

Youth Academy, LLC

2008 Annual Report



The Youth Academy began 2008 with the tailwind of 2007 behind them. The company had concluded 2007 with nearly 100% residential occupancy while growing its in-home program Community Families Intensive Treatment (CFIT). The constant pursuit of operational excellence had commenced early in the Academy's existence. The year of 2008 would pose the greatest challenge yet to the relatively young organization. The long awaited arrival of the company's new substance abuse co-occurring program, the YORE Academy was at hand. The YORE Academy did not receive its first child until two weeks after 2008 concluded. However, the logistical and physical plant preparation consumed much of the year for the leadership and staff of the Youth Academy. As with previous endeavors undertaken by the Youth Academy, the mission assigned was completed with success and grace.

The year's mission began in January with the construction of two buildings adjacent to the existing building. Though an inconvenience and a muddy mess at times, it was literally business as usual for the Youth Academy. The Youth Academy's occupancy rate was more than 99 percent again. The average length of stay decreased slightly at the Youth Academy. The spring semester would be the final semester the Youth Academy would exclusively utilize the Marion County Public Schools for the education of its children. The much anticipated on-grounds schools operated and staffed by the Office of Institutional Educational Programming (OIEP) would be operational by the fall semester.

The Youth Academy was a sponsor of the annual National Association of Social Workers annual conference in Charleston. The three-day event is one of the largest of its kind in the country. The company also participated in the annual American Re-Education Conference in Cleveland. The Academy is a sponsoring board member of AREA. The Youth Academy also sponsored and participated in the West Virginia Child Care Association annual conference. The Academy is a board member of the WVCCA. Executive Director Steven Fairley is a member of the group's Executive Committee and is a former President of the group.

Summer brought more steps of completion of the company's expansion. The building which would house the new kitchen and dining hall, full size multi-purpose gymnasium and the on-grounds school was completed. The company also learned that the Superintendent of OIEP Matthew Kittle would resign that position to become the first principal at the Academy's on-grounds school. This was accurately viewed as quite a boon for the company and the children and families it serves.

The company celebrated its past and looked to its immediate future with its stakeholders at its annual summer picnic held at Wave-Tec in Fairmont. Nearly 100 people attended the event. Among the attendees were Academy children and families along with various staff from area West Virginia Department of Health and Human Resources offices.

The staff of the on-grounds school began educating Youth Academy children as scheduled in August. The new kitchen and dining hall became operational as well. August was the time that Academy leadership and staff began the policy writing, staff recruitment and logistical processes in preparation of the opening of the YORE Academy scheduled for January 2009. As the company began the process of implementing tools so as to expand, several additions were made to the company's leadership team. Terry Collins who had worked in various capacities during his 15 years in children's residential services was named Director of Operations while Stephanie Varah was named Director of

Treatment. Kathryn Carpenter was named Quality Assurance/Utilization Manager. Christine Myers was named Director of Finance while Patrick Varah was named Director of Marketing and Public Relations.

As the year concluded, the Youth Academy celebrated the holidays with the children and their families in the new gymnasium. This was the first time the Academy had been able to host such an event on campus and needless to say, it was a great success.

The Academy leadership and staff chose January 16, 2009 as the first day of operation for the YORE Academy with its grand opening occurring a week after on January 23.

Both events were rousing successes but after nearly seven years of successes no one was surprised.

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 99.40 percent for 2008. 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 continued in 2008 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 in 2007, the Youth Academy residents stayed an average of 6.46 months in 2008, down from 6.71 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 decreased slightly in 2008 to 15.38 years. The average age for female residents in 2008 was 15.31 while the number for male Youth Academy residents was 15.65.

The Youth Academy served 61 children residentially in 2008 which was slightly lower than the number of children served in that manner by the company the year prior. Of the 39 children discharged in 2008, 24 were from Region I. Two were from Region II, seven of the 39 were from Region III while six children discharged from Region IV.

The Youth Academy received 133 referrals in 2008 for residential service. Of the 133 referrals, 79 originated from Region I while 29 were from Region III. Seven referrals were made from Region II as 18 were made from Region IV.

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

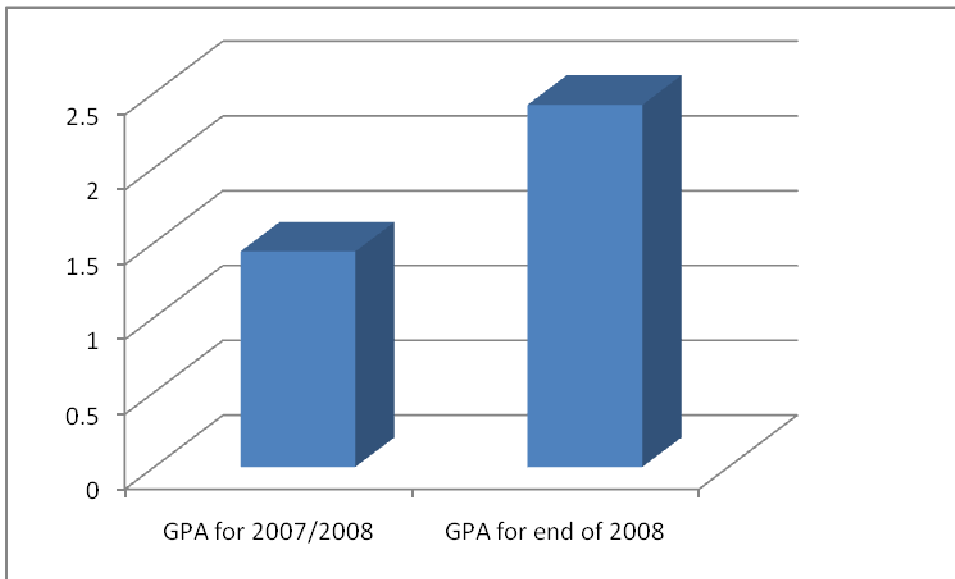
The remainder of this report will detail numerically and qualitatively how the Youth Academy maintained its efficient service delivery while meeting the needs of at-risk children and families in West Virginia.

	2004	2005	2006	2007	2008
Total Number of Youth Served	64	69	63	63	61
Breakdown of Gender Served					
Female	28	30	26	31	26
Male	36	39	37	32	35
Total Days of Care Provided	8017	8006	7998	7951	8002
Average Daily Census	21.96	21.93	21.96	21.78	21.86
Occupancy Rate	(m=22)	(m=22)	(m=22)	(m=22)	(m=22)
	99.83%	99.70%	99.60%	99.02%	99.40%
Average Age of Resident for Female (years)	15.17	14.93	15.52	16.22	15.31
Average Age of Resident for Male (years)	15.85	15.33	15.91	16.23	15.65
Average Length of Stay (Measured in Days)	175	158.9	172.54	201.44	198.36
Average Length of Stay (Measured in Months)	5.83	5.3	5.75	6.71	6.46
Average Length of Stay (Measured in Days) Males	181	149.33	170.35	196.40	190.70
Average Length of Stay (Measured in Months) Males	6.03	4.98	5.68	6.54	6.22
Average Length of Stay (Measured in Days) Females	166	171.33	175.33	206.24	209.38
Average Length of Stay (Measured in Months) Females	5.53	5.71	5.84	6.87	6.81

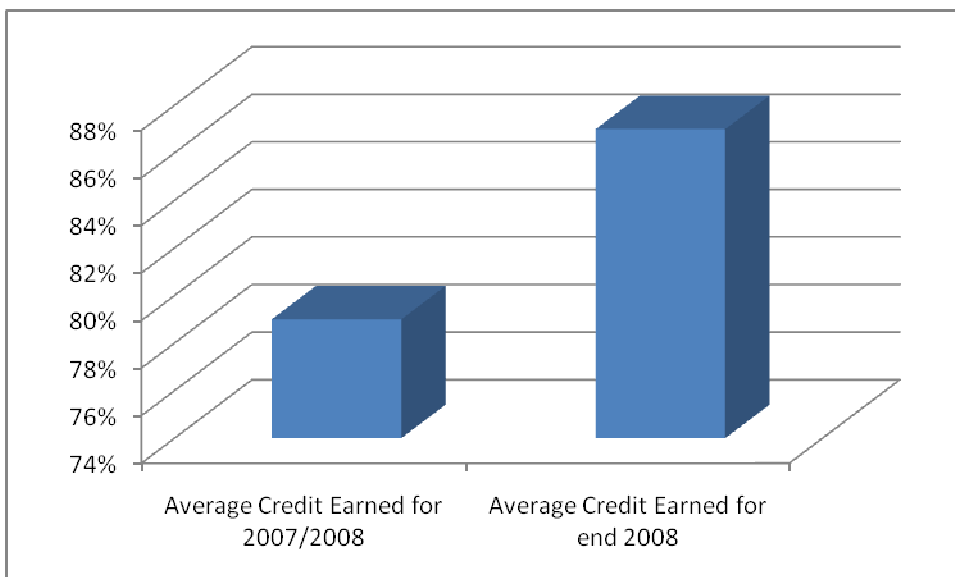
GPA

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. Moreover, it is important to see the relationship and benefit of having the school located on campus and operated by OIEP. This is the first time we have been able to compare the results of how children served in residential treatment programs benefit from OIEP instruction.

Below is a chart illustrating the grade point average at the end of the '07-'08 school year, which occurred in the public school system and the grade point average at the end of the '08 calendar year, which occurred in the school located on our campus.



Below is a chart illustrating the increase in the average of credits earned compared between public school and the on-ground school operated by OIEP.

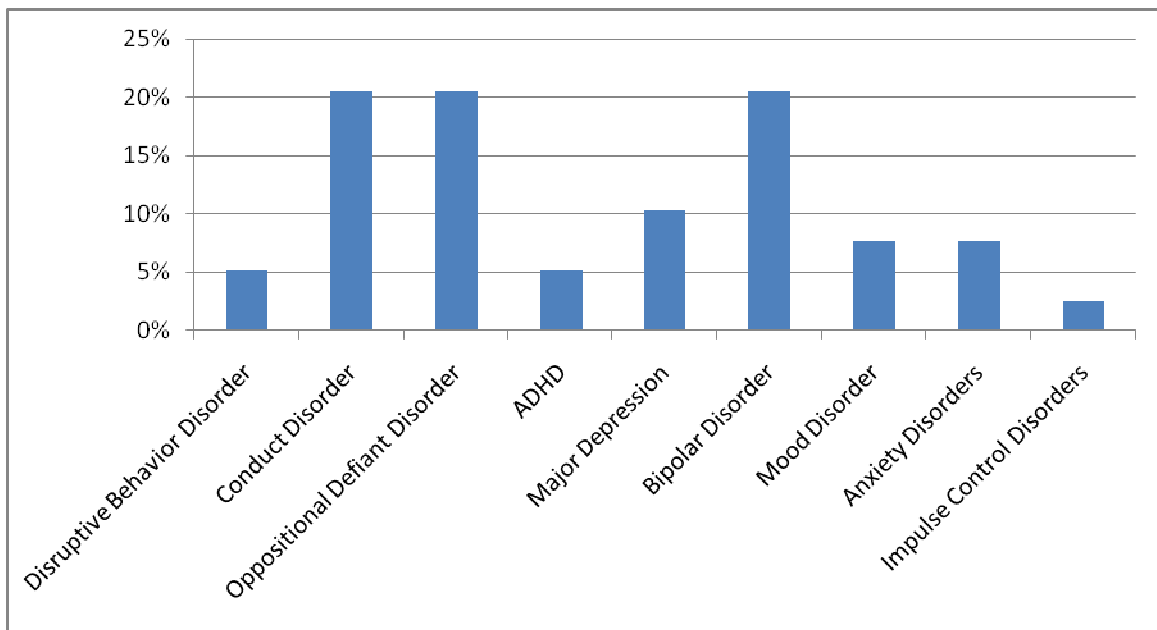


Presenting Diagnosis and Success Rate

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

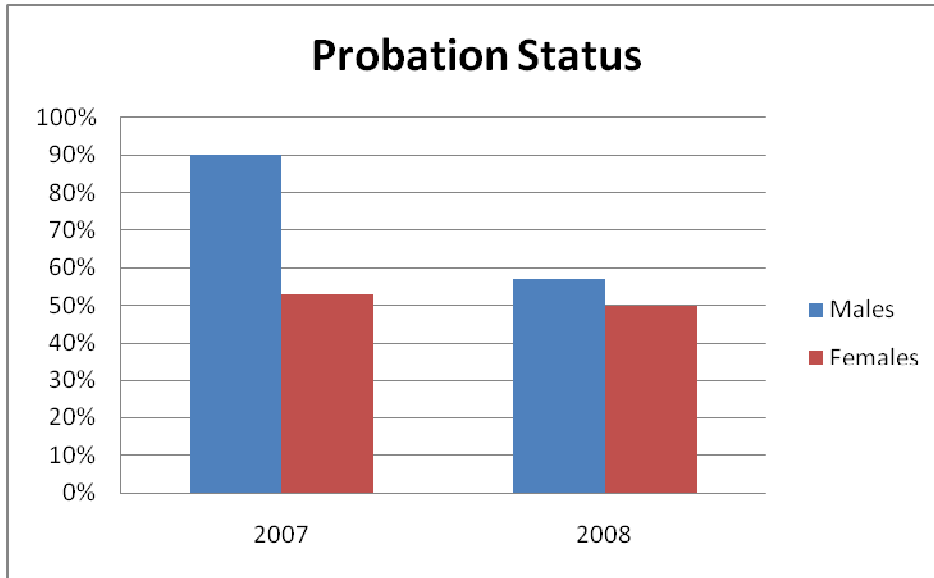
Disability Groups Treated

Diagnosis	% served
Disruptive Behavior Disorder	5%
Conduct Disorder	21%
Oppositional Defiant Disorder	21%
ADHD	5%
Major Depression	10%
Bipolar Disorder	21%
Mood Disorder	8%
Anxiety Disorders	8%
Impulse Control Disorders	3%



Probation Status

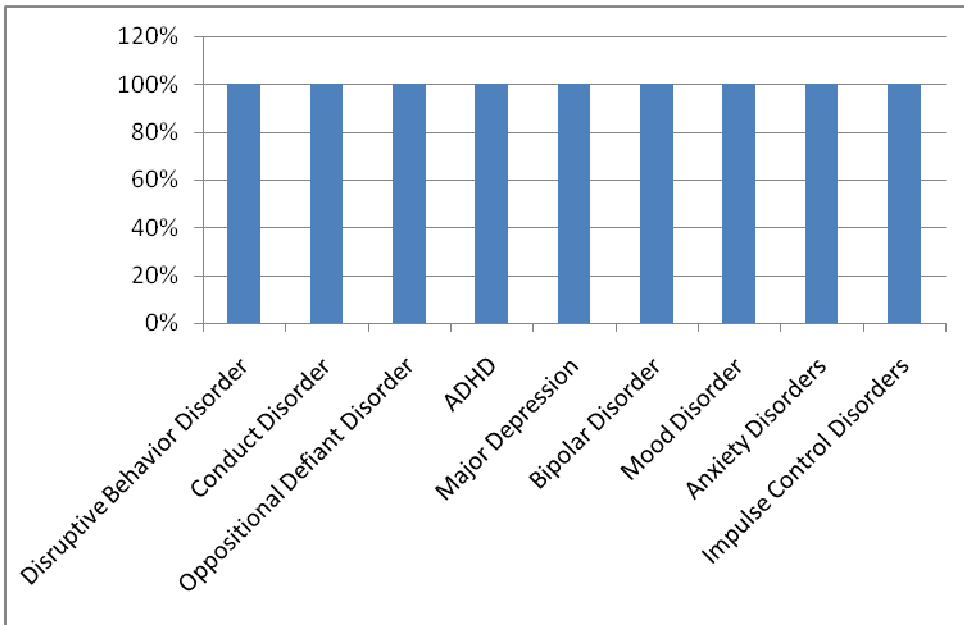
	2007	2008
Males	90%	57%
Females	53%	50%



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.

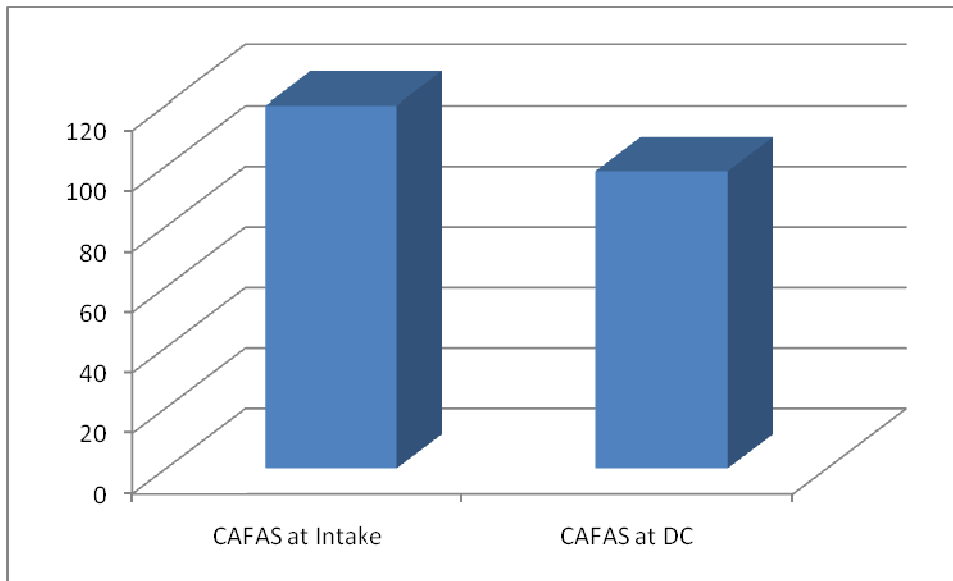
Diagnosis	Success rate
Disruptive Behavior Disorder	100%
Conduct Disorder	100%
Oppositional Defiant Disorder	100%
ADHD	100%
Major Depression	100%
Bipolar Disorder	100%
Mood Disorder	100%
Anxiety Disorders	100%
Impulse Control Disorders	100%



CAFAS

Below is the average CAFAS score at intake, 119.74 with scores ranging from a low of 90 to a high of 150 compared to the discharge score of 98.21.

CAFAS at Intake	CAFAS at DC
119.74	98.21

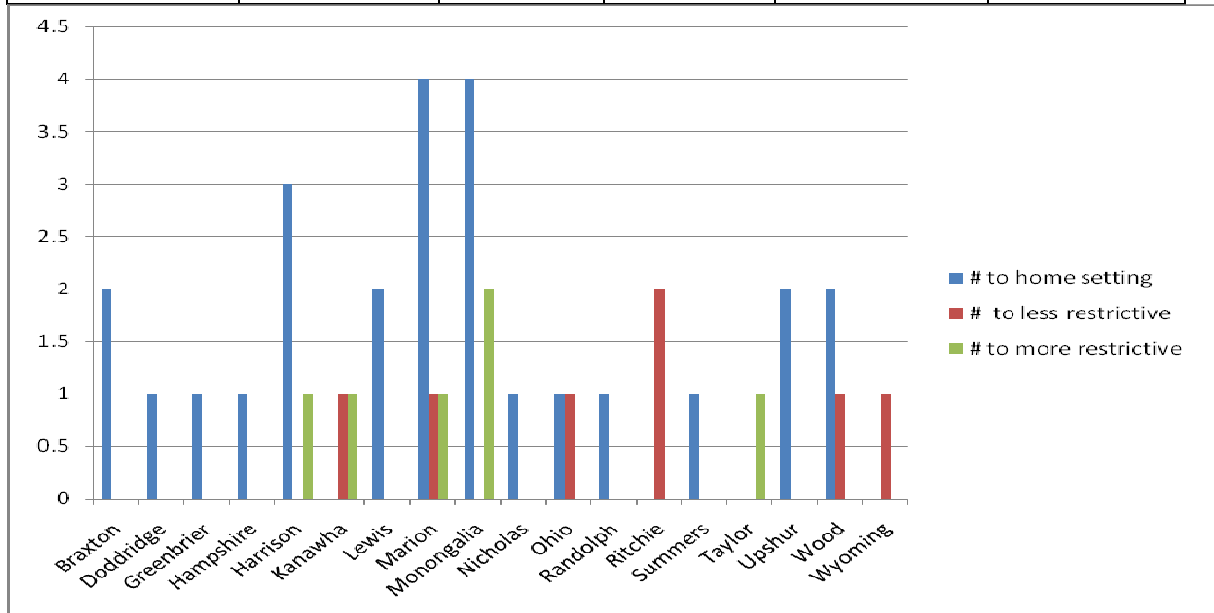


Permanency of Life

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:

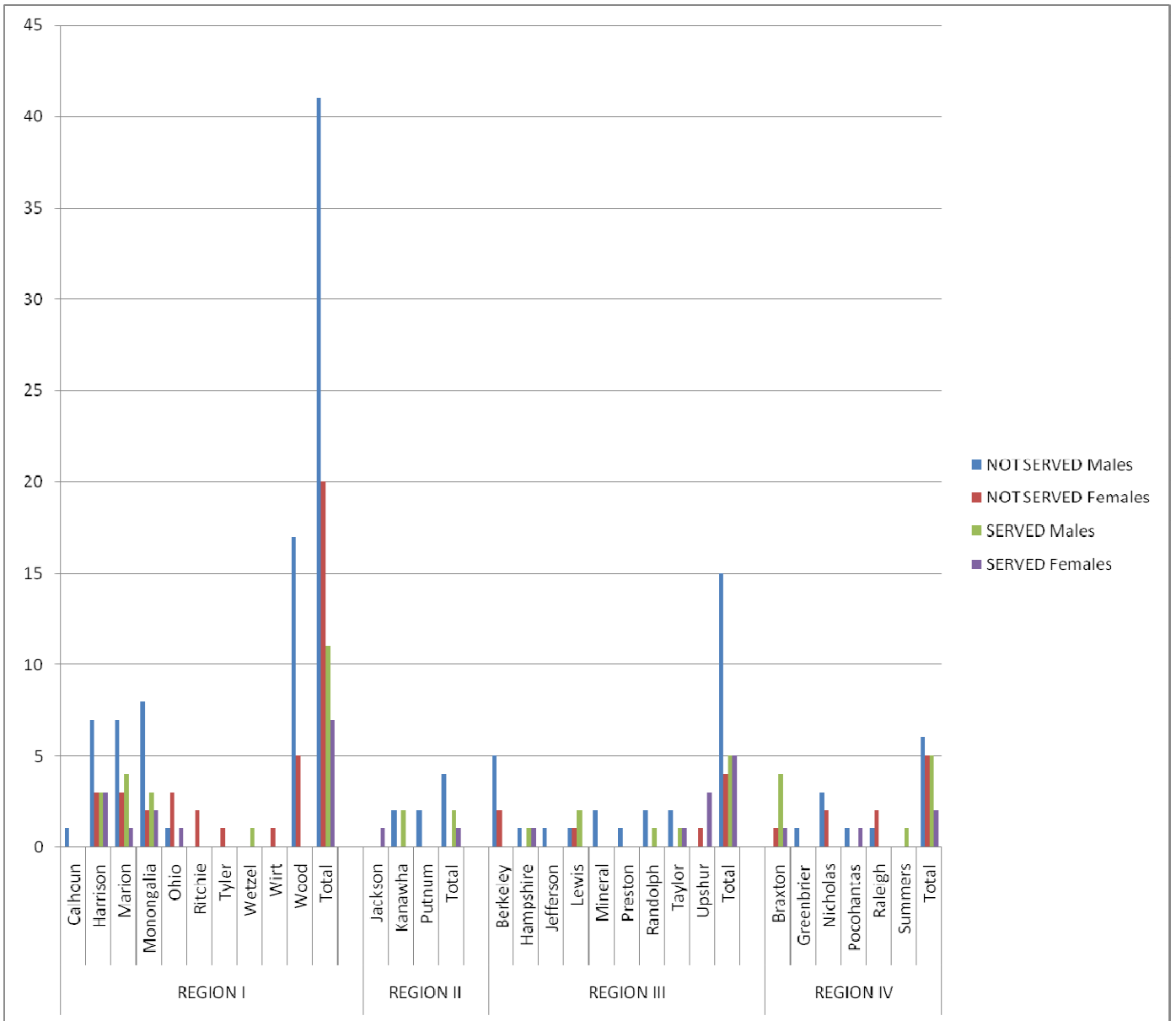
- Of the 39 discharges in 2008, 32 were to a home setting representing a success rate of 82%. Moreover, of the 39 discharges, 39 were planned as represented in the following graphs. Although 6 of the planned discharges were to more restrictive settings, it was found to be in the best interest of the child due to intensified clinically significant symptomology. Therefore, in relation to planned discharges versus unplanned discharges, the Youth Academy represented a 100% success rate.

County	# to home setting	# to less restrictive	# to more restrictive	# planned discharges	# unplanned discharges
Braxton	2			2	
Doddridge	1			1	
Greenbrier	1			1	
Hampshire	1			1	
Harrison	3		1	4	
Kanawha		1	1	2	
Lewis	2			2	
Marion	4	1	1	6	
Monongalia	4		2	6	
Nicholas	1			1	
Ohio	1	1		2	
Randolph	1			1	
Ritchie		2		2	
Summers	1			1	
Taylor			1	1	
Upshur	2			2	
Wood	2	1		3	
Wyoming		1		1	
Totals	26	7	6	39	0



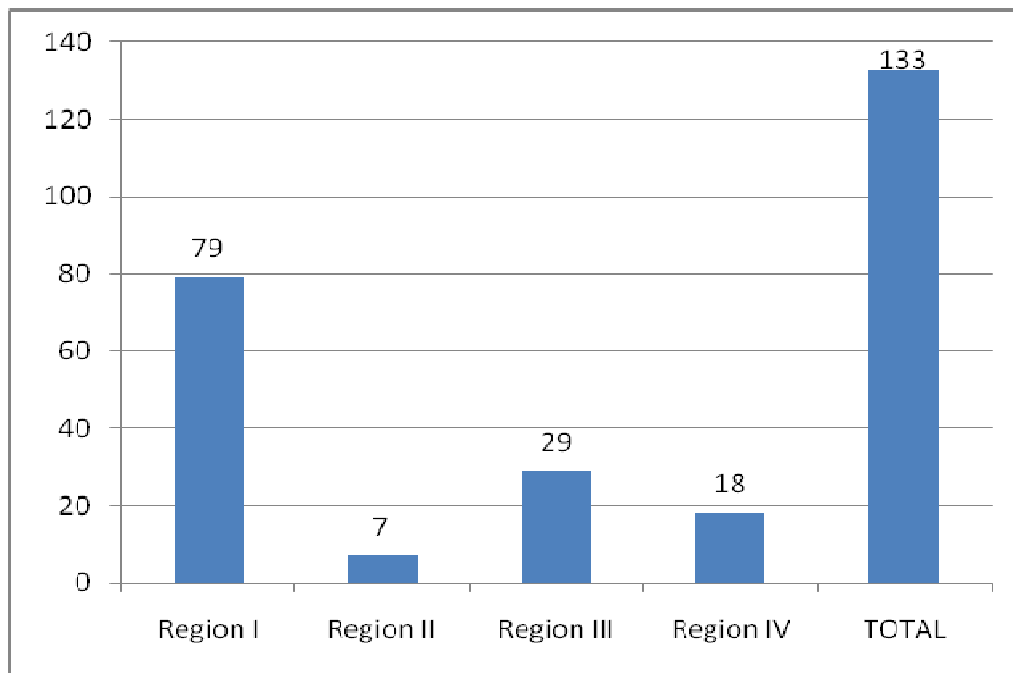
Referrals

Another measure of effectiveness is the level of referrals received. As represented in the below graphs, there were a total of 133 referrals received in 2008 compared to 147 in 2007. Of the 133 referrals received, 59% were from Region I compared to 73% in 2007, 22% from Region III compared to 15% in 2007, 5% from Region II which is the same as 2007, and finally 14% from Region IV as compared to 7% in 2007. Refer to the information within the graph for more detailed information.



Referrals Totals by Region

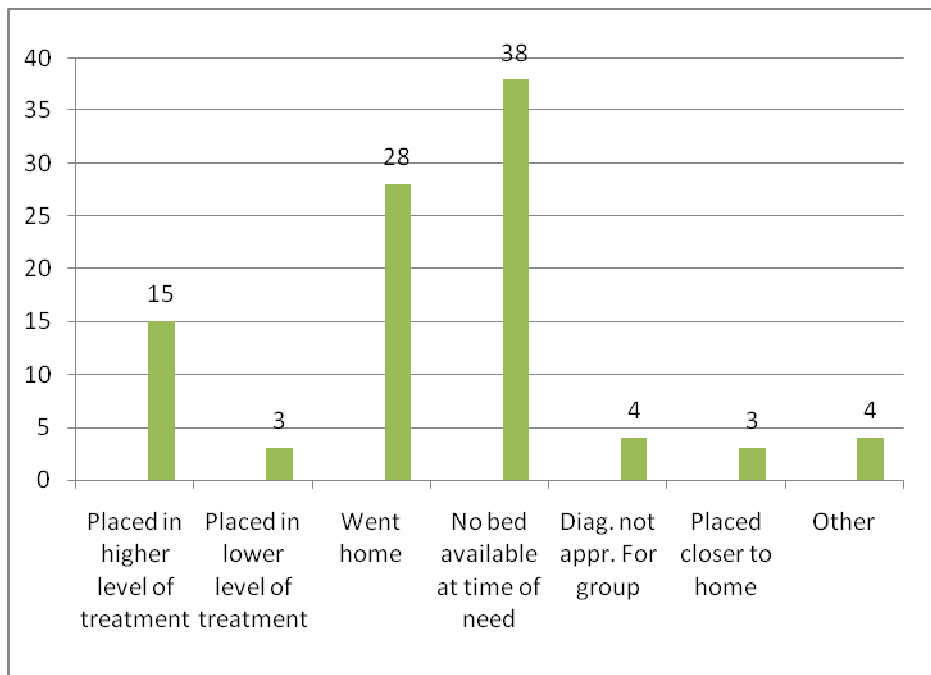
Region I	79
Region II	7
Region III	29
Region IV	18
TOTAL	133



Of the 95 referrals not served, 15 were placed or required a higher level of treatment, 3 were placed in a lower level of treatment, 28 went home and 38 due to no bed available. Four had an inappropriate diagnosis, three placed closer to home and four for various reasons, with the most significant reason being the length of the waiting list.

Referrals Not Served

	Not served
TOTAL	95
Male	66
Female	29
Placed in higher level of treatment	15
Placed in lower level of treatment	3
Went home	28
No bed available at time of need	38
Diag. not appr. For group	4
Placed closer to home	3
Other	4
	95

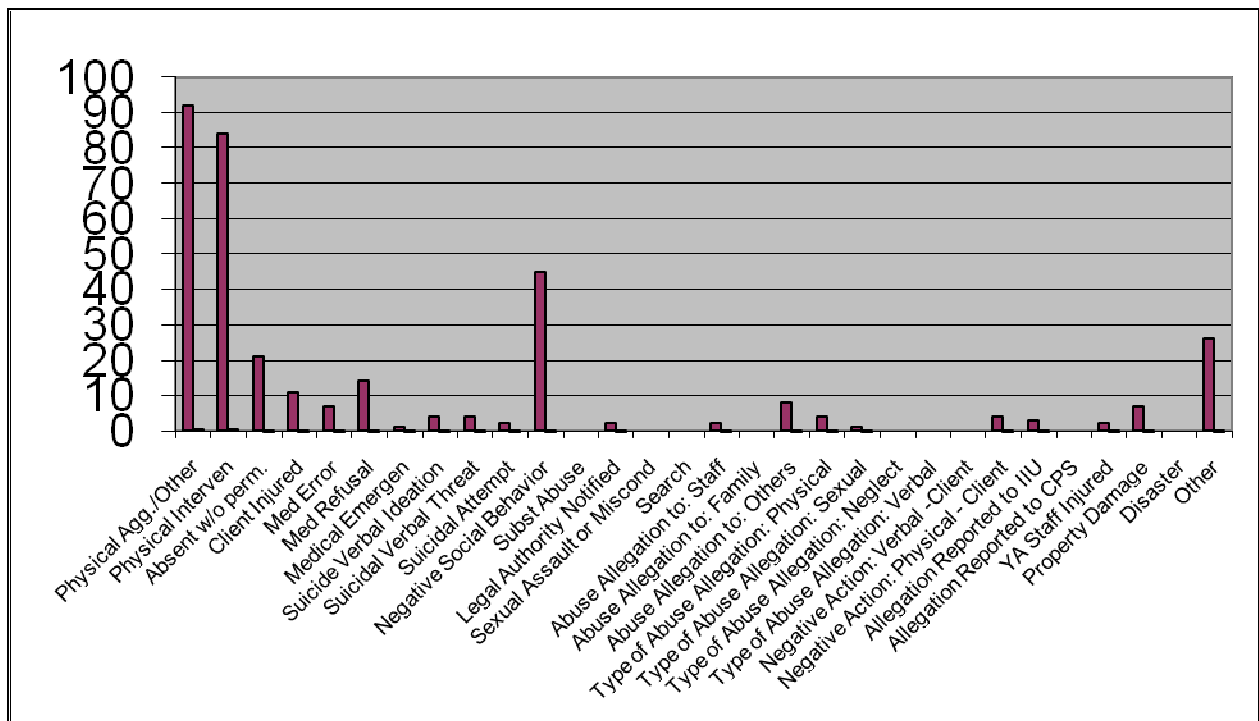


Critical Incidents/Safety Report

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 344 incident reports filed in 2008. 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. Medication errors were the least significant issue with seven errors for the entire year. However, there was a spike in medication refusals, which accounted for 14 incident reports for the year.

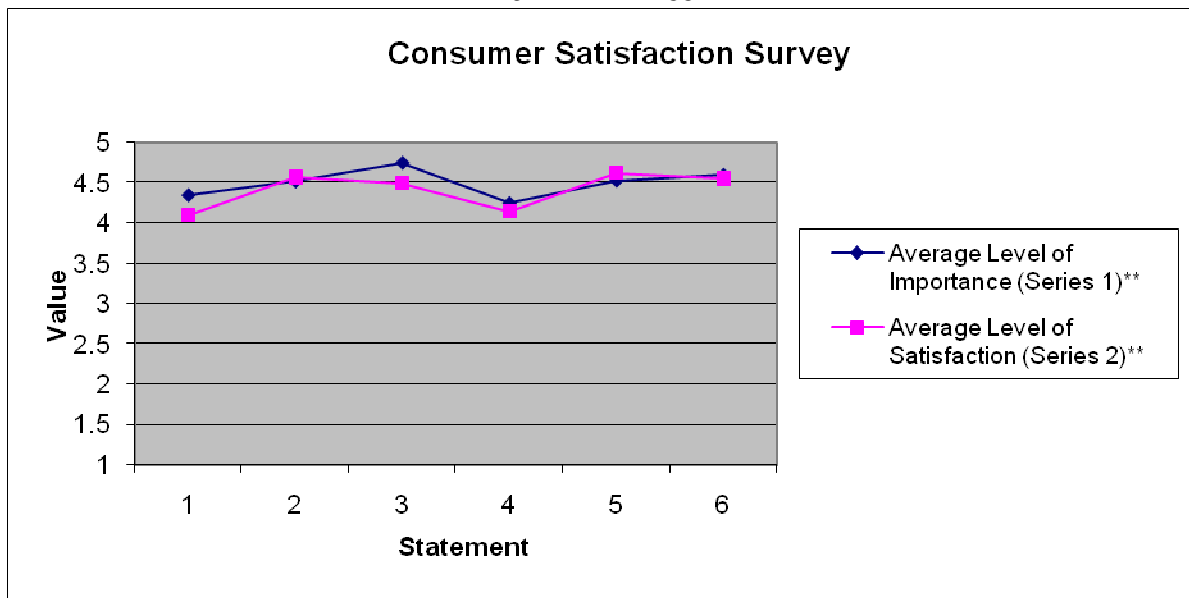
The increase in incidents can be attributed to the increase in more severe needs presented by the children being placed. More than 63% of the children treated during 2008 comprised of conduct disorders, oppositional defiant disorders, and bi-polar disorder.

Satisfaction Surveys

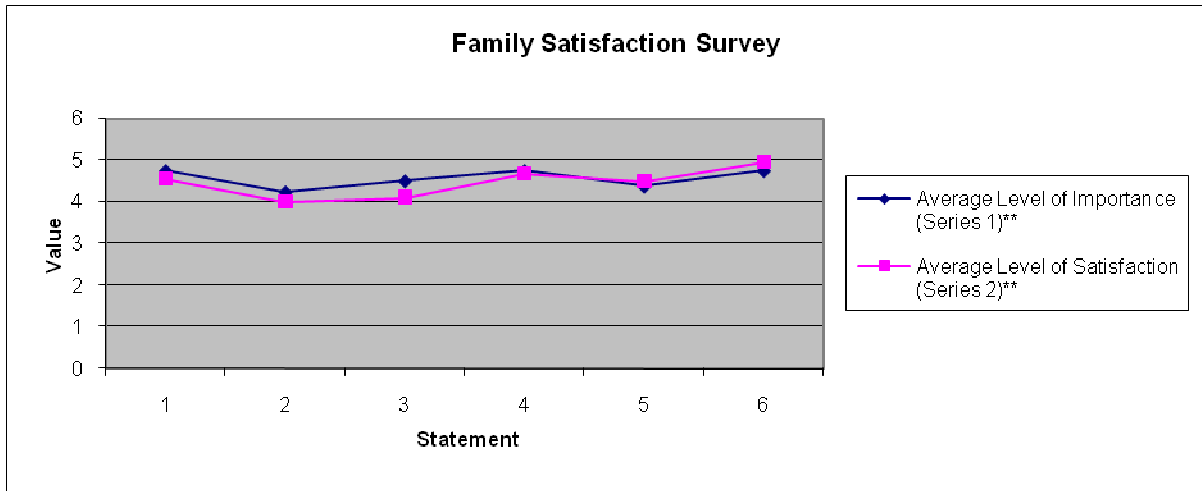
Satisfaction surveys were distributed in 2008. A representation of the results of the satisfaction surveys is provided in below graphs. Conclusively, the Youth Academy is providing services that are felt to be effective by the consumers.

Average of Surveys Sent in 2008

	Statements	Average Level of Importance (Series 1)**	Average Level of Satisfaction (Series 2)**
1	Youth Academy staff conduct themselves in a professional manner	4.35	4.1
2	Youth Academy staff maintain open lines of communication	4.52	4.57
3	Youth Academy is receptive of client's needs	4.75	4.5
4	Services at the Youth Academy has proven to be successful	4.25	4.14
5	Youth Academy staff are receptive of the community needs	4.53	4.62
6	Youth Academy invites participation in the treatment planning process	4.6	4.55



	Statements	Average Level of Importance (Series 1)**	Average Level of Satisfaction (Series 2)**
1	You were adequately informed at intake about the program	4.75	4.55
2	You received adequate communication regarding adverse/critical incidents involving your child during his/her stay?	4.23	4
3	You were adequately notified of all meetings/events related to your child during his/her stay?	4.5	4.1
4	You were well informed of your child's progress while here?	4.75	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?	4.75	4.95

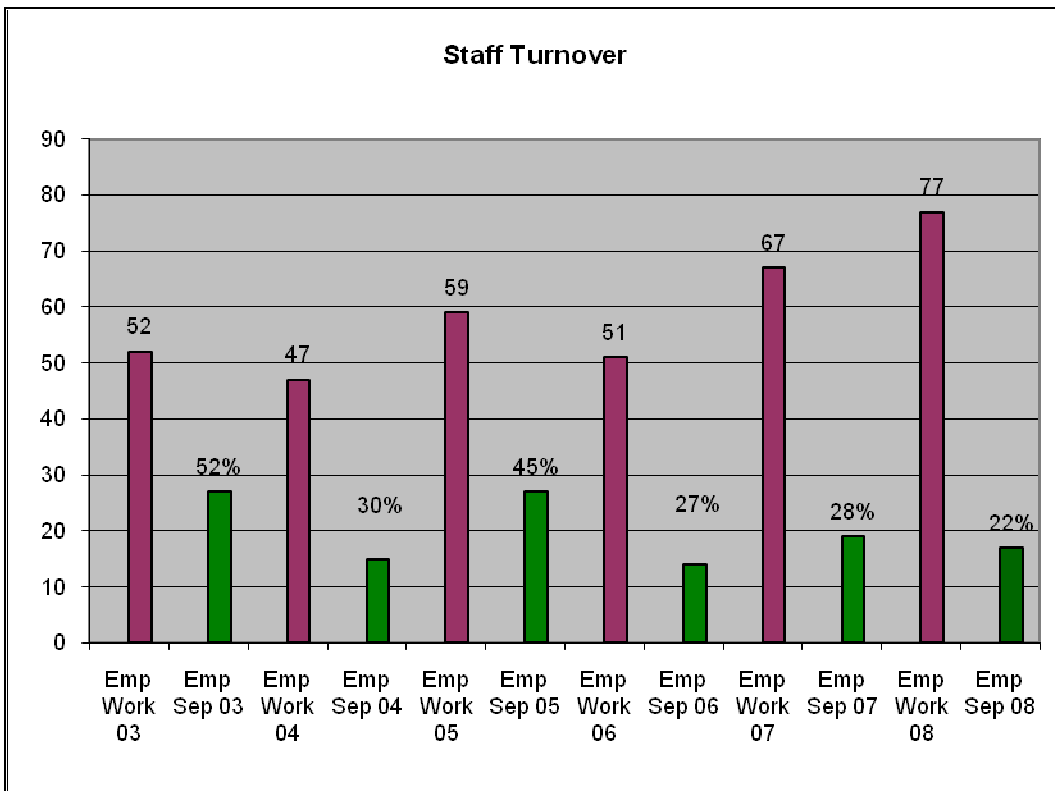


STAFF TURNOVER RATE

During 2008, there were 77 people employed by the Youth Academy. Of the 77 employees, 17 separated employment, which represents a total turnover rate of 22%. This number is lower than the previous year, which was 28%. 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 and 2008 remained the same with 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.

Over the past year, a lot of time and effort has been given to the development of a comprehensive "real-time" evaluation process. This process sets the stage for an evaluation to occur every two weeks during the employee's probationary period and once successfully completed the process transitions to a monthly process. The results of this evaluation are used to develop staff development plans and annual performance evaluations. Additionally, this process will allow a more thorough credentialing process to occur so that there is assurance an employee is capable of what they are credentialed to perform.

Another development over the past year was an adjustment of hourly compensation for the teacher/counselors, teacher/counselor assistants, and night staff. Compensation increases range from 7% to 17% over base wage from a year ago. In turn, this has made the Youth Academy one of the most competitive residential programs in the state of WV.

One thing that definitely appears consistent is that staff turnover, in this field especially, remains consistent industry wide. Positions that will receive additional attention over the next year will be the night staff and counselor assistants. These two positions appear to have the higher levels of staff turnover, primarily due to the issues related to overnight work and lower compensation. 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.

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)

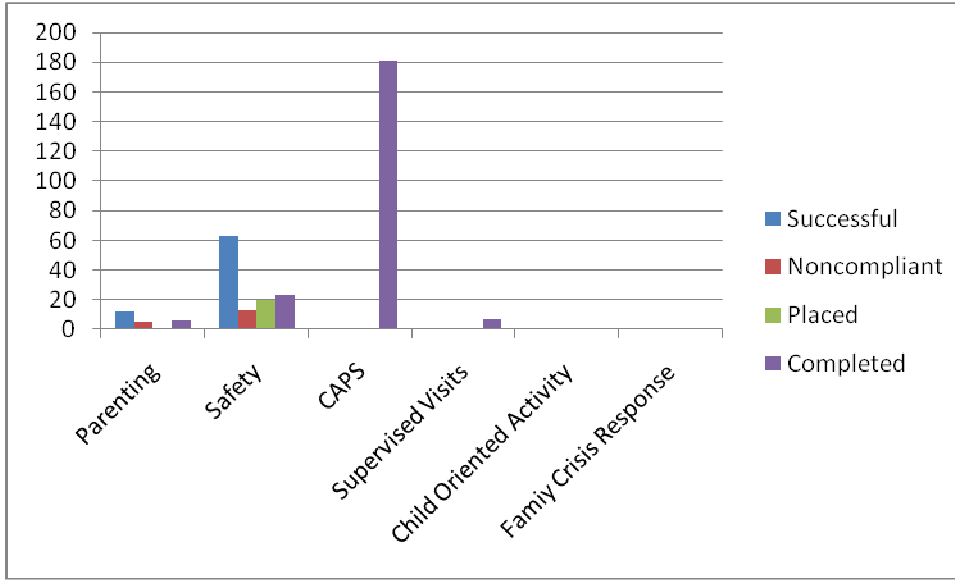
CFIT serves an integral function of the Youth Academy by establishing a mechanism by which services can be provided to the family in concert with services provided to the child. These services begin on the date of admission to the residential program, which involve the family at a more visceral level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

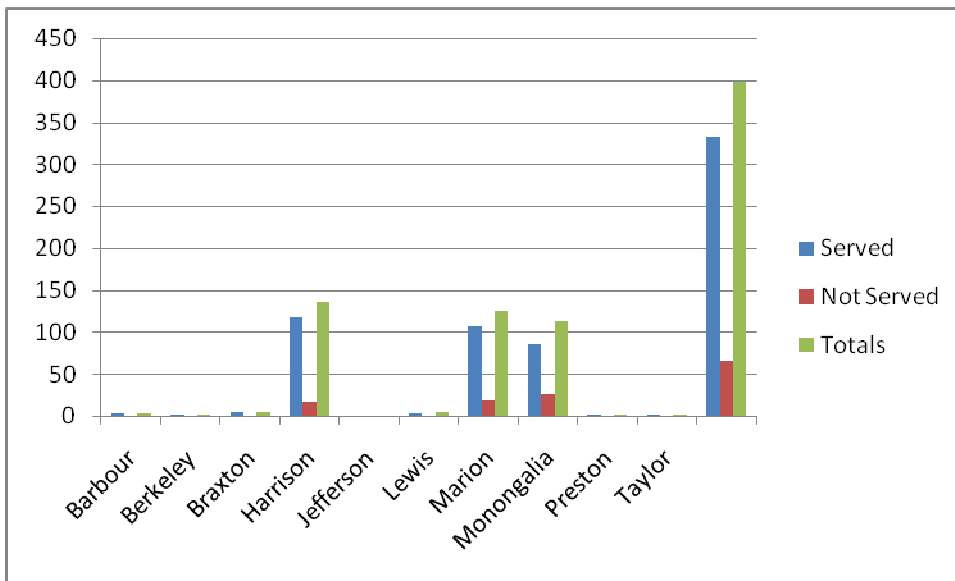
The Youth Academy's CFIT program went through a transformation over the past year to better utilize internal resources and maximize the potential for the program. Outcomes related to the progress of CFIT services is represented in the below chart.

CFIT OUTCOMES

		Parenting	Safety	CAPS	Supervised Visits	Child Oriented Activity
Successful		12	63		1	1
Noncompliant		5	13			
Placed			20			
Completed		6	23	181	7	
Total CFIT Services	333	23	119	181	8	1

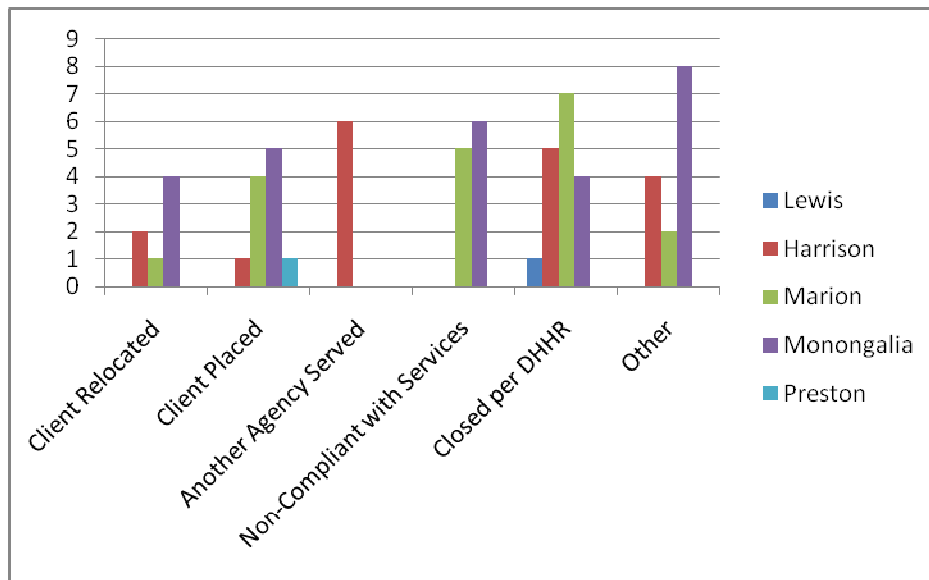


	Served	Not Served	Totals
Barbour	4	0	4
Berkeley	3	0	3
Braxton	6	0	6
Harrison	118	18	136
Jefferson	1	0	1
Lewis	4	1	5
Marion	107	19	126
Monongalia	86	27	113
Preston	2	1	3
Taylor	2	0	2
	333	66	399



CFIT Reasons Not Served by County

	Lewis	Harrison	Marion	Monongalia	Preston	Totals
Client Relocated		2	1	4		7
Client Placed		1	4	5	1	11
Another Agency Served		6				6
Non-Compliant with Services			5	6		11
Closed per DHHR	1	5	7	4		17
Other (includes child 18 y.o., lack of staff, runaway, safety issues, working with family under different service, etc.)		4	2	8		14
Totals	1	18	19	27	1	66

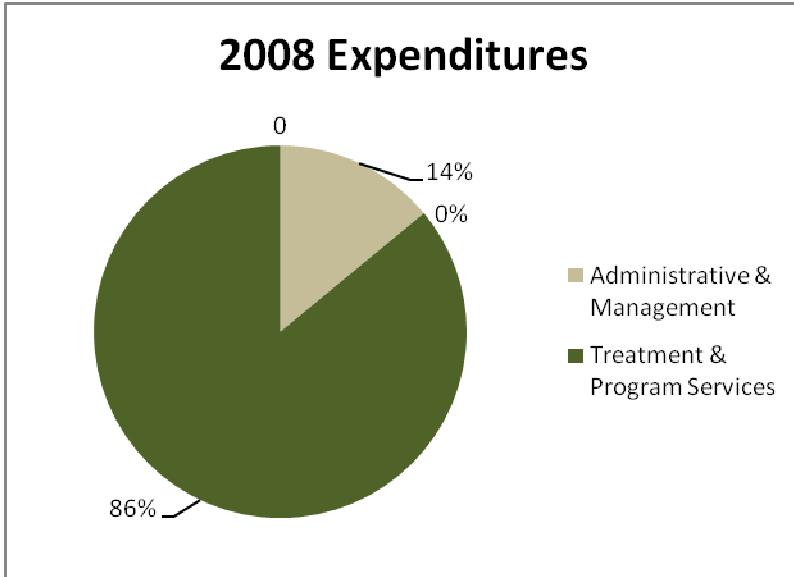


REVENUE & EXPENDITURES

2008 Expenditures % of Expense

Administrative & Management 14%

Treatment & Program Services 86%



Sources of Revenue % of Revenue Dollar Amount

WVDHHR	49%	\$920,810.73
WV Medicaid	37%	\$706,455.82
Interest Income	<1%	\$3,412.10
CFIT Soc Nec	13%	\$282,036.64
CFIT Med	0%	\$0.00

\$1,912,715.29

