Healthy youth. Healthy families. Healthy communities.
Dear Friends,

On behalf of the Board of Directors of Therapeutic Health Services, we are pleased to present our Annual Report for 2010. Thank you to the officers and members of our Board of Directors, as well as to our hard-working employees who make THS a strong, successful organization committed to its mission to rehabilitate individuals and heal families affected by alcohol dependence, drug dependence and/or mental illness.

2010 was an eventful year for THS. We served nearly 7,500 adults, youth, and families who were affected by chemical dependency and mental illness. We also continued to increase our efforts to reach out to youth and young adults before their problems become even more severe. We worked with more than 1,000 youth in 2010, with our dedicated staff providing the support, guidance, and treatment that young people need to become productive, responsible members of our society.

Although the economy is still struggling, THS is still determined to provide critical programs to the most needy. Despite funding cuts from local and state government, we will continue to operate with the same level of service and quality. We will never turn anyone away for inability to pay. Like many nonprofits, THS was affected by the recession. In 2010, we ran a budget deficit due in large part to our commitment to deliver the best services and support to our program participants. We have addressed this deficit by controlling expenses and streamlining staffing through employee attrition, eliminating vacant positions and reducing redundancies. We are pleased to report that THS is on track to completely eliminate the budget deficit by July 2011, and we will accomplish this without reducing any programs or services.

While the economy has contracted, the need for our services has expanded. In 2010, we began several new programs including ENCOMPASS®, an innovative, evidence-based treatment for youth with co-occurring mental health and substance abuse disorders; Keys to Success, which provides substance abuse treatment using an evidence-based treatment designed specifically for low-income or indigent King County youth who are involved with juvenile drug court; and the Youth Golf & Tennis Program, which teaches at-risk youth to play tennis and golf, while at the same time teaching them pro-social behaviors.

In addition to these new programs, we expanded our youth services by opening a location in Kent to serve young adults 18-24 involved with King County Drug Court, and began youth services at our Everett branch. We also opened the Summit Annex, which houses our pregnancy, parenting and women’s services.

We thank you for your continued support of our mission. Together we are helping create better communities and brighter futures for us all.

Sincerely,

Joseph B. Sidbury
President

Norman O. Johnson
Executive Director

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Earl Richardson, Treasurer
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Karen Shiveley
Ethan Van Eck, MPH

THS first agency in Washington State licensed to provide both mental health and chemical dependency services.
Outpatient Services and Programs

At THS, we’re committed to providing a safe, caring environment where treatment participants can realize the best possible recovery. Our cutting edge treatment programs and ongoing individual and group counseling give you the confidence of knowing that someone is in your corner, every step of the way.

ALCOHOL AND DRUG REHABILITATION
- Adult intensive outpatient treatment
- Individual, group, and family counseling
- Suboxone
- Relapse prevention
- Alcohol/drug information school

MENTAL HEALTH SERVICES
- Assessment and evaluation
- Case management
- Assessment and treatment for youth and young adults
- Co-occurring treatment

YOUTH SERVICES
- Assessment and treatment for children
- Wraparound services
- Multisystemic Therapy (MST)

OTHER SERVICES
- Vocational and educational guidance and information
- Supervised child care
- Information and referral

Our mission is to rehabilitate individuals and heal families affected by alcohol dependence, drug dependence and/or mental illness.

JESSICA’S STORY

“Recovery is all about rebuilding a life, because you’re so different when you’re using. And that’s what THS did for me—helped me rebuild my life.”

Jessica’s parents are drug addicts. At a young age she was removed from their home and placed in foster care. She ran away and came to live with her grandmother in Seattle. Almost immediately after her arrival, she became addicted to heroin. She was just 17.

At age 19, Jessica became pregnant and came to THS’s Pregnancy & Family Program, where she attended counseling, pregnancy information and parenting classes, and was put on a methadone maintenance program.

Jessica says, “The THS programs helped me stay clean. I never really connected with the traditional 12-step program, but the THS program works for me. The program gave me the support to stay clean and sober.”

Jessica has been clean and sober for 7 years, and has been off of methadone for a year and a half. Her son is now 6 and thriving, and she recently had another son who is now 5 months old.

THS counselors encouraged Jessica to go back to school. She attended Seattle Central Community College, where she maintained a 3.92 GPA and then transferred to Seattle University on a scholarship. Jessica recently completed her B.S. in Nursing and passed her licensing exam to become a Registered Nurse. She says, “I couldn’t have done any of this without the programs at THS.”

Follow us on Facebook at www.facebook.com/THS.WA

To learn more about THS and what we’re up to, check out our new website at www.ths-wa.org.

Services that “Wraparound” the Entire Family

By treating not just the client but also providing services to family members, our programs promote better outcomes. For example, our Focus on Families program helps parents in recovery focus on relapse prevention and improving their parenting skills—which has been shown to prevent substance abuse in their children and help end the cycle of domestic violence.

1992
THS offers long-term mental health patient housing.

1996
THS chemical dependency treatment programs receive the highest level of national accreditation through CARF—the Commission for the Accreditation of Rehabilitation Facilities. THS has been CARF-certified since.

1997
THS celebrates 25 years of service to the community. THS featured in a Japanese national TV documentary focusing on treatment solutions for the world-wide drug problem. The National Institute on Drug Abuse recognizes THS’s Focus on Families program as one of the nation’s top ten most effective prevention programs.

1998
The Focus on Families program featured on the PBS series “Moyers on Addiction: Close to Home,” produced and hosted by world-renowned journalist Bill Moyers.

1999
Focus on Families nationally recognized as one of eight programs showing promise as an effective drug prevention program by The White House Office of National Drug Control Policy.
Below are excerpts from a letter written by the parent of a youth in our ENCOMPASS™ program. The letter is shared with permission from its author. Identifying details have been changed.

“We would like to express our utmost gratitude to the ENCOMPASS™ program for the assistance it has provided our family. We had seen a drastic decline in our son’s behavior that had us concerned. His grades dropped, he quit playing sports, most of his friends were using. Eventually, he was caught at school with marijuana paraphernalia.”

After enrolling her son in a traditional treatment program, Lisa and her family were shocked when they were told by a counselor that most programs for teenagers had a success rate of only 10% the first time. They searched for another option and came across ENCOMPASS™. Lisa and her family have driven to Seattle for treatment at THS every week from Olympia (a 2 hour drive) because there are no programs treating co-occurring disorders in adolescents in the South Sound.

Lisa says that “it is amazing the help and support we have received and most importantly, our son feels like he is supported and the staff understand him.

It is so encouraging to see the progress that has been made by our child and the improvements our family is making. Those involved with our son never got frustrated or gave up on him. This is not a cookie cutter program doing the same thing for 20 years. This is something new and different and it is improving the quality of life for my son and our family and will have a lasting impact on us all. I cannot thank you enough for the help you have provided my son and our family. We are eternally grateful you are here.”

ENCOMPASS™ Program

ENCOMPASS™ is the first integrated, evidence-based, effective treatment for adolescents and young adults ages 13-25 who have co-occurring mental health and substance use disorders. It is estimated that more than 80% of adolescents with an addiction diagnosis have a co-occurring mental health diagnosis. However, traditional programs treat youth with co-occurring disorders with separate providers for mental health and substance abuse. ENCOMPASS™ is a significant treatment advance because it treats both mental health and substance use disorders and does this with a single therapist and psychiatric practitioner who understand and treat the full spectrum of concerns.
### Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government grants</td>
<td>13,292,418</td>
</tr>
<tr>
<td>Net patient service</td>
<td>1,657,145</td>
</tr>
<tr>
<td>United Way</td>
<td>171,557</td>
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<tr>
<td>Rental income</td>
<td>1,373</td>
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<tr>
<td>Contributions</td>
<td>148,354</td>
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<tr>
<td>In-kind contributions</td>
<td>35,360</td>
</tr>
<tr>
<td>Other</td>
<td>81,434</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td><strong>15,387,641</strong></td>
</tr>
</tbody>
</table>

### Expenditures (BEFORE DEPRECIATION & AMORTIZATION)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcohol and other drug services</td>
<td>7,855,615</td>
</tr>
<tr>
<td>Mental health services</td>
<td>5,091,451</td>
</tr>
<tr>
<td>ENCOMPASS™</td>
<td>286,190</td>
</tr>
<tr>
<td>Facilities, administration, general</td>
<td>2,650,914</td>
</tr>
<tr>
<td>and fund raising</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>259,512</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td><strong>16,143,682</strong></td>
</tr>
<tr>
<td>Deficiency of revenue and support</td>
<td>(756,041)</td>
</tr>
<tr>
<td>over expenses</td>
<td></td>
</tr>
</tbody>
</table>

In 2010, we ran a budget deficit due in large part to our commitment to deliver the best services and support to our participants. We addressed this deficit by controlling expenses and streamlining staffing through employee attrition, eliminating vacant positions and reducing redundancies. We are pleased to report that THS is on track to completely eliminate the budget deficit by July 2011, and we will accomplish this without reducing any programs or services.

This financial statement reflects the audited, consolidated program operations of Therapeutic Health Services including depreciation and amortization expenses. A copy of THS’s audited financial statement is available upon request by calling (206) 323-0930 x201 or emailing KennethS@ths-wa.org.

THS is designated by the IRS as a 501(c)3 non-profit organization and is registered with the Washington State Secretary of State office. 1-800-332-GIVE. All donations are tax-deductible within the limit of the law. Consult your lawyer or tax advisor.
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