Another Year
Lighting the Path

KPEP 2016 ANNUAL REPORT
EVERY STEP OF THE WAY, WE STRIVE TO PROVIDE QUALITY AND COST EFFECTIVE COMMUNITY-BASED CORRECTIONS SERVICES, ALWAYS LOOKING FOR WAYS TO IMPROVE OUR PROGRAMS.

~ William A. DeBoer
President & CEO
We help people take a different path. Our job is to light a path to a new way of life. Every step of the way, we strive to provide quality and cost effective community-based corrections services, always looking for ways to improve our programs. I am pleased to report that 2016 was no exception. Our 2016 Annual Report documents this commitment to excellence.

One example is the Parole Certain Sanctions Program (PCSP), a state-funded pilot program in partnership with the Michigan Department of Corrections.

The PCSP launched in November of 2015, and we worked to build the program throughout 2016. Parolees with heroin and methamphetamine addictions were the first target population. We later added individuals with cocaine addictions. Entry into the program would be a result of a violation.

Participants are tested at random twice per week. If a person tests positive, he/she is immediately held for three days. A second violation has a similar consequence. A third or fourth violation results in a treatment episode. The third violation would be a 15-30 day stay with treatment, while a fourth violation may result in up to 90 days in residential treatment.

The treatment component is key. While the random testing and short-term sanctions are effective, programs that provide treatment are shown to reduce the use of substances among addicts.

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<td>51.1%</td>
<td>13.5%</td>
<td>13%</td>
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<td>8.4%</td>
<td>9%</td>
<td>9.2%</td>
<td>7.7%</td>
<td>9.6%</td>
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<tr>
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<td>18.3%</td>
<td>12.8%</td>
<td>3.7%</td>
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<td>3.7%</td>
<td>3.9%</td>
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*END OF MONTH

As shown in the table below, a total of 225 people were admitted to the program in 2016. The first few months were fairly predictable as we saw a positive drug test rate between 12 and 18 percent. The last seven months of the year we had a consistent positive rate of only 4 percent.

Of the 56 people who participated in treatment, 45 successfully completed the program. All of the successful graduates are either on parole and in compliance or completed parole successfully. Because the pilot was a success, we will expand the program to Wayne, Oakland, Macomb, Genesee, Saginaw and Kent Counties in 2017.

We are also very excited about the successful launch of our vocational programming in 2016, starting with the culinary arts program at our Park St. location in September. We plan to add a custodial training program in 2017.

Finally, we have begun construction on the Walnut & Park Coffee Shop located at 322 W. Walnut in Kalamazoo. Participants in the culinary arts program will do part of their training in the coffee shop and the bakery, and program graduates may become employees of the coffee shop. We are targeting a Grand Opening in March 2017. More information is available on both the KPEP and walnutandparkcafe.com websites.
OFFICERS:

Karla Campbell, Chairperson
Chief Financial Officer, The Connable Office

Honorable Vincent Westra, Vice Chairperson
District Court Judge, Kalamazoo County

Honorable Alexander Lipsey, Secretary
Circuit Court Judge, Kalamazoo County

Glen Kellam, Treasurer
Investment Sales Rep., Consumers Credit Union

William A. DeBoer, President/CEO
KPEP

Timothy S. Bourgeois
Chief, Township of Kalamazoo Police Dept.

Michael Dombos
Attorney-at-law, Lewis Reed & Allen

Honorable Samuel I. Durham
District Court Judge, Calhoun County

Richard C. Fuller
Sheriff, Kalamazoo County

Jeffrey S. Getting
Prosecuting Attorney, Kalamazoo County

Donna Innes
Attorney-at-Law

Lisa Johansen
Kalamazoo County Parole Supervisor, Michigan Dept. of Corrections

Jim Luginbill
Vice President, Senior Commercial Loan Officer, Horizon Banks

Honorable Angela M. Pasula
Trial Court Judge, Berrien County

David Riley
Retired, Michigan Dept. of Corrections

Don Webster
Deputy Chief, Kalamazoo Dept. of Public Safety

Jessica Whaley
Calhoun County Probation Supervisor, Michigan Dept. of Corrections
The continued pursuit of mission
KPEP provides opportunity and structure for men and women to take personal responsibility in their lives. The new culinary arts program launched in 2016 is an excellent example of how KPEP is fulfilling this mission.

The new year will bring more exciting beginnings with the coffee shop and a janitorial vocational training track. The community will be well served by these ventures, as will KPEP’s participants and KPEP as an organization!

The new programming benefits individuals by providing them with valuable skills they can retain as they re-enter the workforce. At the same time, these programs benefit both the community and KPEP. While training, these skilled workers provide important services at KPEP facilities and, when they successfully graduate, they will fill gaps in the workforce in their communities.

It’s all encompassing, and that’s why KPEP is so strong and successful.

Leadership and vision
It takes vision, strong leadership and perseverance to identify needs, pursue new opportunities and successfully launch solutions. KPEP embraces change and has proven willing to look past the ordinary and ask, “what services are needed that don’t currently exist, and how can KPEP help?” Providing solutions is at the heart of KPEP’s success.

KPEP residents and participants who embrace the programming have found hope again. They have reconnected with their families and outlined goals for their future. KPEP is having a positive impact on so many lives and at the same time on the communities we serve.

As a member of the board, it’s invigorating to see these individuals happy, healthy and equipped to manage life’s struggles and challenges. When people take personal responsibility for their lives, second chances are possible. KPEP paves the way for that to happen.
Our community service partners

We are very proud of the impact KPEP residents make on our home communities. In 2016, our residents provided 31,920 hours of community service through 63 organizations in four Michigan counties.

**Berrien County**
- Benton Harbor Police Dept.
- Bethea Temple
- Blue Roof Church
- Buchanan Fire Dept.
- Harbor Habitat Restore
- MOSAIC
- Niles Township Fire Dept.

**Calhoun County**
- Alano Club
- Adopt A Highway
- Battle Creek Balloon Festival
- Calhoun County Sheriff’s Dept.
- Charitable Union
- City Linc
- Neighborhood Inc.
- New Harvest Church

**Kalamazoo County**
- Alano Club
- Alpha & Omega
- American Cancer Society
- Animal Control
- Building Blocks
- Church of God in Christ
- Celebrate Recovery
- Center for Transformation
- City of Kalamazoo
- Community Haven Church
- Comstock Compass High School
- Deacon’s Conference
- Dead Man Rising Ministries
- Downtown Kalamazoo Inc.
- East Side Neighborhood Assoc.
- Eastwood House of Recovery
- Edison Neighborhood Assoc.
- First Presbyterian Church

**Fresh Fire Church**
- Friendship House
- Full Gospel Church
- Goodwill Industries
- Kalamazoo Gospel Mission
- Habitat for Humanity
- Haven Reformed Church
- Kalamazoo Humane Society
- Kalamazoo Community Church
- Kalamazoo Dept. of Public Safety
- Kalamazoo Township
- Life Changing Ministries
- Ministry with Community
- Mothers of Hope
- Portage District Library
- Recovery Institute
- St. Luke’s Church
- Tabernacle Church
- Vine Neighborhood Assoc.
- YWCA

**Muskegon County**
- Church in the City
- Hackley Library
- Irish Festival
- Jazz Festival
- Mission for Area People
- Moose Festival
- Muskegon Blight Project
- Michigan Dept. of Corrections
- Muskegon Township Police Dept.
- Y Men’s Club
SERVING OUR COMMUNITY

Our volunteers

Each year, dozens of generous volunteers give their time and talent to help strengthen KPEP programs and services. We are honored by their trust, and we are very grateful for their contributions.

A special word of thanks goes to our Alcoholics Anonymous and Narcotics Anonymous volunteers for leading meetings and for assisting in sponsor recruitment. To protect their anonymity, we cannot name these generous individuals, but to them we express our sincere gratitude.

Berrien County
Michelle Kirksey
Samuel Nyambweke
Gary Rollins
Jorine Rollins
Jay Haynes

Calhoun County
Clinton Bradshaw
Dale Boyer
Dwayne Kelly
David Rudd
Mike Howard

Kalamazoo County
Cassandra Grays
Clanita Rucker
David Bruininks
Ethan Bast
Gary Hensley
Jacqueline Fullerton
Jeff Price
Jeff Bertolissi
Jennifer Harris
Jena Nycum
Joyce Bragg
Kara Kelley

Katherine Hermenitt
Michael Robinson
Nancy Liggins
Pamela Gregg
Paula Glenn
Ray Lehto
Robert Froman
Robin Brown
Rod Purcell
Sandra Kelly
Serena Graham
Sherry Grey
Sheryl Coleman

Thomas Gregg
Walker Sonneville
Whitney Bast
34,919.5 community service hours

3,902 Courage to Change participants

4,296 Courage to Change classes conducted

701 jobs obtained

20 GED tests taken

5 GED certificates earned

1,735 successful graduates

66.7% success rate

$131,878 paid court costs/child support

$1,244,133 resident income
Strong partnerships lead to growth
Maintaining residential facilities in communities across lower Michigan allows us the unique opportunity to work hand in hand with stakeholders throughout the criminal justice system. These close partnerships with the Michigan Department of Corrections (MDOC), Bureau of Prisons, local Community Corrections Boards and courts allow us to assist in crafting solutions to address trends throughout the system.

Thanks to referrals from these partners, KPEP provided quality residential programming to more than 2,650 men and women in 2016 from counties throughout Michigan. We did so by maintaining a structured schedule with programming tailored to each resident’s needs. We determined those needs based on an individualized risk need assessment and individual interview. From there, we developed programming plans to assist each resident in overcoming past obstacles while developing skills for long-term success.

Success for our residents is measured in the incremental accomplishments that lead to changed behavior. These include employment, continued education, completion of cognitive behavioral therapy modules, sobriety and living crime free. With these steps, residents can develop the habit of taking ownership and personal responsibility for their successes and failures.

Our role as a collaborative and flexible partner with the MDOC and others has also allowed for an ongoing expansion of services in 2016. Examples of this include the addition of the sobering center concepts to Calhoun and Muskegon counties, the launch of a culinary arts vocational track in Kalamazoo, the implementation of the Parole Certain Sanctions Program (PCSP) and greater utilization throughout our facilities. We will maintain open dialogue with legislators, MDOC personnel and community members to identify cost effective programs aimed at improving residents’ potential for success.

The PCSP, for instance, is designed to align evidence-based management principles with treatment for ongoing substance use and swift and certain sanctions for violations.

The new culinary arts vocational program is the first of what we plan will be a number of vocational tracks. By offering skills-specific training and certification, the program will provide another tool for the resident in the employment process.

We are pleased with the initial results and look forward to the continued expansion of both programs.

We are also pleased to report ongoing compliance and re-accreditation throughout the year with American Correctional Association audits, Probation Residential Services and Bureau of Prisons monitorings. All of the audit findings indicate a high level of compliance and reinforce that the programming we offer, staff we employ and facilities we run meet the highest standards and focus on the success of our residents.

“Our close partnerships with the Michigan Department of Corrections, Bureau of Prisons, local Community Corrections Boards and courts allow us to assist in crafting solutions to address trends throughout the system.”

~Jim Edwards
Over the years, we have fine-tuned the way we implement and deliver programs intended to reduce the incidence of recidivism. KPEP has earned an outstanding reputation based on our commitment to excellence. That commitment is unwavering and has resulted, not only in an outstanding reputation, but also in a KPEP brand, or way of doing things.

Think for a moment about your favorite restaurant, and then ask yourself how it became your favorite. Consistency likely played a huge role in your choice – consistency of the food quality, consistency of the service, consistency of the atmosphere, etc.

Now apply the importance of consistency to the success of KPEP. Constantly adhering to guiding principles is a key strategy found in all successful organizations, and KPEP is no exception. Our policies and procedures were developed with the goal of achieving predictable and reliable results. We attribute our success, in large part, to the consistent application of those policies and procedures – that’s what we mean by commitment to excellence.

Our consistent commitment to excellence expanded to the east side of Michigan when KPEP was awarded a contract with Wayne County to facilitate both Moral Reconation Therapy (MRT) and The Courage to Change cognitive behavioral curriculum at the Detroit Reentry Center. In FY16, 66 clients admitted into this program with 36 successfully graduating.

Additionally, we were awarded a contract with Southwest Michigan Behavioral Health (SWMBH) allowing us to continue providing outpatient treatment services to Medicaid and Block Grant-funded referrals. In addition to outpatient treatment, the contract extended services to include intensive outpatient treatment (IOP) and case management services.

Beyond adding services, we monitored and fine tuned program delivery in 2016. Applying the principles of evidence-based practices in all aspects of program delivery is essential to the longevity of excellence associated with the KPEP name. From the appearance of staff, to the delivery of programming, to the way we answer the phone, each aspect contributes to the quality and consistent excellence of the KPEP brand.

Facility audits utilizing a standardized assessment tool were performed on a quarterly basis at all six facilities and included group observations, resident and staff interviews, record review and facility inspections. Each program manager was provided feedback regarding the facility audit findings.

Our commitment to evidence-based practices and the value of consistency embraces the understanding that “the work has already been done.” A great deal of thought, consultation, research, trial and error, but most of all results have already been evaluated and achieved. Applying these “tried and true” principles leads to reliable, predictable and successful results. The reputation of KPEP speaks for itself, and our reputation is founded on the principle of consistent program delivery.

Ann Webb, Director of Treatment Services

Consistently excellent
TREATMENT SERVICES

Domiciliary Intensive Outpatient Program
- 13 admissions
- 20 discharges
- 15 successful discharges
- 75% successful completion rate

Residential Substance Abuse
- 182 admissions
- 187 discharges
- 149 successful discharges
- 80% successful completion rate

Residential Sex Offender Program
- 245 admissions
- 226 discharges
- 160 successful discharges
- 71% successful completion rate

22,341.5 hours of group treatment
13,474.5 hours of individual treatment
2,962 hours of didactic groups
KPEP RESIDENTS ON THE FRONTLINE IN MUSKEGON HEIGHTS’ BATTLE AGAINST BLIGHT

Counting on KPEP

When Michigan Department of Corrections Muskegon field service assistant Greg Balcom needs a team to get a community service project done, he calls on KPEP.

As the man responsible for monitoring community service at the MDOC Muskegon Parole Office, he has a lot of jobs to get done.

“KPEP provides 99 percent of my volunteers,” Greg said. “In the past, I coordinated community service projects using only MDOC parolees. Sometimes just one guy would show up, and I’d have to cancel projects. Parolees living in the community just weren’t as motivated as the KPEP guys.”
According to Greg, a demolition that would typically take about eight hours, takes about four after his clean up crew comes through.

Greg pointed out that the neighbors also appreciated their work because they cleaned up properties that had been abandoned eyesores, in some cases, for years.

“We’re helping to improve the safety and appearance of dozens of areas throughout this community," he said.

In the end, 38 KPEP volunteers had accrued 825 community service hours on the blight fight project. They worked in approximately 33 locations throughout the City of Muskegon and Muskegon Heights, collecting 99 old tires and removing approximately 67 yards of garbage and yard waste.

Lighting the path

But the city and the neighbors aren’t the only ones to benefit from this service project. The KPEP residents who worked with Greg learned valuable and transferable job skills, including lawn care and maintenance. They learned to work as a team and independently. They learned to problem solve. Most importantly, they learned the value of doing a job well and taking pride in the results.

“Sometimes, when we go out for a doctor or dentist appointment, we drive by properties we worked on,” said Michael, a resident who regularly joined the blight fight crew. “It feels really good to see the places we cleaned up. It feels good to know that we did something good for our community. I feel proud of my work.”

Greg agrees. “When the guys are out on these jobs, they’re interested in demonstrating that they’re honest, responsible, reliable people of integrity.”

A few years ago, he began coordinating projects with KPEP’s Muskegon County residential facility, which shares a building with the MDOC Muskegon Parole Office.

“Guys from KPEP are eager to spend time in the community. I began bringing them as a fail safe,” explained Greg. “Then the group became larger and larger each week. KPEP guys really gave us the work we wanted. For them it’s time out of KPEP and time doing something rewarding. They’re very motivated and eager to gain positive experience for themselves.”

Fighting blight in Muskegon Heights neighborhoods

Leveraging a $1.8 million federal Hardest Hit Fund grant awarded in December 2014, the City of Muskegon Heights and its community partner, the Muskegon County Land Bank Authority, targeted approximately 200 blighted properties for demolition and clean up. With the grant due to expire in September 2016, the community was on a tight deadline to complete this significant community clean up project by the end of August.

From April through August, Greg and his crew of KPEP volunteers dedicated several hours each Wednesday to the blight fight project. Their job was to prepare the properties for the company hired to handle the structural demolition.

“We’d go through and clear the lots of brush, overgrowth, small trees, trash and other debris,” explained Greg. “We make the demolition crew’s life easier and save them a lot of time.
A PATH TO SOBRIETY

Sometimes, when the road is unfamiliar, we need a map. But even a map can be confusing when the road is complicated and we encounter detours along the way.

For Sarah, the road to sobriety has been complicated. She has taken wrong turns. She has been lost. At times, she has even been uncertain where she is headed.

But the Parole Certain Sanctions Program (PCSP) has set her on a clear path to recovery. And, with the encouragement of her daughter, Sarah is certain of her destination. She wants to be clean and sober for her children – and for herself.

Detours and dead ends
In 2014, Sarah was convicted of drug charges and sentenced to three to 20 years in prison. After serving six months, she was eligible for MDOC Special Alternative Incarceration, or Boot Camp. She completed three months in the program and was paroled. Five months later, she started using again and dropped dirty in March 2016. Ultimately, she was assigned to the Parole Certain Sanctions Program at KPEP.

Changing course
In the program, Sarah would be subject to random drug tests twice each week and sanctioned if she tested positive. The program would also provide residential treatment if she had multiple infractions.

Sarah’s initial assignment ran from April through September, and she stayed clean. But when she was due to complete the program, she made an unusual request. She asked her parole officer if she could continue in the program.

“That was the first and might be the only time a parolee has made that kind of request,” the officer said.

But Sarah knew PCSP was helping her chart a new course.

“When my six months were up, I didn’t feel like I was ready yet,” Sarah explained. “I can do good on my own, but when I have something like this over my head that I can answer to, it helps me do better.”

Sarah has three children, and they figured into her decision as well.

“I’ve put my kids through a lot. My oldest daughter is 14, and she knows everything that happened. She encouraged me to stay in. She said, ‘Mom, you do good when you’re in the program.’”

Sarah opted to participate in PCSP until she is discharged from parole in May. But, she says these past several months have made a difference, and she is ready to stay clean on her own. When asked what is different now, Sarah was clear and determined.

“While being in this program, I learned I had to change my people, places and things,” she explained. “I had to change my group of friends and the places I go. I made those changes. I can stick with those decisions. I can be on my own now.”
Another Year

Lighting the path
2016 ACCREDITATIONS

**Berrien**
CARF Outpatient Treatment: Alcohol and Other Drugs/Addictions Three Year Accreditation
CARF Residential Treatment: Alcohol and Other Drugs/Addictions Three Year Accreditation
PREA Initial Compliance Audit

**Calhoun**
ACA Adult Community Residential Services Three Year Accreditation
CARF Outpatient Treatment: Alcohol and Other Drugs/Addictions Three Year Accreditation
CARF Residential Treatment: Alcohol and Other Drugs/Addictions Three Year Accreditation
PREA Initial Compliance Audit

**Muskegon**
CARF Outpatient Treatment: Alcohol and Other Drugs/Addictions Three Year Accreditation
CARF Residential Treatment: Alcohol and Other Drugs/Addictions Three Year Accreditation

**Olmstead**
ACA Adult Community Residential Services Three Year Accreditation
CARF Outpatient Treatment: Alcohol and Other Drugs/Addictions Three Year Accreditation
CARF Residential Treatment: Alcohol and Other Drugs/Addictions Three Year Accreditation

**Park**
CARF Outpatient Treatment: Alcohol and Other Drugs/Addictions Three Year Accreditation
CARF Residential Treatment: Alcohol and Other Drugs/Addictions Three Year Accreditation
CARF Intensive Outpatient Treatment: Alcohol and Other Drugs/Addictions Three Year Accreditation

**Chicago**
CARF Outpatient Treatment: Alcohol and Other Drugs/Addictions Three Year Accreditation
CARF Residential Treatment: Alcohol and Other Drugs/Addictions Three Year Accreditation
PREA Initial Compliance Audit
KPEP had another busy year of accreditations. We have been an accredited provider for over ten years, and we remain committed to maintaining the high standards set forth by the accrediting bodies.

Accreditation runs in three-year cycles for both the Commission on Accreditation for Rehabilitation Facilities (CARF) and American Correctional Association (ACA) certifications. Each facility has an audit (ACA) or Survey (CARF) every three years that evaluates the level to which the accreditation standards were maintained. This year each of our facilities went through some form of accreditation audit/survey.

The staff at Olmstead and Calhoun had another successful ACA audit in June and were awarded three-year accreditation at the ACA conference in August. This is the fourth time that each facility has been awarded ACA accreditation. The audit team congratulated staff on the level of professionalism shown and the positive effect programming has for both residents and the communities KPEP serves.

All of our locations went through the CARF Survey for the re-accreditation of treatment services in July. This was the first re-accreditation survey for CARF. The survey team was impressed with the work that treatment services has done over the three years and praised the staff for continuing to provide quality programs. We were granted three-year accreditation for being in substantial compliance with the CARF standards at all of our locations.

Finally, in compliance with our contract with the Bureau of Prisons, the Chicago Avenue, Calhoun and Berrien facilities went through the Prison Rape Elimination Act (PREA) audit process. The audit included a detailed review of all of our policies and procedures related to the PREA standards, a review of our training and educational components, and lengthy interviews with many staff and residents. The final PREA report and certification for the three facilities will be issued by the end of the year.

While accreditation has become embedded in the day-to-day work at each facility, maintaining standards and preparing for audits and surveys requires the commitment, coordination and organization of staff at all levels. With many moving parts, accreditation is only successful when every staff person knows the importance of their role.

We continue to be the only community corrections program in Michigan accredited by the American Correction Association. This success clearly demonstrates that KPEP is maintaining high expectations for providing quality programs.
MANAGEMENT TEAM

Jamie Witzenburg, Program Manager, Chicago Ave. Men
Adam Craaybeek, Program Manager, Olmstead Rd.
Alicia Brady, Program Manager, Chicago Ave. Women
Robyn Sherrick, Program Manager, Berrien County
Anita Banks, Program Manager, Muskegon County
Stacey Thompson, Program Manager, Calhoun
Andy Jerue, Program Director
Beth Hampsten, Human Resources Manager
Ronda Webb, Chief Financial Officer
Jason McCune, Operations Manager
Scott Dolfman, Facilities Manager
Laura Marlatt, Limited License Psychologist
Lindsay Marshall, Systems Administrator
Andelin Goolsby, Accreditation Manager
KPEP launches culinary arts program

In September, KPEP launched an accredited, post-secondary culinary arts program in partnership with the Michigan Career and Technical Institute (MCTI), Michigan Works!, Michigan Rehabilitation Services (MRS) and Canteen Services.

The program operates out of KPEP’s Park Street commercial kitchen where residents from our Park St. and Chicago Ave. facilities learn everything from basic food safety, sanitation and storage requirements to culinary pastry and baking techniques to career planning. Approximately 75 – 100 residents per year are expected to earn their culinary arts certification, including ServSafe certification.

Canteen Services and KPEP collaborated to develop the 10-week, 300-hour competency-based curriculum using the MCTI culinary arts curriculum as a foundation. Canteen Services staff serve as instructors, provide follow up training and conduct onsite inspections to keep in compliance.

This public-private partnership expands KPEP vocational training programs and is one of several community-based programs that MCTI is developing across the state.

KPEP provides cognitive programming at Detroit Reentry Center

With a bed count of just over 1,000, the MDOC Detroit Reentry Center houses parolees who are required to satisfactorily complete reentry programming, as well as parole violators who are believed to have violated a condition of parole and are being considered for parole revocation. Average length of stay is 120 – 180 days.

The goal of the center is to reduce the prison commitment rate in Wayne County by five percent.

The MDOC began contracting with KPEP in March to provide Moral Reconation Therapy and the Courage to Change cognitive behavioral therapy curriculum to complement the career technical training and vocational education provided as part of the center’s wrap-around services. Designed to target five of the “Big Six” identified criminogenic needs, the Courage to Change curriculum addresses anti-social values, criminal peers, low self control, dysfunctional family ties and criminal personality.

In FY16, KPEP worked with 66 clients – 36 of the 43 parolees who have completed the program have successfully graduated.

Sobering Centers open in Muskegon and Calhoun

When an intoxicated person is picked up by law enforcement and needs a place to “sleep it off,” choices are typically the emergency room or jail. With the opening of KPEP Sobering Centers in Muskegon and Calhoun Counties last summer, local law enforcement now has a less-costly solution.

The goal is to free up high demand and expensive ER beds by moving intoxicated people who do not need medical attention to a less costly supervised environment. In addition to saving money, this makes beds available for patients who need true medical attention. All participants are medically cleared; their only diagnosis is intoxication.

Since opening in June, the Calhoun Sobering Center has served 57 participants. The Muskegon center has served 45 participants since it opened its doors in July.
### Assets

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<td>Prepaid expenses</td>
<td>$180,672</td>
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<td><strong>Total Current Assets</strong></td>
<td>$1,873,906</td>
<td>$1,596,376</td>
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<tr>
<td>Land</td>
<td>$238,008</td>
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<td>Buildings</td>
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<td>$209,831</td>
</tr>
<tr>
<td>Equip., furniture &amp; fixtures</td>
<td>$994,240</td>
<td>$851,880</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>$48,169</td>
<td>$384,251</td>
</tr>
<tr>
<td><strong>Accumulated depreciation &amp; amortization</strong></td>
<td>$(3,386,271)</td>
<td>$(2,948,387)</td>
</tr>
<tr>
<td><strong>Net PE</strong></td>
<td>$6,385,490</td>
<td>$6,258,178</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$8,259,396</td>
<td>$7,854,554</td>
</tr>
</tbody>
</table>

### Liabilities & Net Assets

<table>
<thead>
<tr>
<th>Current Liabilities</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$212,675</td>
<td>$245,575</td>
</tr>
<tr>
<td>Accrued payroll &amp; related liability</td>
<td>$308,362</td>
<td>$541,757</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>$3,693</td>
<td>$13,274</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>$30,831</td>
<td>$14,040</td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>$2,257,100</td>
<td>$630,000</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$2,812,661</td>
<td>$1,444,464</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Long-Term Liabilities</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate swap liability</td>
<td>$52,566</td>
<td>$52,566</td>
</tr>
<tr>
<td>Long-term debt, net of current maturities</td>
<td>$1,862,203</td>
<td>$3,244,102</td>
</tr>
<tr>
<td><strong>Total Long-Term Liabilities</strong></td>
<td>$1,914,769</td>
<td>$3,296,668</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$3,531,966</td>
<td>$3,113,240</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>TOTAL LIABILITIES &amp; NET ASSETS</strong></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8,259,396</td>
<td>$7,854,554</td>
<td></td>
</tr>
</tbody>
</table>

### Statements of Activities and Changes in Net Assets

<table>
<thead>
<tr>
<th>Unrestricted Net Assets</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support &amp; Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractual agreements</td>
<td>$8,335,630</td>
<td>$8,019,941</td>
</tr>
<tr>
<td>Grants</td>
<td>$22,242</td>
<td>$24,325</td>
</tr>
<tr>
<td>Resident contribution</td>
<td>$315,417</td>
<td>$350,147</td>
</tr>
<tr>
<td>Rent</td>
<td>$206,280</td>
<td>$206,280</td>
</tr>
<tr>
<td>Fees</td>
<td>$2,161,906</td>
<td>$1,617,735</td>
</tr>
<tr>
<td>Other</td>
<td>$283,644</td>
<td>$241,761</td>
</tr>
<tr>
<td><strong>Total Support &amp; Revenue</strong></td>
<td>$11,325,119</td>
<td>$10,460,189</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Park</td>
<td>$1,721,514</td>
<td>$1,411,694</td>
</tr>
<tr>
<td>Chicago</td>
<td>$2,139,370</td>
<td>$1,786,801</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$10,906,393</td>
<td>$9,784,130</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in Unrestricted Net Assets</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$418,726</td>
<td>$676,059</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets at Beginning of Year</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,531,966</td>
<td>$3,113,240</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>NET ASSETS AT END OF YEAR</strong></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,531,966</td>
<td>$3,113,240</td>
<td></td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Board of Directors of Kalamazoo Probation Enhancement Program, Inc.
We have audited the accompanying financial statements of Kalamazoo Probation Enhancement Program, Inc. (a non-profit organization) which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kalamazoo Probation Enhancement Program, Inc. as of September 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional revenues and expenses as listed in the table on contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Seber Tans, PLC
Kalamazoo, Michigan
January 4, 2016
You can’t manage what you don’t measure – we apply this management adage to all our programs at KPEP. That includes collecting one-year and three-year follow-up data to assess outcomes of our programming. Each month, staff members track the status of individuals using the OTIS (Offender Tracking Information System) database, the Federal Bureau of Prisons Inmate Locator and contact with supervising agents.

For follow-up purposes, we evaluate residents who are referred to us for programming. This generally includes all residents who fall under our state and federal contracts. We have identified these populations as residents who are required to be in the program and who are doing a term longer than 30 days.

### Follow Up Report

#### One-Year Follow Up Report

<table>
<thead>
<tr>
<th></th>
<th>RSA %</th>
<th>RSOP %</th>
<th>DIOP %</th>
<th>FEDERAL %</th>
<th>OCC %</th>
<th>TOTAL %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cases</td>
<td>181</td>
<td>162</td>
<td>21</td>
<td>254</td>
<td>485</td>
<td>1103</td>
</tr>
<tr>
<td>Active Cases</td>
<td>72</td>
<td>112</td>
<td>6</td>
<td>84</td>
<td>191</td>
<td>465</td>
</tr>
<tr>
<td>Successful</td>
<td>79</td>
<td>23</td>
<td>11</td>
<td>116</td>
<td>182</td>
<td>411</td>
</tr>
<tr>
<td>Unsuccessful</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>46</td>
<td>47</td>
</tr>
<tr>
<td>Absconder</td>
<td>5</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>21</td>
<td>31</td>
</tr>
<tr>
<td>Custody</td>
<td>24</td>
<td>27</td>
<td>2</td>
<td>51</td>
<td>45</td>
<td>149</td>
</tr>
</tbody>
</table>

#### Three-Year Follow Up Report

<table>
<thead>
<tr>
<th></th>
<th>RSA %</th>
<th>RSOP %</th>
<th>DIOP %</th>
<th>FEDERAL %</th>
<th>OCC %</th>
<th>TOTAL %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cases</td>
<td>53</td>
<td>58</td>
<td>16</td>
<td>30</td>
<td>97</td>
<td>254</td>
</tr>
<tr>
<td>Active Cases</td>
<td>6</td>
<td>3</td>
<td>1</td>
<td>9</td>
<td>5</td>
<td>24</td>
</tr>
<tr>
<td>Successful</td>
<td>30</td>
<td>47</td>
<td>9</td>
<td>17</td>
<td>41</td>
<td>144</td>
</tr>
<tr>
<td>Unsuccessful</td>
<td>13</td>
<td>1</td>
<td>4</td>
<td>0</td>
<td>48</td>
<td>66</td>
</tr>
<tr>
<td>Absconder</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Custody</td>
<td>2</td>
<td>7</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>15</td>
</tr>
</tbody>
</table>

*Follow-up data on individuals who were KPEP residents in 3rd quarter FY 2013.
KPEP operates residential and non-residential programs for adult offenders as a community-based alternative to incarceration. We offer the opportunity and structure for men and women to take personal responsibility in their lives.