

**Form A**  
**Bidder Contact Sheet**  
**Request for Proposal Number 6126 Z1**

Form A should be completed and submitted with each response to this RFP. This is intended to provide the State with information on the bidder's name and address, and the specific person(s) who are responsible for preparation of the bidder's response.

Preparation of Response Contact Information	
Bidder Name:	KVC Behavioral Healthcare Nebraska
Bidder Address:	11550 I Street, Suite 100 Omaha, Nebraska 68137
Contact Person & Title:	Ashley Brown, President
E-mail Address:	<a href="mailto:adbrown@kvc.org">adbrown@kvc.org</a>
Telephone Number (Office):	402-498-4714
Telephone Number (Cellular):	402-312-0280
Fax Number:	402-493-3340

Each bidder should also designate a specific contact person who will be responsible for responding to the State if any clarifications of the bidder's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Bidder Name:	KVC Behavioral Healthcare Nebraska
Bidder Address:	11550 I street, Suite 100 Omaha, Nebraska 68137
Contact Person & Title:	Ashley Brown, President
E-mail Address:	<a href="mailto:adbrown@kvc.org">adbrown@kvc.org</a>
Telephone Number (Office):	402-498-4714
Telephone Number (Cellular):	402-312-0280
Fax Number:	402-493-3340

## REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM

### BIDDER MUST COMPLETE THE FOLLOWING

By signing this Request for Proposal for Contractual Services form, the bidder guarantees compliance with the procedures stated in this Request for Proposal, and agrees to the terms and conditions unless otherwise indicated in writing and certifies that bidder maintains a drug free work place.

Per Nebraska's Transparency in Government Procurement Act, Neb. Rev Stat § 73-603 DAS is required to collect statistical information regarding the number of contracts awarded to Nebraska Contractors. This information is for statistical purposes only and will not be considered for contract award purposes.

\_\_\_\_\_ NEBRASKA CONTRACTOR AFFIDAVIT: Bidder hereby attests that bidder is a Nebraska Contractor. "Nebraska Contractor" shall mean any bidder who has maintained a bona fide place of business and at least one employee within this state for at least the six (6) months immediately preceding the posting date of this RFP.

\_\_\_\_\_ I hereby certify that I am a Resident disabled veteran or business located in a designated enterprise zone in accordance with Neb. Rev. Stat. § 73-107 and wish to have preference, if applicable, considered in the award of this contract.

\_\_\_\_\_ I hereby certify that I am a blind person licensed by the Commission for the Blind & Visually Impaired in accordance with Neb. Rev. Stat. §71-8611 and wish to have preference considered in the award of this contract.

### FORM MUST BE SIGNED USING AN INDELIBLE METHOD (NOT ELECTRONICALLY)

FIRM:	<b>KVC Behavioral Healthcare Nebraska</b>
COMPLETE ADDRESS:	<b>11550 I Street, Suite 100 Omaha Nebraska 68137</b>
TELEPHONE NUMBER:	<b>402-498-4714</b>
FAX NUMBER:	<b>402-493-3340</b>
DATE:	<i>9/17/19</i>
SIGNATURE:	<i>Ashley Brown</i>
TYPED NAME & TITLE OF SIGNER:	<b>Ashley Brown, President</b>

**II. TERMS AND CONDITIONS**

**Bidders should complete Sections II through VI as part of their proposal.** Bidder should read the Terms and Conditions and should initial either accept, reject, or reject and provide alternative language for each clause. The bidder should also provide an explanation of why the bidder rejected the clause or rejected the clause and provided alternate language. By signing the RFP, bidder is agreeing to be legally bound by all the accepted terms and conditions, and any proposed alternative terms and conditions submitted with the proposal. The State reserves the right to negotiate rejected or proposed alternative language. If the State and bidder fail to agree on the final Terms and Conditions, the State reserves the right to reject the proposal. The State of Nebraska is soliciting proposals in response to this RFP. The State of Nebraska reserves the right to reject proposals that attempt to substitute the bidder's commercial contracts and/or documents for this RFP.

Bidders should submit with their proposal any license, user agreement, service level agreement, or similar documents that the bidder wants incorporated in the contract. The State will not consider incorporation of any document not submitted with the bidder's proposal as the document will not have been included in the evaluation process. These documents shall be subject to negotiation and will be incorporated as addendums if agreed to by the Parties.

If a conflict or ambiguity arises after the Addendum to Contract Award have been negotiated and agreed to, the Addendum to Contract Award shall be interpreted as follows:

1. If only one Party has a particular clause then that clause shall control;
2. If both Parties have a similar clause, but the clauses do not conflict, the clauses shall be read together;
3. If both Parties have a similar clause, but the clauses conflict, the State's clause shall control.

**A. GENERAL**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The contract resulting from this RFP shall incorporate the following documents:

1. Request for Proposal and Addenda;
2. Amendments to the RFP;
3. Questions and Answers;
4. Contractor's proposal (RFP and properly submitted documents);
5. The executed Contract and Addendum One to Contract, if applicable; and,
6. Amendments/Addendums to the Contract.

These documents constitute the entirety of the contract.

Unless otherwise specifically stated in a future contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) Amendment to the executed contract with the most recent dated amendment having the highest priority, 2) executed contract and any attached Addenda, 3) Amendments to RFP and any Questions and Answers, 4) the original RFP document and any Addenda, and 5) the Contractor's submitted Proposal.

Any ambiguity or conflict in the contract discovered after its execution, not otherwise addressed herein, shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

**B. NOTIFICATION**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

Contractor and State shall identify the contract managers who shall serve as the points of contact for the executed contract.

Communications regarding the executed contract shall be in writing and shall be deemed to have been given if delivered personally or mailed, by U.S. Mail, postage prepaid, return receipt requested, to the parties at their respective addresses set forth below, or at such other addresses as may be specified in writing by either of the parties. All notices, requests, or communications shall be deemed effective upon personal delivery or three (3) calendar days following deposit in the mail.

**C. BUYER REPRESENTATIVE**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The State reserves the right to appoint a Buyer's Representative to manage [or assist the State Purchasing Buyer in managing] the contract on behalf of the State. The Buyer's Representative will be appointed in writing, and the appointment document will specify the extent of the Buyer's Representative authority and responsibilities. If a Buyer's Representative is appointed, the Contractor will be provided a copy of the appointment document, and is required to cooperate accordingly with the Buyer's Representative. The Buyer's Representative has no authority to bind the State to a contract, amendment, addendum, or other change or addition to the contract.

**D. GOVERNING LAW (Statutory)**

Notwithstanding any other provision of this contract, or any amendment or addendum(s) entered into contemporaneously or at a later time, the parties understand and agree that, (1) the State of Nebraska is a sovereign state and its authority to contract is therefore subject to limitation by the State's Constitution, statutes, common law, and regulation; (2) this contract will be interpreted and enforced under the laws of the State of Nebraska; (3) any action to enforce the provisions of this agreement must be brought in the State of Nebraska per state law; (4) the person signing this contract on behalf of the State of Nebraska does not have the authority to waive the State's sovereign immunity, statutes, common law, or regulations; (5) the indemnity, limitation of liability, remedy, and other similar provisions of the final contract, if any, are entered into subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity; and, (6) all terms and conditions of the final contract, including but not limited to the clauses concerning third party use, licenses, warranties, limitations of liability, governing law and venue, usage verification, indemnity, liability, remedy or other similar provisions of the final contract are entered into specifically subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity.

The Parties must comply with all applicable local, state and federal laws, ordinances, rules, orders, and regulations.

**E. BEGINNING OF WORK**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The bidder shall not commence any billable work until a valid contract has been fully executed by the State and the awarded bidder. The bidder will be notified in writing when work may begin.

**F. CHANGE ORDERS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The State and the Contractor, upon the written agreement, may make changes to the contract within the general scope of the RFP. Changes may involve specifications, the quantity of work, or such other items as the State may find necessary or desirable. Corrections of any deliverable, service, or work required pursuant to the contract shall not be deemed a change. The Contractor may not claim forfeiture of the contract by reasons of such changes.

The Contractor shall prepare a written description of the work required due to the change and an itemized cost sheet for the change. Changes in work and the amount of compensation to be paid to the Contractor shall be determined in accordance with applicable unit prices if any, a pro-rated value, or through negotiations. The State shall not incur a price increase for changes that should have been included in the Contractor's proposal, were foreseeable, or result from difficulties with or failure of the Contractor's proposal or performance.

No change shall be implemented by the Contractor until approved by the State, and the contract is amended to reflect the change and associated costs, if any. If there is a dispute regarding the cost, but both parties agree that immediate implementation is necessary, the change may be implemented, and cost negotiations may continue with both Parties retaining all remedies under the contract and law.

**G. NOTICE OF POTENTIAL CONTRACTOR BREACH**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

If Contractor breaches the contract or anticipates breaching the contract, the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, a proposed cure, and may include a request for a waiver of the breach if so desired. The State may, in its discretion, temporarily or permanently waive the breach. By granting a waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

**H. BREACH**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

Either Party may terminate the contract, in whole or in part, if the other Party breaches its duty to perform its obligations under the contract in a timely and proper manner. Termination requires written notice of default and a thirty (30) calendar day (or longer at the non-breaching Party's discretion considering the gravity and nature of the default) cure period. Said notice shall be delivered by Certified Mail, Return Receipt Requested, or in person with proof of delivery. Allowing time to cure a failure or breach of contract does not waive the right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the Contractor, the State may contract the service from other sources and hold the Contractor responsible for any excess cost occasioned thereby. OR In case of breach by the Contractor, the State may, without unreasonable delay, make a good faith effort to make a reasonable purchase or contract to purchase goods in substitution of those due from the Contractor. The State may recover from the Contractor as damages the difference between the costs of covering the breach. Notwithstanding any clause to the contrary, the State may also recover the contract price together with any incidental or consequential damages defined in UCC Section 2-715, but less expenses saved in consequence of Contractor's breach.

The State's failure to make payment shall not be a breach, and the Contractor shall retain all available statutory remedies and protections.

**I. NON-WAIVER OF BREACH**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The acceptance of late performance with or without objection or reservation by a Party shall not waive any rights of the Party nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.

**J. SEVERABILITY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the provision held to be invalid or illegal.

**K. INDEMNIFICATION**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

**1. GENERAL**

The Contractor agrees to defend, indemnify, and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all third party claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("the claims"), sustained or asserted against the State for personal injury, death, or property loss or damage, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Contractor, its employees, subcontractors, consultants, representatives, and agents, resulting from this contract, except to the extent such Contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

**2. PERSONNEL**

The Contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel, including subcontractor's and their employees, provided by the Contractor.

**3. SELF-INSURANCE**

The State of Nebraska is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01 (Reissue 2008). If there is a presumed loss under the provisions of this agreement, Contractor may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,829 – 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (§81-8,294), Tort (§81-8,209), and Contract Claim Acts (§81-8,302), as outlined in Neb. Rev. Stat. § 81-8,209 et seq. and under any other provisions of law and accepts liability under this agreement to the extent provided by law.

**4. The Parties acknowledge that Attorney General for the State of Nebraska is required by statute to represent the legal interests of the State, and that any provision of this indemnity clause is subject to the statutory authority of the Attorney General.**

**L. ATTORNEY'S FEES**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Parties agree to pay all expenses of such action, as permitted by law and if order by the court, including attorney's fees and costs, if the other Party prevails.

**M. ASSIGNMENT, SALE, OR MERGER**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

Either Party may assign the contract upon mutual written agreement of the other Party. Such agreement shall not be unreasonably withheld.

The Contractor retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving Contractor's business. Contractor agrees to cooperate with the State in executing amendments to the contract to allow for the transaction. If a third party or entity is involved in the transaction, the Contractor will remain responsible for performance of the contract until such time as the person or entity involved in the transaction agrees in writing to be contractually bound by this contract and perform all obligations of the contract.

**N. CONTRACTING WITH OTHER NEBRASKA POLITICAL SUB-DIVISIONS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The Contractor may, but shall not be required to, allow agencies, as defined in Neb. Rev. Stat. §81-145, to use this contract. The terms and conditions, including price, of the contract may not be amended. The State shall not be contractually obligated or liable for any contract entered into pursuant to this clause. A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

The Contractor may, but shall not be required to, allow other states, agencies or divisions of other states, or political subdivisions of other states to use this contract. The terms and conditions, including price, of this contract shall apply to any such contract, but may be amended upon mutual consent of the Parties. The State of Nebraska shall not be contractually or otherwise obligated or liable under any contract entered into pursuant to this clause. The State shall be notified if a contract is executed based upon this contract

**O. FORCE MAJEURE**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

Neither Party shall be liable for any costs or damages, or for default resulting from its inability to perform any of its obligations under the contract due to a natural or manmade event outside the control and not the fault of the affected Party ("Force Majeure Event"). The Party so affected shall immediately make a written request for relief to the other Party, and shall have the burden of proof to justify the request. The other Party may grant the relief requested; relief may not be unreasonably withheld. Labor disputes with the impacted Party's own employees will not be considered a Force Majeure Event.

**P. CONFIDENTIALITY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

All materials and information provided by the Parties or acquired by a Party on behalf of the other Party shall be regarded as confidential information. All materials and information provided or acquired shall be handled in accordance with federal and state law, and ethical standards. Should said confidentiality be breached by a Party, the Party shall notify the other Party immediately of said breach and take immediate corrective action.

It is incumbent upon the Parties to inform their officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable by 5 U.S.C. 552a (m)(1), provides that any officer or employee, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

**Q. OFFICE OF PUBLIC COUNSEL (Statutory)**

If it provides, under the terms of this contract and on behalf of the State of Nebraska, health and human services to individuals; service delivery; service coordination; or case management, Contractor shall submit to the jurisdiction of the Office of Public Counsel, pursuant to Neb. Rev. Stat. §§ 81-8,240 et seq. This section shall survive the termination of this contract.

**R. LONG-TERM CARE OMBUDSMAN (Statutory)**

Contractor must comply with the Long-Term Care Ombudsman Act, Neb. Rev. Stat. §§ 81-2237 et seq. This section shall survive the termination of this contract.

**S. SUSPENSION OF SERVICES**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
AB			

DHHS may, at any time and without advance notice, require Contractor to suspend any or all activities provided under this Contract. A suspension may be the result of a reduction in federal or state funds, budget freeze, emergency, contract compliance issues, investigation, or other reasons not stated here.

In the event of such suspension, the DHHS Chief Operating Officer/Contract Administrator or designee will issue a written Stop Work Order to the Contractor. The Stop Work Order will specify which activities are to be immediately suspended, the reason(s) for the suspension, and, if possible, the known duration period of the suspension.

Upon receipt of the Stop Work Order, the Contractor shall immediately comply with its terms and take all necessary steps to minimize the incurrence of costs allocable to the work affected by the order during the period of suspension.

The DHHS Chief Operating Officer/Contract Administrator or designee may extend the duration of the suspension by issuing a modified Stop Work Order which states the new end date of the suspension and the reason for the extension.

The suspended activity may resume when (i) the suspension period identified in the Stop Work Order has ended or (ii) when the DHHS Chief Operating Officer/Contract Administrator or designee has issued a formal written notice cancelling the Stop Work Order or directing Contractor to resume partial services.

**T. EARLY TERMINATION**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The contract may be terminated as follows:

1. The State and the Contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon thirty (30) calendar day's written notice to the Contractor. Such termination shall not relieve the Contractor of warranty or other service obligations incurred under the terms of the contract. In the event of termination the Contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.
3. The State may terminate the contract immediately for the following reasons:
  - a. if directed to do so by statute;
  - b. Contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
  - c. a trustee or receiver of the Contractor or of any substantial part of the Contractor's assets has been appointed by a court;
  - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Contractor, its employees, officers, directors, or shareholders;
  - e. an involuntary proceeding has been commenced by any Party against the Contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Contractor has been decreed or adjudged a debtor;
  - f. a voluntary petition has been filed by the Contractor under any of the chapters of Title 11 of the United States Code;
  - g. Contractor intentionally discloses confidential information;
  - h. Contractor has or announces it will discontinue support of the deliverable; and,
  - i. In the event funding is no longer available.

**U. CONTRACT CLOSEOUT**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

Upon contract closeout for any reason the Contractor shall within 30 days, unless stated otherwise herein:

1. Transfer all completed or partially completed deliverables to the State;
2. Transfer ownership and title to all completed or partially completed deliverables to the State;
3. Return to the State all information and data, unless the Contractor is permitted to keep the information or data by contract or rule of law. Contractor may retain one copy of any information or data as required to comply with applicable work product documentation standards or as are automatically retained in the course of Contractor's routine back up procedures;
4. Cooperate with any successor Contractor, person or entity in the assumption of any or all of the obligations of this contract;
5. Cooperate with any successor Contractor, person or entity with the transfer of information or data related to this contract;
6. Return or vacate any state owned real or personal property; and,
7. Return all data in a mutually acceptable format and manner.

Nothing in this Section should be construed to require the Contractor to surrender intellectual property, real or personal property, or information or data owned by the Contractor for which the State has no legal claim.

**III. CONTRACTOR DUTIES**

**A. INDEPENDENT CONTRACTOR / OBLIGATIONS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

It is agreed that the Contractor is an independent contractor and that nothing contained herein is intended or should be construed as creating or establishing a relationship of employment, agency, or a partnership.

The Contractor is solely responsible for fulfilling the contract. The Contractor or the Contractor's representative shall be the sole point of contact regarding all contractual matters.

The Contractor shall secure, at its own expense, all personnel required to perform the services under the contract. The personnel the Contractor uses to fulfill the contract shall have no contractual or other legal relationship with the State; they shall not be considered employees of the State and shall not be entitled to any compensation, rights or benefits from the State, including but not limited to, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

By-name personnel commitments made in the Contractor's proposal shall not be changed without the prior written approval of the State. Replacement of these personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

All personnel assigned by the Contractor to the contract shall be employees of the Contractor or a subcontractor, and shall be fully qualified to perform the work required herein. Personnel employed by the Contractor or a subcontractor to fulfill the terms of the contract shall remain under the sole direction and control of the Contractor or the subcontractor respectively.

With respect to its employees, the Contractor agrees to be solely responsible for the following:

1. Any and all pay, benefits, and employment taxes and/or other payroll withholding;
2. Any and all vehicles used by the Contractor's employees, including all insurance required by state law;
3. Damages incurred by Contractor's employees within the scope of their duties under the contract;
4. Maintaining Workers' Compensation and health insurance that complies with state and federal law and submitting any reports on such insurance to the extent required by governing law.
5. Determining the hours to be worked and the duties to be performed by the Contractor's employees; and,
6. All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination alleged against the Contractor, its officers, agents, or subcontractors or subcontractor's employees).

If the Contractor intends to utilize any subcontractor, the subcontractor's level of effort, tasks, and time allocation should be clearly defined in the bidder's proposal. The Contractor shall agree that it will not utilize any subcontractors not specifically included in its proposal in the performance of the contract without the prior written authorization of the State.

The State reserves the right to require the Contractor to reassign or remove from the project any Contractor or subcontractor employee.

Contractor shall insure that the terms and conditions contained in any contract with a subcontractor does not conflict with the terms and conditions of this contract.

The Contractor shall include a similar provision, for the protection of the State, in the contract with any subcontractor engaged to perform work on this contract.

**B. EMPLOYEE WORK ELIGIBILITY STATUS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>.
2. The completed United States Attestation Form should be submitted with the RFP response.
3. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
4. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

**C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION (Statutory)**

The Contractor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Contractors of the State of Nebraska, and their subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §48-1101 to 48-1125). The Contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Contractor shall insert a similar provision in all subcontracts for services to be covered by any contract resulting from this RFP.

**D. COOPERATION WITH OTHER CONTRACTORS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

Contractor may be required to work with or in close proximity to other contractors or individuals that may be working on same or different projects. The Contractor shall agree to cooperate with such other contractors or individuals, and shall not commit or permit any act which may interfere with the performance of work by any other contractor or individual. Contractor is not required to compromise Contractor's intellectual property or proprietary information unless expressly required to do so by this contract.

**E. PERMITS, REGULATIONS, LAWS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The contract price shall include the cost of all royalties, licenses, permits, and approvals, whether arising from patents, trademarks, copyrights or otherwise, that are in any way involved in the contract. The Contractor shall obtain and pay for all royalties, licenses, and permits, and approvals necessary for the execution of the contract. The Contractor must guarantee that it has the full legal right to the materials, supplies, equipment, software, and other items used to execute this contract.

**F. OWNERSHIP OF INFORMATION AND DATA / DELIVERABLES**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The State shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or obtained by the Contractor on behalf of the State pursuant to this contract.

The State shall own and hold exclusive title to any deliverable developed as a result of this contract. Contractor shall have no ownership interest or title, and shall not patent, license, or copyright, duplicate, transfer, sell, or exchange, the design, specifications, concept, or deliverable.

**G. INSURANCE REQUIREMENTS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The Contractor shall throughout the term of the contract maintain insurance as specified herein and provide the State a current Certificate of Insurance/Acord Form (COI) verifying the coverage. The Contractor shall not commence work on the contract until the insurance is in place. If Contractor subcontracts any portion of the contract the Contractor must, throughout the term of the contract, either:

1. Provide equivalent insurance for each subcontractor and provide a COI verifying the coverage for the subcontractor;
2. Require each subcontractor to have equivalent insurance and provide written notice to the State that the Contractor has verified that each subcontractor has the required coverage; or,
3. Provide the State with copies of each subcontractor's Certificate of Insurance evidencing the required coverage.

The Contractor shall not allow any subcontractor to commence work until the subcontractor has equivalent insurance. The failure of the State to require a COI, or the failure of the Contractor to provide a COI or require subcontractor insurance shall not limit, relieve, or decrease the liability of the Contractor hereunder.

In the event that any policy written on a claims-made basis terminates or is canceled during the term of the contract or within one (1) year of termination or expiration of the contract, the Contractor shall obtain an extended discovery

or reporting period, or a new insurance policy, providing coverage required by this contract for the term of the contract and one (1) year following termination or expiration of the contract.

If by the terms of any insurance a mandatory deductible is required, or if the Contractor elects to increase the mandatory deductible amount, the Contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

Notwithstanding any other clause in this contract, the State may recover up to the liability limits of the insurance policies required herein.

**1. WORKERS' COMPENSATION INSURANCE**

The Contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractor's employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. The policy shall include a waiver of subrogation in favor of the State. The COI shall contain the mandatory COI subrogation waiver language found hereinafter. The amounts of such insurance shall not be less than the limits stated hereinafter. For employees working in the State of Nebraska, the policy must be written by an entity authorized by the State of Nebraska Department of Insurance to write Workers' Compensation and Employer's Liability Insurance for Nebraska employees.

**2. COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE**

The Contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect Contractor and any subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the Contractor or by any subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an occurrence basis, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury, and Contractual Liability coverage. The policy shall include the State, and others as required by the contract documents, ) as Additional Insured(s). This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory. The COI shall contain the mandatory COI liability waiver language found hereinafter. The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned, and Hired vehicles.

<b>REQUIRED INSURANCE COVERAGE</b>	
<b>COMMERCIAL GENERAL LIABILITY</b>	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 per occurrence
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Medical Payments	\$10,000 any one person
Damage to Rented Premises (Fire)	\$50,000 each occurrence
Contractual	Included
Independent Contractors	Included
Abuse & Molestation	Included
<i>If higher limits are required, the Umbrella/Excess Liability limits are allowed to satisfy the higher limit.</i>	
<b>WORKER'S COMPENSATION</b>	
Employers Liability Limits	\$500K/\$500K/\$500K
Statutory Limits- All States	Statutory - State of Nebraska
Voluntary Compensation	Statutory
<b>COMMERCIAL AUTOMOBILE LIABILITY</b>	
Bodily Injury/Property Damage	\$1,000,000 combined single limit
Include All Owned, Hired & Non-Owned Automobile liability	Included
Motor Carrier Act Endorsement	Where Applicable
<b>UMBRELLA/EXCESS LIABILITY</b>	
Over Primary Insurance	\$1,000,000 per occurrence
<b>COMMERCIAL CRIME</b>	
Crime/Employee Dishonesty Including 3rd Party Fidelity	\$100,000
<b>CYBER LIABILITY</b>	
Breach of Privacy, Security Breach, Denial of Service, Remediation, Fines and Penalties	\$2,000,000
<b>MANDATORY COI SUBROGATION WAIVER LANGUAGE</b>	
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."	
<b>MANDATORY COI LIABILITY WAIVER LANGUAGE</b>	
"Commercial General Liability & Commercial Automobile Liability policies shall name the State of Nebraska as an Additional Insured and the policies shall be primary and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory as additionally insured."	

If the mandatory COI subrogation waiver language or mandatory COI liability waiver language on the COI states that the waiver is subject to, condition upon, or otherwise limit by the insurance policy, a copy of the relevant sections of the policy must be submitted with the COI so the State can review the limitations imposed by the insurance policy.

### 3. EVIDENCE OF COVERAGE

The Contractor shall furnish the Contract Manager, with a certificate of insurance coverage complying with the above requirements prior to beginning work at:

Department of Health and Human Services  
 Attn: Permanency Administrator  
 301 Centennial Mall S. 3<sup>rd</sup> floor  
 Lincoln, NE 68509

These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of coverage afforded. If the State is damaged by the failure of the Contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto.

Reasonable notice of cancellation of any required insurance policy must be submitted to the contract manager as listed above when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

**4. DEVIATIONS**

The insurance requirements are subject to limited negotiation. Negotiation typically includes, but is not necessarily limited to, the correct type of coverage, necessity for Workers' Compensation, and the type of automobile coverage carried by the Contractor.

**H. ANTITRUST**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

**I. CONFLICT OF INTEREST**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

By submitting a proposal, bidder certifies that no relationship exists between the bidder and any person or entity which either is, or gives the appearance of, a conflict of interest related to this Request for Proposal or project.

Bidder further certifies that bidder will not employ any individual known by bidder to have a conflict of interest nor shall bidder take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its contractual obligations hereunder or which creates an actual or appearance of conflict of interest.

If there is an actual or perceived conflict of interest, bidder shall provide with its proposal a full disclosure of the facts describing such actual or perceived conflict of interest and a proposed mitigation plan for consideration. The State will then consider such disclosure and proposed mitigation plan and either approve or reject as part of the overall bid evaluation.

**J. ADVERTISING**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The Contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its services are endorsed or preferred by the State. Any publicity releases pertaining to the project shall not be issued without prior written approval from the State.

**K. NEBRASKA TECHNOLOGY ACCESS STANDARDS (Statutory)**

Contractor shall review the Nebraska Technology Access Standards, found at <http://nitc.nebraska.gov/standards/2-201.html> and ensure that products and/or services provided under the contract are in compliance or will comply with the applicable standards to the greatest degree possible. In the event such standards change during the Contractor's performance, the State may create an amendment to the contract to request the contract comply with the changed standard at a cost mutually acceptable to the parties.

**L. DISASTER RECOVERY/BACK UP PLAN**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The Contractor shall have a disaster recovery and back-up plan, of which a copy should be provided upon request to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue services as specified under the specifications in the contract in the event of a disaster.

**M. DRUG POLICY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

Contractor certifies it maintains a drug free work place environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

**N. WARRANTY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:
AB			

Despite any clause to the contrary, the Contractor represents and warrants that its services hereunder shall be performed by competent personnel and shall be of professional quality consistent with generally accepted industry standards for the performance of such services and shall comply in all respects with the requirements of this Agreement. For any breach of this warranty, the Contractor shall, for a period of ninety (90) days from performance of the service, perform the services again, at no cost to the State or if Contractor is unable to perform the services as warranted, Contractor shall reimburse the State all fees paid to Contractor for the unsatisfactory services. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

**IV. PAYMENT**

**A. PROHIBITION AGAINST ADVANCE PAYMENT (Statutory)**

Neb. Rev. Stat. §§81-2403 states, "no goods or services shall be deemed to be received by an agency until all such goods or services are completely delivered and finally accepted by the agency."

**B. TAXES (Statutory)**

The State is not required to pay taxes and assumes no such liability as a result of this solicitation. The Contractor may request a copy of the Nebraska Department of Revenue, Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption, Form 13 for their records. Any property tax payable on the Contractor's equipment which may be installed in a state-owned facility is the responsibility of the Contractor.

**C. INVOICES**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

Invoices for payments must be submitted by the Contractor to the agency requesting the services with sufficient detail to support payment. Invoices shall include at a minimum family name, number of direct hours with family, number of indirect hours to complete the home study, home address where study was performed, date of initial referral, date of study completion, and number of visits to home. The terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract.

**D. INSPECTION AND APPROVAL**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

Final inspection and approval of all work required under the contract shall be performed by the designated State officials.

The State and/or its authorized representatives shall have the right to enter any premises where the Contractor or subcontractor duties under the contract are being performed, and to inspect, monitor or otherwise evaluate the work being performed. All inspections and evaluations shall be at reasonable times and in a manner that will not unreasonably delay work.

**E. PAYMENT**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

State will render payment to Contractor when the terms and conditions of the contract and specifications have been satisfactorily completed on the part of the Contractor as solely determined by the State. (Neb. Rev. Stat. §73-

506(1)) Payment will be made by the responsible agency in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2401 through 81-2408). The State may require the Contractor to accept payment by electronic means such as ACH deposit. In no event shall the State be responsible or liable to pay for any services provided by the Contractor prior to the Effective Date of the contract, and the Contractor hereby waives any claim or cause of action for any such services.

**F. LATE PAYMENT (Statutory)**

The Contractor may charge the responsible agency interest for late payment in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2401 through 81-2408).

**G. SUBJECT TO FUNDING / FUNDING OUT CLAUSE FOR LOSS OF APPROPRIATIONS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The State's obligation to pay amounts due on the contract for a fiscal years following the current fiscal year is contingent upon legislative appropriation of funds. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal year(s) for which such funds are not appropriated. The State will give the Contractor written notice thirty (30) calendar days prior to the effective date of termination. All obligations of the State to make payments after the termination date will cease. The Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.

**H. RIGHT TO AUDIT (First Paragraph is Statutory)**

The State shall have the right to audit the Contractor's performance of this contract upon a 30 days' written notice. Contractor shall utilize generally accepted accounting principles, and shall maintain the accounting records, and other records and information relevant to the contract (Information) to enable the State to audit the contract. The State may audit and the Contractor shall maintain, the Information during the term of the contract and for a period of five (5) years after the completion of this contract or until all issues or litigation are resolved, whichever is later. The Contractor shall make the Information available to the State at Contractor's place of business or a location acceptable to both Parties during normal business hours. If this is not practical or the Contractor so elects, the Contractor may provide electronic or paper copies of the Information. The State reserves the right to examine, make copies of, and take notes on any Information relevant to this contract, regardless of the form or the Information, how it is stored, or who possesses the Information. Under no circumstance will the Contractor be required to create or maintain documents not kept in the ordinary course of Contractor's business operations, nor will Contractor be required to disclose any information, including but not limited to product cost data, which is confidential or proprietary to Contractor.

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:
AB			

The Parties shall pay their own costs of the audit unless the audit finds a previously undisclosed overpayment by the State. If a previously undisclosed overpayment exceeds one-half of one percent (.5% ) of the total contract billings, or if fraud, material misrepresentations, or non-performance is discovered on the part of the Contractor, the Contractor shall reimburse the State for the total costs of the audit. Overpayments and audit costs owed to the State shall be paid within ninety days of written notice of the claim. The Contractor agrees to correct any material weaknesses or condition found as a result of the audit.



11550 I<sup>st</sup> Street, Suite 100  
Omaha, NE 68137  
(402) 498-4700  
[www.kvcnebraska.org](http://www.kvcnebraska.org)

**STAFF**

Ashley Brown, L.C.S.W.  
*President*

Cassandra Dittmer, L.I.M.H.P., L.M.F.T.  
*Director of Family Preservation  
and Model Fidelity*

Theresa Golby, M.A., L.I.M.H.P.  
*Director of Permanency*

Liz Wolmann, L.I.C.S.W.  
*Director of Developmental  
Disability Services*

**KVC HEALTH SYSTEMS, INC.**

Jason R. Hooper, L.M.S.W.  
*President and Chief Executive Officer*

Erin Stucky, L.S.C.S.W.  
*Chief Operations Officer*

Marilyn L. Jacobson, J.D.  
*Chief Financial Officer and  
General Counsel*

Chad F. Anderson, L.S.C.S.W.  
*Chief Clinical Officer*

Lorrie Johnson  
*Chief Information Officer*

**RFP 6126 Z1 Foster and Adoptive Parent Home Study Services  
KVC Behavioral Healthcare Nebraska, Inc. Response**

**CORPORATE OVERVIEW**

The Corporate Overview section of the Technical Proposal should consist of the following subdivisions:

**a. BIDDER IDENTIFICATION AND INFORMATION**

The bidder should provide the full company or corporate name, address of the company's headquarters, entity organization (corporation, partnership, proprietorship), state in which the bidder is incorporated or otherwise organized to do business, year in which the bidder first organized to do business and whether the name and form of organization has changed since first organized.

KVC Health Systems is the parent organization of subsidiaries including business units in Kansas, Missouri, Nebraska, West Virginia and Kentucky. KVC Behavioral HealthCare Nebraska, Inc (also referred to as KVC Nebraska) is a behavioral healthcare organization that provides child welfare, juvenile justice, prevention and developmental disability services.

These services include Foster Care, Intensive In-Home services, Prevention and Extended Family Home and Consultative Assessment services for individuals with Development and/or Intellectual Disabilities. KVC Nebraska has been a licensed Child Placing Agency since 2009 and has been accredited with The Joint Commission since 2013. Our mission is to enrich and enhance the lives of Nebraska families. At KVC Nebraska we are committed to our internal evolution and external growth and impact.

KVC Behavioral Healthcare (Headquarters)  
21350 W. 153<sup>rd</sup> Street  
Olathe, KS 66061

KVC Behavioral HealthCare Nebraska, Inc (also referred to as KVC Nebraska), became incorporated in Nebraska July 1, 2009. KVC Nebraska locations are as follows:

- 11550 I Street, Suite 100, Omaha Nebraska 68137
- 5001 Central Park Drive, Suite 100, Lincoln Nebraska 68504

The name and form of KVC Nebraska has not changed since first organized.



**b. FINANCIAL STATEMENTS**

The bidder should provide financial statements applicable to the firm. If publicly held, the bidder should provide a copy of the corporation's most recent audited financial reports and statements, and the name, address, and telephone number of the fiscally responsible representative of the bidder's financial or banking organization.

If the bidder is not a publicly held corporation, either the reports and statements required of a publicly held corporation, or a description of the organization, including size, longevity, client base, areas of specialization and expertise, and any other pertinent information, should be submitted in such a manner that proposal evaluators may reasonably formulate a determination about the stability and financial strength of the organization. Additionally, a non-publicly held firm should provide a banking reference.

The bidder must disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the organization, or state that no such condition is known to exist.

The State may elect to use a third party to conduct credit checks as part of the corporate overview evaluation.

The most recent financial audit is included in this submission. There are no judgments, pending or expected litigation nor potential financial reversals, which might materially affect the viability or stability of the organization, or state that no such condition is known to exist.

**c. CHANGE OF OWNERSHIP**

If any change in ownership or control of the company is anticipated during the twelve (12) months following the proposal due date, the bidder should describe the circumstances of such change and indicate when the change will likely occur. Any change of ownership to an awarded vendor(s) will require notification to the State.

There is not anticipated change in ownership for KVC Nebraska.

**d. OFFICE LOCATION**

The bidder's office location responsible for performance pursuant to an award of a contract with the State of Nebraska should be identified.

KVC Nebraska Omaha Office:  
11550 I Street, Suite 100 Omaha Nebraska 68137

KVC Nebraska Lincoln Office:  
5001 Central Park Drive, Suite 100, Lincoln Nebraska 68504

**e. RELATIONSHIPS WITH THE STATE**

The bidder should describe any dealings with the State over the previous five (5) years. If the organization, its predecessor, or any Party named in the bidder's proposal response has contracted with the State, the bidder should identify the contract number(s) and/or any other information available to identify such contract(s). If no such contracts exist, so declare.

KVC Nebraska has been a contracted provider of Agency Based Foster Care and Respite, Intensive Family Preservation, Intensive Family Reunification Services and Family Support for the previous five years with DHHS Division of Child and Family Services. KVC Nebraska has been a Certified Extended

Family Home provider for the previous three years with DHHS Division of Public Health. KVC Nebraska has been the recipient of dollars through the Nebraska Systems of Care grant for the previous two years as coordinated by DHHS Division of Behavioral Health.

**f. BIDDER'S EMPLOYEE RELATIONS TO STATE**

If any Party named in the bidder's proposal response is or was an employee of the State within the past twelve (12) months, identify the individual(s) by name, State agency with whom employed, job title or position held with the State, and separation date. If no such relationship exists or has existed, so declare.

If any employee of any agency of the State of Nebraska is employed by the bidder or is a subcontractor to the bidder, as of the due date for proposal submission, identify all such persons by name, position held with the bidder, and position held with the State (including job title and agency). Describe the responsibilities of such persons within the proposing organization. If, after review of this information by the State, it is determined that a conflict of interest exists or may exist, the bidder may be disqualified from further consideration in this proposal. If no such relationship exists, so declare.

KVC Nebraska has no employees who were employed by the State within the past twelve months.

**g. CONTRACT PERFORMANCE**

If the bidder or any proposed subcontractor has had a contract terminated for default during the past five (5) years, all such instances must be described as required below. Termination for default is defined as a notice to stop performance delivery due to the bidder's non-performance or poor performance, and the issue was either not litigated due to inaction on the part of the bidder or litigated and such litigation determined the bidder to be in default.

It is mandatory that the bidder submit full details of all termination for default experienced during the past five (5) years, including the other Party's name, address, and telephone number. The response to this section must present the bidder's position on the matter. The State will evaluate the facts and will score the bidder's proposal accordingly. If no such termination for default has been experienced by the bidder in the past five (5) years, so declare.

If at any time during the past five (5) years, the bidder has had a contract terminated for convenience, non-performance, non-allocation of funds, or any other reason, describe fully all circumstances surrounding such termination, including the name and address of the other contracting Party.

KVC Nebraska has not had a contract terminated for default or any other reason in the past five years.

**h. SUMMARY OF BIDDER'S CORPORATE EXPERIENCE**

The bidder should provide a summary matrix listing the bidder's previous projects similar to this RFP in size, scope, and complexity. The State will use no more than three (3) narrative project descriptions submitted by the bidder during its evaluation of the proposal.

The bidder should address the following:

**i.** Provide narrative descriptions to highlight the similarities between the bidder's experience and this RFP. These descriptions should include:

**a) The time period of the project;**

**b) The scheduled and actual completion dates;**

**c) The Contractor's responsibilities;**

**d) For reference purposes, a customer name (including the name of a contact person, a current telephone number, a facsimile number, and e-mail address); and,**

**e) Each project description should identify whether the work was performed as the prime Contractor or as a subcontractor. If a bidder performed as the prime Contractor, the description should provide**

the originally scheduled completion date and budget, as well as the actual (or currently planned) completion date and actual (or currently planned) budget.

ii. Contractor and subcontractor(s) experience should be listed separately. Narrative descriptions submitted for subcontractors should be specifically identified as subcontractor projects.

iii. If the work was performed as a subcontractor, the narrative description should identify the same information as requested for the Contractors above. In addition, subcontractors should identify what share of contract costs, project responsibilities, and time period were performed as a subcontractor.

Through KVC Nebraska's work with referral sources such as Juvenile Probation, DHHS and PromiseShip over the course of the past ten (10) years of operation, KVC Nebraska team members have completed well over 2,000 home studies for relative, kinship and licensed foster care providers.

Specific to contracted work for the assessment of safety and suitability of caregivers and living environments, KVC Nebraska responded to a need identified by Nebraska Juvenile Probation for rural districts to provide rapid home assessments for relative and kinship caregivers considering placement of a youth in their home. This specific agreement involved the collaborative creation of a reasonable, yet timely contract agreement to respond to the need for a home assessment for interested relative and kinship caregivers to ensure a safe and suitable home like placement setting for youth on probation, in need of out of home care.

#### **i. SUMMARY OF BIDDER'S PROPOSED PERSONNEL/MANAGEMENT APPROACH**

The bidder should present a detailed description of its proposed approach to the management of the project.

The bidder should identify the specific professionals who will work on the State's project if their company is awarded the contract resulting from this RFP. The names and titles of the team proposed for assignment to the State project should be identified in full, with a description of the team leadership, interface and support functions, and reporting relationships. The primary work assigned to each person should also be identified. The bidder should provide resumes for all personnel proposed by the bidder to work on the project. The State will consider the resumes as a key indicator of the bidder's understanding of the skill mixes required to carry out the requirements of the RFP in addition to assessing the experience of specific individuals.

Resumes should not be longer than three (3) pages. Resumes should include, at a minimum, academic background and degrees, professional certifications, understanding of the process, and at least three (3) references (name, address, and telephone number) who can attest to the competence and skill level of the individual. Any changes in proposed personnel shall only be implemented after written approval from the State.

KVC Nebraska practices a non-hierarchical and collaborative leadership approach. The President and Vice President positions monitor system issues, changes and shifts, while overseeing larger agency relationships and functions with a focus on program development, evaluation, sustainability and compliance. Program Directors support and collaborate in the work of the President and Vice President while driving the programs work and assisting in Safe & Connected™ model integration. Supervisors help policy, practice and the Safe & Connected™ model become second nature for our teams and become embedded in the day to day work with children and families.

KVC Nebraska program/leadership structure for this project is proposed as follows:

- Ashley Brown, LCSW – KVC Nebraska President
- Vacant – Vice President

- Theresa Goley, LMHP - Director of Permanency
- Lauren Parks, Page Welburn, Rebecca Crook, Jessica Schuler – Child Placing Agency Supervisors
- Licensing Specialist – KVC Nebraska currently employees 4 full time Licensing Specialists, depending on contract award and volume KVC Nebraska may utilize existing team members or add an FTE(s)

Key functions of the President and Vice President to this project are:

The President and Vice President assures that the main goals and objectives of KVC Nebraska are being met through the vision, mission and values and through the skill to lead and direct a leadership team in partnership with the General Board and local leadership. Leadership is required within all essential job functions and is demonstrated through positive and appropriate communication, community collaborations, excellent customer service, business and professional integrity.

The President and Vice President routinely assess service needs and develop and implement local programs at the macro level and communicate desired outcomes to appropriate program level Directors. These leadership positions will demonstrate the ideals of the organization to the public and to staff at all times. The position will ensure an exceptional quality of services delivered by the organization through continuous evaluation and performance improvement strategies that enhance outcomes to youth and families and the overall public image of the organization. The Vice-President reports to the President. The President reports to the KVC Health Systems Chief Executive Officer.

Key functions of the Director of Permanency related to this project are:

The Director assures that the recruitment and licensing of foster homes is always progressing to meet the needs of KVC's desired outcomes and the referrals for youth in Nebraska. The Director will demonstrate leadership related to admission and placement coordination to also meet the needs of KVC's desired outcomes and the referrals for youth in Nebraska. Leadership is required within all essential job functions and is demonstrated through positive and appropriate communication, community collaborations, excellent customer service, business and professional integrity.

The Director will routinely assess service needs and develop and implement local programs at the community level appropriate with the agency mission, vision, and values. This leadership position will demonstrate the ideals of the organization to the public and to staff at all times. The position will ensure an exceptional quality of services delivered by the organization through continuous evaluation and performance improvement strategies that enhance outcomes to children and families and the overall public image of the organization.

Key functions of the Supervisor to the field staff are as follows:

The Supervisor assures that Foster Care Staff are actively recruiting, licensing and providing initial and ongoing training to foster families. It is the primary goal of the Supervisor to ensure the success of our foster homes and placements. The Supervisor will guide and direct assigned staff and will support and create new strategies to continuously sustain our foster homes. Leadership is required within all essential job functions and is demonstrated through positive and appropriate communication, community collaborations, excellent customer service, business and professional integrity.

Along with the Director, the Supervisor will routinely assess support services needed and will develop and implement local programs within the community (ies) to appropriately align with

the agency mission, vision, and values. This leadership position will always demonstrate the ideals of the organization to the public and to staff. The Supervisor will assist with developing strategies that enhance outcomes to youth and families and the overall public image of the organization.

Key functions of the Licensing Specialist to the field staff are as follows:

Licensing Specialists (LS) will complete assessments and licensing paperwork for potential foster parents as well as process licensing paper work to renew foster parent licensing. Primary responsibilities of the LS include preparation and assessment for family needs and skills related to providing foster care and services for individuals with developmental disabilities. The LS will ensure the family is in compliance with KVC and DHHS standards and regulations. The LS will help maintain records, track progress throughout the credentialing/licensing process and will assist with ongoing recruitment of foster families and EFHs. The LS must be adaptable and willing to be flexible in a fast paced/rapid growth environment.

KVC Nebraska has access to many shared service functions housed at our corporate office in Olathe, KS such as Human Resources, Finance, Development, Governmental Affairs, Executive Leadership, Communication, Facility Management, Information Solutions, the KVC Health Systems Board and Legal.

#### **j. SUBCONTRACTORS**

If the bidder intends to subcontract any part of its performance hereunder, the bidder should provide:

- i.** name, address, and telephone number of the subcontractor(s);
- ii.** specific tasks for each subcontractor(s);
- iii.** percentage of performance hours intended for each subcontract; and
- iv.** total percentage of subcontractor(s) performance hours.

If the contractor chooses to subcontract, all subcontractors must be submitted and approved by DHHS prior to completing a Home Study.

KVC Nebraska does not intend to utilize subcontractors at this time.

#### **BIDDER REQUIREMENTS**

- 1. Describe the plan to recruit, train, and supervise staff who are knowledgeable about the unique needs of foster and adoptive children and families.**

KVC Nebraska will recruit qualified employees to ensure the expectations of this contract are fulfilled. Specific to RFP 6126 Z1, KVC Nebraska team members recruited and trained to complete home studies will hold a bachelor's degree in human services or a related field or will be required to hold a bachelor's degree with professional experience delivering foster and/or adoption services to youth and families. Positions will be posted on career websites such as Indeed and social media will be utilized as a way to promote open positions as well. At this time, KVC Nebraska's Child Placing Agency program is fully staffed with qualified, trained, and knowledgeable staff who write home studies for both newly licensed homes and adoptive homes, as well as relative, kin and renewal home studies. Dependent upon contract award and volume of referred work, KVC Nebraska may seek to add a position(s) to fulfill the contract requirement. The Supervisors who oversee the staff who would fulfill the expectations of this contract are Supervisors with many years of child welfare experience, experience supporting foster homes and writing home studies for foster homes and adoptive homes. The Supervisors meet with staff on a consistent basis and read and provide feedback on all home studies written by the staff before they are sent to the Nebraska Department of Health and Human Services for review and approval.

All staff are required to complete New Employee Orientation (NEO) before assuming their role. NEO is coordinated by the Training Coordinator and occurs over the first year of employment. The following trainings are mandatory prior to case assignment.

- HR Basics
- Technology Set Up
- Office Systems
- KVC Overview
- Employee Handbook
- Defensive Driving
- Child Passenger Safety
- Trauma 101
- Confidentiality/HIPAA
- Intro to Verbal De-escalation
- Intro to Cultural Competency (ICWA/MEPA)
- Position Specific Training

All Licensing Specialists are required to show competency in the following areas:

- Is knowledgeable concerning client rights policy.
- Is aware of incidents that qualify as critical incidents or sentinel events.
- Demonstrates an understanding of the Child Welfare, Juvenile Justice, and/or Developmental Disabilities systems in Nebraska.
- Is aware of community based (wrap around) resources.
- Is aware of licensing and home study timelines.
- Is aware of assessment timelines related to the role of the Licensing Specialist.
- Is able to verbalize how to form collaborative relationships.
- Accurately completes a release of information.
- Demonstrates an ability to complete a relevant and harm-reducing risk management/ safety plan.
- Demonstrates an understanding of documentation expectations and timelines.
- Evidences an ability to provide and/or accept assistance from others.
- Demonstrates problem solving and critical thinking skills.
- Demonstrates reflective listening, empathy and respect towards others.
- Evidences ability to be strength-based and solution focused.
- Evidences an ability to prioritize multiple demands in order to facilitate safety, permanency, and well-being.
- Makes appropriate decisions when dealing with clients in order to facilitate safety, permanency, and well-being.
- Demonstrates ability of skill-based coaching/ teaching.
- Demonstrates an ability to collect and use information from other sources to shape decisions.
- Speaks confidently by using a self-assured tone of voice.
- Responds professionally to changes in work environment.
- Demonstrates the ability to receive and accept feedback and deliver feedback in a professional

New employees must show competency by achieving 100% on all post session evaluations. Supervisors will use the New Employee Competency Evaluation process to evaluate the skills, abilities, and knowledge of the new employee. Results of the NEO post session evaluations and the New Employee

Competency Evaluation will be presented to the Program Director to determine readiness to assume their role.

Completion of New Employee Orientation expectations within the first year of employment is the responsibility of the new employee. Session requirements for New Employment Orientation are divided into quarters where sessions from earlier quarters are pre-requisites for sessions in later quarters.

#### Quarter 1:

- Crisis Response/Safety in the Workplace
- Setting Boundaries
- Strengthening Families Act
- Documentation 101
- Goal Writing 101
- Child Welfare Risk Factors
- Criminogenic Risk Factors
- Safe & Connected: Assumptions Underlying Practice

#### Quarter 2:

- Contract Agents
- Safety & Connection Through Effective Communication
- Stages of Change
- Cultural Competency ((Diversity, Equity, Inclusion)
- Creating a Wellness Plan
- Missing Youth Risk Assessment
- Safe & Connected: Critical Thinking

#### Quarter 3:

- Crisis Response/Safety in the Workplace 201
- Social Worker Code of Ethics
- Documentation 201
- Goal Writing 201
- Strengthening Families Act 201
- Stages of Child Development
- Professional Wellness
- Safe & Connected: Consultation and Information Sharing Framework

#### Quarter 4:

- The Joint Commission
- Finalizing a Wellness Plan
- Domestic Violence
- Human Trafficking Prevention
- Healthy Sexual Boundaries
- Mental Health Diagnosis and Treatment
- Safe & Connected: Putting it all Together

**2. Describe bidder's approach to maintaining confidentiality of families and demonstrate the ability to ensure adequate data collection, management and reporting. Describe how bidder will comply with confidentiality requirements and collaboration with DHHS.**

KVC Nebraska uses a secure software system to ensure confidentiality of individual and family information. All electronic documents are secured through this software and information is not shared without proper releases being signed. KVC Nebraska follows all expectations related to HIPAA rules and regulations. All paper documents with individual and family information is kept in a double locked file room. The only individuals who have access to this room are KVC Nebraska staff.

KVC Nebraska will track data related to the number of home studies being completed and the time frames to complete the home studies. KVC Nebraska will report any needed data to the Nebraska Department of Health and Human Services at their request and as always will maintain a collaborative partnership.

**3. Describe how bidder will meet the timeframes specified in sections V.D.**

Upon receipt and acceptance of a referral for a home study, KVC Nebraska will require Licensing Specialists to submit a completed, comprehensive home study to DHHS within forty-five (45) business days (45 days is based on the assumption the proposed regulation change is approved).

KVC Nebraska will complete a comprehensive home study on families with accepted referrals. The home study must be completed over a minimum of two (2) face to face visits in the family home with all family members present. KVC Nebraska will adhere to the guidelines set forth in section V.D. This will be done through communication between Licensing Specialists (LS) and Supervisors, and continued oversight and supervision by KVC Nebraska Supervisors. Supervisors provide both written and verbal feedback to the LS during the home study writing process and ensure all home studies are submitted timely in compliance with internal and contractual requirements.

All home studies must be reviewed and signed off on by the CPA Supervisor/Director prior to submission to DHHS for approval. If there are suggested areas of clarification, KVC Nebraska shall perform the necessary recommendations and resubmit the home study within five (5) business days.

To ensure the aforementioned timelines are attainable, it will be imperative there is a timely referral process for home studies that are needed. It is also the preference of KVC Nebraska that a referral for a renewal home study come to KVC Nebraska for a family whose initial or previous renewal was authored by a KVC team member.

**4. Identify and describe the questions that will be asked of the family or individual during the Home Study process for foster care placement.**

KVC Nebraska utilizes (and proposes the continued use of, until a collaborative review and update of the existing resource occurs) the existing DHHS Home Study Guidebook. The DHHS Home Study Guidebook clearly lays out required and supplemental questions to address during interviews. KVC Nebraska would require each caregiver to complete the DHHS Foster/Adoptive Parent Self-Study in the assistance of information gathering for the home study. In the event a caregiver discloses information or topics not described in the Guidebook or Self Study, KVC Nebraska staff will utilize critical thinking and assess appropriate information to gather dependent on topic and relevance to the home study and caring for youth.

KVC Nebraska utilizes the below questions to supplement the DHHS Home Study Guidebook and DHHS Self Study:

- What is your definition of family?
- What social changes have affected families?
- Do you believe your family will change with the addition of youth in foster care? In what specific ways?
- Why would physical punishment not work or might be harmful for youth who have been abused neglected and/or experienced trauma?
- What are some examples of discipline techniques from your own experience that would teach youth healthy behaviors who have been abused, neglected and/or experienced trauma?
- How will you promote normalcy and adherence to reasonable and prudent parenting with any youth you provide care for?

KVC Nebraska emphasizes the importance of shared parenting and uses the following questions to obtain additional perspective on shared parenting from caregivers during the home study process.

- How will you build a positive alliance between foster/adoptive parents and birth parents on behalf of the youth?
- Review and reflect on the following resources “Shared Parenting & Alliance Building-Benefits for Children, Foster/Adoptive Parents & Parent of Children in Foster Care” and “The Importance of Birth Parents in Foster Care” during your TIPS-MAPP training.
- What are some of the most important benefits of shared parenting?
  - For the youth in foster care?
  - For the foster/adoptive parents?
  - For the biological parents?
- What do you view as the general purpose of visits in foster care?
- Visits maintain important connections between children and their parents, how are visits tied to shared parenting?
- Visits give foster parents information to help them with alliance building and shared parenting. Visits also provide a time for foster parents and parents to focus together on the needs of the child. What might be some potential barriers or challenges with visits?

**5. Identify and describe the questions that will be asked of the family or individual during the adoption Home Study process.**

KVC Nebraska proposes the continued use of the DHHS Home Study Guidebook for the purpose of completing an adoptive home study. KVC Nebraska has created a supplemental guide for LS to utilize during the adoption home study process. KVC Nebraska will actively participate in the collaborative creation of an adoption home study guide and guidebook. KVC Nebraska’s supplemental question guide specific to adoption home studies is as follows:

**Parenting Strategies:**

- Please talk about how your overall parenting strategy as it pertains to a youth, speaking about any unique needs they have, discipline strategies, effective consequences, etc.
- Please talk about how you support a youth’s social development and what social development needs they have.
- Please talk about how you support a youth’s emotional development and what emotional development needs they have.
- Please talk about how you support a youth’s educational development and what educational development needs they have.

- What school does the youth attend, how are they doing in school?

**Commitment vs Attachment:**

- Please talk about the lifelong commitment you are prepared to make to the youth.
- Please talk about the resources you have currently to support the adoption of a youth and your new family unit.
- How were you prepared for the adoption process?
- Are you aware of Right Turn and the services they provide post adoption?
- Which factors might you as foster or adoptive parents be most likely to positively influence or control personally?

**Disruption:**

- What would lead your family to dissolve an adoption?
- Who would you reach out to for help and/or support if experiencing these thoughts or feelings?
- How do you feel dissolving an adoption would impact a child?
- What resources are you currently aware of for adoptive families?
- How would you work through concerns of your immediate and extended family's lack of acceptance of adopted youth?

**Loss:**

- What might be the foster parent's role in helping youth understand a significant loss?
- What factors might contribute to intensity and duration of the grieving process?
- Which two factors may be most critical?
- What happens to children who become attached to parents and families, only to be separated from them?
- Why is loss so powerful?
- When something has been taken from us, what emotions do we feel?
- How long do you think it will take for youth to get to acceptance/understanding?
- Do you think youth could get stuck in the grieving process?
- What might be the losses experienced by children who have been physically abused, sexually abused, emotionally maltreated or neglected?
- What would cause the losses to be traumatic for the child?
- What are some examples of possible behavioral indicators you may see in children experiencing emotional reactions to loss and or trauma?

**Seven Core Issues of Adoption (these would be reviewed and discussed during the adoption home study process):**

The seven core issues of adoption are loss, rejection, guilt & shame, grief, intimacy, and mastery & control. Please talk about what you have experienced with the youth in regard to these issues.

Loss is an essential component of the adoption process, for a child to be adopted there must have first been a significant loss in their life. What have you seen in regard to the youth and loss?

Rejection-Children can view their placement in foster care as a form of rejection from their biological parents, children can associate the feeling of being "chosen" for adoption with the feeling of being "unchosen" by their birth parents. What have you seen in regard to the youth and rejection?

Guilt & Shame-Adopted children may feel as though there is something wrong with them that caused them to become adopted and can internalize these feelings. What have you seen in regard to the youth and Guilt & Shame?

Grief-Adopted children must be given the opportunity to grieve their losses, this can be difficult in a culture where adoption is commonly viewed as a process of joy. What have you noticed in regard to the youth and any grief?

Identity-Adopted children may have feelings of related to confused identity and identity crisis, have the youth experienced any of these feelings?

Intimacy-The multiple losses associated with adoption may impeded the development of intimacy, has the youth demonstrated any issues with development of intimacy?

Mastery and Control-Adoption can alter the course of one's life and can potentially hinder growth, self-actualization, and self-control. Do you feel the youth has demonstrated any signs of struggling with mastery and control?

#### **Additional Questions:**

- Explain what lifelong dedication means to you and your family?
- Described the level of integration the youth has experienced with your family. Does he/she fit in? What was the level of adjustment?
- What impact do you see adoption having on your family and/or marriage?
- What are signs of family stress? What coping mechanisms will you use to deal with family stress?
- How do you intend to communicate effectively with the youth about difficult information about his/her adoption and his/her history?
- What are your thoughts about maintaining birth parent connections?
- What are your thoughts about maintaining connections with significant people such as: siblings, grandparents, aunt and uncles, and cousins?
- Parents who model appropriate answers to questions posed about their child's culture, heredity, and family formation through adoption help their child understand and deal with insensitive and hurtful comments posed to them as they grow older.
  - List ways you could appropriately respond to the following questions or statements
    - Is he/she your real child?
    - Did you ever meet his/her real parents?
    - You are a real kind, good person for taking him/her in.
- What has KVC, DHHS, etc. done to help prepare you for the upcoming adoption (subsidy, health insurance, respite)?
- What resources will you have once the adoption is complete?

**6. Identify how bidder will discuss the 7 Core Issues of Adoption with the family or individual when writing an Adoption Home Study: Loss, Rejection, Guilt and Shame, Grief, Identity, Intimacy, and Mastery/control.**

KVC Nebraska's LS will assess the caregivers understanding of how adoption will impact the youth whom they are providing permanency for and the family through guided questions during an interview with the family. The LS will also review the 7 Core Issues of Adoption as noted in #5 to ensure the

family is aware of the issues, and how they feel the youth they are caring for could be impacted in these specific areas.

**7. Describe how the home study will include information about the family or individual(s) criminal history including but not limited to all background checks as required per 395 NAC Chapter 3 [http://www.sos.ne.gov/rules-and-regs/regsearch/Rules/Health\\_and\\_Human\\_Services\\_System/Title-395/Chapter-03.pdf](http://www.sos.ne.gov/rules-and-regs/regsearch/Rules/Health_and_Human_Services_System/Title-395/Chapter-03.pdf) .**

DHHS staff will be completing all required background checks for caregivers and household members and providing those results to KVC Nebraska. KVC Nebraska will review all background check results as required by the noted statute. During review, KVC Nebraska will address with caregiver and other individuals in the home that have a history of criminal involvement and/or charges, all noted charges that appear or are disclosed. The questions will include circumstances that led to charges, outcome of charges, and impact on self and family. Additionally, KVC Nebraska will review with caregiver and/or household member how they can use these experiences to positively impact their work with youth and families.

**8. For each Service Area, bidder should provide the methodology used to establish the “per home study” cost in the table below which includes but is not limited to personnel costs, travel expenses, and administrative costs. Methodology used to determine base cost.**

<b>Methodology used to determine base cost</b>	<b>ESA</b>	<b>NSA</b>	<b>SESA</b>	<b>CSA</b>	<b>WSA</b>
<b>Staff Time</b>	65%	43%	49%	37%	26%
<b>Travel Time and Mileage</b>	18%	46%	29%	53%	67%
<b>Project Oversight</b>	13%	9%	10%	7%	5%
<b>Operations Expense</b>	5%	3%	3%	3%	2%
<b>Administrative Expense</b>	10%	10%	10%	10%	10%

KVC Nebraska’s cost proposal and methodology for the established rate for home study includes staff time for the interviewing and writing of the home study, travel time and mileage, review by a Supervisor and operations and administrative cost. Currently KVC Nebraska staff would be traveling from our Omaha or Lincoln offices which accounts for the difference in cost and allocation based on service area.

**Ashley D. Brown, LCSW**  
1328 North 60<sup>th</sup> Street, Omaha NE 68132  
402-871-8010

**Education**

University of Nebraska at Omaha  
University of South Dakota

Social Work/ MSW – May 2005  
Social Work/BSW – August 2001

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**Professional Licensure**

Master Social Worker  
Licensed Mental Health Practitioner

License # 1268; expires 9/1/2020  
License #3339; expires 9/1/2020

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**Work Experience**

September 2009 – present  
*President*

KVC Behavioral HealthCare

- Previous positions include Child Placing Agency Supervisor (9/2009-9/2010), Program Director (9/2010-5/2016), Vice President (5/2016-7/2018)
- Operational oversight and leadership to intervention and service delivery programs such as foster care, intensive in-home (IFP, Family Support, etc), developmental disabilities, prevention and peer support
- Create, manage and monitor agency operating budget and staffing plan to ensure viability
- Monitor and manage program implementation and strategic growth
- Monitor and manage quality improvement, to include maintaining accreditation and licensure
- Coordinates organization culture and standards
- Provides leadership, guidance, and direction for program, to ensure compliance with outcomes.
- Translates agency vision into actionable plans.
- Collaborates with local agencies to determine community needs and develop a full continuum of services for youths and families. Coordinates relationships with staff, providers and consumers.

February 2003 – September 2009

NOVA Therapeutic Community

*Foster Care Specialist/Foster Care Supervisor/Out Patient Therapist*

- Supervise all foster care staff and programs
- Manage day to day operations
- Implement programing ideas and create new programs
- Provide individual and family therapy

September 2001 - February 2003

Visinet, Inc

*Family Support Worker*

- Supervise court ordered interactions between children and families
- Taught parenting skills to diverse families in crisis
- Allocated resources for families and individuals in need
- Provided one on one support and guidance to individual clients

May 2001 – August 2001

Southeastern Behavioral HealthCare

*Summer Intern*

- Assisted in case management services for a diverse population
- Completed assessments for services and funding
- Completed social histories on clients

May 2000 – August 2001

Southeastern Behavior HealthCare

*Residential Instructor*

- Maintained and evaluated residents' programs
- Provided stable, structured environment with constant support for residents
- Organized activities

Summers 1995-1999

Miners Restaurant

*Waitress*

- Assisted in training of new employees
- Assisted in created positive/productive work environment
- Originated staff schedules
- Facilitated staff meetings

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## References

Jodie Austin  
Omaha, NE  
402-312-1392

Michelle Noah  
Omaha, NE  
402-659-0284

Jason Hooper  
Olathe, KS  
816-260-3477

# Theresa L. Goley

7947 S. 157<sup>th</sup> Ave. • Omaha, NE 68136 • (402) 680-8099 • tlmcgee2001@yahoo.com

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## Education/Licenses

**Education:** MA, Marriage and Family Therapy, 1996, North American Baptist Seminary, Sioux Falls, SD  
BS, Psychology, 1994, University of South Dakota, Vermillion, SD

**License:** Nebraska Licensed Mental Health Practitioner, No. 3331

## Employment Experience

May 2014 – Present

### KVC Nebraska

#### *Permanency Director*

- Direct, lead, and supervise the activities of assigned staff and their direct reports
- Set an environment of practice that is family-centered and solution-focused as well as implement and maintain evidenced based practices to empower and support families to remain intact
- Establish accountability expectations for teams to assure appropriate responsiveness to clients, families, and all stakeholders
- Ensure client files are complete, accurate, and organized accreditation standards
- Monitoring the quality and effectiveness of the assigned service area's programs and services outcomes through effective data management and evaluation
- Work with the KVC President to develop or effectively use technology as an efficient means to gathering data for program monitoring
- Will ensure that high quality day-to-day direct supervision of all program services supervisors and assigned staff within the service area of responsibility is provided
- Will obtain and maintain successful internal and external relationships with professionals and individuals vested in the agency mission and vision
- Recruit and hire a high quality and diverse workforce to deliver programs and services and represent the agency's desired image
- Lead and coordinate activities involved in internal and external program and agency audits or reviews, including federal and state audits
- Establish and monitor clear goals and expectations for staff in achieving program outcomes
- Manage programs and services within allotted budget
- Provide opportunities for staff development and training in leadership and program expertise

March 2014 – Present

### Bellevue University

#### *Adjunct Professor*

- Provide on line instruction for graduate students in Clinical Counseling Program
- Provide on line support and guidance for graduate students in assigned courses

August 2013 – May 2014

**NE Office of Probation Administration**

*Juvenile Intake and Detention Alternative Specialist*

- Oversee Juvenile Intake for the 12 Juvenile Probation Districts in Nebraska
- Serve as the state Juvenile Detention Alternative Initiative (JDAI) Coordinator
- Assist in the expansion of JDAI to the 12 Juvenile Probation Districts in Nebraska
- Assist in the expansion of the Crossover Youth Practice Model (CYPM) with the Technical Assistance from Georgetown University
- Support the 12 Juvenile Chief Probation Officers in Nebraska with the creation of detention alternatives in their districts
- Write curriculum and train the intake processes and procedures to all existing and new Probation Officers and Management
- Create and maintain policies and procedures related to Juvenile Intake and Detention Alternatives
- Create Request for Qualifications and/or Request for Proposals when needed
- Maintain communication with Legislators, State and County Agencies, Community Providers and Stakeholders as needed to continue the improvement of Nebraska's Juvenile Justice System

March 2012 – August 2013

**Nebraska Families Collaborative**

*OJS Family Permanency Director*

- Oversee and direct 7 OJS Family Permanency Supervisors and 50+ OJS Family Permanency Specialists to meet all programmatic, contract and budgetary objectives and goals
- Serve as a member of the Juvenile Detention Alternative Initiative in Douglas and Sarpy County
- Serve as a core member of the work group creating the initial Crossover Practice Model Site in the state of Nebraska
- Maintain communication with state, regional and local government agencies, private agencies, and business and community groups
- Serve as a member of an 1184 multi-disciplinary team for both delinquency and non-court involved youth and families
- Oversee data collection and analyzes data from a variety of sources to ensure that appropriate outcomes and goals for programs are being met
- Ensure staff compliance with day-to-day policies and procedures
- Cooperate and collaborate with agency staff and subcontractors
- Mentor and coach staff to improve organizational and individual performance; along with maintaining a structured management system so as to clearly communicate goals and expectations. Teach and train new staff.
- Provide staff with clear directions and priorities with equal emphasis on program quality, morale building, and teamwork

August 2009 – February 2012

**KVC Nebraska**

*Family Permanency Supervisor/OJS Family Permanency Director*

- Directed, lead, and supervised the activities of a team of 7 Family Permanency Specialist Supervisors and 50+ Family Permanency Specialists responsible for the case management of over 1800 children in the Omaha and Lincoln metropolitan areas
- Successfully achieved the highest permanency rate for OJS youth
- Designed, implemented and oversaw successful EM/Tracking services
- In times of crisis and instability, established an attitude of quality care and support to all team members

- Built and maintained professional relationships with community stakeholders

January 2007 – August 2009

**Council Bluffs Community School District**

**Behavior Management Specialist**

- Crisis Intervention/De-escalating behaviors as needed
- Assisted in program design to address transition needs of students and staff
- Provided social skills training and assist students in implementing skills in mainstream and special education classrooms
- Served as part of Individual Education Plan (IEP) teams
- Served as liaison between the school and outside resources
- Provided consultative support to teachers
- Provided information and support to parents

January 2004 – January 2007

**Alcgent Health/Mercy Hospital**

*Program Therapist/School Liaison*

- Facilitated group therapy sessions
- Wrote and implemented treatment plans
- Facilitated individual and family therapy sessions
- Acted as liaison between the hospital and the Council Bluffs Community School District.
- Participated on a multi-disciplinary treatment team
- Trained Boys Town's Psycho-Educational Model to all existing and new employees

November 2002 – January 2004

**MapleWood Behavioral Health**

*Coordinator/Mental Health Therapist*

- Supervised Community Treatment Aids and Family Support Workers
- Completed weekly authorizations with Magellan and served as part of a multidisciplinary team
- Facilitated individual and couple's therapy

## **References**

Megan Miller  
Omaha, NE  
402-660-6157

Monica Miles-Steffens  
Lincoln, NE  
402-440-0372

Gail Ortegren  
Omaha, NE  
402-968-1235

# Jessica Schuler

15825 E St.  
Roca, NE 68430  
402-730-4743

[jessicaschuler44@gmail.com](mailto:jessicaschuler44@gmail.com)

## EXPERIENCE

### **KVC Nebraska, Lincoln, NE - Foster Care Supervisor**

July 2013 - PRESENT

- Lead, supervise and drive activities of the Foster Care Department and those directly recruiting, training, licensing and supporting foster homes.
- Develop a network of functions and support designed to recruit foster homes, train those families and license them with the Department of Health and Human Services (DHHS).
- Help to establish accountability expectations for teams to assure appropriate responsiveness to clients, families, DHHS/PromiseShip/Probation, courts, and other stakeholders.
- Work with direct reports to ensure client and foster homes files are complete, accurate, and organized per KVC, DHHS, and accreditation standards.
- Monitor the quality and effectiveness of the assigned service area's programs and services outcomes through effective data management and evaluation.
- Establish and monitor clear goals and expectations for staff in achieving program outcomes.
- Manage and provide opportunities for staff development and training in leadership and program expertise.

### **KVC Nebraska, Lincoln, NE - Licensing Specialist**

June 2013 - July 2013

- With input from the recruiters and TIPS-MAPP/DT leaders, met with potential foster families to assess the family's skills and need regarding providing foster care.
- Provided written assessments and recommendations for sponsorship and fostering.
- Responsible for handling all transfer inquiries and assessing families regarding the appropriateness for transfer of sponsorship
- Assured that the families were in full compliance with DHHS standards and regulations.
- Completed DHHS and KVC credentialing/licensing paperwork with both initial credential/licensure and renewal.

- Maintained records and prepared progress reports as needed.
- Provided documentation of the family's progress and areas of concerns.
- Met established agency outcomes related to retention and recruitment.

**KVC Nebraska, Lincoln, NE- Foster Care Specialist**

July 2010 - March 2012

- Provided direct support and ongoing services to the foster families that were sponsored by KVC.
- Worked to ensure that support and community resources were available for each foster family and for any clients placed within their care.
- Recruitment of potential foster families.
- Assisted foster parents in crisis management.
- Assured licensed foster parents were in full compliance with DHHS regulations.
- Maintained records and prepared progress reports as needed.

**CEDARS, Lincoln, NE- Assistant Program Manager for Safety and In-Home Services**

April 2008 - June 2010

- Directly supervised the day to day activities of Family Support Workers.
- Provided the knowledge, tools and skills to team members to enable them to be successful.
- Developed service plans for existing services in place for families.
- Scheduled visits and transports to ensure that all visits were possible.
- Assisted Family Support Workers in developing case specific strategies to ensure the success of families.
- Ensured staff were up to date on required trainings.
- Performed field observations of Family Support Workers.

**EDUCATION**

**Doane University, Lincoln, Nebraska - Masters of Arts in Management**

Emphasis in Human Resources

Expected graduation December 2019

**University of Nebraska-Lincoln - B.A. Psychology**

Minor in Criminal Justice

August 1996-May 2002

## REFERENCES

Julie Geise, CLSSYB

Nebraska Victim Advocacy Coordinator

Nebraska Commission on Law Enforcement  
and Criminal Justice

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[julie.geise@nebraska.gov](mailto:julie.geise@nebraska.gov)

Lisa Schmutte

Biology Teacher

North Star High School

Cell: 402-580-7779

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Denise Barrow, PLMHP, PLDAC

Outpatient Therapist

Jenda Family Services

Cell: 402-580-9202

[djbarrow74@gmail.com](mailto:djbarrow74@gmail.com)

# Lauren R. Parks, MSW

11550 I Street, Omaha, Nebraska 68137

402-320-5944

[lparks@kvc.org](mailto:lparks@kvc.org)

## EDUCATION

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University of Nebraska at Omaha  
Master of Social Work

Omaha, Nebraska  
May 2009

University of South Dakota  
Bachelor of Science, Social Work and Psychology

Vermillion, South Dakota  
May 2007

## PROFESSIONAL EXPERIENCE

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### KVC BEHAVIORAL HEALTHCARE

AUGUST 2010-PRESENT

Omaha, Nebraska

October 2015- Current

#### *CPA Supervisor*

- Lead, supervise and drive the activities of the Foster Care Department and those directly recruiting, training, licensing and supporting foster homes.
- Develop a network of functions and support designed to recruit foster homes, train those families and license them with the DHHS.
- Help to establish accountability expectations for teams to assure appropriate responsiveness to clients, families, DHHS/Promiseship/Probation, courts, and other stakeholders.
- Assist with the development of successful collaborative partnerships and business relationships both with internal communities and external communities.
- Assess and identify needed services and create opportunities for new business development at the community level; participate in work groups, community committees, and task forces to represent the agency's interests and support community needs.

#### *Licensing Specialist*

August 2010-October 2015

- Assess families for safety and licensure appropriateness through interviews, best-practice assessments, completion of comprehensive home studies, and collection of documentation.
- Liaison between agency, foster parents, the State of Nebraska and other service providers.
- Facilitate an eight week course to potential foster families.
- Train new and existing co-workers on State of Nebraska licensure regulations, compliance needs, and documentation procedures.
- Implement recruitment tools to expand base of foster homes.
- Collaborate with members of like agencies on a permanency subcommittee to streamline adoption processes through the state of Nebraska.
- Facilitate thorough home visits, completion of compliance reviews, complete extensive background checks along with making collateral contacts and compiling documentation per state of Nebraska guidelines.
- Member of Resource Family Conference, Fundraising Committee, Wellness Committee, Training Committee., PS-MAPP and Social planning committees.

**LUTHERAN SERVICES IN IOWA**  
*Retention, Support, and Licensing Specialist*

SEPTEMBER 2009-AUGUST 2010  
*Sioux City, Iowa*

- Independently manage 100+ foster, adoptive, and relative families in 14 counties.
- Supported and provided resources to help maintain families and foster care placements.
- Administered crisis support to families in emergencies situations.
- Responsible for meeting state of Iowa contract contact requirements.
- Assessed foster and adoptive homes for safety through completion of home visits, weekly and monthly documentation, and comprehensive home studies.

**CHILD SAVING INSTITUTE**  
*Foster Care Specialist*

OCTOBER 2008-SEPTEMBER 2009  
*Omaha, Nebraska*

- Advocated daily on behalf of foster children and parents.
- Supported foster children and foster parents through problem solving, skill building, and continued educations.
- Conducted assessments, developed treatment plans, collected weekly and monthly documentation, and completed initial home studies and updates.
- Maintained continual contact with support teams for children.
- Member of retreat planning, fos/adopt picnic, and employee committees.

**BENEFICIAL BEHAVIORAL HEALTH**  
*Community Treatment Aide*

OCTOBER 2007-OCTOBER 2008  
*Omaha, Nebraska*

- Provided in-home support work for individuals and families.
- Implemented treatment plans with clients, while working in cohesion with a therapist and case manager.
- Assisted clients in building coping and social skills.
- Responsible for maintaining a schedule and compiling weekly visit documentation.

**INTERNSHIP EXPERIENCE**

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Foster Care Intern  
Child Saving Institute

MAY 2008- OCTOBER 2008  
*Omaha, Nebraska*

Case Manager Intern  
St. Luke's Regional Health Center

MAY 2007-AUGUST 2007  
*Sioux City, Iowa*

**SELECTED TRAININGS**

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Parenting for Permanence and Safety –Model Approach to Partnerships in Parenting (PS-MAPP)  
Signs of Safety/Information Sharing Framework (SOS)  
Structured Decision Making (SDM)  
MANDT  
Trauma Systems Therapy (TST)

CPR and First Aid  
CAFAS  
Parent Management Training (PMT)

**REFERENCES**

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Andray Knutson 701-388-0894  
Lanette Kinne 402-515-6761  
Nicole Deprez 402-213-9090

Additional work history and training information upon request.

**Page Welburn**

2713 Beale Circle  
Bellevue, NE 68123  
402-369-6664  
pwelburn@kvc.org

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**Education:** **Bachelor of Science: Psychology**  
**Minor: Sociology**  
**Wayne State College- Graduated May 2013**

**Experience:** August 1, 2018-Present *KVC Nebraska* Omaha, NE  
**Foster Care Supervisor/CPA Supervisor**

- Supporting and advocating for KVC team members, foster parents, and youth
- Oversight of cases and management of 4-5 staff members at a time
- Participating in leadership meetings and other KVC leadership projects
- Teaching pre-licensure trainings to prospective foster parents

April 8, 2014- August 1, 2018 *KVC Nebraska* Omaha, NE  
**Foster Care Specialist**

- Supporting and advocating for foster parents and youth in foster care
- Writing monthly reports
- Participating in Red Team meetings, family team meetings, and other trainings
- Teaching pre-licensure trainings to prospective foster parents

June 10, 2013- April 1, 2014 *Boys Town National Research Hospital* Boys Town, NE  
**Behavioral Health Technician**

- Working with adolescents and children with mental illness and behavioral issues
- Teaching to youths' positive and negative behaviors
- Documentation on the youths' progress

January 28, 2013- June 8, 2013 *Liberty Centre- Park Place* Norfolk, NE  
**Group Home Technician**

- Working with residents with mental illness on their way to independence
- Efficiently administer medications to residents
- Socialize through conversation and activities to promote learning opportunities for residents.

December 26, 2012-January 8, 2013 *Camp Friendship Ventures* Annandale, MN  
**Camp Counselor**

- Worked for the two week winter camp as a camp counselor for people with mental and physical disabilities.
- Facilitated activities to help promote campers personal growth

July 2012-June 7, 2013 *HyVee Gas Station* Norfolk, NE  
**Cashier**

- Assisting customers in a friendly manner

November 2010-May 2012 *LDS Church- New Hampshire Manchester Mission*

**Full-Time Volunteer Missionary**

- Taught people about the doctrine of our church in Maine and New Hampshire.
  - Other service work included teaching people to read, worked at soup kitchens, nursing homes, etc.
- 

Lauren Parks-work  
402-320-5944  
[lparks@kvc.org](mailto:lparks@kvc.org)

Theresa Goley-work  
402-415-9710  
[tgoley@kvc.org](mailto:tgoley@kvc.org)

Rachel Garcia-personal  
402-981-6395  
[rcgarcia421@yahoo.com](mailto:rcgarcia421@yahoo.com)

**Additional Work and Personal References Available Upon Request**

# REBECCA CROOK

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1530 South 77<sup>th</sup> Street • Lincoln, Ne. 68506 • (402)580-2944 • beccacrook@hotmail.com

## Education

University of Nebraska at Lincoln, 2002-2006

Bachelors of Science in Education and Human Sciences – Family Science

## Experience

**KVC Behavioral Healthcare** - Lincoln, Nebraska [November 2014-Present]

CPA Supervisor

- Lead, supervise and provide guidance of the Foster Care Specialist who directly train, and support foster homes and youth and Recruitment Coordinator who recruits foster homes
- Establish accountability expectations for teams to assure appropriate responsiveness, collaboration, and compliance to clients, families, referring agents, courts, and accrediting agency.
- Monitor quality and effectiveness of CPA programs and service outcomes through effective data management and evaluation
- Establish and monitor clear goals and expectations for staff in achieving program outcomes
- Manage and provide opportunities for staff development and training in leadership and program expertise
- TIPS-MAPP Trainer for potential foster parents

**KVC Behavioral Healthcare** - Lincoln, Nebraska [July 2010 – November 2014]

Foster Care Specialist

- Provide direct support and advocacy for foster families
- Collaborate with team members to ensure best interest of youth
- Establish personalized goals and complete monthly progress reports
- Conduct assessments and establish safety plans
- Maintain timely and thorough documentation
- Ensure compliance with KVC and DHHS regulations
- PS-MAPP Trainer for potential foster parents
- Committee Leader for Annual Resource Conference

**Owens and Associates** Lincoln, Nebraska [July 2006 - July 2010]

Family Partner

- Assisted families in reaching self sufficiency through support, guidance and education
- Developed and implemented service plans
- Ensured the safety of children
- Provided detailed documentation for all contact
- Completed monthly progress reports

**Knowledge Learning Corporation** Lincoln, Nebraska [June 2004 - July 2006]

Daycare Teacher

- Planned and implement bi-weekly lesson plans
- Created stimulating and safe learning environments
- Complied with KLC regulations

# ERIN BURNLEY

2510 North 42<sup>nd</sup> Street, Omaha, NE, 68111 | (402)707-3614 | erin.burnley@gmail.com

## SUMMARY

I have six years experience in the social work field. I have helped children find independence and appropriate social norms. I have supported foster families in navigating the foster care system in order to help a child find permanency. I help build families that would never have been able to have children. There is a lot of deadlines and legal jargon that a Foster Care Licensing Specialist has to remember and navigate in order for a family to become licensed. I adapt well to changes that constantly occur in foster care.

## EXPERIENCE

- 11/2015-present Foster Care Licensing Specialist, KVC Behavioral Healthcare
- Write home studies for family application to become licensed.
  - Provide support and advice to potential foster family
  - Train and Evaluate family for the TIPS-MAPP process
- 4/2014-11/2015 Foster Care Licensing Specialist, *Child Saving Institute*
- coordinate licensures for foster parents by specific deadlines with the State of Nebraska.
  - I provide support and advice to our foster families.
  - Respond to foster care inquiries within 24 hours.
  - Update agency paperwork for foster families transferring to Child Saving Institute.
  - Attend all meetings that help foster families support foster children in their home.
  - Write home studies for family application to become licensed.
- 8/2008-4/2014 Assistant Family Teacher, *Boys Town*
- I organized and maintain service plans for children in the residential homes.
  - I supervised up to 8 children in a home and taught them social norms and behaviors.
  - I developed and monitored assistant family teacher schedules.
  - Monitor CQI for families to evaluate their teachings.
  - Monitor and administer medications in residential homes.

## EDUCATION

2008 Bachelor of Arts in Psychology, *University of Nebraska-Lincoln*

**Cynthia K. Griess-Johnston**  
**10227 Madison Street**  
**Omaha, Nebraska 68127**  
**402-740-0656**  
**cynkjoh4@gmail.com**

**Education:**

Bachelor's degree in Social Work (BSW), University of Nebraska-Lincoln.  
Graduate level classed in Social Work, University of Nebraska-Omaha.  
Intensive Spanish Language classes, College of Saint Mary, Omaha, Nebraska.

**Employment:**

**August 2014 to present: Foster Care and Adoption Licensing Specialist; KVC Nebraska.** Complete home study assessments for initial and renewing foster parents, prospective adoptive parents, and kinship foster families. Complete KVC foster parent license renewal packets and initial licensing packets for DHHS. Work with DHHS and PromiseShip to complete adoption and kinship packets. Teach the TIPS-MAPP curriculum to prospective foster parents. Teach Healthy Sexual Boundaries and Cultural Competency classes to foster parents. Respond to inquiries and provide support and guidance to foster and adoptive families. Conduct fingerprinting of foster parents for FBI and State Patrol background checks. Gather background information from the Nebraska Central Registry, local law enforcement and the Nebraska Sex Offender Registry. Participate in Red Team meetings as requested to help guide staff in placing children in safe and suitable foster homes. Occasionally help KVC foster care specialists with duties such as on-call shifts and transporting youth to appointments. Work collaboratively with other foster care agencies and providers and communicate regularly with DHHS Resource Development. Will earn a minimum of 30 CEU's each year by attending trainings at KVC and other child welfare agencies.

Work in conjunction with KVC's Extended Family Home (EFH) program. Conduct EFH assessments for individuals seeking to provide in-home care for persons with intellectual or developmental disabilities. Currently certified as a Level One Investigator for serious incidents which are reported to Adult Protective Services, by KVC EFH clients or KVC EFH providers. Will complete internal investigations for KVC as requested.

**November 2013 to September 2016: CHI, Mercy Hospital, Council Bluffs, Iowa. (PRN position; worked one Saturday per month.)**

Provided discharge planning and services for hospitalized patients. Collaborated with health care providers to determine the discharge plan for each patient. Met with patients and their families to determine needs, provide emotional support, and give referrals. Ensured patients returning home had the resources to be successful. Arranged admissions and transports for patients to skilled nursing/assisted living centers, treatment facilities, and shelters.

**March 2012- August 2014: Family Permanency Specialist II; Nebraska Families Collaborative (NFC).**

Performed a variety of case management duties to help children in foster care achieve reunification and permanency. Assessed and analyzed critical information. Developed case plans for each child and family. Facilitated family team meetings and collaborated with community agencies, therapists and legal parties. Wrote court reports, conducted risk and safety assessments, strengths and needs assessments, and documented all client contacts. Attended court hearings; worked with legal counsel and CASA volunteers to help children achieve permanency through reunification or adoption. Met with Native American tribal leaders to assure ICWA guidelines were followed for each Native American child and family. Attended Foster Care Review Board meetings and participated in educational meetings to discuss each child's academic progress. Participated in therapy, medical appointments, and psychological evaluations with children as requested. On-call duties included helping children transition from Project Harmony to foster home placement. Provided transportation for youth and families as needed.

**November 2011-February 2012: Family Permanency Specialist; KVC Nebraska.** KVC ended case management in Nebraska on February 28, 2012. Transferred to NFC after four months as a Family Permanency Specialist with KVC. Please refer to the NFC job description above.

**December 2005-November 2011: Hotline Crisis Counselor and Lead Email Counselor; Boys Town National Hotline, National Suicide Prevention Lifeline and Nebraska Family Helpline.**

Provided crisis counseling and support to youth, parents, and individuals who were experiencing stress, conflict and suicidal ideation. Performed suicide risk assessments and determined if emergency assistance was needed. All calls required active listening skills, critical thinking and empathy. Provided callers with information and referrals for assistance in their local area. Responded to questions and submitted postings to parenting and educational websites. Submitted articles on child development and parenting issues to [www.parenting.org](http://www.parenting.org) and [www.education.com](http://www.education.com). Lead Email Counselor duties included assuring all emails were responded to in a timely manner, and guided crisis counselors as they responded to urgent emails. Collaborated with outside agencies and professionals when necessary and documented all contacts.

**December 2000-December 2008: Childbirth and Maternal Services Educator; Alegent Health, Midlands Hospital, Omaha, Nebraska.**

**Certified Breastfeeding Educator:**

Taught the benefits and techniques of breastfeeding to expectant mothers and their partners. Provided follow up counseling with parents as needed. Facilitated a support group for breastfeeding mothers. Developed and updated curriculum, maintained supplies and attended workshops for continuing education and certification.

**Sibling Preparation Instructor:**

Helped to prepare children for the birth of their sibling. Read to the children, role played with lifelike dolls, showed an age appropriate video to children and helped children create a gift for their new brother or sister. Included parents by taking tour of the childbirth and postpartum

hospital rooms with their child. Encouraged healthy sibling relationships and provided parents with parenting resources. Developed and updated class curriculum and maintained supplies.

**September 1998-May 2008: Self-Employed Child Care Provider; Cynthia's Kids Childcare.** Cared for a small number of children in my home. Care was provided for infants through elementary school aged children. Provided for children's physical and emotional needs.

**August 1989-August 1997: Adoption Caseworker; Nebraska Children's Home Society, Lincoln and Omaha, Nebraska.**

Provided pregnancy and adoption counseling for birthmothers, birthfathers and their extended families. Facilitated support groups for expectant mothers who were considering adoption or had placed their child for adoption. Organized a support group for adopted persons who were in process of searching for their birthparents. Provided relinquishment counseling for the Department of Health and Human Services and assisted with the legal relinquishment process. Completed adoption home studies. Assisted with foster care placements. Supervised the adoption placement with the infant/child, the birth parents and the adoptive parents. Provided post adoptive supervision of the child until adoption finalization. Completed court reports, attended court hearings and team meetings. Presented information on adoption and parenting to schools, community service agencies and health care providers. Attended meetings for prospective families interested in adoption. Maintained Social Work Certification with the State of Nebraska while employed with the agency.

**Volunteer experiences:**

Project Hope food pantry volunteer, Omaha, Nebraska - current.

Church and school volunteer, Omaha, Nebraska - current.

Junior Achievement teacher, Omaha, Nebraska - previous.

Girl Scout leader, Omaha, Nebraska - previous.

Child and Parent Education (CAPE ) Lincoln, Nebraska - previous board member.

Welcome Baby program, Family Services of Lincoln, Nebraska - previous.

Food Bank of Lincoln, Lincoln, Nebraska - previous.

**Certifications:**

Level One Investigator for Conducting Serious Incidents.

**Awards:**

Awarded first place (tie) for best "Thank You Letter" out of over one hundred submitted, at the first annual Omaha Gratitude Gathering in 2005. Ceremony was held at the Rose Theater.

Received letter of commendation from the Governor of Nebraska for working with a mother who was HIV/AIDS positive, and her young daughter who had an intellectual disability. This occurred when employed as a Youth Care Worker with the state of Nebraska in 1987.

# Jason C. Bequette

(402) 440-3115 | 1800 Glynn Circle, Lincoln, NE | jbequette26@gmail.com

## OBJECTIVE

To partner with an employer that encourages independence and development of competence.

## EXPERIENCE

### Licensing Specialist, June 2018-Present

- Complete home study document and licensing packet for the purpose of licensure, renewal, adoption, and kinship approval.
- Complete amendments to foster care license as needed.
- Assist foster parents in monitoring, maintaining, and completing required training hours.
- Train prospective foster parents as a Certified TIPPS MAPP Trainer.
- Partner with DHHS in resolving other licensing issues as needed.

### Foster Care Specialist, March 2012 - June 2018

KVC Behavioral Healthcare, Lincoln, NE

- Provide direct in home support to foster parents and youth involved in the child welfare system.
- Complete detailed home study evaluations of prospective relative and child specific foster parents.
- Responsible for conducting detailed interviews of prospective relative and child specific foster parents.
- Responsible for detailed and timely documentation of progress on behalf of each client including but not limited to monthly progress reports, child specific support plans, monthly foster home compliance, and medication logs.
- Maintaining stability of placements utilizing crisis intervention techniques such as Parent Management Training.
- Regular participation in KVC 24/7 on call support.
- Recipient of the 2014 Employee of the Year Award for KVC of Lincoln, NE.
- Certified PS-MAPP trainer.
- Certified trainer of Parent Management Training.

### Program Support Worker, August 2010-March 2012

KVC Behavioral Healthcare, Lincoln, NE

- Provide direct services such as supervised visitation, family support, and drug testing to clients involved in the child welfare system.
- Ensure safety and well being of clients by intervening as needed during any direct service session.

## EDUCATION & TRAINING

University of Nebraska-Lincoln

Bachelor of Science in Criminal Justice, 2007

With minor in History

# **Elizabeth I. Bonney-Heermann**

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3202 Y Street † Lincoln, NE 68503 † (402)570-0688 † geckonek1978@gmail.com

## **OBJECTIVE**

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To take on the challenge of the position of Licensing Specialist which will research, review, and maintain potential and licensed foster homes.

## **WORK EXPERIENCE**

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**04/10-Present** *KVC Behavioral Healthcare-Nebraska, 5001 Central Park Drive, Ste. 100, Lincoln, NE 68504*

*Licensing Specialist*

The Licensing Specialist identifies, secures, and processes all current and new family resources, providing consultation and initial licensing, renewal licensing, updates and monitoring files to ensure all are in accordance with the requirements set by KVC Behavioral Healthcare-Nebraska. This includes kinship and adoptive home studies. The Licensing Specialist also works daily with the Department of Health and Human Services to ensure compliance with foster care regulations. The Licensing Specialist is also a certified TIPS-MAPP Trainer and instructs potential foster parents regarding foster children and the child welfare system.

**08/09-4/10** *Visinet, Inc., Lincoln, NE 68504*

*Resource Specialist*

The Resource Specialist identified, secured and processed current and new family resources, providing family consultation and initial licensing, renewal licensing, updates and monitoring files to ensure all were in accordance with the requirements set by Visinet, Inc. This included relative and adoptive home studies. The Resource Specialist worked daily with the Department of Health and Human Services to ensure compliance with foster care regulations.

As an employee of Visinet, Inc., I had the opportunity to match specific children with placement homes as needed. I certified as a PRIDE Trainer and taught potential foster families about foster care. I received training on the State of Nebraska's NFOCUS system for inputting information regarding foster families, home studies and allegations.

**02/08-07/09** *Lincoln Community Foundation, 215 Centennial Mall S, Ste. 100, Lincoln, NE 68508*

*Administrative Assistant*

The Administrative Assistant researched non-profit organizations' 501c3 status and processed check requests accordingly. The Administrative Assistant also created and distributes documents, organized multiple committees' functions and meetings, served as back-up for the phones and filed documents.

As an Administrative Assistant, I also assisted the Vice President of Community Outreach with miscellaneous duties including processing scholarships and grant applications.

## **Elizabeth I. Bonney-Heermann**

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3202 Y Street + Lincoln, NE 68503 + (402)570-0688 + geckonek1978@gmail.com

**9/02-2/08**     *Child Guidance Center, 2444 O Street, Lincoln, NE 68508*  
*Receptionist & Transportation Scheduler*

First and foremost, the Receptionist was responsible for maintaining a friendly and organized work environment through client and staff relations. The Receptionist greeted incoming clients and family members, handled all internal and external calls from staff and clients, filed client paperwork, created and maintained daily schedules and handled miscellaneous computer tasks including entering billing information, scheduling client transportation and maintaining an accurate petty cash log. The Receptionist adhered to all privacy codes as required by HIPAA.

As the Receptionist, I was fortunately able to assist in the interviewing process of potential staff members and trained several new members of the Billing and Support departments.

**1/00-8/16/02**     *CEDARS Youth Services (Foundation), 620 N 48<sup>th</sup> St., Lincoln, NE 68504*  
*Office Assistant 2/02-8/02 / Youth Specialist I-FT Overnights 9/01-2/02/ Relief Youth Specialist 1/00-9/01*

The Office Assistant to the CEDARS Home for Children Foundation maintained and updated the Donor Database and monetary/in-kind donations. The Office Assistant oversaw mailing services, composing quarterly Guardian Angel Thank You cards, maintaining the Golden Book of Memorials and Honors as well as other administrative duties. Attention to detail and accuracy was key.

# **Elizabeth I. Bonney-Heermann**

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3202 Y Street + Lincoln, NE 68503 + (402)570-0688 + geckonek1978@gmail.com

## **ACHIEVEMENTS**

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- Experience in public speaking and relations, including Trauma Informed PS-MAPP (TIPS-MAPP) training and PRIDE training (pre-service foster parent training).
- Certification in CPR and First Aid, Multi-Ethnic Placement Act (MEPA) and the Indian Child Welfare Act (ICWA).
- Served as a Trustee on the Unitarian Church Board from 2013-2015.
- Participated in the Unitarian Church Interim Ministerial Search Committee in 2014.
- Member of the RGL Committee from 2010 through October 2016; rejoined August 2017.
- Unitarian Universalist high school and middle school volunteer teacher from 2012-2015.
- Certified Teacher of Our Whole Lives Curriculum

## **EDUCATION**

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- |      |   |
|------|---|
| 2004 | <b>University of South Dakota</b> , Vermillion, SD<br>Completed one semester of a Master's Degree Program                   |
| 2001 | <b>University of Nebraska</b> , Lincoln, NE<br>Completed the Bachelor of Arts Degree –<br>Double Major: English and History |
| 1997 | <b>University of South Dakota</b> , Vermillion, SD<br>Completed one year of a Bachelor of Arts Program                      |
| 1996 | <b>Mercy High School</b> , Omaha, NE<br>Completed 9 <sup>th</sup> -12 <sup>th</sup> grades/General Studies.                 |



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/26/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Hays Companies Inc. 1200 Main Street, Suite #2310  Kansas City MO 64105	CONTACT NAME: Linda Robb	
	PHONE (A/C No. Ext): (816) 474-3535 FAX (A/C, No):	
INSURED KVC Health Systems 21350 West 153rd Street  Olathe KS 66061	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Philadelphia Indemnity Insurance	
	INSURER B: Philadelphia Insurance Companies	92535
	INSURER C: Accident Fund General Insurance Co	
	INSURER D: INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: \*GL/AL/WC/UL5/Prof 19/20 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL ISDR INSD WVO	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:		PHPK1855289	7/1/2019	7/1/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMPIOP AGG \$ 3,000,000 Employee Benefits \$ 1,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		PHPK1855289	7/1/2019	7/1/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		PHUB640035	7/1/2019	6/1/2020	EACH OCCURRENCE \$ AGGREGATE \$ \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A	2000025176	8/1/2019	8/1/2020	PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Professional Liability		PHPK1855289	7/1/2019	7/1/2020	Each Occurrence \$1,000,000 Aggregate \$3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

General Liability & Professional Liability Retro Dates:  
 7/1/05 - State of Kansas Contract for Foster Care & Adoption Services  
 9/30/09 - KVC Behavioral HealthCare Nebraska and KVC Behavioral HealthCare Kentucky  
 1/1/17 - Niles Home for Children  
 8/29/89 - All Other

## CERTIFICATE HOLDER

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

James Hays/DMOSIE

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## Additional Named Insureds

### Other Named Insureds

Kanawha Valley Center, Inc.	Doing Business As
KVC Behavioral HealthCare	Additional Named Insured
KVC Behavioral HealthCare Kentucky, Inc.	Additional Named Insured
KVC Behavioral HealthCare West Virginia, Inc.	Additional Named Insured
KVC Behavioral HealthCare, Inc.	Additional Named Insured
KVC Behavioral Nebraska, Inc.	Additional Named Insured
KVC Foundation, Inc.	Additional Named Insured
KVC Hospitals, Inc.	Additional Named Insured
Niles Home for Children	Additional Named Insured



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/25/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Hays Companies 1200 Main Street, Suite #2310  Kansas City MO 64105		<b>CONTACT NAME:</b> PHONE (A/C, No., Ext): (816) 474-3535 FAX (A/C, No.): (816) 842-5795 E-MAIL ADDRESS:	
<b>INSURED</b> KVC Health Systems 21350 West 153rd Street  Olathe KS 66061		<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: Philadelphia Insurance Companies NAIC # 92535 INSURER B: United Wisconsin Insurance Company 29157 INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: GL/AL/WC/UL5/Prof 18/19 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVO	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER	X		PHPK1855289	8/1/2018	7/1/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMPIOP AGG \$ 3,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PHPK1855289	8/1/2018	7/1/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Comp/Colf Ded \$ 1,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			PHUB640035	8/1/2018	7/1/2019	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	0400169046	8/1/2018	7/1/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L EACH ACCIDENT \$ 1,000,000 E.L DISEASE - EA EMPLOYEE \$ 1,000,000 E.L DISEASE - POLICY LIMIT \$ 1,000,000
A	Professional Liability			PHPK1855289	8/1/2018	7/1/2019	Each Occurrence \$1,000,000 Aggregate \$3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Region 6, DHHS and State of Nebraska are included as additional insured when required by written contract. Coverage is primary.

**CERTIFICATE HOLDER****CANCELLATION**

Region 6 and DHHS  
 Julie Matthews  
 4715 S 132nd St  
 Omaha, NE 68137

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

James Hays/LROBB



December 19, 2016

Jason Hooper  
CEO  
KVC Behavioral HealthCare Nebraska, Inc.  
11550 I Street, Suite 100  
Omaha, NE 68137

Joint Commission ID #: 495262  
Program: Behavioral Health Care Accreditation

Accreditation Activity: 60-day Evidence of  
Standards Compliance  
Accreditation Activity Completed: 12/19/2016

Dear Mr. Hooper:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- **Comprehensive Accreditation Manual for Behavioral Health Care**

This accreditation cycle is effective beginning October 27, 2016 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations

# State of Nebraska

Department of Health and Human Services  
Division of Public Health

**KVC Behavioral Healthcare Nebraska, Inc.**

Is hereby authorized in compliance with laws of the State of Nebraska to establish and conduct a **Child Placing Agency** with the approved services of **Adoption & Foster Care** located at: **11550 I Street, Suite 100 Omaha NE 68137**

**KVC Behavioral Healthcare, Inc.** is hereby issued License No. **CPA028** which is effective from **04/06/2018** and will expire on **03/07/2020**

Given under the name and Seal of the Department of Health and Human Services Division of Public Health of the State of Nebraska at Lincoln on **March 12, 2019.**



Bo Botelho, Interim Director  
Division of Public Health  
Department of Health and Human Services

# **KVC Health Systems, Inc.**

**Independent Auditor's Report and Consolidated Financial Statements**

**June 30, 2018 and 2017**



**KVC Health Systems, Inc.**  
**June 30, 2018 and 2017**

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**June 30, 2018 and 2017**

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## Independent Auditor's Report

Board of Directors  
KVC Health Systems, Inc.  
Olathe, Kansas

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of KVC Health Systems, Inc., which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of KVC Health Systems, Inc. as of June 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.

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2018, on our consideration of KVC Health Systems, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KVC Health Systems, Inc.'s internal control over financial reporting and compliance.

**BKD, LLP**

Kansas City, Missouri  
December 13, 2018

**KVC Health Systems, Inc.**  
**Consolidated Statements of Financial Position**  
**June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,212,047	\$ 7,633,883
Accounts receivable, net of allowance; 2018 - \$1,152,000, 2017 - \$874,000	16,944,259	14,633,404
Contributions receivable	1,670,000	303,742
Grants receivable	1,977,697	1,674,724
Prepaid expenses and other	<u>719,919</u>	<u>1,218,770</u>
Total current assets	<u>25,523,922</u>	<u>25,464,523</u>
<b>Property and Equipment, Net</b>	<u>25,383,610</u>	<u>20,171,907</u>
<b>Contributions Receivable</b>	<u>585,667</u>	<u>854,925</u>
<b>Other Assets</b>		
Goodwill	545,000	545,000
Deposits and other assets	<u>803,652</u>	<u>654,333</u>
	<u>1,348,652</u>	<u>1,199,333</u>
Total assets	<u>\$ 52,841,851</u>	<u>\$ 47,690,688</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current maturities of long-term debt	\$ 266,302	\$ 240,126
Line of credit	1,500,000	-
Accounts payable	2,896,261	2,511,590
Accrued salaries	3,976,880	3,617,200
Accrued compensated absences	2,191,596	2,030,220
Other accrued expenses	5,027,489	5,418,132
Deferred revenue	<u>1,738,441</u>	<u>1,171,970</u>
Total current liabilities	17,596,969	14,989,238
<b>Long-term Debt</b>	9,552,412	6,188,936
<b>Net Pension Liability</b>	<u>276,360</u>	<u>368,574</u>
Total liabilities	<u>27,425,741</u>	<u>21,546,748</u>
<b>Net Assets</b>		
Unrestricted	23,916,110	25,768,940
Temporarily restricted	<u>1,500,000</u>	<u>375,000</u>
Total net assets	<u>25,416,110</u>	<u>26,143,940</u>
Total liabilities and net assets	<u>\$ 52,841,851</u>	<u>\$ 47,690,688</u>

**KVC Health Systems, Inc.**  
**Consolidated Statements of Activities**  
**Years Ended June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Unrestricted Revenues, Gains and Other Support</b>		
Contract reintegration and adoption services	\$ 91,560,023	\$ 83,757,058
Child placing services	19,067,076	16,423,975
Inpatient services	20,345,681	21,703,959
Family preservation/in-home services	22,105,877	18,110,196
Contributions and grants	4,355,732	3,579,839
Interest income	4,521	5,950
Miscellaneous	<u>1,766,056</u>	<u>1,470,308</u>
Total unrestricted revenues, gains and other support	<u>159,204,966</u>	<u>145,051,285</u>
<b>Operating Expenses</b>		
Client care	147,694,237	128,123,892
Administrative and general	13,938,706	13,437,212
Fundraising	<u>340,748</u>	<u>289,395</u>
Total operating expenses	<u>161,973,691</u>	<u>141,850,499</u>
<b>Operating Income (Loss)</b>	(2,768,725)	3,200,786
<b>Other Income</b>		
Contribution in affiliation	<u>-</u>	<u>1,519,277</u>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	(2,768,725)	4,720,063
Contributions received for property acquisitions	540,895	-
Net assets released from restrictions for property acquisitions	<u>375,000</u>	<u>228,856</u>
<b>Change in Unrestricted Net Assets</b>	(1,852,830)	4,948,919
<b>Temporarily Restricted Net Assets</b>		
Contribution in affiliation	-	228,856
Contributions received for property acquisitions	1,500,000	375,000
Net assets released from restrictions for property acquisitions	<u>(375,000)</u>	<u>(228,856)</u>
<b>Change in Net Assets</b>	(727,830)	5,323,919
<b>Net Assets, Beginning of Year</b>	<u>26,143,940</u>	<u>20,820,021</u>
<b>Net Assets, End of Year</b>	<u>\$ 25,416,110</u>	<u>\$ 26,143,940</u>

**KVC Health Systems, Inc.**  
**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Operating Activities</b>		
Change in net assets	\$ (727,830)	\$ 5,323,919
Items not requiring (providing) operating activities cash flows		
Depreciation and amortization	1,494,621	1,391,903
Loss on disposition of assets	597	-
Contributions received in affiliation	-	(1,748,133)
Contributions received for property acquisitions	(2,040,895)	(375,000)
Provision and discounts on contributions receivable	(34,301)	(57,623)
Provision for uncollectible accounts	234,397	199,994
Changes in		
Accounts receivable	(2,545,252)	(2,367,276)
Grants receivable	(302,973)	(544,431)
Prepaid expenses	498,851	(874,201)
Other assets	(149,319)	(88,533)
Accounts payable	238,533	(264,346)
Accrued salaries	359,680	773,751
Accrued compensated absences	161,376	370,419
Other accrued expenses	(390,643)	1,507,625
Net pension liability	(92,214)	-
Deferred revenue	566,471	(60,935)
	<u>(2,728,901)</u>	<u>3,187,133</u>
<b>Investing Activities</b>		
Purchase of property and equipment	(6,560,783)	(1,332,956)
Cash acquired in affiliation	-	388,133
	<u>(6,560,783)</u>	<u>(944,823)</u>
<b>Financing Activities</b>		
Proceeds from contributions restricted for acquisition of long-lived assets	978,196	543,488
Proceeds from issuance of long-term debt	3,652,000	-
Principal payments on long-term debt	(262,348)	(417,455)
Net proceeds under line-of-credit agreements	1,500,000	-
	<u>5,867,848</u>	<u>126,033</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(3,421,836)</u>	<u>2,368,343</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>7,633,883</u>	<u>5,265,540</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 4,212,047</u>	<u>\$ 7,633,883</u>
<b>Supplemental Cash Flows Information</b>		
Property and equipment in accounts payable	\$ 146,138	\$ -
Interest paid	418,226	335,569
Loan receivable forgiven in affiliation	-	535,556
Affiliation with The Niles Home for Children, Inc.		
Assets acquired, including cash of \$388,133	-	3,184,823
Liabilities assumed	-	1,436,690

**KVC Health Systems, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies**

***Nature of Operations and Principles of Consolidation***

KVC Health Systems, Inc. is the sole corporate member of the following affiliates, collectively referred to as the Organization:

KVC Behavioral HealthCare, Inc.

KVC Behavioral HealthCare, Inc. is a Kansas not-for-profit organization headquartered in Olathe, Kansas. It provides an integrated array of programs for emotionally and behaviorally impaired, abused, neglected, runaway and homeless youth, ages birth to twenty-one and their families.

KVC Behavioral Healthcare West Virginia, Inc.

KVC Behavioral Healthcare West Virginia, Inc. is a West Virginia not-for-profit organization headquartered in Charleston, West Virginia, whose mission and principal activities are to provide an integrated array of programs for emotionally and behaviorally impaired, abused, neglected, runaway and homeless youth, ages birth to twenty-one and their families.

KVC Behavioral Healthcare Kentucky, Inc.

KVC Behavioral Healthcare Kentucky, Inc. is a Kentucky not-for-profit organization headquartered in Lexington, Kentucky, whose mission and principal activities are to provide mental health, educational and case management services to children with mental health needs who are either placed in out-of-home care, hospitalized or who are facing imminent removal from their biological home in the state of Kentucky.

KVC Behavioral Healthcare Nebraska, Inc.

KVC Behavioral Healthcare Nebraska, Inc. is a Nebraska not-for-profit organization headquartered in Omaha, Nebraska, whose mission and principal activities are to provide service coordination, foster care, family preservation and supportive mental health services to the children and families of Nebraska.

KVC Hospitals, Inc.

KVC Hospitals, Inc. is a Kansas not-for-profit organization headquartered in Olathe, Kansas, whose mission and principal activities are to provide psychiatric care to children and adolescents out of facilities in Kansas City, Kansas and Hays, Kansas.

**KVC Health Systems, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

KVC Foundation, Inc.

KVC Foundation, Inc. is a Kansas not-for-profit organization in Olathe, Kansas. The Foundation was created to establish an endowment and provide fundraising activities to support the programs of KVC Health Systems, Inc. and its affiliates.

The Niles Home for Children, Inc.

The Niles Home for Children, Inc. is a Missouri not-for-profit organization headquartered in Kansas City, Missouri, whose mission and principle activities are to provide mental health and education services to high-risk children and families, empowering them to become confident and contributing citizens.

The accompanying consolidated financial statements include the accounts of KVC Health Systems, Inc. and its affiliates. All significant intercompany accounts and transactions have been eliminated in consolidation.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2018 and 2017, cash equivalents consisted primarily of money market accounts with banks.

At June 30, 2018, the Organization's cash accounts exceeded federally insured limits by approximately \$874,000.

***Accounts Receivable***

Accounts receivable are stated at the net realizable value, which is the amount management expects to collect from outstanding balances. The Organization provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due more than 90 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

**KVC Health Systems, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

***Property and Equipment***

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and leasehold improvements	5-40 years
Furniture and equipment	5-10 years
Computer equipment and vehicles	5 years

***Long-lived Asset Impairment***

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2018 and 2017.

***Net Assets***

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose.

***Contributions***

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Gifts having donor stipulations that are satisfied in the period the gift is received are reported as unrestricted revenue and net assets.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

**KVC Health Systems, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

***Goodwill***

Goodwill is tested annually for impairment. If the implied fair value of goodwill is lower than its carrying amount, a goodwill impairment is indicated and goodwill is written down to its implied fair value. Subsequent increases in goodwill value are not recognized in the consolidated financial statements.

***In-Kind Contributions***

In addition to receiving cash contributions, the Organization receives in-kind contributions of goods and services from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense in its consolidated financial statements, and similarly increase contribution revenue by a like amount. For the years ended June 30, 2018 and 2017, there were no in-kind contributions received.

***Deferred Revenue***

Revenue from contracts, grants and other miscellaneous fees is deferred and recognized over the periods in which the services are performed.

***Professional Liability Coverage and Claims***

The Organization purchases professional liability insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require an organization to accrue the expense of its share of professional liability claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents.

Based upon the Organization's claims experience, an accrual had been made for the Organization's estimated professional liability costs, including costs associated with litigating or settling claims, under its professional liability policy, amounting to \$399,985 and \$488,681 as of June 30, 2018 and 2017, respectively. It is reasonably possible that this estimate could change materially in the near term.

The Organization recorded in accounts receivables on the consolidated statements of financial position \$399,985 and \$488,681 as of June 30, 2018 and 2017, respectively, of professional liability reserve insurance coverage receivables.

**KVC Health Systems, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

***Government Grants***

Support funded by grants is recognized as the Organization performs the contracted service or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

***Income Taxes***

The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income. The Organization files tax returns in the U.S. federal jurisdiction.

***Functional Allocation of Expenses***

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Certain costs have been allocated among the program, management and general and fundraising categories based on time expended, usage and other methods.

***Excess (Deficiency) of Revenues Over Expenses***

The consolidated statements of activities include excess (deficiency) of revenues over expenses. Changes in unrestricted net assets which are excluded from excess (deficiency) of revenues over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

***Reclassifications***

Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 financial statement presentation. These reclassifications had no effect on net earnings.

**Note 2: Revenue Concentrations – KVC Behavioral HealthCare, Inc.**

On July 1, 2013, the Organization was awarded Foster Care Reintegration Services and Family Preservation Services contracts from a state agency to provide foster care and family preservation services to the Kansas City and East Regions of the State of Kansas. The contracts are for a term of four years, with two additional two-year renewal options.

Revenues for the contracts amounted to \$97,040,281 and \$88,595,814, which represents 61 percent of the Organization's unrestricted revenues, gains and support for both years ended June 30, 2018 and 2017. Accounts receivable related to the foster care reintegration contract amounted to \$9,357,003 and \$8,097,683 at June 30, 2018 and 2017, respectively.

**KVC Health Systems, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

The KVC Kansas current Reintegration and Family Preservation contracts expire June 30, 2019. KVC will be working with the KS DCF Administration on new contracts or grants for Reintegration and Family Preservation effective July 1, 2019, which could have an effect on the financial statements.

**Note 3: Affiliation**

Effective December 31, 2016, The Niles Home for Children, Inc. ("Niles"), a Missouri not-for-profit organization, became a consolidated subsidiary of the Organization. The results of Niles operations have been included in the consolidated financial statements since that date. Niles provides mental health and education services to at-risk children in the urban core who are either placed in out-of-home residential care with Niles or who participate in Niles' day treatments program. The affiliation was accomplished by the Organization becoming the sole member of Niles. No consideration was transferred for the net assets of Niles, thus the fair value of unrestricted and temporarily restricted net assets received by the Organization is shown as a contribution received in affiliation in the consolidated statements of activities for the year ended June 30, 2017.

The Organization incurred costs in connection with the affiliation, which are included in purchased services expenses in the consolidated statements of activities. Prior to the affiliation, Niles had an outstanding loan of \$535,556 due to the Organization which was forgiven as part of the affiliation.

**KVC Health Systems, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

The following table summarizes the fair value of the assets acquired and liabilities assumed recognized at the affiliation date:

**Recognized Fair Value of Identifiable Assets Acquired and Liabilities Assumed**

	<b>2017</b>
Current assets	\$ 502,612
Property and equipment	2,682,211
 Total assets	 3,184,823
 Current liabilities	 1,068,116
Non-current liabilities	368,574
 Total liabilities	 1,436,690
 Total contribution received	 \$ 1,748,133

**Summary of Contribution Received by Net Asset Classification**

	<b>2017</b>
Unrestricted contribution received	\$ 1,519,277
Temporarily restricted contribution received	228,856
 Total contribution received	 \$ 1,748,133

The Niles affiliation resulted in an inherent contribution received of \$1,748,133, which represents the net recognized amount of the identifiable assets acquired over the liabilities assumed.

**KVC Health Systems, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

**Note 4: Contributions Receivable**

Contributions receivable consisted of the following at a discount rate of 5.00 percent:

	<u>2018</u>	<u>2017</u>
Due within one year	\$ 1,670,000	\$ 303,742
Due in one to five years	787,500	1,091,059
	<u>2,457,500</u>	<u>1,394,801</u>
Less		
Allowance for uncollectible contributions	(46,382)	(35,826)
Unamortized discount	<u>(155,451)</u>	<u>(200,308)</u>
	<u>\$ 2,255,667</u>	<u>\$ 1,158,667</u>

**Note 5: Property and Equipment**

Property and equipment at June 30 consists of:

	<u>2018</u>	<u>2017</u>
Land and land improvements	\$ 1,437,201	\$ 1,437,201
Buildings and leasehold improvements	29,531,815	22,728,976
Furniture and equipment	5,632,568	5,426,964
Works of art	95,142	95,142
Computer equipment	5,554,693	5,533,822
Vehicles	250,444	223,971
Construction in progress	542,575	892,644
	<u>43,044,438</u>	<u>36,338,720</u>
Less accumulated depreciation and amortization	<u>17,660,828</u>	<u>16,166,813</u>
	<u>\$ 25,383,610</u>	<u>\$ 20,171,907</u>

**KVC Health Systems, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

**Note 6: Line of Credit**

The Organization has a \$9,000,000 revolving bank line of credit expiring in May 2019. At June 30, 2018 and 2017, there was \$1,500,000 and \$0, respectively, borrowed against this line. The line is collateralized by property and equipment. Interest payable monthly at prime subject to a floor rate of 4.125 percent which was 5.00 percent and 4.25 percent on June 30, 2018 and 2017, respectively.

**Note 7: Long-term Debt**

	<b>2018</b>	<b>2017</b>
Notes payable, bank (A)	\$ 668,468	\$ 694,876
Notes payable, bank (B)	5,520,473	5,709,145
Notes payable, bank (C)	869,773	-
Notes payable, bank (D)	2,760,000	-
Capital lease obligations (E)	-	25,041
	<u>9,818,714</u>	<u>6,429,062</u>
Less current maturities	<u>266,302</u>	<u>240,126</u>
	<u><u>\$ 9,552,412</u></u>	<u><u>\$ 6,188,936</u></u>

- (A) Due August 25, 2019; payable \$5,014 monthly and one irregular last payment, including interest at 4.88 percent; collateralized by real estate.
- (B) Due February 25, 2021; payable \$39,482 monthly and one irregular last payment, including interest at 5.00 percent; collateralized by real estate.
- (C) Due August 15, 2022; payable \$5,873 monthly and one irregular last payment, including interest at 4.90 percent; collateralized by real estate.
- (D) Due April 3, 2025; payable in monthly amounts ranging from \$13,202 to \$19,508 and one irregular last payment, including interest at 5.74 percent; collateralized by real estate.
- (E) Capital leases with varying imputed interest rates from 4.05 percent to 4.12 percent, due through 2018, collateralized by equipment.

KVC Hospitals, Inc. unconditionally guarantees the indebtedness of KVC Foundation, Inc. for all four outstanding notes payable.

**KVC Health Systems, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

Aggregate annual maturities of long-term debt and payments at June 30, 2018 are:

2019	\$ 266,302
2020	953,955
2021	5,225,410
2022	117,884
2023	840,189
Thereafter	<u>2,414,974</u>
	<u>\$ 9,818,714</u>

Property and equipment include the following property under capital leases:

	<u>2018</u>	<u>2017</u>
Equipment	\$ -	\$ 328,631
Less accumulated depreciation	<u>-</u>	<u>258,193</u>
	<u>\$ -</u>	<u>\$ 70,438</u>

**Note 8: Defined Contribution Plan**

The Organization has a defined contribution plan (the Plan) covering all full-time employees who have at least one year of service and who are at least 21 years of age. Participants receive 20 percent vesting for each eligible year of service. Each year, the Board of Directors determines the amount of the contribution to the Plan. Total expenses for the years ended June 30, 2018 and 2017 were approximately \$456,000 and \$472,000, respectively.

**Note 9: Defined Benefit Plan**

As part of the affiliation with The Niles Home for Children, Inc. on December 31, 2016, the Organization acquired a noncontributory defined benefit pension plan (the Plan) covering all full time employees of Niles with one year or more of continuous service prior to the Plan being frozen effective February 28, 2005. The Organization's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the Organization may determine to be appropriate from time to time. The Plan has a plan year which ends on December 31. The Organization expects to contribute \$20,000 to the Plan in the plan year ending December 31, 2018.

**KVC Health Systems, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

The Organization uses a December 31 measurement date for the Plan. Information about the Plan's funded status follows:

	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Benefit obligation	\$ (1,696,400)	\$ (1,631,061)
Fair value of plan assets	1,425,173	1,262,487
Funded status	\$ (271,227)	\$ (368,574)

The benefit obligation is calculated based on a discount rate of 3.50 percent and 4.0 percent for the periods ended December 31, 2017 and 2016, respectively. The expected return on plan assets of 8.0 percent for both periods ended December 31, 2017 and 2016 was calculated using the "building block" approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27 – Selection Economic Assumptions for Measuring Pension Obligations. Plan assets consist of equity and fixed income investments.

Net benefit liability of \$271,227 and \$368,574 is recorded in the consolidated statements of financial position within noncurrent liabilities at June 30, 2018 and 2017, respectively, based on management's opinion that there has not been a material change to the net benefit liability for the period December 31, 2017 to June 30, 2018 or December 31, 2016 to June 30, 2017.

**Note 10: Temporarily Restricted Net Assets**

Temporarily restricted net assets at June 30, 2018 and 2017 are available for the following purposes:

	<b>2018</b>	<b>2017</b>
Purchase of property and equipment	\$ 1,500,000	\$ 375,000

During 2018 and 2017, net assets were released from donor restrictions by purchasing property and equipment in the amounts of \$375,000 and \$228,856, respectively.

**Note 11: Operating Leases**

Noncancellable operating leases for office space expire in various years through 2023. These leases generally contain renewal options for periods ranging from one to five years and require the Organization to pay all executory costs (property taxes, maintenance and insurance). Total rental expense for property leases for the years ended June 30, 2018 and 2017 was \$2,609,457 and \$2,260,325, respectively.

**KVC Health Systems, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

Noncancellable operating leases for equipment expire in various years through 2022. Total rental expense for equipment leases for the years ended June 30, 2018 and 2017 was \$2,080,565 and \$2,146,475, respectively.

Future minimum lease payments at June 30, 2018 were:

	<u>Equipment</u>	<u>Property</u>	<u>Total</u>
2019	\$ 1,604,227	\$ 1,362,688	\$ 2,966,915
2020	1,119,064	339,727	1,458,791
2021	755,154	269,294	1,024,448
2022	87,526	181,430	268,956
2023	-	44,055	44,055
	<u>\$ 3,565,971</u>	<u>\$ 2,197,194</u>	<u>\$ 5,763,165</u>

**Note 12: Significant Estimates and Concentrations**

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

***Allowance for Doubtful Accounts***

Estimates of allowances for doubtful accounts are described in *Note 1*.

***Litigation***

The Organization is subject to claims and lawsuits that arose primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the Organization. Events could occur that would change this estimate materially in the near term.

**Note 13: Future Change in Accounting Principle**

***Not-for-Profit Accounting Standard for Financial Reporting***

The Financial Accounting Standards Board recently issued Accounting Standards Update (ASU) No. 2016-14, which changes requirements for financial statements and notes of all not-for-profit (NFP) entities. The Organization expects to first apply the ASU during its fiscal year ending June 30, 2019, through retrospective application to previous years' statements for comparative purposes. The impact of applying the ASU has not yet been determined.

**KVC Health Systems, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

***Revenue Recognition***

The Financial Accounting Standards Board amended its standards related to revenue recognition. This amendment replaces all existing revenue recognition guidance and provides a single, comprehensive revenue recognition model for all contracts with customers. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments and assets recognized from costs incurred to fulfill a contract. The standard allows either full or modified retrospective adoption effective for annual periods beginning after December 15, 2018, for nonpublic entities (December 15, 2017, for not-for-profits that are conduit debt obligors), and any interim periods within annual reporting periods that begin after December 15, 2019, for nonpublic entities (December 15, 2018, for not-for-profits that are conduit debt obligors). The Organization is in the process of evaluating the impact the amendment will have on the consolidated financial statements.

***Accounting for Leases***

The Financial Accounting Standards Board amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2019 (2018 for not-for-profits that are conduit debt obligors), and any interim periods within annual reporting periods that begin after December 15, 2020 (2018 for not-for-profits that are conduit debt obligors). The Organization is evaluating the impact the standard will have on the consolidated financial statements; however, the standard is expected to have a material impact on the consolidated financial statements due to the recognition of additional assets and liabilities for operating leases.

**Note 14: Subsequent Events**

Subsequent events have been evaluated through December 13, 2018, which is the date the consolidated financial statements were available to be issued.

## **Supplementary Information**

**KVC Health Systems, Inc.**  
**Consolidating Schedule of Financial Position**  
**June 30, 2018**

	KVC Health Systems, Inc.	KVC Behavioral HealthCare, Inc.	KVC Behavioral Healthcare West Virginia, Inc.	KVC Behavioral Healthcare Kentucky, Inc.	KVC Behavioral Healthcare Nebraska, Inc.	KVC Hospitals, Inc.	KVC Foundation, Inc.	The Niles Home for Children, Inc.	Eliminations	Consolidated
<b>Current Assets</b>										
Cash and cash equivalents	\$ 740,567	\$ 789,302	\$ 485,673	\$ 81,573	\$ 401,983	\$ 427,451	\$ 377,347	\$ 908,151		\$ 4,212,047
Accounts receivable, net of allowance of \$1,152,000	442,854	9,695,966	1,622,949	525,419	888,949	3,406,412	-	361,710		16,944,259
Due to/from affiliate	2,484,083	(3,866,658)	1,255,390	(372,586)	(219,710)	1,372,207	(667,939)	15,213		-
Contributions receivable	-	-	-	-	-	1,500,000	170,000	-		1,670,000
Grants receivable	93,327	164,440	15,184	1,369,390	63,968	-	-	271,388		1,977,697
Prepaid expenses and other	365,849	123,443	69,606	42,179	29,589	78,720	7,923	2,610		719,919
<b>Total current assets</b>	<u>4,126,680</u>	<u>6,906,493</u>	<u>3,448,802</u>	<u>1,645,975</u>	<u>1,164,779</u>	<u>6,784,790</u>	<u>(112,669)</u>	<u>1,559,072</u>		<u>25,523,922</u>
<b>Property and Equipment, Net</b>	<u>973,458</u>	<u>790,260</u>	<u>25,940</u>	<u>4,452</u>	<u>46,895</u>	<u>1,342,031</u>	<u>18,224,137</u>	<u>3,976,437</u>		<u>25,383,610</u>
<b>Contributions Receivable</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>585,667</u>	<u>-</u>		<u>585,667</u>
<b>Other Assets</b>										
Goodwill	-	-	-	545,000	-	-	-	-		545,000
Deposits and other assets	565,377	171,689	11,735	19,054	9,597	26,200	-	-		803,652
	<u>565,377</u>	<u>171,689</u>	<u>11,735</u>	<u>564,054</u>	<u>9,597</u>	<u>26,200</u>	<u>-</u>	<u>-</u>		<u>1,348,652</u>
<b>Total assets</b>	<u>\$ 5,665,515</u>	<u>\$ 7,868,442</u>	<u>\$ 3,486,477</u>	<u>\$ 2,214,481</u>	<u>\$ 1,221,271</u>	<u>\$ 8,153,021</u>	<u>\$ 18,697,135</u>	<u>\$ 5,535,509</u>	<u>\$ -</u>	<u>\$ 52,841,851</u>

# KVC Health Systems, Inc.

## Consolidating Schedule of Financial Position (Continued)

June 30, 2018

	KVC Health Systems, Inc.	KVC Behavioral HealthCare, Inc.	KVC Behavioral Healthcare West Virginia, Inc.	KVC Behavioral Healthcare Kentucky, Inc.	KVC Behavioral Healthcare Nebraska, Inc.	KVC Hospitals, Inc.	KVC Foundation, Inc.	The Niles Home for Children, Inc.	Eliminations	Consolidated
<b>Current Liabilities</b>										
Current maturities of long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 266,302	\$ -		\$ 266,302
Line of credit	1,500,000	-	-	-	-	-	-	-		1,500,000
Accounts payable	400,390	1,624,997	16,455	133,994	266,889	390,889	-	62,647		2,896,261
Accrued salaries	328,629	1,771,179	353,014	492,669	159,410	774,163	-	97,816		3,976,880
Accrued compensated absences	207,923	889,661	207,745	258,515	88,451	471,503	-	67,798		2,191,596
Other accrued expenses	779,046	3,201,477	408,933	169,660	40,308	366,517	33,870	27,678		5,027,489
Deferred revenue	-	1,511,679	1,828	14,512	312	38,220	53,500	118,390		1,738,441
<b>Total current liabilities</b>	<b>3,215,988</b>	<b>8,998,993</b>	<b>987,975</b>	<b>1,069,350</b>	<b>555,370</b>	<b>2,041,292</b>	<b>353,672</b>	<b>374,329</b>		<b>17,596,969</b>
<b>Long-term Debt</b>	-	-	-	-	-	-	9,552,412	-		9,552,412
<b>Net Pension Liability</b>	-	-	-	-	-	-	-	276,360		276,360
<b>Total liabilities</b>	<b>3,215,988</b>	<b>8,998,993</b>	<b>987,975</b>	<b>1,069,350</b>	<b>555,370</b>	<b>2,041,292</b>	<b>9,906,084</b>	<b>650,689</b>		<b>27,425,741</b>
<b>Net Assets</b>										
Unrestricted	2,449,527	(1,130,551)	2,498,502	1,145,131	665,901	4,611,729	8,791,051	4,884,820		23,916,110
Temporarily restricted	-	-	-	-	-	1,500,000	-	-		1,500,000
<b>Total net assets</b>	<b>2,449,527</b>	<b>(1,130,551)</b>	<b>2,498,502</b>	<b>1,145,131</b>	<b>665,901</b>	<b>6,111,729</b>	<b>8,791,051</b>	<b>4,884,820</b>		<b>25,416,110</b>
<b>Total liabilities and net assets</b>	<b>\$ 5,665,515</b>	<b>\$ 7,868,442</b>	<b>\$ 3,486,477</b>	<b>\$ 2,214,481</b>	<b>\$ 1,221,271</b>	<b>\$ 8,153,021</b>	<b>\$ 18,697,135</b>	<b>\$ 5,535,509</b>	<b>\$ -</b>	<b>\$ 52,841,851</b>

**KVC Health Systems, Inc.**  
**Consolidating Schedule of Activities**  
**Year Ended June 30, 2018**

	KVC Health Systems, Inc.	KVC Behavioral HealthCare, Inc.	KVC Behavioral Healthcare West Virginia, Inc.	KVC Behavioral Healthcare Kentucky, Inc.	KVC Behavioral Healthcare Nebraska, Inc.	KVC Hospitals, Inc.	KVC Foundation, Inc.	The Niles Home for Children, Inc.	Eliminations	Consolidated
<b>Unrestricted Revenues, Gains and Other Support</b>										
Contract reintegration and adoption services	\$ -	\$ 91,156,849	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 403,174	\$ -	\$ 91,560,023
Child placing services	-	1,095,781	10,535,426	728,243	6,707,626	-	-	-	-	19,067,076
Inpatient services	-	-	-	-	-	20,345,681	-	-	-	20,345,681
Family preservation/in-home services	-	6,877,902	683,384	10,718,326	3,236,776	-	-	589,489	-	22,105,877
Contributions and grants	338,764	783,098	686,111	803,326	304,380	154,491	558,514	727,048	-	4,355,732
Interest income	446	2,044	363	608	358	542	-	160	-	4,521
Miscellaneous	449,760	188,939	144,537	(154,516)	48,153	852,909	-	236,274	-	1,766,056
Management fee	13,485,597	-	1,889,308	-	-	-	-	-	(15,374,905)	-
Intercompany services	-	(3,114,439)	-	-	-	3,035,839	-	78,600	-	-
Intercompany rent	-	-	-	-	-	-	1,939,510	-	(1,939,510)	-
<b>Total unrestricted revenues, gains and other support</b>	<b>14,274,567</b>	<b>96,990,174</b>	<b>13,939,129</b>	<b>12,095,987</b>	<b>10,297,293</b>	<b>24,389,462</b>	<b>2,498,024</b>	<b>2,034,745</b>	<b>(17,314,415)</b>	<b>159,204,966</b>
<b>Operating Expenses</b>										
Client care	-	89,551,674	12,390,669	11,634,431	8,996,618	22,881,464	-	2,440,091	(200,710)	147,694,237
Administrative and general	14,267,660	10,285,141	935,566	980,592	804,519	2,310,532	1,211,490	256,911	(17,113,705)	13,938,706
Fundraising	138,582	-	-	-	-	-	202,166	-	-	340,748
<b>Total operating expenses</b>	<b>14,406,242</b>	<b>99,836,815</b>	<b>13,326,235</b>	<b>12,615,023</b>	<b>9,801,137</b>	<b>25,191,996</b>	<b>1,413,656</b>	<b>2,697,002</b>	<b>(17,314,415)</b>	<b>161,973,691</b>
<b>Operating Income (Loss)</b>	<b>(131,675)</b>	<b>(2,846,641)</b>	<b>612,894</b>	<b>(519,036)</b>	<b>496,156</b>	<b>(802,534)</b>	<b>1,084,368</b>	<b>(662,257)</b>	<b>-</b>	<b>(2,768,725)</b>
<b>Other Income (Expense)</b>										
Intercompany transfers	(1,204)	(1,695,323)	718,594	(238,616)	(1,122,409)	1,567,210	(1,254,537)	2,026,285	-	-
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<b>(132,879)</b>	<b>(4,541,964)</b>	<b>1,331,488</b>	<b>(757,652)</b>	<b>(626,253)</b>	<b>764,676</b>	<b>(170,169)</b>	<b>1,364,028</b>	<b>-</b>	<b>(2,768,725)</b>
Contributions received for property acquisitions	-	-	-	-	-	540,895	-	-	-	540,895
Net assets released from restrictions for property acquisitions	-	-	-	-	-	-	375,000	-	-	375,000
<b>Change in Unrestricted Net Assets</b>	<b>(132,879)</b>	<b>(4,541,964)</b>	<b>1,331,488</b>	<b>(757,652)</b>	<b>(626,253)</b>	<b>1,305,571</b>	<b>204,831</b>	<b>1,364,028</b>	<b>-</b>	<b>(1,852,830)</b>
<b>Temporarily Restricted Net Assets</b>										
Contributions received for property acquisitions	-	-	-	-	-	1,500,000	-	-	-	1,500,000
Net assets released from restrictions for property acquisitions	-	-	-	-	-	-	(375,000)	-	-	(375,000)
<b>Change in Net Assets</b>	<b>(132,879)</b>	<b>(4,541,964)</b>	<b>1,331,488</b>	<b>(757,652)</b>	<b>(626,253)</b>	<b>2,805,571</b>	<b>(170,169)</b>	<b>1,364,028</b>	<b>-</b>	<b>(727,830)</b>
<b>Net Assets, Beginning of Year</b>	<b>2,582,406</b>	<b>3,411,413</b>	<b>1,167,014</b>	<b>1,902,783</b>	<b>1,292,154</b>	<b>3,306,158</b>	<b>8,961,220</b>	<b>3,520,792</b>	<b>-</b>	<b>26,143,940</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,449,527</b>	<b>\$ (1,130,551)</b>	<b>\$ 2,498,502</b>	<b>\$ 1,145,131</b>	<b>\$ 665,901</b>	<b>\$ 6,111,729</b>	<b>\$ 8,791,051</b>	<b>\$ 4,884,820</b>	<b>\$ -</b>	<b>\$ 25,416,110</b>

**KVC Health Systems, Inc.**  
**Consolidating Schedule of Financial Position**  
**June 30, 2017**

	KVC Health Systems, Inc.	KVC Behavioral HealthCare, Inc.	KVC Behavioral Healthcare West Virginia, Inc.	KVC Behavioral Healthcare Kentucky, Inc.	KVC Behavioral Healthcare Nebraska, Inc.	KVC Hospitals, Inc.	KVC Foundation, Inc.	The Niles Home for Children, Inc.	Eliminations	Consolidated
<b>Current Assets</b>										
Cash and cash equivalents	\$ 1,193,452	\$ 1,490,400	\$ 951,066	\$ 632,072	\$ 922,611	\$ 1,055,444	\$ 509,365	\$ 879,473		\$ 7,633,883
Accounts receivable, net of allowance of \$874,000	517,859	8,366,489	829,746	631,039	800,172	3,330,525	-	157,574		14,633,404
Due to/from affiliate	(11,559)	-	11,559	-	-	-	-	-		-
Contributions receivable	-	-	-	-	-	-	178,742	125,000		303,742
Grants receivable	199,777	83,306	41,131	1,350,510	-	-	-	-		1,674,724
Prepaid expenses and other	497,064	389,976	72,690	48,213	72,618	94,653	39,128	4,428		1,218,770
<b>Total current assets</b>	<b>2,396,593</b>	<b>10,330,171</b>	<b>1,906,192</b>	<b>2,661,834</b>	<b>1,795,401</b>	<b>4,480,622</b>	<b>727,235</b>	<b>1,166,475</b>		<b>25,464,523</b>
<b>Property and Equipment, Net</b>	<b>1,215,618</b>	<b>1,029,841</b>	<b>29,107</b>	<b>-</b>	<b>63,299</b>	<b>711,796</b>	<b>13,863,541</b>	<b>3,258,705</b>		<b>20,171,907</b>
<b>Contributions Receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>854,925</b>	<b>-</b>		<b>854,925</b>
<b>Other Assets</b>										
Goodwill	-	-	-	545,000	-	-	-	-		545,000
Deposits and other assets	417,386	166,092	11,035	24,023	9,597	6,200	20,000	-		654,333
	417,386	166,092	11,035	569,023	9,597	6,200	20,000	-		1,199,333
<b>Total assets</b>	<b>\$ 4,029,597</b>	<b>\$ 11,526,104</b>	<b>\$ 1,946,334</b>	<b>\$ 3,230,857</b>	<b>\$ 1,868,297</b>	<b>\$ 5,198,618</b>	<b>\$ 15,465,701</b>	<b>\$ 4,425,180</b>	<b>\$ -</b>	<b>\$ 47,690,688</b>

**KVC Health Systems, Inc.**  
**Consolidating Schedule of Financial Position (Continued)**  
**June 30, 2017**

	KVC Health Systems, Inc.	KVC Behavioral HealthCare, Inc.	KVC Behavioral Healthcare West Virginia, Inc.	KVC Behavioral Healthcare Kentucky, Inc.	KVC Behavioral Healthcare Nebraska, Inc.	KVC Hospitals, Inc.	KVC Foundation, Inc.	The Niles Home for Children, Inc.	Eliminations	Consolidated
<b>Current Liabilities</b>										
Current maturities of long-term debt	\$ 2,703	\$ 15,219	\$ -	\$ -	\$ 1,798	\$ 4,434	\$ 215,085	\$ 887		\$ 240,126
Accounts payable	96,032	1,686,000	44,749	260,671	314,636	72,567	31,628	5,307		2,511,590
Accrued salaries	350,505	1,698,258	260,116	499,755	136,677	610,899	-	60,990		3,617,200
Accrued compensated absences	231,496	848,820	135,300	246,857	85,565	440,719	-	41,463		2,030,220
Other accrued expenses	754,928	3,059,110	319,679	176,512	37,017	713,397	5,322	352,167		5,418,132
Deferred revenue	11,527	807,284	19,476	144,279	450	50,444	63,510	75,000		1,171,970
<b>Total current liabilities</b>	<b>1,447,191</b>	<b>8,114,691</b>	<b>779,320</b>	<b>1,328,074</b>	<b>576,143</b>	<b>1,892,460</b>	<b>315,545</b>	<b>535,814</b>		<b>14,989,238</b>
<b>Long-term Debt</b>	-	-	-	-	-	-	6,188,936	-		6,188,936
<b>Net Pension Liability</b>	-	-	-	-	-	-	-	368,574		368,574
<b>Total liabilities</b>	<b>1,447,191</b>	<b>8,114,691</b>	<b>779,320</b>	<b>1,328,074</b>	<b>576,143</b>	<b>1,892,460</b>	<b>6,504,481</b>	<b>904,388</b>		<b>21,546,748</b>
<b>Net Assets</b>										
Unrestricted	2,582,406	3,411,413	1,167,014	1,902,783	1,292,154	3,306,158	8,961,220	3,145,792		25,768,940
Temporarily restricted	-	-	-	-	-	-	-	375,000		375,000
<b>Total net assets</b>	<b>2,582,406</b>	<b>3,411,413</b>	<b>1,167,014</b>	<b>1,902,783</b>	<b>1,292,154</b>	<b>3,306,158</b>	<b>8,961,220</b>	<b>3,520,792</b>		<b>26,143,940</b>
<b>Total liabilities and net assets</b>	<b>\$ 4,029,597</b>	<b>\$ 11,526,104</b>	<b>\$ 1,946,334</b>	<b>\$ 3,230,857</b>	<b>\$ 1,868,297</b>	<b>\$ 5,198,618</b>	<b>\$ 15,465,701</b>	<b>\$ 4,425,180</b>	<b>\$ -</b>	<b>\$ 47,690,688</b>

**KVC Health Systems, Inc.**  
**Consolidating Schedule of Activities**  
**Year Ended June 30, 2017**

	KVC Health Systems, Inc.	KVC Behavioral HealthCare, Inc.	KVC Behavioral Healthcare West Virginia, Inc.	KVC Behavioral Healthcare Kentucky, Inc.	KVC Behavioral Healthcare Nebraska, Inc.	KVC Hospitals, Inc.	KVC Foundation, Inc.	The Nilea Home for Children, Inc.	Eliminations	Consolidated
<b>Unrestricted Revenues, Gains and Other Support</b>										
Contract reintegration and adoption services	\$ -	\$ 83,605,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,859	\$ -	\$ 83,757,058
Child placing services	-	835,992	7,889,622	459,240	7,239,121	-	-	-	-	16,423,975
Inpatient services	-	-	-	-	-	21,703,959	-	-	-	21,703,959
Family preservation/in-home services	-	5,973,852	512,930	10,293,142	1,330,272	-	-	-	-	18,110,196
Contributions and grants	242,902	795,800	1,030,139	337,452	14,158	51,031	605,076	503,281	-	3,579,839
Interest income	323	3,383	162	548	580	783	-	171	-	5,950
Miscellaneous	474,367	111,021	10,199	78,174	72,532	582,296	-	141,719	-	1,470,308
Management fee	10,824,695	4,000	11,559	-	-	-	-	-	(10,840,254)	-
Intercompany services	(11,135)	(1,946,095)	-	-	-	1,957,230	-	-	-	-
Intercompany rent	-	-	-	-	-	-	1,765,200	-	(1,765,200)	-
<b>Total unrestricted revenues, gains and other support</b>	<b>11,531,152</b>	<b>89,383,152</b>	<b>9,454,611</b>	<b>11,168,556</b>	<b>8,656,663</b>	<b>24,295,299</b>	<b>2,370,276</b>	<b>797,030</b>	<b>(12,605,454)</b>	<b>145,051,285</b>
<b>Operating Expenses</b>										
Client care	-	82,317,366	7,873,131	10,560,245	7,575,600	19,740,314	-	607,056	(549,800)	128,123,892
Administrative and general	11,684,657	8,651,392	659,214	925,342	610,949	1,767,909	1,087,964	104,025	(12,054,240)	13,437,212
Fundraising	137,168	-	83	-	3,822	-	149,736	-	(1,414)	289,395
<b>Total operating expenses</b>	<b>11,821,825</b>	<b>90,968,758</b>	<b>8,532,428</b>	<b>11,485,587</b>	<b>8,190,371</b>	<b>21,508,223</b>	<b>1,237,700</b>	<b>711,061</b>	<b>(12,605,454)</b>	<b>141,850,499</b>
<b>Operating Income (Loss)</b>	<b>(290,673)</b>	<b>(1,585,606)</b>	<b>922,183</b>	<b>(317,031)</b>	<b>466,292</b>	<b>2,787,076</b>	<b>1,132,576</b>	<b>85,969</b>	<b>-</b>	<b>3,200,786</b>
<b>Other Income (Expense)</b>										
Contribution in affiliation	-	-	-	-	-	-	-	1,519,277	-	1,519,277
Intercompany transfers	(151,793)	2,578,953	(306,683)	850,778	44,905	(2,930,823)	(1,397,027)	1,311,690	-	-
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<b>(442,466)</b>	<b>993,347</b>	<b>615,500</b>	<b>533,747</b>	<b>511,197</b>	<b>(143,747)</b>	<b>(264,451)</b>	<b>2,916,936</b>	<b>-</b>	<b>4,720,063</b>
Net assets released from restrictions for property acquisitions	-	-	-	-	-	-	-	228,856	-	228,856
<b>Change in Unrestricted Net Assets</b>	<b>(442,466)</b>	<b>993,347</b>	<b>615,500</b>	<b>533,747</b>	<b>511,197</b>	<b>(143,747)</b>	<b>(264,451)</b>	<b>3,145,792</b>	<b>-</b>	<b>4,948,919</b>
<b>Temporarily Restricted Net Assets</b>										
Contribution in affiliation	-	-	-	-	-	-	-	228,856	-	228,856
Contributions received for property acquisitions	-	-	-	-	-	-	-	375,000	-	375,000
Assets released from restriction	-	-	-	-	-	-	-	(228,856)	-	(228,856)
<b>Change in Net Assets</b>	<b>(442,466)</b>	<b>993,347</b>	<b>615,500</b>	<b>533,747</b>	<b>511,197</b>	<b>(143,747)</b>	<b>(264,451)</b>	<b>3,520,792</b>	<b>-</b>	<b>5,321,919</b>
<b>Net Assets, Beginning of Year</b>	<b>3,024,872</b>	<b>2,418,066</b>	<b>551,514</b>	<b>1,369,036</b>	<b>780,957</b>	<b>3,449,905</b>	<b>9,225,671</b>	<b>-</b>	<b>-</b>	<b>20,820,021</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,582,406</b>	<b>\$ 3,411,413</b>	<b>\$ 1,167,014</b>	<b>\$ 1,902,783</b>	<b>\$ 1,292,154</b>	<b>\$ 3,306,158</b>	<b>\$ 8,961,220</b>	<b>\$ 3,520,792</b>	<b>\$ -</b>	<b>\$ 26,143,940</b>

**KVC Health Systems, Inc.**  
**Consolidated Functional Expenses**  
**Year Ended June 30, 2018**  
**(with Comparative Totals for 2017)**

	Client Care	Administrative and General	Fund Raising	Total Expenses	2017 Total Expenses
Salaries and wages	\$ 56,477,297	\$ 5,998,907	\$ 118,435	\$ 62,594,639	\$ 54,859,876
Payroll taxes	4,431,461	437,855	8,683	4,877,999	4,181,294
Employee benefits	7,549,951	619,676	11,464	8,181,091	6,931,515
Total salaries, wages and related expenses	<u>68,458,709</u>	<u>7,056,438</u>	<u>138,582</u>	<u>75,653,729</u>	<u>65,972,685</u>
Office supplies and printing	332,604	100,816	-	433,420	341,550
Copier and fax expense	218,054	39,548	-	257,602	181,833
Postage	109,412	32,126	-	141,538	168,338
Employee recruitment and advertising	112,502	171,510	180	284,192	267,941
Licenses and dues	514,979	433,488	40	948,507	797,908
Insurance	258,097	1,060,128	-	1,318,225	922,505
Travel	2,183,927	277,743	-	2,461,670	2,203,247
Telephone	1,088,503	138,370	-	1,226,873	948,252
Professional fees	123,405	685,120	-	808,525	843,121
Contract labor	1,131,209	29,958	-	1,161,167	1,000,851
Contract physicians	3,050,458	-	-	3,050,458	2,462,302
Contract unallowable expenses	173,193	28,247	-	201,440	100,474
Consulting and other contractual expenses	1,988,995	1,297,679	2,847	3,289,521	2,519,519
Staff development	352,591	464,111	-	816,702	682,460
Promotion	96,766	20,291	-	117,057	69,728
Office rent	3,815,429	733,538	-	4,548,967	4,025,525
Equipment expenses	551,173	374,819	-	925,992	571,423
Network services	311,615	325,476	-	637,091	903,868
Maintenance and repairs	567,536	134,892	-	702,428	407,110
Safety services and materials	240,195	29,220	-	269,415	202,760
Food	832,731	7,899	-	840,630	659,676
Food - outings	174,896	86,433	-	261,329	159,672
Housekeeping supplies	68,041	13,138	-	81,179	69,495
Miscellaneous housekeeping	648,023	103,911	-	751,934	640,596
Utilities	1,049,393	156,292	-	1,205,685	658,890
Payments to foster parents	26,105,526	-	-	26,105,526	23,137,529
Subcontractor - foster home payments	21,301,679	-	-	21,301,679	19,436,523
Foster family training	270,392	129	-	270,521	511,365
Child care payments	4,645,611	-	-	4,645,611	4,296,400
Incidentals	608	-	-	608	533
Medical supplies	877,319	-	-	877,319	728,825
Vehicle expenses and repairs	801,861	20,494	-	822,355	634,749
Vehicle rental	1,894,856	38,680	-	1,933,536	2,215,573
General program supplies	387,121	28,329	-	415,450	270,310
Clothing	956,741	-	-	956,741	977,779
Miscellaneous	49,338	113,714	183,804	346,856	353,260
Interest	277	417,949	-	418,226	335,569
Bad debts	-	324,962	-	324,962	199,994
Property tax expense	33,395	6,892	15,295	55,582	45,577
Cost of in-kind donated goods	3,763	-	-	3,763	2,681
Medicaid assessments	14,643	-	-	14,643	7,322
Flex fund	1,409,426	325	-	1,409,751	1,145,919
Loss on disposition of assets	597	-	-	597	-
Kids activity fund	120,778	-	-	120,778	142,159
Expenses before depreciation, amortization and intercompany fees	<u>147,326,367</u>	<u>14,752,665</u>	<u>340,748</u>	<u>162,419,780</u>	<u>142,223,796</u>
Depreciation and amortization	568,580	926,041	-	1,494,621	1,391,903
Intercompany management and residential fees	-	15,373,705	-	15,373,705	10,840,254
Eliminations	(200,710)	(17,113,705)	-	(17,314,415)	(12,605,454)
Totals, Year Ended June 30, 2018	<u>\$ 147,694,237</u>	<u>\$ 13,938,706</u>	<u>\$ 340,748</u>	<u>\$ 161,973,691</u>	<u>\$ 141,850,499</u>
Totals, Year Ended June 30, 2017	<u>\$ 128,123,892</u>	<u>\$ 13,437,212</u>	<u>\$ 289,395</u>	<u>\$ 141,850,499</u>	<u>\$ 141,850,499</u>

**KVC Health Systems, Inc.**  
**Functional Expenses – KVC Health Systems, Inc.**  
**Year Ended June 30, 2018**

	Client Care	Administrative and General	Fund Raising	Total Expenses
Salaries and wages	\$ -	\$ 5,569,082	\$ 118,435	\$ 5,687,517
Payroll taxes	-	408,321	8,683	417,004
Employee benefits	-	539,060	11,464	550,524
Total salaries, wages and related expenses	-	6,516,463	138,582	6,655,045
Office supplies and printing	-	75,460	-	75,460
Copier and fax expense	-	37,364	-	37,364
Postage	-	28,914	-	28,914
Employee recruitment and advertising	-	170,330	-	170,330
Licenses and dues	-	363,929	-	363,929
Insurance	-	78,351	-	78,351
Travel	-	261,814	-	261,814
Telephone	-	114,693	-	114,693
Professional fees	-	679,610	-	679,610
Contract labor	-	29,958	-	29,958
Contract physicians	-	-	-	-
Contract unallowable expenses	-	-	-	-
Consulting and other contractual expenses	-	1,273,116	-	1,273,116
Staff development	-	458,188	-	458,188
Promotion	-	17,718	-	17,718
Office rent	-	590,560	-	590,560
Equipment expenses	-	363,018	-	363,018
Network services	-	321,640	-	321,640
Maintenance and repairs	-	95,889	-	95,889
Safety services and materials	-	26,264	-	26,264
Food	-	7,860	-	7,860
Food – outings	-	76,056	-	76,056
Housekeeping supplies	-	11,510	-	11,510
Miscellaneous housekeeping	-	93,161	-	93,161
Utilities	-	145,984	-	145,984
Payments to foster parents	-	-	-	-
Subcontractor – foster home payments	-	-	-	-
Foster family training	-	-	-	-
Child care payments	-	-	-	-
Incidentals	-	-	-	-
Medical supplies	-	-	-	-
Vehicle expenses and repairs	-	17,308	-	17,308
Vehicle rental	-	35,375	-	35,375
General program supplies	-	26,724	-	26,724
Clothing	-	-	-	-
Miscellaneous	-	100,490	-	100,490
Interest	-	22,195	-	22,195
Bad debts	-	-	-	-
Property tax expense	-	-	-	-
Cost of in-kind donated goods	-	-	-	-
Medicaid assessments	-	-	-	-
Flex fund	-	-	-	-
Loss on disposition of assets	-	-	-	-
Kids activity fund	-	-	-	-
Expenses before depreciation, amortization and intercompany fees	-	12,039,942	138,582	12,178,524
Depreciation and amortization	-	339,610	-	339,610
Intercompany management and residential fees	-	1,888,108	-	1,888,108
Eliminations	-	-	-	-
Totals, Year Ended June 30, 2018	\$ -	\$ 14,267,660	\$ 138,582	\$ 14,406,242

**KVC Health Systems, Inc.**  
**Functional Expenses – KVC Behavioral HealthCare, Inc.**  
**Year Ended June 30, 2018**

	Client Care	Administrative and General	Fund Raising	Total Expenses
Salaries and wages	\$ 27,955,481	\$ -	\$ -	\$ 27,955,481
Payroll taxes	2,203,318	-	-	2,203,318
Employee benefits	3,867,182	-	-	3,867,182
Total salaries, wages and related expenses	34,025,981	-	-	34,025,981
Office supplies and printing	151,657	1	-	151,658
Copier and fax expense	142,067	-	-	142,067
Postage	76,858	1	-	76,859
Employee recruitment and advertising	5,288	-	-	5,288
Licenses and dues	197,279	50	-	197,329
Insurance	78,109	458,449	-	536,558
Travel	1,190,719	-	-	1,190,719
Telephone	641,859	-	-	641,859
Professional fees	67,600	1,651	-	69,251
Contract labor	50,409	-	-	50,409
Contract physicians	331,689	-	-	331,689
Contract unallowable expenses	38,268	23,739	-	62,007
Consulting and other contractual expenses	791,758	20,295	-	812,053
Staff development	14,674	868	-	15,542
Promotion	11,818	-	-	11,818
Office rent	1,863,728	-	-	1,863,728
Equipment expenses	42,965	-	-	42,965
Network services	165,842	-	-	165,842
Maintenance and repairs	144,721	-	-	144,721
Safety services and materials	108,161	160	-	108,321
Food	85,725	39	-	85,764
Food – outings	34,602	-	-	34,602
Housekeeping supplies	28,074	-	-	28,074
Miscellaneous housekeeping	171,755	238	-	171,993
Utilities	347,895	1,375	-	349,270
Payments to foster parents	17,830,023	-	-	17,830,023
Subcontractor – foster home payments	21,301,679	-	-	21,301,679
Foster family training	241,961	-	-	241,961
Child care payments	4,645,611	-	-	4,645,611
Incidentals	608	-	-	608
Medical supplies	112,695	-	-	112,695
Vehicle expenses and repairs	635,647	-	-	635,647
Vehicle rental	1,569,479	-	-	1,569,479
General program supplies	92,356	185	-	92,541
Clothing	929,022	-	-	929,022
Miscellaneous	15,903	371	-	16,274
Interest	103	-	-	103
Bad debts	-	54,565	-	54,565
Property tax expense	32,441	53	-	32,494
Cost of in-kind donated goods	-	-	-	-
Medicaid assessments	-	-	-	-
Flex fund	982,440	-	-	982,440
Loss on disposition of assets	-	-	-	-
Kids activity fund	112,623	-	-	112,623
Expenses before depreciation, amortization and intercompany fees	89,312,092	562,040	-	89,874,132
Depreciation and amortization	239,582	-	-	239,582
Intercompany management and residential fees	-	9,723,101	-	9,723,101
Eliminations	-	-	-	-
<b>Totals, Year Ended June 30, 2018</b>	<b>\$ 89,551,674</b>	<b>\$ 10,285,141</b>	<b>\$ -</b>	<b>\$ 99,836,815</b>

**KVC Health Systems, Inc.**  
**Functional Expenses – KVC Behavioral Healthcare West Virginia, Inc.**  
**Year Ended June 30, 2018**

	Client Care	Administrative and General	Fund Raising	Total Expenses
Salaries and wages	\$ 5,284,184	\$ 78,012	\$ -	\$ 5,362,196
Payroll taxes	379,696	4,785	-	384,481
Employee benefits	701,498	7,472	-	708,970
Total salaries, wages and related expenses	<u>6,365,378</u>	<u>90,269</u>	<u>-</u>	<u>6,455,647</u>
Office supplies and printing	66,883	282	-	67,165
Copier and fax expense	25,010	1,253	-	26,263
Postage	8,277	231	-	8,508
Employee recruitment and advertising	86,356	95	-	86,451
Licenses and dues	28,753	4,417	-	33,170
Insurance	173,136	77,160	-	250,296
Travel	365,609	2,356	-	367,965
Telephone	133,309	2,571	-	135,880
Professional fees	1,977	-	-	1,977
Contract labor	-	-	-	-
Contract physicians	4,265	-	-	4,265
Contract unallowable expenses	36,478	699	-	37,177
Consulting and other contractual expenses	499,570	(86)	-	499,484
Staff development	85,869	33	-	85,902
Promotion	45,725	-	-	45,725
Office rent	416,396	11,037	-	427,433
Equipment expenses	214,082	404	-	214,486
Network services	37,884	792	-	38,676
Maintenance and repairs	31,651	-	-	31,651
Safety services and materials	40,378	310	-	40,688
Food	16,220	-	-	16,220
Food – outings	66,447	519	-	66,966
Housekeeping supplies	1,840	22	-	1,862
Miscellaneous housekeeping	18,819	-	-	18,819
Utilities	456,577	-	-	456,577
Payments to foster parents	2,710,692	-	-	2,710,692
Subcontractor – foster home payments	-	-	-	-
Foster family training	8,121	-	-	8,121
Child care payments	-	-	-	-
Incidentals	-	-	-	-
Medical supplies	-	-	-	-
Vehicle expenses and repairs	102,837	133	-	102,970
Vehicle rental	253,772	30	-	253,802
General program supplies	56,825	-	-	56,825
Clothing	27,558	-	-	27,558
Miscellaneous	175	2,034	-	2,209
Interest	-	-	-	-
Bad debts	-	9,000	-	9,000
Property tax expense	106	-	-	106
Cost of in-kind donated goods	-	-	-	-
Medicaid assessments	-	-	-	-
Flex fund	-	-	-	-
Loss on disposition of assets	-	-	-	-
Kids activity fund	-	-	-	-
Expenses before depreciation, amortization and intercompany fees	<u>12,386,975</u>	<u>203,561</u>	<u>-</u>	<u>12,590,536</u>
Depreciation and amortization	3,694	-	-	3,694
Intercompany management and residential fees	-	732,005	-	732,005
Eliminations	-	-	-	-
Totals, Year Ended June 30, 2018	<u>\$ 12,390,669</u>	<u>\$ 935,566</u>	<u>\$ -</u>	<u>\$ 13,326,235</u>

**KVC Health Systems, Inc.**  
**Functional Expenses – KVC Behavioral Healthcare Kentucky, Inc.**  
**Year Ended June 30, 2018**

	Client Care	Administrative and General	Fund Raising	Total Expenses
Salaries and wages	\$ 7,752,360	\$ 259,828	\$ -	\$ 8,012,188
Payroll taxes	598,979	19,282	-	618,261
Employee benefits	1,092,369	46,568	-	1,138,937
Total salaries, wages and related expenses	9,443,708	325,678	-	9,769,386
Office supplies and printing	29,291	25,003	-	54,294
Copier and fax expense	896	780	-	1,676
Postage	2,068	2,963	-	5,031
Employee recruitment and advertising	5,010	1,085	-	6,095
Licenses and dues	10,821	54,580	-	65,401
Insurance	-	130,164	-	130,164
Travel	430,489	13,377	-	443,866
Telephonic	161,452	17,907	-	179,359
Professional fees	2,945	-	-	2,945
Contract labor	-	-	-	-
Contract physicians	71,791	-	-	71,791
Contract unallowable expenses	60,635	3,729	-	64,364
Consulting and other contractual expenses	25,649	1,404	-	27,053
Staff development	171,061	5,022	-	176,083
Promotion	20,429	2,573	-	23,002
Office rent	298,979	19,988	-	318,967
Equipment expenses	7,089	6,896	-	13,985
Network services	(8,279)	1,269	-	(7,010)
Maintenance and repairs	11,545	38,925	-	50,470
Safety services and materials	2,097	2,419	-	4,516
Food	-	-	-	-
Food – outings	13,612	9,858	-	23,470
Housekeeping supplies	265	1,606	-	1,871
Miscellaneous housekeeping	17,132	10,397	-	27,529
Utilities	18,660	8,735	-	27,395
Payments to foster parents	357,389	-	-	357,389
Subcontractor – foster home payments	-	-	-	-
Foster family training	2,760	129	-	2,889
Child care payments	-	-	-	-
Incidentals	-	-	-	-
Medical supplies	-	-	-	-
Vehicle expenses and repairs	9,732	642	-	10,374
Vehicle rental	15,971	210	-	16,181
General program supplies	20,966	1,282	-	22,248
Clothing	-	-	-	-
Miscellaneous	5,279	1,102	-	6,381
Interest	-	-	-	-
Bad debts	-	(53,000)	-	(53,000)
Property tax expense	-	-	-	-
Cost of in-kind donated goods	-	-	-	-
Medicaid assessments	-	-	-	-
Flex fund	424,989	325	-	425,314
Loss on disposition of assets	-	-	-	-
Kids activity fund	-	-	-	-
Expenses before depreciation, amortization and intercompany fees	11,634,431	635,048	-	12,269,479
Depreciation and amortization	-	-	-	-
Intercompany management and residential fees	-	345,544	-	345,544
Eliminations	-	-	-	-
Totals, Year Ended June 30, 2018	\$ 11,634,431	\$ 980,592	\$ -	\$ 12,615,023

**KVC Health Systems, Inc.**  
**Functional Expenses – KVC Behavioral Healthcare Nebraska, Inc.**  
**Year Ended June 30, 2018**

	Client Care	Administrative and General	Fund Raising	Total Expenses
Salaries and wages	\$ 2,391,031	\$ 91,985	\$ -	\$ 2,483,016
Payroll taxes	170,823	5,573	-	176,396
Employee benefits	328,538	26,576	-	355,114
Total salaries, wages and related expenses	2,890,392	124,134	-	3,014,526
Office supplies and printing	27,375	70	-	27,445
Copier and fax expense	13,157	151	-	13,308
Postage	13,429	17	-	13,446
Employee recruitment and advertising	348	-	-	348
Licenses and dues	13,509	2,432	-	15,941
Insurance	-	68,148	-	68,148
Travel	138,244	196	-	138,440
Telephone	76,040	3,199	-	79,239
Professional fees	7,907	674	-	8,581
Contract labor	250	-	-	250
Contract physicians	-	-	-	-
Contract unallowable expenses	16,286	80	-	16,366
Consulting and other contractual expenses	38,468	-	-	38,468
Staff development	47,377	-	-	47,377
Promotion	16,490	-	-	16,490
Office rent	338,035	11,953	-	349,988
Equipment expenses	21,192	560	-	21,752
Network services	10,043	1,775	-	11,818
Maintenance and repairs	4,541	78	-	4,619
Safety services and materials	2,001	67	-	2,068
Food	896	-	-	896
Food – outings	15,070	-	-	15,070
Housekeeping supplies	-	-	-	-
Miscellaneous housekeeping	3,987	115	-	4,102
Utilities	8,213	198	-	8,411
Payments to foster parents	5,207,422	-	-	5,207,422
Subcontractor – foster home payments	-	-	-	-
Foster family training	17,550	-	-	17,550
Child care payments	-	-	-	-
Incidentals	-	-	-	-
Medical supplies	-	-	-	-
Vehicle expenses and repairs	9,978	2,411	-	12,389
Vehicle rental	15,213	3,065	-	18,278
General program supplies	16,284	138	-	16,422
Clothing	161	-	-	161
Miscellaneous	7,843	(269)	-	7,574
Interest	12	-	-	12
Bad debts	-	4,000	-	4,000
Property tax expense	409	11	-	420
Cost of in-kind donated goods	283	-	-	283
Medicaid assessments	-	-	-	-
Flex fund	1,997	-	-	1,997
Loss on disposition of assets	-	-	-	-
Kids activity fund	-	-	-	-
Expenses before depreciation, amortization and intercompany fees	8,980,402	223,203	-	9,203,605
Depreciation and amortization	16,216	189	-	16,405
Intercompany management and residential fees	-	581,127	-	581,127
Eliminations	-	-	-	-
Totals, Year Ended June 30, 2018	\$ 8,996,618	\$ 804,519	\$ -	\$ 9,801,137

**KVC Health Systems, Inc.**  
**Functional Expenses – KVC Hospitals, Inc.**  
**Year Ended June 30, 2018**

	Client Care	Administrative and General	Fund Raising	Total Expenses
Salaries and wages	\$ 11,654,410	\$ -	\$ -	\$ 11,654,410
Payroll taxes	959,010	-	-	959,010
Employee benefits	1,410,900	-	-	1,410,900
Total salaries, wages and related expenses	14,024,320	-	-	14,024,320
Office supplies and printing	49,409	-	-	49,409
Copier and fax expense	32,040	-	-	32,040
Postage	7,474	-	-	7,474
Employee recruitment and advertising	14,407	-	-	14,407
Licenses and dues	254,524	-	-	254,524
Insurance	6,852	221,674	-	228,526
Travel	55,329	-	-	55,329
Telephone	49,613	-	-	49,613
Professional fees	32,012	2,080	-	34,092
Contract labor	948,474	-	-	948,474
Contract physicians	2,600,868	-	-	2,600,868
Contract unallowable expenses	21,450	-	-	21,450
Consulting and other contractual expenses	569,059	-	-	569,059
Staff development	27,506	-	-	27,506
Promotion	2,304	-	-	2,304
Office rent	898,291	-	-	898,291
Equipment expenses	251,975	-	-	251,975
Network services	96,412	-	-	96,412
Maintenance and repairs	300,667	-	-	300,667
Safety services and materials	73,172	-	-	73,172
Food	683,147	-	-	683,147
Food – outings	42,690	-	-	42,690
Housekeeping supplies	33,577	-	-	33,577
Miscellaneous housekeeping	429,793	-	-	429,793
Utilities	164,452	-	-	164,452
Payments to foster parents	-	-	-	-
Subcontractor – foster home payments	-	-	-	-
Foster family training	-	-	-	-
Child care payments	-	-	-	-
Incidentals	-	-	-	-
Medical supplies	752,944	-	-	752,944
Vehicle expenses and repairs	39,473	-	-	39,473
Vehicle rental	40,421	-	-	40,421
General program supplies	185,764	-	-	185,764
Clothing	-	-	-	-
Miscellaneous	2,033	9,710	-	11,743
Interest	30	-	-	30
Bad debts	-	287,397	-	287,397
Property tax expense	-	-	-	-
Cost of in-kind donated goods	-	-	-	-
Medicaid assessments	14,643	-	-	14,643
Flex fund	-	-	-	-
Loss on disposition of assets	-	-	-	-
Kids activity fund	6,794	-	-	6,794
Expenses before depreciation, amortization and intercompany fees	22,711,919	520,861	-	23,232,780
Depreciation and amortization	169,545	-	-	169,545
Intercompany management and residential fees	-	1,789,671	-	1,789,671
Eliminations	-	-	-	-
Totals, Year Ended June 30, 2018	<u>\$ 22,881,464</u>	<u>\$ 2,310,532</u>	<u>\$ -</u>	<u>\$ 25,191,996</u>

**KVC Health Systems, Inc.**  
**Functional Expenses – KVC Foundation, Inc.**  
**Year Ended June 30, 2018**

	Client Care	Administrative and General	Fund Raising	Total Expenses
Salaries and wages	\$ -	\$ -	\$ -	\$ -
Payroll taxes	-	-	-	-
Employee benefits	-	-	-	-
Total salaries, wages and related expenses	-	-	-	-
Office supplies and printing	-	-	-	-
Copier and fax expense	-	-	-	-
Postage	-	-	-	-
Employee recruitment and advertising	-	-	180	180
Licenses and dues	-	6,730	40	6,770
Insurance	-	2,045	-	2,045
Travel	-	-	-	-
Telephone	-	-	-	-
Professional fees	-	-	-	-
Contract labor	-	-	-	-
Contract physicians	-	-	-	-
Contract unallowable expenses	-	-	-	-
Consulting and other contractual expenses	-	2,950	2,847	5,797
Staff development	-	-	-	-
Promotion	-	-	-	-
Office rent	-	100,000	-	100,000
Equipment expenses	-	3,941	-	3,941
Network services	-	-	-	-
Maintenance and repairs	-	-	-	-
Safety services and materials	-	-	-	-
Food	-	-	-	-
Food – outings	-	-	-	-
Housekeeping supplies	-	-	-	-
Miscellaneous housekeeping	-	-	-	-
Utilities	-	-	-	-
Payments to foster parents	-	-	-	-
Subcontractor – foster home payments	-	-	-	-
Foster family training	-	-	-	-
Child care payments	-	-	-	-
Incidentals	-	-	-	-
Medical supplies	-	-	-	-
Vehicle expenses and repairs	-	-	-	-
Vehicle rental	-	-	-	-
General program supplies	-	-	-	-
Clothing	-	-	-	-
Miscellaneous	-	-	183,804	183,804
Interest	-	395,754	-	395,754
Bad debts	-	-	-	-
Property tax expense	-	6,828	15,295	22,123
Cost of in-kind donated goods	-	-	-	-
Medicaid assessments	-	-	-	-
Flex fund	-	-	-	-
Loss on disposition of assets	-	-	-	-
Kids activity fund	-	-	-	-
Expenses before depreciation, amortization and intercompany fees	-	518,248	202,166	720,414
Depreciation and amortization	-	586,242	-	586,242
Intercompany management and residential fees	-	107,000	-	107,000
Eliminations	-	-	-	-
Totals, Year Ended June 30, 2018	\$ -	\$ 1,211,490	\$ 202,166	\$ 1,413,656

**KVC Health Systems, Inc.**  
**Functional Expenses – The Niles Home for Children, Inc.**  
**Year Ended June 30, 2018**

	Client Care	Administrative and General	Fund Raising	Total Expenses
Salaries and wages	\$ 1,439,831	\$ -	\$ -	\$ 1,439,831
Payroll taxes	119,635	(106)	-	119,529
Employee benefits	149,464	-	-	149,464
Total salaries, wages and related expenses	1,708,930	(106)	-	1,708,824
Office supplies and printing	7,989	-	-	7,989
Copier and fax expense	4,884	-	-	4,884
Postage	1,306	-	-	1,306
Employee recruitment and advertising	1,093	-	-	1,093
Licenses and dues	10,093	1,350	-	11,443
Insurance	-	24,137	-	24,137
Travel	3,537	-	-	3,537
Telephone	26,230	-	-	26,230
Professional fees	10,964	1,105	-	12,069
Contract labor	132,076	-	-	132,076
Contract physicians	41,845	-	-	41,845
Contract unallowable expenses	76	-	-	76
Consulting and other contractual expenses	64,491	-	-	64,491
Staff development	6,104	-	-	6,104
Promotion	-	-	-	-
Office rent	-	-	-	-
Equipment expenses	13,870	-	-	13,870
Network services	9,713	-	-	9,713
Maintenance and repairs	74,411	-	-	74,411
Safety services and materials	14,386	-	-	14,386
Food	46,743	-	-	46,743
Food – outings	2,475	-	-	2,475
Housekeeping supplies	4,285	-	-	4,285
Miscellaneous housekeeping	6,537	-	-	6,537
Utilities	53,596	-	-	53,596
Payments to foster parents	-	-	-	-
Subcontractor – foster home payments	-	-	-	-
Foster family training	-	-	-	-
Child care payments	-	-	-	-
Incidentals	-	-	-	-
Medical supplies	11,680	-	-	11,680
Vehicle expenses and repairs	4,194	-	-	4,194
Vehicle rental	-	-	-	-
General program supplies	14,926	-	-	14,926
Clothing	-	-	-	-
Miscellaneous	18,105	276	-	18,381
Interest	132	-	-	132
Bad debts	-	23,000	-	23,000
Property tax expense	439	-	-	439
Cost of in-kind donated goods	3,480	-	-	3,480
Medicaid assessments	-	-	-	-
Flex fund	-	-	-	-
Loss on disposition of assets	597	-	-	597
Kids activity fund	1,361	-	-	1,361
Expenses before depreciation, amortization and intercompany fees	2,300,548	49,762	-	2,350,310
Depreciation and amortization	139,543	-	-	139,543
Intercompany management and residential fees	-	207,149	-	207,149
Eliminations	-	-	-	-
Totals, Year Ended June 30, 2018	<u>\$ 2,440,091</u>	<u>\$ 256,911</u>	<u>\$ -</u>	<u>\$ 2,697,002</u>

**KVC Health Systems, Inc.**  
**Schedule of Revenue and Expenses for**  
**Kansas Department for Children and Families**  
**Reintegration/Foster Care/Adoption Services**  
**Year Ended June 30, 2018**

	<u>Region 1</u>	<u>Region 2</u>	<u>Total</u>
<b>Revenue</b>			
DCF contract	\$ 38,663,800	\$ 52,493,049	\$ 91,156,849
Contributions	63,353	77,403	140,756
Total revenue	<u>38,727,153</u>	<u>52,570,452</u>	<u>91,297,605</u>
<b>Expenses</b>			
Salaries and wages (including taxes and benefits)			
Administration	1,025,298	1,500,467	2,525,765
Case management	8,474,585	10,567,945	19,042,530
Total salaries and wages	<u>9,499,883</u>	<u>12,068,412</u>	<u>21,568,295</u>
Placement costs			
Related party Child Placing Agency	9,960,752	12,506,863	22,467,615
Nonrelated party Child Placing Agency (maintenance)	2,875,310	5,720,978	8,596,288
Nonrelated party Child Placing Agency (administration)	1,486,034	3,137,357	4,623,391
Residential and other	7,158,188	6,327,209	13,485,397
Total placement costs	<u>21,480,284</u>	<u>27,692,407</u>	<u>49,172,691</u>
Other costs			
Operating expenses	5,827,787	7,749,131	13,576,918
Mental health	563,944	164,409	728,353
Independent living	11,304	49,570	60,874
Child care	2,474,472	2,171,139	4,645,611
Clothing	401,415	526,031	927,446
Transportation	1,558,785	2,621,772	4,180,557
Other - flex funds and miscellaneous	354,058	434,544	788,602
Other - school and recreational	29,271	72,285	101,556
Other - unallowable	24,311	19,160	43,471
Total other costs	<u>11,245,347</u>	<u>13,808,041</u>	<u>25,053,388</u>
Total expenses	<u>42,225,514</u>	<u>53,568,860</u>	<u>95,794,374</u>
Revenues under expenses	<u>\$ (3,498,361)</u>	<u>\$ (998,408)</u>	<u>\$ (4,496,769)</u>

**KVC Health Systems, Inc.**  
**Schedule of Revenue and Expenses for**  
**Kansas Department for Children and Families**  
**Family Preservation Services**  
**Year Ended June 30, 2018**

	<u>Region 1</u>	<u>Region 2</u>	<u>Total</u>
<b>Revenue</b>			
DCF contract	\$ 2,935,575	\$ 2,947,857	\$ 5,883,432
Miscellaneous	8,893	956	9,849
Total revenue	<u>2,944,468</u>	<u>2,948,813</u>	<u>5,893,281</u>
<b>Expenses</b>			
Salaries and wages (including taxes and benefits)			
Administration	169,563	294,592	464,155
Case management	1,988,601	2,093,238	4,081,839
Total salaries and wages	<u>2,158,164</u>	<u>2,387,830</u>	<u>4,545,994</u>
Other costs			
Operating expenses	731,977	814,645	1,546,622
Mental health	530	4,450	4,980
Clothing	-	696	696
Other - flex funds and miscellaneous	57,203	136,153	193,356
Other - unallowable	1,595	1,511	3,106
Total other costs	<u>791,305</u>	<u>957,455</u>	<u>1,748,760</u>
Total expenses	<u>2,949,469</u>	<u>3,345,285</u>	<u>6,294,754</u>
Revenues under expenses	<u>\$ (5,001)</u>	<u>\$ (396,472)</u>	<u>\$ (401,473)</u>

**KVC Health Systems, Inc.**  
**Schedule of Revenue and Expenses for**  
**Kansas Department for Children and Families**  
**Kansas Child Placing Services**  
**Year Ended June 30, 2018**

**Revenue**

Child placing revenue - intracompany	\$ 22,467,615
Child placing revenue - other	1,094,728
Contributions	159,350
Miscellaneous	127,259
Total revenue	<u>23,848,952</u>

**Expenses**

<b>Salaries and wages (including taxes and benefits)</b>	
Administration	661,815
Case management	3,071,947
Total salaries and wages	<u>3,733,762</u>

**Placement costs**

Kansas City region	5,701,450
East region	8,863,831
Noncontract	785,754
Total placement costs	<u>15,351,035</u>

**Other Costs**

Operating expenses	883,510
Independent living	99
Clothing	880
Other - school and recreational	9,549
Other - flex funds and miscellaneous	5,101
Other - indirect	1,783,729
Other - unallowable	44,551
Total other costs	<u>2,727,419</u>

Total expenses	<u>21,812,216</u>
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Revenues over expenses	<u>\$ 2,036,736</u>
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**KVC Health Systems, Inc.**  
**Schedule of System of Care Grant**  
**Agreement Number – G180084**  
**Year Ended June 30, 2018**

**Revenue**

Grant revenue	<u>\$ 71,295</u>
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**Expenses**

Salaries and wages	54,000
Taxes and benefits	13,407
Supplies	283
Travel	1,020
Rent	1,300
Telephone	1,251
Staff development	25
Unallowable	78
Department expense	1,572
Indirect administrative expenses	5,749
Total expenses	<u>78,685</u>

Revenues under expenses	<u><u>\$ (7,390)</u></u>
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**KVC Health Systems, Inc.**  
**Schedule of Safe at Home Grant**  
**Agreement Number – G170753**  
**Year Ended June 30, 2018**

**Revenue**

Grant revenue	\$ 574,933
Other	5,230,788
Total revenue	<u>5,805,721</u>

**Expenses**

Salaries and wages	1,623,783
Taxes and benefits	334,355
Supplies	181,295
Travel	267,639
Rent	142,705
Telephone	43,159
Staff development	5,733
Contracted expenses	7,134
Unallowable expenses	11,265
Department expense	608,161
Indirect administrative expenses	253,811
Total expenses	<u>3,479,040</u>
Revenues over expenses	<u>\$ 2,326,681</u>

**KVC Health Systems, Inc.**  
**Schedule of Recruitment and Training for**  
**Multi-Tiered Foster Family Care Grant**  
**Agreement Number – G170664**  
**Year Ended June 30, 2018**

<b>Revenue</b>	
Grant revenue	\$ 16,398
Total revenue	<u>16,398</u>
<b>Expenses</b>	
Salaries and wages	15,469
Taxes and benefits	3,299
Supplies	399
Travel	1,279
Indirect administrative expenses	1,689
Total expenses	<u>22,135</u>
Revenues under expenses	<u>\$ (5,737)</u>

**KVC Health Systems, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2018**

Program or Cluster Title	Federal Grantor/Pass-Through Grantor	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Amount
<b>Child Nutrition Cluster</b>					
School Breakfast Program	U.S. Department of Agriculture passed through the Kansas State Department of Education	10 553	X0925	\$ - \$	74,385
National School Lunch Program	U.S. Department of Agriculture passed through the Kansas State Department of Education	10 555	X0925	-	132,334
After School Snack Program	U.S. Department of Agriculture passed through the Kansas State Department of Education	10 555	X0925	-	16,399
Total Child Nutrition Cluster				-	223,118
Kansas Serves Substance Affected Families	U.S. Department of Health and Human Services passed through the University of Kansas Center for Research, Inc.	93.087	90CU0077-04-00	-	149,657
Kansas Serves Native American Families	U.S. Department of Health and Human Services passed through the University of Kansas Center for Research, Inc.	93 087	90CU0079	-	15,144
Total CFDA # 93.087				-	164,801
Nebraska System of Care Expansion and Sustainability Grant - PACT Team	U.S. Department of Health and Human Services passed through Region VI Behavioral Health Administration	93.104	SM063392	-	45,086
Nebraska System of Care Expansion and Sustainability Grant - PACT Team	U.S. Department of Health and Human Services passed through Region VI Behavioral Health Administration	93 104	SM063393	-	7,645
Nebraska System of Care Expansion and Sustainability Grant - PACT Team	U.S. Department of Health and Human Services passed through Region VI Behavioral Health Administration	93.104	SM063394	-	196,934
Nebraska System of Care Expansion and Sustainability Grant - PACT Team	U.S. Department of Health and Human Services passed through Region VI Behavioral Health Administration	93 104	SM063395	-	33,457
Total CFDA # 93.104				-	283,122
Recruitment and Training for Multi-Tiered Foster Family Care Initiative	U.S. Department of Health and Human Services passed through the West Virginia Department of Health and Human Services	93 603	G170664	-	8,199
Kansas Adoption Permanency Project	U.S. Department of Health and Human Services passed through the University of Kansas Center for Research, Inc.	93.652	90CO1120-05-02	-	59,787
Promoting Safe and Stable Families	U.S. Department of Health and Human Services passed through the Kentucky Cabinet for Health and Family Services	93.556	PON2 736 16000025615	-	1,043,688
<b>TANF Cluster</b>					
Temporary Assistance for Needy Families Block Grant	U.S. Department of Health and Human Services passed through the Kansas Department for Children and Families	93 558	EVT001558/EVT0001559	-	11,402,339
Title IV-E Foster Care	U.S. Department of Health and Human Services passed through the Kansas Department for Children and Families	93.658	EVT001558/EVT0001559	-	9,417,051
Title IV-E Foster Care	U.S. Department of Health and Human Services passed through the Kentucky Department for Community Based Services	93 658	PON2 736 1700001431	-	515,670
Title IV-E Foster Care	U.S. Department of Health and Human Services passed through the Nebraska Department of Health and Human Services	93 658	G1701NEFOST	-	166,856
Title IV-E Foster Care	U.S. Department of Health and Human Services passed through the West Virginia Department of Health and Human Services	93 658	G170753	-	418,259

**KVC Health Systems, Inc.**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**Year Ended June 30, 2018**

Program or Cluster Title	Federal Grantor/Pass-Through Grantor	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Amount
Recruitment and Training for Multi-Tiered Foster Family Care Initiative	U.S. Department of Health and Human Services passed through the West Virginia Department of Health and Human Services	93.658	G170664	\$ -	\$ 5,919
Total CFDA # 93 658				-	10,523,755
Social Services Block Grant	U.S. Department of Health and Human Services passed through the Kansas Department for Children and Families	93 667	EVT001558/EVT0001559	-	6,761,028
				\$ -	\$ 30,469,837

**Notes to Schedule**

1. The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of KVC Health Systems, Inc., KVC Behavioral HealthCare, Inc., KVC Behavioral Healthcare West Virginia, Inc., KVC Behavioral Healthcare Kentucky, Inc. and KVC Behavioral Healthcare Nebraska, Inc. under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters Based on an Audit  
of the Financial Statements Performed in Accordance with  
Government Auditing Standards**

**Independent Auditor's Report**

Board of Directors  
KVC Health Systems, Inc.  
Olathe, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of KVC Health Systems, Inc. (the Organization), which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 13, 2018.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**BKD, LLP**

Kansas City, Missouri  
December 13, 2018

## **Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance**

### **Independent Auditor's Report**

Board of Directors  
KVC Health Systems, Inc.  
Olathe, Kansas

#### **Report on Compliance for Each Major Federal Program**

We have audited KVC Health Systems, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2018. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of KVC Health Systems, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, KVC Health Systems, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

### **Report on Internal Control Over Compliance**

Management of KVC Health Systems, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*BKD, LLP*

Kansas City, Missouri  
December 13, 2018



**KVC Health Systems, Inc.**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2018**

**Findings Required to be Reported by *Government Auditing Standards***

<b>Reference Number</b>	<b>Finding</b>	<b>Questioned Costs</b>
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No matters are reportable.

**Findings Required to be Reported by Uniform Guidance**

<b>Reference Number</b>	<b>Finding</b>	<b>Questioned Costs</b>
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No matters are reportable.

**KVC Health Systems, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2018**

**Findings Required to be Reported by Uniform Guidance**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
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No matters are reportable.