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www.HeartlandFamilyService.org
Welcome Friends,

I am incredibly excited that this marks my fifth year at Heartland Family Service and the completion of our first four-year strategic plan.

Like with any business or non-profit, the opportunities and challenges we’ve faced—and will continue to face—are numerous, rapidly evolving and difficult to predict. However, we are fortunate to have strong administrative systems as well as talented, passionate and generous employees, volunteers and donors. Their combined contributions have helped us create a multi-service organization that is truly making an impact in our community.

To wit, our operating budget has grown 38 percent over the past five years and we have continually refined and streamlined our efforts to achieve even greater outcomes. Programs that were no longer relevant have been closed, while new programs that address unmet or newly emerging community needs have been established.

It has always been our organization’s mission to strengthen the individuals and families of our community, but it is our community that strengthens our organization. As we move forward, please know how much we value your support and how important you are to our success.

Thank you!

John H. Jeanetta, MBA, MSW
President and CEO
Strategic Plan - 2013 Update

It is clear that the plan’s focus on three key initiatives—growing the agency’s private funding; eradicating the root causes of the social problems our programs address; and improving our overall effectiveness through collaboration, leadership development and knowledge transfer—has proven fruitful and better positioned Heartland Family Service for future success.

The achievements of this four-year plan include:

• Annual campaign increase of 13.6 percent
• Special-event fundraising increase of 11 percent
• Successful launch of $11M capital campaign ($9.7M raised to-date)
• Implementation of a planned giving program (several planned gifts secured to-date)
• Agency leadership of several prevention coalitions, including LiveWise Coalition, Partners for Meth Prevention and the Metro Omaha Tobacco Action Coalition
• Increased agency focus on addressing and preventing childhood trauma through active engagement in the Coalition for Children’s Mental Health
• Agency co-facilitation role in the development and implementation of our community’s coordinated access system for people in a housing crisis (Metro Home BASE – Better Access to Services for Everyone)
• Implementation of a successful internal leadership development program (fourth cohort of 20 employees currently participating)
• Successful knowledge transfer and transition due to the retirement of two long-tenured senior leaders this year

As we wind down the final year of our agency’s current strategic plan, our upcoming strategic plan already is under development.

After completing a comprehensive SWOT analysis with board members, employees, volunteers, donors and other important stakeholders, a strategic planning retreat held in late October resulted in the development of three new strategic initiatives to guide our work for the next four years:

1) Enhancing our services through innovation and technology;
2) Expanding public and private support for our mission; and
3) Empowering a diverse and engaged staff.
Financial Update

Our annual operating budget showed a 4 percent increase over the last year. Cash management remains a challenge with Days Cash on Hand consistently below targets. Staff are working together to ensure required reports and evaluation data are submitted promptly and to coordinate collection efforts in order to receive grant and contract payments expediently.

Q3-2013 Scorecard

<table>
<thead>
<tr>
<th>OUR FINANCES</th>
<th>Time Frame</th>
<th>Change Since Prior Period</th>
<th>Change Since Prior Year</th>
<th>Target Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi-Annual Growth</td>
<td>July 2013</td>
<td>-10.9</td>
<td>-2.4</td>
<td>3.5%</td>
</tr>
<tr>
<td>Surplus as % of Expenses</td>
<td>Quarterly</td>
<td>-1.9</td>
<td>-5.0</td>
<td>1%</td>
</tr>
<tr>
<td>Days Cash on Hand</td>
<td>Quarterly</td>
<td>+3</td>
<td>-12</td>
<td>30</td>
</tr>
<tr>
<td>Net Days in Accounts Receivable</td>
<td>Quarterly</td>
<td>-12</td>
<td>-8</td>
<td>50</td>
</tr>
<tr>
<td>Mgmt./General as % of Total Expenses</td>
<td>Annually (July 2013)</td>
<td>+0.53</td>
<td>+0.55</td>
<td>15%</td>
</tr>
<tr>
<td>Wages/Benefits as % of Total Expenses</td>
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<td>+0.4</td>
<td>+1.5</td>
<td>70%</td>
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<tr>
<td>Fundraising Events</td>
<td>Campaign YTD</td>
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</tr>
<tr>
<td>Annual Fundraising Campaign</td>
<td>Campaign YTD</td>
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<td>-18,118</td>
<td>$470,000</td>
</tr>
</tbody>
</table>
Restructuring

As part of our strategic plan, an organizational restructuring effort was implemented this year and organized around two specific goals:

- Managing our programs around similar areas of focus (instead of geography) to enhance collaboration/shared learning and better leverage our strengths as a multi-service organization
- Facilitating the CEO’s external engagement on strategies and opportunities that will increase the agency’s funding, collaboration, leadership position and long-term sustainability

We will move toward these goals over the next five years, making changes to the organizational structure as required. The first phase of this process was implemented with the retirements of two key Heartland Family Service leaders this year: Carolyn Thiele, Vice President of Nebraska Professional Services, and John Herzog, Senior Vice President of Finance and Administration.

Instead of filling Carolyn’s position, we moved from having three vice presidents to two—Nancy Schulze and Ann O’Connor. We created two new positions: an assistant vice president of Behavioral Health Services (reporting to Nancy Schulze) and an assistant vice president of Child Welfare Services (reporting to Ann O’Connor) and selected two former program directors, Teffany Murphy (Omaha Children’s Emergency Shelter/Tracker) and Mary O’Neill (Iowa Behavioral Health/Assertive Community Treatment Program/Prevention) to fill these respective positions.

Following John’s retirement, the role of Senior Vice President of Finance and Administration was changed to Chief Financial Officer. After an extensive hiring process, we selected Kristine Hull for this role. Kristine, who most recently worked as Finance Director for Omaha Performing Arts since 2008, is a CPA with an MBA from Creighton University. Kristine long has been active in the community, having served in leadership positions for the Nebraska AIDS Project, the Greater Omaha Young Professionals Board of Directors and the Junior League of Omaha. She received the Ten Outstanding Young Omahans Award in 2010 and is a graduate of Leadership Omaha.
Program Update

Artist-in-Community Residence Program
This innovative partnership with the Bemis Center for Contemporary Arts and WhyArts? continues to have an enormously positive impact on our clients. As Karla Dush, Program Director of our Youth Links program, wrote of participating artist, Iggy Sumnik: “It is common for the youth we serve to experience low self-esteem and self-worth. Iggy is able to connect with our youth and draw their individual creativeness out of them. The increase in self-esteem is indescribable. The youth are putting their emotions into their art and this becomes their voice.”

Bellevue Middle Schools Partnership
Heartland Family Service was asked by Bellevue Public Schools to provide group counseling to middle school students in need. All three Bellevue middle schools offered the service to students in the 2013 spring semester and are doing so again this academic year.

Better Together
A three-year, $1.5M grant was awarded to Heartland Family Service by the U.S. Department of Health and Human Services, Administration for Children and Families, to develop and implement Better Together, a family-centered substance abuse treatment program for families involved with the child welfare system. The program provides intensive outpatient treatment in a residential setting. Each family resides in their own apartment with therapists, case managers and a peer support specialist on site to provide highly coordinated interventions and support.
**Children's Emergency Shelter**

In September, we temporarily closed our Omaha Children's Emergency Shelter. Since establishing the shelter in 1998, we've worked closely with the Nebraska Families Collaborative (NFC) to decrease both the number of children needing emergency shelter placement and the length of time children are placed in our emergency care. Thanks to substantial progress on both fronts, we are able to temporarily redistribute the shelter resources to serve children and families where the needs are greatest. For example, we partnered with NFC to develop and implement new in-home services in accordance with the child welfare system’s mission to keep families together safely by providing services and support in the home.

**Drug-Free Community Grant**

The Office of National Drug Control Policy awarded Heartland Family Service a $625,000 grant ($125,000 per year for five years) to support the PMP Taking Action Against Substance Abuse coalition and their efforts to reduce youth substance use and abuse. Heartland Family Service will act as the fiscal agent and coordinating entity for PMP. The project will focus on preventing the use of methamphetamine, marijuana and synthetic drugs in Douglas, Pottawattamie and Sarpy counties. Strategies include community engagement, social media and traditional marketing, legislative advocacy, education and youth-led prevention groups.
Metro Home BASE (Better Access to Services for Everyone)
Metro Home BASE was implemented in March 2013 to improve the efficiency of the community’s homeless response system by providing coordinated access to services and housing resources. Prior to Metro Home BASE, most prevention providers were unable to respond to all calls. Since its launch, Metro Home BASE has responded to more than 7,400 calls, 61 percent of which were referred to prevention services. After an initial need to rapidly adjust staffing due to call volume, today all calls are returned by the end of each day.

Based on feedback from shelter and prevention providers, Metro Home BASE has made some adjustments. Now, instead of having to initiate all requests through Metro Home BASE, people seeking help can start at any shelter or prevention provider. These collaborating agencies are able to provide Metro Home BASE’s standard intake and initial screening. Discussions also are underway with United Way of the Midlands to begin providing intake and initial screenings.

Nebraska Behavioral Health Consolidation
After a three-year evaluation of the costs and benefits of having three outpatient behavioral health locations in Omaha (West, Central and Sarpy), we have determined our clients, our Nebraska Behavioral Health program and our agency will be better served if we consolidate these services into the Central Office and the Sarpy Office. The reasons for this decision include:

• Intake data demonstrates the West Office is the least preferred location for our clients.

• The annual overhead costs associated with operating the West Office (including rent, utilities, copy machine lease, office staff, etc.) are difficult for a single program to sustain.

• Nebraska Behavioral Health is the only program that operates from the West Office. Several programs operate from the Central and Sarpy locations—and, therefore, share in paying the annual overhead costs.

We will end our lease and close the West Office on January 1, 2014. The therapists currently working at the West Office will relocate to either the Central or Sarpy offices by the end of December.
North Omaha Intergenerational Human Services Campus

We have now raised $9.7M, or 87 percent of our total $11M campaign, which includes $8M for the construction/renovation of the former St. Richard buildings and the Park Crest Apartment building and a $3M maintenance reserve endowment. In addition, the Nebraska Investment Finance Authority (NIFA) has agreed to award HFS 643,000 Low-Income Housing Credits and the New Markets Tax Credit and Historic Tax Credit processes are in the final stages of approval/implementation. Asbestos has been removed from St. Richard School, and construction should begin before the end of the year once a general contractor has been selected. Renovation of the Park Crest Apartment building is on hold until spring of 2014 as NIFA will not have credits available to award to the project until February 2014. In addition, due to concerns of the neighbors who live near the Park Crest Apartment building and subsequent meetings to discuss ways to strengthen the project and minimize disruptions to the neighborhood, the building design is undergoing significant changes to position the building’s front on the north side—facing Sahler Street—with more parking and green space.

The North Omaha Intergenerational Human Services Campus is a collaboration between Heartland Family Service and Holy Name Housing Corporation.
Staff Recognition

The UNO Grace Abbott School of Social Work selected Carolyn Thiele to receive its 2013 Gandhi Award. Since 1999, this award has been given annually to honor individuals and organizations that represent Gandhian—or social—values. As this year’s winner, Carolyn joined a select group of extraordinary individuals, nominated by their friends, colleagues, clients and agencies, who embody nonviolence, selfless service and sustained social action.

Carolyn, who worked at Heartland Family Service for nearly 11 years, as the Vice President of Nebraska Professional Services, retired on May 15 and wrapped up an exemplary career that has spanned both the public and private sector. Her knowledge of the systems that impact the clients we serve was extraordinary and allowed her to proactively advocate and develop programming that has both served our clients well and addressed key strategic issues for our government funders.

Ann O’Connor, Vice President, was selected to participate in discussions facilitated by the Alliance for Children and Families, its membership and Georgetown University’s Public Policy Institute Center for Juvenile Justice Reform. The goal is to create a certificate program to enhance systems integration and build a strong cadre of leaders who are supportive of systems and organizational improvement efforts designed to achieve better outcomes for young people known to multiple systems of care (e.g. juvenile justice and child welfare).

On Sept. 16, John Herzog, Senior Vice President of Finance and Administration, retired, marking his 35th and final year of employment at Heartland Family Service. It is impossible to examine any area of Heartland Family Service and not see John’s indelible mark. His passion for the agency, our mission and the people we serve, as well as his business savvy, work ethic and vast breadth of knowledge accumulated over three-and-a-half decades, is unparalleled and he will be greatly missed.
Shannon Mahnke, Program Director for our Iowa Family Works and Iowa Behavioral Health programs, was selected for the Midlands Business Journal’s annual 40 Under 40 Award.

Therese Korth, Ph.D., Program Director of our Therapeutic School, and Kara Roberts, Assistant Program Director, presented “Fully Integrated Mental Health Services in a Therapeutic School Setting,” the results of their research at the 16th Annual Conference on Advancing School Mental Health in Washington, D.C.

Kerry Wiles, Assistant Clinical Director in our Iowa Behavioral Health program, and TJ Gorman, Lead Clinician, presented on two occasions at the Midwest Conference on Problem Gambling and Substance Abuse in Kansas City. Their presentations focused on the efficacy of trauma-informed care and related evidence-based practices to treat addictions and post-traumatic stress disorder.
Upcoming Events

Carnival of Love Gala . . . . . . . . . . . . . . . . . . . . . . . . . Feb. 15, 2014
Embassy Suites, La Vista, NE

Jefferson House Stand Up For Kids Comedy Night . . March 8, 2014
Midland Lutheran University, Fremont, NE

Spring President’s Update Breakfast . . . . . . . . . . . . . . . . . . . Apr. 23, 2014
Heartland Family Service Central Office, Omaha, NE

Senior Center Senior Prom . . . . . . . . . . . . . . . . . . . . . . Apr. 27, 2014
The Field Club, Omaha, NE

Safe Haven Golf Tournament . . . . . . . . . . . . . . . . . . . . May 16, 2014
Tiburon Golf Course, Gretna, NE

Strike-A-Chord 10 . . . . . . . . . . . . . . . . . . . . . . . . . . June 27, 2014
Mid-American Center, Council Bluffs, IA

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