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A WORD FROM THE PRESIDENT AND THE CHAIR

AccessAbility had a banner year in 2018! Thanks to our great community, these are just a few of the things we were able to accomplish:

- We completed the renovation and expansion of our Hoover Street location to better serve individuals in our DTH program.
- We competed the licence for and began offering Chemical Dependency Treatment as part of our Project Connect Program.
- We held our first gala in over a decade and raised over $65,000 to support our life-changing programs.
- We purchased an accessible bus due to the generosity of gala donors.
- We received outstanding results on over seven different financial and program audits.
- We significantly improved program efficiency in several areas in order to better our financial stability and increase the quality of our programs to better the lives of the people we serve.

AccessAbility’s life-changing work cannot be done alone, and we are grateful every day for our supportive, dedicated community. THANK YOU for continuing to empower our organization to help individuals unlock their personal potential.

Sincerely,

Pat Foley

AccessAbility’s mission is to provide opportunities for self-sufficiency for people with barriers to employment and community inclusion.

Michael Krebsbach

President & CEO
AccessAbility's mission is to provide opportunities for individuals with barriers to employment and community inclusion.

For over 70 years, AccessAbility has been committed to serving the changing needs of our community. Today we offer a continuum of employment and community inclusion services to meet the needs, interests, and preferences of person-served through their lifetime.

**WE BELIEVE**

- that every person's life is significant.
- that every person should be treated with dignity and respect.
- that every person has the right to be included in the community.
BOARD OF DIRECTORS

Executive Committee
Pat Foley, Merrill Corporation Chair
Mark Young, myHRcounsel Vice Chair
Tony Bednar, Tiger Oak Media Treasurer
Julie Jost, C.H. Robinson Secretary

MEMBERS
Mark Groves, MN DEED
Joan Wilshire, MSCOD
AnneMarie Klimek, Medtronic
Jennifer Zuchowski, Met Council
Zarir Erani, Allen Interactions
Ken Ehling, Montage Marketing
Ken Kleckner, SAV Transportation
Leander Hallgren, Honeywell (retired)

TEAM MEMBER LEADERSHIP
Michael J. Krebsbach, President/CEO
Rick Todd, Chief Financial Officer
Brad Janowski, Vice President of Programs and Business Development
Pam Sunder, Vice President of Programs and Corporate Compliance
Chris Jordan, Director of Community Employment Services
Brooks Waldron, Director of Behavioral Health Programs
Rita Apaloo, Director of Marketing and Development
Barbara Arnold, Executive Director, AbleTo Campaign
2018 IMPACT OVERVIEW

493 persons-served

2,000 sq. feet added in the Hoover Street renovation.

71% of persons-served were between the ages of 23-54

293 persons-served participated in a transitional employment program

Program Participation

- DTH 40.6%
- Project Connect 38.7%
- Extended Employment 20.7%

DTH 40.6%
AccessAbility’s DTH program enhances participants’ skills and abilities through center-based and community employment, vocational training, and recreational/leisure activities for participants with developmental and cognitive disabilities.

200 individuals-served in DTH’s 5 sub-programs

99% of individuals were satisfied with their DTH Services

900 individuals attended an Evening Stars after-house Event

79% of individuals in DTH participated in employment services

3.4 average number of outings per week in the Friends Together program

"AccessAbility is good, because I get to be myself.”
-Person Served in DTH

"My son is so lucky to have connected with the dedicated and caring people that run AccessAbility’s programs!"
-Guardian of Person-Served
The Extended Employment program provides supported employment services to people with severe mental health and/or physical disabilities. Long-term vocational support is provided to individuals who work in competitive job in the community or in community work teams supervised by AAI Team Members.

"Because of my job, I feel like I have a purpose.”
- Person-Served in EE

37,002 hours works at community enclave work sites.

34 new individuals placed in competitive employment positions

102 individuals-served

$9.86 per/hour is the average wage for persons-served in community enclaves.
PROJECT CONNECT PROGRAM IMPACT

Project Connect is AAI's transitional employment program that gives individuals exiting the criminal justice system the vocational skills and personal empowerment to achieve their vocational and social dreams.

"I have so much love for the Project Connect Staff. They saw potential in me and believed in me, and I am so grateful for their support."  
- Terrell, former PC participant

191 individuals served

$15.16 per/hour. average community wage.

166 vocational credentials earned

87% of individuals retained their community job after 1 year.

COMPLETED Chemical Dependency Treatment Licensing for an in-house program
AccessAbility Business Services, Inc. increased sales by 13% over 2017.

- **PRODUCTION** experienced an increase in sales volume due to a partnership with Grit Tough Gear screen printing (now operating out of AAI's Hoover Street Location).

- **IMAGINE DESIGN** was positively impacted by a new sales manager and the addition of the new--and very popular--"Relatively Funny" gift ware line.

- **The Material Recycling Facility** (The MRF) dramatically improved its process efficiency, and experienced at 4.6% increase in sales over 2017.
## Financial Summary 2018

### AccessAbility Business Services

**Profit and Loss**

1/1/2018 to 12/31/2018

<table>
<thead>
<tr>
<th></th>
<th>Jan/18</th>
<th>Budget</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
</table>
### Income:
- United Way: 255,000
- Direct Public Support: 7,515
- Gov't Reimbursement EE: 382,563
- Gov't Grants: 382,644
- Other Types of Income: 90,000

**Total Income Before Sales:** 1,097,752

**Business Services:**

- Business Services Revenue: 1,427,213

**Total Business Svc's Revenue:** 1,427,213

**Total Income:** 2,524,965

### Cost of Goods Sold 1 (Direct Costs):

- COGS - Gross Margin 1: 1,117,143

**Total COGS 1:** 1,117,143

**Cost of Goods Sold 2 (Variable Costs):**

- COGS - Gross Margin 2: 32,674

**Total COGS 2:** 32,674

**Total Cost of Goods Sold Margin 1 and 2:** 1,149,817

**Gross Margin Percent:** 40.44%

**Cost of Goods Sold 3 (Sales Costs):**

- COGS - Gross Margin 3: 150,782

**Total COGS 3:** 150,782

**Gross Margin 3:** 126,814

**Gross Margin Percent:** 8.87%

### Expenses:

- Staff Payroll Expenses: 640,040
- Staff Payroll Other Expenses: 138,749
- Client Transportation and Other Support Ex: 123,426
- Travel and Meetings: 10,836
- Recruiting and Hiring Expenses: 142
- Repairs, Maintenance, and Fuel: 22,093
- Leased Equipment: 35,412
- Facilities Costs: 100,872
- Sales and Marketing: 37,980
- Operations: 23,034
- Professional Services: 28,292

**Total Expenses:** 1,208,556

**EBITDA**

<table>
<thead>
<tr>
<th></th>
<th>Jan/18</th>
<th>Budget</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16,510</td>
<td>331,084</td>
<td>-315,574</td>
<td>-2034.69%</td>
</tr>
</tbody>
</table>

### Other Expenses:

- Other Business Expenses: -206,722
- Depreciation: 29,171
- Interest: 3,507
- Admin Allocations: 157,470
- Occupancy Allocations: 89,962

**Total Other Expenses:** 73,327

**Net Income:** -57,817

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**AccessAbility, Inc.**

**PAGE 11**
<table>
<thead>
<tr>
<th></th>
<th>Jan/18</th>
<th>Budget</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Way</td>
<td>1,187</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Public Support</td>
<td>291,489</td>
<td>120,000</td>
<td>171,489</td>
<td>142.91%</td>
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<tr>
<td>Gov't Reimbursement</td>
<td>2,822,546</td>
<td>3,204,795</td>
<td>-382,249</td>
<td>-11.93%</td>
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<tr>
<td>Other Types of Income</td>
<td>2,037</td>
<td>321,000</td>
<td>-318,963</td>
<td>-99.37%</td>
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<tr>
<td><strong>Total Income Before Sales</strong></td>
<td>3,117,259</td>
<td>3,645,795</td>
<td>-528,536</td>
<td>-14.50%</td>
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<tr>
<td><strong>Business Services:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Services Revenue</td>
<td>1,552,667</td>
<td>1,395,000</td>
<td>157,667</td>
<td>13.75%</td>
</tr>
<tr>
<td><strong>Total Business Service Revenue</strong></td>
<td>1,552,667</td>
<td>1,395,000</td>
<td>157,667</td>
<td>13.75%</td>
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<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,869,945</td>
<td>5,010,795</td>
<td>-340,849</td>
<td>-6.80%</td>
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<tr>
<td><strong>Cost of Goods Sold (Direct Costs):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COGS - Gross Margin 1</td>
<td>904,585</td>
<td>794,244</td>
<td>110,341</td>
<td>13.89%</td>
</tr>
<tr>
<td><strong>Total COGS 1</strong></td>
<td>904,585</td>
<td>794,244</td>
<td>110,341</td>
<td>13.89%</td>
</tr>
<tr>
<td><strong>Cost of Goods Sold (Variable Costs):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COGS - Gross Margin 2</td>
<td>65,059</td>
<td>104,175</td>
<td>-39,116</td>
<td>-37.67%</td>
</tr>
<tr>
<td><strong>Total COGS 2</strong></td>
<td>65,059</td>
<td>104,175</td>
<td>-39,116</td>
<td>-37.67%</td>
</tr>
</tbody>
</table>
| **Total Cost of Goods Sold Margin 1 and 2** | 970,244 | 898,419 | 71,825 | 7.00%
| **Gross Margin Percent** | 37.51% | 34.18% |          |            |
| **Expenses:**          |        |        |          |            |
| Staff Payroll Expenses | 1,754,405| 2,156,439| -402,034 | -18.64%    |
| Staff Payroll Other Expenses | 313,423 | 452,418 | -139,995 | -30.72%    |
| Client Transportation and Other Support Expenses | 570,654 | 537,300 | 33,354 | 6.23% |
| Team Development       | 3,226  |        |          |            |
| Travel and Meetings    | 9,968  | 19,200 | -12,218  | -63.55%    |
| Recruiting and Hiring Expenses | 8,400 | 10,800 | -2,400 | -22.22% |
| Insurance - Liability, D and O | 50,039 | 54,000 | -3,961 | -7.24% |
| Repairs, Maintenance, and Fuel | 78,174 | 82,900 | -4,726 | -5.80% |
| Leased Equipment       | 37,964 | 65,500 | -27,536  | -42.50%    |
| Facilities Costs       | 329,351| 291,725| 37,626   | 12.75%     |
| Sales and Marketing    | 70,104 | 48,500 | 21,604   | 44.54%     |
| Operations             | 70,301 | 64,200 | 6,101    | 9.50%      |
| Professional Services  | 177,363| 186,300| -8,937   | -4.73%     |
| **Total Expenses**     | 3,467,642| 3,988,082| -501,440 | -12.63%    |
| **EBITDA**              | 232,000| 143,394| 88,606   | 38.21%     |
| **Other Expenses:**    |        |        |          |            |
| Other Business Expenses | 236,666 | 40,600 | 196,066  | 480.14%    |
| Depreciation           | 159,527| 210,000| -50,473  | -24.00%    |
| Interest               | 117,404| 65,240 | 52,164   | 80.92%     |
| **Admin Allocations**  | -157,476| -308,733| 151,257  | -49.00%    |
| **Occupancy Allocations** | -89,803 | -115,137| 25,344 | -21.93% |
| **Total Other Expenses** | 239,256 | -79,630 | 378,886 | -471.11% |
| **Net Income**         | -64,196| 223,224| -287,420 | 447.72%    |