

# Phoenix House Finances

Operating revenues totaled \$131 million for the fiscal year ended June 30, 2013, a \$4 million increase over the prior year. Client and third party revenues increased by 4.8%, reflecting the continued diversification into private insurance revenues. Such diversification is an important element of our strategy as government funding, which comprises our largest payer segment, has experienced slower growth.

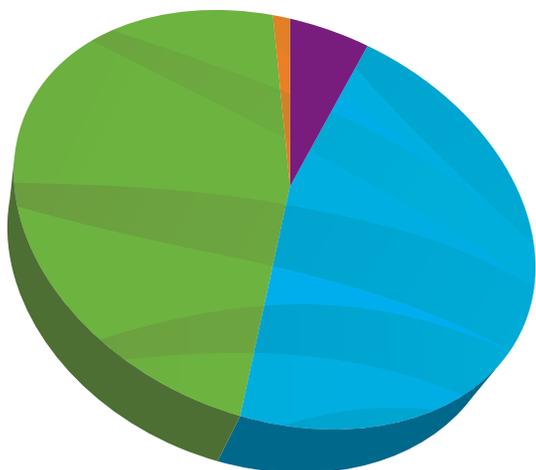
The diversification of payers requires enhancements in our service delivery and administrative oversight, with continued upgrading of our systems, staff, and facilities to meet higher demands. Our administrative costs amounted to 18.5% of total costs, a level similar to the prior year. We will continue to seek greater efficiency through growth in order to support the administrative sophistication required within an increasingly complex environment.

Our financial position remains stable and conservative, continuing to maintain low leverage; total bank debt of \$13.7 million represents less than 7% of the insured value of our facilities. Cash declined \$4 million from the previous year as it was used for the facility improvements specified in the restricted grants for which it was received.

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

## Unrestricted Revenue June 30, 2013

- ▶ Grants, contributions, and donations
- ▶ Government contract revenue
- ▶ Client and third party revenue
- ▶ Investment and other



## Statement of Financial Position as of June 30

(in \$000's)

	2013	2012
<b>Assets</b>		
Cash and cash equivalents	\$4,141	\$8,407
Receivables (government and other)	16,689	14,587
Investments, at fair value	14,492	12,800
Property and equipment, net	54,089	52,283
Contributions receivable, net	2,226	1,998
Other assets	2,585	3,475
<b>Total assets</b>	<b>\$94,222</b>	<b>\$93,550</b>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	14,848	15,003
Due to government agencies	10,328	10,157
Notes Payable and Long-term debt	13,710	13,711
Agency funds	361	528
<b>Total liabilities</b>	<b>39,247</b>	<b>39,399</b>
<b>Net Assets</b>		
Unrestricted	44,933	45,226
Temporarily restricted	6,714	5,608
Permanently restricted	3,328	3,317
<b>Total net assets</b>	<b>54,975</b>	<b>54,151</b>
<b>Total liabilities and net assets</b>	<b>\$94,222</b>	<b>\$93,550</b>

## Condensed Statement of Activities for the year ended June 30

(in \$000's)

	2013	2012
<b>Change in Unrestricted Net Assets</b>		
<b>Revenues</b>		
Grants and contributions	\$4,883	\$4,705
Donated goods and services	3,020	3,083
Government contract revenue	61,293	60,003
Client and third party revenue	60,837	58,074
Investment income designated for operations and other revenue	1,326	1,410
<b>Total revenues</b>	<b>131,359</b>	<b>127,275</b>
<b>Expenses</b>		
Program services	106,722	104,692
Fundraising	1,686	1,720
Administration and general	24,538	24,041
<b>Total expenses</b>	<b>132,946</b>	<b>130,453</b>
<b>Net operating activities</b>	<b>(1,587)</b>	<b>(3,178)</b>
<b>Non-Operating Activities</b>		
(Investment returns net of amounts designated for operations, capital grants, etc.)	1,295	(893)
<b>Total change in unrestricted net assets</b>	<b>(292)</b>	<b>(4,071)</b>
<b>Change in temporarily restricted net assets</b>	<b>1,106</b>	<b>156</b>
<b>Change in permanently restricted net assets</b>	<b>10</b>	<b>(488)</b>
<b>Total change in net assets</b>	<b>824</b>	<b>(4,403)</b>
Net assets, beginning of the year	54,151	58,554
<b>Net assets, end of the year</b>	<b>\$54,975</b>	<b>\$54,151</b>