

Annual Report 2013



Stepping Up to Change Lives



Stepping Up to Improve the Lives of People with Disabilities

At times, all of us need help taking the more challenging steps in life. When someone is living with a mental, developmental or physical disability, navigating through even the most basic challenges of daily life can often be overwhelming.

Since our founding in 1982, the Life Steps Foundation (“LSF Group”) has been helping people of all ages with disabilities to acquire the confidence, training, and social and emotional support they need to overcome obstacles related to their disability. Ultimately, we help them to have a better quality of life and thrive as vital members of their communities.

Our organization has a record of success in providing Californians with disabilities the high quality care and life-skills training they need to take the next step toward realizing their personal potentials and achieving greater independence. For many, we are a lifelong partner.

Staying a Step Ahead of Changing Service Needs and Economic Demands

Our recently introduced decentralized management structure allows us to respond more quickly to the evolving support needs of those we serve at the local grassroots level. It also enables us to rapidly adjust to new requirements from our government and healthcare industry partners, and to improve cost-efficiencies in managing our program resources.

Diverse Locations and Services to Meet Local Needs

Life Steps Foundation provides a variety of in-home and center-based caregiving and skill training programs through our network of affiliate and local community service locations across California. Our corporate headquarters delivers a combination of administrative management support and organizational leadership throughout the Life Steps Foundation network.

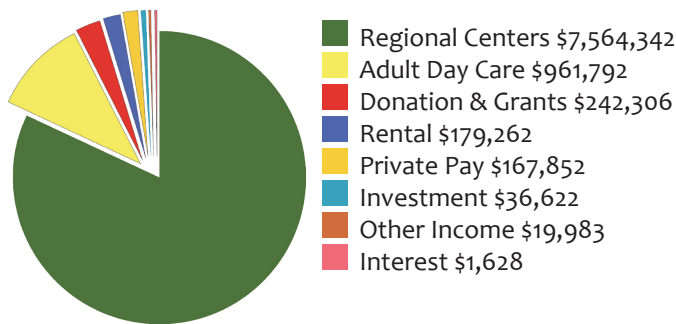


Life Steps Foundation locations

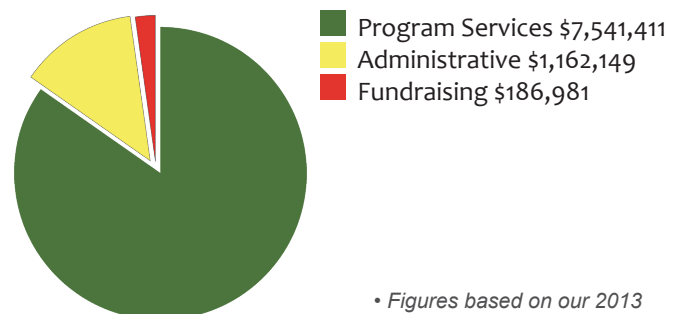
Our Solid Financial Footing

Fiscal transparency and responsibility is a cornerstone of our philosophy and vital to our success in delivering the quality of care that our participants deserve. Weathering today’s financial challenges requires us to remain vigilant in how we manage both our current financial needs and investments for our future. In fiscal year 2012/13, the combined revenue for all LSF Group Affiliates and Business Units was just over \$8.891 million dollars.

LSF Revenue FY 2012 - 2013



LSF Expenses FY 2012 - 2013



• Figures based on our 2013 audited financial report.

Life Steps Foundation, Inc. is a fiscally responsible, culturally competent CA 501(c)(3) non-profit dedicated to meeting the health, psychological and socioeconomic challenges of people throughout their lifespan.

A Message from our President and our CEO



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February 2014

Dear Friends,

We applied a two-pronged approach to advancing the goals of the Life Steps Foundation (LSF) Group in 2013:

First, we continued our strategy of “hunkering down” as the economy continues to recover from the most recent recession, which directly and adversely impacted our government contracts. Secondly, we laid down the preliminary steps for two new micro-enterprise initiatives to move us toward greater self-sufficiency—one is a mission-critical LSF Corporate initiative; the other establishes a new “TLC” in-home care service through our LSF SoCal Adult Services Affiliate.

Also in 2013, our LSF Group Affiliates ushered in two major new programs:

Our LSF Children and Family Services Affiliate began a “Wee Play We Learn” program, a natural environment, inclusion-based preschool program that benefits children, ages 2 to 5, who have developmental disabilities or delay. Our LSF Central Coast Adult Services Affiliate laid the groundwork to open the Orcutt House, a 24/7 residential care facility for the disabled elderly.

Under the leadership of the Corporate Development team, the LSF Group launched robust efforts to implement a culture of fundraising by enhancing and promoting donor opportunities and increasing community visibility and brand awareness for the entire LSF Group. We are now taking greater advantage of growing online venues and diverse media relations opportunities to improve public awareness, advocacy and support in cost efficient ways. Also, we are strengthening our Life Steps support base through greater face-to-face community engagement, and sharing our expertise and leadership insights in the field of disability services.

The Life Steps Foundation Board of Directors completed three critical tasks in 2013: We established fundraising guidelines (with measurable goals) in response to severe cuts in government funding and grant money; we approved an endowment fund to award annual grant(s) by the Board of Directors to an LSF Affiliate or Business Unit, including application and award policies and procedures; and we identified key areas of expertise desired to complement and expand the current Board of Directors. In 2014 the Board will focus on effective execution of these tasks.

Our current financial strength is represented by a 6:3 ratio (assets: liabilities), but gross revenue remains stagnant due to structural budget reductions made by the State of California’s Regional Centers. In fact, the state’s changes reduced our anticipated gross revenue by roughly 20% in 2013, while maintaining and, in some cases, increasing the number of participants served through California’s Regional Centers, forcing the industry as a whole to do more with less resources.

At the end of 2013 we joined with other social services agencies in the effort to educate legislators about the lack of parity in current contractual rates to service providers. The urgency of this effort only increased after minimum wage legislation was approved. The LSF Group will be fully engaged during state budget discussions in Q1 of 2014 leading up to the budget approval for the upcoming fiscal year.

On behalf of our staff and Board of Directors, we thank you for your advocacy and support of the LSF Group’s programs and services that continue to improve the lives of people with disabilities in California.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sue Horowitz".

Sue Horowitz
President

A handwritten signature in blue ink, appearing to read "Virginia Franco".

Virginia Franco, MA
Chief Executive Officer

Life Steps Foundation – Corporate Management **Providing Leadership and Corporate Management Support for the Life Steps Group**

The Life Steps corporate management team provides strategic leadership, training and management of corporate-wide best practice standards in program and service quality control, financial management, staff administration, communications, fundraising and branding. In addition, the Life Steps corporate team provides location-specific management support to our Affiliate and Business Unit locations.

Delivering Corporate Management Support to Local LSF Affiliates and Service Locations

To thrive in the changing economic climate of decreased government support for disability services, Life Steps retooled its organizational structure in 2008 to that of a decentralized non-profit business model.



We segmented our participant programs into LSF Business Units based on service and geographical location, and began initiating their gradual transition into individual LSF 501(c)(3) Affiliate service operations. Under the new model, each LSF Affiliate has their own non-profit tax status and greater service management autonomy, operating within the overall framework of the broader Life Steps Foundation, Inc., (aka LSF Group) and its mission.

As a central hub in our decentralized business model, our Corporate Management team provides core operational support, strategic guidance and quality control services to LSF’s three Affiliates and two Business Units in the following areas:

Accounting
Payroll
Human Resources
Marketing and Development
Training and Clinical Quality Management
Information Technology

The resulting reduction in overhead to our local Affiliates and Business Units provides them with greater efficiencies to focus on developing and delivering the high quality participant caregiving and training services that are the heart of the Life Steps mission.

Corporate Highlight for 2013 – includes a statewide expansion of Life Steps’ 3rd Annual *Stepping Up to Change Lives* marketing and fundraising campaign. The campaign raises broader awareness and funding support for LSF among the online community through a celebrity “Doodles for Disabilities” online auction and organization-wide fundraising efforts during the month of October. The campaign was expanded at the grassroots level with LSF Group Affiliates and Business Units leveraging it to produce local community fundraising events and promotions.



For 2014, the *Stepping Up to Change Lives* campaign will be expanded to attract greater public advocacy and engagement for the Life Steps mission, build our base of donor support, garner media publicity for Life Steps programs and services, and provide face-to-face outreach at both the local and corporate levels.

We also will be engaging in major outreach efforts to encourage donors to support our LSF Group’s endowment, which allows us vital funding flexibility to address changing program and service needs across the organization.

LSF Southern California Adult Services

A Life Steps Foundation Affiliate

As an Affiliate of the LSF Group, our Southern California Adult Services (LSF SoCal) is headquartered in Long Beach, CA, and serves over 300 participants throughout the region. LSF SoCal is fully accredited by CARF International, and retains its own 501(c)(3) non-profit designation.

The goal of the LSF SoCal Affiliate is to help all ages of adults who have disability challenges to maximize their independence, support their individual needs and choices, and assist them in maintaining a desired quality of life.

Services and Programs

Supportive Living Services (SLS) – provided on a one-to-one basis, our Supportive Living Services help individuals who have developmental disabilities to make informed choices about life management, including where to live (people in this project live in their own apartments), lifestyle, leisure activities and self-advocacy. Through training and support, we help our participants reach their goals. In a collaborative effort between the participant and a Life Steps instructor, the participant learns to be autonomous, develops a circle of friends and natural supports, and becomes a positive contributor to his or her community.

Independent Living Services (ILS) - provides an alternative to the limitations of institutional life by offering education and training to people who have physical, emotional and developmental challenges. Participants in this project live with their families or other supportive environment. ILS participants work closely with Life Steps instructors to develop the skills needed to meet everyday challenges.

Parent Program - A key factor in a child's growth and development is the parent-child bond and the interaction between them. Disrupting this bond can lead to poor self-esteem, emotional and intellectual development and, in extreme cases, child abuse, neglect and dissolution of the family. Our parent training teaches developmentally disabled parents how to provide a safe, healthy, nurturing and stimulating environment.

Seaside Learning Center is a very popular center-based program that provides opportunities for social and cognitive learning, community awareness and friendship among people with disabilities. We offer a wide range of activity choices, including day field trips, computer access and training, health and safety classes, nutrition, community gardening, and arts and crafts.

Mobility Services - Our LSF SoCal Affiliate also offers mobility services, in which we train participants how to ride the bus to and from a destination. The service also assesses a participant's ability to complete the training.

Profile of Our Participants

- ✧ The vast majority are adults, ages 22 years and older.
- ✧ Most participants have an intellectual disability; others are living with cerebral palsy, epilepsy, autism, or non-diagnosed physical, emotional or mental issues.
- ✧ Reflecting So. California's culturally diverse population, our current participant base is comprised of more than nine different ethnicities.

Highlights of 2013

- ✧ LSF SoCal launched a fundraising campaign in October with two popular events -- a Haunted House themed event and a Long Beach Community Open House. Both events proved to be highly successful in boosting support and visibility for our programs and services.

Focus for 2014

- ✧ Program goals for 2014 are to open an all new **Tender Loving Care (TLC) program**, which will accommodate the caregiving needs of elderly individuals. Efforts are underway to accept Medi-Cal, Medicare, and privately insured participants.



LSF Children & Family Services

A Life Steps Foundation Affiliate

Accredited by CARF International, the LSF Children and Family Services (LSF CAFS) is a non-profit 501(c)(3) Affiliate of the Life Steps Group. We work to maximize the development of infants and toddlers who are at risk for developmental delays, and educate and support their parents in strengthening parent-child relationships.

Services and Programs

- ✦ **Inclusive Structured Peer Learning Group Preschool / Childcare Programs** – These center-based programs provide a natural learning environment to help accelerate the development of social-emotional skills and learning abilities by participating in preschool activities with children who do not have delays or disabilities. Our inclusive structured peer learning group programs are offered in both Southern and Northern California locations.
- ✦ **Early Intervention** – our trained staff provide one-on-one in-home training to help promote a child's development of language as well as improve their motor, cognitive, social-emotional and self-help skills.
- ✦ **Family Matters Program** – a comprehensive parenting program that offers parents who have developmental disabilities the guidance, support and local resources that can help them foster their child's development.

Profile of Our Participants

- ✦ Our CAFS programs help children, primarily ages 3 and under, who have developmental delays or disabilities, or have been clinically identified as at risk for developmental delays. In addition, we offer services for children up to the age of 5 through our collaborations with the First 5 California and Head Start coaching programs.
- ✦ We also serve parents with developmental disabilities.
- ✦ Nine different California Regional Centers refer families they serve to LSF CAFS. With five locations across communities in Northern, Central and Southern California, we now serve more than 400 children statewide each month, who come from all economic circumstances.



Highlights of 2013

- ✦ Opened a successful new “We Play We Learn” inclusive structured peer learning group preschool program in the Northern California community of Pacifica, CA.
- ✦ Held our third and most successful annual September fundraising event in Millbrae, CA. The event was held as part of the LSF Group's annual “Stepping Up to Change Lives” campaign. This year's event raised more than \$13,000, and was attended by the Mayor and City Council members.
- ✦ Expanded a partnership program with ACRO Consultants, a clinical psychology practice based in Monterey Park and Diamond Bar, CA. This year, ACRO Consultants recognized LSF CAFS by contributing donations and raffle prizes for our annual September fundraising event.

Focus for 2014

- ✦ Raise funding for a much needed transportation service that can provide many of our young participants with RT travel to and from the inclusion preschool locations.
- ✦ Develop community partnerships to help raise special needs funding for the creation of a new LSF CAFS location in Northern California's East Bay community.
- ✦ Hold the LSF CAFS 4th annual September fundraising event on September 13, 2014.

LSF Central California Adult Services

A Life Steps Foundation Affiliate

LSF Central California Adult Service (CCAS) provides both in-home supportive living services and fosters independent living skills for adults with physical and developmental disabilities. Our programs help our participants by teaching them daily life skills, providing them with in-home assistance, and helping them to live as fully and independently as possible in their own community.



Services and Programs

Orcutt House - in partnership with our LSF corporate office this is our new senior residential care program for people 60 years of age and older, who are impacted by a physical and/or developmental disability. Located in Santa Maria, the Orcutt House offers a safe, clean, comfortable home-like environment, where seniors with disabilities receive exceptional care, activities, and training designed to enhance each individual's quality of life. Our services focus on the individual's strengths and positive attributes. The Orcutt House is dementia compliant.

Supportive Living Services (SLS) helps individuals who have developmental disabilities make informed choices about life management, where to live (people in this project live in their own apartments) lifestyle, roommates, leisure activities and self-advocacy. Through training and support, we help our participants reach their goals. In a collaborative effort between the participant and a Life Steps instructor, the participant learns to be autonomous, develops a circle of friends and natural supports, and becomes a positive contributor to his or her community.

Independent Living Services (ILS) provides an alternative to the limitations of institutional life by offering education and training to people who have physical, emotional and developmental challenges. Participants in this project live with their families or in another supportive environment. ILS participants work closely with Life Steps instructors to develop the skills needed to meet everyday challenges.

Profile of Our Participants

- ✦ Most participants fall in the age group of 27-65 years of age, with the majority 55 to 65 years of age.
- ✦ Less than 10% of our current population is over the age of 65 years of age.
- ✦ Disabilities of our participants include cerebral palsy, mild intellectual disability, mental health disorders, traumatic brain injury, Downs Syndrome, and spectrum disorders.

Highlights of 2013

- ✦ A new management team was installed in 2013 with the idea of building a solid team of human service professionals that would stabilize operations, and support participant choice in selecting LSF CCAS as their provider.
- ✦ Raised community awareness, funding support, and networking with the community at the Santa Maria Speedway Event in October.

Focus for 2014

- ✦ We plan to reduce our operational costs and explore other avenues of funding. One method of reducing expenses was to consolidate our offices to a property owned by Life Steps Foundation, Inc. This will reduce our costs and provide us more space to conduct our business.
- ✦ We hope to make connections with the Veterans Administration and other like-minded agencies that would diversify our revenue streams.
- ✦ Our main goal is to continue delivering quality, valued services as a catalyst for increasing our referral base and, in turn, our revenues. We look forward to promoting our programs to the local community in 2014.

LSF Santa Maria Wisdom Center

Life Steps Foundation Inc. Santa Maria Wisdom Center (LSF SMWC) is an adult day health care center that provides critical support for frail elderly and disabled adults in Santa Barbara and San Luis Obispo Counties. Established in 1999, LSF SMWC provides community-based health, educational and preventative alternatives to institutional care.

Services at LSF SMWC include planned social and recreational activities; daily supervision; nursing oversight; physical, occupational and speech therapies; social services; counseling; and nutritious meals. We also offer round trip transportation to and from the center.

Profile of Our Participants

LSF SMWC services adults 18 years or older with physical and/or mental challenges who are at risk of long-term care placement. The majority of our service population is the medically frail and/or cognitively impaired elderly who have a diagnosis of Alzheimer's disease or related moderate to severe dementia. We service a daily average of 55 participants from the Santa Barbara County and San Luis Obispo County areas.

Half of our participants live with family members, 28 live in board-and-care homes, and 9 live independently. We service participants through our CenCal and Veterans Administration contracts, as well as private pay.



Highlights in 2013

- ✦ Began our serious search to identify and purchase a future home base for the LSF SMWC. In the course of this project, much needed alliances have been formed with local government officials, business professionals, and essential community organizations to position the LSF SMWC as a known and needed local service organization.
- ✦ Set the foundation for a capital campaign program to aid in the funding of this venture.
- ✦ Intensified marketing endeavors to build local referral sources, strengthen pertinent professional alliances, and utilize local media coverage (print, radio, and television) relevant to the LSF SMWC programs.

Focus for 2014

- ✦ Upon finalizing the choice for a new, improved home base location for the LSF SMWC, we will be investing in a major capital campaign to help meet construction costs for the new facility.
- ✦ For 2014, we are focusing on enhancing the scope and quality of activities offered in our center-based programs. For example, the establishment of a customized activity program for participants affected by Alzheimer's disease is planned.
- ✦ LSF SMWC values the high quality of work each staff member provides on a daily basis. This year, the Center is investing in staff training programs to better meet the needs of our participants.

LSF Senior Homemaker Program - serving San Luis Obispo County

A special service of the LSF Group, the Senior Homemaker Program provides high quality homemaker and personal care services to older adults, ages 60 and over, who reside in San Luis Obispo County. The program is offered free of charge, and provides assistance with light housework, laundry, personal hygiene and dressing, preparation of meals, as well as access to community resources, as needed.

Social Dynamics

A LSF Northern California Adult Services Program

We recognize that behavior is a meaningful expression of an individual's thoughts and feelings. Maladaptive behaviors occur when people do not have the skills to make their needs, wants and desires known. The LSF Group's Northern California Adult Services (NCAS) Social Dynamics program is a center-based day program for adults with developmental disabilities and behavioral challenges, who require assistance and supervision. Our intervention and education training takes place in a low-pressure environment that is rich in positive reinforcement. Our trained staff assists them in learning to communicate their needs more effectively and decrease their reliance on maladaptive behaviors.

Our program provides community integration, safety and mobility training, and round-trip transportation to and from the center.

Profile of Our Participants

- ✧ Adults, 22 years of age and older with developmental disabilities and moderate to severe behavioral challenges;
- ✧ Equal ratio of men and women;
- ✧ Culturally diverse backgrounds, with more than eight different ethnicities represented.



Highlights of 2013

- ✧ Introduced a weekly aquatics program for participants, including muscle strengthening exercises. This was done in collaboration with a YMCA instructor.
- ✧ Received a donation of more than \$3,300 from Pacific Gas & Electric (PG&E) in support of the Social Dynamics Program.
- ✧ Continued success of the "Mini Store," a self-funded participant activity. Participants learned vocational skills, including keeping an inventory, marketing, counting money, cashiering and customer service. The store raised approximately \$4,000 last year.
- ✧ Held our first fundraising Carnival/Open House in October, attended by participants, family members, California's Golden Gate Regional Center (GGRC) representatives, and community partners. The event raised \$3000 and we expect to expand the event in 2014.
- ✧ Integrated the use of Apple iPads into our training for our autistic and severely disabled participants. We downloaded applications to assist with learning reading, math and communications skills. Participants seem to enjoy them, and they have proven to be a useful tool in our intervention work.
- ✧ Obtained two new buses from a 5310 DOT federal grant to transport our participants.
- ✧ Continued to be part of THRIVE, a San Francisco Bay Area non-profit organization alliance with the purpose of sharing resources and knowledge. We recently obtained a substantial donation of arts & crafts materials from a local non-profit affiliated with THRIVE.
- ✧ Completed more cross-training with our community partners so that they feel more comfortable assisting most participants, regardless of the behavioral challenge and the gender or age of the participants.

Focus for 2014

- ✧ Continue building a strong connection with the GGRC's Employment First Task Force team. We plan to be a provider that will implement Discovery Process and Vocational Skills Training.
- ✧ Construct iPad stations to continue integrating new techniques for the participants.
- ✧ Identify more organizations in the community where our participants may volunteer and practice their vocational skills.
- ✧ Present a series of small breakfast fundraisers at least once per month, and expand our annual fundraising Carnival/Open House for October 2014.

Help Us Meet the Unmet Needs of People with Disabilities in California

Consider the Facts

More than **3.8 million Californians** are living with a disability. Of this total,

More than **1.7 million Californians** have daily activity limitations.

An estimated **955,000 Californians** have self-care limitations.

More than **1.5 million Californians** have a cognitive disability.

Approximately **2.1 million Californians** have a disability that affects their mobility.

More than **1.8 million Californians** have a vision or hearing disability.

Sources: UC San Francisco, Personal Assistance Services, 2008;
Cornell University, Employment and Disability Institute, 2013.

More than **12,500 Californians** per year receive high quality in-home and center-based services through the Life Steps Foundation and Life Steps Group Affiliates.

Voices of Experience

Dear Life Steps Foundation,

My daughter Swara has been receiving Early Intervention Services with Sunnie Silva for the past 2 months and has made incredible improvement. This improvement would not have been possible without Sunnie's dedication and passion for what she does. We are grateful to your organization and hope you continue the great work that you do.

Sincerely, Praveena, Kalyan and Swara Gummadam

As I've learned, being a primary caregiver to any loved one, young or old, absolutely and without question deeply affects your career. And while some of us will become parents and others won't, we are all daughters and sons.

Rosanna Fay

**Share Our Stories or Your Own Story and Help Spread the Word
about the Life Steps Foundation!**

Join the conversation – Visit our social network on Facebook and Twitter today!

facebook.com/lsgroup twitter.com/lsgroup

Stepping Up for People of All Ages

Your support can help us make life-changing differences for people of all ages who are living with disabilities

At some point, all of us need help taking some of the more challenging steps in life. At Life Steps, we help those with the greatest challenges. Not only do we help them take those steps comfortably, we give them the training, skills and confidence they need to realize their own potential, and perhaps take the next step on their own.

In today's economic climate of rising costs of care and State budget cuts, your support is more urgent than ever in helping us continue to provide the highest quality of care that everyone we serve so greatly deserves.



Become an Active Member of Our Life Steps Support Community Today!

By joining our Life Steps Support Community, you can feel confident that your donation is going to help us make a life-changing difference to those in our care. Your donation will support our endowment fund that provides funding support where it is needed most for the programs and participant services of the entire Life Steps Group.

Opportunities that Make a Difference

tear at perforation, fold and mail to the address below



I would like to become a member of the **Life Steps Support Community!**

Enclosed is my: Monthly Quarterly Annual pledge of \$ _____

I would like to make a one-time contribution to the Life Steps Foundation for \$ _____

My payment method:

My check is enclosed. Make check payable to the "Life Steps Foundation, Inc."

Charge my contribution to my Visa / Mastercard / AMEX card # _____

Name on card _____ Exp. Date _____

Signature _____ Sec. Code _____

Mail to: **Life Steps Foundation, Inc.**
5839 Green Valley Circle, Suite 204
Culver City, CA 90230

Or, donate online at **www.lifestepsfoundation.org**.

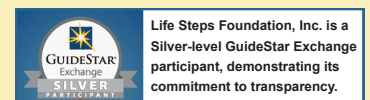
Contact me about volunteer opportunities.

Contact me about planned giving opportunities.

My email address and/or phone is: _____

Or, call our Life Steps Development Department at (310) 491-9011.

Thank you for your Support!





Life Steps Foundation

Board of Directors

Sue Horowitz, President; Allen Haile, Secretary; Virginia Franco, Founder and CEO
Kristine Engels, Susan Chang, Erin Farrell, Eugene Boykins,

Advisory Board

Matthew G. Fetui, Victor Castillo

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Life Steps Foundation, Inc. is a fiscally responsible, culturally competent CA 501(c)(3) non-profit dedicated to meeting the health, psychological and socioeconomic challenges of people throughout their lifespan.