

EXECUTIVE DIRECTOR'S ANNUAL MESSAGE



The demand for mental health services in our three county service area continues to grow and we continue to deliver on our mission to *promote healthy communities*. Our primary area for growth has been in children and youth services. Over the past few years we have seen significant expansion of therapy and psychosocial programming for preschoolers, school aged children, adolescents, and young people transitioning to adulthood. Medicaid, Medicaid Waivers, and the SCHIP program have provided insurance coverage to pay the costs for these increased services to children.

In contrast, as our nation's politicians work to develop a healthcare reform plan we are seeing an increase in the number of adult clients who have no insurance to pay for their care. Shrinking grant funding from the State combined with static growth in other subsidies makes it ever more difficult to meet the demands for services that our uninsured adult population brings. Thirty-two percent (32%) of our adult clients have no insurance, an increase of 267 more people than in 2008.

The State's reduction of mental health reform funding has been dramatic over the past four years. In 2007, the State allocated \$30 million dollars for community based services to prevent out of community placement for clients with Serious and Persistent Mental Illness. That grant revenue has shrunk to \$10 million dollars for fiscal year 2010. The Guidance Center has seen a 28.9% reduction in grant funding since 2007 making it ever more difficult to assist our most vulnerable adult clients who need services.

The Guidance Center Board and staff set a course for 2009 to grow services and cover our costs. We did exactly that. Regardless of our grant losses we tightened our belts further and finished the year with a positive bottom line, thus ensuring that we start 2010 from a strong position.

More challenges loom as we look to 2010. As State revenues continue their record decline, threats of further cuts to funding appear sure. All Medicaid providers in Kansas have begun the year with a 10% reduction in their rates of reimbursement. This reduction, if it lasts throughout 2010, will result in further losses of over \$600,000 in local revenues. This reduction threatens the stability of our community and the ability of TGC to see all clients needing services. There comes a time when reducing budgets for essential mental health services creates higher costs in other mandatory community services like law enforcement, court services, child protection, and juvenile justice. Your local community mental health center is a great value given the volume of service delivered, outcomes achieved, and costs avoided.

The Guidance Center will continue to focus on our strengths and will do everything possible to be here for our clients when they need us in 2010.

Respectfully Submitted,

Keith Rickard, MS, LCP, MBA

TGC EXECUTIVE STAFF

Executive Director -
Keith Rickard, MS.LCP, MBA

Operations Director -
Kate Werring, LCSW, ACSW

Clinical Director -
David Barnum, Ph.D.

Community Based Services Director
David Barnum, Ph.D.

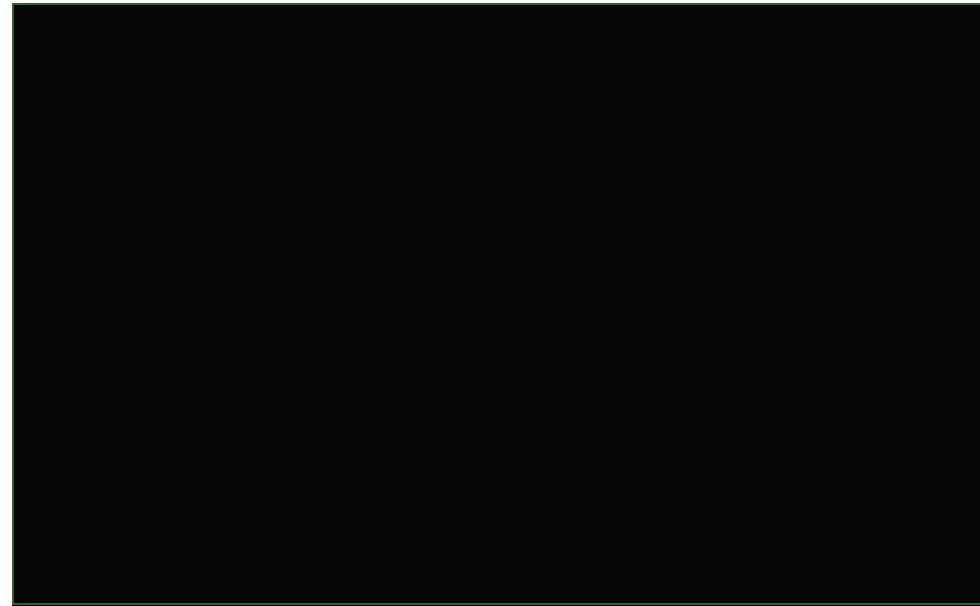
Medical Director -
Stan Golon, M.D.

Finance Director -
Jerry McDonald, MA

Information Systems Director -
Erik Nyberg, MHSA

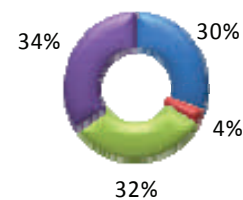
Human Resource Director -
Kristin Estes, BA, PHR

Due to insurance and financial restraints for two months, Kathy was unable to purchase the medication she used to help her keep from engaging in self-harm. One month ago her insurance again began to pay for the medication; however, Kathy had not engaged in self-harm for four months and therefore, decided that she would continue to trust herself and her ability to maintain her abstinence from this harmful behavior. Kathy stated, "I could not have done all this without the people at The Guidance Center."

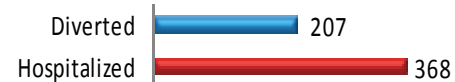


Clients by Payer Source

■ Medicaid ■ Medicare B ■ Uninsured ■ Other Third Party



Emergency Services 575 Hospital Screenings



The average cost for hospitalization at Rainbow Mental Health Facility (the state inpatient facility closest to TGC) is \$508.00 per day. The average length of stay is 12 days. By diverting 207 individuals from hospitalization, TGC saved the State of Kansas **\$1,261,872**.

Maintaining Our Focus

Our Mission

The Guidance Center promotes healthy communities by delivering comprehensive behavioral health services to individual, families and communities of Atchison, Jefferson and Leavenworth Counties



2009 Annual Report to Our Communities



THE
GUIDANCE
CENTER

Promoting healthy communities.

Our Vision

We envision healthy, safe communities where individual differences are valued, human dignity is preserved, and personal strengths are enhanced.

500 Limit St., Leavenworth, KS 66048
913-682-5118

Maintaining Our Focus...

...on FISCAL RESPONSIBILITY

Summary of Operating Expenses and Revenue

| Revenue | 2008 | 2009 |
|--|------------------|------------------|
| For services provided, TGC billed clients: | 7,301,297 | 8,939,527 |
| But because of required contractual and other allowances, and the inability of patients to pay in full, TGC wrote off: | (1,591,200) | (1,858,692) |
| Therefore net from patient services were: | 5,710,097 | 7,080,835 |
| In addition TGC received: | | |
| State Aid | 323,826 | 323,826 |
| County Taxes | 198,493 | 195,550 |
| Grants & Other | 1,352,488 | 1,057,497 |
| Total Operating Revenue | 7,584,904 | 8,657,708 |
| Operating Expenses | | |
| TGC Paid: | | |
| For Salaries, Wages, and Employee Benefits | 5,481,290 | 6,058,436 |
| Supply and ancillary services and depreciation | 1,710,166 | 2,191,131 |
| Total Operating Expenses: | 7,191,456 | 8,249,567 |
| Excess of Revenue Over Expenses | 393,448 | 408,141 |

LOCAL PHILANTHROPISTS DONATED \$40,249 TO TGC IN 2009.

FOUNDATIONS & GRANTS

Adair Foundation
 Geiger Family Donor Advised Fund
 Kaaz-Lexeco Donor Advised Fund
 Sunflower Foundation

BUSINESS & CORPORATE

Advantage Printing
 Command Print
 Commerce Bank
 Citizens Savings
 DeMaranville & Associates
 Exchange National Bank
 First National Bank
 First State Bank
 Geiger Ready-Mix
 Great Western Manufacturing
 Greenamyre Rentals
 Lansing Correctional Facility
 Leavenworth County Young Professionals
 Leavenworth Rotary Club
 Mid American Bank
 Midwest Trucking & Materials
 Mutual Savings
 Reilly & Sons
 Unit Rail Anchor

INDIVIDUAL DONORS

Marjorie and John Bishop
 Jay & Peggy Byrne

Johnette Clark
 Tom and Jackie Douthitt
 Kristin Estes
 Bill & Cindy Geiger
 Stanley Golon
 Jerry & Jane Gies
 Frank & Anne Glover
 Pat Happer
 Patty Hundley
 JoEtta Kaaz
 Steve & Vicky Kaaz
 Jim & Sharon Krone
 Rae & Karen Laflin
 Julie Lowe
 Loren & Vera Lutes
 Tim Marshall
 Margaret Mize
 Jerry & Cindy McDonald
 Paul & Laura Moccia
 Steve & Kathy Myer
 Erik & Amy Nyberg
 The Pattee Family
 Keith & Janet Rickard
 Lee Ann Schoeneck
 Kenny & Jeanette Stiles
 Joe & Jill Thorne
 Chuck VanPetten
 Kate Werring

...on ACCOUNTABILITY

| Clients Served By Location (some clients served at multiple sites) | 2008 | 2009 | % Change |
|---|--------------|--------------|----------------|
| Atchison County | 966 | 1,030 | +6.7% |
| Jefferson County | 475 | 512 | + 7.8% |
| Leavenworth County | 2,087 | 2,398 | + 14.9% |
| Other | 240 | 325 | + 7.1% |
| Total | 3,768 | 4,265 | + 11.4% |

2009 GOVERNING BOARD

| Atchison County | Jefferson County | Leavenworth County |
|-----------------|------------------|--------------------|
| Jim Krone | Pat Happer | Jay Byrne |
| Rea Laflin | Loren Lutes | Jerry Gies |
| Don Coffey | Tim Marshall | Kathryn Myer |
| Paul Moccia | Jeanette Stiles | Sally Pattee |

MESSAGE FROM THE BOARD PRESIDENT

I want to express my appreciation to members of the Board, administration and staff of the Guidance Center for perhaps the most successful year in our history. We were able to offer outstanding service to a growing client base and were successful financially.

As you read through this report you will notice a growing numbers of clients in several areas. The ratings of the quality of our services continue to improve. Our professional, caring staff is to be recognized for these improvements. A special thanks to Erik Nyberg for helping everyone do a better job by keeping the technology of the Center up to date and running.

Jerry and Keith are to be commended for managing our finances so that we had a net operating surplus for the year which enabled us to pay down some debt, purchase a tract of land in Atchison, and add to our cash reserves. This was accomplished during a nationwide fiscal crisis and with the loss of thousands of dollars in state funds. The salaries of our staff were increased to become more competitive. Our thanks to Keith, Jerry, and Kristin Estes for these salary recommendations and to the Board for supporting them.

My personal thanks to members of the Board for supporting me as president, and for being willing to serve above and beyond during this trying year. Finally to the Board, administration, and staff thanks for your dedication to The Guidance Center and for your financial support.

Dr. Loren Lutes
 President, Board of Directors of The Guidance Center

"There is simply no way to explain all the different moments, times or places where receiving services has affected my family's life. I can say without a doubt, that there is no way that I could ever repay the caring efforts of the people that not only supported my family, but are part of my family in ways that are simply too hard to explain to others that do not experience mental illness in their lives."

- From a TGC Parent

...on Individuals & FAMILIES

Direct Service Hours

| | 2008 | 2009 | % Change |
|-----------------------------|----------------|----------------|--------------|
| Outpatient Services | 21,138 | 24,765 | + 17.2% |
| Federal Probation | 1,880 | 1,804 | - 4% |
| Youth Case Management | 15,317 | 20,836 | + 38.1% |
| Youth & Summer Psychosocial | 40,222 | 45,727 | + 13.7% |
| Parent Support | 882 | 1,817 | + 106% |
| Peer Support | 417 | 524 | + 25.7% |
| Attendant Care | 918 | 4,587 | + 399.7% |
| Respite | 4,166 | 4,335 | + 4.1% |
| Atchison Academy | 4,852 | 4,300 | - 11.4% |
| Adult Psychosocial | 25,166 | 25,776 | + 2.4% |
| Adult Case Management | 8,375 | 9,089 | + 9.7% |
| Emergency Services | 1,532 | 1,448 | - 5.5% |
| TOTAL | 124,546 | 145,008 | 16.4% |

Clients By Diagnosis

| | |
|-------------------------------|------|
| Affective Disorders..... | 1319 |
| ADHD/Disruptive Behavior.... | 501 |
| Substance Abuse Related... | 518 |
| Schizophrenia..... | 246 |
| Anxiety Disorder..... | 328 |
| Adjustment Disorder..... | 446 |
| Eating Disorder..... | 1 |
| Impulse Control Disorder..... | 52 |
| V-Codes..... | 55 |
| Personality Disorders..... | 21 |
| Other Diagnosis..... | 710 |

Clients By Age

| | | | |
|-------------|-----|-------------|-----|
| 0 - 5..... | 102 | 31 - 40.... | 755 |
| 6 - 11.... | 456 | 41 - 50.... | 634 |
| 12 - 18.... | 795 | 51 - 64.... | 436 |
| 19 - 30... | 973 | Over 65 | 98 |
| | | Unknown | 16 |

Clients By Race

| | |
|------------------------|-------|
| Native American | 1% |
| Asian | .5% |
| Black/African American | 11.4% |
| Hispanic | .1% |
| Native/Hawaiian | 1.5% |
| White | 75.5% |
| No Race Reported | 4% |
| Other/Unknown | 6% |

Transportation Services

In 2009, The Guidance Center's Transportation Service provided 34,383 client trips and traveled 186,000 miles.