



PPEP, Inc. & Affiliates

43rd Anniversary

Annual Report

October 2010



Nana Otibribi III, Deanna Richards, EMCOMPASS Client and Gina Judy, CAO, ENCOMPASS during the Ajo Grand Opening

Hector Sanchez

John David Arnold, Ph.D.

John Bordenave

PPEP, Inc. President

Chief Executive Officer & Founder

President PMHDC

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“Once social change begins, it cannot be reversed. You cannot uneducated the person who has learned to read, humiliate the person who feels pride, and you cannot oppress people who are not afraid anymore.” Cesar Chavez



The Tree of Life Rejuvenation Center

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Patagonia, Arizona
(520) 394-2520

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October 25, 2010

Dear John, PPEP Board and Affiliates:

I am extremely pleased you are having this gathering. Today over 30% of the Latino children under the age of 15 have Type II diabetes, whereas 10 years ago this was only 4%. It is expected in the Latino community that 1 out of 2 will develop diabetes in their lifetime. Type II diabetes is related to a diet high in white sugar, white flour, and processed food. Your decision to emphasize again the basic earth-based indigenous diet with no white sugar, no white flour, and no processed food will save millions of lives and preserve quality of lives for millions of Latino people.

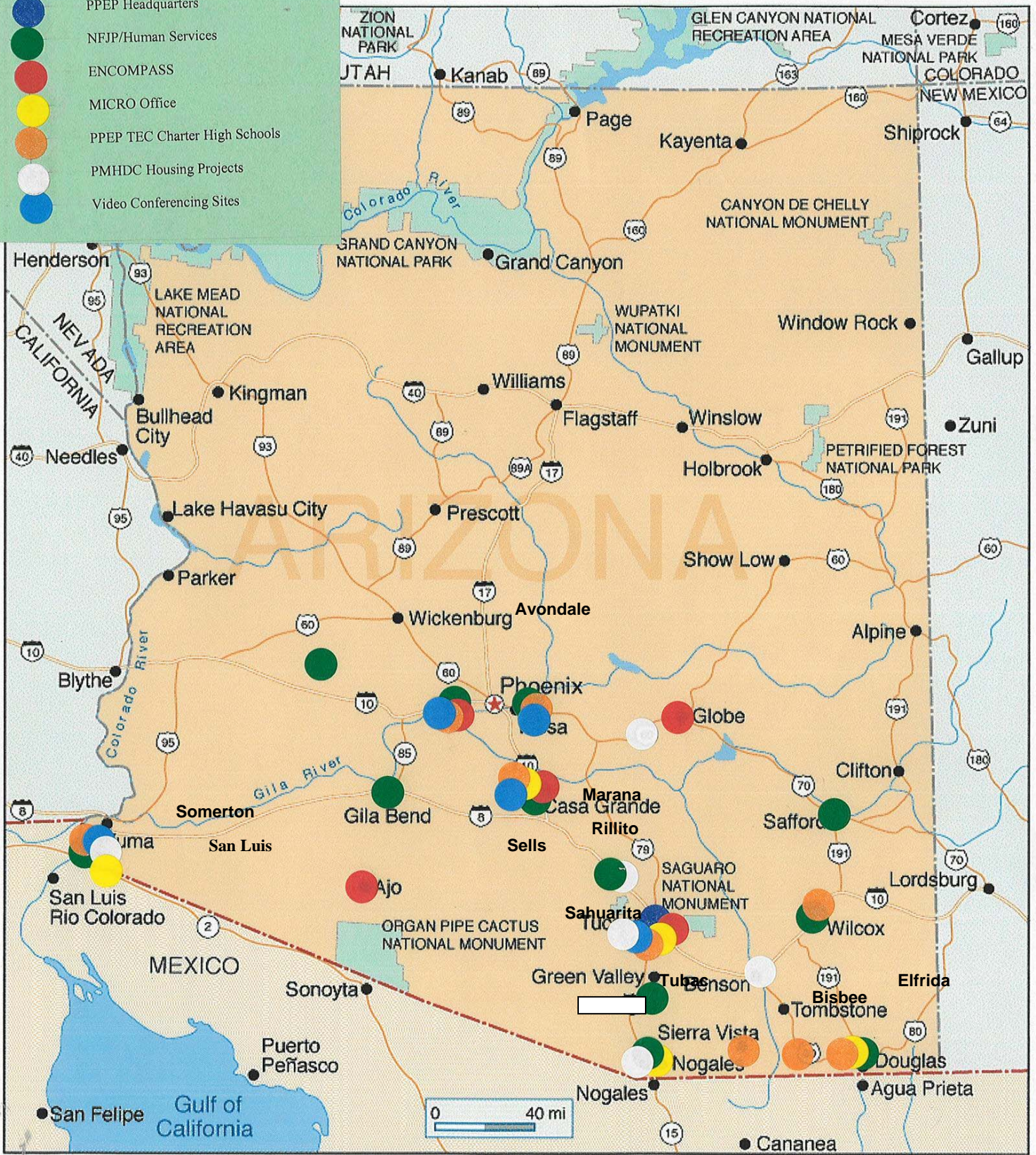
So, I congratulate you on your wonderful humanitarian gathering that will uplift and heal the lives of millions of people. As I write this today, I am making final plans to introduce my book, *There Is A Cure For Diabetes* now available in Spanish in Mexico City and at the medical school as well as with healers in Nogales to Hermosillo introducing these principles that will save hundreds of thousands of lives as well as in the orphanages in Sonora where we are also emphasizing this life-giving diet that will help people operate at their optimal physical, mental, emotional, and spiritual well being so people can manifest the greatness they are meant to be.

Thank you again for your great visionary work.

Blessings to all of you,
Dr. Gabriel Cousens, M.D.,
President & Director
The Tree of Life Foundation

KEY

- PPEP Headquarters
- NFJP/Human Services
- ENCOMPASS
- MICRO Office
- PPEP TEC Charter High Schools
- PMHDC Housing Projects
- Video Conferencing Sites



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PPEP in Arizona

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MOTTO:
 "Si Se Puede" "Si Se Pudo"

2010 THEME: 2011
 "Every adversity is an opportunity to succeed." Nana Otibribi III



Honorees Farmworker Hall of Fame 2010
 Macario Saldate
 and
 Sherry Derese Jordan

PPEP & AFFILIATES BOARDS OF DIRECTORS

PPEP=Portable Practical Educational Preparation
 PMHDC=PPEP Microbusiness & Housing Development Corp.
 PRBDC=PPEP Rural Business Development Corporation
 FARS=First American Resources
 PSHSC=PPEP Senior Housing Services Corporation

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PPEP TEC Board Members



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John Bordenave

John David Arnold, Ph.D.

Hector

OCTOBER 2010 ANNUAL REPORT

“Every adversity is an opportunity to succeed.” Nana Otibribi III

Dear PPEP Family Members and Friends:

I. Royal encouragement in hard times

During this year of turmoil in our rural communities there has been a man that has been an inspiration to all who have heard Him. His Royal Highness “Nana” Otibribi III King of the Baika People in Ghana brought words of wisdom and encouragement such as there is “No word in your vocabulary for failure” Thus our 2011 theme is “Every adversity is an opportunity to succeed.” During His visits to PPEP programs around the state, He challenged our staff, board, and clients, “To ‘rise’ above this present time of turmoil and never forget our dreams.” Find new ways to succeed. Before we knew it his message of ‘hope’ caught fire among our PPEP TEC students, clients, staff, and then stirred the attention of the media (see attached news articles).

II. Agency Outlook

Our PPEP and Affiliates despite the economic downturn has diversified its funding base to mobilize new resources that will impact the needs of our rural communities. In order to accomplish this we re-organized our planning and grant writing department with both in-house and contracted grant writing expertise. As a result, we have maintained our funding levels even though some other traditional sources have dried up.

III. PPEP’s Educational Components Receive a Boost

- a. PPEP TEC was re-chartered for 20 years by unanimous vote by the Arizona State Charter School Board by unanimous vote.
- b. Negotiated 20 year contract with K-12, Inc. regarding the Arizona Virtual Academy oversight fund.
- c. PPEP High School Equivalency Adult Farmworker program was refunded for five years.
- d. Both AZVA and Insight School Los Angeles enrollment is up this year.

IV. PMHDC

PMHDC received grants from USDA, SBA, and Bank of America. All of these grants were for direct service to our clients in the areas of education, technology, and micro

finance. Furthermore, the delinquency rate, which has been high due of the border violence and economic crisis, has come down remarkably. It was over 30% earlier in the year and was reduced to 11% by September. It tends to fluctuate on a seasonal basis.

V. Housing Development

- a. Quail Run Estates in Douglas has sold 9 out of its 10 homes. We are looking to sell the additional home before the end of the year.
- b. Both Don Frew and La Ramona Morales Senior Apartments are in the black for the first time in recent memory.

VI. Newly Acquired Properties

The newly acquired properties are doing well.

- a. Placita Dolores Huerta: 25,000 sq ft business plaza in Somerton is being remodeled for the PPEP TEC High School to move in early 2011.
- b. Columbia Street Property:
Property will be vacated by PPEP TEC and available as a social services office space or micro business incubator.
- c. Casa Grande Property:
 1. ENCOMPASS moved in part of their office operations.
 2. A plan for the PPEP TEC High School has been prepared for the Casa Grande City Planning and Zoning Department. We hope the new school will be ready for next school year 2011. There are still key re-zoning issues that must be resolved.

VII. International Charitable Endeavors

PPEP's charitable work abroad started in 2008 in Nigeria by establishing a micro credit cooperation fund in Owerri. This fund is a 'hybrid' of sorts bringing micro and cooperative finance under one umbrella. This past year we established a second fund with seed capital in the Ancient Awo Kingdom. A third one is on the drawing board for the Baiki People in Ghana.

The 'Academy for Success' a K-6 school for disadvantaged children was assisted to acquire and renovate a school building for 150 students. We anticipate it becoming a prototype of a charter school in Nigeria. Furthermore, a palm oil cooperative was assisted to obtain the equipment needed to processing has created 30 jobs for local rural women.

This past summer during my vacation, I conducted basketball and football camp for the State School for the Deaf and Mute and raised funds for their schools' infrastructure. Assisted the WAAST Micro Credit Cooperation Program to renovate and secure their office with Air Conditioner, furniture, electrical, painting, and security bars.

VIII. ENCOMPASS Services to Developmentally Disabled

This year we were able to restore the 3% cut to staff salaries. The Alice Paul Center in Ajo was dedicated. It was the former dialysis center. It provides ample room for our clients' day program activities and space for expansion. Also ENCOMPASS moved part of their operations into the new facility in Casa Grande.

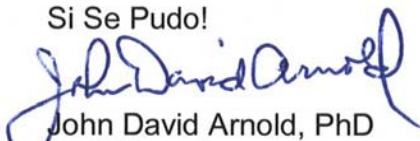
IX. PPEP Job Training

1. Youth Build graduated another group of students that completed two homes, which were donated to needy farm worker families in lower Yuma County.
2. NFJP continues to maintain high marks for its performance and accountability.
3. Recent monitoring by USDOL Regional Office reported this program was one of the best in Region IX

The outlook for 2010-2011 appears to be off to a sound start. However, there are many uncertainties especially with the state funding that could negatively affect PPEP TEC and ENCOMPASS our two largest programs. Also our PPEP Tec H.S. enrollment is down somewhat from last year.

Finally, we will redouble our efforts of 'resource mobilization' and 'service delivery' to insure that we meet the challenges of the economic crisis and its recovery.

Si Se Pudo!


John David Arnold, PhD
CEO/Founder



Dr. John David Arnold meets with Tom Vilsack, USDA Secretary



PPEP TEC High School Annual Report

Introduction and History

It is with pleasure that we share with you the history of PPEP TEC High School and some of our successes from this past year.

PPEP TEC High School is a publicly financed, statewide high school whose purpose is to provide an alternative educational program for student's ages 15-21, in grades 9-12. Our primary focus is on high academic standards, AIMS preparation, and career and technology exploration. We are designed to meet the needs of alternative students such as at-risk students, working students, high school drop-outs, and sons and daughters of migrant and seasonal farm workers.

Our teachers are Arizona highly qualified, the classes are small, and the students get lots of individual attention. Our curriculum is aligned with the Arizona Academic Standards, and all students must meet or exceed the standards on the AIMS test in order to receive a high school diploma.

Students at PPEP TEC High School are required to attend at least 20 hours per week, but our hours are flexible with some locations offering night school and some locations providing transportation. We offer a combination of intensive AIMS direct instruction preparation and self-guided curriculum in which students are able to move at their own pace through the curriculum material. For those with less time to devote to school this allows them the ability to complete work over an extended period, while other students might accelerate the pace and finish in a much shorter time than expected in a traditional high school format.

Since its inception in 1995, PPEP TEC High School has played a leading role in educating Arizona's youth. We have graduated over 2800 students throughout our 11 sites. Our enrollment this past year was approximately 1200 students, and we try to maintain a student teacher ratio of 15:1.

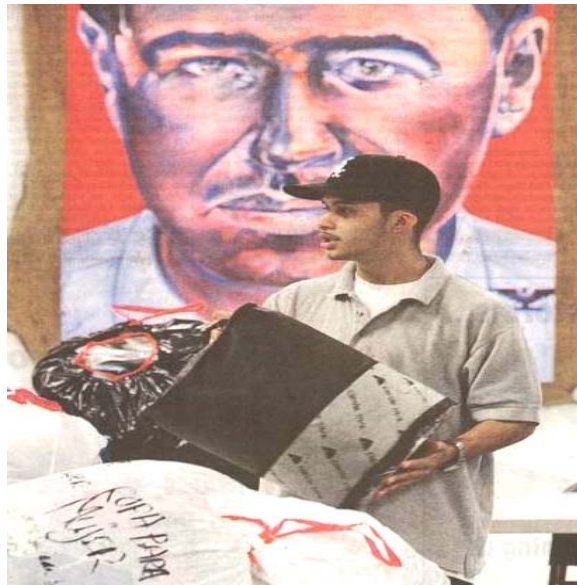
For the 2009-2010 school year, PPEP TEC High School had four learning centers in the Tucson area, including Robles Junction, and one center each in Avondale, Bisbee, Casa Grande, Douglas, San Luis, Sierra Vista, and Somerton.

2009-2010 Major Successes

- In the fall of 2009, PTHS administrators along with Lead Teachers and teaching staff from every site began the process of writing a district charter renewal as our 15 Year Charter with the Arizona State Board for Charter Schools(ASBCS) agreement was expiring in the summer of 2010. They attended monthly meetings with the Arizona Charter School Association (ACSA) in order to develop site narratives and performance management plans. Several members of the PTHS administration team attended an ASBCS Board Meeting on July 12, 2010 to answer questions about our plan. All of the hard work paid off as the ASBCS voted unanimously to re-authorize our charter for an additional 20 years.
- In the spring of 2010, five of our campuses (the Celestino Fernandez, Alice Paul, Robles Junction, Lito Pena, and John David Arnold Learning Centers) took part in our second annual prom. The theme was “Olde Tyme Glamour”. A total of 130 students participated. The event was held again at the Viscount Suites Hotel in Tucson and was a rousing success!



- This past school year, PTHS continued to offer relief assistance to disaster victims worldwide. When Hurricane Jemina struck Mexico early in September, all 11 sites served as collection points for the relief effort. PTHS students helped sort and pack over 2 truckloads that were sent to the region. PTHS sites and students also answered the call for relief when Haiti was struck by a devastating earthquake in January of 2010. In addition, students and staff of the Cesar Chavez and Jose Yopez Learning Centers acted as drop-off points for relief after the April, 2010 earthquake in the San Luis, Mexico area.



- The Victor Soltero Learning Center continued their work on their Girl Scout Patio this past May with the addition of a student painted mural. It was a group effort that included counselor Brenda Hanna and her art group. The theme of the patio is "Diversity, Peace, and Acceptance of all People".



- The 2009-2010 PPEP TEC Puma's Boy's Basketball team picked up right where they left off last year. Under the guidance of Coach Abdul Arzani, the team finished up with a record of 11-1 and were Charter League Champs! Congratulations to Coach Arzani and the team!



- 2009-2010 also brought us our 1st ever PPEP TEC Puma's Co-Ed Soccer Team led by Coach Garrett Leby. The team posted a record of 1-4 but is anxiously looking forward to this season!



- On September 29, 2009, PPEP TEC High School students and ¡Adelante! America participants attended the 23rd Annual College Night, which took place at The Tucson Convention Center. Over 200 college representatives from all over the United States were present to talk to students and parents, answer questions and hand out materials. Students were able to explore various college and career options for post high school. They were all excited to go and found the College Night to be helpful as well as insightful.



- In February, 2010, volunteer Jenna Simons and several students from the John David Arnold Learning Center volunteered their time and efforts at the Kory Laos Memorial Freestyle BMX Bicycle Park. The PTHS group worked all spring with beautification efforts at the park, donated a plaque and sponsored a Bicycle Safety class.



- PTHS provided services to 276 English Language Learners.
- PTHS provided services to over 202 students with disabilities under IDEA and Section 504.
- PPEP TEC High School is very proud to announce that, once again, all of its schools were given “Performing” labels under the state’s accountability system, AZLEARNS. In addition, one of our sites, the Lito Pena Learning Center in Avondale met the “Adequate Yearly Progress” accountability standard mandated by No Child Left Behind. Meeting the standard means that PTHS students improved their scores on the AIMS test; they met the graduation rate requirement; and at least 95% of the students were in attendance on the AIMS testing dates. . Congratulations to all of the Avondale PTHS staff and students. This is a great accomplishment!
- PPEP TEC High School partners with PPEP Behavioral Health Services to provide counseling services to all of our schools on regular schedule of at least once a week. In five of our schools. San Luis, Somerton, Robles Junction, Avondale and Benson Hwy we had a 20 hour per week counselor. In other schools, counseling services were provided once or twice weekly.
- PPEP TEC High School buses provided transportation for the campuses in Bisbee, and Avondale last year. In some cases, our drivers covered great

distances, but we got our students to school! In the Tucson and Sierra Vista areas, bus passes were provided for students who needed transportation, and in San Luis and Somerton, bus service for our students was contracted to an outside agency. Since transportation is often a challenge for our students, we do all we can to accommodate their needs.

- New curriculum was implemented for Math, English, Physical Science and our School-To-Career curriculum was reworked into Career and Technology Education (CTE) in order to maintain curriculum alignment with the Arizona Academic Standards.
- PPEP TEC High Schools throughout the state have participated in and supported a variety of community services, including the Red Cross Blood Drive, the American Cancer Society, Adopt-a Highway cleanup, Toys for Tots, donations to local food and clothing banks, diaper drives in addition to being drop-off points for disaster relief efforts.

Recognitions and Updates

- Two Hundred and Ninety Five (295) outstanding students graduated from PPEP TEC High School in 2009-2010. Congratulations on a job well done!
- The PPEP TEC High School administrative staff for 2009-2010 was a team comprised of the following outstanding team players: Randy Kempton, Superintendent; Leticia Lujan, Director of Federal and State Programs; Lucia Carrasco, Business Manager; Lisa Watson, Director of School Operations; Karol Basel, Special Education Director; Debra Deininger Director of Curriculum, Data, and Assessments; Annette Peralta, Student Records Manager; Josephina Moreno, ELL and Highly Qualified Coordinator; Stephanie Montes, AIMS Coordinator; Juan Di Arte, Student Retention Coordinator; Karol Basel, School Psychologist; and Alma Colmenero, Executive Assistant.

Accolades

- Many thanks to the students of PPEP TEC High School for making our jobs so rewarding!
- Special thanks to all of our teachers, staff, and parents for helping us become one of the most respected charter school programs in the Arizona!
- We are especially grateful to Barbara Coronado and the Finance Department for their assistance in all aspects of our budget and accounting needs.
- Much gratitude goes to Susan Marsett and the Human Resources Department who we consult with on almost a daily bases.

- Many thanks to Gary Kleopfer, Greg Saxman, and the entire Property Management Department for their constant support of the needs of PPEP TEC High School. No matter what time of the day or night, they help without complaint!
- Thank you, to Rob Riggs, Ryan Wild, and Jay Twyman from the IT Department for keeping our computers up and running! They'll always drop what they're doing to help in an emergency, and they're never too busy to help troubleshoot a problem.
- Thank you to our Chief Executive Officer and Founder, Dr. John David Arnold, for his continued vision of what can be done for our special youth.
- My personal appreciation to the PTHS Management Team for all that they do for us at PHTS and the support they have extended to me.
- Special thanks to our Governing Board for their support of our high school program.
- A special thanks also to all of the many visitors we have had the privilege of meeting. We are proud of our schools and are honored that you would take the time to stop by and see what we are doing with these special students.
- Finally, we extend our gratitude to the entire PPEP, Inc. family for their efforts on our behalf.



**PPEP Behavioral Health Services
Annual Report
2009-2010**



2009-2010 has proven to be a successful fiscal year within the counseling department. We have expanded some of our major contracts more than **three times** the previous year's services, increased staff, and **doubled** the number of client successful completions.

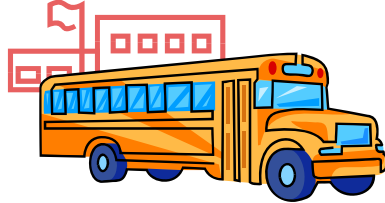
As part of the expansion, in Feb 2010, Community Partnership of Southern Arizona (CPSA) finally has provided the necessary funding for PPEP BHS to deliver counseling services to those individuals on AHCCCS. In previous times, the client that was on AHCCCS was required to go to other agencies to receive their “covered benefit” or pay out of pocket if they wanted to stay with PPEP. This just did not make sense. Finally, after years of persuasion and documentation supporting the need for AHCCCS services through PPEP, our requests have been granted. Currently PPEP is enrolling approximately **70-85 low income** people a month in need of treatment instead of **10-15**.

In addition to the expansion of AHCCCS funding for the general population, CPSA has allotted this same consideration for those who have been referred to PPEP through the Arizona Families First Program (AFF). This program was developed to assist individuals who have had their children removed due to substance abuse issues. Since a client can now remain with PPEP no matter their financial situation, continuity of care is re-established increasing the client’s chances of successful completion. Currently PPEP maintains the enrollment of approximately **130 AFF** clients at any point in time as compared to the previous fiscal year of approximately **20-25** members.



Rehabilitation

The department is also sought by other behavioral health providers, court systems, and community agencies to deliver specialty services such as **domestic violence**. In the past year, Arizona Department of Health Services has recognized Misdemeanor Domestic Violence Counseling as a “Covered Service”. The State of Arizona requires an agency to hold a special license to deliver this service and PPEP BHS has maintained the license for approximately 12 years. Because PPEP has this license, other agencies such as COPE Community Services, CODAC, and La Frontera Center subcontract with PPEP to deliver this domestic violence counseling on their behalf.



Another programs offered by the counseling department for over 18 years is **school based services**. PPEP BHS provides school based services for all the PPEP Tec Charter High schools, Altar Valley School District, and the Marana High School. Within the PPEP Tec schools we recently received funding from **Cenpatico** of Arizona to support our current counseling within the San Luis, Somerton, and Casa Grande areas. It is our hope that Cenpatico become the main funder for PPEP Tec counseling services within those areas.

In addition PPEP BHS offers counseling to:

- **Self pay populations** who are looking for specialized intensive therapy such as **couples counseling, family therapy**, and services for more individualized needs that can not be offered in a group setting.
- **DUI Education, DUI Treatment, and DUI Screening** which is a service ordered by the courts, diversion agencies, and the Motor Vehicle Division itself. If a person is arrested for a DUI, prior to them getting their license back, the person must compete a DUI screening. It is at that point the evaluator determines the person's level of treatment from Level 1: 16 hours DUI Education and 20 hours Treatment or Level 2: 16 hours DUI Education.
- **Motor Vehicle Evaluations** are required for drivers who are looking for their license to be reinstated.
- **Adult/Civic responsibility Diversion program** which is required by those individuals who have committed a crime and are sentenced to complete a diversion class. This class occurs in either an eight hour session or 5 group sessions that are an hour and a half long.



With all of the expansion, PPEP currently now offers more than **42 groups a week, Monday- Saturday.**



In order to handle these services PPEP counseling employs some very experienced and educated staff: **Gina Judy**, MBA (CAO), **Carlyn Hacker**, MS, LISAC, CDVC III (Executive Director). **Tamara Zuniga**, MC, LPC (Clinical Director), and our Clinicians, **Harrell Goodman**, MC, LISAC, **Laura Thompson**, MC, LISAC, **Brenda Hanna**, MSW, LCSW, **Erin Kelly**, MS, LAMFT, **Susanna Villa**, MC, LAC, **Tamara Klein**, MA, **Kenneth Brown**, MC, **Amy Kirch**, BS, **Jose Acosta**, BA, **Jessica Rojas**, BS, **Miguel Zevallos**, BS, **David Martinez-Rivera**, BA, **Rachael Tineo-Javidan**, BA, and **Christy Charles**, BS, **Thomas Richeson**, BHT (Ajo), and **Terry Gentner**, Assoc (Ajo), and **Elliott Heiman**, MD (Ajo). Unfortunately this year two of our staff have left this department but remain on as per diem staff, **Raul Cruz**, and **Liz Rios**.

In addition, PPEP BHS has maintained a strong per diem staff and DUI instructors: **Laurie Mazerbo**, MA, LPC, and **Charolett Pepper** MA, LPC, **Lori Mitts**, BS.



Beyond the experienced staff of this department comes a **very dedicated and efficient support team**. These individuals work hard to make the client feel welcome, keep track of client attendance, bill for the services provided, and make sure most of the paperwork created in this department gets to where it is suppose to go. These individuals include: **Christine Valle**, **Jessica Quiroz**, **Kelly Patton**, **Shirley Hileman** (Ajo), **Marissa Zuniga**, and **Sonia Solis**.

**Department of Labor, Workforce Investment Act, Section 167,
National Farm Worker Jobs Program (NFJP), for Migrant and
Seasonal Farm Workers**

2009-2010

**Kari Hogan, Chief Administrative Officer
(With input from Barbara Simcoe, Field Operations Manager)**

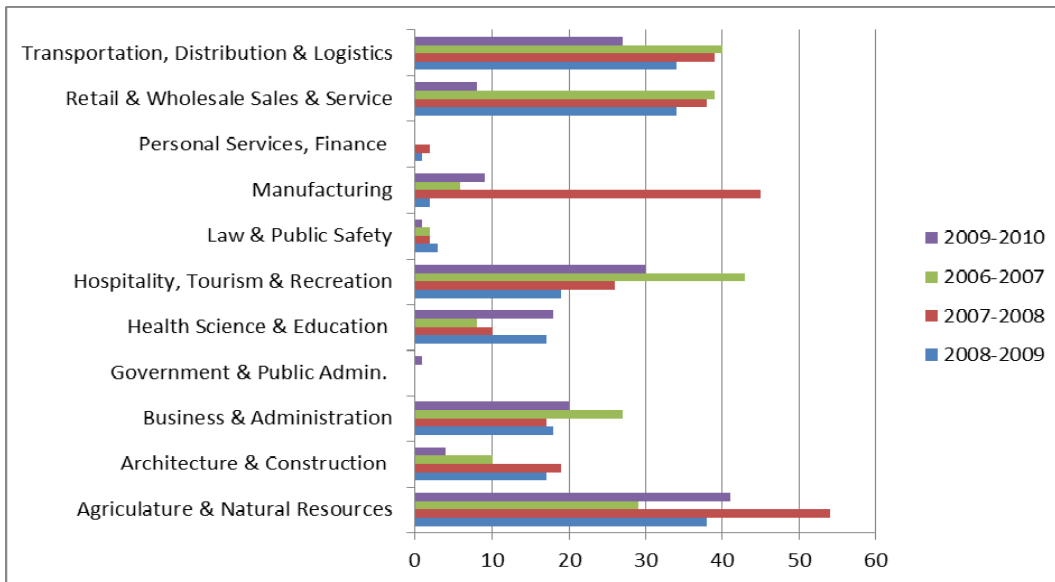


The WIA 167 Program continues to perform well despite economic hardships. This past year, the program experienced some staff turn-over, but the continued dedication and hard work done by all staff in serving Migrant and Seasonal Farmworkers and their families produced good programmatic results.

Overall, the farm-worker program did well in obtaining projected goals, in the face of a serious labor shortage in Arizona's agricultural industry and a very serious national recession. Staff met and exceeded enrollment goals with (105%), and met the placement goal for the year with (89%). Three hundred and eighty (380) new applicants were enrolled (and added to the 158 Carry-Over for 538 Total participants) with one hundred and seventy seven (177) placed in full time unsubsidized jobs. These numbers were very similar to last year's numbers, when 372 were enrolled and 183 placed.

Note on the AZ Labor Market: A Forecast Report from the AZ Dept. of Commerce predicts that non-farm jobs will increase slightly over the next ten years – +6.3%. The Industries expected to lose the most jobs will be Natural Resources & Mining (-21.7%), Information (-14%) and Construction (-13.2%). The Industries in Arizona that are expected to continue to grow include: Education & Health Services (+24.3%), Professional & Business Services (+26.1%) and Leisure & Hospitality (+9.8%). (from the AZ Workforce Informer's "Industry Projections:2008-18") Arizona industries expected to show a positive annual growth rate in 2010 include: Trade, Transportation & Utilities (.3%) and Education and Health Services (1.8%) (from the AZ Workforce Informer).

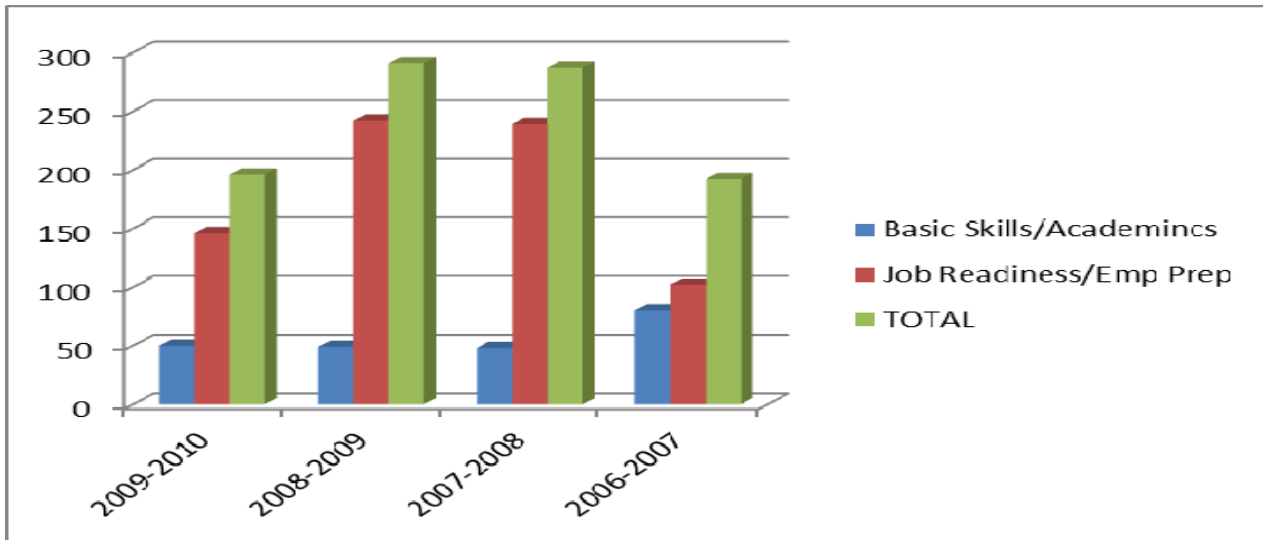
Five industries in Arizona continue to provide the most opportunities for NFJP job-seekers, in this order: 1.) Agriculture & Natural Resources, 2.) Hospitality, Tourism & Recreation, 3.) Transportation, Distribution & Logistics and 4.) Health Science & Education. The chart below shows placements over the past four grant years and shows that Arizona NFJP participants are, for the most part, being placed in high growth/high demand occupations with opportunities for growth.



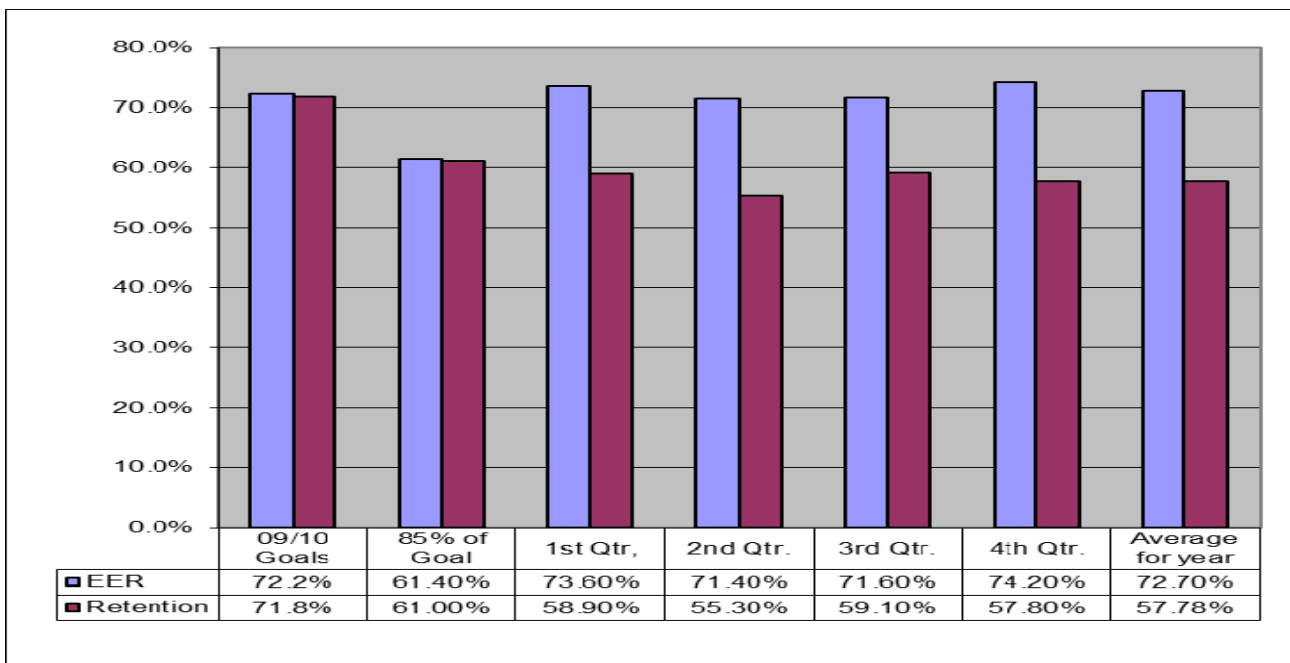
The program exceeded expectations in expanding the network of employers both Ag and non-Ag. Over 900 employers were contacted (908), with nearly a quarter of those contacted (201) being agricultural employers. NFJP staff made contact with over 400 Partner Agencies this year for referral services. NFJP staff continues to cross-refer to other PPEP programs, especially those in the Human Services Department, in order to leverage DOL funds. More than half of the program participants were referred to the local one-Stop Career Centers, but fewer than 5% were co-enrolled into WIA Adult or DW programs.

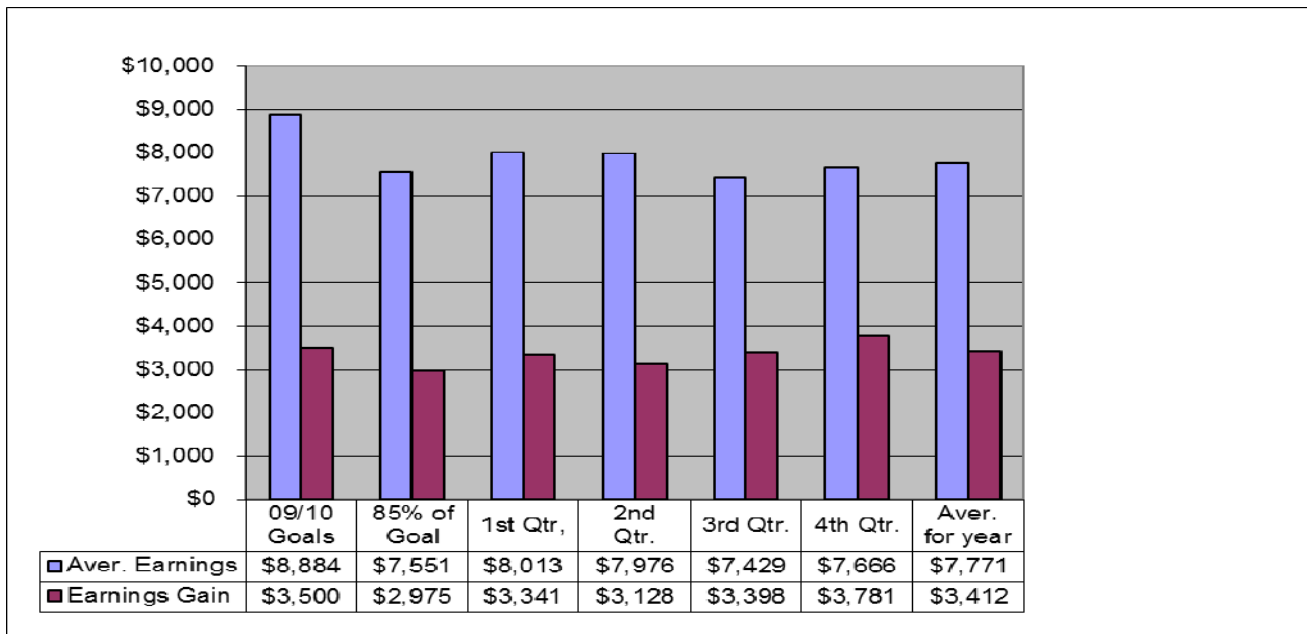
In total, 328 participants completed training for 105% of the goal attained. This number includes the 158 participants carried over from 08-09. Occupational (Classroom) Trainings were down this year, to the lowest level in the past four years, with only 72 participants receiving occupational training. The training provided most often in the past year was CDL A and B, as it has been in the past. OJTs and WEPs were also down, representing only one sixth of the overall trainings provided.

The number of participants receiving Basic Skills Training in 09-10 dipped to the second lowest level in four years. The number receiving Employment Preparation, or Job Readiness Training, was only 146 and the number receiving academic educations, such as GEDs, ESL, ABE, High School and College was 50.



As for Qualitative Goals, PPEP NFJP met Common Measures set for the WIA programs – Entered Employment Rate (EER) and Average Earnings 85% or above and Earnings Gained with 81%; however, Retention was lower than the 85%, the Dept. of Labor was happy with performance overall, considering the economic issues. The charts below shows this year’s quarters and our performance relative to the 85% goal of on each Measure.





Arizona salaries are down from last year, with the per capita income being \$32,935 in 2009, which was down \$1596.00 from the \$34339 average of 2008. The current average is 84.2% of the US average, ranking AZ as 43rd in the country. (from the AZ Workforce Informer)

Continuous Quality Improvement: Barb Simcoe, Field Operations Manager took the lead in forming a team to analyze the Retention situation and make recommendations on how improvements might be made. Using a Fishbone Diagram, the entire staff identified characteristics that could be explored that might cause the biggest impact on improving Retention and characteristics that could be impacted (not environmental and out of a person’s control).

Using a list of 510 “Participant Exits”, the team met to analyze the characteristics of 251 who retained their jobs, thus identifying “positive retention characteristics”. The most successful characteristics were: Dependents Aged 22-39, Received Occupational (Classroom) Training (Only 28% of the total “Exits” received occupational training) and/or Employed in a Non-Ag job post-exit.

On the flip-side, a few characteristics appear to make a participant “vulnerable” or likely to be unsuccessful at retention. The most vulnerable are: Long Term Ag workers, Those 21 and under, Basic Skills Deficient (who represented 76% of all exits) and/or Employed in an Ag job post-exit.

The Retention Team made the following recommendations, which will be instituted in the upcoming program year:

- ✓ Explain to vulnerable participants what they may be able to do, to improve their chances of job retention
- ✓ Focus on the “vulnerable” participants and provide more specialized services.
- ✓ Develop & provide workshops designed for younger participants, who may be new to the world of work, on what employers are looking for, what to expect, etc.

- ✓ Develop & provide workshops that include information on retirement choices and the financial benefits of working year-round (probably non-Ag) with medical benefits, etc.
- ✓ Strongly encourage those who are Basic Skills Deficient to enroll into basic skills training.
- ✓ Provide Job Readiness Training to job-ready participants in need of this training
- ✓ Provide career counseling & career exploration assistance to those who are eligible for occupational training
- ✓ During the Follow-up period, focus on the Retention quarters and help with re-employment, if necessary and obtain copy of paystubs.

Customer Satisfaction Surveys were mailed to the 399 participants who exited the program in 08-09. 346 surveys were received by participants. A return of 10% is considered good. A total of 45 were returned, for 13%, which is very good and better than last year.

Each survey has six questions with three responses to each, so a perfect score is 18. Twenty-six respondents, a little more than half, scored our services at 18! Overall, we scored an 85% overall, which is about a B+. Last year, we scored 94%, an A, so, there is room for improvement. The two lowest scored questions were # 2 and # 5 - the number of job leads received and timeliness or staying in contact with the participants.

The average score was 15.3 (out of 18). All of Yuma County scored above that, so a hearty "Congratulations" goes out to them!

Yuma County: Once the 2009 grant year was concluded, it was clear that, once again, the staff in Yuma County had done an outstanding job. The staff there include: Maricela Alvarado, Area Coordinator, and the following Workforce Development Specialists – Leticia Beltran, Jovanna Covarrubias (new hire), Aracely Escalante, Cesar Fandino, Catalina Guajardo (new hire), Cinthia Jacobo, Elsa Madrid and Alma Rojas.

Yuma staff enrolled a total of 280 new participants for 113 % of their area goals. This represented 75% of the statewide enrollments. As for placements, they found 142 jobs for farm workers for 87% of their area goals, representing 79 % of the total statewide placements.

Yuma County was listed as the second most "economically stressed" county (with populations over 25,000) in the nation, according to a report released in November by the *Associated Press*. The report looked at unemployment, foreclosures and bankruptcies to arrive at that conclusion. (The first on the list was Imperial County, CA and the other three from the top five are in Nevada.)

Success Stories: In Yuma County, where PPEP staff from NFJP, Youth Build, HEP and PMHDC teamed up to hold the **first ever Community Awareness Fair** at the Fernando Padilla Community Center in San Luis on September 29th. The event was an overwhelming success, serving approximately 184 farm workers and their families. Twenty-six local agencies and employers participated. A great motivational workshop was provided by Life Coach, Hector Pacheco, and over 30 door prizes were given out (all donated by local companies). A Power Point presentation on PPEP Success Stories was developed by the team with Jose Luis Sotelo from HEP offering the technical support. It ran on a screen throughout the event.

Feedback Received: “It is an amazing event; I have never attended one here in San Luis with so many different agencies”; “You had an overwhelming success since this was your first event”; “Very well organized”.

Thanks to a generous gesture by San Luis Mayor, Juan Carlos Escamilla, and the San Luis City Council, PPEP is now providing services in one convenient San Luis location. PPEP moved several of its local departments into one building – San Luis’ former Library Building, located at 731 N. First Avenue. It now houses PPEP’s Farmworker Jobs Program, Youth Build and PMHDC. An Open House was held on March 31st. A ribbon-cutting ceremony, entertainment and refreshments were enjoyed by about 150 people. There were tours of the building, which houses a computer lab and two large classrooms, as well as office space for PPEP staff. This event was also in celebration of PPEP’s 30 years of service in San Luis and served as a Kick-Off Event for the 2010 US Census.

Other Efforts in Yuma: On Sept. 10th, the Yuma County Staff, plus Kari Hogan and Barb Simcoe, attended the 4th Annual AZ/CA Agricultural Employer Seminar in Yuma. Kari was a speaker at the event, talking about Ag Upgrades & other NFJP services for Ag business Owners.

Customized Training: In October, PPEP staff met with Ricardo Escamilla, Executive Director, and Maria Mora, Office Manager, from Escamilla and Sons. Escamilla and Sons were setting up a kitchen for serving meals to the H2A Workers and needed to gear up for the lettuce season by hiring a crew of certified Food Handlers. Nine NFJP participants were sent to a shortened version of the Regional Center for Border Health’s Food Service Management class, with their tuition paid for by NFJP; eight graduated. Escamilla & Sons hired five Cooks and three Food Prep Workers. They also hired an Office Worker.

When disaster struck in San Luis and neighboring Mexico, PPEP staff in the Yuma area, set up collection centers in their offices, to support those left homeless after the 7.2 earthquake in San Luis Rio Colorado, Mexico on Easter Sunday. In an article in the *San Luis News*, Maricela Alvarado was interviewed and she told reporters that donations had been made by Federal Credit Union, Precious Treasures and Job Corps, as well as local citizens. The centers collected materials from April 7th through the 19th and city buses from the affected area carried the donations to the needy.

“Pima Plus” Counties (Maricopa, Pima, Pinal, Santa Cruz, Cochise, Graham, Greenlee): This past year, Polly Gutierrez, Area Coordinator, took over the management of Maricopa County, combining it with her responsibilities for the other six Counties, which are staffed by three Workforce Development Specialists: Rosa Garcia, Edgar Gonzales (new hire) and Frances Rascon. Her staff enrolled 96 participants for 64% of their enrollment goal and placed 38 for 37% of their placement goal.

Success Stories: : In late October, Barb Simcoe met with a representative of the Mexican Consulate in Cochise County, Leonardo Samaniego, and together they developed a contract between PPEP and the Consulate to provide Plaza

Comunitarias Adult Basic Ed) to farmworkers at the NFJP office in Wilcox. On April 6th, Barb Simcoe and Polly Gutierrez met with Mexican Consul, Oscar Antonio de la Torre Amescua, in Wilcox, to sign the agreement between PPEP, the Consulate and the National Institute for Adult Education, the Institute of Mexicans Abroad. The signing ceremony was witnessed by two press members, who later wrote articles about the new Plaza Comunitaria in the *Sierra Vista Herald* and the *Range News*. PPEP is providing classroom space and an Instructor, while the Mexican government provides the learning materials and an on-line student tracking system. PPEP hired Jesus “Rusty” Rascon, to be the new part-time instructor and he began teaching classes to nine NFJP enrollees in mid-April.

Other Efforts in Pima Plus: Frances Rascon made a very promising connection with a new partner, SEAGO, who received a \$1.5 Million for Green Jobs, under the Pathways Out of Poverty grant from US DOL to assist job-seekers in Cochise and Santa Cruz Counties. They will be offering ESL and ABE classes, combined with occupational skills training in green jobs. Another new partner, the Chiricahua Community Health Center, is now parking their mobile dental clinic, the “Molar Patroller”, in the Wilcox office parking lot, several days per month, this will help with walk ins and dental services to the community.

Statewide Staff Training & Technical Assistance Received:

In August, Kari Hogan, Barb Simcoe and Sandy Adams attended a USDOL Regional Meeting in San Francisco, CA. August 17-19th, the Annual NFJP Staff Training Conference was held in Tucson.

In October, management staff attended the Wafa Conference, held in Sacramento, CA. There, Kari Hogan, CAO of PPEP, awarded Mayor Escamilla of San Luis, AZ the Regional Association Wafa’s Humanitarian Award for his support of Arizona farmworker and programs. (See below)



Arizona hosted the AFOP National Conference, held Oct. 6th-8th in Carefree, AZ and all NFJP staff was in attendance and Job Developers began their professional certification program. Since Leonora De la Rosa, AFOP's "Migrant & Seasonal Farm-worker of the Year" was unable to attend the awards luncheon held during the AFOP Conference, a luncheon was held specifically during the November, all Staff meeting held at the MWC's Westside Career Center in Phoenix.

Her boss, Steve von Prisk, from AAA Landscape, and several of her relatives attended. Kari Hogan presented Leonora with the award and Steve thanked her for her "hard work" and "ability to perform so well in a male-dominated field". (See below.)



The Rocky Mt. HI Conference was held in San Diego in early February and all NFJP and WIA Job Developers attended, in order to continue their JD Certification Training with Mike Fazio. Other presentations included: Housing, Customer Service, prisoner Re-Entry and Updates from Washington.

Continuing throughout the year, statewide staff and management met to train on Continuous Quality Improvement, improved Stipend Process, eliminating data duplication, and retention. Other training included, one day training on Essentials of Communications & Collaboration, facilitated by National Seminars group, presented by Jenn Kaye.

Kari Hogan, Chief Administrative Officer

I would personally like to thank all of the NFJP staff for a job well done and to keep up the great work. I would especially like to thank my Field Operations Managers, Sandy Adams, and Barb Simcoe, and Data Coordinator Dora Coronado for all of their invaluable service and keeping it all on track. I couldn't do it without them.

"Life is what lies behind us and what lies before us. They are tiny matters compared to what lies within us" (unknown)

PPEP, Inc
Pima County One Stop/Workforce Investment Act (WIA)
Program & YPIC Dislocated Worker and ARRA Dislocated Worker
Programs

Annual Report 2009-2010

In 2009 PPEP continued to be one of the largest WIA grant sub-contractors in Pima County with workforce contracts and continues to be the sole contractor for all WIA On-The-Job Training contracts, other than the county itself. PPEP added a new contract this year, having successfully submitted a grant proposal to the One-Stop in Yuma, known as YPIC. It began under WIA ARRA and was continued, after another grant application was successful. This grant serves dislocated workers in Yuma County under WIA.

PIMA COUNTY:

PPEP's Pima team continues to provide Pima County residents with career counseling; employment preparation; vocational, professional, or other job training; job placement services; and follow up services. They serve Adult, Dislocated, Older Youth, Voc. Rehab and Veterans throughout Pima County with emphasis on rural areas of the County.

In 2009-2010 our team consisted of:

Mary Palma – OJT Coordinator
Grace Askew – Workforce Development Specialist (DES)
David Rodriguez - Workforce Development Specialist (Rural)
Maxine Acevedo– Workforce Specialist (Rural)
Oscar Romero – Workforce Development Specialist (One Stop)
Yvette Cruz – Program Support Specialist (One Stop)
Jon Lotz – Program Support Specialist (One-Stop)
Margaret Slaughter – Curriculum Specialist (One Stop)
Barbara Simcoe – Operations Manager
Kari Hogan – Chief Administrative Officer

This past year, the team once again produced outstanding results. Due to the economic down-turn for the second year in a row, the staff found themselves extremely busy with new applicants and enrollments. There were 468 Carry-Overs (more than the original contract for new enrollments) and the four WFDS' enrolled 405 new participants (45 over the goal). Nearly 60 OJT contracts were developed. It is important to note that staff more than doubled our contracted amount in order to serve people in need.

	Enrollments	Job Placement	# within WIB Target Industries	Average Wage
@ DES and One Stop	237	142	114	11.96
Rural	168	97	95	14.55
Total	405	239	209	13.76

* Average taken from all monthly reports, not an average of the two areas.

After School and Summer Youth: This past year under Pima County, we were awarded Summer Youth program monies for Basic Education and Work Experience. Overall, we served a total of 40 students in Work Experience and 60 students in Basic Skills, within the Marana area. This year's WEP program had great results with 90% of the Youth meeting and exceeding the Work readiness component and 3 being placed in permanent positions at the end of the summer. Our efforts were strengthened by staff teamwork the temporary staff that worked with them for a comprehensive approach. With the after school program and working with PPEP Tec Robles Junction, 16 students completed the after school program with great success and earning credits in classes they were behind in. Because of this program, one student was able to make up enough credits, in order to graduate with her senior class this past spring.

Older Workers Program: With the Pima County Senior Program we continue to work with seniors age 55 and older on employment and training objectives. This program is very successful and classes are always full. This program is aptly managed by Margaret Slaughter and located at the Kino Service Center.

YUMA COUNTY/YPIC:

The Yuma County grants are relatively small. The first was for full services, including Intensive, Training and Follow-up services being provided to 45 Dislocated Workers, under the ARRA Dislocated Worker grant. Once the ARRA monies were depleted, the second grant contract was developed with the same level of services being offered to 25 Dislocated Workers and the first few ARRA enrollees, who were still enrolled, were rolled over into the new grant, which began on July 1st (and ends on June 30, 2011).

Due to the size of the grant, there is only one staff that works under this grant. She is supported by other PPEP staff in the area of Somerton. PPEP hired La Linda Vasquez to be the Workforce Development Specialist; she works in PPEP's Somerton Office, but serves South County and Yuma County as a whole. Our Field Manager, Barbara Simcoe supervises this program, as well as well as others. Under this contract, PPEP is dependent upon YPIC for the referral of eligible DWs to the program. Currently there are 11 new participants, who have been enrolled between January and June of 2010 and four were placed at an Average Wage of \$13.38. Participants have been trained in Commercial Driver's License programs,

Medical Assistant, and Adult Basic Education/GED-preparation classes, to name a few. Though the caseload is small, we expect to reach the enrollment goals by the end of the year. More importantly, through this grant, PPEP has established itself as a reliable contractor for YPIC. Next year, we hope to apply for the YPIC youth grants, in order to offer new services and expand our services to the at risk youth populations.

Looking to the future: PPEP's programs are off to a good start this year with enrollments and training. We look forward to continuing quality services to Pima County and Yuma County residents, with the same comprehensive employment and training services as in the past. We continue to outreach and recruit in very remote and rural areas, in order give all residents an opportunity to achieve the "American dream". We look to new economic development trends within our state and counties that will hopefully bring new employment opportunities in each of them.

Se Se pudo!

Kari Hogan
Chief Administrative Officer

Barb Simcoe
Field Operations Manager



Dr. John David Arnold and Kari Hogan at the AFOP Conference – San Diego, California

PPEP & Affiliates
Human Services/Community Action Department
Annual Report 2009-2010



The Community Action Department continues in true fashion when it comes to helping rural residents and farmworkers across the state and into Mexico. This past year there was devastating earthquakes and other natural disasters that called for the help of the Human Services Community Action Department. As pictured above, staff and volunteers are getting ready to ship donations to those victims of the devastating earthquake that hit San Luis, Arizona and San Luis Sonora this past year.

Not only does this department continue with disaster relief efforts, but they also provide emergency assistance to rural residents in need of, such services as rental assistance, utility assistance, food, clothing, transportation, day care and employment. Last year in Pima county the Human Services department was awarded an additional \$27,500 in ARRA dollars under FEMA to provide additional assistance with rent and utilities to those individual that were facing unemployment due to layoffs in Pima County. Services under this department spread far and wide to serve low income, rural families across the county.



Picture here is our smallest volunteer

In Pima County, in the town of Ajo, PPEP provides services to the elderly, through case management services. With a single Case Manager, this program makes sure that the 18 families or individuals enrolled, receive information, referral to additional services and that their needs are met for continued self sufficiency. In other parts of rural Pima County there was a total of \$78,000 under the ESN grants (rent and utilities) that served 118 families with an average of \$661 per family on emergency services.

Under the CSBG (Community Service Block Grant) we are able to help and serve individuals across the 9 counties in the state in which we work and provide service. Under this contract through the State of Arizona, PPEP is able to work with low income farmworkers through intensive case management with those who have dependent children with emergency assistance, job development and long term case management for a path to self sufficiency. In the past year this department brought in over \$185,676 just in voucher money in state funds, \$34,925 for local community food banks in four counties, and a total of \$468,754 between all of the Human Services contracts to support staff and program. There were a total of 243 low-income households served throughout the counties.



Portable Practical Educational Preparation, Inc. High School Equivalency Program (HEP)

201 N. Bingham Ave. Suite 6
P.O. Box 499
Somerton, AZ 85350

John David Arnold, Ph.D.
Chief Executive Officer & Founder

“Si Se Pudo”

Jimmy Pruitt
PPEP-HEP Director



PPEP-HEP is now in its tenth year. PPEP-HEP's goal is, “to improve the quality of life for migrant and seasonal farmworkers in rural areas through an educational program, which allows them to obtain a GED and to gain academic and vocational skills”. These skills, which they develop, will allow them to have more access to jobs outside agriculture, or to have job enhancements within agriculture.

In southern Yuma County (San Luis and Somerton areas), migrant and seasonal farmworkers are characterized by low levels of education, few job skills, and low income. The typical farmworker feels resigned to a life of working in the fields and packinghouses with little, if any, hope of ever escaping from working in agriculture. Working in the fields and in cold salad plants, many farmworkers develop arthritis in their hands and knees. Others, due to poor diets, develop diabetes. PPEP-HEP has coordinated with other agencies, Campesinos Sin Fronteras, Border Health Foundation, Regional Center for Border Health, Inc., and the Yuma County Health Department, to have their representatives do presentations to our HEP students in order to inform them of services which are available to them. In addition, Arizona Western College provides instruction in a college orientation

class for our HEP students; recently they began to offer a bilingual basic computer class, in which many of our HEP students have enrolled. At the present time, PPEP-HEP students have access to computer use at PPEP-TEC Charter High Schools in both San Luis and Somerton where we conduct classes in the evenings, where they can practice gaining computer skills. Recently, we coordinated with the Yuma Private Industry Council to be able to send our HEP students to their Somerton facility, where they will be helped to write a resume and shown how to look for a job using the Job Bank on the Internet. Our PPEP-National Farmworker Jobs Program (NFJP) assists HEP students to enroll in vocational training programs upon completion of the HEP program.

PPEP-HEP has four fulltime staff that do recruiting for the program and assist students in properly filling out job applications, making appointments, and doing the required paperwork for job interviews. Students, who gain employment, have access to receive help from other PPEP agencies.

PPEP-HEP has three cohorts per year, with each cohort lasting 14 weeks. Students attend classes from Monday- Thursday and have the option to attend classes from 8:00 a.m. to 12:00 p.m. in Somerton at the HEP office or to attend from 6:00 p.m. to 10:00 p.m. at either of the PPEP-TEC Charter High Schools in Somerton or San Luis. For students, who are going to continue to work in agriculture, classes are available on prevention of pesticide poisoning and commercial driver's license preparation. These classes are taught by PPEP's NFJP staff, which has successfully placed many HEP graduates who went through the Commercial Drivers License (CDL) program in agriculture upgrades.

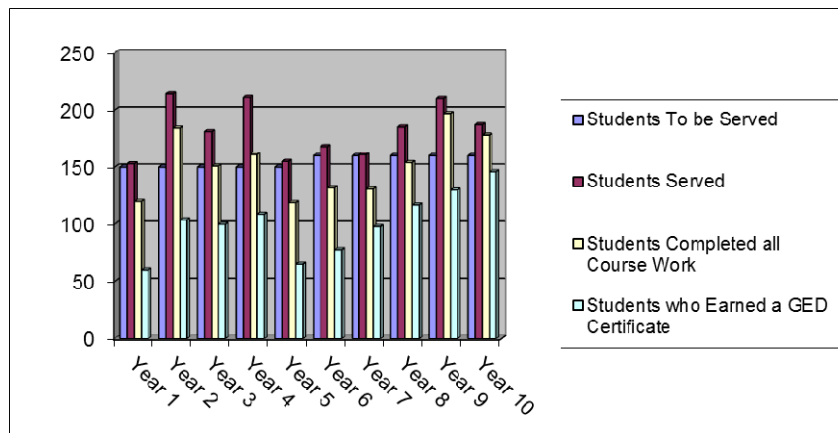
As one might imagine, many of the PPEP-HEP students are married and have families. Working, studying, and sharing time with families, all can contribute to a great deal of stress on family members. Our PPEP Mental Health and Counseling Division has services available to HEP students, to help them develop skills to resolve personal and every day problems.

Southern Yuma County has approximately 47,000 migrant and seasonal farmworkers, and the HEP program offers hope to a previously underserved agricultural community. Both Somerton and San Luis are growing at rapid rates and community resources are stretched thin. To maximize our HEP resources, we have collaborated with other local agencies to better serve our agriculture community.

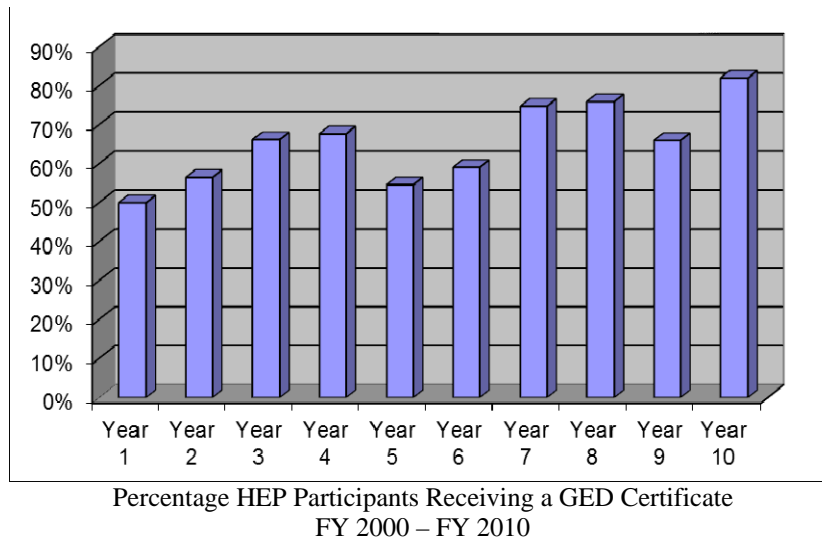
For FY 2009-2010, PPEP-HEP served 187 students (117% of number to be served). Of the 187 served, 178 (95%) completed the program and tested. Of the 178 who tested, 146 (82%) passed the GED examination. Fifty five of the graduates (38%) have applied for financial aid and for admission to Arizona Western College. Forty seven (32%) have received job enhancements.

In the first ten years PPEP-HEP has served 1,825 students, 1,007 have successfully completed the program and received their GED, and 517 have gone on to an institution of higher education .

PPEP - High School Equivalency Program												
Prior Experience Progress Data												
FY 2000 - FY 2010												
Year	Students To be Served	Students Served	Students Completed all Course Work	Students who Earned a GED Certificate	Percentage of Students who Completed all Course Work and Received a GED Certificate	Number of HEP GED Recipients Who Were Placed in:						Percentage of Placements over Graduates
						Post Secondary Education	Other Post Secondary Training	A Career Position	The Military	Total Placements		
Year 1	150	153	120	60	50%	25	10	5	0	40	67%	
Year 2	150	214	184	104	57%	41	13	25	2	81	78%	
Year 3	150	181	151	100	66%	49	2	31	1	83	83%	
Year 4	150	211	161	109	68%	64	10	23	2	99	91%	
Year 5	150	155	119	65	55%	51	4	6	0	61	94%	
Year 6	160	168	132	78	59%	28	0	22	0	50	64%	
Year 7	160	161	131	98	75%	73	1	22	0	96	98%	
Year 8	160	185	154	117	76%	85	0	17	0	102	87%	
Year 9	160	210	197	130	66%	46	0	23	0	69	53%	
Year 10	160	187	178	146	82%	55	0	47	0	102	70%	
Totals	1550	1825	1527	1007	66%	517	40	221	5	783	78%	



Number of Students
FY 2000 - FY 2010



In February of 2010, PPEP applied for refunding of the HEP program. There were 52 grant applications submitted to the U.S. Department of Education, Office of Migrant Education. Congress had approved \$5.7 million dollars to fund 14 new HEP programs. On August 20, 2010, PPEP received notification that their HEP program was one of the 14 new grantees, and the program was funded for another five years.

The PPEP-HEP program being refunded meant that PPEP can continue to help our migrant and seasonal farmworkers and their families to have the opportunity to seek a better way of life in rural Arizona. In addition, Arizona Western College was notified that the college was awarded a College Assistance Migrant Program (CAMP) grant. PPEP-HEP graduates will now have the opportunity to apply for admission to a CAMP program close to their home and be able to enroll at an Institution of Higher Learning and have tutors and access to additional financial aid. The education horizon is much brighter for our HEP students here in rural Arizona.

PPEP-HEP is fortunate to be able to offer the services, such as the NFJP program, Housing and Microbusiness Division, and the Mental Health and the Human Resource Division, which are all a part of PPEP, Inc. In essence, PPEP-HEP takes a multiagency approach to help our farmworkers to get their GED's and to continue their education afterwards.

In conclusion, the HEP program is having a positive effect on our farmworker community by helping them to be better educated and better informed on pertinent issues, which hopefully, will give them the self-esteem and desire to become involved within their communities.

Kari Hogan
Chief Administrative Officer

Jimmy Pruitt
Program Director

PPEP, INC
ARIVACACOMMUNITYGARDEN

Annual Report 2009-2010

BLESSING THE GARDEN BY NANA "THE KING" of Ghana



The Arivaca Community Garden is approaching its twelfth year of operation. This program continues in a forward direction with amazing improvements. Shown above is the King of Ghana along with Garden Manager Bill Stern and community members blessing the garden and its yields. This was a historic event and brought many visitors to the Arivaca Community Garden.

With land surveys behind us, the Arivaca Community Garden is now just a little over four acres, producing organic vegetables. The garden has grown into a very well

equipped operation, with three greenhouses, an extensive irrigation system, and all the tools needed to produce high quality, certified organic vegetables.

This past year we were able to purchase a new riding mower that will cut time in half, with the upkeep of the garden land and the surrounding planting areas. We were able to build a walk-in cooler that now keeps fresh vegetable until they are ready to go to market to be sold or taken to the local community food bank in Green Valley and Amado. This past year, because we were able to keep food longer, we were able to increase our output to low income residents in the surrounding area, by developing two additional markets. These were in Sahurita, Arizona and the town of Arivaca. We now have three market totals in which we supply organic vegetables. This is in part due to volunteers that help work the local market in Arivaca on Saturdays so the people of that community have access to healthy food.



As you can see from the picture above, we are able to grow a diverse variety of vegetables, from peppers, to lettuce, cucumbers, tomatoes, squash, sugar peas, broccoli and others. For all the improvements to our operation this year, still proves that farming is an endeavor that ultimately relies on the weather and environmental conditions. Like each year it has been a challenge in almost every way. But, among all the struggles we had another great season. It continues to be a great personal experience, raises money for the program, and supports the production and sale of locally produced food.

As in the past the Arivaca Community Garden continues to participate in the “World Wide Opportunities on Organic Farms” (WWOOF) network. This program has drawn guest workers from around the world to our program where they help out and learn what we do. This past year, in addition to the accommodations we provide to the guest workers, we have now built a shower house and laundry facility on the property. This new building has an additional bathroom, shower and washer available to those who stay and volunteer. We have also been approached by schools from New Mexico that would like to bring out students for a four day camp and learn about organic farming. Because of this new building that we were able to build due to fundraising, we can now accommodate those learning opportunities.

Farming is always a learning experience and this year provided many lessons and opportunities to improve the job we do at the garden. Each year Bill Stern and staff attend training with others from around the county to learn more about organic gardening, farmers markets, cooling/refrigeration units, etc. Their wealth of knowledge continues to enhance the Arivaca garden project and bring new and innovative ideas to the table.

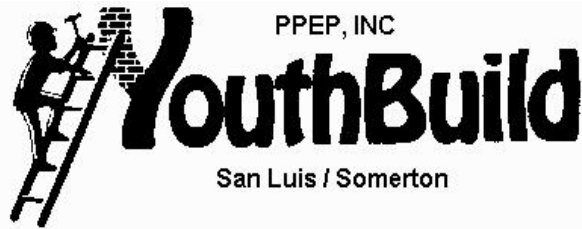
As you can see from the picture below, Mother Nature was fairly good to us this past year. Picture below is Dr. Cousins and his wife, along with Garden Manager Bill Stern admiring our bountiful produced this past year. Because of our good fortune the garden was able to raise over 8,000 in revenue from sales of organic vegetables and donated over 3,000 pounds of fresh vegetables to the local food banks and food pantries. Each year from our tomato harvest we work with the locals, with a canning drive where food is canned and then given to those who volunteer and to other low income in the community.



And of course our last picture here shows the community along with “Nana” King of Ghana, Dr. Arnold and Bill Stern. This is truly a community projects and we look forward to many more harvests and providing healthy foods to low income communities.



Kari Hogan, Executive Director



**Kari Hogan,
Chief Administrative Officer**

“If your actions inspire others to dream more, learn more, do more and become more, you are a leader, for the very essence of leadership is that you have a vision”



Pictured above is our sixth YouthBuild group of graduates. Over the past year the PPEP Youthbuild program graduated another two Youthbuild groups for a total of 65 at-risk youth to date. Each year, on average, the YouthBuild Students, along with PPEP Construction Supervisor, build three affordable homes. These homes go to lower income families, who otherwise may not be able to afford a home.



In the past eight years the Youthbuild program in conjunction with Comité de Bienstar, has completed a total 17 homes and finished numerous rehabs to many other low income homes. Pictured above are the 2009 graduating class and a home they had just finished for a family in San Luis.

Last year, students participated in many community projects. One project was the US Census. In partnership with the City of San Luis and the Mayor, students helped get the word out to the citizens of South County. According to Census workers it was one of the largest turnouts ever for the census.

Picture below is the Annual Día Del Campesinos Day in San Luis Arizona where NFJP staff and youth from Youthbuild work together to get information and services out to the farmworkers in the area. They are up at 3am to start setting up and then talk with over 2,000 farmworkers that will pass through for information on community services. This is just one of the community service projects that youth are involved in.



In the picture below, Youthbuild students are with children from the Casa Bethel orphanage. Each year Youthbuild student's work to fundraise in order to purchase needed school supplies for the orphanage children. They stay for the day and play games, cook hot dogs and interact with the school age children. It is a day they will all remember for a long time.



Community Service is such a large part of the Youthbuild program. This past year students participated in project's with Campesinos Sin Fronteras, LULAC, Saint Frances Church, City of Yuma Neighborhood program and many others. This past year also brought recognition to the group, working with the City of San Luis. Students in this past group helped to complete the remodeling of the City Court building, where the judge was very appreciative of their help and their workmanship.

We have touched the lives of so many families and young people with positive contributions through this program. Throughout the last year students completion levels increased to 80% of students achieving their GED prior to program completion. Because we follow students for two years, those that fall short of completion of their GED continue with the GED instructor Norma Franco. With tutoring they are able to complete and obtain their GED. With the classes that ended this past year, six Youthbuild students are attending the local community college at AWC.

In the picture below Youthbuild students are listening to construction supervisor Ernesto Gomez, while teaching their AWC class in construction safety and Math class (PACT). Mr. Gomez has now been with the program four years and has done an outstanding job teaching youth how to build houses. This past year he became certified through with the local community college to teach the construction certificate program that the Youthbuild program offers during the program as well as

leadership development. There is teamwork always between staff and the youth that participate in this program.



Project PPEP Youthbuild students are involved in their community. There were many opportunities for leadership activities in the youthbuild program and because of staff efforts and the administrative leadership of Kari Hogan; PPEP Youthbuild was able to secure funds from the City of San Luis again this past year in the amount of \$50,000. These funds are important in the leveraging of other program dollars and give additional opportunity to the youth enrolled in the program.

Overall the Youthbuild Program continues to meet its goals. Because of this we continue to receive funding from Youthbuild USA for Career development and applied for AmeriCorps funding for post-secondary education.

We continue to have dedicated staff that work this program, to ensure a positive and safe environment for our at risk youth that are ready for the next level. We are proud of our program, staff and students. Thank you to all who have supported and participated in the Youthbuild program.

Kari Hogan
Chief Administrative Officer



PPEP Microbusiness and Housing Development Corporation



PMHDC Staff with Robert Blaney, SBA and Elizabeth Echols, SBA

Microloan and Housing Loan Funds and Microloan Technical Assistance Report for the period ending June 30, 2010

Jim Stewart, Executive Director

PPEP MICROBUSINESS AND HOUSING DEVELOPMENT CORPORATION

The fiscal year ended June 30, 2010 was a challenging year for PMHDC and was highlighted by change and improvements. Most importantly, in all of the markets we serve it was a year of much closer contact with our clients during this period of economic hardship and the border crisis environment we continue to experience. The year also brought management changes in the Executive Director and Multi-Family Housing Coordinator positions.

Microbusiness Lending Activities

One of the biggest accomplishments PMHDC had during the FYE 6/30/2010 was identifying the needs of the border clients and analyzing the strategies that can be implemented to help those businesses remain in business. We conducted business economic crisis intervention with our clients and PPEP Microbusiness & Housing Development Corporation took time to analyze the current economic situation in the border communities that it serves. An analysis was done by spending a considerable amount of technical assistance hours reviewing business operations, examining businesses from the client's point of view and becoming increasingly familiar with specific border company needs. During the review, Community Development Officers found that most businesses were seeking assistance to overcome declining revenue problems rather than assistance for growth due to Mexico border violence reducing the flow of customers to the Arizona side of the border where the businesses are located. Another factor affecting small business owners in the rural areas is the continuing severe unemployment rate in the border communities which obviously is one of the factors causing declining business revenues. The result has been declining sales resulting in smaller cash flows. The research led PMHDC to offer specific financial analysis technical assistance and PMHDC began offering a five day course that includes the following topics:

- Personal financial planning and budgeting
- Business cash flow planning
- Projecting cash flow from operations
- Break even analysis
- Financial form preparation (Balance sheet, P&L, Cash Flow Statement)

This specialized training was tested in the border town of San Luis, Arizona and the evaluations received on the training program indicated it was what the business owners needed and wanted. This training is now being expanded to all PMHDC service areas along the border.

A significant result of our efforts to develop a closer relationship with our clients as we focused full time on technical assistance to assist them with their problems was the delinquency rate in our SBA loan portfolio which decreased from 35% at 12/31/2009 to less than 15% at fiscal year end. While our delinquency rate has

been cut by more than 50%, we note that the border business problems remain and we continue to focus on the need to remain close to our clients and provide technical assistance to benefit them as best we can during this difficult time.

The fiscal year was also characterized by very low loan demand due to the prevailing economic and border violence business crisis. Additionally, PMHDC virtually abandoned loan growth efforts as time was devoted to working diligently on client counseling and lowering delinquency rates. We have now begun refocusing on our business development effort and our pre-pipeline activity is now increasing significantly. At FYE 2010 we had 102 loan candidates who had recently initiated some type of technical assistance training with us to learn the loan application process, complete a business plan and eventually submit a formal application.

The problems related to the difficult economic environment and the serious border crisis challenges remain as we completed the 2010 fiscal year and we remain diligently committed to assisting our clients and continuing to seek new lending opportunities in the border markets.

At June 30, 2010, PMHDC had outstanding loans of \$4,401,074, up slightly from the previous fiscal year end total of \$4,155,968. Notes payable to funding sources totaled \$3,225,259.

PMHDC'S FUNDING SOURCES ARE AS FOLLOWS:

Small Business Administration MICRO Loan Funds:

The Small Business Administration/MICRO Loan Fund is made up of three separate loans made to PMHDC. The outstanding balance at June 30, 2010 to the SBA on these three loans is \$619,267. Loans receivable on these funds totaled \$481,662 at fiscal year end and represented 94 loans. SBA Microbusiness loans past due 30+ days at fiscal year end totaled \$69,914 (14.5%)

Social Program Related Investment Fund (SPRIF):

This fund is made up of three social investments, which include the Seton Enablement Fund, SSM International Finance and Sisters of Saint Francis of Philadelphia. Outstanding loans by PMHDC using this fund totaled \$194,703 at June 30, 2010 and consisted of 2 loans.

Rural Development:

This loan fund was established for the border areas of Douglas, Nogales and San Luis. The \$165,000 RD grant was made to PMHDC in May of 1996. Under the grant guidelines, these funds can only be used in these three border communities. As of June 30, 2010, outstanding loans totaled \$98,885 as represented by 8 loans.

United States Department of Agriculture Intermediary Relending Program:

The Intermediary Relending Program (IRP) is a program of Rural Development. Funds are intended to be used for pre and site development housing opportunities

for low-to-moderate income families as well as to create sustainable small businesses with loans of up to \$150,000. Under five separate funds loaned to PMHDC, there are 20 loans utilizing IRP funds with total loans outstanding of \$2,174,547 as of June 30, 2010. Total notes payable to Rural Development \$2,174,547 at fiscal year end.

Economic Development Administration (EDA) Bridge Fund:

This federal funded bridge fund pro-actively develops new jobs for low income individuals and minorities by nurturing the start up and sustainability of microenterprises as they expand and enter their new stage of development and full-time job creation by providing bridge loans. EDA approved an initial \$300,000 investment and EDA #2 in the amount of \$500,000 for the CDFI. As of June 30, 2010 there were 11 loans with principal outstanding totaling \$301,145.

PMHDC Equity Fund (CDFI):

Original equity investments were made by the U.S. Treasury (\$250,000) and a \$250,000 investment made by Wells Fargo Bank totaled \$500,000. There are four loans in this portfolio totaling \$163,195.

Rural Housing and Economic Development (RHED I) (HUD)

RHED I: was originally made available to PMHDC to infuse into construction loan funds to help self-help borrowers and non-profit builders proposing to develop affordable housing in rural Arizona.

RHED II was requested to provide economic development assistance to retain and expand existing small businesses and micro enterprises in need of developing or enhancing their technological and communication capabilities, helping them to bridge the digital divide. Businesses served through this initiative are located in the "Colonias" areas of Arizona along the US-Mexico border, also known as the Arizona Border Region Enterprise Community, which includes Douglas, Nogales and San Luis.

RHED III was a grant for the acquisition, development, construction or renovation of housing serving elderly, developmentally disabled adults, farm workers and other special populations residing in the Arizona Border Region Enterprise Community.

RHED IV was designed to support the Colonias within the Arizona Border Region Enterprise Community and other small distressed communities (populations below 2,500) for the development of their capacity to carry out housing and economic development projects.

The RHED loan fund now has 13 outstanding loans totaling \$796,493 at fiscal year end. Additional funds totaling \$539,863 are still available to lend. These funds provide short-term pre-development loans to Arizona housing organizations for their self-help housing programs.

Wells Fargo Blend Fund:

This product provides low-income families with financing for new homes in cooperation with Rural Development's 502 program. The financing was originally secured with a \$600,000 loan with Wells Fargo Bank. The outstanding portfolio now totals \$24,735 with 2 families receiving this blend financing. PMHDC has previously financed 18 single family loans under this project.

LOAN DELINQUENCY SUMMARY

Statistics for PHMDC's total loan portfolio (155 active accounts) as of June 30, 2010, were as follows:

DAYS DELINQUENT	31-60	61-90	91-120	120+
PORTFOLIO @ RISK	\$24,819	\$35,681	0	\$460,878
% OF PORTFOLIO	.56%	.81%	0	10.8%%
# OF ACCOUNTS	7	3	0	13
% OF ALL ACCOUNTS	4.5%	1.9%	0	8.4%

These delinquent accounts were comprised of both small and large loans, with original loan amounts ranging from several thousand dollars to \$150,000. The collapse of the housing industry, the related decline of the economy, and the implementation of Arizona's Employer's Sanction Law all had an impact on loan clients and their ability to stay current with their loan payments. Staff members dedicated many hours to collection efforts during the year. They have worked with clients to restructure their obligations and provided additional technical assistance regarding their business operations whenever possible.

Charge-offs for the year included 15 accounts totaling \$111,432. These accounts referred for charge-off by the Internal Loan Review Committee were reviewed and were approved as bad debt. All collateral associated with these accounts as well as the promissory notes and all other legal documents are being collected and readied for appropriate legal action; in some cases, legal action has already begun. All of the accounts have been reported to the Experian credit bureau.

During the same time, previously charged-off accounts were aggressively pursued by staff and by our attorneys. Efforts resulted in \$8,628 being recovered.

Technical Assistance Report

In addition to technical assistance provided one-on-one to clients, PHMDC also provided assistance through three programs: SBA Prime training, and the Border Business Resource Center (incubator) in Douglas. Between July 1, 2009 and June

30, 2010 PMHDC staff devoted 4,052 hours of technical assistance to 159 existing clients and 271 potential clients. PMHDC also offers training webinars presented in both Spanish and English.

Border Business Resource Center, Douglas

The BBRC reported 39 jobs created through its services, which includes loans, counseling, training, and incubator space. Clients may be tenant members of the incubator or affiliates who use the services but do not rent space.

Tides Foundation

PMHDC received a grant from the Tides Foundation during the fiscal year in the amount of \$40,000. The funds are to be loaned to Microbusiness borrowers.

HISTORICAL INFORMATION—PMHDC LOAN ACTIVITY
A CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION AND A
COMMUNITY DEVELOPMENT ENTITY
PROGRAM STATISTICS

July 1, 2009– June 30, 2010

First-time Loans Funded: 14 (\$94,500)

Subsequent Loans Funded: 8 (\$64,200)

Small Business Loans Funded (25,000+): 1 (\$76,500)

Community Facility Loans: 3 (\$380,000)

Percentage Of Women-Owned Enterprises: 45%

PMHDC Loan Portfolio: \$4,401,048

January 1987 through June 2010

AMOUNT INVESTED: \$22,919,380

AVERAGE INVESTMENT: \$6,547

TOTAL NUMBER OF FIRST-TIME LOANS: 1,532

TOTAL NUMBER OF ALL INVESTMENTS: 3,501

HISTORICAL LOSSES: \$2,169,996 (9.4%)

RECOVERY PROGRAM-TO-DATE: \$182,168 (8.3%)

Housing Development Activities

As a member of the USDA Farm Labor Technical Assistance Rocky Mountain/Hawaii Coalition Consortium, PPEP Microbusiness and Housing Development Corporation (PMHDC) is very active in outreaching, marketing and establishing partners for the USDA – Rural Development Farm Labor Housing programs.

The Farm Labor Housing Program has been very successful this year in providing Technical Assistance (T/A) to Housing America Corporation (HAC) by preparing applications for financial assistance to substantially rehabilitate two USDA – Rural Development (RD), Section 514/516 properties in the Yuma, Arizona area.

On July 15, 2010, PMHDC submitted to HAC an application in the amount of \$233,520 to rehabilitate the Orchid Street Apartments in Somerton, Arizona. Also, on July 15, 2010, PMHDC submitted to HAC an application in the amount of \$446,800 to rehabilitate the Colorado Street Apartments in Yuma, Arizona.

Both applications were subsequently submitted to the Rural Development office in Phoenix, Arizona and we are awaiting approval of the Multi-Family Housing Revitalization Demonstration Program (MPR) loans for these aging properties.

PMHDC also has an aging USDA – RD Section 515, multi family housing property in their portfolio. On August 10, 2010, PMHDC submitted an application for financial assistance in the amount of \$422,356 to rehabilitate El Memorial de Don Frew Apartments, Marana, Arizona and as above, we are anxiously awaiting approval of a long term, subsidized loan to revitalize the asset for the benefit of the tenants and the community. Currently, the HUD Section 8 project based program is in compliance with Arizona Housing Authority. The property has maintained 100% occupied units for the first quarter 2011.

During this fiscal year, PMHDC has submitted applications for financial assistance that exceed over \$1,100,000.

PMHDC has been eagerly involved in marketing the remaining two homes that are for sale in Quail Run Community Subdivision in Douglas, Arizona. I am pleased to announce that on October 1, 2010 the dwelling located at 2710 E. 6th Street, Douglas, Arizona was purchased by a very deserving household with the assistance of leveraged financing - a subsidized loan from USDA – Rural Development and forgivable loans from the Arizona Department of Housing and the U.S. Department of Housing and Urban Development (HUD). Hopefully the last remaining dwelling will be sold within the next quarter.

La Ramona Morales Apartments, in Benson, Arizona has completed the roof, parking lot, and exterior paint improvements. Additionally, new HVAC systems were installed this fiscal year. Currently, the HUD 202 /Section 8 Multi Family (MFH) program is in compliance with Arizona Housing Authority.

**SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM (SHOP)
PPEP-PMHDC QUARTERLY NARRATIVE REPORT ENDING 6/30/10
UPDATE AND PROGRESS REPORT
PERIOD OF April 1, 2010 –to- June 30, 2010
Grant Number: SHO2004**

INTRODUCTION

One of the requirements of Grant Number SHO2004 as agreed by PMHDC on Article V entitled “PERFORMANCE REPORT,” is to submit a quarterly report of the program in a timely manner in the form of (Form HUD 40215 or HUD Form 40220, and Form HUD 96010. PPEP Microbusiness and Housing Development Corporation, Inc. (PMHDC) is pleased to submit our UPDATE AND PROGRESS REPORT for the period of April 1, 2010 –to- June 30, 2010. This narrative report is comprised of the progress reports submitted to PMHDC by the Rocky Mountain/Hawaii Regional SHOP Consortium members and affiliates. We have also included in this narrative reports the REQUIRED HUD FORM 40217 for consortium members and affiliates. This report contains the suggested required format based on the goals and objectives of our proposed development of self-help housing, data elements of the projects, and financial progress reports.

From April 1, 2010 –to- June 30, 2010, PMHDC had been very busy providing administrative and direct program technical assistance services to our consortium members and affiliates in the areas of (1) Program Administration, (2) Completed TA on Project Schedule Revisions, (3) Financial Management, (4) Resolutions of issues in site development, (5) Preparation of Environmental Review Records (ERR) and Request for the Release of Funds (RROF) (6) Revising some of our underwriting policies to actually reflect the activities of the program and development of perfected project releases forms, (7) Capital development for Leveraging of other capital financing, and (8) Assisting in marketing the Arizona Self-Help revolving loan program for the Arizona Affiliates. TO DATE, PMHDC has successfully completed the ERR of 116 lots in our service area.

In Arizona and Colorado there are some challenges that have impacted the development schedule of our program because of the stagnant housing market. For example, lands are hard to find and if they are available, they are quite expensive; furthermore, mortgages are also hard to find to acquire our homes; and feasible and affordable lots for development are sometimes environmentally challenging to complete the ERR; and finally, more homes are for sale that are in foreclosure than lands.

SHOP ADMINISTRATIVE & PROGRAM ACTIVITIES

(A) ACCOMPLISHMENTS IN PROGRAM ADMINISTRATION – April 1, 2010 – to- June 30, 2010

PMHDC has provided countless hours of technical assistance (TA) to both Consortium members and affiliates in direct program and administrative activities such as:

Activities:

- PMHDC has expended most of the Quarter setting-up detail SHOP accounting files and back-up documentations in the effective implementation of the consortium members and affiliates’ respective programs and projects in the states of Arizona, Colorado and New Mexico. For this quarter, PMHDC has conducted comprehensive desk monitoring for local Arizona Affiliates such as Comite de Bien Estar, Old Pueblo and Chicanos Por La Causa and provided extensive TA to assist Colorado Affiliates such as Thistle Community Housing and Tri-County Housing CDC in administration, environmental and project implementation. PMHDC has assisted Tri-County Housing CDC in writing changes in project development schedule, environmental review reports for three separate sites and assisted in planning cash management implementation.

Administrative issues, problems and/or delays that PMHDC has encountered:

- Danita Rodriquez is the new point of contact for SHOP grant for PMHDC and will be handling reports and program administration for all SHOP grants currently awarded to PMHDC. She has a very strong background in grant management and is currently researching the possible solutions, alternatives and answers related to any corrective actions and/or solutions that will need to be taken based on the regulations prescribed by the SHOP grant under 24 CFR part 84, and OMB circular A-122 and A-133. Specifically issues identified with SHOP Grant No. SHO4004 as well as ensure that SHOP Grant No. SHO7004 meets all regulations prescribed by the SHOP grant under 24 CFR part 84, and OMB circular A-122 and A-133.

(B) SHOP’S PROJECT STATUS OF CONSORTIUM MEMBERS & AFFILIATES (4/01/10 –TO- 6/30/10)

(1) COLORADO RURAL HOUSING DEVELOPMENT CORPORATION (CRHDC)

SHO 2004 FUNDING RECEIVED:
ADMINISTRATION: \$ 88,000.00
ACQUISITION: \$110,000.00

INFRASTRUCTURE: \$498,500.00
Total: \$696,698.00

Total Number of Units: 61 units at \$10,000/unit
Total Number Completed: 43 Units
Completed By 03/31/09

Balance: 16 to be completed by 02/03/10

SHOP FY 2002: SHO 2004 (Grant #1) - Close Out Report

Green Field Meadows Subdivision (14 lots) Canon City, Colorado

The status of this subdivision is as follows:

- Acquired 14 developed lots with SHOP funds in this subdivision
- Infrastructure including gas, electricity, paved roads, curb, gutter, and sidewalks all included in the developed sites
- Utilized the USDA-Rural Development Self Help Program and RD 502 loan program to build 14 houses
- 14 Families occupying these homes
- Repaid the SHOP funds; \$110,000 to Colorado Rural Housing Revolving loan fund
- Re-deployed \$110,000 SHOP funds for Phase II of Tierra Del Sol Estates in Monte Vista for infrastructure on 11 lots for future development (Land Banking)

Tierra del Sol Estates—Phase I—(59 lots) Monte Vista, Colorado

TIERRA DEL SOL HOUSING DEVELOPMENT CORPORATION (TDS)

880 Anthony Drive Suite 3 C&D/P.O. Box 2626 Anthony, New Mexico 88021

Contact Person: Rose Garcia, ED Phone: (505) 882-3554 Fax- (505) 882-3622

SHOP Grant Number SHO2004/Current Project Status as of 6/30/10:

Number Units: 59 units
Status: All completed and occupied
Earning: \$590,000 from lot sales

Use of Funds:

- Paid partial cost of land purchased in City of Las Cruces, at Elks and Moreno, Paseo Del Oro Phase II,
- Invested on 12 scattered site City of Las Cruces, NM.
- Paid for engineering for Parque Homes Subdivision.

(2) SELF-HELP HOUSING OF HAWAII CORPORATION (SHHHC) - (status hasn't changed since last report)

The Hilani Garden II Subdivision lot improvements are underway after 24 months of delays due to environmental, land use and zoning and other requirements that Self-Help Housing of Hawaii has to meet. Claudia Shay, Executive Director has estimated that the subdivision's lots improvements will be completed by January 2007. SHHHC has already pre-qualified the families for the Mutual Self-Help. The organization has anticipated beginning Home Construction in April 2007. All SHOP funds for infrastructure improvements have been disbursed before February 3, 2006.

ADMINISTRATION:	\$ 21,000.00	<u>Total No. of Units: 14 units at \$10,000.per unit</u>
ACQUISITION:	\$140,000.00	Total Number Completed: 0 Units
		Completed as of 03/31/09
<u>INFRASTRUCTURE:</u>	<u>\$.00</u>	
Total:	\$115,000.00	

Email and correspondence received from: Claudia Shay Executive Director of Self-Help Housing of Hawaii

Hi Joni:

The subdivision is approved. Because of the dire economic conditions in Hana and the federal requirement that 40% of the families must have incomes below 50% of the area median income, we are stalled. However, I'm acquiring down payment assistance from the County of Maui to help the very low income families. In the meantime I will start with half the team. Here's the report. We're pushing ahead as best we can.

Thanks, Claudia Shay

**SELF-HELP HOUSING CORPORATION OF HAWAII
1427 DILLINGHAM BLVD., STE. 305
HONOLULU, HAWAII 96817
808-842-7111 (ph)/ 808-842-7896(fax)**

June 11, 2009

To: Joni Soriano
PPEP Micro-Business & Housing Development

From: Claudia Shay, Executive Director

RE: Helani Gardens Project Status Report (Project Closing Report)

At the time the Self-Help Housing Corporation of Hawaii was asked to develop affordable housing in Hana, Maui (TMK (2) 1-4-03: 19) there were two parcels of land: a smaller parcel of 6 acres zoned "Rural" dedicated to the self-help housing project and a larger parcel of 20 acres zoned "Agricultural". When the landowner requested the rezoning from the County of Maui, the 26 acre parcel was divided in to these two parcels with the condition that he would work with the Self-Help Housing Corporation of Hawaii to develop affordable housing. SHHCH attempted to process its subdivision approval simultaneously with the subdivision of the larger parcel. In theory this approach would have proceeded smoothly, except the landowner changed his agreement with the County of Maui by requesting the subdivision of the 20 acre parcel in to two agricultural lots, and again subdividing one of those lots in to 8 lots. This change in the agreement with the County of Maui necessitated new maps to be redrawn, and all new approvals from the County of Maui agencies; thereby, causing extended delays in the approvals.

Nonetheless, SHHCH proceeded with its due diligence as expeditiously as possible. SHHCH submitted its Environmental Assessment for review and approval to the County of Maui in June, 2003. The EA was approved by the County of Maui

in June, 2004, one year later. There were no significant environmental concerns. The federal government approved the EA in July, 2004.

SHHCH submitted a 201 G proposal requesting waivers on zoning and planning requirements, which is allowed by Hawaii Revised Statutes for affordable housing projects, to the County of Maui in July, 2003. The Maui County Council unanimously approved all the waivers and exemptions in April, 2005, two years later.

Because of the delays caused by the landowner, the smaller self-help subdivision wasn't subdivided off from the larger parcel until May 4, 2005. The preliminary subdivision map of the self-help subdivision was finally approved by the County of Maui in October, 2005.

After innumerable delays by the County of Maui, and having completed its due diligence, SHHCH purchased the land in April, 2006, and continued with the construction of the infrastructure.

Although Self-Help Housing Corporation of Hawaii developed the Helani Gardens Self-Help Housing Project as a 201 G project in partnership with the County of Maui, the County of Maui continued to cause extraordinary delays in the approval of the construction plans, etc. Almost all of the infrastructure was completed in July, 2007. In November, 2007 the roads were paved and named. In January-March, 2008 the warranty was paid, and the bond was posted for the water system. From May-July, 2008 the various agencies accepted the infrastructure. In July, 2008 the Development Services Administration gave the final approval on the infrastructure, seven months after all the improvements were completed. Finally, on December 17, 2008 SHHCH received final subdivision approval, one year from the completion of the infrastructure, and nearly six years from the initiation of the project.

All the lots have final grading, and all the septic tanks have been installed. The houses have been designed. All the site plans have been completed. SHHCH is attaining sub-contractors. Families will build three and four bedroom, two bath houses for \$258,000 fee simple, including all costs. The housing costs are higher than in other self-help projects due to the remote location of the site.

The SHHCH staff have interviewed and provided financial counseling to more than 300 families in Hana to enable them to qualify for financing. Families will attain RD 502 loans with interest rates ranging from 1% to 4.625% depending on the family's income. At one point nine loan dockets were submitted to the lender. Subsequently, one family built on family land, one family dropped out due to a job transfer, one family dropped out due to debts, and one family had a decrease in income and now couldn't qualify. The SHHCH staff are packaging a sixth docket.

One of the current delays is the RD requirement to qualify 40% of the team with incomes below 50% of the area median income. SHHCH attempted to receive a waiver for this requirement, but it will take legislative approval. SHHCH, therefore, explored down payment assistance for the very low income families. In July-August, 2007 SHHCH discussed the possibility of attaining First Time Homebuyers' Assistance from the County of Maui. The County of Maui was very supportive of the project. Unfortunately, the program, which was supposed to be legislated by the Maui County Council in September, 2007, was never passed by the Maui County Council. SHHCH researched possibilities with the Office of Hawaiian Affairs, Alu-Like, the Hawaii Housing Finance & Development Corporation, and C.D.B.G. and

HOME funds with the County of Maui. None of these entities had any funds available which weren't committed. Finally, SHHCH was approved for the Affordable Housing Program funds from the County of Maui for down payment assistance in May, 2009. However, it still needs to go to the Maui County Council, and will probably not be available until September, 2009.

In the meantime the economic situation in Hana has become very dire. The recession hit Hana much earlier than other parts of Hawaii. Hana is a very remote, rural community in east Maui with a population of 1,612 people. The major employer in Hana is Hotel Hana-Maui with formerly 260 employees. Other employers include Hana Ranch, the County of Maui, Hasegawa Store, and a few bed and breakfasts. From 2007 Hotel Hana-Maui was experiencing a slow down in business resulting in a reduction in employee hours, and lay-offs. From August, 2007-August, 2008 the hotel was for sale. Due to the crash in the credit market the number of visitors had decreased by 30%, and the hotel was struggling. In January, 2009 a principal partner was bought out, and the hotel assumed new management. Several employees have had hours cut back, and many have been laid off. Hana Ranch, with 15 employees, has been experiencing economic difficulties for quite some time. For two years the ranch was considering a sale, and finally listed the ranch in September, 2008 at \$65 million. Currently, the ranch is selling off all its cattle. There are no buyers for the ranch as of yet.

In June, 2009 the Hana School is laying off 7 employees due to the lack of funding. The state and the county have also frozen all vacant positions in Hana.

Because of these dire economic conditions, not only is it difficult to qualify families for mortgage loans, but it is difficult to interest applicants. The prospect of losing one's job has caused anxiety among potential clients.

Four families have been determined eligible for RD 502 financing. Another family's information was up-dated, and should qualify for financing. A single parent for the sixth family just obtained Social Security for her minor children, and will now qualify for financing. The Loan Assistant is working with several other families to qualify all 14 families for the self-help team with the appropriate mix of 40% of the families having incomes below 50% of the area median income, and 60% having incomes below 80% of the area median income. As the down payment assistance funds will probably not be available until September, 2009 it would not be possible to attain final loan approvals until September-October, 2009. It is projected that the loan processing would take place in October-November, 2009. The homeownership course would take place in November, 2009. Loans would close in December, 2009. The residential construction would take place in January, 2010 with all units completed by December, 2010.

**SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM (SHOP)
PPEP-PMHDC QUARTERLY NARRATIVE REPORT ENDING 6/30/10
YEAR- 5 TWENTIETH QUARTERLY REPORT
PERIOD OF April 1, 2010 to June 30, 2010
Grant Number: SHO4004
PERFORMANCE REPORT**

INTRODUCTION:

One of the requirements of Grant Number SHO4004 as agreed by PMHDC on Article V entitled "PERFORMANCE REPORT," is to submit a quarterly report of the program in a timely manner in the form of (Form HUD 40215 or HUD Form 40220, and Form HUD 96010. PPEP Microbusiness and Housing Development Corporation, Inc. (PMHDC) is pleased to submit our YEAR –5 TWENTIETH QUARTER PERFORMANCE REPORT for the period of April 1, 2010 to June 30, 2010. This narrative report is comprised of the progress reports submitted to PMHDC by the Rocky Mountain/Hawaii Regional SHOP Consortium members and affiliates. We have also included in this narrative reports the REQUIRED HUD FORM 40217 for consortium members and affiliates. This report contains the suggested required format based on the goals and objectives of our proposed development of self-help housing, data elements of the projects, and financial progress reports.

From April 1, 2010 to June 30, 2010, PMHDC had been very busy providing administrative and direct program technical assistance services to our consortium members and affiliates in the areas of (1) Program Administration, (2) Completed TA on Project Schedule Revisions, (3) Financial Management, (4) Resolutions of issues in site development, (5) Preparation of Environmental Review Records (ERR) and Request for the Release of Funds (RROF) (6) Revising some of our underwriting policies to actually reflect the activities of the program and development of perfected project releases forms, (7) Capital development for Leveraging of other capital financing, and (8) Assisting in marketing the Arizona Self-Help revolving loan program for the Arizona Affiliates. TO DATE, PMHDC has successfully completed the ERR of 116 lots in our service area.

In Arizona and Colorado there are some challenges that have impacted the development schedule of our program because of the stagnant housing market. For example, lands are hard to find and if they are available, they are quite expensive; furthermore, mortgages are also hard to find to acquire our homes; and feasible and affordable lots for development are sometimes environmentally challenging to complete the ERR; and finally, more homes are for sale that are in foreclosure than lands.

SHOP ADMINISTRATIVE & PROGRAM ACTIVITIES

A) ACCOMPLISHMENTS IN PROGRAM ADMINISTRATION – April 1, 2010 to June 30, 2010

PMHDC has provided countless hours of technical assistance (TA) to both Consortium members and affiliates in direct program and administrative activities such as:

Activities:

- PMHDC has expended most of the Quarter setting-up detail SHOP accounting files and back-up documentations in the effective implementation of the consortium members and affiliates' respective programs and projects in the states of Arizona, Colorado and New Mexico. For this quarter, PMHDC has conducted comprehensive desk monitoring for local Arizona Affiliates such as Comite de Bien Estar, Old Pueblo and Chicanos Por La Causa and provided extensive TA to assist Colorado Affiliates such as Thistle Community Housing and Tri-County Housing CDC in administration, environmental and project implementation. PMHDC has assisted Tri-County Housing CDC in writing changes in project development schedule, environmental review reports for three separate sites and assisted in planning cash management implementation.
- Distant Monitoring by HUD (This issue is now being addressed- as of June 30, 2010). US HUD Office of Affordable Housing Program Self-Help Homeownership Opportunity Program (SHOP). Anytime now this decision would have come down because our consortium has submitted all the required documentations to complete this distant desk monitoring conducted by HUD.

Update:

The Office of U.S. Department of Housing and Urban Development (HUD) and Affordable Housing Self-Help Homeownership Program (SHOP) issued a letter on April 19th, 2010 explaining what expenses are ineligible and eligible as SHOP expenses. The following is a list of consortium members that were waiting for final decisions, as of April 19th, 2010 they have all been notified of the outcome.

- (1) Community Action Human Resource Agency – Eloy, Arizona
- (2) Guadalupe Community Development Corp. – Guadalupe, Arizona
- (3) Old Pueblo Community Foundation – Tucson, Arizona
- (4) PPEP Microbusiness and Housing Development Corp. – Tucson, Arizona
- (5) Thistle Community Housing – Boulder, Colorado

The following report will include the decisions made by HUD for each consortium member's request of eligible expense amounts.

Administrative issues, problems and/or delays that PMHDC has encountered:

- Danita Rodriguez is the point of contact for SHOP grant for PMHDC and will be handling reports and program administration for all SHOP grants currently awarded to PMHDC. She has a very strong background in grant management and is currently researching the possible solutions, alternatives and answers related to any corrective actions and/or solutions that will need to be taken based on the regulations prescribed by the SHOP grant under 24 CFR part 84, and OMB circular A-122 and A-133. Specifically issues identified with SHOP Grant No. SHO4004 as well as ensure that SHOP Grant No. SHO7004 meets all regulations prescribed by the SHOP grant under 24 CFR part 84, and OMB circular A-122 and A-133.

B) 20th QUARTER, Y5- SHOP’S PROJECT STATUS OF CONSORTIUM MEMBERS & AFFILIATES (4/01/10 –TO- 6/30/10)

COMPLETION OF UNITS BREAKDOWN:

State	Agency	Number Units	Number of Units
Arizona		Awarded	Completed & Conveyed
	Chicanos Por La Causa	0	0
	Comite de Bien Estar	10 Units	10 Units
	Guadalupe Comm. Dev.	10 Units	0
	CAHRA	14 Units	32 Units
	Old Pueblo Comm Found.	10 Units	10
Colorado	CRHDC-	22 Units	23 Units
	Thistle Community Housing	66 Units	30 Units
New Mexico	Tierra Del Sol Housing Corp	27 Units	6 Units
	Total Units	159 Units	111 - 70% Completion Rate

(1) COLORADO RURAL HOUSING DEVELOPMENT (CRHDC), 3621 West 73rd Avenue, Suite C Westminster, Colorado 80030 Contact Person: Al Gold, Executive Director Phone: (303)428-1148/Fax: (303) 428-1794

Current Project Status as of 6/30/10:

- Status has not changed since last report.
- Earning: \$0

MONTANA AZUL SUBDIVISION, Phase I (22 Units) Shop Grant #2 Sho 4004

The status of phase I of the Montana Azul Subdivision is as follows:

- Construction on remaining 8 lots to begin in second quarter of 2009. Experienced funding delays from Rural Development due to continuing resolution.
- One of the eight families dropped out of group and 7 houses under construction with completion estimated by December, 2009
- Completed construction on the 7 houses and families moved in

**(2) THISTLE COMMUNITY HOUSING (TCH) – (58 Units of Self-Help Housing)
Current Project Status as of 6/30/10:**

- Program Closed however, Thistle is currently waiting for HUD reimbursement in the amount of \$130,473.00.
- Earning: \$0
- Update from HUD Letter dated April 19th, 2010: The whole amount of \$130,473.00 is an ineligible (ineligible since they are tied to ineligible pre-agreement activities and cost) expense.

**THISTLE COMMUNITY HOUSING BLUE VISTA COMMUNITY, SHOP Grant
Report Grant Agreement # SHOP 4004 CFDA #:14.247 FY2004, Reporting
Period: April 1 – June 30, 2010**

Construction

1. Eight Wee cottages are complete (of 28 final units in Phase One)
2. Five are sold and occupied
3. Two are awaiting buyers
4. One is under contract to close July 2010

SHOP Homeowner Activities:

SHOP activities are slow due to the lack of timely sales. Both homeowners for sales listed have been active in completing their hours.

BV PHASE ONE SALES:

UNITS	CLT	MKT	TOTAL
Closed	32	25	57
Under Contract	1	2	3
Spec/Inventory	1	1	2
TOTALS	34	28	62

Mary D Roosevelt, CEO, Thistle Community Housing
303 443 0007 x113; Fax: 303-443-0098
Mroosevelt@thistlecommunities.org

**(3) TIERRA DEL SOL HOUSING DEVELOPMENT CORPORATION (TDS)
880 Anthony Drive Suite 3 C&D/P.O. Box 2626 Anthony, New Mexico 88021
Contact Person: Rose Garcia, ED Phone: (505) 882-3554 Fax (505) 882-3622
Current Project Status as of 6/30/10:**

- Nothing has changed since previous report.

SHOP GRANT NUMBER SHO4004

Current Project Status:

- 7 units are completed and occupied
- 10 units are in construction at 90% complete overall

- 6 units, loan applicants approved pending closing interim construction loan.
- 4 units, loan applicants approved, but maximum loan amount too low. TDS is redesign affordable home without garage and less square feet. Expect to be in construction by December 2009.
- Earning: \$0

Summary:

During this quarter TDS has made excellent progress considering the obstacles encountered. 17 units completed or in construction, and 10 units applicants have loan approval and expect to be in construction by Dec. 1, 2009. TDS projects that we are 70% completed of our goals to complete 27 homes, with all 27 lots complete with infrastructure, road and lots ready for plumbing rough-in and concrete. All 27 borrowers have loan approval.

Problems Encountered:

Several applicants have withdrawn due to unemployment. Several applicants that were mortgage ready are not getting final loan approval from Lenders loan underwriter due to higher standards by lenders. The economic crisis has had a major impact to TDS in finding qualified or willing buyers. Many that were mortgage ready have declined due to job insecurity, purchased older homes, relocated to find work, or are not ready to buy due to the state of the economy. During this last quarter TDS was able to get all borrower approved but we are redesign the homes to lower the price to fit the families income.

(4) ARIZONA AFFILIATES – PMHDC, 820 East 47th Street, Suite B-14 Tucson, AZ 85713. Phone: 1-800-293-2974 Fax: (520) 889-5319 Contact Person: Danita Rodriguez or Juan C. Pesqueira

(a) CHICANOS POR LA CAUSA (CPLC), Nogales (Colonia) 8 Units of Self-help SHOP

Current Project Status as of 6/30/10:

- Status has not changed since last report.
- Earning: \$0
- Program Closed waiting for final payment of reimbursement from HUD of \$2,760.00 for Administration costs.
- **Update from HUD Letter dated April 19th, 2010:** The whole amount of \$2,760 is an ineligible (insufficient documentation) expense. There was no time to complete the environmental assessment of the 8 lots because there are several issues that need to be handled under Wildlife and Endangered Species, Sole Source Aquifer, Tribal Affinity and archeological and historical value and importance and Air Quality. PMHDC hired Environmental Planning Group (EPG) of Tucson to conduct the Pima Pineapple Survey prescribed by the U.S. Fish and Wildlife –see attached report.

Background:

Avatar Properties and the Rio Rico-Eastside Subdivision 8 units: Under Group 22, the eight (8) lots in the East Side Subdivision of Rio Rico and also know are scattered sites are going through a comprehensive Environmental Assessment Review being conducted by Karen Choi, Field Regional Environmental Officer from Los Angeles California. CPLC is just waiting for the concurrence of Jason Douglas of the U.S. Fish and Wildlife under endangered species act for no impact.

Issues:

Santa Cruz County has remapped the area; the homes were impacted because the costs of lots are steadily increasing from your typical \$15,000 developed lots to now up to \$30,000 per lot. This is really bringing heavy burden in the self-help development program of CPLC because before the agency were able to land-bank and now funding is so limited even to come up with earnest money and if you have the funds, the agency are competing with other buyers who have more funds and can pay the higher asking prices.

The US HUD SHOP, AHP Dollars and USDA Section 502 funds will be used to close the acquisition of the eight (8) lots, which cost \$19,500 per lot to \$22,500. In addition, eight families in-group 22 have closed their direct home loan under USDA Section 502 on October 6, 2007. Once the environmental RROF have been passed and acquisition funds from SHOP release' therefore is just a matter of two weeks before construction of the 8 units will begin shortly thereafter. The price of each lot is \$19,500. CPLC has projected that the average cost for a three- bedroom unit single-family will be \$75,000 and \$86,000 for a four-bedroom unit. In total CPLC will complete 8 units of Self-Help homeownership housing for SHOP by September 2008.

(b) COMITE DE BIEN ESTAR (CDBE), San Luis (Colonia) -10 Units of Self-Help SHOP

Current Project Status as of 6/30/10:

- Earning: \$0
- Program Closed – Successfully conveyed 10 units
- At Bienestar 8A Subdivision, Comite de Bien Estar has completed 8 three-bedroom single family homes and have conveyed these ten (10) homes to families. The other 2 units were conveyed in May 2008.

(c) GUADALUPE COMMUNITY DEVELOPMENT CORPORATION (GCDC), City of Guadalupe (Colonia): 10 Units of Self-Help SHOP

Current Project Status as of 6/30/10:

- Status has not changed since last report.
- Earning: \$0
- Program On-hold, currently waiting for reimbursement of \$156,000 (includes \$60,000 which already as been paid) from HUD, which temporarily under manual hold and Lou Thompson reviewing the billing.

- **Update from HUD Letter dated April 19th, 2010:** From the amount of \$96,000 (which doesn't include the \$60,000 that has already been paid) \$44,665 is ineligible (all invoices that were ineligible were determined ineligible because they were all for services after grant term) and \$51,335 is an eligible expense.

Both Infrastructure and acquisition Environmental Review passed and the RROF's were release prior to the ending period of this grant. \$150,000 were billed, \$90 for infrastructure improvement and \$60,000 for acquisition. There are three (3) lots to be acquired but the two adjacent lots will be converted into three (3) lots for a total of 4 lots.

Background:

Guadalupe Community Development Corporation just completed its Environmental Combined Publication under the RROF Process for the ten (10) lots; Five (5) of the lots will be acquired and the other five (5) will receive infrastructure improvement funds from SHOP. Soon thereafter, Guadalupe Community Development Corporation has acquired the five lots and improved the other five (5) lots, the following development phases are already waiting:

- Construction plans, floor plans and elevations are completed;
- The final plat has been approved and GCDC is in the process of recording the plat;
- The grading and drainage plans are complete;
- The development plan has been revised and bids will be going out over the next month. The development budget has been revised and provided to PMHDC in detail;
- GCDC is in the process of forming Self-Help Groups 11 and 12; and
- Revised loan applications are being updated by RCAC review/underwriting and approval for Section 502 Direct Home Loan Mortgage.

(d) OLD PUEBLO COMMUNITY FOUNDATION (OPCF), Tucson Arizona: 10 Units Self-Help

Current Project Status as of 6/30/10:

- Status has not changed since last report.
- Earning: \$0
- Old Pueblo Community Foundation has completed and conveyed all (10) homes on June 30, 2008.
- Currently waiting for the final reimbursement of \$13,695.00.
- **Update from HUD Letter dated April 19th, 2010:** The amount of \$11,275 is ineligible (OPCF submitted contract activities that already had been determined ineligible) but the remaining \$2,420 is an eligible expense.

(e) COMMUNITY ACTION HUMAN RESOURCES AGENCY (CAHRA): 10 Units of Self-Help

Current Project Status as of 6/30/10:

- Status has not changed since last report.

- Earning: \$0
- CAHRA has successfully completed 32 units of SHOP.
- Currently waiting for the final reimbursement in the amount of \$16,745.00.
- **Update from HUD Letter dated April 19th, 2010:** The amount of \$16,745.00 is eligible expense.

**SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM (SHOP)
PPEP-PMHDC QUARTERLY NARRATIVE REPORT ENDING 6/30/10
YEAR- 3 TENTH QUARTERLY REPORT
PERIOD OF April 1, 2010 –TO- June 30, 2010
Grant Number: SHO7004
PERFORMANCE REPORT**

INTRODUCTION

One of the requirements of Grant Number SHO7004 as agreed by PMHDC on Article V entitled “PERFORMANCE REPORT,” is to submit a quarterly report of the program in a timely manner in the form of (Form HUD 40215 or HUD Form 40220, and Form HUD 96010. PPEP Microbusiness and Housing Development Corporation, Inc. (PMHDC) is pleased to submit our YEAR –3 TENTH QUARTER PERFORMANCE REPORT for the period of April 1, 2010 to June 30, 2010. This narrative report is comprised of the progress reports submitted to PMHDC by the Rocky Mountain/Hawaii Regional SHOP Consortium members and affiliates. We have also included in this narrative reports the REQUIRED HUD FORM 40217 for consortium members and affiliates. This report contains the suggested required format based on the goals and objectives of our proposed development of self-help housing, data elements of the projects, and financial progress reports.

From April 1, 2010 to June 30, 2010, PMHDC had been very busy providing administrative and direct program technical assistance services to our consortium members and affiliates in the areas of (1) Program Administration, (2) Completed TA on Project Schedule Revisions, (3) Financial Management, (4) Resolutions of issues in site development, (5) Preparation of Environmental Review Records (ERR) and Request for the Release of Funds (RROF) (6) Revising some of our underwriting policies to actually reflect the activities of the program and development of perfected project releases forms, (7) Capital development for Leveraging of other capital financing, and (8) Assisting in marketing the Arizona Self-Help revolving loan program for the Arizona Affiliates. TO DATE, PMHDC has successfully completed the ERR of 116 lots in our service area.

In Arizona and Colorado there are some challenges that have impacted the development schedule of our program because of the stagnant housing market. For example, lands are hard to find and if they are available, they are quite expensive; furthermore, mortgages are also hard to find to acquire our homes; and feasible and affordable lots for development are sometimes environmentally challenging to complete the ERR; and finally, more homes are for sale that are in foreclosure than lands.

SHOP ADMINISTRATIVE & PROGRAM ACTIVITIES

(A) ACCOMPLISHMENTS IN PROGRAM ADMINISTRATION – April 1, 2010 to June 30, 2010

PMHDC has provided countless hours of technical assistance (TA) to both Consortium members and affiliates in direct program and administrative activities such as:

Activities:

- PMHDC has expended most of the Quarter setting-up detail SHOP accounting files and back-up documentations in the effective implementation of the consortium members and affiliates' respective programs and projects in the states of Arizona, Colorado and New Mexico. For this quarter, PMHDC has conducted comprehensive desk monitoring for local Arizona Affiliates such as Comite de Bien Estar, Old Pueblo and Chicanos Por La Causa and provided extensive TA to assist Colorado Affiliates such as Thistle Community Housing and Tri-County Housing CDC in administration, environmental and project implementation. PMHDC has assisted Tri-County Housing CDC in writing changes in project development schedule, environmental review reports for three separate sites and assisted in planning cash management implementation.

Administrative issues, problems and/or delays that PMHDC has encountered:

- Danita Rodriguez is the new point of contact for SHOP grant for PMHDC and will be handling reports and program administration for all SHOP grants currently awarded to PMHDC. She has a very strong background in grant management and is currently researching the possible solutions, alternatives and answers related to any corrective actions and/or solutions that will need to be taken based on the regulations prescribed by the SHOP grant under 24 CFR part 84, and OMB circular A-122 and A-133. Specifically issues identified with SHOP Grant No. SHO4004 as well as ensure that SHOP Grant No. SHO7004 meets all regulations prescribed by the SHOP grant under 24 CFR part 84, and OMB circular A-122 and A-133.

(B) 8th Quarter, Y2- SHOP'S PROJECT STATUS OF CONSORTIUM MEMBERS & AFFILIATES (4/01/10 –TO- 6/30/10)

Report written and submitted by:

Al Gold, Executive Director
Colorado Rural Housing Development
3621 West 73rd Avenue, Suite C Westminster, Colorado 80030.
Phone: (303)428-1148/Fax-428-1794

(1) COLORADO RURAL HOUSING DEVELOPMENT (CRHDC)

Earning: \$0

Montana Azul Subdivision - Phase II (12 units)—SHOP Grant #3—SHO-7004

The status of phase II of the Montana Azul Subdivision follows (12 units):

- Paving completed and all 19 lots ready to build
- Subdivision land development cost within estimated budget
- RD approved new Self-Help Contract in December 2008
- Group of 7 families' loans submitted to RD for review and approval
- Two families dropped out and 5 loans were approved and loans closed.
- The severe winter delayed starting construction on the 5 homes. The foundation contractor found 24 inches of frost in the ground and could not excavate foundations (waited until late March or April for ground to thaw to begin construction).
- 5 houses begin construction and are 85% completed with completion
- Completion on 5 houses will occur in third quarter
- Submitted 4 new loan applications to RD for review and approval
- Two approved and waiting on RD to approval remaining 2

Challenges encountered during past year:

- Encountered funding delay from RD due to continuing resolution, end of 2009 fiscal year and lack of 502 loan funds.
- Shortage of RD field staff also slowed down loan processing. This is a real problem with the shortage of RD field staff and it continues to delay processing and closing of loans.
- Other obstacles encountered were delays in getting appraisals completed. In some cases appraisals were taking up to 90—120 days to complete.
- Emphasis on 502 Guarantee Program over shadowing 502 Direct and loan processing for self help 502 direct loans taking a back stage.
- Developing a new 523 Self Help Grant Application for additional two years

(2) THISTLE COMMUNITY HOUSING (TCH) Boulder, Colorado - Blue Vista Community SHOP Grant Report Grant Agreement # SHOP 7004 CFDA# 14.247 FY2007 Reporting Period: April 1 – June 30, 2010

Development:

1. We are scheduling construction acceptance and close out with the City of Longmont for Phase One.
2. No development activity underway yet for Phase Two – see financing note.

Financing:

1. A Colorado Division of Local Affairs grant for \$800,000 for the project is scheduled for a hearing on August 2, 2010. IF these funds are awarded, Phase Two can move forward.
2. Thistle applied also for Capital Magnet funds from the US Treasury for an affordable housing fund managed by Thistle. Awards are scheduled to be announced by September 30, 2010.
3. Guaranty Bank extended the vertical loans through the third quarter of 2010.

Report written and submitted by:

Mary Roosevelt, CEO
Thistle Community Housing
Blue Vista Community
303-443-0007 x 113
Fax: 303-443-0098
Mroosevelt@thistlecommunities.org

(3) TRI-COUNTY COMMUNITY DEVELOPMENT CORPORATION – (8 Units of Self-Help Housing) – Fowler, Colorado SHOP 7004

Current Project Status as of 6/30/10:

- Earning: \$0
- Tri-County Housing & CDC 3 projects to date are as follows: Given the economic conditions in our area, successful homeownership candidates have been a little slow to identify. TCHCDC does not participate in the Mutual Self Help Program currently due to the lack of qualified households located in a single area desiring to build. We are building contractor built homes in scattered site locations as they are approved.
- The permanent financing has been with USDA Rural Development as they have the most favorable rates that allow a potential homebuyer to qualify for a home.

Report written and submitted by:

ARIZONA AFFILIATES
PMHDC
820 East 47th Street, Suite B-14 Tucson, AZ 85713
Phone: 1-800-293-2974/Fax: (520) 889-5319

(a) CHICANOS POR LA CAUSA (CPLC), Nogales (Colonia) -10 Units of Self-help SHOP

Current Project Status as of 6/30/10:

- Status has not changed since last report.
- Earning: \$0
- Closed on 5 houses in November, families have moved in.

(b) COMITE DE BIEN ESTAR (CDBE), San Luis (Colonia) -32 Units of Self-Help SHOP

Current Project Status as of 06/30/10:

- Earning: \$0
- No work on homes was completed or started in the April - June 30 quarter.
- Comite de Bien Estar is focusing its Housing Department and Home Construction programs on completion of this project.
- The start of construction on our 500th Self Help home will begin in two months. We celebrated the 10th anniversary of our Self Help program in June with an

event that included the "official" groundbreaking for the 500th home. Both USDA State Director, Alan Stevens and Congressman Raul Grijalva attended. Alan Stevens presented Tony Reyes, Executive Director, Comite de Bien Estar, and the Board of Directors, with a \$1.7 million check funding our 7th Self Help grant.

(c) OLD PUEBLO COMMUNITY FOUNDATION (OPCF), Tucson Arizona –10 Units Self-Help

Current Project Status as of 6/30/10

- Unchanged from previous quarter.
- Earning: \$0
- To date Old Pueblo has completed and conveyed ten (10) homes at Corazon Del Pueblo, Phase III and Project Rio Nuevo:
 - Average -Appraisal Value - \$146,600.00
 - Average Home Sale Value - \$117,458.00
 - Average Mortgage Value - \$ 117,458.00
 - 10 Families have subsidies of \$15,000 per lot from SHOP Funds
 - Infrastructure Cost per lot is \$15,000
 - Average Price of developed lot is \$35,000
 - Project Number of Sweat Equity per Family – 822.55 hours
 - Average HOME Dollars subsidy \$20,000 Per Homebuyer
- Old Pueblo has made great progress has completed 2007 SHOP contract requirements.
- 10 houses are complete, and the 10 home buyers completed all of their sweat equity hours.
- Old Pueblo completed the project by June 30, 2009.

**Report written and submitted by:
Terry Galligan, Director of Housing**

d) COMMUNITY ACTION HUMAN RESOURCES AGENCY (CAHRA) – (10 Units of Self-Help). SHOP Grant Number: SHO7004 Period 04/01/10-06/30/10 Award Amount - \$160,500 (Grant Open)

Current Project Status 6/30/10:

- Status hasn't changed since last report.
- Earning: \$0
- Goal: 10 units of SHOP to complete on scattered sites in Eloy, Toltec, Arizona City and Coolidge. To date CAHRA has not completed any units and is ahead of schedule programmatically. CAHRA has already acquired four (4) lots for this project.

Background Report:

CAHRA Housing Counseling staff has been intensely focusing on helping Pinal County families with their immediate need, which is the overwhelming amount

of foreclosures. The focal point has been helping these families find the best solutions for those threatened with foreclosures. The agency also has had another opportunity to help eligible families purchase foreclosed homes and help neighborhoods that have been affected.

As the quarter ended we continued our function as the only Housing Counseling Program in Pinal County to provide services to potential homeowners and homeowners threatened with the loss of their homes. We have three full-time housing counseling staff to manage the different programs. Pinal County has one of the highest foreclosures rates in the nation and the foreclosures have not slowed down. The agency continues to be inundated by the high volume of calls of clients seeking relief with mortgage assistance, foreclosure mitigation counseling and budgeting. Our clients have changed as we usually serve the low-income population we are seeing more in the higher income levels. Our programs have changed in the last year as we are now offering Foreclosure Mitigation Counseling, provision of stimulus funding to help families purchase foreclosed homes and another program to help with closing costs down payment.

CAHRA staff was awarded a grant from the Arizona Attorney General's office for expanding the Foreclosure Mitigation Counseling Program by hiring an additional counselor. The counselor will be hired in the next quarter.

Foreclosure Mitigation Program As a HUD-approved housing counseling agency, CAHRA is providing information and assistance to avoid foreclosure. As part of President Obama's comprehensive Homeowner Affordability and Stability Plan (HASp), homeowners may be eligible for a special Making Home Affordable loan modification or refinance, to reduce monthly payments and help the homeowner keep their home.

The agency Foreclosure Mitigation Counselors provides homeowners with free foreclosure prevention services. If the homeowner is eligible for the loan modification or refinance program, the counselor will work with the family to compile an intake package for the servicer. The intake is a two-part process where the client completes the intake application while we review their loan documents. This give us an idea of what loan product the client has and are able to relate clear directions to the lender of what the client is trying to achieve. Each session can run from two to three hours or longer depending on how much information the lender is requiring. Staff is working to assure that all calls receive a return phone call with in a 24-hour period and schedule an appointment within two weeks. The appointment schedule is currently three to four per day and on some days staff meets with up to five to six clients. We plan to hire a clerical data input staff person.

Foreclosure prevention counseling services are provided free of charge by CAHRA in partnership with the Arizona Department of Housing. The program is funded, in part, by Housing and Urban Development and NeighborWorks® America.

Your Way Home AZ was launched by CAHRA in early May to provide financial assistance to homebuyers who purchase foreclosed homes. The response has been strong, with more than 31 in Pinal County) homebuyers purchasing homes in the first seven months of the program. As of today we have another 15 applications in Pinal County that are in various stages of purchasing a home.

Eligible homebuyers receive 22% in purchase assistance. CAHRA through ADOH provides help in the form of a deferred second mortgage loan. Staff assists the client with all the preparation of applying and review all loan documents prior to finals at Title Company. Staff provides pre-purchase counseling to clients and has had a success in providing this service to clients that are ready to apply for mortgage loans. Clients are also assisted with credit counseling if needed. Our goal is to help those individuals correct their credit issues and apply for down payment assistance through the program. With this in mind we are looking for clients that otherwise might not have been able to purchase homes when the market was at its highest peak.

Homebuyer Education Workshop continues to become more popular now that lenders are requiring clients that are purchasing homes to take the workshop. Workshops are held two Fridays a month.

The Mortgage Credit Certificate Plus (MCC) offers closing cost assistance for the first time homebuyer through funding provided by the Arizona Housing Finance Authority (within ADOH). The MCC Plus Homebuyer Down Payment Assistance Program must be used in conjunction with the Mortgage Credit Certificate Program. The MCC Plus will offer assistance in the amount of 5% of purchase price, that can be used as down payment or closing costs. The Mortgage Credit Certificate Program operates as federal income tax credit, which reduces the borrower's income taxes and in effect creates additional income for the borrower.

The annual amount of the federal tax credit is 20% of the annual interest paid or accrued on the mortgage loan for the residence. For this program clients are assisted with the loan application and assure they qualify. Debt ratios are reviewed; the loan documents are completed and submitted to the Title Company. Once the clients complete an on-line homebuyer education class, CAHRA receives a copy of the certificate.

Plans for the Quarter April 1, 2010 to June 30, 2010: CAHRA staff will resume with the activity dedicated to the SHOP goals. Staff will identify and locate developed and raw lots, marketing the program to families, permanent financing and construction to HUD and endeavor to revolve SHOP funds. Plans include the acquisition of an additional 6 lots to complete the acquisition deliverables for this grant (SHOP Grant #2 Grant Number: SHO7004). As soon as CAHRA identifies the location of the six (6) lots PMHDC will be asked to conduct an ERR. The current ERR is two years old.

The CAHRA Board of Directors is assessing the feasibility of starting up a Self Help Housing Program either with USDA Rural Development funding or other lenders willing to participate in helping families to obtain homes.



ENCOMPASS

ENhanced COMMunity Participation And Support Services

ENCOMPASS is Building a Successful Future

By Gina Judy, Chief Administrative Officer

When individuals with developmental disabilities have an idea that will benefit them, their families, or their communities, ENCOMPASS is there to help them make it happen. We are committed to the creation and implementation of supports for individuals interested in living and contributing in their community. We believe that together we can make those communities a better place to live, work, and play. Building a successful future begins with individuals committed to collaboration, cooperation, and innovative approaches to community integrated services for individuals with developmental disabilities.

Building a successful future requires creating a team of qualified individuals with integrity, honesty, dependability, and a genuine commitment to care for individuals with developmental disabilities.

Building a successful future is best achieved through shared vision and shared responsibility.

Included in this shared vision and shared responsibility is the customer, the community, the family, and the ENCOMPASS team members. We believe it is important to support and recognize our team members for their contributions. We are dedicated to the personal and professional development of each member of the ENCOMPASS team.

Together we foster the creation of inclusive communities that support people with developmental disabilities to fully participate in and contribute to all aspects of community life.

Together we strive to design supports to meet the specific needs and goals of each individual and to create opportunities for individuals to have choice in their communities and advocate for themselves.

Together we make every effort to promote culturally relevant supports while respecting the uniqueness of each person.

Together we advocate for community-based options and inclusive communities so that people have opportunities to achieve meaningful and purposeful lives. Together we are committed to building a successful future.

ENCOMPASS Administration Supports the Vision **By Jackie Johnson, Office Manager**

The Encompass administrative support staff, located at the main office in Tucson provides service to all Encompass areas though out the state. The staff processes documentation required to maintain the programs as well as a wide variety of other supports. Specialists are available for staffing questions, auditing, vehicle information, training, etc.

This year we began marketing Charity Charm bracelets, bands and key chains with an Encompass logo variation designed by our staff. Generous contributions made it possible to fund the project and sale proceeds are designated to helping consumers with expenses.



The administrative staff enjoys interacting with consumers. The Green Valley Day program visits our office once a month for games and art projects. This gives staff and consumers a meaningful opportunity to work together in a fun environment.

The administrative staff coordinated the "self-portrait" art project sponsored by ANCOR for their national conference held in Washington, DC. Artwork was

submitted to the Tucson office by Encompass programs across the state. Entries were displayed and voting was held to select the top three. The first place entry was mailed to the national conference where it was honored by being replicated on notecards available for sale. Our winning consumer was thrilled her artwork was chosen. The local newspaper interviewed our winner and published her photograph along with the artwork in a human interest article. Artwork submitted is now on display at the Tucson main office.



As many of our vehicles are large vans with wheelchair lifts we organized van washes held for Tucson residential and day programs on Saturdays periodically throughout the year.



For holidays throughout the year administrative support staff like to provide small surprises for frontline staff such as roses for mothers at Mother's day, candy at Easter and Halloween, etc.

This year the administrative support staff honored our Certified Caregivers and Developmental Trainer Interns by celebrating with them the National Professional Direct Caregivers week held in September. We are extremely proud of our frontline staff and the job they do.



In the middle of September King NaNa Otibribi gave an inspirational speech to those in our office. During the visit he toured our facility, one of our vans and viewed a video about our Encompass programs.



Meet Jonathan

By Joy Weiermann, Tucson Area Residential Director

I would like to introduce you to Jonathan Boyd. Jonathan moved into the Robin group home on August 20, 2004 and has been soaring in his accomplishments ever since that date. Jonathan holds a job in which he works 5 days a week on the ASDB campus in the woodshop. Jonathan Boyd is 27 years old.

Jonathan communicates to his staff members through signs and gestures as he is hearing impaired. His diagnosis of cerebral palsy and need for walking crutches does not slow him down, he is up for any adventure.

At home Jonathan strives for independence in all tasks. Jonathan enjoys relaxing with a DVD and going into the community however when there is down time Jonathan enjoys being active in his household. Jonathan has found many ways to remain active while at home; recycling aluminum cans, checking the mail or helping staff take out the trash. Jonathan has become accomplished at sorting, washing, transferring and folding his own laundry on a weekly basis. Laundry is a task that he is very proud of completing independently.

Jonathan has developed a love of cooking as well, from his mother. The staffs have been working with Jonathan to teach him safe cooking and preparation skills while in the kitchen over the past year. Jonathan has been doing a terrific job of initiating and completing the tasks that are given to him for the dinner meals. Jonathan has been successful in learning to chop vegetables, stir item both on the counter and at the stove, and prepare the plates for serving. Jonathan continues to be active in the kitchen to learn more skills and complete many more meals.



Avondale Area Promotes Healthy Community Living By Crystal Castle, Program Coordinator

For over 20 years the Avondale Day Program has provided a variety of services for individuals with Developmental Disabilities.

We provide transportation to and from the program as well as community outings of interest to our consumers. Program participants have a big part in creating the monthly calendar. By putting it in their hands they choose what they want to do so there are very few to no disappointments. They have a voice and are encouraged to use it.

We have a structured program where each day participants are motivated to achieve their specific goals as well as participate in group activities such as communication-social skills with show and tell, role play, or just getting up to tell a story. We also have a weekly Health and Safety class where everyone learns about eating healthy, hygiene skills, stranger danger, fire safety, and how and when to ask for help.





In the Avondale area the program participants also enjoy the creativity of Arts and Crafts. One of the participants won 2nd place in the PPEP self-portrait contest and was very proud when he received his ribbon. This year an individualized exercise program was created. Thanks to parent and staff donations we now have a real work out room where participants work at their own pace under the supervision of our work out coaches Alonso and Angie. Alonso and Angie also instruct ways to eat and drink healthy. All that are participating have lost weight and are very excited on weigh in day to see the results of their hard work. It's the dedicated staff and consistency that makes our program a place our consumers love to come to each day.

Ajo and Sells Area

By Program Coordinators: Judy Miller and Irene Renteria

The ENCOMPASS program began in Ajo, Arizona in 1996. After many years at the historic Ajo train Depot, a building was purchased and the Ajo Day program moved to its new location at the end of May. Our newly renovated building, originally the Jackson & Pullman Texaco Station, provides much needed space for consumers and staff. The spacious areas allow consumers to navigate freely about.

Fencing, provided by the Ajo Knights of Columbus, surrounds the new facility for added privacy and security. A beautiful mural was donated by a local artist. The Ajo Day program would like to thank the PPEP, Inc. maintenance department for all their hard work in preparing the new building. We love our new facility!

This summer, consumers enjoyed going to the new swimming pool operated by Pima County Parks and Recreation. Norma Gomez, from the Desert Senita Medical Center was instrumental in ensuring a ramp be built into the pool for individuals with disabilities.

Ajo and Sells individuals enjoy frequent excursions to Avondale, Casa Grande and Tucson. They often go to the Tucson zoo.

The Sells program continues to grow, recently adding more consumers. Everyone enjoys going to the exercise facility in Sells three times a week. In February, consumers and staff attended the Sells rodeo. They look forward to this annual event.

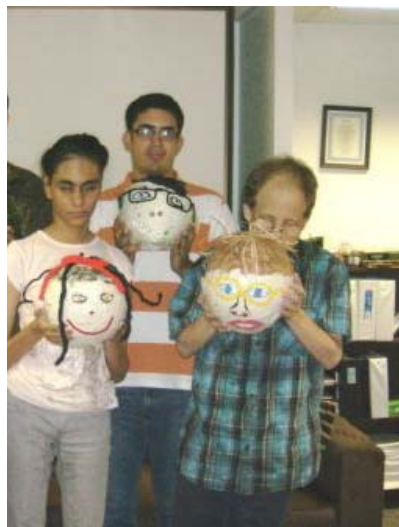


Day Services and Employment Opportunities in Tucson and Green Valley By Dawn Cantrell, Area Director

PPEP's expansion to the Green Valley and Sahuarita area has been a great success! Since the doors opened in February of 2009, the participation has doubled and continues to grow. After being in the original location for several months, the property sold. Fortunately we were able to move from a small facility to a larger house adjacent to the property. This was very exciting! The new facility is a much larger space and the monthly rental payments are lower. We were excited when the property owner renovated the facility and paved the parking lot. We now have a large kitchen that accommodates cooking classes and an outdoor covered patio that is perfect for cookouts.

The addition of a new wheelchair ramp to the front and back of the program and updated and accessible restrooms will provide opportunity to serve individuals with more complex physical challenges.

At the end of summer everyone chose to take part in an art activity that provided everyone with an opportunity to create a self-portrait. Each participant used a paper mache medium to portrait their likeness. The self-portrait sculptures were on display at the main ENCOMPASS offices for visitors to enjoy.



Our consumers take pride in making the new space their own. Each individual participates in decorating the program and enjoys making it their home away from home. Program participants have lots of ideas for the future of the program. From plans to plant a garden in the back of the property to decorating the front to celebrate holidays.

Halloween activities included participants hosting a Halloween Haunted House and inviting students from Sahuarita High School to attend. Some students even expressed interest in attending the day program after graduation.

PPEP continues to serve the developmentally disabled community in Tucson with the Olsen and Blacklidge day programs. Over four years ago, property was obtained at 3425 North Olsen. This program has continued to be a dream come true for both the program participants and the ENCOMPASS team members. This spacious property offers the space required for tons of fun activities. Our hope is to one day have an outdoor sports court in the large lot in back of the house that both Olsen and Blacklidge day program participants could enjoy.

PPEP's work related program continues to transport workers to their jobs with the Town of Oro Valley. At the town hall, workers recycle in the administration, water, zoning, and planning buildings. On occasion, workers set up chairs in the conference room for town council meetings. With assistance from ENCOMPASS job coaches, workers help to maintain the police department and the bike trails. Workers also ensure that the landscaping remains pleasant for everyone. Workers are very proud of the work that they do. Being self-sufficient by earning a wage is very satisfying and rewarding.

Globe ENCOMPASS Is Identified as Outstanding By Bonnie Hayes, Area Director

The Globe Encompass programs include five community residential programs, Individualized Supports and Day Program. Globe Encompass continues to provide quality services to our Consumers despite budget cut backs from the State of Arizona. The Globe program was forced to close the Paxton Home due to budget issues, the individuals in this setting were moved to another program within PPEP.

In June 2010, PPEP Encompass, took over the State operated group home in Globe, as a result we gained four new PPEP family members. We are excited to have these four gentlemen as a part of our PPEP family.

Our Day program continues to grow, when we first opened the day program we had one Consumer attending the day program, currently we have ten Consumers who attend on a regular basis and two Consumers who attend as they desire. Our day program caters to Individuals who have high needs. Our Day program is community involved and hosts two community integrated events a year.

PPEP Encompass - Globe programs continues to achieve high compliance with the State of Arizona Licensing Division. These programs are more than client centered, they are client driven. Globe continues to be successful due to excellent teamwork from all our staff. Thanks to each and every one of you for your dedication to the program and Individuals we serve.

I would like to thank Gina Judy for her dedication, support and Leadership to the Encompass program. Thanks for another successful Year!

Casa Grande Area Works to Prepare a New Location

By Maria Davis, Area Director

We have reached our long term goal of acquiring a building for the ENCOMPASS day program services and administrative office supports. The new location allows for a smoother loading and unloading for transportation services and ample parking area of vehicles and visitors.

We are excited about the friendlier appearance of the building at first sight and the spacious property which provides opportunity for program participants to sit outside and enjoy a cool Arizona afternoon, eating lunch outside, enjoy a lemon-aide on the front porch, and offer a safe area to participate in outdoor activities without traffic concerns. Our new location even provides us room for expansion!

As soon as our sign is up on the outside, our sprinkler system is installed inside, and some of the outdoor area is paved, it will be perfect!





Human Resources Department

Mission: “To service all employees within PPEP & Affiliates with the utmost customer service in all aspects of Human Resources.”

Department Staffing:

The Human Resources Department is staffed by a Human Resources Director and a Senior Compensation and Benefits Analyst. We also receive assistance each week from two part time Human Resources Assistants.

Human Resources Director

Susan Marsett

February 2001 - Current

Senior Compensation and Benefits Analyst

Rosemary Montano

May 2006 - Current

Human Resources Assistant

Lillian Robles

February 2008 – Current

Wellness Newsletter Editor

Miguel Zazueta

June 2009- Current

Responsibilities:

Human Resources delivers a wide range of employee services. These services are, but not limited to:

➤ **Benefits**

Responsible for the enrollment process for all benefits as employees become eligible under the guidelines established by PPEP Policies and Procedures. Human Resources educates eligible employees as to the benefits available to them, processes the enrollment forms and resolves any benefit related issues.

➤ **Recruitment and Retention**

Responsible for providing recruitment support to all departments/programs within PPEP & Affiliates. This includes preparing and posting internal job announcements and outside advertising media, reviewing/screening all applications, conducting pre-employment screening (i.e. MVR, reference checks). We also develop and implement strategies designed to enhance employee retention.

- Employee Relations
Responsible for resolving any labor related issues among the staff of PPEP & Affiliates. Investigates employee complaints and facilitates objectively fair and impartial resolutions. Ensures compliance with all federal, state and local employment-related laws.
- Policies and Procedures
Responsible for ensuring that all employees follow appropriate guidelines established within the PPEP Policies and Procedures. Monitors the disciplinary process to ensure fair and equitable treatment among all employees. Develops new policy or modifies existing policy to reflect current law and best protect the interests of PPEP.
- Employee Evaluation and Professional Development
Responsible for facilitation of the performance evaluation process for all employees at PPEP & Affiliates. Prepares evaluation forms. Notifies departments when evaluations are due and forwards evaluation materials to appropriate supervisory staff. Maintains completed evaluations in employee personnel files.
- Employee File Management
Responsible for maintaining accurate employee files. These files contain information regarding employment history, benefits and performance evaluations. Responsible for processing all employment-related paperwork for newly hired employees, employee status changes, performance evaluations, training, certifications/clearances, disciplinary issues and benefits. Enters this information, as required, into the Human Resources information system.
- Safety
Responsible for reporting and processing all work-related injuries. Submits this information to the Worker's Compensation Insurance carrier. Maintains OSHA logs.
- Training and Employee Morale
Responsible for providing training to all staff regarding policies and procedures and other Human Resources related topics, including new hire orientations. Develop morale boosting programs for PPEP employees to boost morale and strengthen company culture.

Company Staffing:

At the end of the fiscal year, PPEP & Affiliates had employed a total of 535 employees. This figure represents a slight increase in staff from the previous fiscal year's figures.

<u>Employee Type</u>	<u># of Employees</u>
Regular, Full-Time	350
Regular, Part-Time	64
On Call	111
Work Experience (WEP)	19
Special Certificate (DD)	4
Temporary	2

Employee Benefits:

During this fiscal year, the following benefits were offered to our employees:

- ◆ **Health Insurance** – PPEP offered health insurance coverage to all benefits-eligible employees throughout the fiscal year. PPEP selected United to provide coverage to all employees. PPEP contributes approximately 87% of the cost of employee only coverage. Three options are available to eligible staff: The Base Plan, The Buy-Up Plan and the Health Savings Account with the High Deductible Health Plan.
- ◆ **Dental Insurance** - PPEP offered dental coverage to all benefits-eligible employees on a voluntary participation basis only. Premiums were paid 100% by the employee. PPEP selected MetLife Dental Services to provide a wide array of dental coverage to our employees. Two plans are available to eligible employees.
- ◆ **Vision Insurance**- PPEP offered vision insurance to all benefits-eligible employees on a voluntary participation basis only. Premiums were paid 100% by the employee. PPEP selected Avesis to provide this service to our employees.
- ◆ **Flexible Spending Account**- PPEP offers this account, which allows employees to pay for any un-reimbursed medical expenses or dependent day care using pre-tax dollars.
- ◆ **Life Insurance** - PPEP provided life insurance coverage to all benefits-eligible employees. PPEP contributed 100% of the cost of this benefit. The Hartford and United were contracted with to provide employee, spouse and dependent coverage for general life or AD&D. The Hartford also offers voluntary life insurance coverage.
- ◆ **Short and Long Term Disability** – PPEP provided short and long term disability insurance coverage to all our benefits-eligible employees. The Hartford was contracted with to perform this service and the cost was paid for 100% by PPEP.
- ◆ **401(k) Plan** - PPEP created a 401(k) to assist our employees with retirement planning. The plan is administered by Scott Nasca with Country Financial, which offers our employees a wide range of options from which to choose and advice to assist them in their choices.
- ◆ **457(b) Plan** - PPEP created a 457(b) plan for our employees as an alternative to the 401(k) plan. The 457(b) plan allows employees already investing the maximum in the 401(k) plan to continue their investments at an unlimited rate. Norton Retirement Services administers this plan.
- ◆ **Long Term Care** - This plan provides care in private homes, assisted living environments or residential care facilities should the employee become incapacitated to the extent that they can no longer perform two or more activities of daily life. Premiums for this plan are paid 100% by the employee unless the employee has been with PPEP for over eight years. After 8 years of employment the plan is covered 100% by the employer.
- ◆ **Colonial**- PPEP offered this plan to provide supplemental short term disability, cancer insurance, and supplemental accident insurance to PPEP employees. Premiums for this plan are paid for 100% by the employee.

- ◆ Pre-Paid Legal – Legal services and Identity Theft protection are available to eligible employees. Premiums for this plan are paid for 100% by the employee.
- ◆ EAP – PPEP contracted with The Hartford to provide behavioral health services and resource information to our employees in need. This is a confidential service provided to PPEP employees 24 hours a day, seven days a week.
- ◆ Group Banking Program – PPEP offers all employees a group banking discount through Chase and Wells Fargo Banks.

Goals completed from the 2009/2010 Fiscal Year:

1. **Health & Wellness Fair:** Hosted the Fourth Annual PPEP Health and Wellness Fair and implemented Flu shots for all area locations at no charge to PPEP employees. Approximately 90 staff were vaccinated. Other staff may still receive the vaccine and receive some reimbursement for costs.
2. **Classification and Compensations Surveys:** Updated PPEP's comprehensive compensation plan for all job titles. Evaluated past salary surveys to determine cost effectiveness of the compensation plan. This should increase the effectiveness of recruiting efforts and promote fiscal responsibility.
3. **Improved the Automated Application Process:** Improved the current PPEP/Encompass online applications for employment that are processed through the PPEP website. Contracted with an outside source to obtain a new website (www.ppephiring.com) available to all applicants of the organization. This will result in a more streamlined process, thus saving the organization money. Additionally at least one PPEP facility in all locations has a dedicated computer for applicants to complete the application process.
4. **Implementation of a Wellness Program:** Implemented a wellness program, where employee's can participate in events to boost their knowledge about their personalized health issues. Began a Wellness Newsletter for all staff.

Goals For the 2010/2011 Fiscal Year:

1. **Improve upon the New Hire Orientation package:** Formulate a webinar orientation process so all new staff in all areas of the state may attend the new hire orientation from their computers.
2. **Actual pay reports and history information:** Implement access for current staff to obtain reports showing all income and benefit information showing an accurate view of actual pay. Additionally, the ability to obtain check stubs and combined leave history information from their own computer would be helpful to staff.



Property and Insurance

Gary Kleopfer, CAO, Property Management

The Property and Insurance Department has had a very productive year. We have provided support to 38 rental properties and 37 PPEP owned properties in 23 communities. We have responded to over 1,500-service request from repairing phone lines and cleaning sewer drains to delivering furniture to PPEP sites. The department manages a vehicle fleet of 113 trucks, cars and vans. In addition, we oversee the PPEP's vast property, liability, vehicle and other assorted insurance programs.

A few of our accomplishments this past year include:

- Remodeled kitchens at the Raul H. Castro Learning Center and the Manuel Bojorquez Learning Center to allow a lunch program for the students.
- Oversaw the new roof installation on the Celestino Fernandez Learning Center in Tucson.
- Replaced the AC unit in the server room at Celestino Fernandez Learning Center.
- Upgraded lighting in classrooms and offices for an improved learning environment.
- Oversaw the new roof installation on the Robles Junction Learning Center in Tucson.
- Completed renovations to the Ajo Day Training Program (DTA) facility to make the building handicap accessible and suitable for the program needs.
- Remodel main bathroom at the Castile Group Home to make it handicap accessible.
- Completed the first phase of Avondale DTA renovation; this included remodeling two restrooms, repaired ceilings, installed additional lighting, repainted several rooms and other minor repairs.



Delivery day of new ADOT Vehicle for Encompass



Manuel Bojorquez Learning Center Kitchen Remodel

- Renovated the main building on Jimmie Kerr Blvd. in Casa Grande to accommodate the DTA.
- Install new AC unit at Las Casitas Group Home in Tucson.
- Painted the exterior of the Kadota Group Home in Casa Grande and installed a new roof on the home.
- Relocated the Green Valley DTA to a new facility.
- Made repairs to the Lloyd Rich group home and added a handicap accessible ramp to the front entry.
- Added a new AC unit to the server room in the main administration building in Tucson.
- PPEP purchased a total of 11 replacement vehicles this past year; four of which were Arizona Department of Transportation vehicles obtained by a grant to the Encompass program.
- We purchased the strip mall located at 201 N. Bingham Ave. in Somerton, AZ. This facility will become the new home of the Jose Yepez Learning Center and will also have rental spaces for other local businesses.
- PPEP also purchased the building that the Jose Yepez Learning Center is currently located in; this facility will become rental property when the school relocates to the new location.

None of the above would be possible without the hard work and dedication of the Property and Insurance staff. Each has my sincere thanks for a job well done.

I would like to thank everyone in PPEP for their support and cooperation to our department. We look forward to serving you in a new year and will strive to meet your expectations.



America Balderas
Property Management



Carmen Pinheiro⁹³
Transportation and Insurance Coordinator



Greg Saxman
Maintenance Supervisor



Art Bengel
Maintenance Technician and Locksmith



Chris Greene
Maintenance Technician



Dario Cuevas
Maintenance Technician



Phil Greene
Maintenance Technician



James Sams
Maintenance Technician

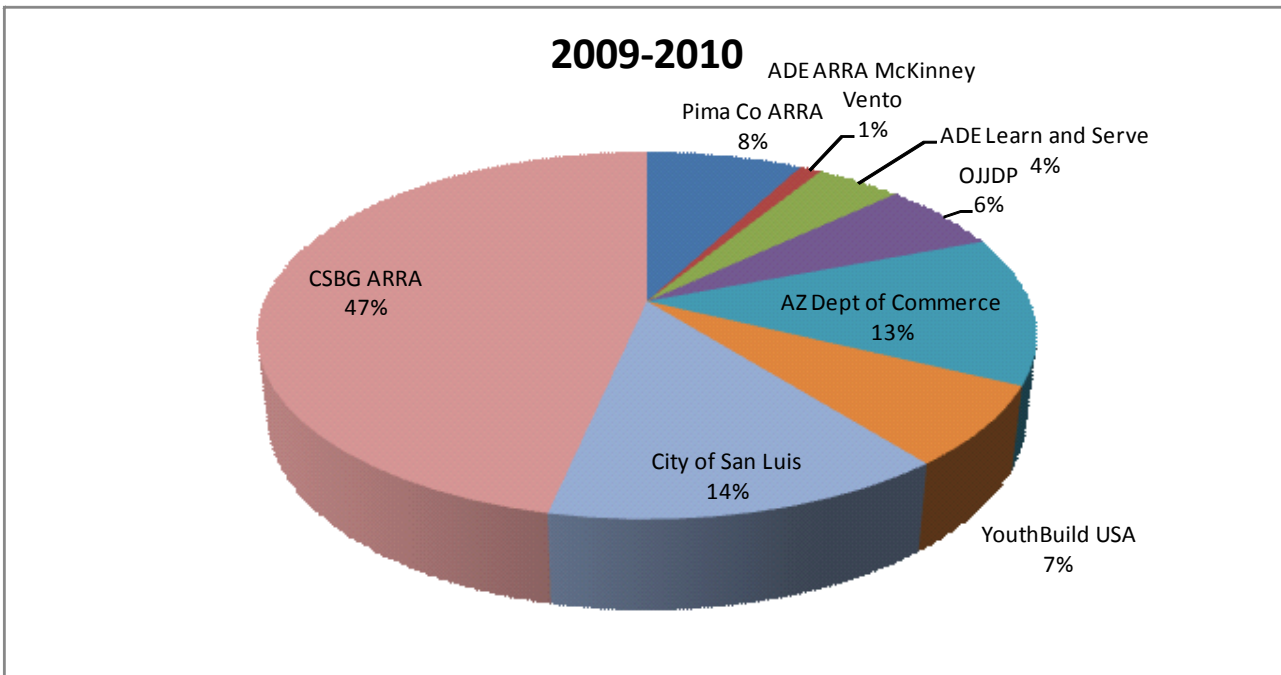


PPEP, INC PLANNING DEPARTMENT ANNUAL REPORT 2009-2010 BY: CAROLYN OWEN

PPEP Inc.'s funding maintains a balance of sources. We have contracts with Pima County and the State of Arizona to provide an array of services; and during the past year we have received funding for all our programs from Cities, Counties, the State and Federal governments as well as a number of private funders.

PPEP Inc.'s planning department has experienced staff changes in this past fiscal year that has impacted fundraising efforts. However, PPEP has successfully maintained funding for all its programs, despite the increase in demand for services as a result of continued downturn of the economy. Our ability to secure funding despite a shortage of staff is a testament of our leadership.

The chart below illustrates the grants PPEP was awarded during this past fiscal year:





Portable Practical Educational Preparation, Inc.

Multi Service Center

802 E. 46th Street

Tucson, Arizona 85713

(520) 622-3553

Toll Free: (800) 376-3553

FAX: (520) 622-1480

Internet Address: <http://www.ppep.org> E-Mail Address: ppep@ppep.org



John Bordenave
President

John David Arnold, Ph.D.
Chief Executive Officer & Founder

Hector Sanchez
President

“Si Se Pudo”

CEO QUARTERLY REPORT May, June, and July 2010

Estimados Miembros de PPEP Affiliates Board and Family:

This has been an extraordinary three (3) months with far reaching outcomes. This may be one of the most successful years financially and programmatically we have seen in recent times. Furthermore we have resolved many outstanding contract compliance and funding issues with our funders. Below are some highlights of what this success translates into as we further our agencies mission statement to “improve the quality of rural life.” Two staff appointments that have enhanced our administrative capabilities is Kari Hogan as CAO. Kari has served in various capacities over the last 24 years. She presently oversees the employment and training activities in the agency. The other is Jim Stewart formerly our banker and board member. He is now the PMHDC Executive Director. Jim has over two decades of banking experience and recently did a 3 month study of PMHDC lending practices which are serving as a guide to needed changes on how we make and service loans. His motto to his staff is “if you make the loan, you own it as long as it is in force.”

Our un-audited bottom line for the past fiscal year seems to be robust considering all the deferred reparations on our buildings and acquisition of the much needed new properties in Somerton, Globe and Gila Bend. Furthermore we maintained our great wellness and health plan for our staff coupled with a 75,000 contribution to the employee 401 K fund. We were able to increase our staffs’ life insurance coverage from 10,000 to 25,000.

I. Government Relations Improved Dramatically:

USDA, SBA, EDA, RHED, HHS, Arizona Department of Housing to name a few. We still have one major issue with HUD regarding a self help housing subcontractor in Colorado (Thistle) yet to be resolved. We have submitted the documentation requested of us to HUD and are awaiting their response. With USDA we finally managed to get our designation as a multi-housing management operator so we can be reimbursed for overseeing the Don Frew and La Ramona apartment projects. I found during my recent involvement with PMHDC that there was a big backlog of issues and relationships with our funders had deteriorated accordingly. I contacted each and made amends and addressed the issues in their entirety. In some cases apologized to officials that had been offended by previous staff. These efforts have really paid off in getting approvals and release of funds on a timely basis. Both

housing projects have been operating in the black for the first time in a long while. Quail Run Subdivision in Douglas has sold its 9th home and has one left to sell.

II. Re-Charter for 20 Years/PPEP TEC:

Perhaps of most significance to both the short and long-term financial viability of our agencies is the 20 year renewal of the PPEP TEC Charter as well as the PPEP Virtual (AZVA) Charter. The grand effort to prepare for the re chartering took over 6 month's.

As a result the Arizona State Charter School Board approved both charters unanimously. I commend the great team effort on the part of all the administrative staff and teachers that participated in the process.

III. Development of Unrestricted Funding/Private Sector Partnerships:

The signing of a 20 year service agreement with K-12, Inc. for the use of our Charter will realize millions in unrestricted funds over the life of the contract. I trust that those involved with PPEP in 2030 will appreciate this legacy of the stream of unrestricted working capital that will nurture programs that have survived.

I am extremely proud to have been part of this agreement which from its inception 5 years ago has given PPEP's education, social and economic development efforts unrestricted funds to maintain quality services and survive the severe cuts from government revenues. It will continue to do so in the future at even a significantly higher level of contribution than before from K 12 Inc.

IV. International Development Projects:

PPEP, Inc. and Affiliates and my work abroad was recently recognized by the presentation of LULAC's prestigious International Service Award at their annual convention in Albuquerque, NM. Furthermore, in June I was in Owerri and Lagos, Nigeria, checking up on projects we have initiated there.

A. WAAST Micro Credit Cooperative Society:

The WAAST Micro Credit Cooperative Society in Owerri is a credit project we started in 2008. To date it has 290 loans in place. I went there to set up an independent audit of that program. First, we hired an outside auditor to test the financials. I conducted a program review of 14 random clients' files. All were complete with the proper paperwork and loan documents. I also visited at least 10 of the borrowers and interviewed each whom indicated satisfaction with the program.

B. Imo State University:

I gave a micro credit seminar to the students and negotiated an MOU with the institution to further rural health, education, and micro credit programs (about the size of UCLA).

C. Palm Oil Cooperative:

I assisted in raising \$1,800 for the equipment necessary to open a women's palm oil cooperative. PPEP, Inc. put up \$900 and the local Kingdom matched our funds with \$900 (see attached-thank you letter).

D. PPEP Donation/Renovation WAAST Micro Credit:

PPEP donated \$1,600 to renovate the WAAST Micro Credit office and install security bars over the windows and doors. Furniture, A.C., electrical work, and painting were also initiated with these funds. These renovations were essential to the security and well being of both staff and clients along with safe guarding the assets and records.

E. Cooperative Efforts between LULAC, Rotary, and The Kingdom

I set up cooperative efforts between LULAC, Rotary, and The Kingdom to assist in projects such as security windows and a toilet project for the 500 deaf and mute students. Rotary has proposed a matching grant of \$8,000 from PPEP (\$8000 from Rotary) to complete the \$16,000 project to provide restrooms for the deaf and mute schools in Owerri. During, this quarter two LULAC International pages were published (see attached).

F. Hybrid Loan Program

I assisted the Kingdom to start a micro credit cooperative' hybrid' loan program similar to WAAST. PPEP Inc is donating 5,000 to be matched by the Kingdom to capitalize the loan fund (see attached request).

V. PPEP TEC High School Graduations:

Every May we have a marathon of graduations by our seniors across the state. This year was no exception as we graduated approximately 250 more students surpassing 3,000 overall since its inception. Most of these students had been given up upon by every one else including themselves. This year over 15 students received college scholarships that were matched by 60 % from LULAC. Furthermore we received 6 more University of Phoenix scholarships valued at 50,000 each for undergraduate and graduate studies for our teaching staff. This brings the total up to 30 scholarships in the past three year with a value of 1.5 million. The main graduation centers included Tucson, Bisbee, Somerton, and San Luis, Arizona.

VI. PMHDC:

There was a remarkable turn around in the delinquencies, which were cut in half.

New staff was hired that have brought the ethic back of hard work. They also understood Jim Stewart's philosophy of ownership of the client and the loan from its inspection going forward. Also the Small Business Administration added the Navajo Nation to our portfolio giving us 67 % of the state as intermediary lender. We are also applying for the SBA Prime program m to provide business crisis intervention counseling to border borrowers affected by the violence and drug cartels. On the Navajo Nation we will have classes on micro business start ups. Both regions will use the 'itinerant or circuit rider' approach in its staffing.

VII. Encompass:

Client's art makes it to the Smithsonian Institute (see attached news story). Dinah Stafford's 3D papier- mache' self portrait was selected to represent the State of Arizona and be put on display at the Smithsonian Institute in Washington D. C. Recently, the ENCOMPASS clients had an art show and displayed their art at the main office in Tucson.

VIII. PPEP TEC High School

In May 2010, PPEP TEC High School graduates 200 students; bringing total to date over 3,000 graduates. Graduations were held in Tucson, Avondale, Cochise County, Somerton, and San Luis (see photos).

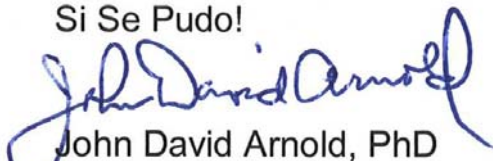
IX. Recap of Activities for Selected Agency Divisions:

- A. Encompass, Gina Judy, CAO
- B. Project Management, Gary Kleopfer, CAO
- C. PMHDC Micro Business, Jim Stewart, Director
- D. Employment and Training/Human Services, Kari Hogan, CAO

Please see attached reports.

Finally, we have finished our PPEP and Affiliates video documentary. We will do a preview at our up coming board meeting. I want to thank all of you that participated in its preparation.

Si Se Pudo!


John David Arnold, PhD
CEO/Founder



Thelma Meléndez de Santa Ana, Assistant Secretary for Elementary and Secondary Education and Dr. Arnold with Youth Build students at the 2010 LULAC National Convention in Albuquerque, NM

Encompass and Behavioral Health, Gina, Judy, CAO

ENCOMPASS

- **Change in Benefits to our Clients:** Effective July 1, 2010, ARS 36-562 changed the percentage to be collected by the DES Division of Developmental Disabilities for amounts billed for residential room and board from 70% to 88% of client's monthly federal benefit. This reduces funds available to clients for quality of life areas. Essentially, our clients will lack funds for things like hair cuts, activities, household items, clothing, and birthday gifts.
- **Request for Qualified Vendor Agreement:** Most ENCOMPASS services are linked to a Qualified Vendor Agreement with DES-DDD. We make application for consideration as a qualified vendor every 6-7 years. The agreement allows PPEP to bill for client authorized services we are qualified to provide. No placements are guaranteed. Presently the RFQVA is out for comment. The most concerning change is in service specifications for Habilitation. New specifications are oriented toward a "community protection client" rather than the average resident living in the group homes presently. We are also attempting to obtain clarification on record retention and there are new requirements for all employees to be cleared through the CPS and Fraud registries.
- **WWW.MYENCOMPASS.ORG:** ENCOMPASS needs to explore expanding www.myencompass.org to ensure the organization does not fall further behind in using technology to enable employees to efficiently meet the goals of our contracting sources. Our competition is moving forward and we have been in a stalled position for two years.
- **Outreach:** Ban the "R" Word and Charity Charm campaigns will begin with civic organizations and school groups.

BEHAVIORAL HEALTH

- Realignment of potential resources with service delivery has taken the front stage these past few weeks. We will continue to examine the long term effects of high volume service needs through September.
- Environmental improvements and interaction with the behavioral health team has improved moral in higher volume areas. Lower volume areas continue to require alignment to ensure expenses to not exceed costs.
- Begin to work on branding the behavioral health division. Create a conceptual model for a behavioral health website or link that will serve as a basic foundation for interfacing with the community. Examine expanding the www.myencompass.org website or linking the website with a new behavioral health website.
- **Online Counseling**
Continued exploration of pilot online counseling with K12 continues. Next step involves transferring a "session" to a webinar format to illustrate online counseling features. This idea continues to move forward.

Respectfully submitted,

Gina Judy, CAO

Project Management, Gary Kleopfer, CAO

Ajo DTA

- Waiting Arizona Water to install lines for fire sprinkler system.
- Fence cost is \$11,500; this includes a contractor from Casa Grande doing the wrought iron and the PPEP crew installing the chain link. The best bid we have for a contractor to do all the work is \$13,550.
- The PPEP crew needs to complete the painting and install floor covering in the front of the building. This is scheduled for mid September
- Need date of open house.
- One AC unit is not working and should be replaced. We are getting bids now. Estimated cost is around \$6,000
- The Roof has several leaks; repair cost is \$3,500 with no warranty. Replacement cost is \$7,950 with 3 year warranty.

Casa Grande DTA

- Still waiting on plans from the sprinkler contractor. They tell me the plans will be ready this week.
- Plans need to be submitted to City of Casa Grande for approval.
- Arizona Water needs to install lines and valve for connection. This takes 90 days or more. Cost is unknown.

Somerton School Project

- It is my understanding the City has approved zoning for a school to be in the Bingham property. They have requested that 50% of the center remain retail. We do need to submit a conditional use permit because the school is over 6,000 SF.
- The plans have been submit to planning for approval.
- The demo phase is completed and the project will start as soon as we have approval on the plans. I still need bids for three contractors. (in work)

Casa Grande Rezoning

- The warranty deed needed to be re-recorded because the surveyor had an error in the legal description. That was done Today, August 19.
- Next step is to submit the re-zoning documents to the City of Casa Grande. This will be done by the architect.
- By law the city must approve or disapprove the request within 90 days of submittal.

Casa Grande School Project

- The architect has provided a draft of space requirements. The gross is over 10,000 SF. I asked that the project be not more than 8,000 SF

School Kitchen Projects

- The RJ plans have been submitted for approval. No word on them yet
- The BH plans should be ready to submit on Monday
- The SL project has started. I do not have an update at this time on the status.

Avondale DTA

- This will be the next project after Ajo DTA is completed. Should be done in November and December.

Globe Properties

- All the homes and the DTA need to have the outside painted. We are in the process of getting bids.
- General repairs needs at all locations. We should get to this after Avondale

PMHDC Micro Business, Jim Stewart, Director
Highlights of PMHDC activities during July were as follows:

- Close attention continues to be devoted to delinquency rates and trends, and we are restructuring quite a few problem loans to help borrowers keep their companies alive as they struggle through the present economic crisis and border crisis. Our general approach is to lower monthly payment amounts for 6 months with the intent of then returning the monthly payments to their original level.
- The Executive Director is also in the process of updating and tightening the procedures for approving loan restructures
- At the same time we are increasing the time focused on business development efforts and we are stressing the importance of CDO's finding new partners who are in positions to refer business loan candidates to us. In Tucson we have reached agreement to partner with the Hispanic Chamber of Commerce to be the sole provider of lending assistance to qualified applicants they refer to us. A preliminary draft of a Memorandum of Understanding has been completed and is now under review by both parties. We have also agreed to partner with a group called The Rural Bridge Network to provide business financing to qualified applicants they refer to us.
- Our CDO's are responding to our need for more loans and our loan pipeline, which until recently was almost empty, now includes 102 prospects actively participating in our business planning technical assistance.
- We are now providing business planning webinars in both English and Spanish languages to loan prospects.
- We completed a SBA-Prime grant application during July. This grant targets business training needs in the border crisis area as well as the Navajo Nation. It is an annual grant that can be awarded up to a total of 5 years. It includes \$223,194 of federal funds and requires non-federal matching funds of \$111,597 (50%).
- We completed a Department of Agriculture grant application in July. The grant is for the Rural Micro entrepreneur Assistance Program (RMAP) which targets the development and ongoing success of rural microenterprises. If awarded to PMHDC, it provides \$500,000 of federal funds (25% match of non-federal funds) to be loaned over 2 years (20 yr. repayment by PMHDC) and Technical Assistance funds in each of those 2 years of \$125,000 in year 1 and \$120,165 in year 2.
- During July we began to adjust our CDO representation in the Maricopa county region. We are now searching for 2 part time CDO's (2 at 20 hours per week) or possibly 1 full time CDO.
- We initiated a temporary change in our loan approval process so that the CDO's are no longer lending money on their own authority. The Executive Director now is working with each CDO on analyzing loan opportunities and the Executive Director now is approving all loans along with the CDO's. This teamwork provides the CDO's with training on analyzing credit bureau reports, performing necessary financial analyses and understanding all of the criteria that should be considered in the loan negotiation and loan decision processes.

Employment and Training/Human Services, Kari Hogan, CAO

- DOL - We have developed a comprehensive outline for the position transition of the staff to the Workforce development Specialist position and all the required training for staff to be successful in becoming a dual position that does comprehensive case management and job placement/retention. We have developed a new employee orientation that is a weeklong and covers a comprehensive array of topics from filling out required paperwork, to PPEP policies, organizational charts, computer programs, etc. This was initiated by new staff that wanted to see a better introduction into PPEP and the program that they work in. We will be meeting with all of the DES statewide farmworker monitor advocate staff to and our NFJP staff to review the MOU that is in place as well as insure a working relationship among the programs to best serve farmworkers across the state. 2011 funding for DOL is out and it has gone through the house and senate for another 3% increase which would be about 3 million dollars in the big picture, which could mean an additional 50,000 to the PPEP NFJP program next year if there is not a continuing resolution, which would leave at the same funding as this year.
- HEP – I have met with the staff and looking at positions and currently working on updated job descriptions and what all of the staff are doing in regard to performance and program. We are waiting for the official word that we have been funded for the next 5 years and should know something by the end of the week according to our federal project officer. Currently we are on a 30 day no cost extension since the grant officially ended on August 7. Under this extension we are funded with our carryover until Sept. 7th unless we expend all of those dollars before this date.
- USDA – Our AFOP work group that met with USDA on the farm bill 14204 for employment and training services for agriculture stabilization and skill upgrades will be working with USDA to help write the new regulations for this funding since this has been mandated by OMB to develop funding regs. I was a part of the initial team that that worked with USDA to input on what should be in the NOFA and they have asked me to continue with this group and be a part of writing the new regs. We are hoping this will be start sometime in Sept. or Oct and will be completed within the next 6 months so funding and be put out for competition.
- Arivaca Garden – Dr. Arnold has reached out to Alan Stevens of USDA to try and find out where are grant application is for the Food Security grant is that we applied for in order to do expansion at the garden with a new canning kitchen. We did not get the grant for this from the County under CDBG. We will be applying for the County Fair White Elephant funds again this year and that application is due in September and have received this funding for a number of years.
- WIA – We are now providing service to WIA youth in Pima County. This is a spin off of the summer youth program that allowed us to get our foot in the door with youth in this county. We are hoping that this will bring new opportunity to PPEP once we get on our feet with this program. This was incorporated with the overall WIA contract with Pima County. We are also in discussions on how we can partner with Pima County on their YEARN grant that serves at risk youth. All of our contracts have been refunded and this year we saw slight increases in the Elderly program in Ajo and a slight increase in the Senior program for employment here in Tucson.



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John David Arnold, Ph.D.

“Si Se Puede”

Hector Sanchez

Chief Executive Officer & Founder “Si Se Pudo!”

President



QUATERLY CEO REPORT APRIL 2010

PPEP and Affiliates Board, staff, and friends:

The first quarter of 2010 has seen a profound negative affect on the rural communities and farm workers we have served.

I have made it a point to visit most every of those affected communities to see first hand where the negative affects have taken their toll and receive local input on how to move towards recover.

I. Micro business Recovery

Since before Christmas, I have taken over duties of PMHDC after Dr. Beckhorn retired. What I found was that our micro loan was struggling due to the poor national economy and the border violence and drubs cartels, and gang activity that regularly interfere with commerce.

Furthermore, our funding sources supporting both the housing (HUD, USDA, and micro credit (SBA and EDA) were not happy with us. There was a profound disconnect in understanding the dire economic situation in our border region and the stresses resulting thereof. Myself, Miguel, and Connie traveled to Washington, DC to meet with officials in the SBA National office and explain our situation. Furthermore, there were numerous reports and informative requests of PMHDC that was not forthcoming on a timely basis or complete.

I am happy to inform the Board that all those reports and updates have been submitted and other deficiencies addressed. HUD, EDA, USDA, and SBA I personally contacted and apologized and assured each that these concern in the future would be addressed in a timely manner.

Other notables accomplished during the first quarter of 2010 include:

1. Hiring of new staff in Santa Cruz, Pinal, and Maricopa counties.
2. Expanding new lending territories away from the border Pinal, Maricopa, and the Navajo Nation. This will help balance our portfolio in new communities away from the border region where the economy is in crisis. All these areas have been served previously by PMHDC.
3. Staff Training Workshops: Two training workshops to build staff capacity and peer group exchanges between the new staff and the veterans.

4. New offices established – Pinal County; Eloy and Maricopa County; Avondale (One Stop Center). In San Luis staff moved into the old City of San Luis Library facility.
5. The Navajo Nation: SBA awarded PMHDC the Navajo Nation whose territory is located in four states: Arizona, New Mexico, Colorado, and Utah. During the 1980's PPEP was one of the Navajo Nation's largest subcontractors.
6. This past quarter the SBA Delinquency rate has dropped from 29% to under 15%. The overall delinquency rate (all funds) was less was 10%
7. PMHDC had a couple of notables in their portfolios such as Maria Jesus Gaxiola who received a \$500 loan 15 years ago when she was a widow and farmworker in Yuma. Her loan was to start an herbal life distributor business. This past month she was awarded by Herbal Life the one millionth dollar sales award (see her attached testimonial). Also in 1998 she was honored at the White House by Bill and Hillary Clinton as the micro business of the year (see photo).
8. New Offices in San Luis Arizona were dedicated on PPEP's 30th Anniversary celebration this past month in Yuma County. The City of San Luis turned over the old library facility which now houses PMHDC, NFJP, and Youth Build programs. This is almost 100,000 'in-kind' contribution to us. Jim Stewart our PMHDC Board president has been of great assistance to us as well.

II. Housing Development

(See accompanying photos) PMHDC operated two multi housing units: La Ramona Morales in Benson of 31 units of senior housing. This project had been in the 'red' until we re-financed and made needed improvements with the proceeds. Furthermore we have hired Kathleen Kraushar as our multi-family housing director. She brings to the organization a lot of experience and familiar with the various governmental agencies we must work with. Furthermore both Kathleen and Robert Milianta have worked diligently along with Danita Rodriguez to turn around our housing relationships with the funding sources such as USDA, EDA, HHS and HUD. The Quail run project has 4 applicants for the final two affordable housing units available in Douglas. We are exploring solar and green housing options for all future projects; solar project on both sides of the border including one in Mexicali for pilot demonstration partnerships. Another visit was made to officials in Imperial County. PHDC a California based Corporation that was set up circa 1985 when PPEP California was constituted in Brawley. PPEP Ca. went on to become an online charter school and PHDC will explore vocational, housing, and micro business opportunities in that state.

III. PPEP Behavioral/Counseling Services

PPEP counseling services is expanding at a time it is most needed. Cenpatico, CPSA, SEABHS all have expressed an interest or are already working with our rural BHS services. We have just hired a BHS counselor in Yuma / La Paz County and will add another counselor for Pinal County in the near future. This fall we will implement counseling services to our S.E. Arizona schools. The primary target for these services will be at our at-risk students at PPEP Tec High Schools.

IV. Encompass Program

Encompass has accepted a new group home in Globe Arizona with anticipation of others in that area.

V. PPEP, Inc. (AZVA and PPEP TEC)

The Arizona Virtual Academy (K-12 Inc) is negotiating an additional 20 years extension of their contractual relationship with PPEP Inc. PPEP Tec has also submitted for its 20 re-chartering credential which will be presented at our board meeting.

VI. Notables

(See accompanying photos)

- A. Gertha Brown, one of our board members has been acknowledged by the Black Chamber of Commerce as one of the most influential African Americans in So Arizona (see cover).
- B. Partnership established with The Tree of Life to assist the Reino de Los Niños Orphanage in Imuris, Sonora. A 10,500 grant was solicited for the up keep of the orphanage with a 500 grant per month for operations.
- C. PPEP TEC 20 year charter renewal was submitted to the State Charter School Board that took a lot of hard work in preparation that took 3 month's in the making.
- D. PPEP and Affiliates was ranked as the 96th largest employer in Southern Arizona in the Star 200 series which is 4 places above last years ranking.
- E. Ten (10) board members have been visited including past members over this last quarter. Assumed the directorship of PMHDC this last quarter and instituted a number of changes. Jim Stewart will be providing us some consultancy services on correcting our deficiencies.
- F. Natural disasters; substantial relief efforts have been made to continue assisting the Haitian relief effort as well as the earthquake victims in Mexico and US border region near Yuma. Our school and staff in that region have done a great job.
- G. The US Census has been a top priority to insure everyone is counted. PPEP facilities statewide have been used as Census sites for their activities.
- H. PPEP hosted the Rocky Mountain Hawaii Coalition of farm worker job training program in their annual gathering that took place in San Diego. The three (3) day conference drew almost 100 participants form 14 states. Kari Hogan is the President of the coalition and PPEP was the founder in 1990
- I. Virtual learning; we are in the process of renegotiating a 20 contract with K-12 Inc to continue the partnership we have had over the past 5 years (see azva.org). The PPEP California board has received a couple of key representative to empower their activities with the Insight School of Los Angeles. This online high school reaches some 500 students in the LA region covering four counties (see Insight School of Los Angeles.org).
- J. International activities; I have made a number of trip into Sonora recently including visiting programs in Caborca, Magdalena, Empalme, Hermosillo,

and San Carlos to name a few. I visited DDD programs and presented used vans from Encompass to assist the handicapped and under served rural communities. I was a guest of Sonoran Governor Guillermo Padres and the First Lady Iveth and visited the Delfinario in San Carlos where they give dolphin therapy to DDD children. We presented a used handicapped van from Encompass to the institute. We had a delegation of newly immigrated Africans that we assisted to get jobs through the One Stop in Pima County.

- K. LULAC Gala; was held in Washington D.C this past February. Besides meeting a number of dignitaries, including the Governor of Puerto Rico we made a number of Federal agencies and Hill visits with LULAC. Ms. Connie Martinez represented us at the LULAC Women's Conference in Puerto Rico.
- L. Scholarships; the University of Phoenix has awarded PPEP Tec an additional six 50,000 scholarships that brings the total to 30 over the past three years. LULAC scholarships made of 500 were given to 15 students primarily from migrant and seasonal farm worker families. There are another eight 1,000 scholarships being awarded to PPEP Tec Students and other applicants. LULAC matches every one of our dollars by 60 cents. We have a great deal of success with this program.
- M. Alan Stephens the new USDA R.D. Director visited PPEP and PMHDC projects in Southern Arizona. He also visited PEP Tec high School as well. He is the highest Federal agency Directors to visit us this year.
- N. Other new facilities the Ajo Encompass Program is getting two new offices in Ajo and Casa Grande. The PPEP TEC in Somerton will hopefully move into the old YPIC building in the La Paloma Plaza in Somerton this Fall. Encompass has been awarded a contract for a new group home in Globe and will use the existing facility.
- O. Chris Thurber is our new Behavioral Health Counselor in lower Yuma County. We now have a contract with Cenpatico for the Pinal, Yuma, and La Paz County regions.

Finally, on commentary on the Civil Rights movement of the 1960's; Martin Luther King, Cesar Chavez, and many other great unsung heroes of the movement lit the torch for us. However, that was not the end of it. Every torch must be maintained or it will lose its fuel and burn out. I have had grave concerns over the years that we let this happen. Our voices have been silent when this erosion started and exercising our voting rights has been lax. Maybe its time we relight the torch for everyone's sake.

Si Se Pudo!



John David Arnold, PhD
CEO/Founder



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John Bordenave
President

John David Arnold, Ph.D.
Chief Executive Officer & Founder
"Si Se Pudo"

Hector Sanchez
President

ADDENDUM

CEO REPORT – JANUARY 25, 2010

PMHDC Board, staff, and friends:

On behalf of PMHDC, greetings and thank you for sharing our report for 2009. This year was marked by an unprecedented crisis in both housing and business that the region has not witnessed since the Great Depression. Throughout the year, I was reminded of the story of the Dutch boy that stuck his finger in the dyke to keep it from breaking and flooding his town. Our rural communities in particular have been especially hit hard with border violence, gangs, trade barriers, and the demise of the peso devaluations. PMHDC has worked hard to help keep back the flood of economic downturn.

Housing

On the housing side both the subsidized and regular loans have disappeared eliminating many jobs that have caused a domino effect on the business community and family disposable income.

In San Luis, Arizona, one of our target areas has one of the highest un-employment rates in the country due to the decline in agriculture and border trade. Nonetheless, even though PMHDC has taken reductions in grant funds has managed to stabilize the existing business through technical assistance, training, and networking.

Micro Business

The volume of loans has declined, as in a risky environment, we have been very careful that strong business and marketing plans have been prepared before issuing loans. Furthermore, we have taken steps to shore up our relationships with our major funders HUD, USDA, SBA, and HHS to insure our working relationship was streamlined to meet the new challenges before us. We have downsized staff in some areas and brought on board new staff with talents in their backgrounds that will help our clients meet the challenges ahead during economic recovery. New members have been added to the External Loan Review Committee that bring expertise critical to making the right decisions during this economic climate. We have stepped up technical assistance efforts as well as collections with our micro business borrowers. Delinquency rates have been brought down as a result. New leadership in the PMHDC Board will also have an impact as we go forward.

Staff Training Workshops

We have conducted extensive staff training workshops and developed a strategic and operating plan which has clear goals (this plan is attached for your review). We have also formed a “green committee” to guide us in the direction of new energy efficient technologies and business affordable to the rural communities. One example is the loan PMHDC made to the Bee-Health-E Clinic in Douglas, Arizona that has been retro-fitted with solar panels and is model of what is to come (see attached story on this “green” project its specifications and potential).

One of the micro businesses that made national attention is the loan made to an author of children’s books. Marisa de Jesus Paolicelli has since repaid her loan of \$13,000 and her story is attached that tells it all. Another micro loan went to Yesteryear Amish Carriage, Co. This business gives tours in Patagonia, Arizona, to the tourist trade (see flyer attached)

PPEP Micro Business and Housing Development, California

The CEO requested that the PVHDC on formed in California be activated. This corporation was formed in Brawley, California in 1985 but never activated.

Therefore, the PPEP/PMHDC Board of Directors in Arizona appointed Dr. John David Arnold, Ozzie Lopez, Ronald Vera, Ramon Miramontes and Lynn Murphy as interim directors during the reactivation process and its first official board meeting in California.

PPEP Vocational Housing and Development Corporation – California

International

On the international scene the WAAST Micro Credit Cooperative Loan program we started in 2008 in Owerri, Nigeria is a stunning success. To date, they have made 250 loans with no delinquencies and no defaults. Since 2005, we have helped raise \$55,000 to capitalize the loan fund. We also assist with some of the staff salary support. Over the Christmas holiday, I visited the Nagoya Japan Rotary Club to in-list them with financial support for the Nigerian program.

In Sonora, we have increased our involvement with the micro business lenders there. Recently, I participated in a training seminar with over 800 entrepreneurs in attendance where we did capacity building. We are also developing ties with the border area cities of Imuris, Magdalena, Caborca, Saric, Atil, and Arizpe to create a mini-Nafta for cross border between micro businesses.

Apartments

The Don Frew Apartments serves 18 low income families in Marana. We recently had the USDA Rural Development Director Alan Stephens visit the project where we talked about adding solar and other amenities. Perhaps, even building the remaining eight (8) units on the property; the project is now in the black. Subsequent, to that the USDA Housing Director Ernest Wetherbee visited the

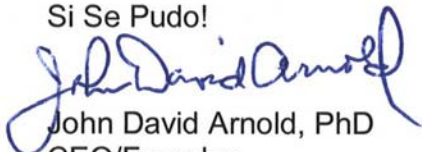
project and suggested major upgrades to the existing units. La Ramona Morales Apartments was recently refinanced and the interest lowered which has put the project in the black and provided much needed capital for renovations. Quail Run in Douglas sold two more units and has potential buyers for the remaining two homes. It has been a very difficult market to sell the house.

Business Training

Income generating efforts through webinars and possible franchises on solar retrofits may be looked at for job creation and stabilizing businesses in crisis. 2010 offers us unprecedented challenges as well as unlimited opportunities. We re-activated PHDC California, which was formed in 1985 but left vacant over the years. We already have developed considerable interest in California for PHDC becoming a pilot demonstration in a variety of areas including solar, vocational training, green housing, etc. One project indentified, is a franchise on a solar hot water heater panel franchise.

Finally, PMHDC, PSHSC, and PHDC will continue to make a difference as it explores new ideas, methods, and technologies that will provide services to our rural communities in the 21st century.

Si Se Pudo!


John David Arnold, PhD
CEO/Founder



Alan Stephens, USDA; Dr. John David Arnold, CEO PPEP/PMHDC; Mike Gomez, City of Douglas Mayor; and PPEP TEC students attend PMHDC Solar Project at Bee Health E – Douglas, AZ



**Office of the Immediate Past
AZ LULAC Deputy State Director for Youth
& PPEP Youth Representative**



**Report to the PPEP Board
October 25th, 2010
Tucson, AZ**



Adelante! America LULAC Mentorship Conference at PPEP TEC H.S. (Sept. 2010)
Hon. Nana Otibribi (Lunch Keynote Speaker)

National League of United Latin American Citizens Youth Organization
Cell: (520) 461-9693 www.lulac.org MiguelJZazueta@yahoo.com / MZazueta@ppep.org

Miguel J. Zazueta

**Miguel J. Zazueta
PPEP Youth Representative
Former Nat'l LULAC Youth President 05'**

AZ State LULAC Youth & Young Adults Councils

- Young Adults: DREAM/Change Young Adults Council #1116 Tucson, AZ
- Young Adults Council #1118 Tucson, AZ

Some of the Events I attended

- December 2010: TAAG Pima County Graffiti Clean-Up Tucson, AZ
- March 2010: 21st Annual LULAC Youth Leadership Conference Tucson, AZ
- April 2010: 21st Annual LULAC Education & Scholarship Awards Banquet Tucson, AZ
- April 2010: Community Service Town Hall Meeting with Dr. Jannah Scott Tucson, AZ
- June 2010: 59th Annual State LULAC Convention @ PCC West Tucson, AZ
- July 2009: 82nd Nat'l LULAC Convention Albuquerque, NM
- August 2010: 21st Annual FBI/LULAC Awards Banquet Tucson, AZ
- August 2010: Core Tax Town Hall Tucson, AZ
- September 2010: Adelante! LULAC Mentorship Conference @ PTHC Tucson, AZ
- September 2010: 2nd Annual AARP/LULAC Health Fair Tucson, AZ
- September 2010: Washington Youth Leadership Seminar Washington, DC
- September 2010: 37th Annual College Night at TCC Tucson, AZ

- Mr. John Bordenave/ Mr. Abdul Arzani

Future Events 2010 – 2011

- October 2010 – June 2011: Adelante! America LULAC Mentorship Program Tucson, AZ
 - PPEP TEC H.S.
 - Desert View H.S.
 - Fred G. Acosta Job Corps Center (pending)
 - Toltecali Academy (pending)
- April 2011: Adelante! LULAC Mentorship Conference Tucson, AZ

**“LULAC/AT&T Adelante America”
Leadership Conference
September 2, 2010**

The Leadership Conference was held on September 2nd, 2010, with two sessions of 100 students each. This year’s theme was “Adelante America con LULAC.” The focus of the conference centered on leadership development. The conference included motivational workshops; as well as a segment on leadership and the importance of a college education. Students developed tasks, responsibilities, and committees to carry out the conference.

The planning of the conference began since May 30th, 2010, with students meeting on a bi-weekly basis to plan professionally and involve as many other students from the community. Below please see a breakdown of the attendance, list of presenters, activities, brief description of presentations, and pictures of the event (please see agenda attached).

Attendance:

Group I: 100 students
Group II: 105 students

Location:

The event was held at the 1840 E Benson Highway, Tucson, Arizona.

Activities:

Little Ceasar Pizza was provided as well as a raffle of the following: 15 Power Balance wrist bands, 2 basketballs, 1 volleyball, 1 tennis racket w/ duffle bag and set of 3 tennis balls.

Presenters:

Hon. Nana Otibribi (Lunch Keynote Speaker)	Ms. Sherry Derese Jordan
Dr. John David Arnold	Ms. Lillian Pérez
Mr. Robert Canchola	Ms. Ana Valenzuela Estrada
Ms. Linda Leatherman	Ms. Elisa Rubalcava
Mr. Richard Fimbres	Ms. Mary Fimbres

Presentations:

1. John David Arnold presented a 38 minute video presentation and testimonials. Spoke to students about the importance of education and how education is key to success.
2. Sherri Jordan, State Farm, presented on the topic of leadership, empowerment, and self worth.
3. Nana Otibribi, Ruler from Ghana International, West Africa. Two presentations on motivation, best leadership practices, preparation to succeed after high school. Spoke at the two sessions on a variety of subjects that lead towards a successful career, and post secondary education.
4. Richard Fimbres, City Councilman, presentation included a segment on knowing yourself, your market, motivational preparation in school translating to success later in the future.
5. Ms. Lillian Perez, Metro Micro Credit Program MAC, presented on how important it is to know your interests and skills, which translate then into a successful future.
6. Robert Canchola, McDonalds’ Executive Education, presented on his personal testimonial on how his family became renowned business leaders. Also, stressed the importance of skills and training being a necessity to succeed.
7. Mary Fimbres, LULAC Representative, presented on life skills, motivation, education, training, contribution to a successful career, business, and self employment.
8. Linda Leatherman presented on self esteem, preparation for graduating, going to college, ingredients for self employment, business entrepreneur.

Time of seminars:

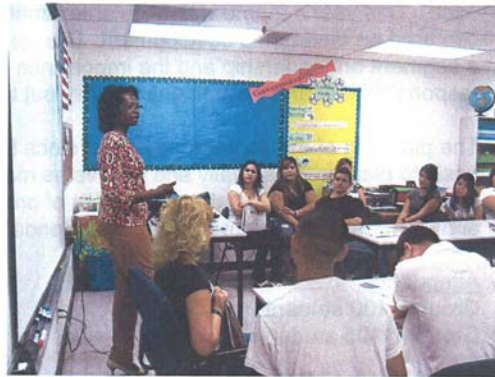
I: 9:00AM-11AM (2 sessions running simultaneously)

Summary:

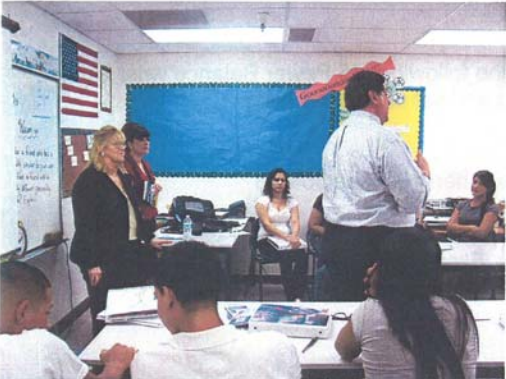
The overall event affected over 200 students. The conference had breakout workshops with great guest speakers (8), addressing the importance of a college education and how leadership is important to succeed in the future.



3827: Students listening on Leadership presentation



3834: Ms. Sherry Jordan, State Farm Presents



3845: Richard Fimbres, City of Tucson Councilman



3868: Miguel Zazueta conducts raffle during lunch.



3872: Students participating at lunch activities



3885: Hon. Nana Otibribi Keynote Speaker



**AT&T/LULAC ;ADELANTE!
AMERICA YOUTH MENTORSHIP PROGRAM**

802 E. 46th Street Tucson, Arizona 85713
520-622-3553 Toll Free 800-376-3553 Fax 520-622-1480

AGENDA

**PPEP TEC High School Dr. Celestino Fernandez Learning Center
1840 E. Benson Highway
Tucson, AZ 85714**

Thursday, September 2nd, 2010

**Welcome/Opening of Conference
8:00 AM – 8:30 AM**

Connie Martinez, Co-Chair Adelante Mentorship Conference
Miguel J. Zazueta, Co-Chair Adelante Mentorship Conference
Dr. John D. Arnold, Nat'l LULAC Co-Chair of Education

Workshops

8:30 AM – 11:00 AM

Room I

**Motivational Leadership "LULAC History" - Moderator:
Connie Martinez, Co-Chair Adelante Mentorship Conference**

- Hon. Councilmen Richard Fimbres, City of Tucson Ward V
- Ana Valenzuela Estrada, AZ LULAC State Director

Room II

**Drop out Prevention/Importance of College Education
"Stay in School" - Moderator:
Miguel J. Zazueta, Co-Chair Adelante Mentorship Conference**

- Lillian Perez, MAC
- Sherry Jordan, State Farm Agent
- Roberto Canchola, McDonalds Arcos De Oro, Inc.

LUNCH

11:00 AM – 12:00 Noon

His Royal Highness King Nana Otimpong Otibribi III

(Honorable Margaret Moran, LULAC President)
- Via Conference Call -

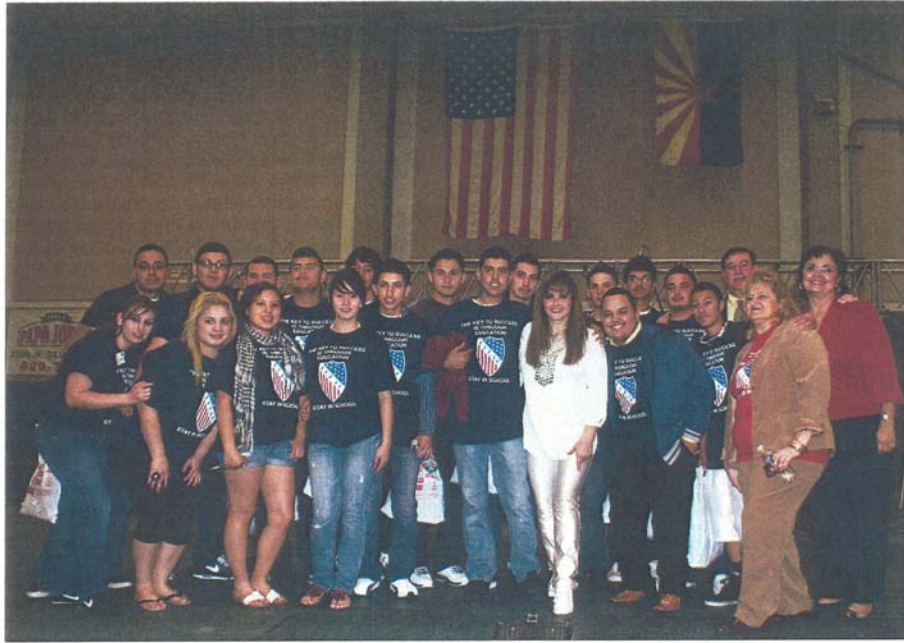
**Special Guests: Miguel Ortega, Mary Fimbres, Edgar Granillo, Javier Herrera, Linda
Leatherman. Dr. Oyama and many more....**



AARP/ LULAC Health Fair at El Pueblo Neighborhood Center 9/25/10



Program students at Community Service Town Hall meeting with Dr. Jannah Scott April 2010



LULAC Youth Leadership Conference, March 2010



Councilmen R. Fimbres with Adelante! Program Student



Nat'l LULAC President Rosales w/ program student.

PCC the scene for White House education forum



More than 200 people told the White House their opinions about improving Hispanic education during meetings at Pima Community College on Wednesday. Juan Sepulveda, executive director of the White House Initiative on Educational Excellence for Hispanic Americans, hosted the meetings. It was a smart idea for the White House group to talk with the community, said PCC Chancellor Roy Flores. "The realities are: In order to have a prosperous economy, you have to have an educated population," he said. And a growing part of the work force is minorities. Thus, "how well we're able to compete depends on how well we educate minorities."

Part of the administration's increased support for Hispanic education comes by way of increased funding to community colleges - \$12 billion over 10 years, Sepulveda said. More than half of the Latinos who pursue higher education start at a community college, he said.

At the meeting, six volunteers were given a couple of minutes to share their ideas about improving Hispanic education on stage. Here are the opinions they shared: "Curriculum needs to be culturally relevant, and teachers should encourage students to love their culture. Students shouldn't be expected to assimilate." - Julio Cammarota, 47, an associate professor in the University of Arizona's Mexican American and Raza studies department "The two things I've noticed as an instructor are that students are not well prepared in basic skills and we're spending an awful lot of money doing remedial education. "Schools would better help students by offering competency-based progression with individual learning plans instead of grade-level advancement."

- Murray Leimsieder, 59, a sociology instructor at Pima Community College "Teachers who are exposed to science, technology and math in real workplaces are better able to get kids excited about those fields."

- Ron Reid, 61, a manager at Raytheon Missile Systems "Students need mentors and role models. Parent involvement at school also is key, but parents need to be educated about ways to get involved in their kids' education."

- Delfina Landeros, 69, a sociology instructor at Pima Community College "Investing in early education pays high returns. "It's key for parents to expect their kids to go to college and for kids to have great relationships with teachers."

- Lupita Cavazos-Garcia, 60, assistant superintendent in the Tucson Unified School District "When teachers have to focus on standardized tests, it's hard for them to be creative and capture kids' potential." - Yvonne Delgadillo, 29, executive director of Nogales Community Development

CHALLENGES AHEAD

Roy Flores, Pima Community College chancellor, said the statistics show "enormous challenges" ahead for educating Hispanics. "The future of America is at stake," he said. "Nothing less."

53 percent Hispanic 4-year-olds enrolled in nursery school in 2007, up from 43 percent in 1997 and 21 percent in 1987.

20 percent Elementary and high school students who are Hispanic.

62 percent Hispanics 25 and older who have at least a high school education.

13 percent Hispanics 25 and older with a bachelor's degree or higher.

92 percent Percent of Hispanic students enrolled at Pima Community College who required some remedial classes.

SOURCES: U.S. Census Bureau, Pima Community College

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PIMA COUNTY DEPARTMENT OF
TRANSPORTATION
TAKING ACTION AGAINST GRAFFITI
(TAAG) PROGRAM
SPECIAL EVENT WAIVER FORM

Please sign and return by December 1, 2009.
Fax to (520)740-6439 or scan and email to
Julie.Simon@dot.pima.gov

Application is made by the undersigned to participate in Pima County's Taking Action Against Graffiti (TAAG) Neighborhood Graffiti Clean-Up Event being held on Saturday December 5, 2009.

HOLD HARMLESS CLAUSE: The permittee, and its participants, or where the participant is a minor his/her parent or guardian shall indemnify, defend, and hold harmless Pima County from any and all claims, demands, suits, actions, proceedings, loss, cost, and damages of every kind and description, including attorneys' fees and/or litigation expenses, which may be brought or made against or incurred by the County on account of loss of or damage to any property or for injuries or death of any person, caused by, arising out of, or contributed to, in whole or in part, by reasons of any act, omission, fault, mistake, or negligence of permittee, its employees, agents, or representatives, their employees, agents, or representative in connection with or incident to the performance of this Agreement, or arising out Workers' Compensation claims, Unemployment Compensation claims, or Unemployment Disability Compensation claims of employees of permittee or claims under similar such laws and obligations. Permittee' and all participants' obligation under the Section shall not extend to any liability caused by the sole negligence of the County or its employees.

WAIVER: The Permittee, all its participants, or where the permittee is a minor, his/her parent or guardian hereby waive the right to any claim for any damages or injury of any kind accruing to the permittee or to any participant arising out of or as a result of the use of this permit except said waiver does not extend to any such claim which is caused by the sole negligence of the County or its offices and employees.

THE UNDERSIGNED PARTICIPANTS, PARENTS, OR GUARDIANS HAVE READ AND AGREE TO THE CONDITIONS STATED ABOVE:

Student Names Date Parent Signatures Date

If you are a minor, please include parent's signature.

THANK YOU!

NEWS ARTICLES

African's words ring true here

By Alexis Huicochea
ARIZONA DAILY STAR

The students of PPEP TEC charter school got a visit from an African king Thursday morning.

Nana Otimpong Otibribi III — the chief of Baika people of Ghana — was there to inspire young people and remind them that regardless of challenges they have a purpose on Earth.

The hourlong talk took place at the charter school's John David Arnold Learning Center, 4140 W. Ina Road. It resonated with students who — when asked by Otibribi what stresses they have — responded with fears of not being able to graduate on time or not feeling smart enough and problems at home.

Otibribi touched on the importance of respect and treating others as you would like to be treated; how ultimately you decide what positive and negative influences you allow into your life; the ways in which you can deal with stress; and being open to taking on challenges and following your dreams.

"As the leader of a community, I know the struggle of young people," Otibribi said. "There are those who do not have any direction, but PPEP TEC embraces those students when other schools may have cast them out. I hope the message these students walk away with is, irrespective of who they are, they have a purpose and a role to play. My goal is to give them hope."

The message that hit home with 21-year-old student Aida Mesic was that of letting go of stress so that it doesn't weigh you down.

"He totally inspired me," she said. "He may be from another country but I understood him."

"Life is how you make it," Otibribi told the students. "Nothing good happens in your life without your permission. ... What are you giving permission to come into your life? Make a list of those things and see what doesn't need to exist."

TUCSON & REGION

Arizona Daily Star

FRIDAY, OCTOBER 8, 2010 • PAGE A2

Editor: Hipolito R. Correlia / 520-573-4101 / metro@azstarnet.com



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Casa Grande Dispatch > Around Arizona

Sierra Vista kids get royal visit

Print Page

Ghana tribal king tells students to take advantage of opportunities

By **ADAM CURTIS**
Sierra Vista Herald

Published: Monday, September 20, 2010 10:30 AM MST

SIERRA VISTA — It is not every day that you meet a king, but on Thursday, a visit from one of Ghana's tribal chief-kings likely changed at least one PPEP TEC High School student's outlook on life.

When he woke up that morning, 17-year-old PPEP TEC junior Benjamin Gamez was planning on eventually dropping out of school, he said.

"I've been messing up for the past three years in school, so I just feel like I'm never going to finish because I'm so far behind right now. I'm supposed to be a senior."

His attitude changed after listening to the advice of Nana Otimpong Otibribi, chief-king of the Baika people in the Buem Traditional Area of Ghana. Otibribi agreed to visit all 11 of PPEP TEC's schools after learning about its school in Ghana and getting in touch with the school's founder, John Arnold.

Thursday morning, he stopped at the Colin L. Powell Learning Center.

"Everything he said is like so true. We're here in this country and we have all these opportunities, and there are other people in Ghana who don't have anything and I'm over here trying to quit school," Gamez said.

Gamez walked up to Otibribi to thank him for coming to the school and to tell Otibribi about his intentions to stay and finish school.

"So today is a good day for you. ... I will call and ask many times about how you're doing and I'm going to hold you on your promise," Otibribi said, with the confidence and cadence of someone who means it.

Otibribi was living in Tucson on a visa while studying health care and education when the chief-king of the Baika people, and Otibribi's relative, died. Otibribi traveled to Ghana and a selection committee in his village appointed him to take the throne, to his own mother's disappointment.

"My mom doesn't feel good because she doesn't have a son anymore; I am everybody's son, everybody's father, everybody's mother," Otibribi said.

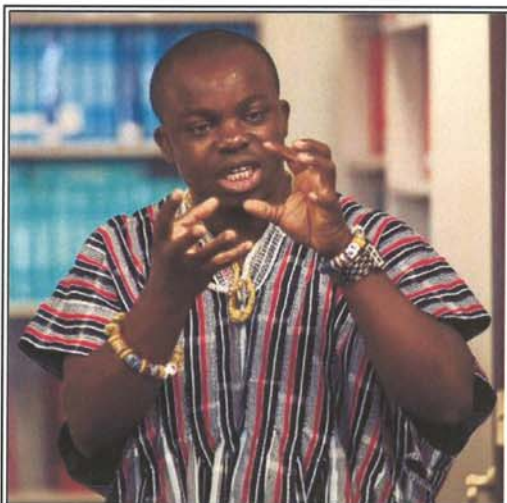
"It's not easy because it's not a democracy to be voted out in the next four years, it is your lifetime."

When a student asked him if he liked being a king, Otibribi said you cannot run away from challenges.

"If I go to pray every time for my future, I pray for God to give me adversities, I don't pray for luck," Otibribi said. "As many adversities that I have, if I am able to overcome them, they become the stuff of which I am made of."

Otibribi does not believe in luck, he said to the students. Luck is equal to hard work plus opportunity. His central message to the students was that they do not have permission to fail, and it is up to them to take advantage of opportunities whenever they can.

Otibribi reminds students that their bodies are meant to work and he asked them to wear them out because after all, death is a great time to sleep, he said.



Beatrice Richardson/Sierra Vista Herald, Nana Otibribi, chief of the people of Baika in the Buem Traditional Area of Ghana, speaks to the students of the PPEP TEC High School at Avenida Cochise in Sierra Vista on Thursday.

"This time is not for sleepers."

For those who find themselves in turmoil, Otribibi reminded the students that no condition is permanent and the key is to keep moving.

"It is better to run through hell than to walk through hell," he said.

Otribibi also cautioned the students against allowing stresses to weigh them down. He demonstrated this by asking a student to hold a soda can with his arm outstretched and asked the student if it was heavy, it was not.

But if the student tried to hold it there while Otribibi made a trip to Tucson and back, it would soon weigh a ton, he said.

"Stress is like a hurricane. It starts with a very small wave. Stress comes in small quantities as long as we keep holding onto it, it weighs heavy and we drop it and become frustrated," Otribibi said.

"You must learn to let small things go so they don't build with time to become hurricanes in your life."

When asked how he felt about speaking to the students, Otribibi responded, "Basically, I would like to do this everyday, because I feel like I am touching their hearts, and most comments and reactions tell me we are striking a chord."

He has a nonprofit organization called the Ghana Project that is dedicated to building quality schools for underprivileged children in rural Ghana.

"Education is what makes my heart beat because I believe knowledge acquired is an asset," Otribibi said.

His message that life is in our own hands was perfect for the students at PPEP TEC High School, lead teacher Levi Geraldeen said.

Many students who have other obligations, like family or work, are attracted to the school because it covers all the same state standards as any other high school but students only go to class the state required minimum of 20 hours per week.

"I think his use of metaphor was beautiful and is something that will probably come back to the students in different moments," Geraldeen said.

John Arnold, PPEP TEC founder, reminded the students that the students living in Ghana feel the same frustrations and have the same desires as the ones here, Otribibi's message is universal.

"These are sayings that go back hundreds and hundreds of years, passed down through the kingships," Arnold said. "These are priceless jewels, that if you listen to carefully, will guide you through the rest of your life."

Otribibi, who will move to Ghana permanently in December, just appreciates a chance to talk to students about the importance of education.

"The only way to break the vicious cycle of poverty is to give them knowledge," he said.

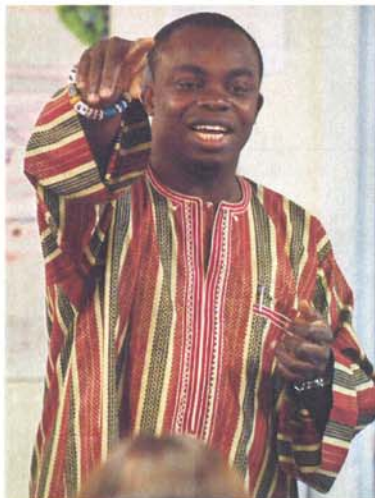
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African king visits for PPEP's 43rd anniversary

BY STEPHANIE A. WILKEN - SUN STAFF WRITER

2010-10-20 17:28:00



One local organization celebrated its 43rd anniversary Wednesday — and with special guest: an African king.

Portable Practical Educational Preparation Inc. (PPEP) began in 1967 with just one school bus — La Tortuga — and a staff of seven.

Today, the organization started by John David Arnold celebrated 43 years of rural service.

They were joined by Nana Otibribi III, King of the Baika People of Ghana, West Africa.

King Nana is in America on a visa to study education, he's also chairman of a foundation called the Ghana Project.

The project is a non-profit that works with rural communities in Ghana.

And the similarities aren't just between the organizations.

"This is my first visit to Yuma and San Luis and the terrain is a replica of where I come from, with the farmlands," Nana said. "And ... the touch of the people is just exactly what I have in my community.

"I told the mayor last night that I want to move (here)," he said, because the people are so hardworking.

"It is very difficult to till the land if you don't have that fighting and die-hard spirit."

Arnold said Nana has made it a point to visit all 11 PPEP TECH High Schools — and they're already working in Africa with several schools there.

The anniversary celebration included a Micro Business Seminar and an Anniversary Luncheon. Nana also had a chance to meet and talk with PPEP TECH students Wednesday morning.

PPEP has grown and is still growing, from a \$17,000 project in the beginning, to an organization with a budget more than \$11 million.

"We're full-circle now," Arnold said. "We're not only in the farm worker fields of Southern Arizona, we're also working in the farm labor countries in West Africa such as Nigeria and Ghana."

"He is an educator and he has many school," Arnold said about Nana. "We hope to open up some work with him in Ghana."

"What you see all here today," Arnold said, motioning to the crowd in attendance just before the start of the anniversary Luncheon, "are the dreams and the aspirations of the first Bracero farm workers back in 1967."

Nana said the farmers and farm workers are an important part of society.

"My goal in life is to put a smile on somebody's face," Nana said. "And do you know how many smiles the farmers put on the faces of people?"

"Because when the food gets on the table, imagine how many people smile at the food."

"The farmers are actually doing something good for humanity and the community."

Stephanie A. Wilken can be reached at swilken@yumasun.com or 539-6857.

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