Proven, Responsive, Impactful
"I am pleased to present our 2018 annual report. As in any annual report, you will find financial statements and program data that quantify KPEP’s performance. But the real value of our work is reflected on the pages that tell the stories about the programs that change lives—and the people whose lives have been changed.”
Collectively, these pages tell the story of a proven leader in community corrections. It is the story of an organization that is responsive to the ever-evolving needs of this industry and one that continues to make a powerful, positive impact on the lives of our residents and on the health of our communities.

Several 2018 program changes demonstrate that dynamic:

- The Residential Sex Offender program went from what amounted to a mandatory 6-months to a program that could be completed in 3 months. This change was implemented because many participants have already completed a significant amount of time in programming while in prison. The length of treatment time in KPEP could therefore be reduced, saving taxpayer dollars. This reduced our population from about 120 to 70.

- In its first full year of operation, the Walnut & Park Café has become a neighborhood gathering place. It is often difficult to find a seat during peak hours. Sales continue to grow, increasing employment opportunities for our students while enriching the community.

- As a result of these changes, we have temporarily moved all residents from our Park facility to either Olmstead Rd. or Chicago Ave. Our Park location now houses the growing building trades and hospitality vocational programs, outpatient services and some drug testing. The administration building and Walnut & Park Café are also located on the Park Street property. We have been contemplating this move for quite some time. The day I saw a W&P customer drive away because she couldn’t find a place to park was the day I knew we needed to make the change.

- We took on three new service contracts. First, we are running both hospitality and cognitive behavioral programming in the Eaton County Jail. This new program was modeled after the Wayne County Residential Alternative Prison (WRAP) in the Detroit Re-Entry Center. The Eaton County Jail program is called the Westside Residential Alternative Prison (WRAP). Next, we began providing treatment services for opioid users in the Van Buren County Jail. That program is called RAISE for the Region (8) Alternative Intervention Sentencing Effort. Both of these programs are MDOC funded. The third new contract is with Washtenaw County to run community- and jail-based MRT services. This started on August 1, 2018 and is funded through the Office of Community Corrections.

While we continue to adapt to meet the changing needs of the industry, we will never waiver in our core values. We hold ourselves to the most rigorous standards so we can deliver the highest quality programs and best possible outcomes. Our work is evidence-based, and all of our facilities maintain accreditation by both the American Correctional Association (ACA) and the Commission on the Accreditation of Rehabilitation Facilities (CARF). Finally, all of our facilities are certified compliant with the Prison Rape Elimination Act (PREA) standards.

Thank you for taking the time to read our annual report and for your continued support of our vital services.
## Our Board of Directors

### Officers

<table>
<thead>
<tr>
<th>Name</th>
<th>Title / Position</th>
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</thead>
<tbody>
<tr>
<td>Karla Campbell</td>
<td>Chairperson, Chief Financial Officer, The Connable Office, Inc.</td>
</tr>
<tr>
<td>Jeffrey S. Getting</td>
<td>Vice-Chairperson, Prosecuting Attorney, Kalamazoo County</td>
</tr>
<tr>
<td>Donna Innes</td>
<td>Secretary, Attorney at Law</td>
</tr>
<tr>
<td>Glen Kellam</td>
<td>Treasurer, Investment Sales Rep., Consumers Credit Union</td>
</tr>
<tr>
<td>William A. DeBoer</td>
<td>President/CEO, KPEP</td>
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### Board Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Title / Position</th>
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<tbody>
<tr>
<td>Bryan Ergang</td>
<td>Chief, Township of Kalamazoo Police Department</td>
</tr>
<tr>
<td>Michael Dombos</td>
<td>Attorney at Law, Lewis Reed &amp; Allen</td>
</tr>
<tr>
<td>Richard C. Fuller</td>
<td>Sheriff, Kalamazoo County</td>
</tr>
<tr>
<td>Lisa Johansen</td>
<td>Kalamazoo County Parole Supervisor, Michigan Department of Corrections</td>
</tr>
<tr>
<td>Jim Luginbill</td>
<td>Vice President, Senior Commercial Loan Officer, Horizon Banks</td>
</tr>
<tr>
<td>David Riley</td>
<td>Retired, Michigan Department of Corrections</td>
</tr>
<tr>
<td>Karianne Thomas</td>
<td>Chief, Kalamazoo Department of Public Safety</td>
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<tr>
<td>Jessica Whaley</td>
<td>Region Manager, Michigan Department of Corrections</td>
</tr>
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</table>
KPEP has long been a leader in the field of community corrections throughout the State of Michigan. But that hasn’t made us complacent. We know that innovation and responsiveness are critical to ensuring that we continue to provide a vital service to this industry and to the communities we call home.

KPEP programs and services, staff and facilities are in constant motion. We demonstrate the agility to meet the changing needs of referral organizations, the community and our clients, all while remaining consistent with the mission of KPEP.

We do this in a myriad of ways. For instance, our expanding vocational programs equip our residents with exceptional on-the-job training and life skills, while growing a skilled workforce to meet the needs of employers in our communities.

At our core, KPEP is building stronger communities by creating opportunities for our residents and helping them become healthier, more responsible and stable community members.
Building Community

Building on the success of our hospitality vocational training program, KPEP launched a building trades vocational training program in 2017. But the program got a big boost in 2018 thanks to a growing number of community partnerships.

We were proud to collaborate with the Kalamazoo County Land Bank, LISC (Local Initiatives Support Corporation), Kalamazoo Neighborhood Housing Services and Edison Neighborhood Association on forward-looking projects that enhance our local neighborhoods while providing practical hands-on training for dozens of KPEP residents.

KPEP also acquired our residential builders license this past year, opening even more doors to on-the-job training for our residents and creating more opportunity to make an impact in the Kalamazoo community.

Filling a Market Demand

The combination of a good economy, a booming housing market and a labor shortage is creating some challenges for homeowners who need renovations done on their homes. Contractors are busy and can’t find enough dependable, trained employees to meet the demand.

Enter KPEP. We are training the building trades workforce of the future. In doing so, we’re meeting a market need and we’re preparing our residents for good paying jobs as they walk out of our doors. The program is open to KPEP residents. Participants must complete time as an intern and then become eligible to become paid employees of the program.

Scott Dolfman, KPEP facilities manager, serves as general contractor for the program overseeing the curriculum, projects and instructors.

Partners in Progress

The Kalamazoo County Land Bank – a long-time community service partner – got on board early in the development of our building trades program. Mary Balkema, Land Bank board chair and Kalamazoo County Treasurer, was instrumental in facilitating the growing partnership.

“This partnership just makes sense,” says KPEP President/CEO Bill DeBoer. “KPEP helps people rebuild their lives. The Land Bank renovates properties and helps rebuild neighborhoods.”

In our first building trades collaboration, KPEP renovated two Land Bank homes in the Eastside Neighborhood. The homes had been vacant for some time and were attracting squatters and criminal activity. It was time to get to work.

The Land Bank purchased all the materials for the renovation. KPEP provided the labor to handle demolition and renovation, subcontracting the plumbing and electrical work.

Just two days after the March open house, the newly renovated homes sold for full asking price. The owner-occupied homes are back on the tax rolls, the neighborhood is safer and more attractive, and KPEP residents learned valuable skills that they can put to work when they finish our program.

This past September, we added a new dimension to our partnership when we collaborated with the Homebuilders Association of Kalamazoo on a Fast Built project funded by the Land Bank and private donors. KPEP joined with HBA builders and other community partners to build a small, energy efficient affordable home on vacant land owned by the Land Bank in Kalamazoo’s Eastside Neighborhood.

No builders were paid for their work. Several KPEP building trades program participants assisted with the labor, plus the KPEP Hospitality program supplied food and beverages.

The 1,000-square-foot house was completed in just two days and went on the market for $127,000. The Land Bank owns 11 adjacent vacant parcels and plans to develop more mixed-income, eco-friendly housing in the area.
Growing Collaborations
Through our Land Bank partnership, we developed new relationships with LISC and Kalamazoo Neighborhood Housing Services (KNHS) and are finding ways to make an exponential impact through these broader community collaborations.

LISC provides funding to support the KPEP Building Trades program and renovation projects as we restore homes for both KNHS and the Land Bank.

Chuck Vliek, program vice president for LISC nationwide and executive director of the Michigan office, based in Kalamazoo, is a leading advocate of affordable housing and is a tremendous partner in opening doors for the KPEP building trades program.

For instance, this past year we won bids on two KNHS historic home renovation projects funded by LISC. We will complete the renovations in early 2019, and the homes – located on the corner of Rose and Fellowes – will be sold to people in need of affordable housing.

The relationship with LISC also opened a new opportunity with an old friend – the Edison Neighborhood Association (ENA).

ENA has been a KPEP community service partner for years. The organization owned a vacant home on Race Street that needed extensive renovations to get it ready for sale. LISC stepped in with funding. KPEP was hired as the general contractor, and we started work this past summer. By late fall, the house was ready for new owners and hit the market.

Win Win Win
“Win-win can be an overused phrase, but I can’t think of a better way to describe these partnerships,” says Bill DeBoer. “We greatly appreciate the trust that all our community partners have placed in us.”

“Homes that sat vacant are now occupied and back on the tax rolls – that’s good for the community. Residents of KPEP get job skills and an income. The construction industry gets workers who come to them with some experience and, we hope, a strong work ethic. They also come with sobriety, changed thinking and an appreciation that they’ve been given a second chance.”
2018 Community Service Partners

We are proud of the impact KPEP residents make on our home communities and grateful to the many partners that make this work possible. In 2018, our residents provided 35,162 hours of community service through 53 organizations in four Michigan counties.

KALAMAZOO COUNTY
Alano Club
Building Blocks
Centerpoint Church
Comstock Community Center
Deacon’s Conference
Eastwood House of Recovery
Edison Neighborhood Association
First Baptist Church
Fresh Fire Church
Habitat for Humanity
Kalamazoo County Animal Control
Kalamazoo County Land Bank
Kalamazoo County Road Commission
Kalamazoo Department of Public Safety
Kalamazoo Experiential Learning Center
Kalamazoo Gospel Mission
Kalamazoo Marathon
Kalamazoo Mud Run
Land Healers Ministry
Life Changing Ministries
Ministry With Community
Open Doors
Recovery Institute
Rib Fest
Salvation Army
Seasons of Change Church
Second Impressions
St. Luke’s Church
Tabernacle Church

BERRIEN COUNTY
Blossomtime Festival
Buchanan Fire Department
MOSAIC
Niles Township Fire Dept.

MUSKEGON COUNTY
70 x 7
Camp Pendalouan
Egelston Township Cemetery
First Wesleyan Church
Goodwill Industries
Greater Anointing Church
Holy Trinity Church
Howling Timbers
Meinert Park
Michigan Department of Corrections
Mission for Area People
Value Land
Y Men’s Club

CALHOUN COUNTY
Calhoun County Sheriff’s Department
Charitable Union
City LinC
City of Battle Creek
Field of Flight, Battle Creek Balloon Festival
New Harvest Church
Michigan Department of Corrections
Volunteers

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

KALAMAZOO
Ethan Bast
Whitney Bast
Bonnie Belson
Cheryl Besser
Lacee M. Boone
Gaynell Breeding
Byron Brown
John Brown
Davidd Bruininks
Frank Cody
Laurie Cronkrite
Robert Froman
Jacqueline Fullerton
Paula J. Glenn
Diana Godish
L. Serena Graham
Cassandra Grays
Pamela Gregg
Tom Gregg
Ann Hannon
James Harris
Jennifer Harris
Tim Harris
Gary Hensley
Jim Herm
Katherine Hermenitt
Doris Hope
John L. Jackson Sr.
Richard Johnson
Patti Kanipe
Kara Kelley
Sandra Kelley
Deonda Kirkland
Mary Koellner
Ray Lehto
Nancy Liggins
Lynnette Mazurek
Derek S. Miller
Alice A. Moore
Nancy Morrison
Jena Nycum
Karika A. Parker
Chris Pompey
George (Nick) Pratt
Sharon Preuss
Jeff Price
Angela Pyke
Jeffery Rebnstorf
Michael Robinson
Clanita Rucker
Erica F. Schlau
Amy N. Smith
Ronda Thompson
Andrea Van Niekerk
Jessica Volker
James Walters
Charles Wendling
Cheryl Wiescholek
Ronald Zuidermen

BERRIEN
Samuel Nyambweke
Donald Rimpson
Gary Rollins
Jorine Rollins

MUSKEGON
Nathan Johnson

CALHOUN
Dale Boyer
Mark DeRuiter
Mike Howard
Marlene Lawson
David Rudd
35,162 Community Service Hours
103 CPR Certifications Earned
177 Vocational Training Participants
4,777 Courage to Change Classes Conducted
567 Jobs Obtained
1,780 Successful Graduates
63.2% Success Rate
$39,516.63 Paid Court Costs / Child Support
$964,087.19 Resident Income
FY 2018 brought a consistent stream of programming referrals throughout KPEP facilities – a clear testament to the successful outcomes of our residential programming.

Structured, evidenced-based programs and re-enforcement of positive habits provide the environment for residents to develop skills that lead to a successful transition home. If asked to define these successful transitions, we need only point to tangible outcomes including 1,764 successful graduates, 35,162 hours of community service, 567 jobs obtained and over $964,000 in income earned.

Vocational programming has become a significant component of skill development for our residents. By joining the hospitality or building trades vocational track, residents demonstrate initiative and desire to enhance their programming opportunities, employability and training. Residents enrolled in vocational programming over the past year earned 101 OSHA-10 certificates, 90 ServSafe certificates and 103 CPR/first aide certifications. In addition, residents can now gain certification through the American Hotel and Lodging Educational Institute.

We are confident these certifications, along with hands-on training and core KPEP programming, will assist residents in gaining meaningful, long-term employment.

Beyond changing the trajectory of their own lives, KPEP residents are impacting the local community through community service work, participating in the Kalamazoo Fast Built project, restoring homes, cleaning up neighborhoods and providing quality service at the Walnut & Park Café.

Equally important, KPEP focuses on providing residents an environment where they learn to take personal responsibility in their lives. In doing so, they not only benefit themselves, but they have an impact on the community as a whole. When they successfully complete the program, they join the work force, pay taxes, support themselves and their families, give back through community service and have the opportunity to impact the next generation.
I am not my past.

Jen is hopeful and determined. She’s looking ahead. She has gained confidence in herself and in her future. She has plans – and they don’t include alcohol or drugs.

That wasn’t always the case.

A Look Back

Jen was addicted to opiates for over 18 years. Several years ago, she was arrested. She was sentenced to probation and a 90-day treatment program at KPEP. She wanted to get clean – in large part, for her three children – but she didn’t know how.

“I didn’t take the program seriously,” she recalls. “I didn’t focus on the classes – on finding alternatives to my old life. I thought I only needed to be clean and life would be good. But I didn’t have the skills to change.”

After completing the program, Jen returned to the people and life she knew. “I was hanging out with people I knew for 18 years, and it’s like I didn’t even know them once I got clean. Because I had changed.”

Jen experienced separation anxiety. She isolated herself and didn’t know how to fully let go of her past or build a new future. But she knew enough to put some distance between herself and her old friends, seek continued addiction support and begin a job search. She soon landed an interview for a food service position with a local college.
Self-Sabotage

Jen was on the threshold of a new life. But she was scared.

“I wanted independence, but I was scared of success,” she says. “Or maybe I was afraid that I wouldn’t succeed. I didn’t use opiates, but I did use again. I self-sabotaged.”

She reported herself to her parole officer and was given the choice of a felony record and jail time or six months in KPEP with no felony record. The KPEP sentence was longer, but it gave her some hope for the future.

“Walking back into KPEP was the worst walk of shame I’ve ever done in my life,” she recalls. “They helped me so much, and I let them down.”

Getting Past the Past

Jen’s initial 90 days of her six-month treatment plan was intensive.

“I was angry and thought about walking out. Even though I knew I wanted to be clean, I still struggled with co-dependency and thinking errors,” she explains. “The group sessions and working with my counselors and mentors helped change my thinking.”

“My children are my everything,” she says. “My children don’t see me for my past. They’ve been through a lot because of me, but they don’t hold it against me. They love me sober. I want this for them even more than I want it for me.”

Initially, Jen was allowed only limited visits with her children at her KPEP residence. She missed them, and that became a driving force in her recovery.

Transitioning to the Future

After completing the 90-day residential substance abuse treatment component, Jen transitioned into the vocational training component. She chose the Hospitality Vocational Training track and learned general custodial, kitchen and front desk job skills.

She earned ServSafe, CPR, OSHA and maintenance certifications and, ultimately, completed the KPEP hospitality arts program in July. That’s when she started her job at the Walnut & Park Café.

The job and, more importantly, the women who surround her inspire her to look to her future.

“‘The women in this hospitality program keep me grounded,’” she says. “Casey and Tera, the café managers, constantly support me. I’m so fortunate to have them in my life. Gretchen, my facilitator in hospitality, and Desiree, who graduated KPEP over a year ago and is now running all of production – they’re so inspiring to me.

“The first time I went to KPEP, KPEP saved my life. The second time I went to KPEP, KPEP gave me a whole new life.”

Jen isn’t certain exactly what her new life holds, but she is looking into opportunities to provide peer support or serve as a recovery coach down the road. She expects that her hospitality training will open doors to a full-time job that will allow her to live independently while she completes the required peer support training.

Like her children, Jen no longer sees herself as her past. Nor do the people who supported her at KPEP.

“These women helped me see a new path for myself and my life,” she says. “They had confidence in me when I had none. I realize it’s not just my fight. I’m also fighting for all the people who believe in me. That makes the fight easier.”
The past year has been an exciting time of new program growth at offsite locations. In keeping with our commitment to implementing evidence-based practices, we’re now delivering SAMHSA National Registry of Evidence-Based Programs and Practices curriculum at multiple sites throughout the state. This includes Moral Reconation Therapy, Helping Men Recover, the Good Lives Model and The Change Companies’ curriculum series – The Courage to Change and Residential Drug Abuse Program.

In January 2018, we kicked off the Westside Residential Alternative to Prison (WRAP) program located in the Eaton County Jail in Charlotte, Michigan. The program is designed to offer probation violators that may otherwise be considered prison-bound an opportunity to address the criminal thinking, attitudes and behaviors that lead to incarceration while also learning marketable job skills.

In May 2018, the new Region (8) Alternative Intervention Sentencing Effort (RAISE) received its first referral. The RAISE program is located in the Van Buren County Jail and is designed to provide medication assisted treatment (MAT) in combination with counseling, cognitive behavioral therapy and education, for offenders with an opioid use disorder.

In August 2018, KPEP began providing Moral Reconation Therapy (MRT) programming in Washtenaw County. The curriculum is delivered in gender-specific groups, with a total of eight groups offered – four in the Washtenaw County Jail and four in the community of Ann Arbor. We are excited about developing a working relationship with Washtenaw County and feel our extensive experience delivering the MRT curriculum will prove beneficial to clients and referral sources alike.

Lastly, in February 2018, KPEP implemented the Good Lives Model curriculum for all residential and outpatient sex offender participants as part of the new MDOC and USPO/USPT contract stipulations.

Utilizing the workbook entitled Building a Better Life, the Good Lives Model curriculum emphasizes the strengths of the participants, with a focus on self-regulation. It assists participants in developing and implementing a life plan that is incompatible with future offending and includes a comprehensive risk management plan.

We have received excellent feedback from SO treatment participants and have seen an increase in the successful completion rate from 75% in 2017 to 82% in 2018.

Read more about these transformative new programs in the “News Briefs” section of this report.
Residential Substance Abuse Program Stats

350  Admissions
358  Discharges
212  Successful Discharges
59.2%  Successful Completion Rate

Residential Sex Offender Program Stats

255  Admissions
306  Discharges
249  Successful Discharges
81.4%  Successful Completion Rate

Treatment Hours

25,843  Hours of Group Treatment
13,316  Hours of Individual Treatment
4,035  Hours of Didactic Groups
2018 News Briefs

KPEP plans Walnut & Park Diner

Walnut & Park customers spoke, and we listened. Several café patrons said they’d love to see Walnut & Park expand our menu to include cooked-to-order eggs, sandwiches and other offerings. This will soon be a reality in the nearby Washington Square neighborhood!

KPEP’s next vocational training venture – the Walnut & Park Diner – will be located on Portage Road. Construction is slated to begin shortly after the first of the year, with a targeted opening date of late summer or early fall 2019.

The diner will double the capacity of the KPEP hospitality vocational training program, with a kitchen that can accommodate one worker and one trainee who will observe how to handle each position.

The Walnut & Park Café will still be home to all of your deli and coffee favorites.
KPEP Launches Several County Jail and Community-Based Programs

Eaton County WRAP

In January 2018, KPEP partnered with the Eaton County Jail in Charlotte to launch the Westside Residential Alternative to Prison (WRAP) program. WRAP is modeled after the Wayne County Residential Alternative to Prison pilot program implemented in early 2016 at the Detroit Reentry Center.

The program provides sentencing alternatives for probation violators residing in counties located on the west side of the state. WRAP offers probation violators that may otherwise be considered prison-bound an opportunity to address the criminal thinking, attitudes and behaviors that lead to incarceration while also learning marketable job skills.

The program includes the evidence-based cognitive behavioral Moral Reconation Therapy and The Change Companies’ The Courage to Change curricula.

Utilizing the nationally recognized START curriculum authored by the American Hotel and Lodging Educational Institute (AHLEI), participants graduate with AHLEI specialty certification in one of five options, including kitchen cook, guest room attendant, maintenance worker, restaurant server or breakfast attendant. They also earn OSHA 10, ServSafe and CPR industry certifications.

Finally, to prepare participants for the job search process, they learn successful resume writing and interviewing techniques, and we help them develop a profile on MITALENT.

Van Buren County RAISE

The new Region (8) Alternative Intervention Sentencing Effort (RAISE) – located in the Van Buren County Jail – is available to inmates from Berrien, Kalamazoo, Calhoun, Van Buren, Cass, Branch, and St. Joseph Counties. The program received its first referral this past summer.

RAISE applies a combination of medication assisted treatment (MAT), counseling and cognitive behavioral process group therapy for offenders with an opioid use disorder. The program includes an educational component designed to assist participants in making an informed decision about participating in MAT upon discharge from the program. All participants are referred to aftercare treatment in their home county upon discharge from the RAISE program.

Washtenaw County MRT

In keeping with their commitment to implement and deliver evidence-based practices, Washtenaw County identified Moral Reconsation Therapy (MRT) as the curriculum of choice for their jail and community-based CBT programming. KPEP began providing MRT for the county in August and now delivers the curriculum in eight gender-specific groups in the Washtenaw County Jail and in community-based programs in Ann Arbor.
I am happy to report another successful year of accreditation in Fiscal Year 2018.

Muskegon and Park Street completed their successful re-accreditation audit with the American Correctional Association in May, with the team finding each facility in 100% compliance with all mandatory and non-mandatory standards. Accreditation was awarded at the Summer Conference in Minneapolis in August. In addition, Muskegon and Olmstead completed a successful PREA (Prison Rape Elimination Act) audit in September. The audit report was submitted to the National PREA Resource Center in October and full certification is expected before the end of 2018.

We consider accreditation – including the audit process – critical to our success. Beyond regular monitoring of contracts and licensing by the Michigan Department of Corrections, the Federal Bureau of Prisons and the Department of Licensing and Regulatory Affairs, KPEP chose to seek accreditation in 2005 as a way to ensure consistency in programming and align with best practices. This made sense as contract requirements and the standards associated with accreditation often go hand in hand. Becoming accredited, maintaining accreditation between audit cycles, managing the different accreditations and certifications KPEP carries, and meeting contractual obligations requires constant self-evaluation and attention. It is a rigorous but valuable process.

KPEP has remained committed to this process over the years for many reasons. In short, we strive to provide quality, cost-effective programming that meets the needs of those we serve. To do that, it is important for all of our facilities and programs to function efficiently at all levels. Accreditation helps us do this by providing a system of checks and balances driven by research, experience and industry best practices.

Accreditation demonstrates that we not only meet standards and ensure safety and security, we engage in and embrace the process. Accreditation is ingrained in what we do every day. Each re-accreditation and certification is a huge accomplishment that speaks to the professionalism and dedication of the staff at each facility.

We look forward to a full calendar of accreditation in 2019. All facilities will have their CARF survey in the summer. Olmstead and Calhoun will undergo ACA audits in the Spring. Berrien, Calhoun and Chicago will have their PREA audit in the summer.
“KPEP has remained committed to this process over the years for many reasons. In short, we strive to provide quality, cost-effective programming that meets the needs of those we serve.”
Management Team

Adam Craaybeek
Program Manager, Calhoun County

Scott Dolfman
Facilities Manager

Kimberly Ferguson
Clinical Supervisor, Berrien County

Casey Grisolono
Vocational Program Manager

Paul Gugino
Program Manager, Muskegon County

Beth Hampsten
Human Resource Manager

Andrew Hicks
Clinical Supervisor, Muskegon County

Andy Jerue
Program Director

Laura Marlatt
Limited License Psychologist

Lindsay Marshall
Chief Operations Officer

Todd Maurer
Program Manager, Chicago Avenue Men

April Nachtigal
Program Manager, Olmstead Rd.

Robyn Sherrick
Program Manager, Berrien County

Amanda Terberg
Clinical Supervisor, Kalamazoo and Calhoun Counties

Stacey Thompson
Program Manager, Chicago Avenue Women

Mark Weatherwax
Clinical Supervisor, Kalamazoo County
Follow-Up Report

At KPEP, outcomes matter. We track results and use what we learn to improve our programming. That includes collecting one-year and three-year follow-up data to assess program outcomes. 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.

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<th>ONE-YEAR FOLLOW UP REPORT</th>
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<tr>
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<td>Active Cases</td>
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<td>Successful</td>
</tr>
<tr>
<td>Unsuccessful</td>
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<td>Absconder</td>
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<td>Custody</td>
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<tr>
<th>THREE-YEAR FOLLOW UP REPORT</th>
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<td>Custody</td>
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## KPEP Financial Statements

### Statements of Financial Position

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<thead>
<tr>
<th>CURRENT ASSETS</th>
<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td>Cash</td>
<td>$87,192</td>
<td>$360,620</td>
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<tr>
<td>Accounts receivable</td>
<td>1,445,554</td>
<td>1,677,806</td>
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<td>Inventory</td>
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<td>Prepaid expenses</td>
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<td>214,720</td>
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<td><strong>Total Current Assets</strong></td>
<td><strong>1,746,836</strong></td>
<td><strong>2,293,236</strong></td>
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<table>
<thead>
<tr>
<th>PROPERTY AND EQUIPMENT</th>
<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td>Land</td>
<td>246,396</td>
<td>238,008</td>
</tr>
<tr>
<td>Buildings</td>
<td>6,504,789</td>
<td>6,471,235</td>
</tr>
<tr>
<td>Capital improvements</td>
<td>2,906,042</td>
<td>2,710,803</td>
</tr>
<tr>
<td>Vehicles</td>
<td>326,622</td>
<td>306,370</td>
</tr>
<tr>
<td>Equipment, furniture &amp; fixtures</td>
<td>1,283,406</td>
<td>1,218,714</td>
</tr>
<tr>
<td>Construction in process</td>
<td>72,613</td>
<td>90,405</td>
</tr>
<tr>
<td><strong>Accumulated depreciation &amp; amortization</strong></td>
<td><strong>(4,312,104)</strong></td>
<td><strong>(3,841,598)</strong></td>
</tr>
<tr>
<td>Net PE</td>
<td>7,027,764</td>
<td>7,193,937</td>
</tr>
<tr>
<td>Interest rate swap</td>
<td>92,024</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$8,866,624</strong></td>
<td><strong>$9,487,173</strong></td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>CURRENT LIABILITIES</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note payable - bank</td>
<td>$65,000</td>
<td>$ –</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>264,051</td>
<td>296,865</td>
</tr>
<tr>
<td>Accrued payroll &amp; related liabilities</td>
<td>355,131</td>
<td>370,046</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>9,500</td>
<td>11,111</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>86,628</td>
<td>85,614</td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>461,100</td>
<td>457,700</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>1,241,410</strong></td>
<td><strong>1,221,336</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LONG-TERM LIABILITIES</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate swap liability</td>
<td>–</td>
<td>28,530</td>
</tr>
<tr>
<td>Long-term debt, net of current maturities</td>
<td>3,670,044</td>
<td>4,109,603</td>
</tr>
<tr>
<td><strong>Total Long-Term Liabilities</strong></td>
<td><strong>3,670,044</strong></td>
<td><strong>4,138,133</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>3,955,170</td>
<td>4,127,704</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Net Assets</strong></td>
<td><strong>$8,866,624</strong></td>
<td><strong>$9,487,173</strong></td>
</tr>
</tbody>
</table>

### Statements of Activities and Changes in Net Assets

<table>
<thead>
<tr>
<th>Unrestricted Net Assets</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPPORT AND REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractual agreements</td>
<td>$9,455,387</td>
<td>$9,983,938</td>
</tr>
<tr>
<td>Grants</td>
<td>7,949</td>
<td>5,986</td>
</tr>
<tr>
<td>Resident contribution</td>
<td>178,074</td>
<td>232,609</td>
</tr>
<tr>
<td>Rent</td>
<td>206,280</td>
<td>206,283</td>
</tr>
<tr>
<td>Fees</td>
<td>2,460,097</td>
<td>2,325,143</td>
</tr>
<tr>
<td>Other</td>
<td>680,655</td>
<td>396,393</td>
</tr>
<tr>
<td><strong>Total Support &amp; Revenue</strong></td>
<td><strong>12,988,442</strong></td>
<td><strong>13,150,352</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Park</td>
<td>2,058,895</td>
<td>1,955,670</td>
</tr>
<tr>
<td>Chicago</td>
<td>2,554,097</td>
<td>2,337,134</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANGE IN UNRESTRICTED NET ASSETS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets at Beginning of Year</td>
<td>4,127,704</td>
<td>3,531,966</td>
</tr>
<tr>
<td><strong>NET ASSETS AT END OF YEAR</strong></td>
<td><strong>$3,955,170</strong></td>
<td><strong>$4,127,704</strong></td>
</tr>
</tbody>
</table>
Independent Auditor’s 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, 2018 and 2017, 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, 2018 and 2017, 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.

REPORT ON SUPPLEMENTARY INFORMATION

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 10, 2019
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.