

Youth Academy, LLC

2007 Annual Report



Sometimes, it is said, change is good. In the case of the Youth Academy in 2007 the status quo meant things went quite well. Among the many things that remained the same was the occupancy rate at the Youth Academy remained above 99 percent. A percentage virtually unheard of in the residential child care industry in West Virginia.

Yet another item that remained nearly identical was the average length of stay for a Youth Academy residential client remained in our care in the range of six months, which is lower than average for a level II residential provider in West Virginia.

The annual goals of the company were met during a time of transition. Construction began in earnest for the company new co-occurring residential program slated to open in 2008. This audacious endeavor will include the construction of two new buildings including an on-grounds school, which will serve YA residents.

In February, the Youth Academy renewed its license with the West Virginia Department of Health and Human Resources by passing an intense four-day audit process. Of course, this was no ordinary audit. The licensure reviewers arrived at YA when Marion County was virtually without water due to sub zero temperatures. Undeterred, Youth Academy leadership and staff demonstrated their competence by handling the adversity with aplomb.

Also, made official was the Youth Academy's Council on Accreditation. After working for more than a year in various ways, the COA certification became official and is valid through 2011.

The Youth Academy celebrated its relationship with its partners by holding its annual summer picnic in July. The event was attended by families, area probation officers, politicians and DHHR staff and leadership. YA commemorated its ties to families by hosting its annual Christmas party in December. The party was marked by the traditional skits performed by each group.

As has been the case since its inception in 2004, the Youth Academy's in-home program Community Family Intensive Treatment (CFIT) grew in scope. CFIT hired a supervisor to manage the growing staff as a result of increased demand for YA services. The Youth Academy has played an integral role in performing CAPS assessments on many north-central West Virginia children deemed to be at-risk.

In 2007, Executive Director Steve Fairley continued his role as President of the West Virginia Child Care Association. WVCCA membership grew during his time as leader. The Youth Academy is also a sponsoring member of the American Re-Education Association. In 2007, AREA published a book that highlighted its member agencies, including the Youth Academy.

While maintaining its commitment to existing goals, the Youth Academy continued its unfettered growth during 2007. With new programming becoming active in 2008, it promises to be an invigorating, busy, and exciting next 12 months.

This report will go into greater detail in the following areas:

- General Program Effectiveness in Relation to Stated Goals/Community Needs/General Staff Effectiveness
 - Outcomes
 - Average Length of Stay
 - Average Daily Census
 - Total Number of Residents Served
 - Occupancy Rate
 - GPA
 - Presenting Diagnosis and Success Rate
 - Permanency of Life Situation
 - Referrals
 - Satisfaction Surveys
 - ASO
- Staff Turnover & Staffing Plan
- General Staffing Patterns
- CFIT
- Expenditures

GENERAL PROGRAM EFFECTIVENESS IN RELATION TO STATED GOALS/COMMUNITY NEEDS/GENERAL STAFF EFFECTIVENESS

As in past years, the Youth Academy obtained a level of excellence regarding occupancy rates for its residential program. The organization's average daily census was 99.02 percent for 2007. Because daily census rates have remained over 99 percent during each year of the company's existence, the Youth Academy has established itself as a lynchpin of West Virginia's child welfare system. While remaining committed to serving community first, the Youth Academy endeavored in 2007 to provide care for children and families from points further away as well.

As the clinical profile of the children served residentially in West Virginia intensifies, the Youth Academy once again maintained an average length of stay that was the envy of the industry. Despite a slight increase in average length of stay, Youth Academy residents stayed an average of 6.71 months in 2007 thus allowing as small of a disruption as possible in their lives while delivering quality service in an efficient manner.

The average age of Youth Academy residents rose slightly as well in 2007 to 16.22 years. The average age for female residents in 2007 was 16.22 while the number for male Youth Academy residents was 16.23.

The Youth Academy served 63 children residentially in 2007 which was the same number of children served in that manner by the company the year prior. Of the 41 children discharged in 2007, 32 were from Region I. Eight of the 41 were from Region III while one child discharged from Region IV.

The Youth Academy received 147 referrals in 2007 for residential service. Of the 147 referrals, 107 originated from Region I while 22 were from Region III. Eight referrals were made from Region II as 10 were made from Region IV.

Below is a detailed breakdown of activity from 2007 relating to Youth Academy residential and CFIT services.

The remainder of this report will detail numerically and qualitatively how the Youth Academy maintained its efficient service delivery while meeting the needs of at-risk children and families in West Virginia.

	2003	2004	2005	2006	2007
Total Number of Youth Served	56	64	69	63	63
Breakdown of Gender Served					
Female	27	28	30	26	31
Male	29	36	39	37	32
Total Days of Care Provided	7275	8017	8006	7998	7951
Average Daily Census	19.93	21.96	21.93	21.96	21.78
Occupancy Rate	(m=20) 99.60%	(m=22) 99.83%	(m=22) 99.70%	(m=22) 99.60%	(m=22) 99.02%
Average Age of Resident for Female (years)	15.3	15.17	14.93	15.52	16.22
Average Age of Resident for Male (years)	15.97	15.85	15.33	15.91	16.23
Average Length of Stay (Measured in Days)	197.69	175	158.9	172.54	201.44
Average Length of Stay (Measured in Months)	6.58	5.83	5.3	5.75	6.71
Average Length of Stay (Measured in Days) Males	216.76	181	149.33	170.35	196.40
Average Length of Stay (Measured in Months) Males	7.22	6.03	4.98	5.68	6.54
Average Length of Stay (Measured in Days) Females	182.16	166	171.33	175.33	206.24
Average Length of Stay (Measured in Months) Females	6.07	5.53	5.71	5.84	6.87

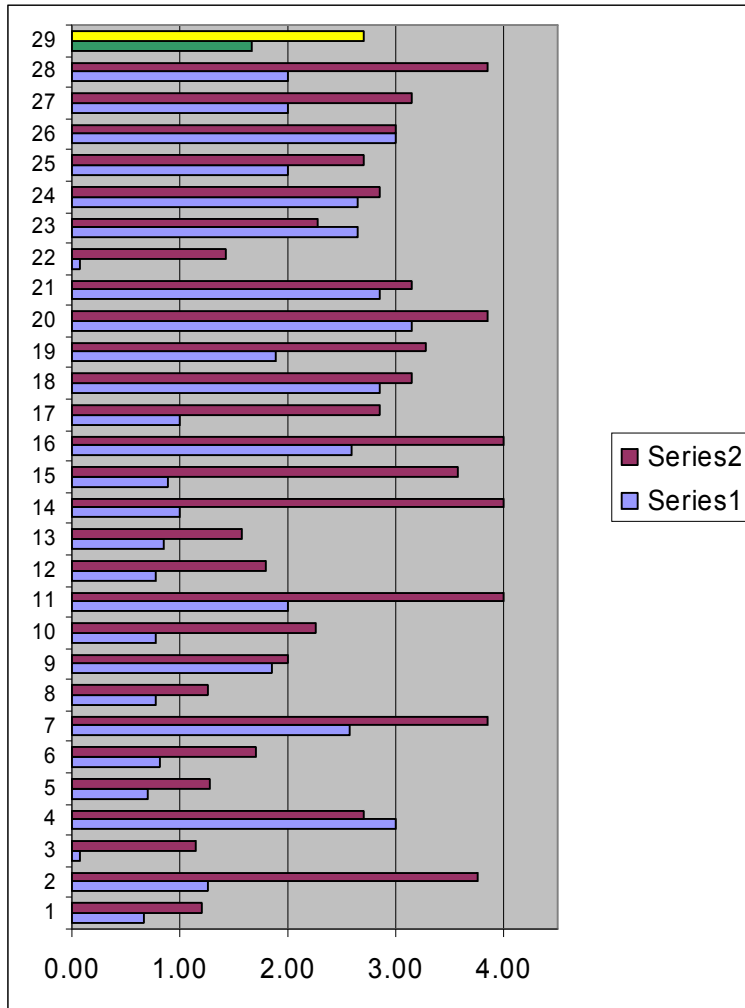
GPA

By examining the average grade point averages, academic success is measured. The Youth Academy tracks outcome data, as adopted by the West Virginia Child Care Association, to maintain at least 70% of residents achieve a 2.0 GPA or higher.

- During 2007 there were 28 residents that met the criteria of receiving 90 days or more of service. This number does not reflect the residents that were participating in GED related functions. Of the 28 residents, 20 were successful in achieving a 2.0 or higher GPA, which translates to a 72% success rate. The outcome measure as adopted by the WVCCA stipulates that a program shall achieve a minimum level of 70% and in 2006 we achieved a 64% rate of overall success, so we exceeded the benchmark and successfully met this outcome objective in 2007.

- The average GPA upon entry is 1.67 and the average at exit is 2.70.

Below is representation of the outcomes for 2007. Series One represents the entry GPA and Series Two represents the GPA at the end of 2007 or at discharge.

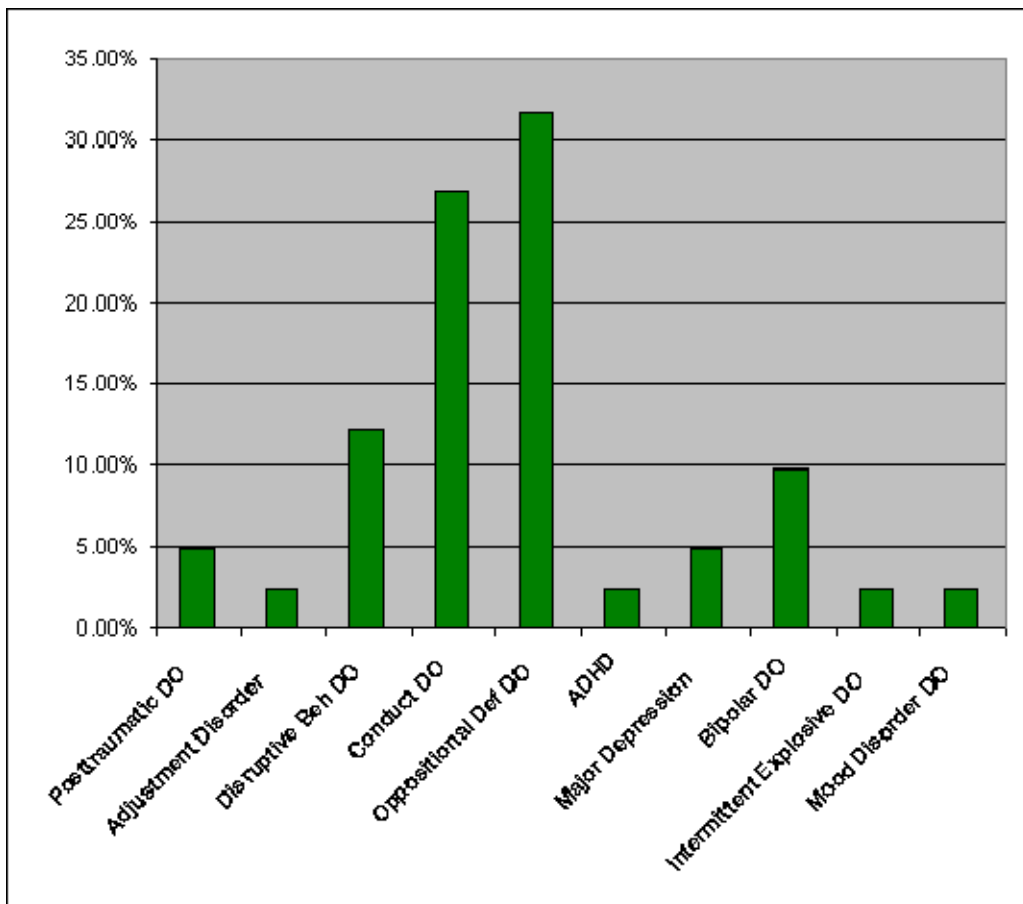


Presenting Diagnosis and Success Rate

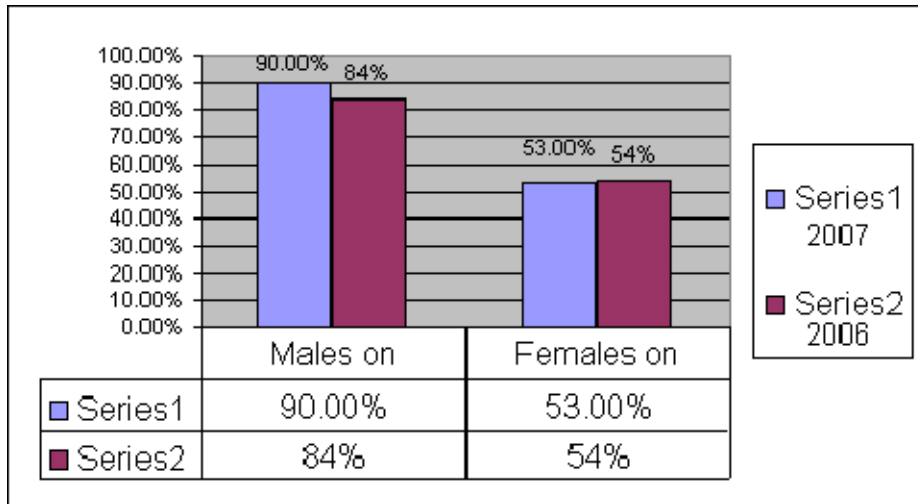
As represented in the below graph, there was a wide spectrum of issues being served. Refer to the graph for further information and detail.

Disability Groups Treated

Diagnosis	% Served
Posttraumatic DO	4.88%
Adjustment Disorder	2.44%
Disruptive Beh DO	12.20%
Conduct DO	26.83%
Oppositional Def DO	31.70%
ADHD	2.44%
Major Depression	4.88%
Bipolar DO	9.75%
Intermittent Explosive DO	2.44%
Mood Disorder DO	2.44%



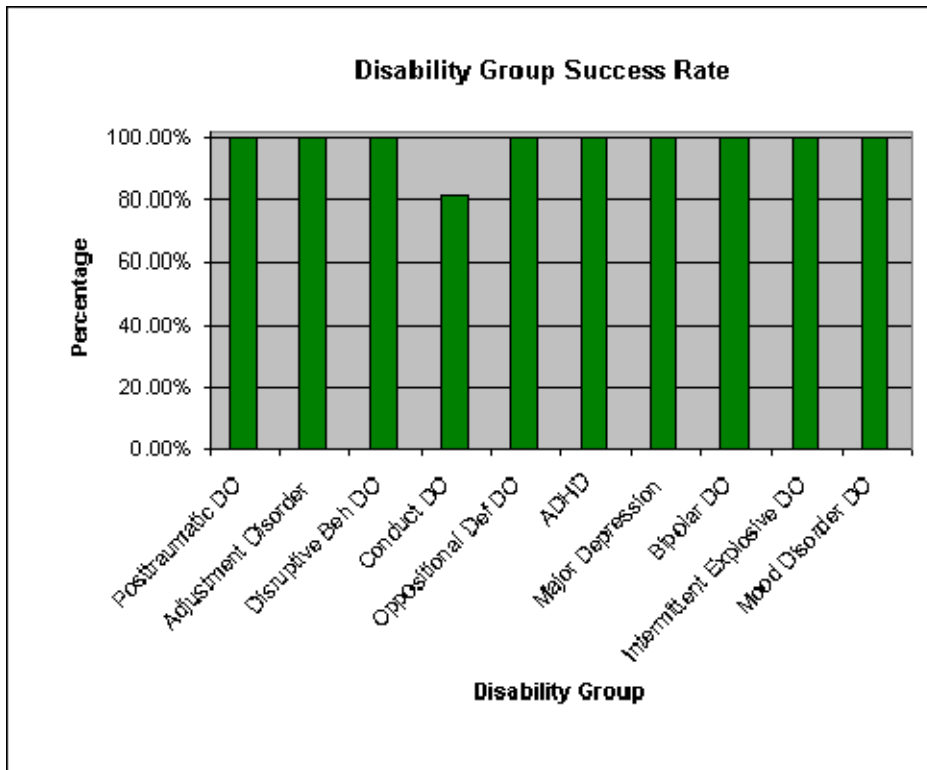
	2007	2006
Males on Probation	90.00%	84%
Females on Probation	53.00%	54%



Disability Group Success Rate

It is important to note that the success rates are determined not only by discharging a resident to a home setting, but also in situations in which the resident arrived and other psychiatric issues may have manifested and the Youth Academy, through a thorough assessment process, realized the resident requires more intensive services that cannot be provided in house. In those situations, since the intensified service delivery was initiated by the Youth Academy and not by an outside factor, it is considered successful due to meeting the resident's needs and ensuring he/she is receiving the care necessary.

Diagnosis	Success rate
Posttraumatic DO	100.00%
Adjustment Disorder	100.00%
Disruptive Beh DO	100.00%
Conduct DO	81.20%
Oppositional Def DO	100.00%
ADHD	100.00%
Major Depression	100.00%
Bipolar DO	100.00%
Intermittent Explosive DO	100.00%
Mood Disorder DO	100.00%

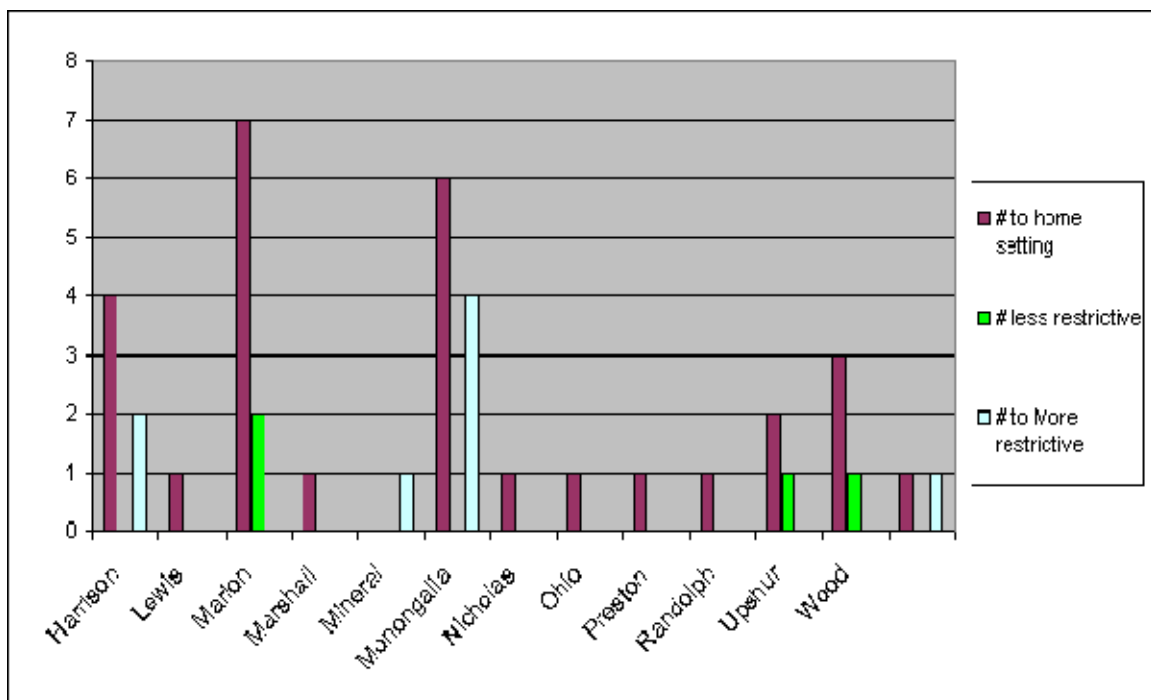


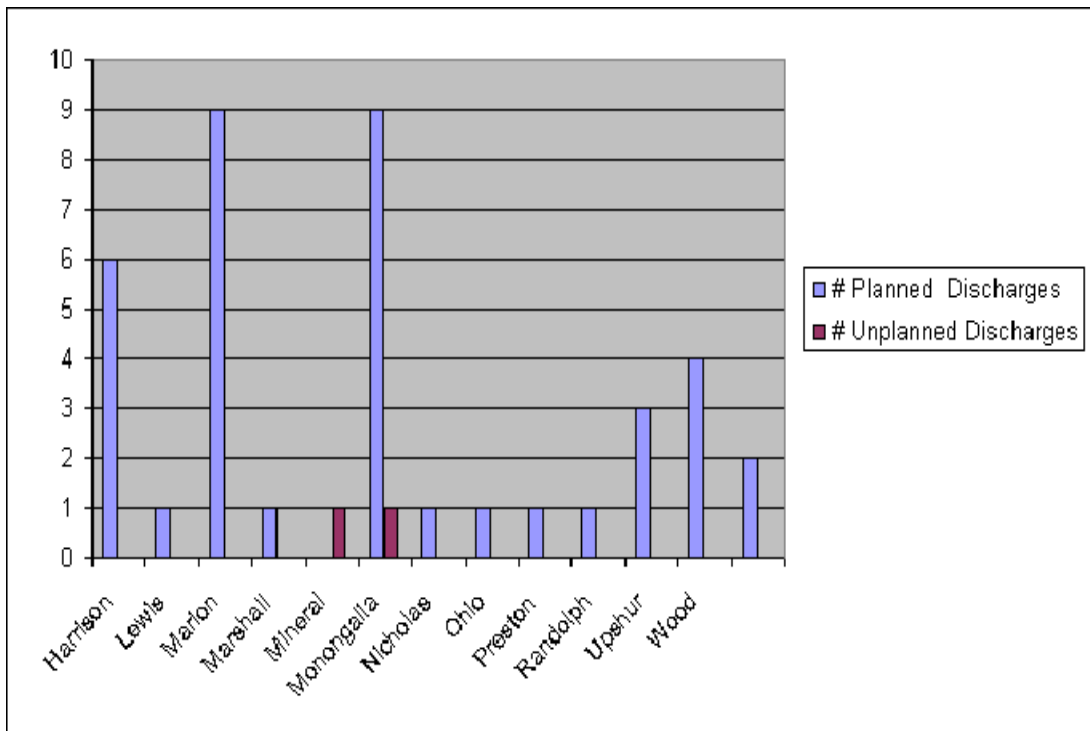
Permanency of Life

By examining “Permanency of Life Situation” and applying the outcome measures as adopted by the WVCCA, which stipulates 70% of all kids receiving services for 90 days or longer will be discharged to a home setting (home setting is defined as a foster homes, birth family, adoptive, kinship care, lesser restrictive, or independence), the Youth Academy’s success is represented as follows in the below graph:

- Of the 41 discharges in 2007, 29 were to a home setting representing a success rate of 71%. Moreover, of the 41 discharges, 39 were planned as represented in the following graphs. Although 8 of the planned discharges were to more restrictive settings, it was found to be in the best interest of the resident due to intensified clinically significant symptomology. Therefore, in relation to planned discharges versus unplanned discharges, the Youth Academy represented a 95% success rate.

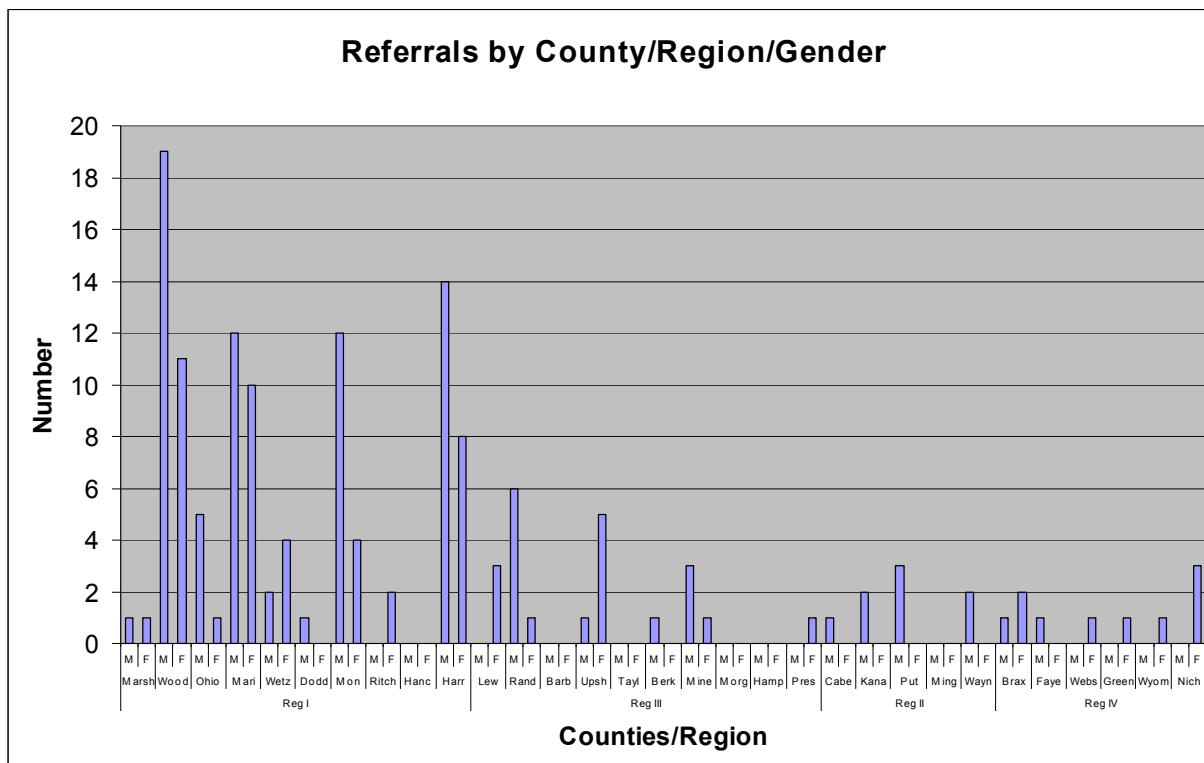
County		# to home setting	# less restrictive	# to More restrictive	# Planned Discharges	# Unplanned Discharges
Harrison		4		2	6	
Lewis		1			1	
Marion		7	2		9	
Marshall		1			1	
Mineral				1		1
Monongalia		6		4	9	1
Nicholas		1			1	
Ohio		1			1	
Preston		1			1	
Randolph		1			1	
Upshur		2	1		3	
Wood		3	1		4	
Wetzel		1		1	2	
Totals	41	29	4	8	39	2

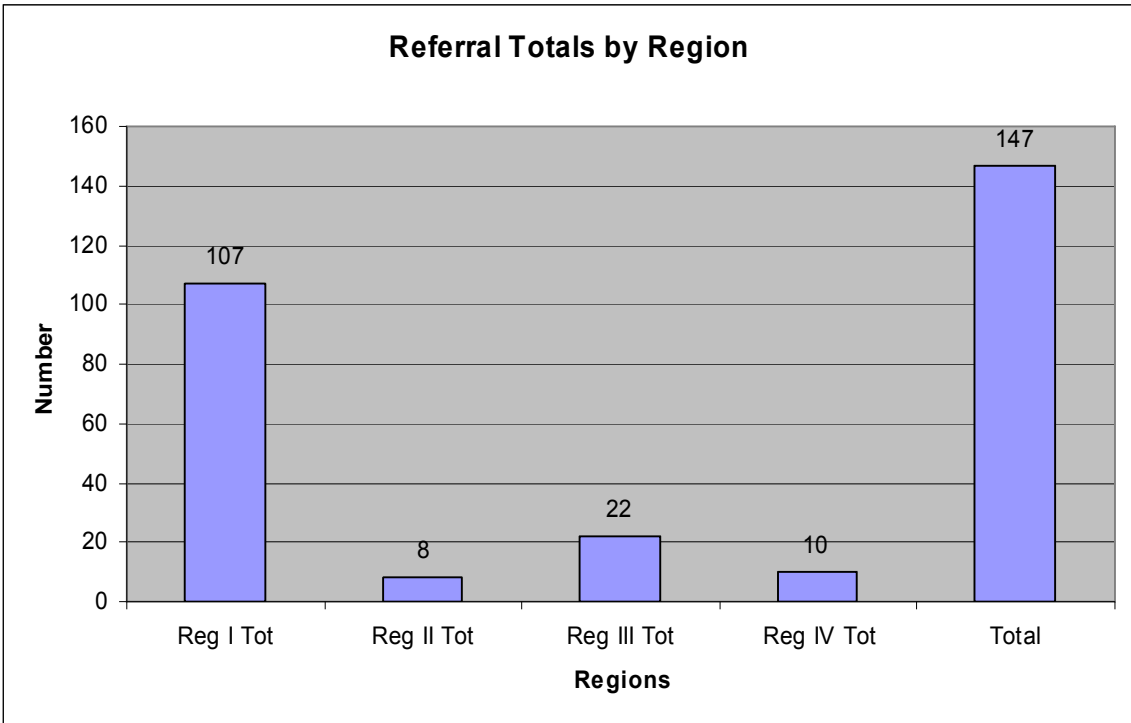
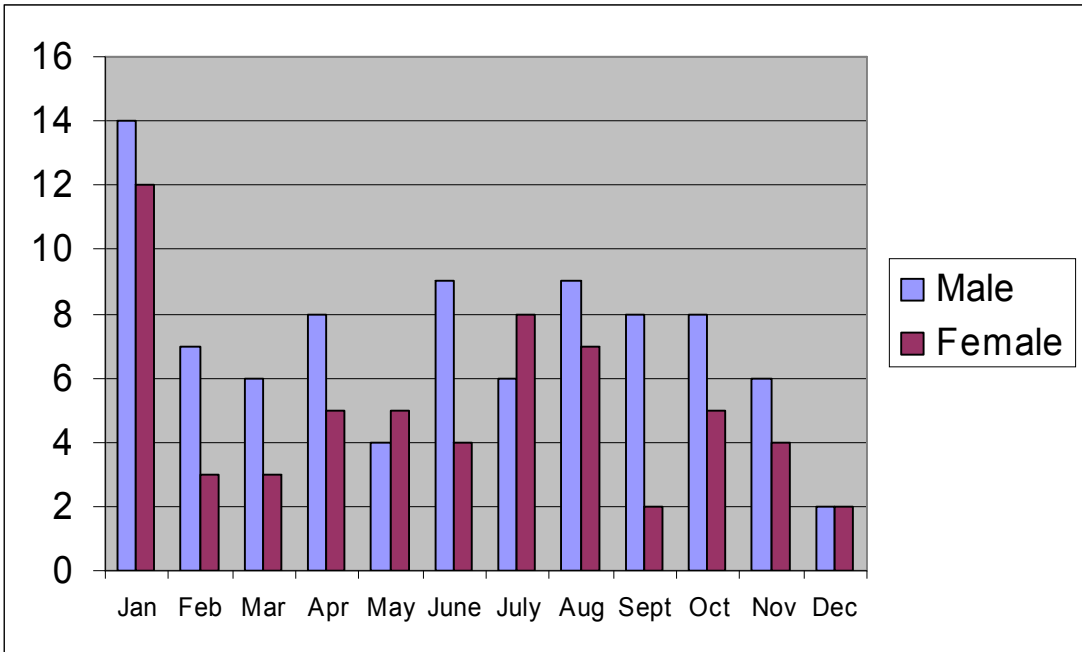




Referrals

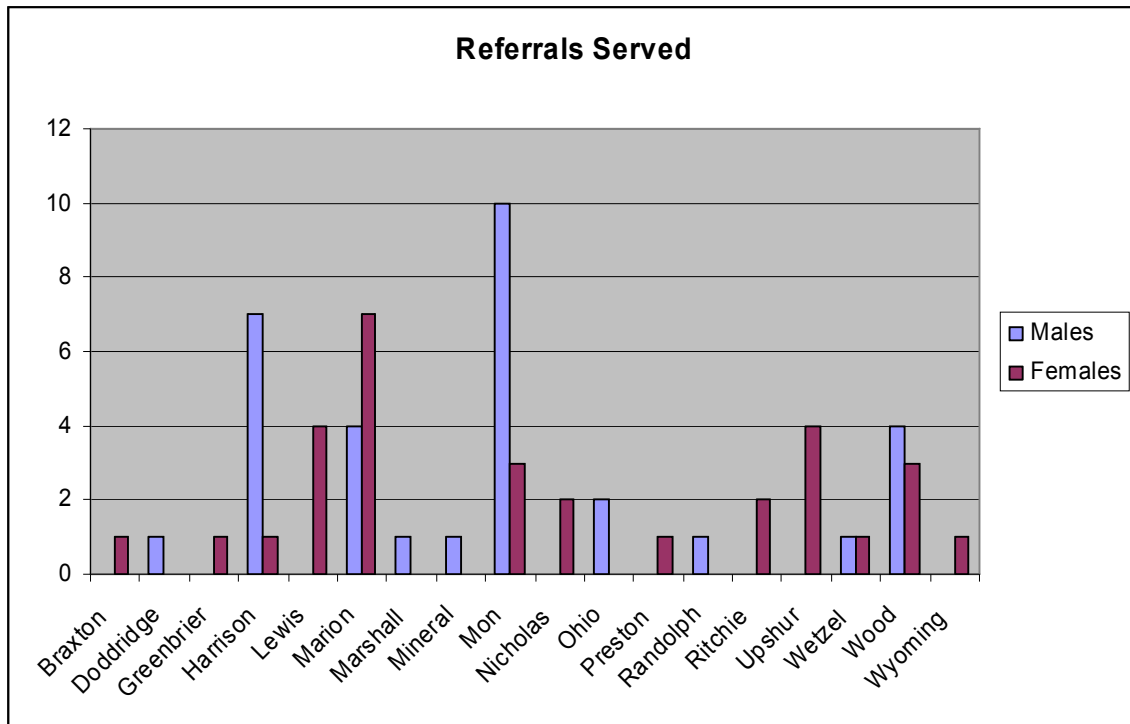
Another measure of effectiveness is the level of referrals received. As represented in the below graphs, there were a total of 147 referrals received in 2007 compared to 138 in 2006. Of the 147 referrals received, 73% were from Region I compared to 70% in 2006, 15% from Region III compared to 17% in 2006, 5% from Region II whereas 6% in 2006, and finally 7% from Region IV as compared to 7% in 2006. Refer to the information within the graph for more detailed information.





Of the 84 referrals not served, 18 were placed or required a higher level of treatment, 4 were placed in a lower level of treatment, 54 did not place for various reason, with the most significant reason being the length of the waiting list, and the final eight were due to various reasons such as pregnancy or elopement prior to being placed and was unable to be located.

NUMBERS SERVED

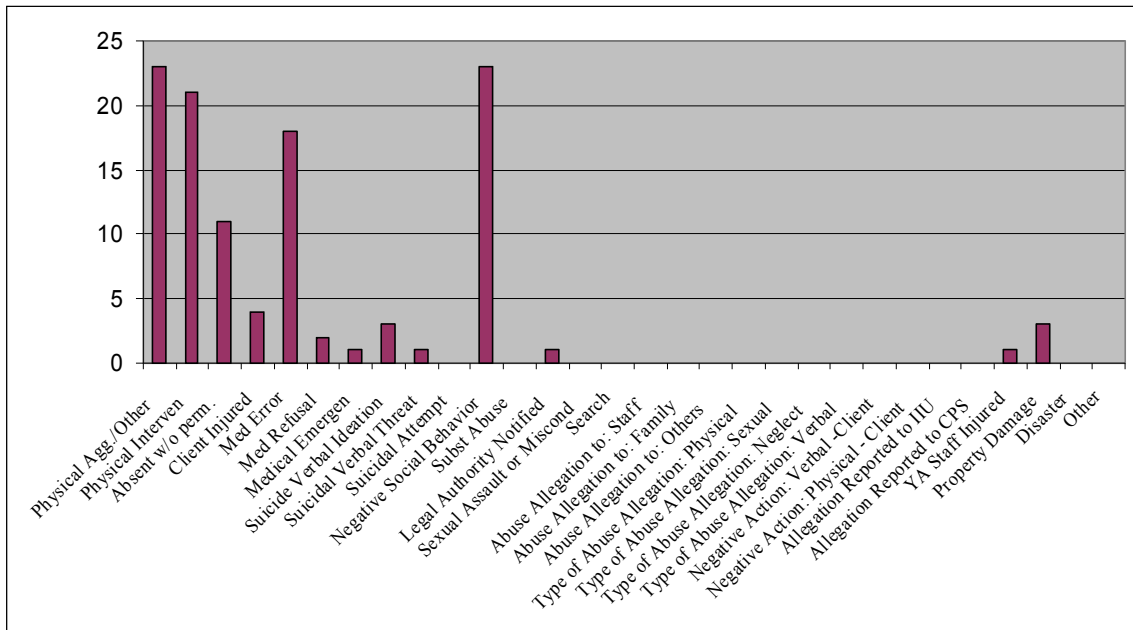


Critical Incidents/Safety Report

As a result in changes to the licensing regulations and the accreditation process, the Academy instituted a review process whereas all internal structures and operations are examined. With the implementation of the new regulations a Safety Committee and Critical Incident Review Team (CIRT) was created. The Safety Committee is charged with reviewing and identifying trends within the critical incident process to identify programmatic issues that may need addressed. The committee also conducts monthly examinations of the physical plant that utilizes a comprehensive check-off sheet that identifies all areas of every room to be examined.

The CIRT conducts internal investigations that are not investigated by the Institutional Investigative Unit.

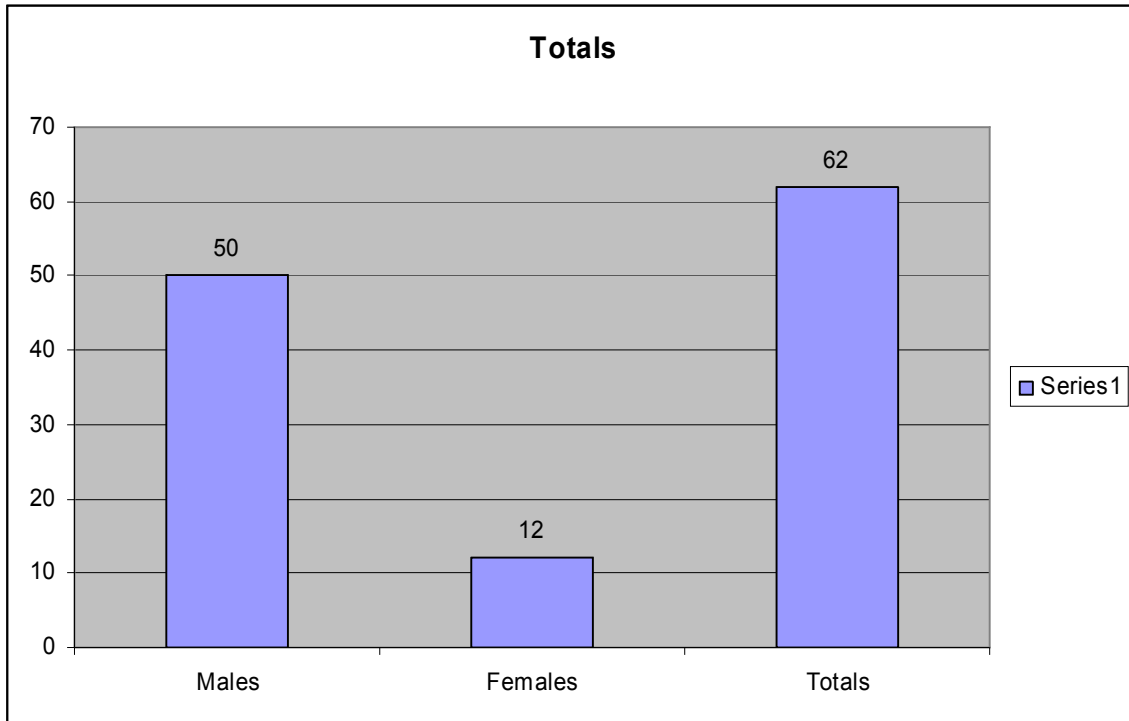
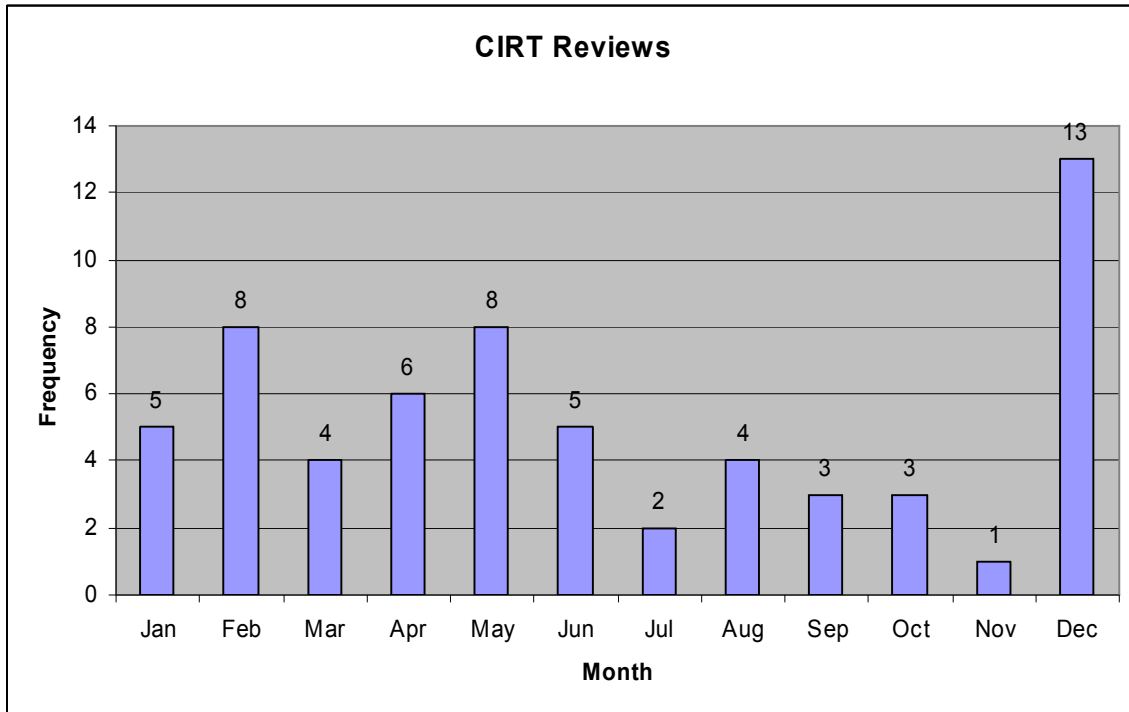
The following chart is an annual breakout of all incident reports filed at the Academy.

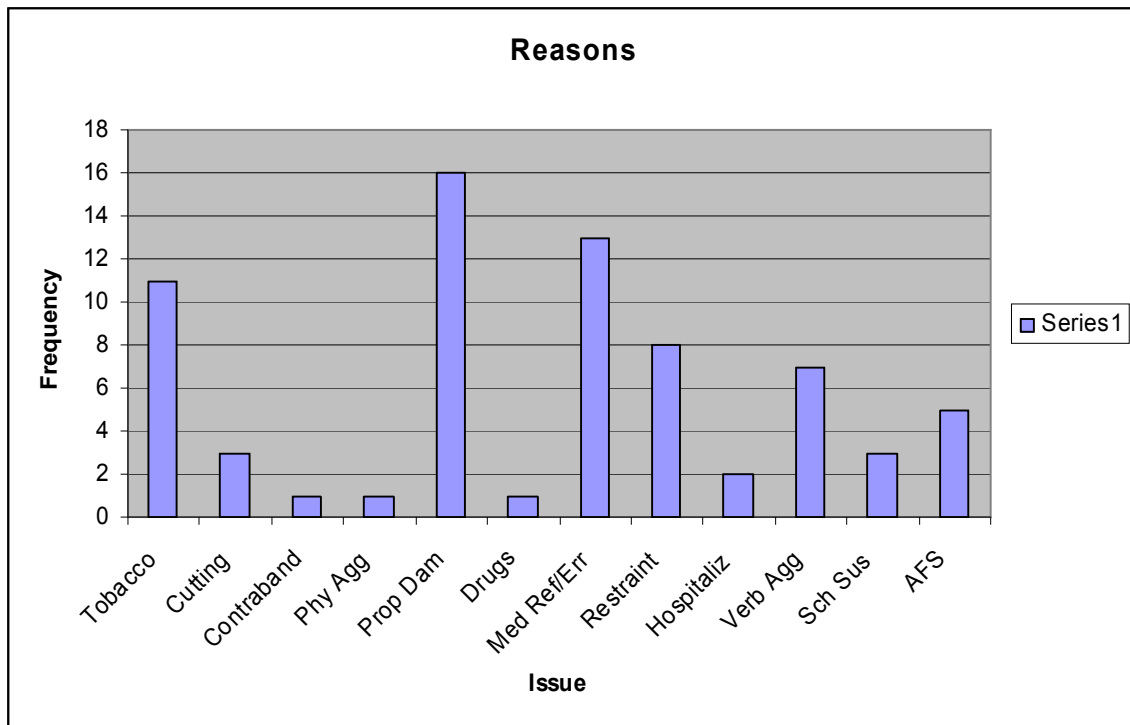


There were a total of 112 incident reports filed in 2007. Of the 112, majority was with physical aggression to others, negative social behaviors (which includes behaviors such as smoking, using tobacco or other substances/behaviors that are typically referred to as status offenses). Physical interventions by staff to secure safety were the next highest rating. All in all though, there were only 21 physical restraints or interventions that occurred throughout the year. Medication errors were the next significant issue with 18 throughout the year.

As a result of these findings, the Academy adjusted training to reduce the level of instances of physical aggression, which ultimately titrate the number of physical interventions. In relation to medication errors, corrective action was used with staff and retraining the processes in which medication is accessed was implemented. Of all the medication errors, there were none with negative outcomes.

The CIRT compiled the following information for 2007:



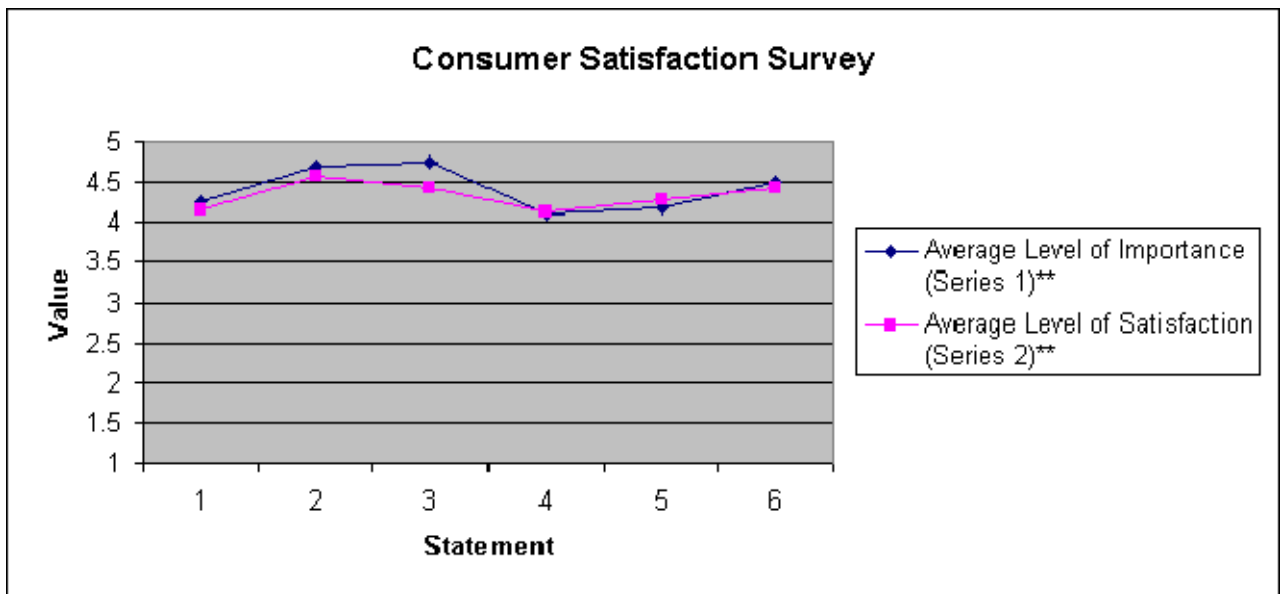


Satisfaction Surveys

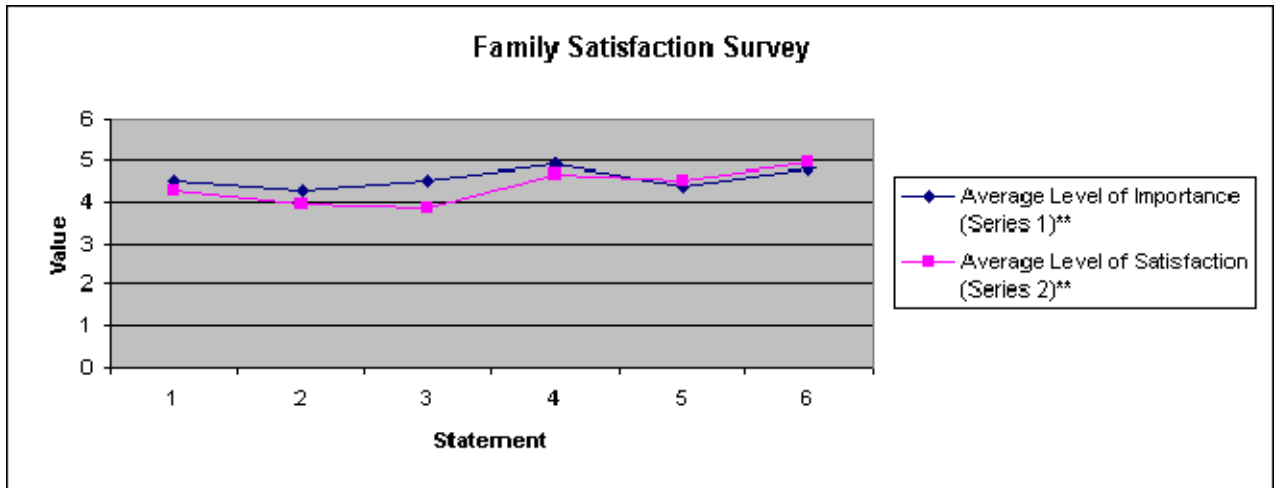
Satisfaction surveys were distributed in 2007. A representation of the results of the satisfaction surveys is provided in below graphs. Conclusively, the Youth Academy is providing services that are felt to be effective by the consumers.

Average of Surveys Sent in 2007

	Statements	Average Level of Importance (Series 1)**	Average Level of Satisfaction (Series 2)**
1	Youth Academy staff conduct themselves in a professional manner	4.25	4.15
2	Youth Academy staff maintain open lines of communication	4.71	4.57
3	Youth Academy is receptive of client's needs	4.76	4.43
4	Services at the Youth Academy has proven to be successful	4.11	4.14
5	Youth Academy staff are receptive of the community needs	4.19	4.29
6	Youth Academy invites participation in the treatment planning process	4.5	4.44



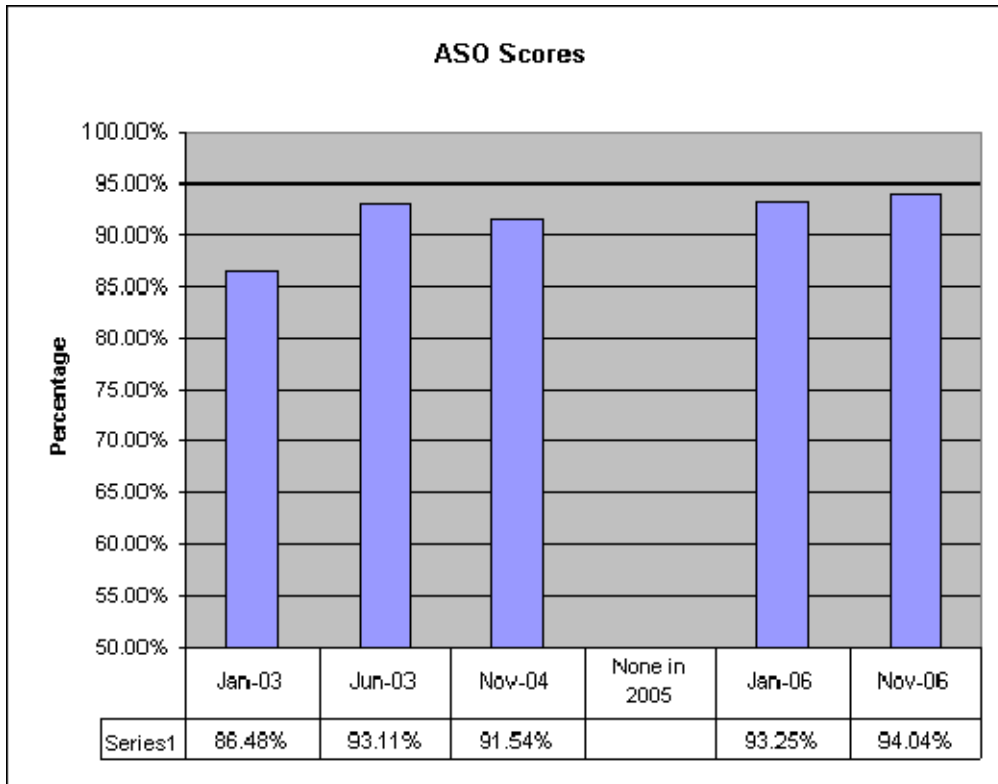
	Statements	Average Level of Importance (Series 1)**	Average Level of Satisfaction (Series 2)**
1	You were adequately informed at intake about the program	4.52	4.25
2	You received adequate communication regarding adverse/critical incidents involving your child during his/her stay?	4.26	3.95
3	You were adequately notified of all meetings/events related to your child during his/her stay?	4.5	3.85
4	You were well informed of your child's progress while here?	4.89	4.68
5	You felt your child was safe and receiving the care he/she requires	4.37	4.5
6	You were encouraged by Youth Academy staff to maintain frequent contact, both by phone and visit, with your child?	4.79	4.95



ASO

The Administrative Services Organization (ASO) for the State of West Virginia, APS, provided two comprehensive reviews for 2006, primarily due to the increase of usage due to expansion of the CFIT program. The Academy has worked diligently to maintain high scores. The scores in which the Academy receives are some of the highest received by all providers in the state. The ASO did not visit the Academy in 2007.

Jan-03	86.48%
Jun-03	93.11%
Nov-04	91.54%
None in 2005	
Jan-06	93.25%
Nov-06	94.04%

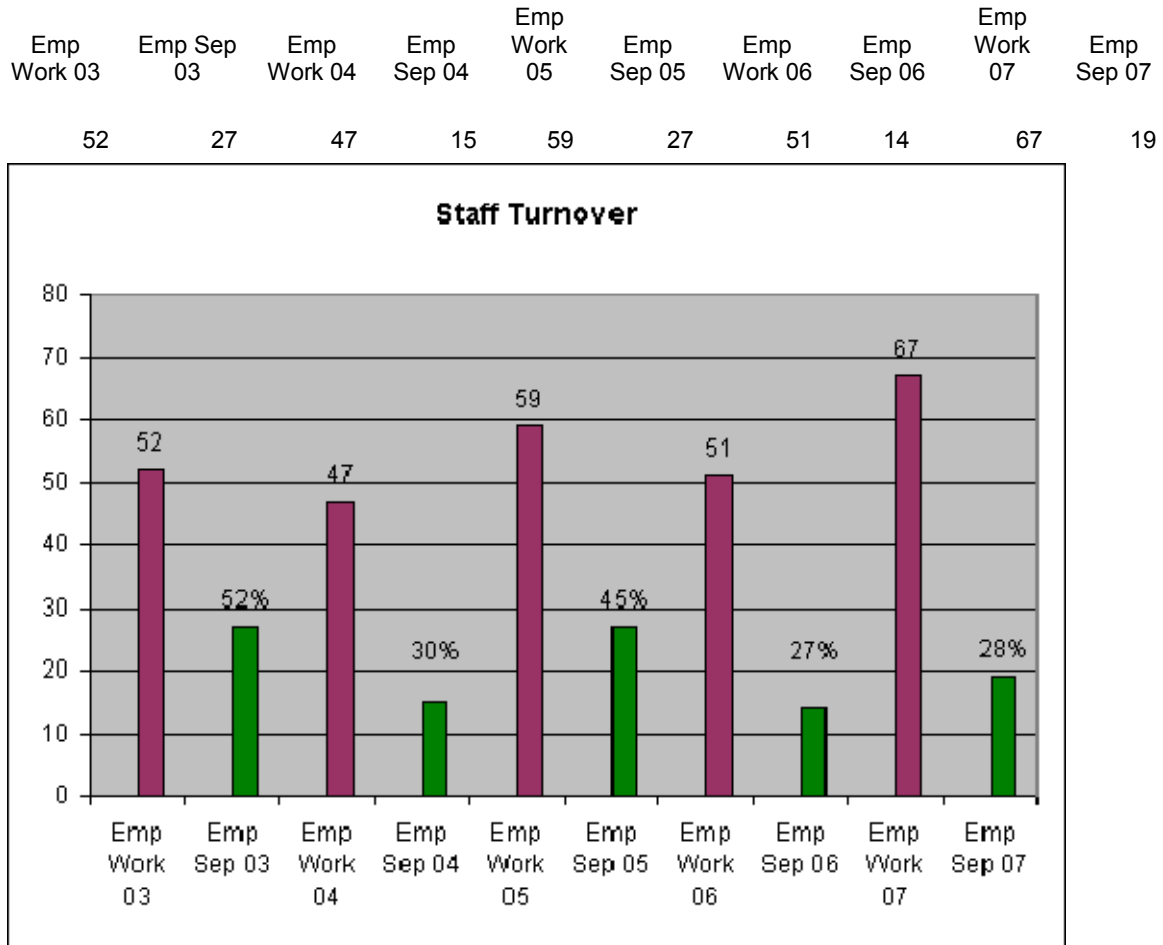


STAFF TURNOVER RATE

During 2007, there were 67 people employed by the Youth Academy. Of the 67 employees, 19 separated employment, which represents a total turnover rate of 28%. This number is slightly higher than the previous year, which was 27%. The Academy is not competing with like companies to retain employees, but rather with other industries that provide the same or higher salaries and does not include the level of tension and stress that is commonly associated with this industry.

One interesting aspect however, is the average time of retention for employee is slowly increasing. In 2005, the average time of retention was 1.2 years, whereas in 2006, it is 1.6 years and in 2007 it is 1.8 years.

With that said, staff turnover is troublesome to the company and how it operates. However, when compared to the length of stay for the residents, it obviously does not negatively impact the care of the residents as they experience consistent staffing since the average length of stay is less than six months and the average length of stay for staff is 1.8 years.



PLAN TO REDUCE STAFF TURNOVER

Over the past year, the Academy has implemented various strategies to not only curb the level of turnover, but also the level of operational intelligence. Not all strategies were implemented at the same time due to timing constraints and other various circumstances. However, as each strategy was implemented, the results were obviously positive.

The use of team interviews has proven more successful at identifying more appropriately suited candidates. The orientation process has been revamped to streamline information and skill sets. The use of more supervisory and management staff in the training process has had a positive and useful impact.

The use of self-evaluations with the frontline staff has proven to be beneficial due to the self interpretation of abilities and the discussion that can occur with that employee during the formal process. This allows the supervisor to identify gaps in beliefs of one’s true abilities.

The feedback forums and educational forums have really provided an arena for staff to constantly learn and reflect their opinions. The feedback forums have also provided a safe haven for front line staff to learn the art of confrontation by experiencing face-to-face discussions between each other about things that need to improve and things that are working well. This process has really had a dramatic impact on staff communication.

One thing that definitely appears consistent is that staff turnover, in this field especially, remains consistent industry wide. However, it is always the goal of management to try to find ways and methods to reduce staff turnover, therefore, understanding that maintaining staff is a fluid and ever-changing process.

It is anticipated that the rates of turnover for next year may be somewhat higher due to the hiring of a major contingent of staff for the Co-Occurring program. During the first year of operation with this residential program, the company experienced a high level of staff turnover. However, throughout the coming year, the processes that were put in place in 2007 will continue and will be fortified. Furthermore, wage and salary adjustments are going to be closely examined and researched in order to try to compete with the area and the better than average job market in our area.

GENERAL STAFFING PATTERNS

The staffing pattern as a whole has not changed since opening the doors in October of 2002.

COMMUNITY FAMILY INTENSIVE TREATMENT (CFIT)

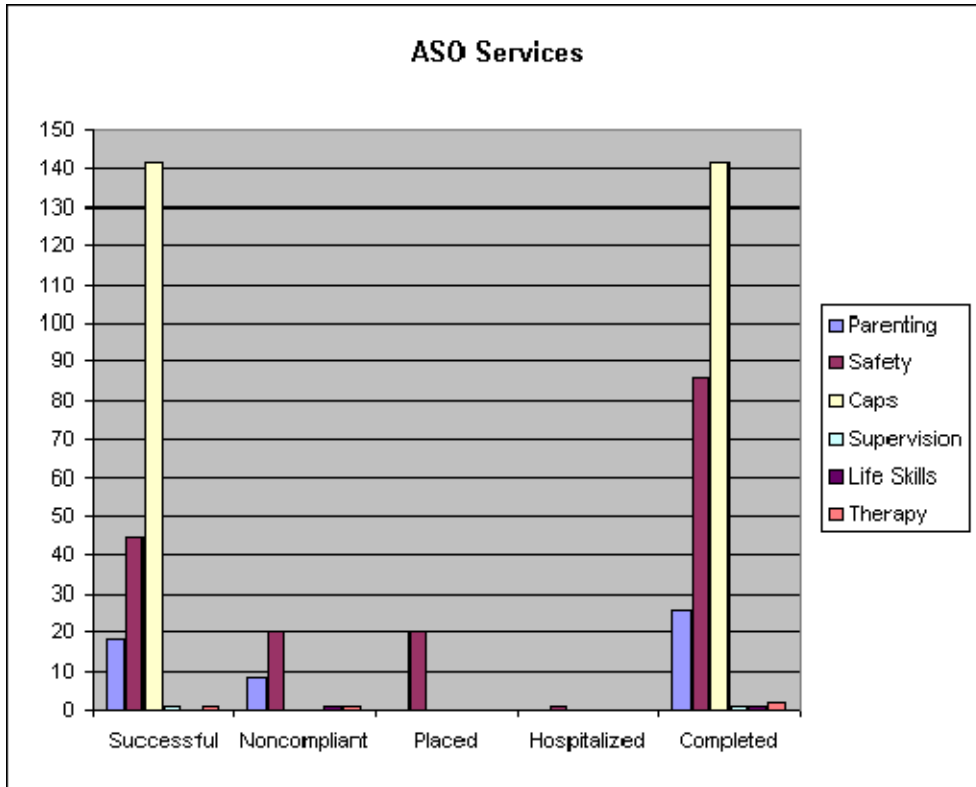
CFIT serves an integral function of the Youth Academy by establishing a mechanism by which services can be provided to the family in concert with services provided to the child. These services begin on the date of admission to the residential program, which involved the family at a more visceral level and improves the outcome and likelihood for success.

Moreover, this service is also provided to families and children not involved in the residential program, which further provide necessary services to the community. Youth Academy serves both regions I and III and has been asked to expand further into other areas of the state, which is being examined.

The Youth Academy's CFIT program currently employs five full-time staff, which include a supervisor for the program and one contract staff providing CAPS services. Outcomes related to the progress of CFIT services is represented in the below chart.

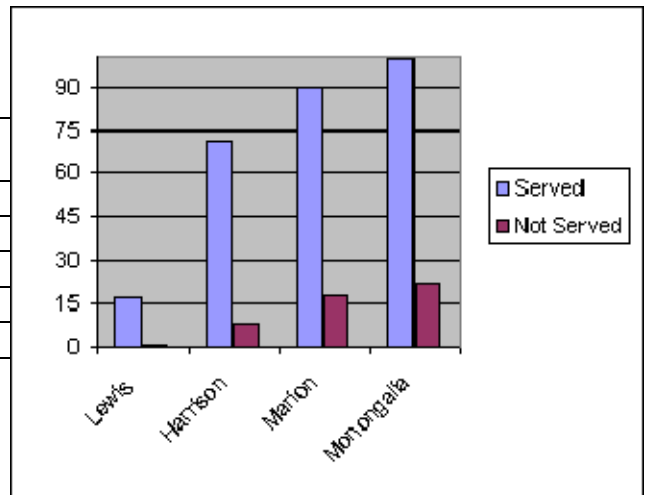
CFIT OUTCOMES

	Parenting	Safety	Caps	Supervision	Life Skills	Therapy
Successful	18	45	142	1		1
Noncompliant	8	20			1	1
Placed	0	20				
Hospitalized	0	1				
Completed	26	86	142	1	1	2
Total CFIT Services	258					



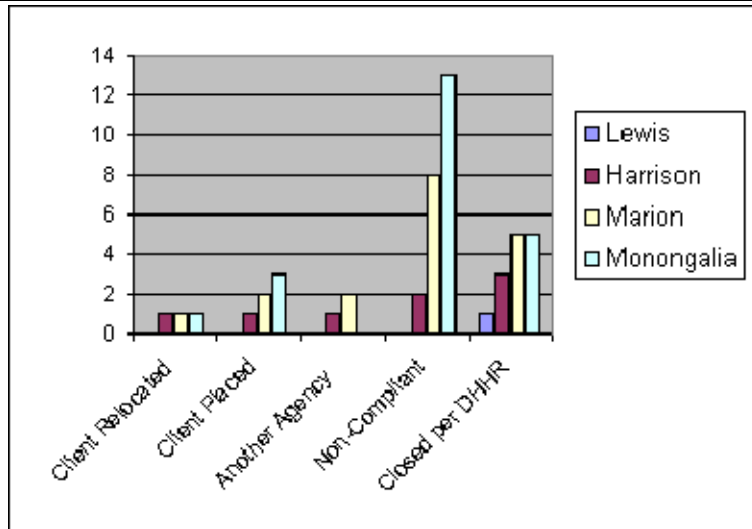
CFIT Service Referral Totals

	Served	Not Served	Totals
Lewis	17	1	18
Harrison	71	8	79
Marion	90	18	108
Monongalia	99	22	121
Totals	277	49	326



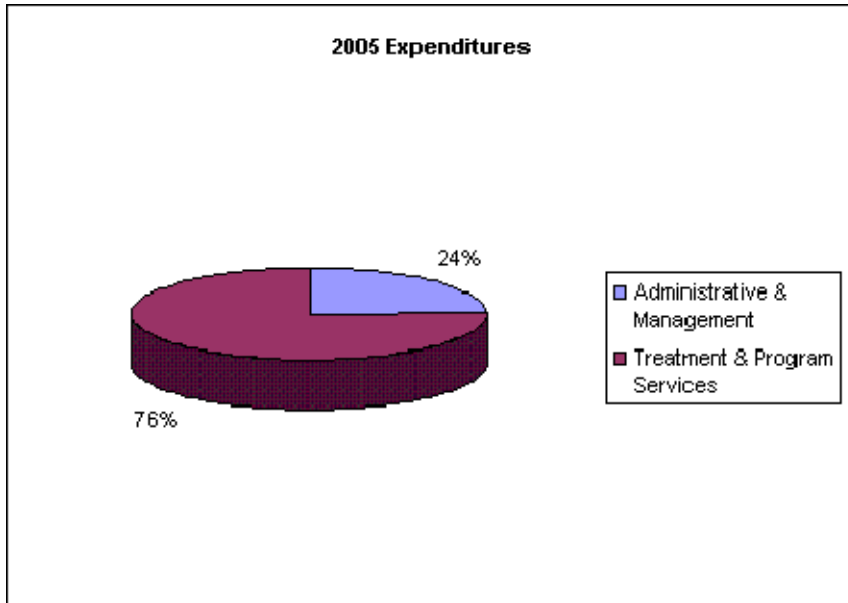
Reasons Not Served By County

	Lewis	Harrison	Marion	Monongalia	Totals
Client Relocated		1	1	1	3
Client Placed		1	2	3	6
Another Agency		1	2		3
Non-Compliant		2	8	13	23
Closed per DHHR	1	3	5	5	14
Totals	1	8	18	22	49



REVENUE & EXPENDITURES

2007 Expenditures	% of Expense
Administrative & Management	24%
Treatment & Program Services	76%



Sources of Revenue	% of Revenue	Dollar Amount
WVDHHR	49%	\$950,140.94
WV Medicaid	35%	\$676,165.27
Interest Income	<1%	\$2,396.64
CFIT Soc Nec	16%	\$316,212.64
CFIT Med	<1%	\$544.00
		\$1,945,459.49

