Revenues for the fiscal year ending June 30, 2010 increased by $3.8 million, generating a $1.1 million surplus from operations before non-operating gains. While income from government contracts rose substantially, there was an even greater increase in client and third party income. This was due, in large measure, to the expansion of service to insured and self-paying clients and a higher foster care reimbursement rate for adolescents in California.

Despite increasing by more than $1.2 million, government contract revenue dropped from 53% of revenue to 52%, while client and third party revenue rose from 39% to 41% and grants, contributions and donations slipped from 7% to 6% of total revenues.

Indirect administrative costs amounted to 18% of total costs, and fundraising 2% of the total. Program services rose to 80% of total costs from 79% in the prior year.

The total net assets, including non-operating gains and restricted funds, increased by $3.6 million for the year. Increases in “temporarily restricted net assets” reflect primarily capital grants received that have not yet been expended.

Substantially strengthening our financial position in the past fiscal year was a $5.5 million reduction in bank debt from the surpluses generated and reduction of receivables.

These statements are summarized from our audited financial statements, a copy of which is available upon request.