



NORTHWOOD
CHILDREN'S SERVICES

ANNUAL REPORT

2014



BUILDING

Brighter

FUTURES

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A tall, vertical wooden climbing tower made of weathered planks. The tower is covered in numerous climbing holds of various shapes and sizes. A person wearing a white shirt, blue pants, and a white cap is climbing the tower. The tower has several wooden platforms or ledges at different heights. The background is a clear blue sky. The text is overlaid on the right side of the image.

Mission Statement

Northwood Children's Services mission is to build brighter futures for the children and families we serve.

We operate a full continuum of quality mental health treatment programs delivered by passionate, professional and highly trained staff.

President & CEO Report

Richard Wolleat



Our mission at Northwood Children's Services is to build brighter futures for the children and families we serve. Looking back, a great deal was accomplished in 2014 in pursuit of that goal.

All of our programs were fully utilized throughout the year. We started construction on a new building to house the Diagnostic and Assessment Center and a new, intensive residential treatment unit, which will be opening soon. We opened up a new school-based day treatment program (our fourth) at Laura MacArthur Elementary School. We continue to expand our service offerings so as to become the complete children and family service program we have envisioned ourselves to be.

We garnered positive media coverage for a number of our special events, including the Art Sled Rally, a performance on campus by the French-Canadian group Cirque Du Soleil, and a fund raiser that was held in conjunction with the opening of a new restaurant, the Tavern on the Hill. We finalized a complete refreshment of the Northwood brand, including a new logo, brochure, program descriptions, and the development of related business items.

We strengthened our partnerships with important stakeholders on a local, statewide and national level, including the development of a formal aftercare arrangement with Fraser Community Services in the Twin Cities; inclusion on the Building Bridges Initiatives Task Force on Outcomes, a project sponsored by the Federal Social Service administration; board membership in the National Association of Children's Behavioral Health; and we played a key role in revising the statewide outcomes data collection system to be inclusive of all mental health services offered by member agencies. Minnesota was a pioneer in collecting outcome data - the system was

launched almost thirty years ago - and these changes will allow us the ability to demonstrate the critical role our services play in the children's mental health services delivery system.

We were busy, as always, enhancing our ability to work with our students. Our staff received over 9,000 hours of training. We developed a very sophisticated hiring protocol with the assistance of Dr. Mick Sheppeck from the University of St. Thomas. Our system for responding to high risk behaviors was revamped, and we continued further down the pathway of becoming a trauma informed agency by implementing a number of training initiatives designed to help our staff understand the profound impact of childhood trauma on the lives of our students.

This day and age requires organizations to keep current with technological advancements and we have sure been busy trying to keep up! 2014 saw the introduction of a new electronic patient record, a mandate of the Affordable Care Act, which has been a massive project. When complete, the new system will create a seamlessly integrated clinical documentation and billing system. Implementation took place in phases, and is about 75% complete. We have also upgraded other systems including the introduction of electronic timecards and state-of-the art wireless systems at both campuses.

I genuinely appreciate the opportunity I have to continue to serve in the capacity I do - helping to guide an organization that plays such a vital role in shaping the lives of so many. We do it with your support and with a cadre of dedicated, professional and passionate staff members. I thank them for their efforts, which have a profound impact on human lives every day of the year and I thank you for your support!

A handwritten signature in black ink, appearing to read 'Richard Wolleat', written in a cursive style.

Richard Wolleat
President & CEO



Board Chairperson Report

Kenneth Johnson



Northwood Children's Services crossed yet another threshold in 2014 by serving 721 children and youth, the most in our history! Approximately the same number of youth were served in the residential treatment and day treatment

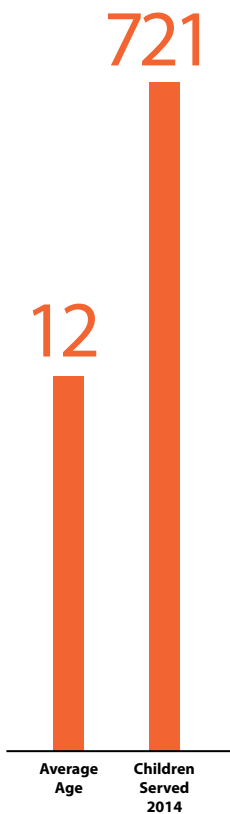
A key to our success has been a continuous focus on organizational development efforts. In 2014, our staff completed 9,000 hours of training in 290 separate workshops. In addition, to enhance our profile in the community as experts in the care and treatment of children, we hosted several workshops featuring nationally known speakers and invited mental health professionals from the region to join us. All three were a huge success and received very positive feedback from workshop attendees.

programs, and we continue to be a primary mental health treatment resource for children from Northeastern Minnesota needing care - 75% of our students lived in St. Louis, Carlton and Itasca Counties. Drawing the circle even tighter, 63% of children served in 2014 lived in St. Louis County. We are proud to be able to provide vital, quality mental health services to our region's families. Northwood represents an absolutely critical component of the area's mental health treatment delivery system.

We extended our reach further into the community and opened our fourth school-based intensive day treatment program at Laura MacArthur Elementary School. The school-based programs have been incredibly successful and are valued tremendously by teaching staff, administrators and the senior leadership of the district.

Key stakeholders - parents and referring workers reported a high level of satisfaction (5.1 on a 6 point scale) for the services provided to their child. The highest scores were in the areas of daily care and support, recreational opportunities, knowledge and skill of our staff, recognizing the student's individual needs, focusing on children's strengths, providing a high quality educational experience and successfully addressing each student's mental health needs. It is affirming to know that we are held in high esteem by those who know us the best.

These programs are a great example of the manifestation of Northwood's vision - to offer a complete continuum of quality mental health treatment programs with a focus on integrated and continuous care. Construction began on a new building at the West campus, which will house the Diagnostic and Assessment Center and a new program that will provide a secure, intensive residential treatment experience for up to eight children and youth with very severe adjustment and behavioral problems.





Staff and students had a lot of fun, as well! They had a great time at camp in August, had a float in the Christmas City of the North Parade, and had good participation from the community at our annual Art Sled Rally, a creative and crazy experience enjoyed by our students and community groups alike! Of course, the Student Awards Banquet in May was a highlight, with individuals and teams recognized for special achievements and contributions.

Northwood had success in achieving our aim of being the provider of choice in all of the programs we choose to operate. Occupancy in all programs was maintained at high levels, resulting in excellent financial performance. A host of capital improvement projects kept all of our facilities functional and attractive. We strongly believe that beauty is a silent teacher and we receive a lot of positive feedback from parents, workers and students about the quality and maintenance of our program facilities.

To grow as we have to meet the needs of our regions youth takes a passionate and committed effort from a lot of people. I would like to take this opportunity to recognize, with sincere gratitude, the efforts of the board of directors and the hard work and dedication of all of the staff.

Northwood has a long and rich tradition in this community and we are committed to enriching our legacy of professionalism. We will do our best to continue to be seen as an organization with integrity and credibility, with an unending focus on quality care and treatment.

Kenneth Johnson, Chairperson

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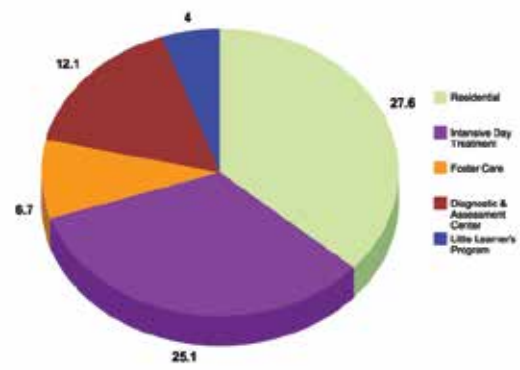


Financial Statement & Student's Served

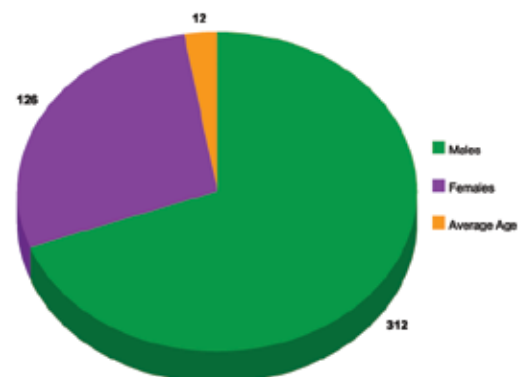
Statement of Financial Position

	2013	2014
ASSETS		
Current	\$8,463,838	\$9,356,094
Property & Equipment—net	\$8,885,778	\$10,529,781
Other Assets	\$12,190,182	\$12,879,624
TOTAL	\$29,539,798	\$32,765,499
LIABILITIES AND NET ASSETS		
Current Liabilities	\$ 961,369	\$1,504,164
Long Term Liabilities	-0-	-0-
Net Assets	\$28,572,390	\$31,261,335
TOTAL	\$29,533,759	\$32,765,499
REVENUES AND OTHER SUPPORT		
Fees for Services	\$13,872,890	\$15,238,493
Contributions and Grants	\$72,103	\$72,341
Rental Income	\$161,980	\$161,980
Miscellaneous Income	\$28,281	\$22,837
Child Nutrition Revenue	\$208,867	\$227,986
Investment Income	\$212,209	\$222,002
TOTAL	\$14,556,330	\$15,945,639
EXPENSES		
Program Services	\$10,535,520	\$11,551,034
Supporting Services	\$1,985,080	\$2,181,029
TOTAL EXPENSES	\$12,520,600	\$13,732,063
Other Non-operating Activities	\$1,021,953	\$475,369
CHANGE IN NET ASSETS	\$3,057,683	\$2,688,945

Program Admissions By Percentage



Admissions By Gender and Average Age





Programs & Services

Residential Treatment: Northwood offers 24-hour residential treatment at our Main and West Campuses. Within an assigned team of 10-12 students grouped according to treatment needs, diagnosis, and age, residential treatment enables youth to build positive relationships with caring staff who are committed to their personal growth and success.

Diagnostic & Assessment Center: The Northwood Diagnostic and Assessment Center provides comprehensive evaluations, diagnoses, and family assessments for children referred to the program. A comprehensive evaluation of the youth is completed in 35 days or less. A short-term residential program, using a solution-focused therapy model is available for children and youth who require more intensive therapy. This brief therapy program focuses on goals that are accomplished within a three to six month time frame.

Intensive Day Treatment Program: Merritt Creek and Chester Creek Intensive Day Treatment serves children with behavioral, emotional, or learning problems. Day treatment addresses the needs of boys and girls who need more intense services than public schools provide, yet do not need out-of-home, 24-hour care. Day treatment provides intensive mental health and special education programs, while sustaining the students in their homes in the community.

School Based Intensive Day Treatment Program: The school based intensive day treatment program addresses the needs of boys and girls who can stay in their public school. Currently, programs exist at Piedmont Elementary School, Lincoln Park Middle School, Myers-Wilkins Elementary School, and Laura MacArthur Elementary School.

Children and Family Center/Outpatient Psychotherapy: This service provides mental health assessments; individual therapy; group therapy; and family therapy services. Our staff of professional specializes in children and family mental health issues.

PRIDE/Community-based Mental Health Services: PRIDE stands for Personal Responsibility in Developing Excellence and is a community based mental health program that provides flexible mental health services for people ages 0-21.

Corporate Foster Care: Northwood operates six group homes in Duluth. These programs were established under the provisions of the Community Alternatives for Disabled Individuals legislation. Each home has a live-in staff and two counselors. Education is provided at one of our two campus schools or at a local Duluth Public schools, or colleges.

Therapeutic Foster Care: This is a unique, caring, and individualized program for young people whose special needs cannot be met by their own families. Foster parents are professionally trained and have experience working with special needs children.

Little Learners Enrichment Center: This is an early intervention program for toddlers and preschoolers. The program follows an early childhood education model that emphasizes the acquisition of social, physical, and academic skills. The goal of the program is to teach skills to enable them to mainstream into regular education.

Charitable support is a key factor in Northwood's ability to further its mission of building brighter futures for the children and families we serve. We extend our heartfelt thanks to the following foundations, businesses and individuals for your generous support. If we have omitted your name, we apologize and ask that you let us know.

Arsher Charitable Trust
 Duluth Superior Area
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 Lloyd K. Johnson Foundation
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