

How We
Grow



MHS
2006 Annual Report

Message from the Board President & Executive Director

MHS serves over 14,000 men, women and children each year through our homeless services and crisis programs. In less than 20 years, the agency has grown to one of the largest non-profit organizations in northeast Ohio; and many times, we are asked just *how we grow*.

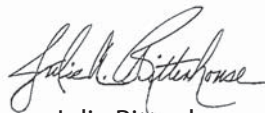
Over the years, we have continued to expand our programming to better meet the needs of our community's most vulnerable citizens -- those who are homeless and those who are experiencing a mental health crisis. The ultimate goal of each program is to further fulfill our agency's mission of ending homelessness and resolving mental health crises.

As our agency grows, we are able to serve a larger number of men, women and children in our community, and provide a myriad of services that will better support their recovery.

The question of *how we grow*, is supported by an agency-wide commitment to: service excellence, operational excellence, innovation and the creation of opportunities. The following pages offer an answer to this question, providing a glimpse into the way we operate.

We are now at a time where managing our growth is essential, so that we continue to offer only the best in clinical care, and also continue to maintain a financially sound organization. We are committed to the continuous improvement of our services and operations, and will be working to implement innovative, best practices agency-wide in the years to come.

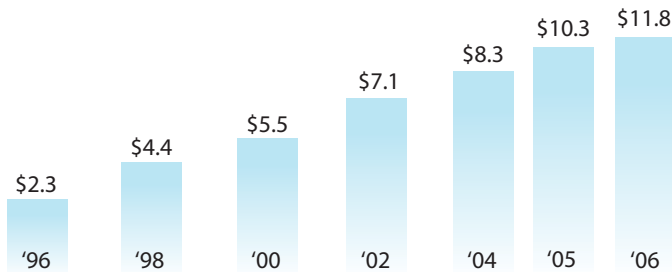
Here is to another year of success -- a measure that is determined by the number of individuals who have discovered independent living, and/or recovery from the their mental illness or crisis.



Julie Rittenhouse
President, Board of Trustees



Steven M. Friedman, Ph.D.
Executive Director

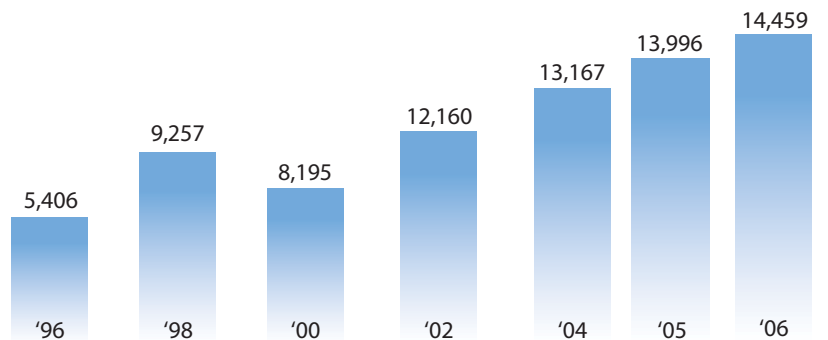


Revenue
(In millions)

Financial Highlights & Service Outcomes

Through our homeless programs that include outreach, shelter services, supportive housing and case management, and our Adult and Child Mobile Crisis Teams and child trauma services, we provided care to over 14,000 men, women and children throughout Cuyahoga County in FY 2006.

In FY 2006, many homeless clients achieved housing (326), increased income (248) and adherence to a treatment plan (683). In fact, since 2004, MHS has helped 1,067 homeless men and women find housing, assisted 707 clients in obtaining increased income, and supported 1,386 individuals in their own treatment plan, working to recover from their mental illness and/or substance abuse disorder.



Number of Clients Served
(Adults and Children)

How We Grow: Service Excellence

In September 2005, Hurricane Katrina's devastation touched the entire nation, and left thousands of families displaced from their homes in the Gulf region. Hundreds of those families fled to the Greater Cleveland area, separated from family members and left without any home or belongings to call their own. Because of our strong commitment to service excellence and experience in delivering crisis services to adults and children, the area's disaster relief organizations turned to us for help.

In less than 24 hours, staff members from all across the agency, came together to form a task force to help every single family find a home, purchase new belongings and receive any care and support that they needed. In fact by mid-December 2005, Cleveland was the only major city in the U.S. that did not have any families still living in hotels – a major achievement supported by the tireless work of our case management team.

More than one year later, one of the Katrina evacuees is now a member of our staff, and we have ensured that all families in the area received any support they needed, including counseling for post-traumatic stress disorder and employment assistance.

The work with the Hurricane Katrina evacuees was a mere testament to the level of clinical care that we provide to more than 14,000 men, women and children every year.

Our commitment to the client is first and foremost; it is through the personal and individual growth of the people that we serve, that allows us to grow. Our clinical excellence is not only evidenced in published journal articles and statistical outcome data, but also through the successful treatment and recovery that is experienced by our clients. Our unique continuum of care for the mentally-ill homeless individual, our use of evidence-based practices, and our nationally-recognized work in childhood trauma and crisis intervention, allow us to deliver the highest level of care for every individual who needs our services.



Hurricane Katrina left Janice Bastian and her family without a home; her house in New Orleans was completely destroyed by the storm. The Bastian family, like hundreds of others, fled to the Cleveland area and received support from our task force. After working with one of our case managers, Janice learned about an open position within the agency. With years of experience in clinical record management, Janice was a perfect fit for the MHS team.

How We Grow: Operational Excellence

Since we began serving the community in 1988, we have grown in size from a team of 15 employees to a current staff of over 200, and a budget of just \$625,000 to \$11.8 million in current operating revenue.

This enormous growth has allowed us to serve 12,500 more individuals than we did 18 years ago, but has also required an agency-wide commitment to operational excellence. The success of our business practices – human resources, finance, technology and data management – is crucial to the continued growth of our agency and the ability for us to provide the most effective services to our clients.

The successful management of clinical records and client data is one of our most important tools. Through a unique and extensive database system, case managers are able to access client data to provide better service to the individual; members of our management team analyze this information to improve current programming, and to further support agency-wide continuous improvement efforts. This advanced level of information management, and access to state-of-the-art technology continue to support our commitments to operational and service excellence.

Our second most important tool is an experienced, knowledgeable and committed workforce; our team of professionals is certainly one of our greatest assets. Our team is supported by human resources programs that support our agency-wide goal of being a ‘best place to work’; programs include: trainings and professional development opportunities, an employee assistance program, and wellness activities.

We also recognize the importance of empowering our staff through effective communication, and support an integrated Intranet portal for all employees. Our Intranet provides access to agency-wide and staff announcements, and provides online resources for staff members to better their service delivery.

Lastly, operational excellence can only be achieved through sound financial management. As a highly diversified agency garnering funds through Federal, State, local and other private foundations, we must maximize every dollar received, to provide the best services to the most number of needy individuals. Our focus on implementing best practices in financial management has enabled us to maintain a positive net revenue for the last five years, while continuing to grow operating revenue.

How We Grow: Innovation

Annie M. was first diagnosed with schizophrenia ten years ago, and came through the doors of the Community Women's Shelter in late 2004, with no where else to call home. Her mental illness was untreated, and she used crack cocaine to numb her pain. Staff at our shelter worked with Annie to get her the mental health treatment that she needed, by first linking her to our case management and psychiatric services team.

As an innovative treatment approach, we have fully implemented the evidence-based model of Integrated Dual-Diagnosis Treatment (IDDT), which together, treats mental illness and substance abuse recovery. With the use of this model, Annie's case management team helped her receive treatment for her mental illness and achieve recovery from her drug addiction.

In just two years, Annie has found sobriety and a permanent home in one of our supportive housing facilities. She celebrates her recovery, and has co-founded Dual Recovery Anonymous, a weekly support group for peers and program residents who have also faced a dual-diagnosis of mental illness and substance abuse disorder.

IDDT is just one of the innovative approaches we use to help our clients receive treatment and achieve recovery. We are actually the only agency in the State of Ohio, and possibly the nation, to

be using this evidence-based practice in shelters and in residential programs.

Creativity and innovation are part of our agency's list of core values. We simply try to find the best way to meet each of our client's unique needs.

In support of our mission to end homelessness, we are a part of the *Housing First* consortium, a pioneering partnership of providers, foundations and housing entities with a goal of ending long-term homelessness in Cleveland, through the development of new, supportive permanent housing. In 2007, we will be providing supportive services to more than 150 formerly homeless men and women, in a permanent home environment.

To further our mission of resolving mental health crises, we have joined the *Project ASSIST* collaboration, which reaches out to our area's most vulnerable elderly -- those who are homeless or experiencing a mental health crisis. By using this inventive approach, we are able to quickly meet the needs of our older citizens.

Innovation is intertwined throughout our service delivery and business practices. Through the use of other evidence-based practices, and new collaborations, we will continue to find unique ways to increase the success of our clients' recovery, and continue the growth of our agency.

How We Grow: Collaboration

Anthony H. was a long-time resident of our Emergency Shelter for Men, and called the shelter his home for years. Our case management team tried to provide Anthony a new, permanent home, but he simply did not trust a new environment.

Our case managers patiently remained optimistic. Through an internal collaboration of programs, Anthony's case manager at the Shelter, worked with one of our supportive housing facilities, in hopes of making this his new home. Anthony visited the house several times, but was still reluctant to leave his home at the Shelter and make a permanent move. A few weeks later however, Anthony visited the home again and, supported by the diligent work of both program teams, decided to stay. For the first time in ten years, Anthony called a house his home.

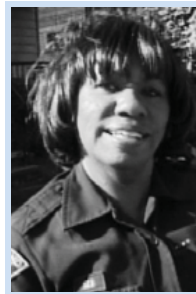
Through our distinctive continuum of care for disabled homeless persons, we are able to provide this extraordinary level of internal collaboration. From outreach to case management, and emergency shelter to housing, we are able to work with other agency programs to best meet the needs of our clients.

Our success could also not be achieved without the level of collaboration we share with the

community and other providers. For example, we rely heavily on our close partnership with local police departments, who call us when they have arrived to a domestic violence situation, and children are present. This collaboration provides immediate, child trauma services to more than 1,200 area children each year.

We also work closely with regional healthcare systems (i.e., The Cleveland Clinic, Case Medical Center) to provide needed psychiatric and health care services. Through their support, clients receive general health care services, and psychiatric care.

The list of collaborative efforts with other area social service agencies is endless. By partnering with providers who offer specialized care or supportive services (i.e., employment assistance, primary health care, housing), we are able to provide our clients with care that meets all of their needs - mental, social, emotional and physical.



Our Children Who Witness Violence program shares a unique collaboration with the City of Cleveland's Police Department, and officers like Charlene Anderson. When police arrive on scene to a domestic violence call and children are involved or present, the officers let the family know about our program, and our staff can come on-scene right away.

How We Grow: Creating Opportunities

Peter Drucker, famed author, once wrote, “The best way to predict the future, is to create it.” We are committed to continuing our efforts to achieve service and operational excellence, and incorporating innovation and collaboration, agency-wide. To continue to best meet the needs of our area’s vulnerable populations, we will create opportunities that further our mission of ending homelessness and resolving mental health crises.

In 2007, we will be moving into a state-of-the-art facility, which will house all of our administration, and case management and crisis services. This 36,000 square foot facility is located at the corner of East 18th Street and Payne Avenue, and will allow us to expand programming to better serve our clients.



In the upcoming year, with the additional space, we will be expanding group counseling and client recovery groups. We will also be pursuing alcohol and drug treatment certification, so that we can better serve those clients with a dual disorder of mental illness and substance abuse.

In collaboration with other service providers and

in partnership with the *Housing First* initiative, we are also working to create more permanent housing facilities for formerly homeless individuals with a disability, to further our mission of ending homelessness.

We will also advance our crisis services in the area of suicide prevention and education, working with local police departments, schools and other community organizations throughout the year.

While we work to create new programming and services to better meet the needs of our clients, we are also committed to creating opportunities for our staff.

In support of our goal in becoming a ‘best place to work,’ we will continue to offer professional development activities to our staff, and provide employees with the opportunity to grow within the agency. Our staff members have the opportunity to receive increased levels of responsibility, and to promote their own professional growth while supporting the growth of the agency.

As we manage our growth in the years to come, we will continue our commitment to service and operational excellence, while remaining innovative in our treatment approaches and service programming.



Leadership Team

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Dick Clough	Scott Desmond
Mark DiCello, Esq.	Ralph Hardy*
Richard Robins, Ph.D.	Burt Saltzman
Tammy Westerman	

**In Memory*

SENIOR MANAGEMENT

Steven Friedman, Ph.D., *Executive Director*
Susan Neth, *Chief Operating Officer*
Ronald Nowak, *Chief Financial Officer*

Eric Morse, *Director of Homeless Services*
Richard Oliver, *Director of Crisis Services*
LaTonya Murray, *Director of Quality Improvement*
Kerry Bohac, *Director of Human Resources*
Cynthia Vrabel, M.D., *Medical Director*
Deborah Harris, *Director of Nursing and Health Care*
Clark Maciag, *Director of Information Technology*
Joel Zureick, *Director of Development*

Services & Programs

HOMELESS PROGRAMS

Outreach Services

These services outreach to homeless and disabled men and women, to begin to engage them into appropriate treatment and case management services.

Emergency Shelter

These two emergency shelters serve homeless women and children, and disabled men.

Case Management

This community support program serves homeless adults with a severe, mental illness, and helps them to achieve recovery through an individual treatment plan, and attainment of housing and increased income.

Psychiatry and Health Care

Diagnostic, psychiatric and nursing care for homeless men and women, living in our emergency shelters, receiving case management services, or living in one of our supportive housing programs.

Supportive Housing

These housing programs provide a supportive living environment for formerly homeless men and women with a severe mental illness.

CRISIS SERVICES

Mobile Crisis Team

The Team serves adults and children with 24/7 services, offering face-to-face crisis assessments, suicide hotline, and referral and information services.

Children Who Witness Violence

The CWWV program provides crisis intervention and counseling to children and families who have witnessed domestic violence, or witnessed the death of a loved one through homicide or suicide.

Child and Family Focused Services

A family preservation program for children who are identified to be at risk for abuse and/or neglect.





**Helping people gain control
of their lives by forging solutions that
resolve mental health crises and end homelessness.**



Mission Statement

MHS

STATEMENT OF ACTIVITIES

	Year Ended June 30	
	2006	2005
SUPPORT AND REVENUE		
Contributions and Grants	\$ 235,986	\$ 143,237
Capital Campaign	1,266,215	-
Government Grants	9,192,229	7,804,673
Medicaid	1,344,708	1,372,340
Program Fees	933,724	942,822
Investment Income	7,586	-
Other Income	111,829	83,905
	Total Operating Revenue*	\$ 11,826,062
	Total Support and Revenue	\$ 13,092,277
 EXPENSES		
Program Services		
Outreach	\$ 910,514	\$ 885,330
Shelter	2,410,800	2,189,453
Community Support	1,090,732	967,118
Housing	2,193,867	1,762,459
Crisis	3,325,289	2,900,365
	Total Program Services	\$ 9,931,202
General and Administrative	1,475,240	1,481,347
Fundraising and Development	23,259	22,523
	Total Expenses	\$ 11,429,701
	Change in Net Operating Assets*	\$ 396,361
		\$ 138,385

**Excludes capital campaign grants and contributions for the purchase and renovation of our new administrative headquarters, located at 1744 Payne Avenue, Cleveland, Ohio.*

We are continually grateful for the many supporters of MHS and its programs, including: State, Federal, County, and City agencies and departments, philanthropic foundations, United Way of Greater Cleveland, the Cuyahoga County Community Mental Health Board, and hundreds of private donors and volunteers.

We would like to extend a special thank you to the following donors who have contributed toward our capital campaign and/or general operations:

The Abington Foundation

The Cleveland Foundation

The Deaconess Community Foundation

The Elizabeth Severance Prentiss Foundation

The Eva L. and Joseph M. Bruening Foundation

The Giant Eagle Foundation

The Lubrizol Foundation

The Thomas H. White Foundation

St. Luke's Foundation of Greater Cleveland

The William N. Skirball Foundation

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MHS

ph 216.623.6555 • *fx* 216.623.6539 • www.mhs-inc.org

MEMBER: United Way Services of Greater Cleveland, The Ohio Council on Behavioral Healthcare Providers, Voices for Children. ACCREDITED: Commission on the Accreditation of Rehabilitation Facilities, Ohio Department of Mental Health. CONTRACT AGENCY: Cuyahoga County Community Mental Health Board, Cuyahoga County Department of Human Services, City of Cleveland, Cuyahoga County Commissioners, Ohio Department of Development. A 501(c)(3) non-profit organization.

A complete copy of the organization's independently audited financial statements can be obtained by contacting Ron Nowak, Chief Financial Officer at (216) 274-3302.