

THE
FEDCAP
GROUP

The Power of Possible

**FY 2020 FINANCIAL AND
PROGRAMMATIC RESULTS**

FISCAL YEAR 2020 **KEY TAKEAWAYS**

Resilient performance supported by a strong programmatic, financial and technology infrastructure

Remained fully operational while ensuring health and safety of personnel and clients

Provided front-line services across our diversified platform

Maintained our strong financial position

Positioned The Fedcap Group to address post-pandemic challenges and opportunities

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**PROGRAMMATIC
RESULTS: TOP TIER
PERFORMANCE**

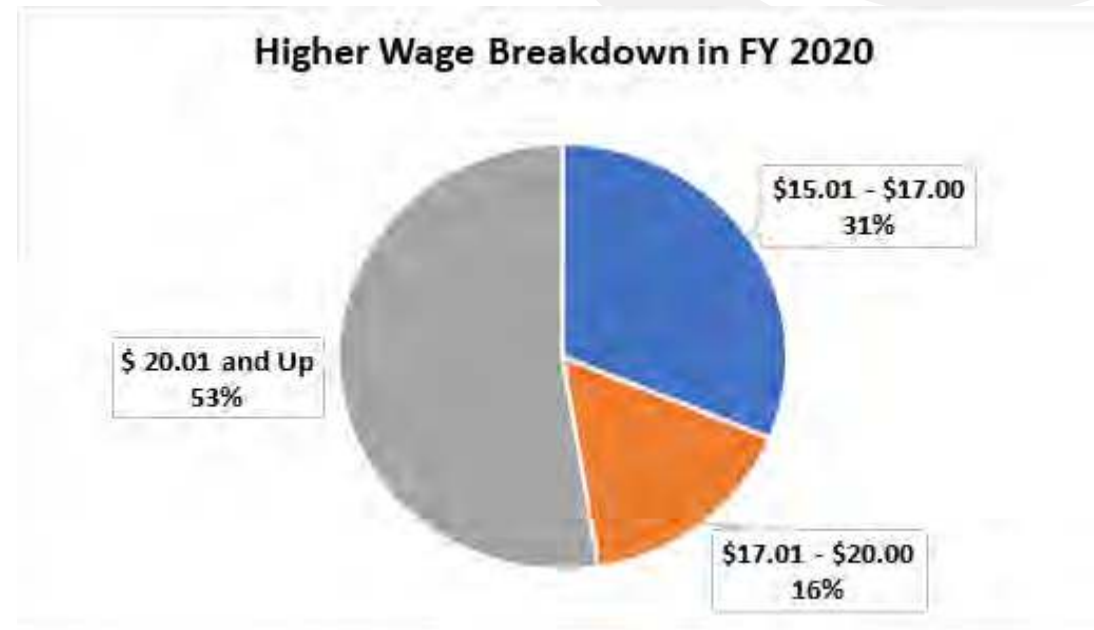
**MEETING OR
EXCEEDING
CONTRACTUAL
DELIVERABLES**

- 278 Contracts
 - Across 4 countries
 - Total Value \$921MM
-

Achieved 87.22%
of all contract
deliverables

IMPACT HIGHLIGHTS: WORKFORCE DEVELOPMENT

- In 2020, we placed just under 9000 individuals in jobs
 - **RETENTION:**
 - 83% achieved 30-day retention
 - 68% 90-day retention
 - 57% 180-day retention
 - **SALARY**
 - 53% of new job placements were above \$20.00 per hour



- In addition, **we employ 1500 people** in Fedcap's Commercial Businesses (Total Facilities Management, Culinary, Manufacturing) at an average salary of \$48,000 annually

IMPACT HIGHLIGHTS

EDUCATION

- **97%** of youth in Fedcap's Special Education School graduated from high school (as compared to 65.5% nationally of youth in special education).
 - Of those, **28%** entered college (as compared to 31% nationally).
- **2,033** individuals served earned certifications in key labor sectors.
- **74%** of students graduated from our Trade Schools (APEX, Career Design Schools) as compared to the national average of 59%.

CHILDREN AGES 0-8

- One of our 5 bold Goals—to ensure that children ages 0-8 are prepared and inspired to complete their education, obtain employment and live full lives.
- In FY 2020 we served 6435 children ages 0-8 across all programs of The Fedcap Group.
- Outcomes To Date for our Early Intervention and Child Development Programs:
 - **Positive Social-Emotional Skills:** 76.9% of children show greater than expected developmental progress as compared to 71.7% in other state programs. (The state target is 71.8%).
 - **Acquisition and Use of Knowledge And Skills:** 86% of children showed greater than expected developmental progress as compared to 78.2% in other state (The state target is 77.5%).
 - **Transition to Regular Kindergarten:** Our Inclusive Child Care Program is a replication of the evidence-based Walden program. **The original site reported that 79%** of their children with autism entered regular kindergarten programs in public schools. **Our program reports 83%** of children who participated in our program enter regular kindergarten programs.
- In the upcoming year:
 - We are establishing a common assessment/evaluation tool and standardized parenting curricula to be used to assure similar philosophy and content.
 - We are seeking funding and research partners for evaluation.



INTERNATIONAL GROWTH

UNITED KINGDOM

FEDCAP UK

- Fedcap Employment in the United Kingdom has been selected by the UK Department of Work and Pensions (DWP) for the *Commercial Agreement of Employment and Health Related Services* (CAEHRS) framework.
- We are one of 14 organizations (and the only nonprofit agency) that will be allowed to compete for contracts in 12 geographic areas across England, Scotland and Wales. Contracts are worth £2.9 billion over 4 years. Each contract is worth, on average, £60MM annually.
- This opportunity in the UK matters to The Fedcap Group – supporting individuals in their journey towards long term economic well-being is why we exist.
- We are delighted to have positioned ourselves as a partner to UK government through the Department for Work and Pensions and with Scottish Government—as it appears to us that both Authorities are leading the way in terms of tackling the unemployment crisis resulting from the pandemic.
- The Fedcap Group has an established infrastructure and partnership network across the UK—our reputation for delivering what we promise is strong and growing.
- We are committed to the United Kingdom and we are looking forward to leveraging our extensive experience in the US and building solutions that add value to the overall system.

FEDCAP CANADA

- Fedcap Canada bid to serve as The Service System Manager for the Hamilton-Niagara region of Ontario.
- We were awarded a \$50MM annual contract to provide tailored support for unemployed people, including those with disabilities.
- As part of the new system, Fedcap Canada is in the process of:
 - Creating an efficient employment system to meet the needs of all clients, including those on social assistance or with a disability.
 - Being responsive to local labor market needs.
 - Driving results for jobseekers, employers and communities.
 - We are currently serving a population of more than 10,000 across the Hamilton-Niagara catchment area in province of Ontario.

Information Technology Infrastructure

- Benefited From Our HURON Partnership
 - **Oracle**- Continued enhancements to our global delivery channels. Oracle Platform – enhancements include Corporate Compliance, **Oracle Learning Management** and Cloud Recruiting.
 - Continue to benefit from **Salesforce Technology** as a driver for business development.
- Significant Investment and expansion of client facing technology
 - FedcapCares and Single Stop



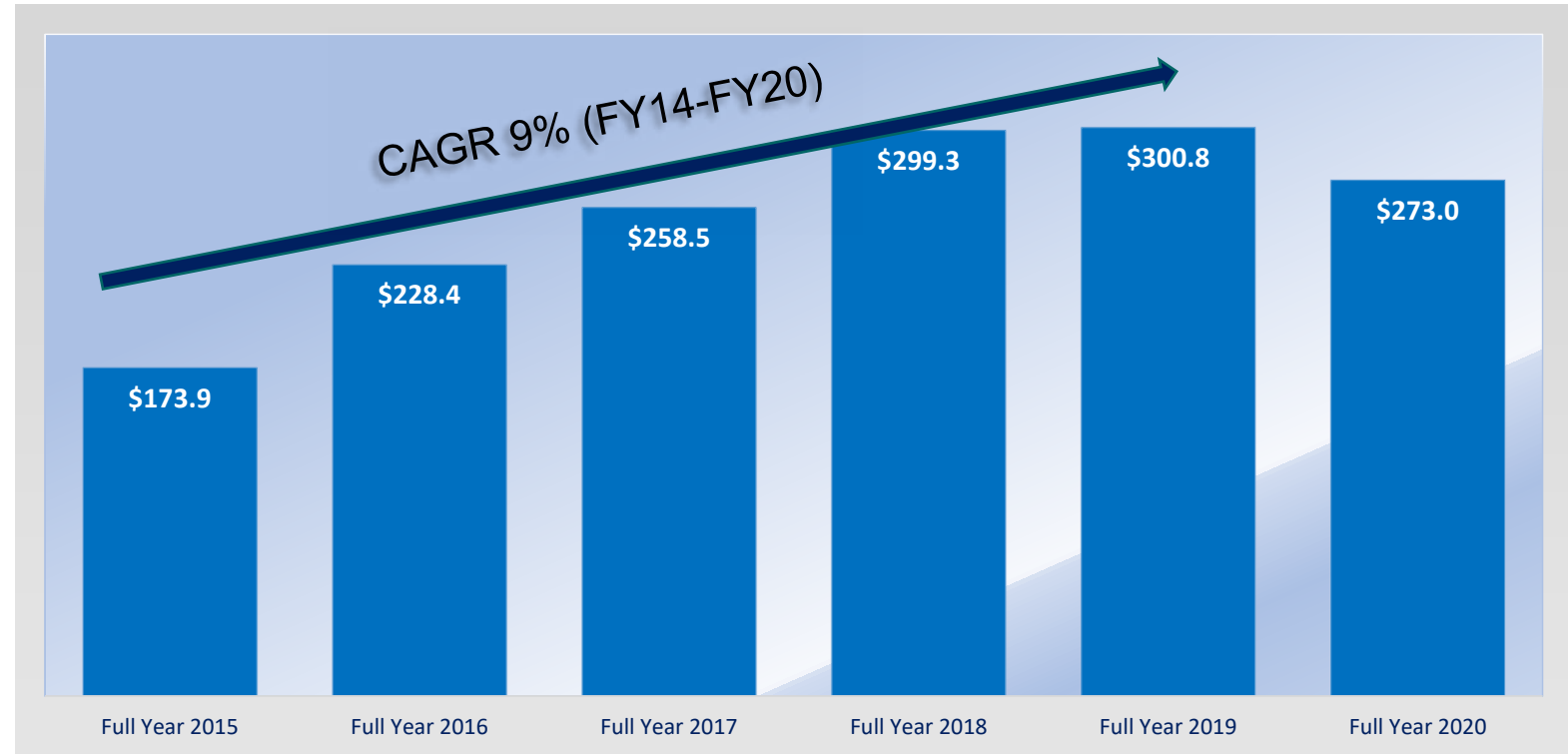
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CORE FINANCIAL HEALTH

Capacity to Support Growth and Expansion

Full Year Revenue Growth: 2015-2020 (in Millions)



- Fedcap has achieved a 5-year compound annual growth rate of 9% from 2014 - 2020
- Fiscal 2020 recurring revenues were stable with 2019 levels.
- Lower comparisons on reported revenues represented discontinued operations and a large project completion, amounting to approximately \$31 million in the aggregate.

Balance Sheet Highlights

(\$MM)	Full Year 2015	Full Year 2016	Full Year 2017	Full Year 2018	Full Year 2019	Full Year 2020
Cash and Investments	\$29.1	\$28.3	\$29.1	\$29.0	\$18.5	\$31.7
Total Assets	\$142.5	\$142.5	\$155.6	\$172.0	\$178.8	\$190.4
Long-Term Debt	\$75.8	\$77.1	\$64.0	\$73.3	\$93.0	78.6
Net Assets	\$34.9	\$35.3	\$35.6	\$37.0	\$37.6	\$38.1

2019 Credit lines totaling \$28MM, were refinanced in fiscal 2021 and increased to \$42.5MM available for working capital needs.

KEY FINANCIAL RATIOS

Income Statement

- **Operating Margin: 0.18%**
- **Personnel Cost Ratio: 63%**
- **Program Expense Ratio: 88%**

Balance Sheet

- **Debt Coverage Ratio: 1.91**
- **Current Ratio: 1.34**
- **Average DSOs: 79 Days**

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COVID-19 RESILIENCE AND RESPONSIVENESS

RISING TO THE CHALLENGE OF COVID 19: ON THE FRONT LINES

- Immediately established 1-800 Hotline and Command Center for employees—leveraging Oracle for incident reporting.
- Our Total Facilities Management Social Enterprise deep cleaned over **18 million** square feet of facilities.
- We provided **50 tons** of food, toiletries and other essentials to children and families through our child development centers and special education schools.
- We cooked **160,000** meals in our commercial kitchen and partnered with community organizations to deliver them to the homeless and individuals in shelters.
- We rapidly pivoted to telehealth in nearly every program of The Fedcap Group – maintaining ability to bill for services and connection and meaningful engagement of individuals served.
- We provided childcare for health care providers and first responders.

OPPORTUNITY

- Because The Fedcap Group has scale and IT infrastructure we are well-positioned to:
 - Develop new solutions for funders that are effective and not more costly.
 - Meet the increasing demand for our on-premises custodial and cleaning services.
 - Expand our workforce training and development efforts to help get individuals back to work.
 - Develop new service models in the education and public health arenas.

SUMMARY

FISCAL AND PROGRAMMATIC PERFORMANCE ALIGNED WITH STRATEGIC OBJECTIVES



ACHIEVED
INDUSTRY-LEADING
OUTCOMES FOR
INDIVIDUALS WITH
BARRIERS TO
ECONOMIC WELL-
BEING



SUSTAINED AND
GREW OUR
EXPERTISE IN CORE
MARKETS



LEVERAGED
SUCCESSFUL
PROGRAMS IN NEW
FORMATS AND NEW
GEOGRAPHIES



UTILIZED
TECHNOLOGY
ACROSS PRACTICE
AREAS TO ENGAGE
POPULATIONS AND
MEASURE RESULTS



SERVED AS A
GROWTH PLATFORM
FOR LIKE-MINDED
ORGANIZATIONS
WITH SYNERGISTIC
MISSIONS

5 BOLD GOALS OF THE FEDCAP GROUP

- 1) Every young person living in foster care has the tools and resources to go to college and graduate.
- 2) Individuals who leave prison/jail get a job, develop healthy connections in their community, and do not reoffend.
- 3) Individuals on public assistance obtain jobs and reduce their reliance on government.
- 4) Every adult with an intellectual/developmental disability who wants a job, is employed at a competitive wage in the community.
- 5) Children ages 0-8 are prepared and inspired to complete their education, obtain employment and live full lives.



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QUESTIONS

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OUR MISSION

THE FEDCAP GROUP IS COMMITTED TO CREATING OPPORTUNITIES AND IMPROVING THE LIVES OF PEOPLE WITH BARRIERS TO SOCIAL AND ECONOMIC WELL-BEING.