzz newsletter, recognize volunteers who have donated an exceptional number of hours by presenting an award to them, and maintain membership to a variety of organizations for professional volunteer development.*

We will continue developing volunteer opportunities and work to make these experiences rewarding for those willing to share their time with WACOSA. The most recent data reflects that, in Minnesota, one hour of volunteer work equates to approximately \$23.07 (Independent Sector, 2015). Given this statistic, WACOSA received in excess of \$85,000 in volunteer labor in 2016.

Major Goal Areas for 2017 and Beyond:

- *Continue developing the WACOSA ThriftWorks! Thrift Store in order to graduate and place a progressively larger number of individuals seeking retail skills and experience in competitive community employment.*
- *Continue working making WACOSA's ThriftWorks! Thrift Store as efficient and, ultimately, as profitable, as possible. To this end, continue to generate funding to reduce dependence on state/federal funding.*
- *Continue researching the potential for expanding the ThriftWorks! Training Model and explore other possibilities this model might present.*
- *Continue implementation of the comprehensive volunteer effort and grow volunteerism at WACOSA to meet the needs of the organization.*
- *Broaden the scope of clientele participating in the "Arts Thru the Spectrum" program in collaboration with the Central Minnesota Arts Board and the Paramount Theater.*
- *Seek additional 5310 transportation grant dollars.*
- *Continue to seek out a sufficient amount of contract work to keep all individuals in our center-based workforce active and engaged.*
- *Keep DocuShred growing and discover new systems to help make it profitable, while negotiating increased area competition.*
- *Grow collaboration opportunities with community partners.*
- *Continue implementing/integrating WACOSA's new IT based strategic plan that will guide WACOSA's growth for years to come.*
- *Continue to improve upon the safety and overall appearance of WACOSA physical facilities.*
- *Increase fund development stabilization efforts and begin building foundational support for planned giving efforts.*
- *Navigate a continually uncertain legislative environment that threatens funding reductions and requiring significant systems changes. Throughout 2017, continue acquiring new information and systems to address the changing nature of individualized rate setting and integrate this information into WACOSA's current billing structure, as new information is learned.*
- *Continue advocating for the choices of those we serve, preserving the right to participate in center-based services/work.*
- *Continue finding way to implement the WACOSA Way in very tangible and genuine ways across the organization, as a whole.*
- *Continue promoting knowledge of WACOSA's services throughout Central MN and work to develop ever-increasing brand recognition.*
- *Stay abreast of pending state and federal initiatives to include the Olmstead Plan/Employment First, Redefining of rules surrounding HCBS Waiver Funding, Workforce Innovation and Opportunity Act (WIOA) and elimination of Section 14C of the Fair Labor and Standards Act (special minimum wage).*

