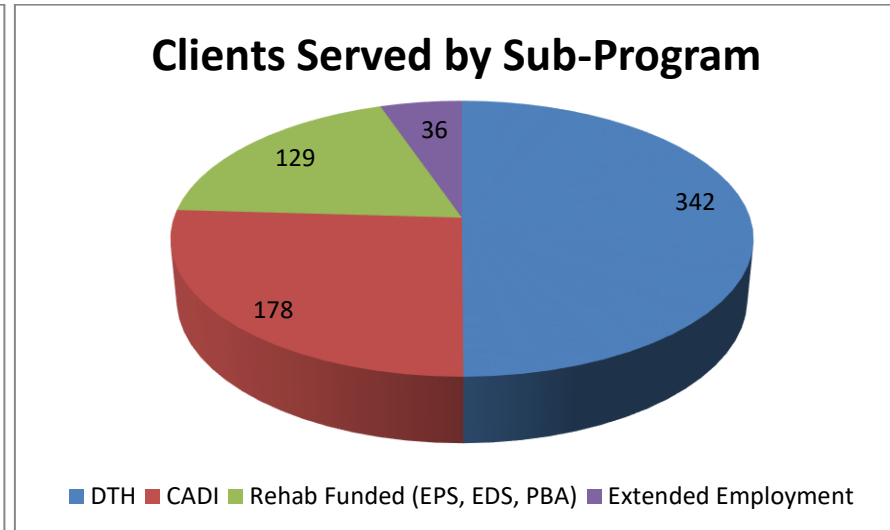
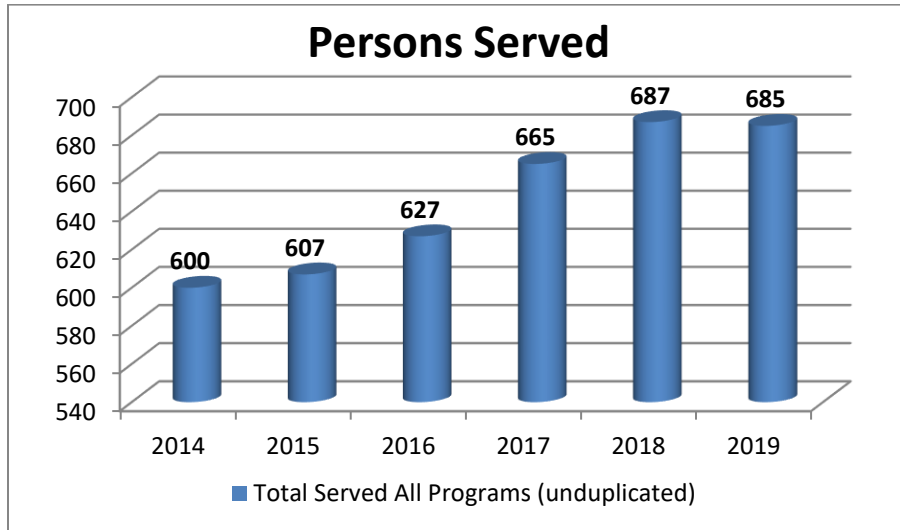


WACOSA – Outcomes Management Report
Year in Review

Period Reported: 1/1/2019 – 12/31/2019

<u>Indicator:</u>	<u>Result</u>	<u>(+) or (-) from Previous Year</u>
Total Persons Served in 2019 –	685	(0%)
Admissions in 2019 -	86	(-20%)
Discharges in 2019 -	64	(-8.5%)
Total Community crews 2019 -	46	(-19%)
New Community crews in 2019 -	3	(- 40%)
Total Individual Placements 2019 -	101	(+6%)
New Individual Placements 2019-	32	(-13.5%)
Total center-based contract hours -	72,747	(-3%)
Total DocuShred revenue -	232,302	(-2.5%)
Total DocuShred pounds collected –	906,557	(-3.5%)
Total ThriftWorks! revenue -	393,648	(+11%)
Average hourly pay:		
Individual Placements (Extended Employment) -	\$11.21/hr.	(+.54/hr.)
Community crews/enclaves -	\$6.85/hr.	(-.13/hr.)
Center-based employment -	\$4.33/hr.	(+.17/hr.)
Total Development income –	\$496,863	(+60%)
Total number of volunteers -	258	(-20%)
Volunteer Hours (approximate) -	2,499	(-4.7%)



Analysis/Trending of “Year in Review” Data:

WACOSA saw a slight dip in numbers of persons served by two individuals in 2019. This is the first drop in the number of persons served for the past 7 years. 2014 – 2018 saw progressive growth of 14.5% in numbers of persons served, with a 3% growth in 2018. It should be noted, however, 2018’s growth of 3% was due in large measure to the opening of the new WACOSA 1st Ave. location. 2019’s slight drop/flattening is likely signaling a return to the more modest growth patterns we expect to see in the coming years. When 1st Ave. clientele are subtracted from the equation, less than normal growth in persons served in 2018 occurred primarily due to a waiting list WACOSA was forced to implement due to concerns related to short staffing. Without proper staffing, WACOSA opted not to bring referrals into program for fear of safety related concerns, as well as overall service delivery/program quality concerns. By the 4th quarter of 2018, the waiting list was reduced, with additional referrals being served as usual. As we progress into 2020, we will continue to monitor staffing shortages and address clients awaiting services as organizational resources will allow.

Reports from our MOHR lobbyists continue to be less than optimistic regarding new Health and Human Services (HHS) spending during the 2020 legislative session. Late 2019 state budget forecasts have been strong. If these forecasts remain so into the first quarter of 2020, there is a chance programs like WACOSA could experience some funding improvements at the close of the 2020 legislative session. While this scenario is possible, it nevertheless, does not remain likely. We continue to hear through our MOHR legislative representatives that 2020, being the second year of a 2-year legislative cycle, should not expect a significant amount of new funding. Historically, such years are used to deal more with administrative issues and tweaking problems that are occurring resulting from 1st year spending. In spite of this, some new bills are being introduced on behalf of 105 providers across Minnesota who provide services similar to those provided by WACOSA. These bills could have a positive impact on funding for WACOSA’s services. One such proposal is to raise the Medicaid funding rate for Employment Exploration Services (EES). Presently, this service is not being widely accessed in light of how poorly it is funded. The second portion of this bill would create a pool of 2.5 million dollars, whereby WACOSA could seek reimbursement for funding losses incurred by snow days experienced in the fall/winter of 2019 and early 2020.

WACOSA remains cautiously optimistic with the election of a new Minnesota governor that concerns for people with disabilities will fall upon more receptive ears than was the case under the preceding governor. In 2019's legislative session, 4.5% of a looming 7% cut was gained back for use by programs like WACOSA to be instituted on a rolling basis for client rates in 2020. This money was given by the legislature with the expectation that such revenues would be used to attract, retain, and remain competitive in hiring Direct Support Professional (DSP) staff. Minnesota's approximate 3.3% unemployment rate, coupled with the increase of a state minimum wage to \$10.00/hr., has resulted in a gap between minimum wage and WACOSA's DSP entry wage of \$12.50/hr. narrowing the gap between the two to \$2.50. While this remains tight, WACOSA has continued effort to budget higher wages, along with regular wage increases, has helped to broaden this gap by approximately 37% between 2018 and 2019. Unfortunately, given the current, challenging, hiring environment nationwide, WACOSA continues to experience a significant number of open DSP positions, numbering as many as 8 – 10 openings regularly, with a 2019 high of 13. While this number continues to be significant, staffing challenges experienced by our fellow providers throughout our state MOHR association mirrors our own struggles and, in some cases, is direr than that experienced by WACOSA.

New state and federal initiatives loom 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 initiatives are driven by the federal government (CMS) without new funding to accompany imposed mandate/s. As a result, the state DEED office is funneling funds away from many deserving services in order to accommodate new federal requirements. Minnesota's Olmstead Plan, Employment First Policy and Workforce Innovation and Opportunity Act (WIOA) have now been largely implemented across Minnesota. While the Olmstead Plan was not implemented to restrict services but to bolster integration efforts, some factions in the Human Services Advocacy Community, both local and national, continue to push for more restrictions, or immediate abolishment, of center-based services. Moreover, these critics wish to abolish Section 14c of the Fair Labor and Standards Act (FLSA), which allows WACOSA to pay commensurate wages for work performed. It is our goal to continue to improve our services in order to advance person-centered initiatives. To this end, we continue to take exception to suggestions that center-based services are no longer a relevant or acceptable choice for our service recipients. It remains clear opponents of center-based services, in general, have already decided such services are isolating, exploitative and unfair, based upon positions expressed in multiple state and federal forums. We assert those who hold such opinions, whether legislators or advocates, visit programs like WACOSA to learn more about the role center-based services play in the lives of our clientele and the opinions held by those who access such services.

2019 saw some volatility related to WACOSA clients served by sub-program. EE services dropped by approximately 22%, as referral sources began transferring clients to funding on the medical assistance Waiver (including CADI funding). Moving clients in this manner is attractive to counties since it allows them to shoulder less financial responsibility, opting to shift this burden to state and federal governments. Rehab Funded clients grew by approximately 17%, as numbers expanded in 2019 resulting from more aggressive implementation of Minnesota's Employment First initiatives. DT&H clients dropped by approximately 7%, as progressively fewer referrals came from public schools. This development is not surprising, given the ever-growing influence of the Workforce Innovation and Opportunity Act (WIOA). This initiative began in 2014 and will likely continue to influence DT&H referrals well into the future, if legislative efforts to relax rules and expectations related to this initiative are not advanced.

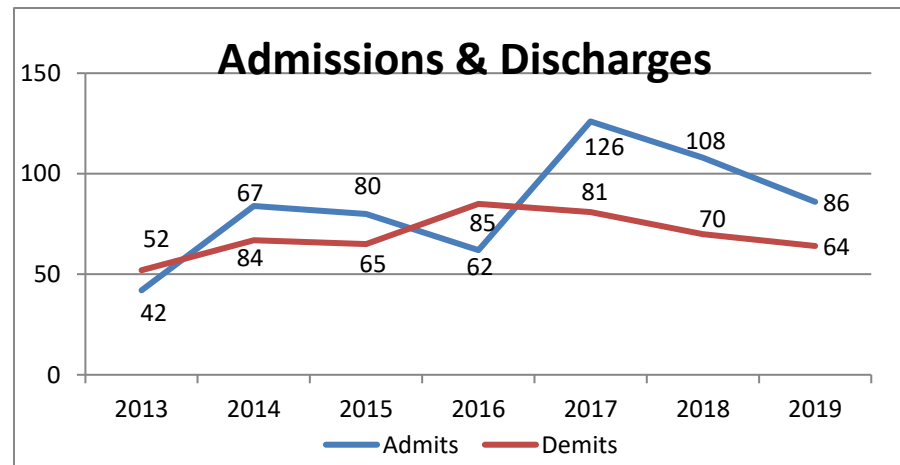
As reported in past Outcomes Measurement data, we have continued to see a continual decrease in numbers of persons served in our center-based EE clientele this past year. A continual decline in center-based workers has been steadily occurring over the past 10+ years because of the state of

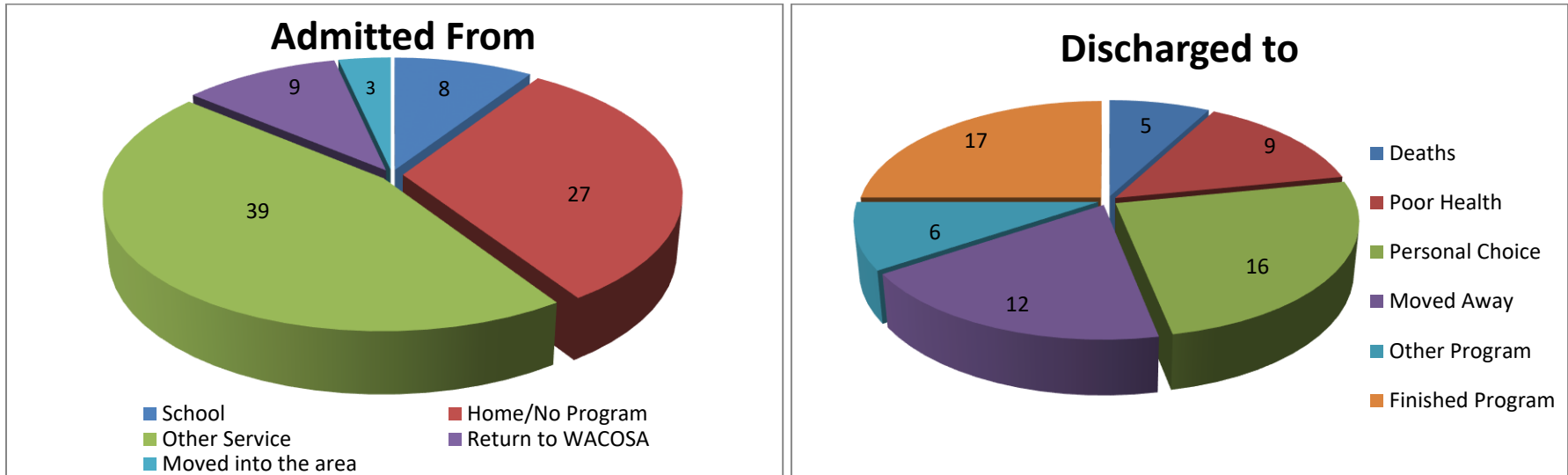
Minnesota's persistent and expressed commitment to reduce center-based funding for clients in favor of community-funded services. This trend will likely continue, given the state's continued commitment toward community employment and away from center-based services.

The categories of Total and New Community Crews both declined from 2018 to 2019. First, Total Community Crews dropped by 11 because of businesses closing or consolidating throughout the year. The drop by two in New Community Crews was primarily due to WACOSA's inability to provide the necessary staffing to accommodate businesses requesting our services. While this number dropped by two crews over the past year, an influx of new business, along with hours requested that our crews were available, helped us backfill losses. Had these two factors not occurred numbers in both of these categories would likely have been worse than the final number suggests. In 2019, Total Placements grew by 6%. This is a good example of how WIOA regulations have now fully settled in to our daily service lives. The growth in total placements occurred in light of a number of new assessments and intakes requested for students through state Vocational Rehabilitation Services (VR). This, coupled with the overall stability of placements this past year, has accounted for the category of Total Placements remaining strong. The mild reduction in the category of New Individual Placements demonstrates that clients continue to exercise their right to take longer in finding the right employment setting. Many clients change employment settings for better wages and/or more hours.

Finally, client wages indicate growth of approximately .54/hr. and .17/hr. respectively for clients in Placement and Center-Based Employment. Community crews/enclaves dropped by .13/hr. We believe the growth we experienced in the first two categories 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 \$10.00/hr. also played a part in this improvement, since client wages tend to escalate proportionate to the current minimum wage. The drop in community crews is almost certainly the result of WACOSA losing a number of crews and not being able to refill them due to poor staffing throughout the year.

2019 Admission and Discharge Analysis:

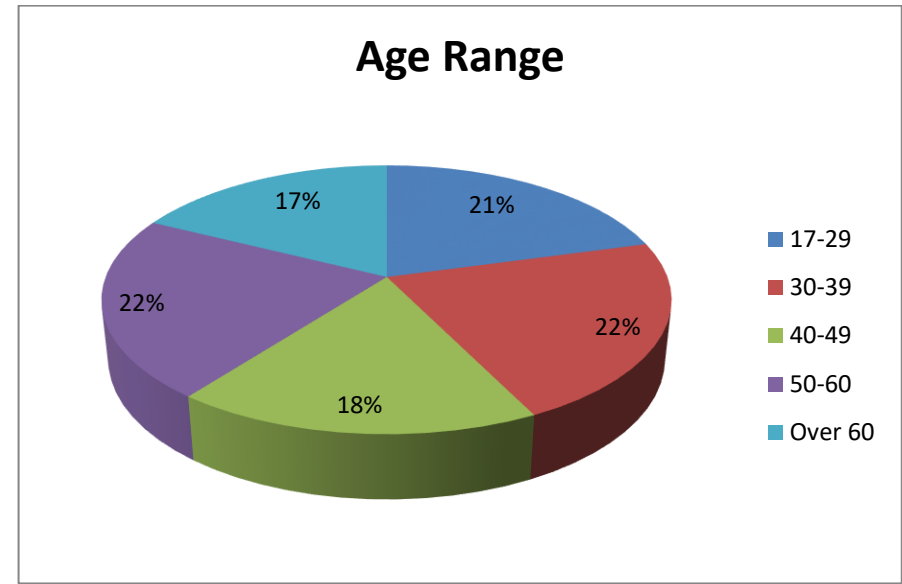
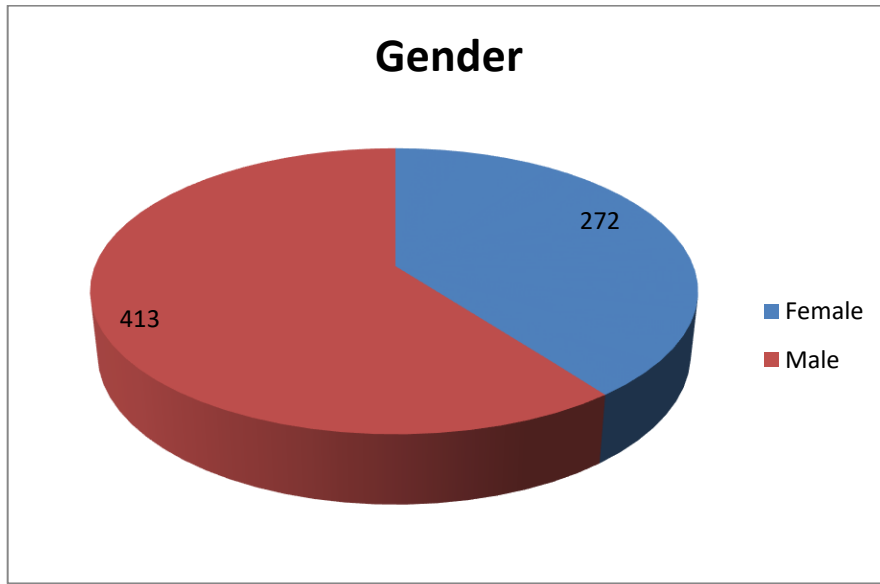




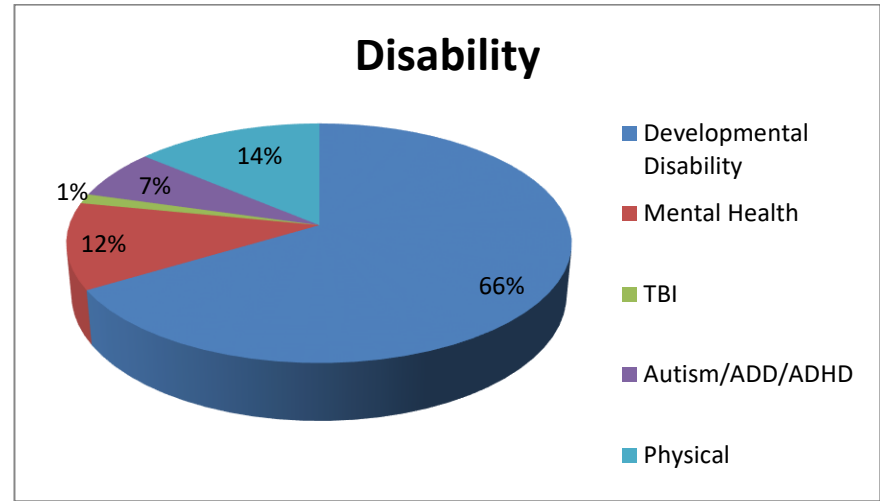
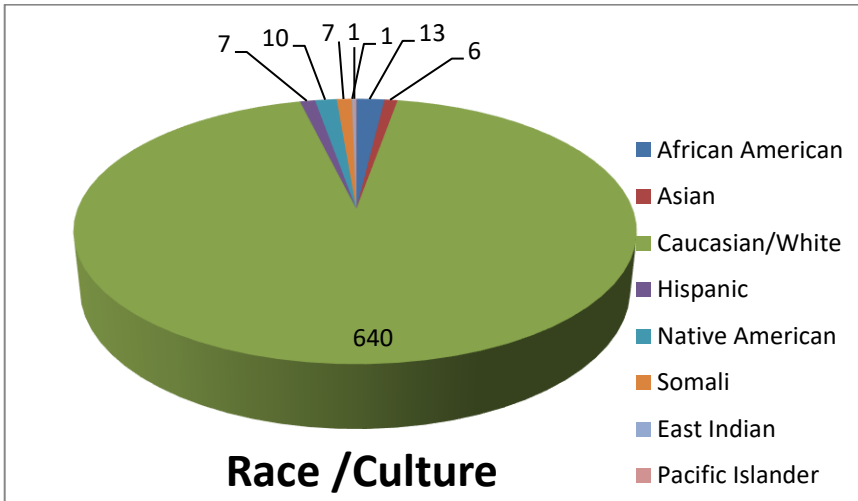
2019 saw overall admissions drop by 20%, with discharges also dropping by 8.5%. School referrals continue to remain down given current Workforce Innovation and Opportunity Act (WIOA) requirements that delay students beginning in program's like WACOSA, when such programs pay less than the minimum wage for lower producing individuals. This trend is best seen, for example, in 14 graduates being referred in 2014, the year prior to the full implementation of WIOA, compared to five referrals in 2018. Noteworthy, however, is the fact we have witnessed some flexing of WIOA requirements in order to handle demand. As such, we have witnessed a slight rebounding of three additional school referrals in 2019, for eight for the year. Otherwise, the areas of "Other Service" and "Home/No Program" showed the most significant change from 2018 to 2019. The category of "Other Service" dropped by 38 individuals. While we are not precisely certain why this drop occurred, it does continue to demonstrate the principle of self-advocacy, which WACOSA continues to affirm. Clients should enjoy the right to receive services from the provider they choose. The category of "Home/No Program" increased by 18 individuals, demonstrating that there continues to remain a significant number of individuals without service for at least 1 year or more. The category of "Discharged to" remains largely unremarkable, with a slight drop in discharges due to death and poor health.

Historically, the largest number of admissions entering WACOSA programs come from "Home/No Program". 2014 began a significant trend of admissions attending WACOSA's services coming from "Other Services". Then, in 2019, this trend once again shifted back to the category of Home/No Program. The Home/No Program category is comprised primarily of clientele discharged from other providers, schools or have remained home for at least 1 year or more.

2019 Client Demographics:



An analysis of 2019 demographics shows a few items of interest related to changes and trends. It should be noted the number of female clients WACOSA services has grown progressively each year since 2013, increasing by 22% over this 7-year period. By comparison, the number of male clients receiving services dropped between 2018 and 2019 by 2.8%. While it remains evident WACOSA serves a disproportionate number of male to female clients at a ratio of approximately 2 to 1.5 respectively, the gradual influx of more females into WACOSA's in recent years indicates this disproportionate number of males to females served could change significantly in the coming years. In terms of age range, more WACOSA clients fall into the ranges of 30–39 and 50-60 than any other range. The 17-29 age range dropped slightly in 2019 and the category of "Over 60" grew by 1%. While this slight change does not definitively demonstrate the category of clients over 60 is expanding quickly, we must be conscious of this dynamic in order to provide progressively appropriate services for individuals entering later stages of life.



“Caucasian” continues to represent the largest ethnic category of persons served by WACOSA. All groups experienced few, if any, change this past year. With regard to Disability, clients categorized as having a “Developmental Disability” (DD) continue to represent the largest and most common disability category served. The category “Other” was replaced with the new category “Physical” in 2019’s report, since no other categories exist once this new category is included. The addition of this category accounted for a 3% growth in clientele between 2018 and 2019. It should be noted the designation of “Physical” refers to individuals who are specifically categorized with this as their primary diagnosis. The majority of this growth occurred related to referrals from Minnesota Department of Vocational Rehabilitation (VR). Otherwise, 2019’s data remained reasonably constant in all other respects, when compared to 2018.

Program Objectives/Results

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	3	Not Met
	Participants working in CES/Placement	Develop individual placements	Client payroll	50	101	Met

	Work Crew Participants	Maintain average hourly wage	Client payroll	\$6.15/hr.	\$6.85/hr.	Met
	Participants in Placement Services	Maintain average hourly wage	Client payroll	\$8.40/hr.	\$11.21/hr.	Met
Efficiency	Participants referred for PBA's	Minimize time to achieve employment	Client placement records	69% within 90 days	82%	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	73%	Not 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%	90%	Met
	Clients in the North program	Clients will meet community goals	Client records/data tracking	65%	79%	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	0%	Not Met

Organizational Employment Services (OES):

Measurement Category	To Whom Applied	Objective	Data Source	Goal	Result/s	Goal Met / Not Met
Effectiveness	Participants working on center-based work	Maintain/increase employment	Client production records	87,933 hours	72,747	Not Met
Efficiency	DocuShred Services staff and clientele	Increase business efficiencies	DocuShred Records	Average of 56,546 pounds per month	75,546 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	0%	Not 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.	\$9.86	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	73%	Not Met
Efficiency	Individuals participating in EPS	Minimize time to complete new placement assessment	EPS client records	100% complete assessment as contracted	82% (av.WP and SC)	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	73%	Not 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	11	Met
	Participants in ASD North Program	Complete 10 minutes of work without staff assistance	Client goal tracking data	80%	83%	Met
Efficiency	Participants in ASD	Improve transition ability between locations	Client goal tracking data	66%	75%	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.	0%	Not 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%	100%	Met
Maximize overall stakeholder (parents, guardians, residential staff and referral partners) satisfaction	95%	99%	Met
Maximize overall business customer satisfaction	98%	98%	Met

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

Analysis/Trending of Objectives/Results:

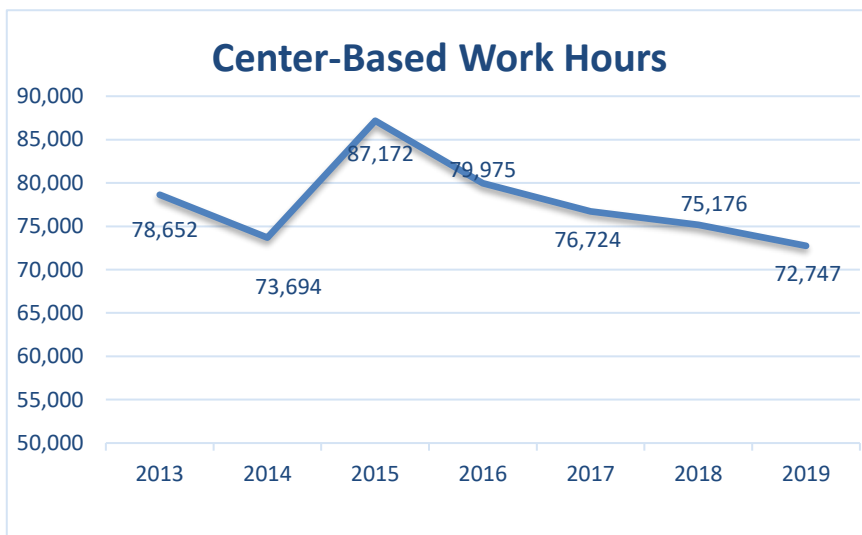
Approximately 61% of categories accomplished or surpassed objectives set, which represents a decline of approximately 4% when compared to 2018's numbers. Noteworthy is the area of Service Access not met for virtually all categories of WACOSA's services. These goals fell significantly below goal, due to extreme short staffing, which prevented the proper help to facilitate expeditious service access. In addition, throughout much of 2019, a waiting list was, once again, engaged to prevent bringing clients into services, due to lack of staff. Staffing shortages remain acute. Not being able to hire staff is not unique to Central Minnesota. The concern is a state, as well as nationwide trend with no foreseeable end in sight. Staffing appears to be effecting both the business and non-profit sectors alike. Nevertheless, we continue to work toward full staffing. Throughout much of 2019, WACOSA DT&H programs were short by as many 5 – 12 positions at any one time. Additionally, in the area of Community Employment Services (CES), community crew development fell short of goal by two crews. Again, shortcomings in new crew development came as the result of a shortage of staff to supervise new crews, in addition to clients occasionally refusing to do certain types of work in the community. From 2014 – 2018, WACOSA declined requests for 24 crews, largely due to staffing issues and clients electing not to work in a particular crew.

Client wages in the areas of Center-based employment and Individual Placements went up by 4% and 5% respectively in 2019, likely driven by state increases in the minimum wage, driving all wages up proportionately. Wages for those working on community crews dropped by 1.8%, almost certainly due to the drop in the number of crews this past year, some of which paid at higher levels and offered more hours. While staffing remains a challenge, it is worth noting that requests for community crews continue to remain high, though our ability to fill vacancies is less than optimal.

Under Organizational Employment Services (OES), center-based work hours again fell short of goal by 15,459 hours. A drop of 2,429 (3%) can be seen in the last year alone. The reasons associated with this shortcoming are discussed later in the section Analysis/Trending of Center-Based Work.

Analysis of Consumer Satisfaction Results: Consumer satisfaction scores saw overall consistency in 2019, with a slight improvement of 2% in Maximizing Overall Client Satisfaction. Maximizing Stakeholder Satisfaction, as well as Maximizing Overall Business Customer Satisfaction remained consistent at 99% and 98%, respectively. With satisfaction scores continuing to remain high, we are pleased we have met all satisfaction goals for the second year in a row. This high level of satisfaction in all categories is especially noteworthy given the significant staffing challenges WACOSA has faced over the past five years, with the three most recent past years being the most formidable. Such an outcome is a tribute to the excellent work being done by our current Direct Support Professionals (DSP's) who work hard as a team to provide excellent service quality, in spite of the staffing challenges faced.

Analysis/Trending of Center-Based Work:



Hours worked on center-based contract work dropped again from 2018 to 2019 by approximately 3% and fell short of goal by 15,459 hours. This represents the fourth year in a row center-based hours have slipped. The tenuous nature of a number of WACOSA's contract customers continues to be a key factor in this slide. The year-end loss of Electrolux and West Rock contracts also contributed significantly to this loss. We continue to do our best to replace this work. To this end, regularly scheduled brainstorming meetings have been in place throughout all of 2019 to explore ways of replacing this work, including such ideas as beginning a new business/product and/or growing our existing businesses in new ways. Additionally, we are working with Charlie Clour, entrepreneur and sales consultant, whose expertise is expected to help us weather the loss of these two major contracts. Charlie's idea to have WACOSA clients staff a phone center is only now beginning to get off the ground. He is also a proponent of WACOSA expanding its sales reach into more distant areas of the state. Additionally, Ann K., WACOSA Sales, Marketing and Communications Manager, is stepping up her presence in the community to call upon existing customers, in addition to accessing new customers to help fill the current void. Finally, WACOSA is collaborating with Dan Rooney, a sales representative in the Minneapolis metro area, who is also the former salesperson for Executive Director, Steve Howard, to assist in seeking out and forwarding new sales/bid opportunities.

WACOSA's sales department continues working to replace lost work 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 2019. Replacing diminishing work, coupled with continued challenges to keep staff positions filled, represent some of the greatest obstacles we must address as we move into the coming year.

2019 is the fourth consecutive year we have tracked information related to lost bids over the course of the year. It is our hope this information will better inform us regarding what we can do to maximize retention, as well as obtain new production 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. Other categories include bids being lost for unknown reasons, as well as the customer keeping the work to complete inside their own operation. In 2019, all three of these categories were somewhat unremarkable. This past year, however, the two primary reasons for loss of bids included work not being a fit for WACOSA's clientele, in addition to issues related to pricing and timing. Not being a fit generally involves work that is too high level, too dangerous or requires equipment outside of what makes financial sense to accept the work. Pricing/timing issues often includes customers who, because of the clientele WACOSA serves, expect to get work performed for extremely reduced rates. Such customers are often poorly educated on WACOSA's client workforce and do not fully comprehend that we compete daily with non-disabled packaging and fulfillment operations for price, timeliness and quality of work performed. 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 2019, total in-house sales revenue was \$452,735. This represents a decrease of approximately 2% from 2018's revenues, with yet another year of revenue drop of 3% occurring between 2017 and 2018. WACOSA submitted 162 total bids in 2019, 8 less than 2018. 94 of these bids were successful or approximately 58%. This win ratio is consistent with 2018's numbers. WACOSA expects historically to keep a solid "win ratio" of bids won to bids submitted of 50 – 60%. 2019's win ratio again remains solidly in the middle of our expectations. Our goal in 2020 will be to not only bid and win a strong percentage of jobs, but also to foster long-range relationships with larger customers that might ultimately replace the former Electrolux and West Rock work. Also important, we hope to find work that many of our more cognitively and physically challenged workforce can do, similar to the way Electrolux and West Rock work once did.

As demonstrated in the chart above, center-based work hours continued to decline in 2019. The loss of both the Electrolux and West Rock work accounted for many of these hours. The growth of 24.7% in jobs produced and 7.2% in pieces produced in 2018 fuels our optimism that the current upturn in the economy is influencing WACOSA in a positive way. We are hopeful that work quantity and variety will continue to rebound in 2020 so we are successful in replacing much of the work we have lost this year from our bigger customers. In summary, in 2019 our sales department accomplished:

- 162 bid opportunities – 4.7% decrease compared to 2018
- 1,206 jobs produced – 24.7% increase over 2018
- 65 new jobs – 4.17% increase over 2018
- 3 new customers creating 19 new jobs – 40% decrease in new customers, 19% increase in jobs
- 9,055,137 pieces produced – 7.2% increase over 2018

- Total contract sales revenue – \$452,735 – 2% decrease over 2018
- Total hours worked – 72,747 – 3.2% decrease over 2018

We continue to seek the help of consultant and entrepreneur Charlie Clour, to find new paths to augmenting our work losses. Part of his plan is to expand our sales outreach from a 3-county area to a 25-county area in the coming year. This, coupled with the planned implementation of other marketing campaigns (i.e. using staff and clients for letter writing), represent strategies we plan to pursue in 2020 in order to replace Electrolux/West Rock contracts and sustain our in-house sales operation. Additionally, we continue to work with freelance sales representative, Dan Rooney, working in the Minneapolis/St. Paul metro area. Dan has expressed a desire to work with us and has located a number of opportunities that are currently under consideration or have not worked out. While securing customers from the metro area could present transportation challenges, they are challenges we feel we must be address if we are to broaden our customer base. Charlie Clour's desire to expand from a three to a 25 county area would present similar challenges. At this time, geographical expansion of our work reach must be considered in the eyes of our consultants if we expect to replace the work we have lost, along with developing a durable, reliable customer based to sustain our production operation into the near future.

Cultural Competency Analysis:

A Cultural Competency Plan was originally implemented at WACOSA in the spring of 2013. This plan outlines WACOSA's cultural competency objectives and directs that cultural competency 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 the status of these objectives, as reviewed by WACOSA's leadership:

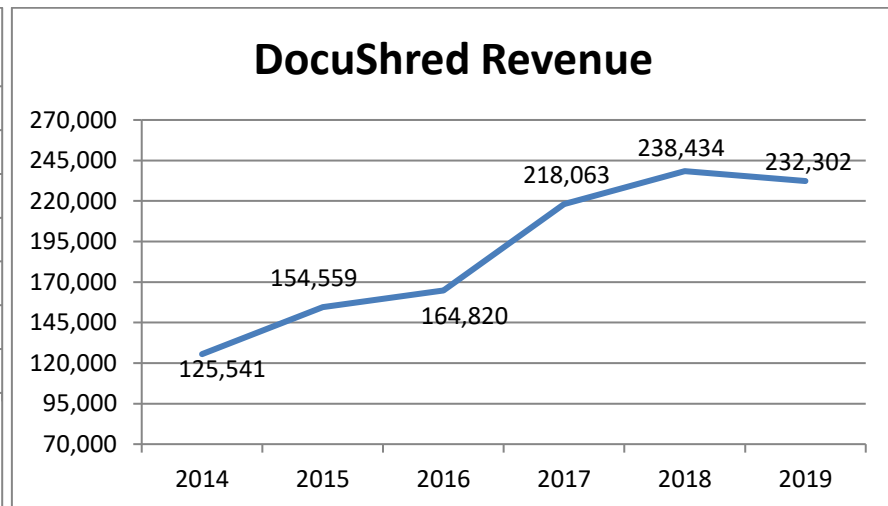
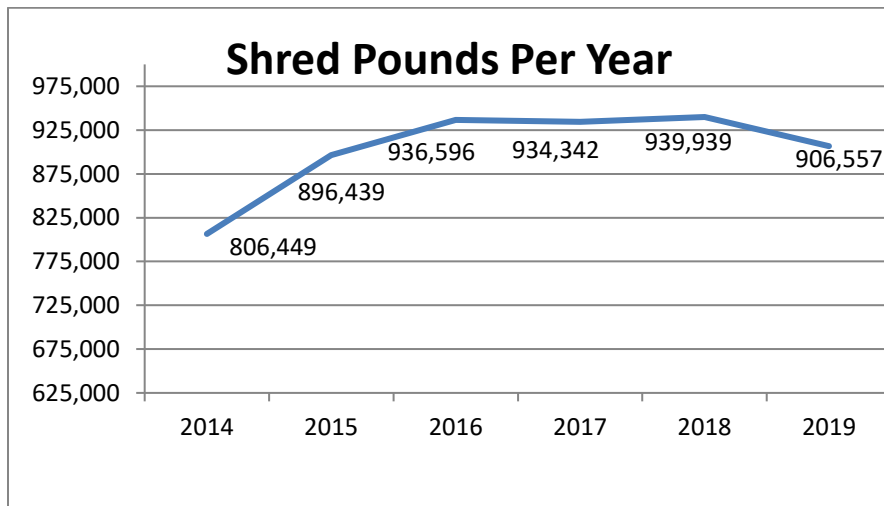
Goal I: Ensure that clients receive from all staff effective, understandable, and respectful services that are provided in a manner compatible with their cultural beliefs and language – Client satisfaction for 2019 was reported to be 100% when asked directly about satisfaction with the services they receive. Additionally, all other supporting stakeholders scored their overall satisfaction with WACOSA's services as 99%. 94% of WACOSA's clients reported specifically feeling culturally respected. 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 2019 consistently revealed that clients and their caregivers felt respected for their individual cultural beliefs and observances. While we will continue to seek out new ways to ask for this information, at this time no concerns have been expressed by clients, their supporting stakeholders, or any other WACOSA stakeholders at this time.

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 funding partners and CARF accreditation. This plan is reviewed annually to ensure that WACOSA maintains appropriate diversity, normed against national, state and regional statistics. Our 2019 review of this plan determined that, in general, WACOSA is properly positioned regarding staff diversity at most levels. Regarding Team Leaders and Case Management staff, we are currently under represented in the area of minorities. WACOSA's leadership will be examining this issue throughout the year and making efforts to broaden management and administrative diversity, as openings occur. Additionally, WACOSA promotes

internally whenever possible and does so with a focus on diversifying our staff and leadership at that time also. WACOSA's Board of Director's recently recruited one member with a disability, who will begin board service as of February 24, 2020. The WACOSA Board of Directors in redefining itself, growing to 16 members, as opposed to the 12-member Board of Directors WACOSA has traditionally maintained. In 2020, Board meetings will be reduced to four each year, with sub-committees being formalized and tasked with doing more work at the committee level.

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, while helping each person improve in making their needs functionally known. Communication system examples that have been or are currently in place include Board maker, 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 often resulting in specialized training to staff for a particular individual. Frequently, 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 every system that clients present.

Analysis/Trending of DocuShred:



2019 saw a drop in both DocuShred pounds destroyed during the year, as well as revenues accrued. In 2018, we reported that pounds destroyed over the past three years had been leveling off. Revenues, though growing slightly, were also beginning to level off. 2019 saw a slight trend downward in both pounds destroyed and revenues, demonstrating a drop of 3.5% and 2.5% respectively. Both 2017 and 2018 saw revenues sustained only because

of price increases invoked in both years. 2019 did not see significant price increases, since area competition in the shred industry caused us to exercise caution in continuing to raise prices. We did not wish to test customer patience with yet another year of price increases and risk losing customers to other vendors. While we still expect to pass along future price increases, the added expense of the state's consistent upward adjustment of the minimum wage prevented us from placing additional price pressure on our business partners this past year. DocuShred's 2018 finish, both in pounds destroyed and revenue gained, was somewhat out of the ordinary in light of a significant purge in the month of October that we normally do not see. This purge tended to inflate the overall financial finish for DocuShred in 2018, demonstrating even more significantly the leveling off of our shred numbers over the past two years. While these numbers are not progressing in the direction we ultimately expect, we do not see this trend as a cause for alarm. Rather, we see it as a reason to reengage our focus on sustaining and growing our DocuShred business. In light of continued flattening of actual pounds destroyed, WACOSA's sales department has been directed to place additional emphasis in 2020 on obtaining new DocuShred contracts, rather than relying only upon growth via word-of-mouth.

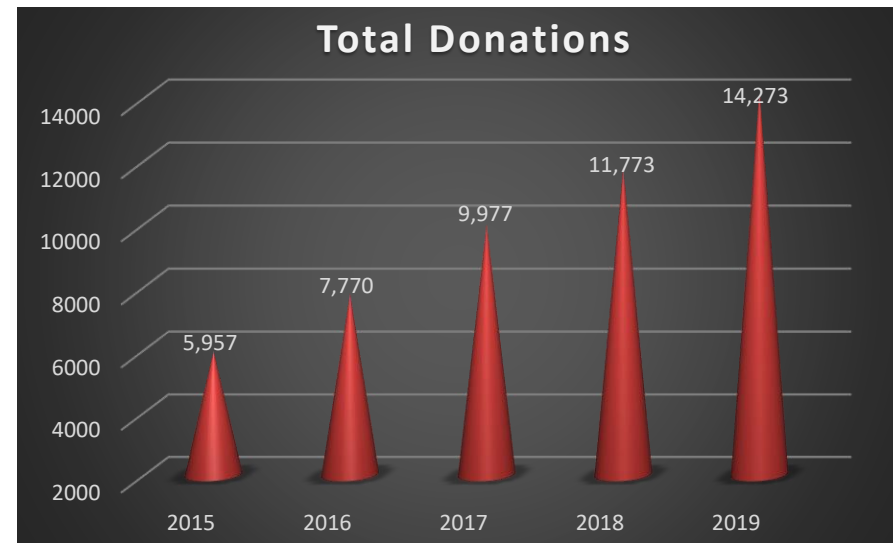
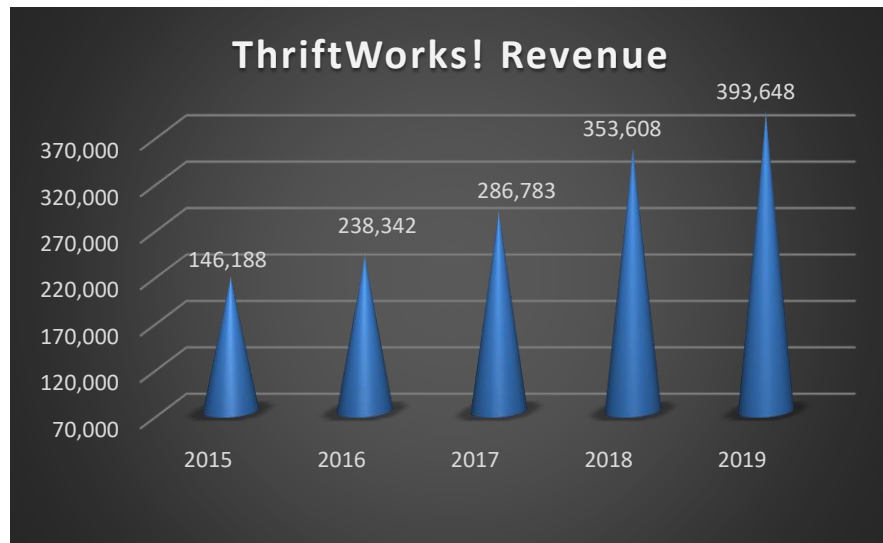
In 2019, the average pounds destroyed per month surpassed goal by 19,000 pounds, but fell short of 2018's shred level by 2,782 pounds. DocuShred revenues reached an all-time high in 2018, boasting a 150% increase over the preceding 7 years. In that year, October topped over 181,000 pounds for the first time in DocuShred history, followed closely by May with approximately 93,000 pounds. While we were pleased to see this finish, it was somewhat of an anomaly, since much of this extraordinary increase was the result of a single purge. 2019 demonstrated that October was, once again, the highest month of documents destroyed with WACOSA clients destroying 99,664 pounds. It should be noted, however, that a review of the data for the past 5 years does not definitively show a particular month being the best for shred. Data related to revenues and pounds destroyed indicates that both saw a drop from 2018 and 2019, an expected result given the leveling off numbers tracked month-by-month. Total shred hours worked by clients saw an overall decrease of approximately 10% from 2017 to 2018 (from 14,062 to 12,685), rebounding slightly again in 2019 to 13,147 for a gain of 3.6%. This back and forth of slight variations in both revenue and pounds shows a decided trend that shred growth is beginning to level off. This leveling is likely the result of two key things: lack of marketing the shred program at the level needed to maintain growth and the influx of one key competitor who is marketing in and around the St. Cloud, offering free or reduced shred services that dovetail with other services their business provides. WACOSA's sales and marketing staff are planning a concerted effort to focus on continual shred growth in 2020. The early stages of a partnership have been formed with MARCO, our most significant direct shred competitor, involving a business strategy that would allocate smaller shred contracts to WACOSA, while MARCO attends to the needs of larger, more substantial customers. Though the outcome of this arrangement has not yet fully developed, preliminary results are that this arrangement could be a win-win proposition for both companies. Finally, WACOSA gained 41 new shred contracts in 2019, up 38 (10.5%) from the previous year, demonstrating that gaining new customers remains an attainable goal for the coming year.

The DocuShred storefront received 291,180 lbs. of shred in 2019, a decrease of 19% when compared to 2018. This decrease translated to a corresponding average of 5,600 pounds a week. The average number of walk-in customers per week in 2019 grew by four customers to 97. Storefront shredding accounted for 32% of the total pounds of documents destroyed for the year, 5% less than 2018. It should be noted, however, that decreases in storefront shredding between 2018 and 2019 are the result of multiple large purges dropped off at DocuShred's Storefront during the year. When overall trending is analyzed, the average of storefront customers has increased by 177% since 2010. Average pounds destroyed over the past 10 years has grown by 57%. DocuShred data demonstrates the amount of shred destroyed since the beginning of the DocuShred operation has

increased steadily in pounds collected per year, with a slight loss of 1.4% between 2017 and 2018. While overall DocuShred revenues and pounds have experienced a leveling off in the past 3 - 4 years, the storefront has experienced a lessening of this dynamic. What remains clear is the storefront's ability to contribute a significant amount of the total shred received for the DocuShred operation over the year. Discussions will continue throughout 2020 regarding strategies to continue improving growth of the DocuShred operation.

In the coming year, WACOSA plans to bolster current marketing/sales efforts to continue growing the number of walk-in customers. Since this is an area we can compete effectively, we intend to expand marketing efforts to grow the patronage of our individual customers, as well. In 2020, WACOSA's sales staff will be working on an Every Door Direct Mailer (EDDM) in an effort to gain more business. Other incentive programs (i.e. punch card, reward card program etc.) will be examined throughout the year in an effort to increase business as much as possible. WACOSA plans to bolster its social media presence in the area of document destruction, in order to increase awareness of our services and increase storefront foot traffic. Finally, WACOSA plans to continue collaborating with MARCO to develop solutions for handling all aspects of the shred market in Central Minnesota. We believe doing so has the potential to foster a relationship that can work over time to serve the needs of both businesses.

Analysis of ThriftWorks! Store Operation:



ThriftWorks! completed its sixth full year of operation on December 31st, 2019. We continue to be very pleased with the performance of the store since its opening in May 2013. At the close of 2018, an analysis was completed in order to get a better handle on how close the store is to breaking even when we compare fair allocations of all store expenses to associated revenues. At that time, this analysis demonstrated that ThriftWorks! needed to receive approximately \$5,000 more per month additionally for WACOSA's ThriftWorks! Store to be considered breaking even. 2019's monthly revenue increased by an additional \$3,337. Presently, we project that if we increase our monthly revenue by approximately \$1,700, ThriftWorks! stands a chance of being declared, "Break Even". We remain optimistic that solid sales practices like rotating goods more frequently, offering a pleasant

shopping environment, offering sales incentives etc. will help us reach this goal sooner than later. It is also important to remind our stakeholders that the value of the store to WACOSA's mission, brand recognition, referral base and its positive influence in attracting DocuShred customers, truly cannot be overstated. Associating the strong name of ThriftWorks! with WACOSA significantly affects our organization's bottom line, though placing a number on this value is likely not possible. While the store remains short of "break even", its influence and presence for WACOSA is critical as we examine future service directions/expansion.

Given continued issues related to personnel expense and the limited square footage to display, sell, and prep donations, we acknowledge that breaking even will be challenging, but is not out of reach. A complicating factor in the thrift industry is that profitability often relies upon stores being operated by 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. Because volunteers have no fulltime commitment to WACOSA and cannot always be relied upon to report to work, it becomes imprudent to rely primarily upon them as a source of dependable labor. Moreover, if volunteers opt to leave their volunteer position, the length of time it would take 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.

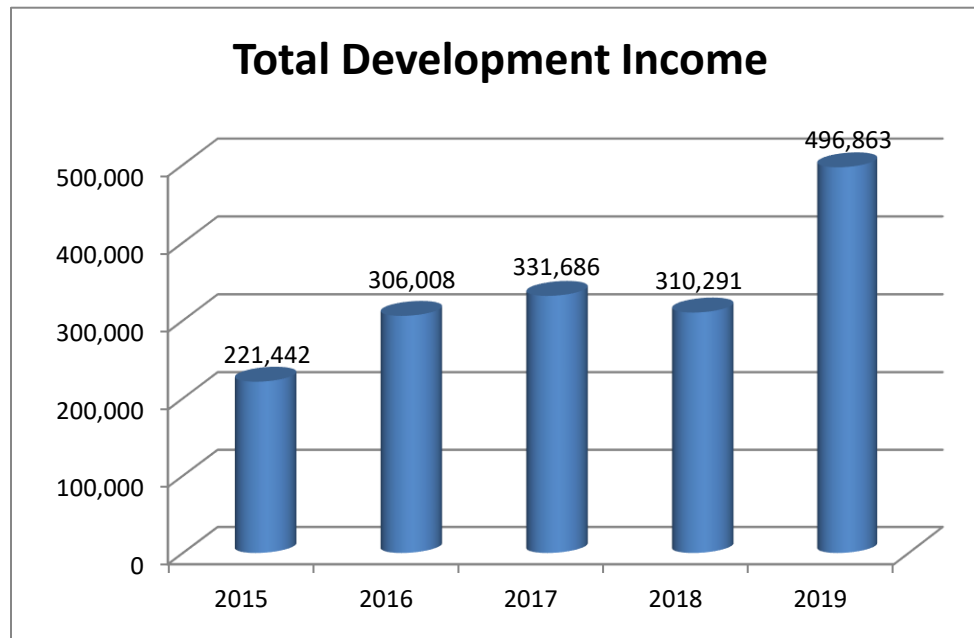
In 2019, the store generated \$393,648 in sales from community donations. In 2019, October represented our highest sales month for the 3rd year in a row, followed closely by November. As ThriftWorks! continues to mature as a store, these two months continue to represent the best sales months throughout the year. The 2019 October finish of \$38,519 represented a record month since the store opened, beating the preceding record by \$2,603. November followed the October finish, posting revenues of \$37,847, also enough to break the previous record set in 2018. Overall, revenue per square foot of sales floor increased from \$79 in 2018 to \$87 in 2019 (10%). ThriftWorks! limited square footage in which to display and sell goods will eventually limit our ability to grow revenues. However, 2019's store performance does not yet appear to support this concern, given the \$8 per square foot improvement from 2018 to 2019. Sales staff report that aggressive efforts like rotating goods, pricing/getting new goods on the floor, holding additional sale opportunities etc. all help in using the store's 4,500 square feet of showroom more efficiently when it comes to increasing square foot sales revenues. Moreover, we are confident that the ThriftWorks! name remaining synonymous with quality, variety and value is continuing to spread word-of-mouth, resulting in an ever-growing base of loyal customers. ThriftWorks! reviews on such on-line comment sites as Yelp, Google and Facebook all show overwhelming support from area thrift shoppers.

We continue to experience steady monthly sales growth with the average sale for the past 12 months being \$9.17 (.42 increase from 2018) per customer. 2019 saw 42,938 transactions (increase of approximately 6% from 2018) for the year, an average of approximately 3,578 a month. Donations for 2019 finished at 14,273 (increase of 21% from 2018) with our highest donation month being October, the same as last year, at 1,517. 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 among organizational stakeholders, volunteers and loyal community members/shoppers. 2019 saw the loss of the previously donated warehouse space we used to store back-up goods. As a result, coupled with continually strong donations, a concerted effort to stage down our back up goods was undertaken. At the close of 2019, only 26 pallets of holiday

goods are being held in reserve in our Waite Park warehouse facilities. All previously maintained backup materials have been sorted, recycled, sold on the sales floor or sold to wholesale outlets.

We remain 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. Ten trainees were carried over from 2018, with eight new trainees entering the training program and a total of 18 in training during 2019. Six of these individuals successfully finished training in 2019, with three currently competitively employed, one in Placement seeking employment and two maintaining competitive employment as a long-range goal but still choosing to work in-house now. Fifty-seven individuals have gone through or are currently in the program, with 20 employed competitively at some time following their training. While in the program, 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. While skills being acquired are taught in a retail environment, it is important to note that graduates of the program are going on to work in areas other than retail, since the curriculum is designed to teach skills that can be generalized across a wide variety of employment settings. Working as a movie theater attendant, greeting at Walmart, working in housekeeping and working in food preparation/service are but a few examples of this occurring in 2019.

Development Income:

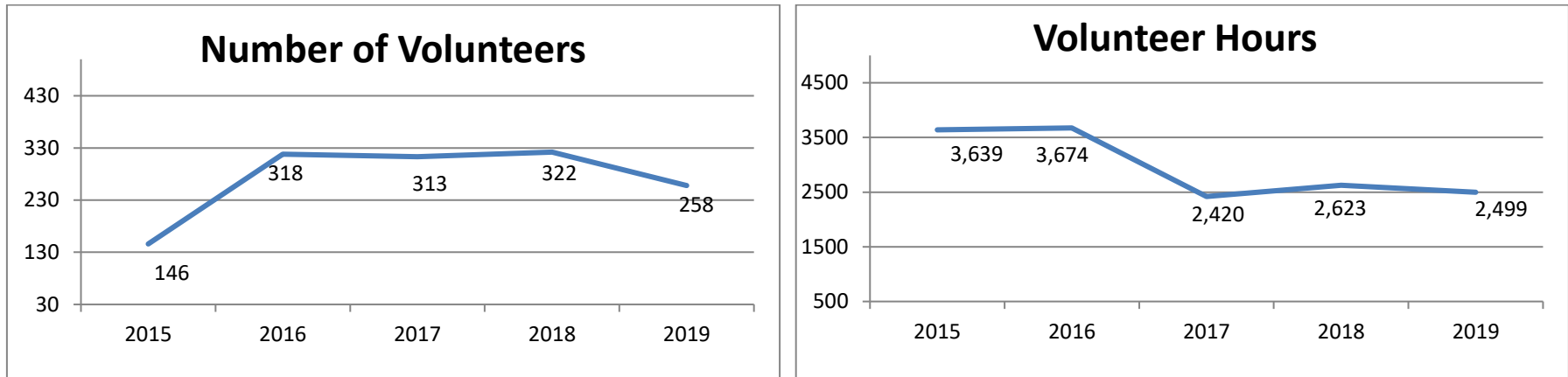


2019 is our seventh year of reporting WACOSA's development income in the Outcomes Measurement Report. Since the creation of the Fund Development Department in 2013, WACOSA has seen a significant amount of turnover in the Fund Development Manager position. While six years of Fund Development efforts have been completed, we have only had the benefit of a stable and competent Development Manager in this department for the last 1.5 years. As such, we continue slow but steady progress since this new staff's arrival. In 2019, WACOSA received \$496,863 in total development dollars agency-wide. However, this high included a combined, restricted donation from Auto Parts Headquarters (APH) and the Bartlett Family of \$214,518 (actually received in 2019). It is important to note this money is given to WACOSA in increments throughout the year, with the amount being received in the current year often pledged in the year prior. WACOSA's accounting department records development totals in the year donations are received, rather than pledged. Thus, fund development information related to totals is somewhat challenging from year-to-year. Consistent from year-to-year, the APH donation is 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, equipment and program opportunities attractive to our constituents. At this time, while not guaranteed, we have no reason to believe this donation will discontinue for 2020.

For 2019, total fund development dollars, excluding the APH/Bartlett Family contribution, were \$255,126. This represents an increase of 33%, when compared to the same number (\$191,758) calculated in 2018. Grant dollars totaled \$152,771, which included a number of grants, in addition to one additional 5310 vehicle award given to WACOSA during the year. This total also included \$16,490 in "in kind" donations in the form of warehouse space and recording ThriftWorks inventory. Finally, WACOSA was honored to receive a gift of \$29,510 that we have agreed with the donor will be placed as seed money in WACOSA's first Endowment Fund. Pending additional details to be addressed by the Fund Development Committee, this money will be placed in this account sometime later in 2020.

WACOSA had 419 total donors in 2019, up approximately 40% from the preceding year. Primary revenue came from activity related to grants awarded and unrestricted giving, as well as the external fundraiser, mentioned earlier, hosted by Auto Parts Headquarters, which raised \$257,000. \$29,171 was raised at WACOSA's third annual 1-5K Run/Walk fundraiser, approximately 30% more than was raised at the last Harvesting Happiness Breakfast fundraiser held in 2017. At this time, we are pleased by the increased donor support for this new fundraising venture and are actively working through WACOSA's Fund Development Committee to brainstorm ways of improving donations, as the current event matures in the coming years.

2019 Volunteer Data:



Numbers of volunteers in 2019 dropped by approximately 20%, with a corresponding drop of approximately 5% in numbers of hours worked. This drop is due in part; to turnover halfway through the year in the position that coordinates volunteer efforts. Numbers slipped slightly in the time it took to refill the position.

Volunteer highlights from 2019

- WACOSA continues to include client involvement in volunteer fairs, as clients are available.
- WACOSA continues to collaborate with the College of St Benedict and St John's University to host interns from their Health Sciences program. In 2019, WACOSA hosted two interns, one spring semester and one fall semester.
- WACOSA continues to advertise the Volunteer Program on the back of our busses.
- The new Volunteer Coordinator continues to stay active in committees and organizations such as St Cloud Area Volunteer Coordinators and Minnesota Association of Volunteer Administrators.
- WACOSA continues to host one-time volunteers and students from area businesses, organizations, and schools. This trend is likely to continue as team building within the work environment is on the rise.
- WACOSA hosted 120 students and teachers at several sites in the spring and fall from Sartell Middle School for "Kids Connecting to Community".
- WACOSA continues to maintain a stable volunteer base of individuals that contribute their time and many talents to positively impacting client services.

Also impressive is WACOSA's Senior Program volunteering 522 hours in 2019, a drop of approximately 33% from the previous year. This drop is the result of less hours spent volunteering at the Tri-County Humane Society (THS). During the year, WACOSA Seniors learned that fewer hours were needed by THS, resulting in the year-end outcome. We plan a concerted effort to improve our volunteer infrastructure in 2020 with a goal to make WACOSA volunteer experiences rewarding for those willing to share their time with WACOSA. The most recent data reflects that, nationally, one hour

of volunteer work equates to approximately \$25.43 (Independent Sector, 2019). Given this statistic, WACOSA received approximately \$63,500 in volunteer labor in 2019.

Major Goal Areas for 2020 and beyond (presented in no particular order):

- Continue developing the WACOSA ThriftWorks! Thrift Store in order to place a progressively larger number of individuals seeking competitive community employment.
- Continue working to make WACOSA's ThriftWorks! Thrift Store as efficient and, ultimately, as profitable, as possible.
- Continue researching the potential for expanding the ThriftWorks! Training Model and explore other possibilities this model might present.
- Continue to generate funding to reduce dependence on state/federal funding.
- Work to improve board efficiency and overall board member engagement.
- 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.
- Implement WACOSA's 2019 – 2023 Strategic Plan.
- Continue to seek out a sufficient amount of contract work to keep all individuals in our center-based workforce active and engaged. Refine our current work plan/pursue center-based contract work to replace the loss of Electrolux and West Rock contracts.
- Keep DocuShred growing and discover new systems to help make it profitable, while negotiating increased area competition.
- Continue WACOSA 1st Avenue improvements and expand services, as appropriate.
- 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 that will require significant systems change. Throughout 2020, 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. Stay abreast of pending state and federal initiatives.
- Continue advocating for the choices of those we serve, preserving the right to participate in center-based services/work, if desired.
- Continue finding ways to implement the WACOSA Way/Top 20 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.

