MISSION

The Mission of Pine Habilitation and Supported Employment, Inc. is to empower Program Participants to live, work, and thrive through the discovery and development of their individual abilities.

VISION AND VALUES

VISION:
PHASE-Industries is a community where compassion, expertise and opportunity merge to create a world of discovery and success.

VALUES:
Program Participant First
Large-Minded
Innovation
Service for Social Good

Ethical Integrity
Empowered
Excellence
Fun at Work
Dear Friends,

2021 was another unique year for PHASE-Industries, the people and communities we serve, and the world as a whole. The COVID-19 worldwide pandemic continued to affect nearly every component in how, when & where we supported those with disabilities. Our commitment to our Mission, service recipients and community remained steadfast, with full attention focused on increasing service access for those wanting employment, day and transportation supports after a year of COVID-19 regulatory barriers to these services. As these service access restrictions lifted throughout the year, we welcomed back existing service recipients, as well as those new to PHASE-Industries supports, with a focus on successfully rebuilding, reconnecting and reintegrating into work, communities and meaningful opportunities in new and COVID-safe ways. We were pleased to start (and re-start) supports and services for 134 individuals the year.

In our support of over 400 individuals with disabilities throughout the year, we relied on the support of our community & employer partners, educational entities and contributors to deliver the most community-inclusive, person-centered, meaningful supports resulting in competitive employment, expansion of natural supports, and individual exploration of the world & communities. Over forty community businesses & entities in our east-central MN neighborhoods helped support the goals, inclusion and economic well-being of individuals served by PHASE-Industries. To all these community partners, we are immensely grateful!

Our Mission of Empowering Program Participants to live, work and thrive through the discovery and development of their individual abilities continues to act as a beacon in our work every day. We could not meet our Mission without the incredible dedication, expertise and commitment of our talented staff team members and volunteer Board of Directors. These are the people who bring Person-First and Person-Centered practices to fruition every day, and the lives of those we support are improved as a result. We honor and celebrate our teams and communities of support who help us live and fulfill our Mission every day!

The information contained in the following pages represents highlights and a snapshot of key performance and outcomes measures. This information and feedback informs our organizational decisions on what is important to our stakeholders, and how we can better meet the needs and expectations of the individuals we support.

Respectfully,

Ronald Osladil                          Timothy Schmutzer
Chairperson - Board of Directors         Chief Executive Officer
PHASE-INDUSTRIES BOARD OF DIRECTORS

Ronald Osladil, Chairperson
Don Petersen, Vice-Chairperson
Dean Ogdahl, Treasurer
Lisa Koski, Secretary

Susan Morris
Daryl Peterson
Margaret Wentworth
Tom Willie

PHASE-INDUSTRIES SENIOR LEADERSHIP TEAM

Tim Schmutzer, Chief Executive Officer
Curtis Mangan, Chief Operating Officer
Cheryl Gullickson, Director of Operations

Denise Johnson, Employment & Development Director
Michael Orn, Chief Financial Officer
Joyce LaMere, Human Resources Director

CONTRIBUTORS TO PHASE-INDUSTRIES

Isanti Sportsmen Club
United Way
Network for Good
Upcycles By Lori D
City of Sandstone
First Bank Trust
MN Department of Human Services
Thrivent
RaiseMN-GiveMN
Mightycause Charitable Foundation
D. Hemgren

Twin Cities Recycling
S. Malafa
L. Peterson
L. Anderson
D. Peterson
J. LaMere
A. Olson
S. Ervin
K. Ulrich
P. Windberg
L. Christenson
PHASE & Industries provide CARF-Accredited and MN-245D Licensed services, including training, assistance, supported employment, employment development, integrated employment and community-integrated activities to individuals with developmental/intellectual disabilities, individuals with severe and persistent mental illness and/or individuals with traumatic brain injuries.

**PRE-EMPLOYMENT TRANSITION SERVICES**

Pre-Employment transition services (Pre-ETS) represent the earliest set of services available for students with disabilities and/or having a gap in services and needing additional supports under the VR program. Pre-ETS are short-term in nature, community based, and designed to help students identify career interests.

**EMPLOYMENT SERVICES**

PHASE-Industries is here to support you with your employment goals. PHASE-Industries support staff can help you discover your interests and talents, assist you in your job search, assist you to develop skills needed to work, how to keep your job, assist you with career advancement, help you understand how working can affect your benefits, provide assistance in obtaining your driver's license, and how to advocate for yourself.

**DAY SUPPORT SERVICES**

Day Support Services are individualized, community-based training and support services that help a person develop and maintain essential and personally enriching life skills so that they can discover, access, and participate in activities they prefer in their community.

**TRANSPORTATION SERVICES**

We provide support to find and secure accessible transportation options to assist individuals in accessing the community, including employment and other services offered through PHASE-Industries. In addition to providing transportation directly with a fleet of 50 vehicles, we also partner with local public transit and other transportation providers to support your mobility needs throughout east-central MN.
PHASE-Industries asked individuals receiving services to rate the impact we have through a survey. The survey used a Likert-Type scale, ranging from **Strongly Agree** to **Strongly Disagree** on a series of statements relating to program/service quality, communication and Program Participant choice. The following are the summarized results of the surveys:

**Program/Service Measurement**
Individuals rate the ability of PHASE-Industries to meet their standards of performance on several criteria, including goal/service identification and support, service access, and progress toward goals, responsiveness, person-centered planning, and consideration of culture in service planning. Respondents rated PHASE-Industries as follows:
- 88% of respondents responded, “Good” or “Great”
- 10% of respondents responded, “Neutral”
- 1% of respondents responded, “Fair”
- <1% of respondents responded, “Poor”

**Communication Measurement**
Individuals also rate their satisfaction with the level and quality of communication they experience while at PHASE-Industries, rating listening, response, and respect. The average rating in this area was 8.9 out of a maximum score of 10.

**Promotion of Rights & Choices Measurement**
Stakeholders rate how effective PHASE-Industries is in promoting choice, self-direction, and the exercising of rights. The average rating for this series of questions was 8.8 out of a maximum score of 10.

When asked, those surveyed identified staff listening & helpfulness, seeking employment opportunities, and compassion as the greatest strengths of PHASE-Industries. Those surveyed identified increase in employment opportunities, more staff, and listening more often as areas to improve services. PHASE-Industries uses this feedback and ratings to target actions toward improvement.

89% of respondents said they would recommend PHASE-Industries services to others.
PHASE-Industries...

“Love the help on the job!”

“They help me in workforce success!”

“Innovative and think outside the box.”

“Gone above and beyond!”

“Respects and helps everyone!”

...is “Awesome!”
PHASE-Industries 2021 Stakeholder Surveys

PHASE-Industries asked stakeholders in the community to rate our services. The survey used a Likert-Type scale, ranging from Strongly Agree to Strongly Disagree on a series of statements relating to program/service quality, communication, and Program Participant choice and rights. The following are the summarized results of the surveys:

**Program/Service Measurement**
- Program services easy to access:
  - 85% of respondents agree or strongly agree.
- Transportation services meets need of Program Participant:
  - 95% of respondents agree or strongly agree.
- PHASE-Industries provides support that helps Program Participant succeed:
  - 89% of respondents agree or strongly agree.
- Program Participants make progress toward their chosen goals:
  - 87% of respondents agree or strongly agree.
- PHASE-Industries services helped improve the life of the Program Participant:
  - 92% of respondents agree or strongly agree.
- Support staff takes the culture of Program Participants into consideration when planning and providing services:
  - 83% of respondents agree or strongly agree.
- Support Staff is respectful of the Program Participant’s cultural background:
  - 84% of respondents agree or strongly agree.

**Communication Measurement**
- PHASE staff members are respectful in their interactions:
  - 91% of respondents agree or strongly agree.
- PHASE staff clearly communicates about program services:
  - 89% of respondents agree or strongly agree.
- PHASE will listen and respond when I have a concern or need:
  - 92% of respondents agree or strongly agree.

**Participant Choice & Rights Measurement**
- PHASE helps Program Participants identify goals important to him/her:
  - 92% of respondents agree or strongly agree.
- PHASE staff helps Program Participants exercise their rights and responsibilities:
  - 92% of respondents agree or strongly agree.
- PHASE staff upholds the rights and choices of Program Participants:
  - 94% of respondents agree or strongly agree.

95% of respondents would recommend PHASE-Industries services to others.
94% of respondents stated that PHASE-Industries services are integrated into the community.

Stakeholders reported an average improvement of nine percentage points in overall scores in the areas above, including improved scores in each individual area, compared to the previous year. When asked about strengths, stakeholders identified meeting participants needs around confidence, communication and participant employment opportunities. Conversely, stakeholders identified communication, increasing work opportunities, and hiring additional staff as areas for improvement. Two areas rated as strengths were also rated as areas to improve, and PHASE-Industries will work toward continued improvement in these areas across the next year. Of note, year-over-year reliability, as well as validity confidence may have been affected in 2021 data because of the statewide mandatory statewide COVID-19 service access barriers specific to DHS licensed HCBS services.
2021 EMPLOYMENT SERVICES FEEDBACK & PERFORMANCE

In the PHAS-Industries Employment Services, trained counselors work with a diverse population in the community to meet the goal of assisting the Program Participants to explore and attain competitive Employment.

We’re Making a Difference

179 people were served by the Employment Services Department

257 services were provided

And here’s what people are saying -

“….employment has changed [participant’s] life. She/he used to work in the day program and had also tried to work before but it didn’t work out. Once she/he found the right fit, it changed her/his life. She/he is happier than we have ever seen her/him....”

“Having workers from PHASE-Industries working here has made us a better team. The staff pulled together to help them learn and grow. Because of this, no one is ‘just stocking boxes of crackers anymore.’ Staff have developed a more positive perception, and appreciation, and see their jobs differently now. When PHASE-Industries workers are in the breakroom, everyone is very eager to talk to them. It brings us out of our world and helps us view things in a different way. I would recommend to any of our local and small businesses to work with PHASE-Industries...” John, General Manager, City Center Co-Op

“We have hired several people through PHASE-Industries. ... PHASE-Industries has been a great experience. They provide supports to the individuals when needed and are very professional. I would definitely recommend working with PHASE-Industries for staffing needs.” Lyla, Manager, McDonald’s
Trends and Highlights

• 33 people from day services expressed interest in individual competitive employment and participated in one or more of the employment services
• Awarded the Pine County SCRED (St. Croix River Education District) grant to educate and spark excitement in students about employment after they graduate
• Pre-ETS (Pre-Employment Transition Services) for students increased from 8 students being served to 43
• Job Placement Services (PBA) increased from 33 to 43
• The effects of COVID continue to have a real impact on participants’ mental health. Job placement dropped to 43% this year due to mental health hospitalizations, choosing not to continue pursuing employment, businesses closed, or not allowing staff support in buildings.
• 44 of 54 people that were employed maintained employment for 90 days or more
• People who were employed but needed temporary assistance to maintain their jobs (Job Coaching) increased from 8 to 13

The number of people participating in employment services increased from 81 in 2020 to 179 in 2021
<table>
<thead>
<tr>
<th>Categories of Measures</th>
<th>Objective</th>
<th>Applied To</th>
<th>Time of Measure</th>
<th>Data Source</th>
<th>Obtained By</th>
<th>Goal</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness</td>
<td>Participants end services with an understanding of their future employment goals</td>
<td>Participants completing their OJE</td>
<td>End of services</td>
<td>Summary Report</td>
<td>Employment Consultant</td>
<td>95%</td>
<td>100%</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Provide cost-effective services by obtaining funding for staff travel and transportation time</td>
<td>All participants participating in OJE</td>
<td>Monthly and annually</td>
<td>Billing Records and Service Authorizations</td>
<td>Employment Services Manager</td>
<td>95%</td>
<td>100%</td>
</tr>
<tr>
<td>Service Access</td>
<td>Minimize wait time for start of services not to exceed 20 days</td>
<td>Participants referred for OJE</td>
<td>Monthly and annually</td>
<td>Referral and Intake Documents</td>
<td>Employment Services Manager</td>
<td>95%</td>
<td>92%</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>Participants are satisfied with services</td>
<td>All participants participating in OJE</td>
<td>At end of voc assess</td>
<td>Survey</td>
<td>Employment Consultants</td>
<td>95%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Percentage of referents who indicate that the service purchased resulted in appropriate recommendations</td>
<td>VRS Counselors</td>
<td>On going and annually</td>
<td>Report Meetings</td>
<td>Employment Services Director</td>
<td>95%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Percentage of business who report satisfaction with services provided</td>
<td>Businesses providing sites for OJE's to take place</td>
<td>On going</td>
<td>Participant case notes</td>
<td>Employment Consultants</td>
<td>95%</td>
<td>100%</td>
</tr>
</tbody>
</table>
## Program Service Delivery Performance
### Employee Development Services
#### 2021

<table>
<thead>
<tr>
<th>Categories of Measure</th>
<th>Objective</th>
<th>Applied To</th>
<th>Time of Measure</th>
<th>Data Source</th>
<th>Obtained By</th>
<th>Goal</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effectiveness</strong></td>
<td>Participants retain employment as a result of job coaching</td>
<td>All participants receiving job coaching</td>
<td>End of service</td>
<td>Progress Report</td>
<td>Employment Consultant</td>
<td>95%</td>
<td>92%</td>
</tr>
<tr>
<td><strong>Efficiency</strong></td>
<td>Provide cost-effective services by obtaining funding for staff travel and transportation time</td>
<td>All participants receiving job coaching</td>
<td>Monthly</td>
<td>Billing Records and Service Authorizations</td>
<td>Employment Services Manager</td>
<td>95%</td>
<td>85%</td>
</tr>
<tr>
<td><strong>Access</strong></td>
<td>Minimize wait time for start of services not to exceed 20 days</td>
<td>All participants receiving job coaching</td>
<td>Monthly</td>
<td>Referral and Intake documents</td>
<td>Employment Services Manager</td>
<td>95%</td>
<td>92%</td>
</tr>
<tr>
<td><strong>Satisfaction</strong></td>
<td>Participants are satisfied with services</td>
<td>All participants participating in Job Coaching</td>
<td>Throughout the entire service of Job Coaching</td>
<td>Survey</td>
<td>Employment Consultants</td>
<td>95%</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage of referents reporting satisfaction with the services provided</td>
<td>VRS Counselors</td>
<td>On going and annually</td>
<td>Meeting notes with VRS Counselors</td>
<td>Employment Services Director</td>
<td>95%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Percentage of businesses who report satisfaction with services provided</td>
<td>Businesses where participants work</td>
<td>On going</td>
<td>Participant case notes</td>
<td>Employment Consultants</td>
<td>95%</td>
<td>95%</td>
<td></td>
</tr>
</tbody>
</table>
# Program Service Delivery Performance

## Community Employment Services: Job Development and Employment Supports

**2021**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Categories of Measures</th>
<th>Applied To</th>
<th>Time of Measure</th>
<th>Data Source</th>
<th>Obtained By</th>
<th>Goal</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effectiveness</strong></td>
<td>Job seekers obtain employment</td>
<td>Job seekers starting a PBA</td>
<td>First day of employment</td>
<td>Progress Reports</td>
<td>Employment Consultants</td>
<td>95%</td>
<td>47%</td>
</tr>
<tr>
<td></td>
<td>Job seeker maintains employment for 90 days</td>
<td>Job seekers who have obtained employment</td>
<td>Job seekers completing 90 days of employment</td>
<td>Progress Reports</td>
<td>Employment Consultants</td>
<td>95%</td>
<td>81%</td>
</tr>
<tr>
<td><strong>Efficiency</strong></td>
<td>Provide cost effective services by reducing the amount of administrative time and expense</td>
<td>Employment Consultants</td>
<td>Monthly</td>
<td>ES-Coach from ICI</td>
<td>Employment Services Director</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Access</strong></td>
<td>Minimize wait time for start of services not to exceed 20 days</td>
<td>Job seekers starting a PBA</td>
<td>Monthly and annually</td>
<td>Referral and start of service records</td>
<td>Employment Services Manager</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td><strong>Satisfaction</strong></td>
<td>Participants are satisfied with services</td>
<td>Employed individuals</td>
<td>Annually</td>
<td>Survey</td>
<td>Employment Consultants</td>
<td>95%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Percentage of referents reporting satisfaction with the services provided</td>
<td>VRS Counselors</td>
<td>On going and annually</td>
<td>Meeting notes with VRS Counselors</td>
<td>Employment Services Director</td>
<td>95%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Percentage of businesses who report satisfaction with services provided</td>
<td>Businesses where participants work</td>
<td>On going</td>
<td>Participant case notes</td>
<td>Employment Consultants</td>
<td>95%</td>
<td>95%</td>
</tr>
</tbody>
</table>
Waivered Services
2021 Program Participant Outcome Progress Report

<table>
<thead>
<tr>
<th>Outcome Area</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Met outcome</td>
<td>80</td>
</tr>
<tr>
<td>Made progress</td>
<td>75</td>
</tr>
<tr>
<td>No progress made</td>
<td>16</td>
</tr>
<tr>
<td>Participants with 2 more outcomes</td>
<td>54</td>
</tr>
<tr>
<td>New outcome added</td>
<td>86</td>
</tr>
</tbody>
</table>

There were a total of 171 program participants with established outcomes from July 2021 through June 2022. 47% met their outcome, 44% made progress towards their outcomes, 9% did not make any progress.

## Percentage Comparison

<table>
<thead>
<tr>
<th></th>
<th>Met/Achieved Outcome</th>
<th>Made Progress Toward the Outcome</th>
<th>No Progress Made</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>36%</td>
<td>36%</td>
<td>28%</td>
</tr>
<tr>
<td>2021</td>
<td>47%</td>
<td>44%</td>
<td>9%</td>
</tr>
<tr>
<td>Difference</td>
<td>+9%</td>
<td>+8%</td>
<td>-21%</td>
</tr>
</tbody>
</table>

## Reviewing the results

- A positive measure is that 155 participants either met and/or made progress toward their outcome at 91%.
- This was a 17% increase in the percentage compared to 2020.
- The overall comparison to 2020 in the area of outcome met had an increase of 9%, at 47% overall.
- The South site did drop to 84% for met or made progress. This site had a change in management and was without a Designated Coordinator for a significant part of the program year.
- Overall, a very positive number is that we went from 28% of participants that did not make any progress towards their outcome in 2020 to only 9% in 2021.
- Pre-Covid era, there were 278 participants with outcomes in 2019, compared to 168 in 2020 and 171 participants for 2021.
- The total is for all the Day Services sites combined. Which includes; Cambridge, Mora, Pine City and the two Sandstone sites. All sites were faced with the arduous task of responding to the many same challenges that the Covid-19 pandemic present the previous year. All things considered the programming services support did very well.
- The participants that were previously working at the Recycling center had significant changes to their program plans. There were 42 participants with new outcomes added.
- We have a goal to meet 90% or above for the combined positive indicators. We did not reach that outcome last year, but we did this year. The program support teams are doing very good work.
PHASE-Industries sets targets each year to identify, monitor and mitigate risks, monitor & improve business functions, enhance quality-of-service through organizational systems, and identify and reduce accessibility barriers for Participants, employees and the public.

### Target Outcome

| Identify & minimize physical barriers to site: | Met |
| Reduce stigma associated with population served: | Significant Progress |
| Reduce communication barriers in provision of services: | Significant Progress |
| Reduce barriers to employment to maintain diverse workforce | Partially Met |
| Sensitive to unique needs: | |
| Reduce financial constraints that may restrict access: | Significant Progress |
| Reduce barriers to transportation & accommodations: | Significant Progress |
| Reduce barriers, including transportation, to community inclusion: | Significant Progress |
| Reduce environmental barriers to service delivery: | Met |
| Reduce technology barriers in service delivery: | Partially Met |

### Target Outcomes

| Expand tech security, sensitive equip. training | Significant Progress |
| Enhance building security protocols & infrastructure | Significant Progress |
| Incident analysis and Emergency testing/review | Met |
| Increase service access while ensuring COVID-safe practices: | Met |
| Initiate service transformation in alignment with regulatory shifts & Stakeholder/market feedback | Significant Progress |
| Enhance training & associated support of transition students: | Met |
| Implement risk management safeguards around insurances, Corporate compliance, technology, legal liabilities. | Met |

### Independent Financial Audit

| No Material Weaknesses: | Met |
| No Significant Deficiencies/Deficiencies: | Met |
| Meet budgeted financial targets: | Met |

Based on the results above, modified and new goals & outcomes are identified relating to risk management, business functions, accessibility barriers and financial planning and execution. These plans are generally reviewed by organizational committees, and serve to assist the organization to measure its impact, improve its ability to deliver services, protect its assets and guide the organization in measuring performance. For detailed plans available in accessible formats, or to provide input into or feedback on plans, please email info@phase-industries.org, call 320-245-2246 or stop by any of our locations. Thank you!
**PERFORMANCE MEASURES & FEEDBACK**

**Technology Target Outcome**
- New Network Infrastructure Installed & Operating: Met
- Website updated to reflect rebranding: Met
- Multi-Factor Authentication on all user accounts: Met

**Other Key Target Outcomes**
- Strategic Plan Actions & Objective met or on-track: Partially Met (77%)
- Improve effectiveness, efficiency, and prompt & reliable access to supports in Employment Services: Substantial Progress*
- >80% community employers & business partners’ feedback score: Met
- Reduce Employee Injuries & associated Worker’s Compensation Modifier by 10%: Met
- >80% Employee Engagement & Satisfaction Survey Score: Met
- Enhance facilitated training across organization to Improve cultural competencies and promote equity & inclusion: Met

*See 2021 Annual Employment Services Outcomes Report for greater detail.

For greater detail on any of the information reported above, please call PHASE-Industries at 320-245-2246 or email info@phase-industries.org

Overall trends around performance measures and feedback informs the focus of organizational work in the future, as do emergency events that substantially alter the manner in which supports are provided (e.g., COVID-19 pandemic). Based on these, PHASE-Industries will focus on planful expanding service access in adaptive formats during the remainder of the pandemic, transforming services to improve competitive employment outcomes, meaningful community inclusion and development of natural supports, and ensuring on-going financial stability. If you wish to provide input, feedback or suggestions on how we can improve the PHASE-Industries service experience, please email info@phase-industries.org, call 320-245-2246 or stop by any of our locations. Thank you!
For fiscal year ending December 31, 2021

<table>
<thead>
<tr>
<th>Revenues and Supports</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee for Service</td>
<td>$3,034,092</td>
</tr>
<tr>
<td>Employment &amp; Rehabilitation Services</td>
<td>$565,915</td>
</tr>
<tr>
<td>Retail &amp; Thrift Programs</td>
<td>$179,754</td>
</tr>
<tr>
<td>Recycling Distribution</td>
<td>$36,892</td>
</tr>
<tr>
<td>Interest Income</td>
<td>$1,524</td>
</tr>
<tr>
<td>Contributions/In-Kind Contributions</td>
<td>$2,784,471</td>
</tr>
<tr>
<td>Gain (loss) on sale of equipment</td>
<td>$356,873</td>
</tr>
<tr>
<td>Other Income</td>
<td>$49,740</td>
</tr>
<tr>
<td><strong>Total Support and Revenue</strong></td>
<td><strong>$7,009,261</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>$3,810,467</td>
</tr>
<tr>
<td>Management &amp; General</td>
<td>$760,921</td>
</tr>
<tr>
<td><strong>Total Expenses:</strong></td>
<td><strong>$4,571,388</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>$623,467</td>
</tr>
<tr>
<td>Long-Term</td>
<td>$729,670</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$1,353,137</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Undesignated</td>
<td>$3,214,530</td>
</tr>
<tr>
<td>Property &amp; Equipment, net of debt</td>
<td>$2,484,928</td>
</tr>
<tr>
<td>Designated for capital</td>
<td>$72,150</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$5,771,608</strong></td>
</tr>
</tbody>
</table>

**Total Liabilities and Net Assets:**                       | **$7,124,745** |

**Change in Net Assets:**                                    | **$2,437,873** |
PHASE-Industries (Administration)
106 Main Street
Sandstone, MN 55072
(320) 245-2246

P-I South
23385 Freeway Blvd
Pine City, MN 55063
(320) 629-7805

P-I North
104 Main Street
Sandstone, MN 55072
(320) 245-2442

P-I Mora
500 S Walnut Street
Mora, MN 55051
320-679-2354

P-I Cambridge
601 Cleveland Street S
Cambridge, MN 55008
763-689-5434