



ANNUAL REPORT

2023



OUR MISSION

Providing quality vocational skills, vocational training, employment opportunities and community integration for individuals with intellectual disabilities.



Referral
Agencies



Community Integration Training

CIT program is designed to provide comprehensive resources for community integration. The main focus of CITP is to improve self-reliance, social skills, employment opportunities, and adaptive skill development. Our program offers a nurturing environment where individuals can build the skills necessary to actively participate in their community.

Last year, we experienced a significant increase in enrollment for our CIT program as the Work Activity Program (WAP) came to an end this year, resulting in higher demand for our offerings. We have successfully extended our CIT program across all our locations, which has enabled us to better serve our Consumers throughout Inland Empire and provide them with vocational training opportunities, life-skills, employment training, volunteer opportunities and community integration.

Our Consumers actively engaged in various community events, including leisurely activities and outings such as visiting the Corona Public Library, participating in programs at the Norco Senior Center, and volunteering for Feeding America.

Work + Community + Friendship + Recreation



TOP 10 EVENTS OF 2023

- Guys In Ties and Girls In Pearls
- New Years Celebration
- National Act of Kindness
- Casino Day
- Miguel's Jr Fundraiser
- World Cultural Diversity Day
- Olympic Day
- Hawaiian Celebration
- Game day
- Paint and Sip
- Halloween Celebration

Activity Center Program

Throughout the past year, we engaged in a variety of activities that fostered community engagement and cultural appreciation. Whether it was participating in fundraisers centered on team building and goal achievement or joining in the Hawaiian festivities and World Cultural day, these events aimed to deepen our understanding and celebration of diversity. As we enter into the new year of 2024, we are thrilled to carry on hosting impactful events and introducing fresh activities for our Consumers. Our Instructors' active involvement and enthusiasm have played a vital role in creating a vibrant and inclusive community in the Activity Center Program for our Consumers.



A W A R N E S S **ACCEPTANCE**
DIGNITY **Inclusion**
Self-Care **Self-Advocacy** **Care**
 Compassion **Training**
Respect **DIGNITY**
COMPASSION **Love**
SAFETY **DIVERSITY**
Self-Sufficiency **FRIENDSHIP**
Community Integration **Accessibility**

ANTICIPATED INDIVIDUAL OUTCOME

- Employment Training
- Community Integration
- Self-Advocacy
- Self-Sufficiency and Self-Care
- Communicate Effectively
- Health and Safety Awareness



Community Employment

Our Consumers have employment opportunities at diverse local establishments, including eateries, shops, landscaping services, packaging-assembling, and recycling. Some of our Business Customers include: AmeriSource, Anchos, Elf Beauty, City of Riverside, Kuehne+Nagel, Wilden Pump, GEODIS, Greater Riverside Chamber, La Sierra University, Teledyne, Tortilla Grill, Saddle Creek, William Sonoma and more. Their dedication to our mission has enabled us to provide gainful employment opportunities for our Consumers, fostering a more inclusive and diverse work environment.



In 2023, our Community Employment program had close to 60 groups of Consumers employed in the community. Unfortunately, due to various reasons such as relocation or downsizing, we lost 3 of those groups. However, we did open one new group during that same time period.



We are pleased to report our success in securing higher contract rates in 2023 for our groups, which had a significant impact on offsetting the rising cost of living and providing better wages for people with intellectual disabilities. Specifically, 76% of Business Customers have agreed to raise the contract rates, averaging an increase of 26%. This achievement is truly remarkable as it directly benefits some of the most vulnerable members of society.



ANNUAL REPORT DATA



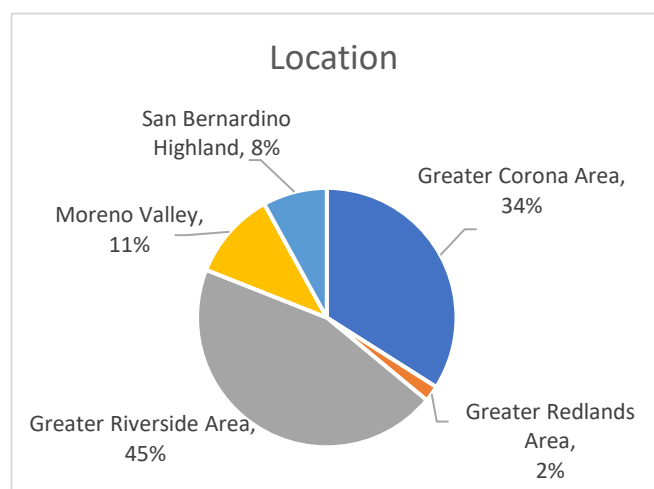
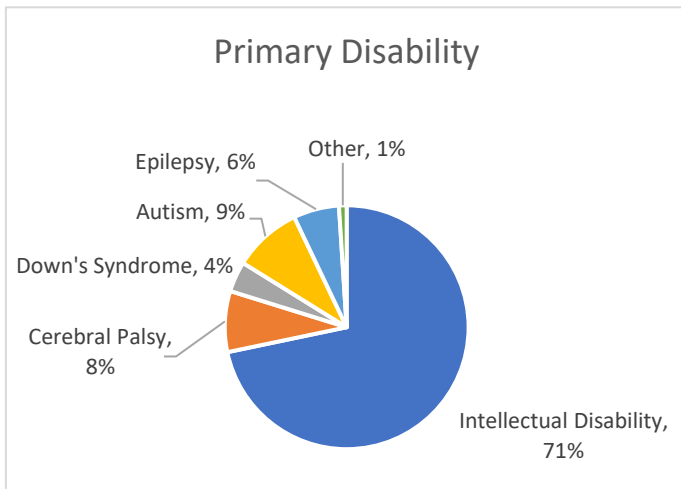
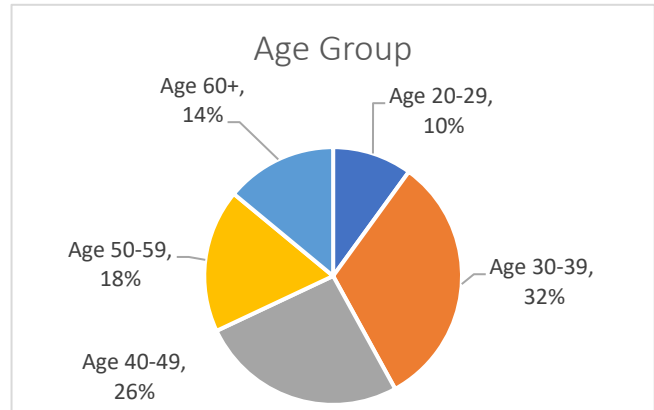
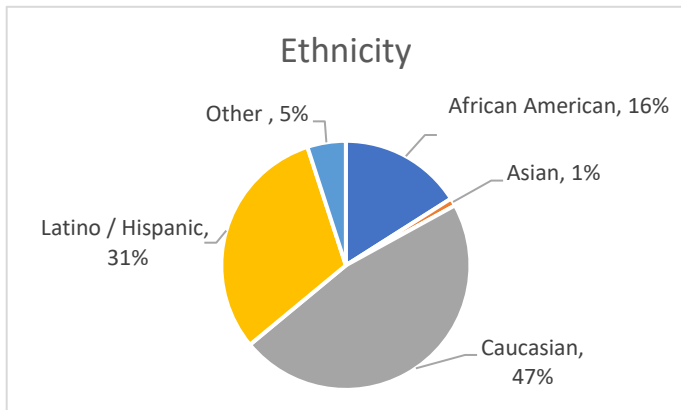
CONSUMER DEMOGRAPHICS:

The demographics data remained relatively the same over the years. Caucasians are the largest group represented among those served, making up 41% of the Consumers served. Additionally, Latinos/Hispanics comprised 31%, while African Americans consisted of 16%, and other ethnicities totaled 6%.

Most Consumers are concentrated in the age bracket of 30-39 years old (32%). A close second are workers between the ages of 40 and 49 (26%), followed by those in their 50s (28%) and lastly by the youngest age group in their 20s (10%).

Intellectual disability is the leading primary disability among our individuals making up 71% of all cases.

The organization employs Consumers throughout Inland Empire, specifically we have individuals from the greater Riverside area (making up the majority at 45%), greater Corona area (comprising 34%), Moreno Valley (representing 11%), San Bernardino & Highland area (accounting for 8%), and Redlands (which is home to only 2%).



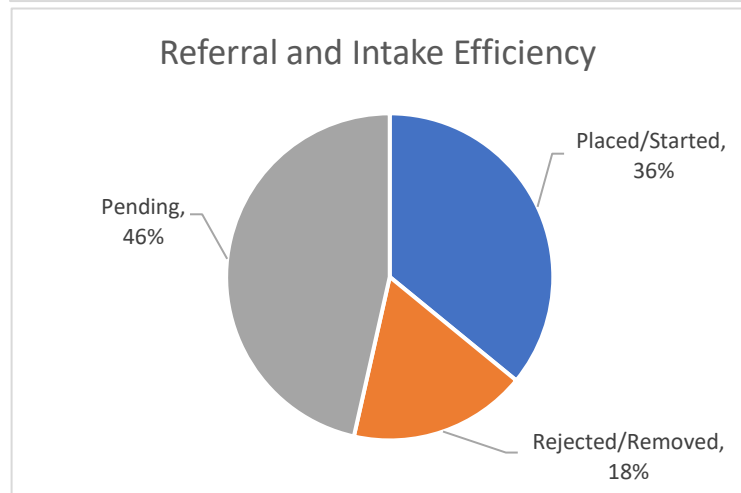
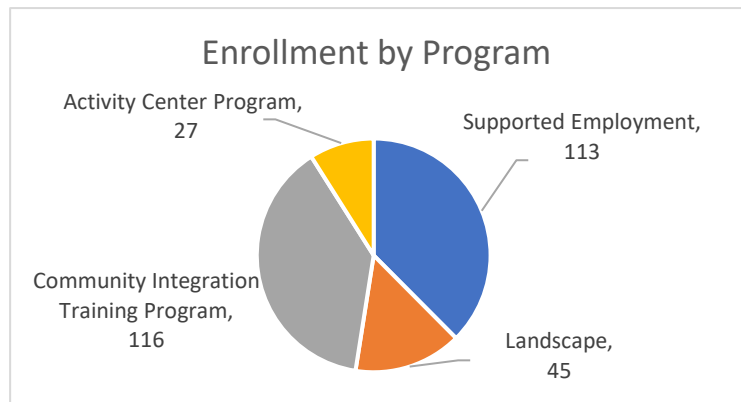
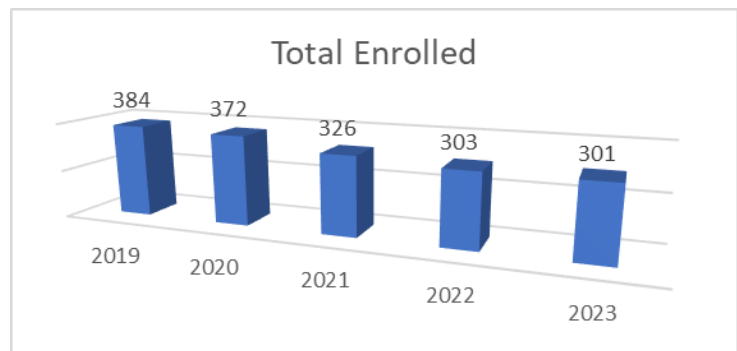
GROWTH TRENDS

TOTAL ENROLLED: The total number of Consumers have decreased by 83 individuals within the last five years, going from 384 in 2019 down to 301 in 2023. The Consumer decrease is primarily attributed to two main factors: program closure for the Work Activity and Consumers' choice to resign.

Ability Counts enrollment consists of several programs, with Community Integration Training Program making up 39% of the total Consumers enrolled, followed closely by Supported Employment at 38%, then Landscape at 15%, and lastly Activity Center at 9%.

REFERRAL AND INTAKE EFFICIENCY

In 2023, our organization received an impressive number of referrals. A total of 142 individuals were interested in participating in our programs and approximately 36% of those referrals have resulted in successful program placements. The other 46% of referrals were placed in pending status as they require some additional arrangements before they could start into their chosen programs at ACI. Of the total referrals, 18% were found unsuitable for Ability Counts and were either rejected or referred to another provider. Many of the



rejected Consumers did not meet our entry requirements.

CONSUMER EXITS

In 2023, the organization experienced a significant turnover with 50 consumer employees either leaving or being terminated from Ability Counts. Specifically, 31 individuals chose to resign due to various reasons such as other opportunities outside ACI, relocation which made it difficult for them to continue working at the same worksite or participating in the program, and serious medical that prevented them from carrying out their duties effectively or participate in program activities. Unfortunately, despite our best efforts, it became necessary for us to end the employment for a number of Consumers as a result of aggressive or unsafe behaviors, which posed a significant risk to the organization and its members. Additionally, some Consumers no longer met the entrance criteria set by the company, and others refused to attend ACI. We hope they find new opportunities that meet their needs.

CONSUMER TRANSITIONS

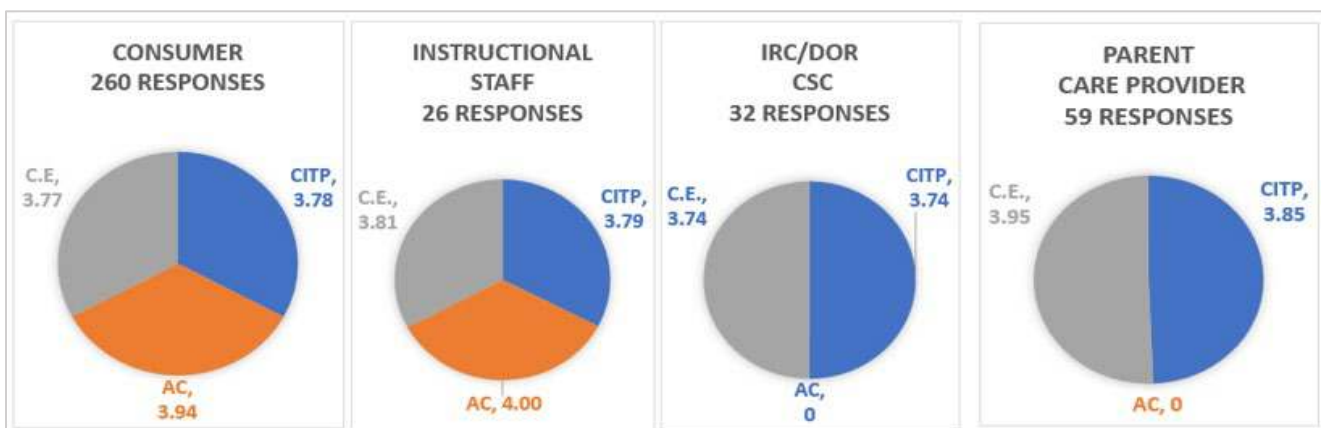
We successfully transitioned a total of 21 individuals between our programs, with 10 participants transferring from Supported Employment Program (SEP) to either the Community Integration Training (CIT) or Activity Center (AC) programs. Additionally, a total of eight individuals from CIT and AC demonstrated an interest in pursuing jobs within their community by completing the required assessments. Their efforts paid off as they were matched with suitable positions across the various Supported Employment groups, resulting in positive impact for both the Consumer and the Business Customer.



STAKEHOLDER SATISFACTION SURVEY

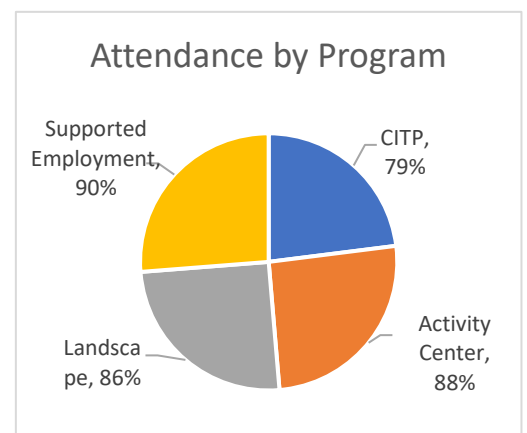
Ability Counts persistently collects feedback through survey questionnaires from our stakeholders. The data is collected, analyzed, and used to better understand how the organization is performing from the perspective of the stakeholders, and to direct ongoing quality improvement and service delivery.

The survey questionnaires are based on a four-point scale, which allows individuals to express the extent of their agreement or disagreement with a particular statement. Based on the responses gathered from the 533 surveys we received in 2023, Ability Counts, Inc. surpassed the expectations of Consumers, Instructional Staff, IRC/DR Counselor and Parent/Care Provider as indicated by their ratings:



CONSUMER ATTENDANCE

Our aim to reach an overall attendance rate of above 90% fell slightly short, with an average of 86% across all programs combined. Breaking it down further, the data shows that while CIT had only 79%, both AC and Landscape achieved commendable attendance rates of around 88% and 86%, respectively, whereas SEP surpassed expectations with a remarkable 90%. Attendance is highly valued in our organization as it accurately indicates a Consumer's active participation and engagement in the training and employment process, which ultimately reflects their overall success.



CONSUMER PRODUCTIVITY AND WAGES

Our Community Employment program is designed to provide a consistent income for every working Consumer, through the issuance of monthly paychecks. The act of earning wages allows Consumers to become productive members of society, irrespective of how much they earn.

Most individuals working in the community revealed that they find enjoyment in working regardless of whether they earn \$6 an hour or \$16 an hour. What's more important to them is the opportunity to socialize with their peers and engage in meaningful work that allows them to cover some expenses without jeopardizing their social security benefits. Wages earned enables their participation in economic activities that benefit both themselves and the community at large.

According to our payroll data, the monthly salary for Consumers working in the Landscape Program averaged \$581 which indicates a 34% productivity level, and for those in Supported Employment, the monthly salary was \$743 at 40% productivity. It is worth noting that wages below the minimum wage, which are typically paid to individuals with intellectual disabilities, take into account the Consumer's efficiency level as assessed via comprehensive time studies. This approach helps determine fair compensation based on each worker's efficiency and performance.

Average Monthly Earning

Landscape:
\$581 at 34% Productivity

Supported Employment:
\$743 at 40% Productivity

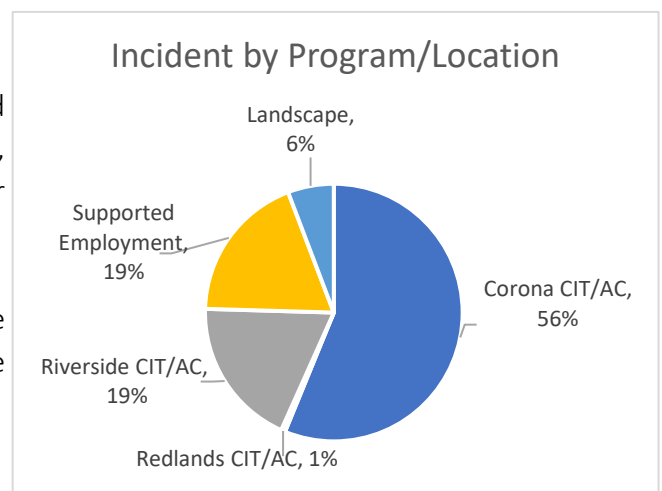
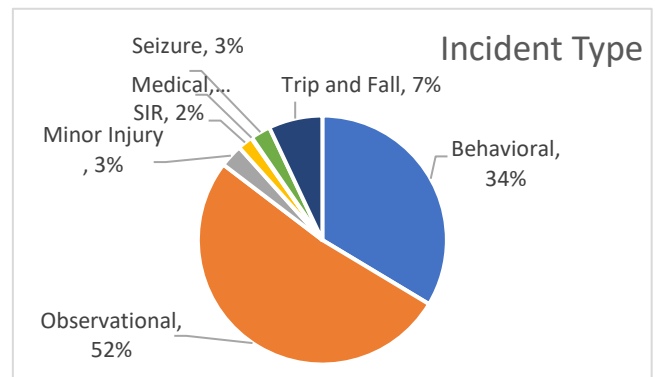


CONSUMER INCIDENTS

The majority of incidents reported were related to behavioral (34%) and observational issues (52%), followed by trip and fall (7%). The combined percentage of minor injuries, special incidents and seizures made up only a small fraction (12%) of all recorded incidents. According to the raw data, there were 29 minor injuries, while special incidents numbered 19. The remaining incidents were mostly trip and fall and behavioral-related.

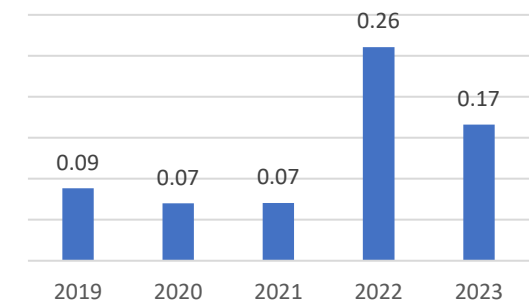
The CIT and AC programs at the Corona building had the largest percentage of reported incidents, specifically 56%, with most of them being behavioral or observational.

Supported Employment and the CIT/AC in Riverside tied with a ~19% incident count, followed by the Landscape program at only 6%.





ACCIDENTS PER CONSUMER



A closer examination of the 2023 incident data reveals that we maintained a low percentage of special incidents and minor injuries as a result of effective health and safety training program for our staff and Consumers. The total number of SIRs and minor injuries and medical incidents is calculated against total number of consumers employed company-wide to determine the ratio of incidents per Consumer. Last year the ratio was 0.17 which is a 9% decrease from prior year.

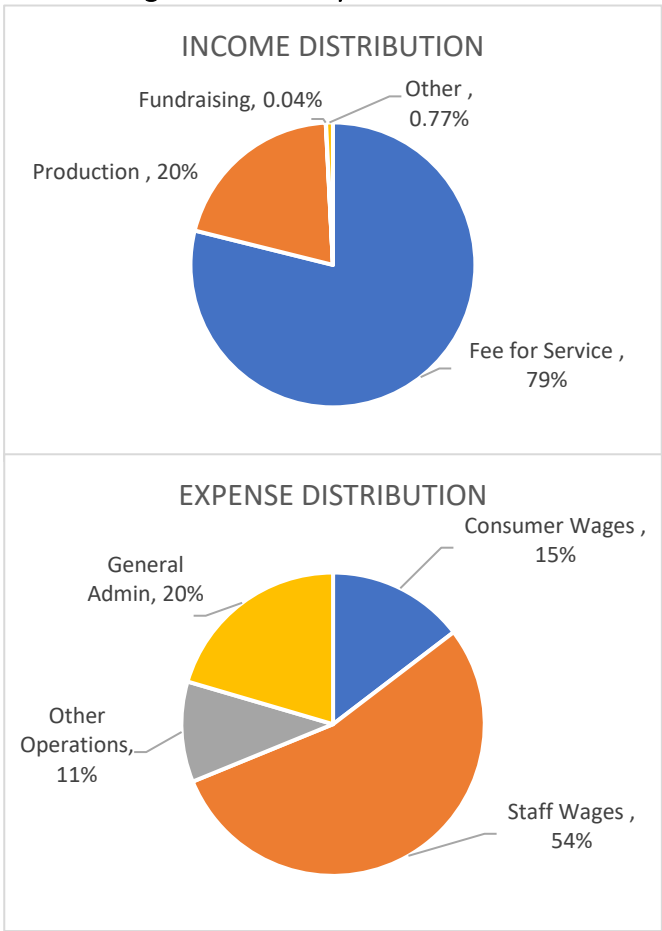
Ability Counts underwent a comprehensive third-party inspection in 2023 and received no major recommendations for improvement. The implementation of effective safety measures is backed by detailed safety protocols and procedures in writing, along with mandatory safety training for all employees and Consumers.

FINANCIALS

Ability Counts, Inc. strives to be financially responsible and solvent, conducting fiscal management in a manner that supports the organization’s mission, values, and annual performance objectives. Fiscal practices adhere to established accounting principles and business practices. Fiscal management covers daily operational cost management and incorporates plans for long-term solvency.

Our financial stability is largely attributed to state funding, which contributed 79% to our overall income in 2023. The remaining 20% come from production income within community employment and less than 1% from donations and other miscellaneous income.

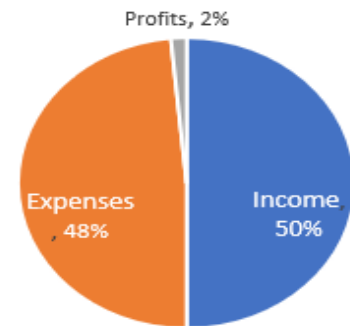
Expense distribution was primarily allocated towards employee wages, with a significant portion of 50% designated for Job Coach and Instructor salaries and benefits, and 15% for Consumer wages. Operational supplies and expenses constituted 11% of the overall expenditure, whereas the overhead totaled 24%.



When examining financial data for the past five years, there is a significant variation in the company's bottom line. The percent profit in 2019 was a mere 1.21%, but it saw a significant increase in 2020, jumping to 18.44% as a result of reduced administrative and operational expenses during the pandemic. In 2021 and 2022, the profit margin continued to be high at 12.13% and 10.71% respectively. Profits for 2023 stabilized and align closer to our expected norms.



2023- FINANCIALS



In 2023, State Funding and Production Income successfully covered our operational costs and even managed to generate a modest surplus. This surplus will be primarily reserved for future payroll costs, ensuring that we can continue to support our team even in the face of uncertainties like budget cuts, funding delays, or modifications in program delivery as a result of Senate Bill 639.

Senate Bill 639 was signed into law a few years ago with the primary objective of ensuring that all workers receive a fair and just wage that is no less than the minimum wage, regardless of their physical or mental ability. In 2024, Ability Counts, Inc. will be preparing to make its last phase of transitioning Consumers out of your SMW programs. We will be modifying the services for our Supported Employment groups or transitioning Consumers to other program types. We anticipate a significant negative impact on our financials due to the upcoming changes with Supported Employment. This transition is likely to result in a substantial hit to our bottom line and overall financial performance. The uncertainties and challenges associated with the shift in Supported Employment could lead to decreased funding from the State of California and from our Business Customers. Despite the challenges that lie ahead, we are optimistic and resolute in our determination. Our objective is not only to navigate these changes effectively, but also to ensure that we maintain unwavering support for our dedicated staff and valued Consumers, Business Customers and Funding Agencies. With a steadfast dedication to our mission, we believe that the upcoming year will also present significant opportunities for growth and innovation. Let's approach the journey ahead with resilience and positivity, knowing that together, we can conquer any obstacles that may arise.

PROGRAM EFFICIENCY AND EFFECTIVENESS

The efficiency and efficacy of our programs are assessed by analyzing performance indicators in relation to performance targets or goals.

PROGRAM GOALS AND OUTCOMES

Community Integration Training Program Activity Center Program

- Goal:** Maintain or increase Consumer attendance to at least 90%.
Outcome: Goal not met. Attendance was 79% in CITP and 88% in AC program.
- Goal:** Increase attendance by at least 2% from previous year.
Outcome: Goal not met for CITP as the attendance decreased by 6%. Goal met by AC with 2% attendance increase.
- Goal:** Increase Consumer enrollment in CITP and AC by at least 10%.
Outcome: Goal met for CIT as most WAP Consumers transferred into this program, thus increasing the program enrollment by 36%. The goal has not been met for AC program. Only 0.08% was increase reported.
- Goal:** Increase community activities and outings by 5%.
Outcome: N/A as both CITP and AC are fairly new programs.
- Goal:** Maintain cost per consumer at less than \$2,500.
Outcome: Goal met. Total cost per Consumer in CITP and AC was \$2,294.
- Goal:** Reduce total number of accidents per Consumers to less than 0.25.
Outcome: Goal met. Incidents/accidents per consumer was 0.27 in both programs.
- Goal:** Meet or exceed the expectations of our stakeholders.
Outcome: Goal met. The program received a rating above 3.0 from all its stakeholders, Consumers, Staff, RC/DOR CSCs, CP/Parents and Business Customers.

Community Employment (SEP & Landscape)

- Goal:** Maintain or increase the percent of Consumers enrolled in Community Employment at 45%.
Outcome: Goal met. Total enrolled in the program was 52% of the total consumers served last year.
- Goal:** Maintain or increase attendance to at least 90%.
Outcome: Goal not met. Attendance was 88% in C.E.
- Goal:** Increase wages in C.E. by 3%.
Outcome: Goal met. Wages in Landscape increased by 13% and in Supported Employment groups by \$16%.
- Goal:** Generate sufficient income to cover Consumer's wages by analyzing the income / wage ratio. The Income/Wage Ratio is a measure of efficiency because it tells us how efficiently we convert wages paid into income produced. The higher the ratio the more efficient we are. If the ratio is less than unity (1.00) we are not receiving enough income to cover the consumer wage.
Outcome: Goal met. The Income/Wage ratio averaged 1.49 in 2023. This means that for every dollar spent in wages, \$0.49 was returned to the company in income.
- Goal:** Total cost per Consumer should not exceed \$5,000.
Outcome: Goal met. Total cost per Consumer in C.E. was \$4,590.
- Goal:** Accidents per Consumer should be less than 0.25.
Outcome: Goal met. Total minor injuries, medical, SIRs in C.E. were 12, and the total number of Consumers in C.E. was 158. This means that accidents per consumers was 0.08.
- Goal:** Meet or exceed the expectations of our stakeholders.
Outcome: Goal met. The program received a rating above 3.0 from all its stakeholders, Consumers, Staff, RC/DOR CSCs, CP/Parents and Business Customers.