



PPEP, Inc. & Affiliates

44th Anniversary

Annual Report

October 2011



Dr. John David Arnold and President Vicente Fox at the LULAC National Presidential Award Ceremony – Cincinnati, Ohio

2011 - 2012

- Doing our Best -

“What is worth doing at all is worth doing well.” Philip Chesterfield

Hector Sanchez

John David Arnold, Ph.D.

John Bordenave

PPEP, Inc. President

Chief Executive Officer & Founder

President PMHDC








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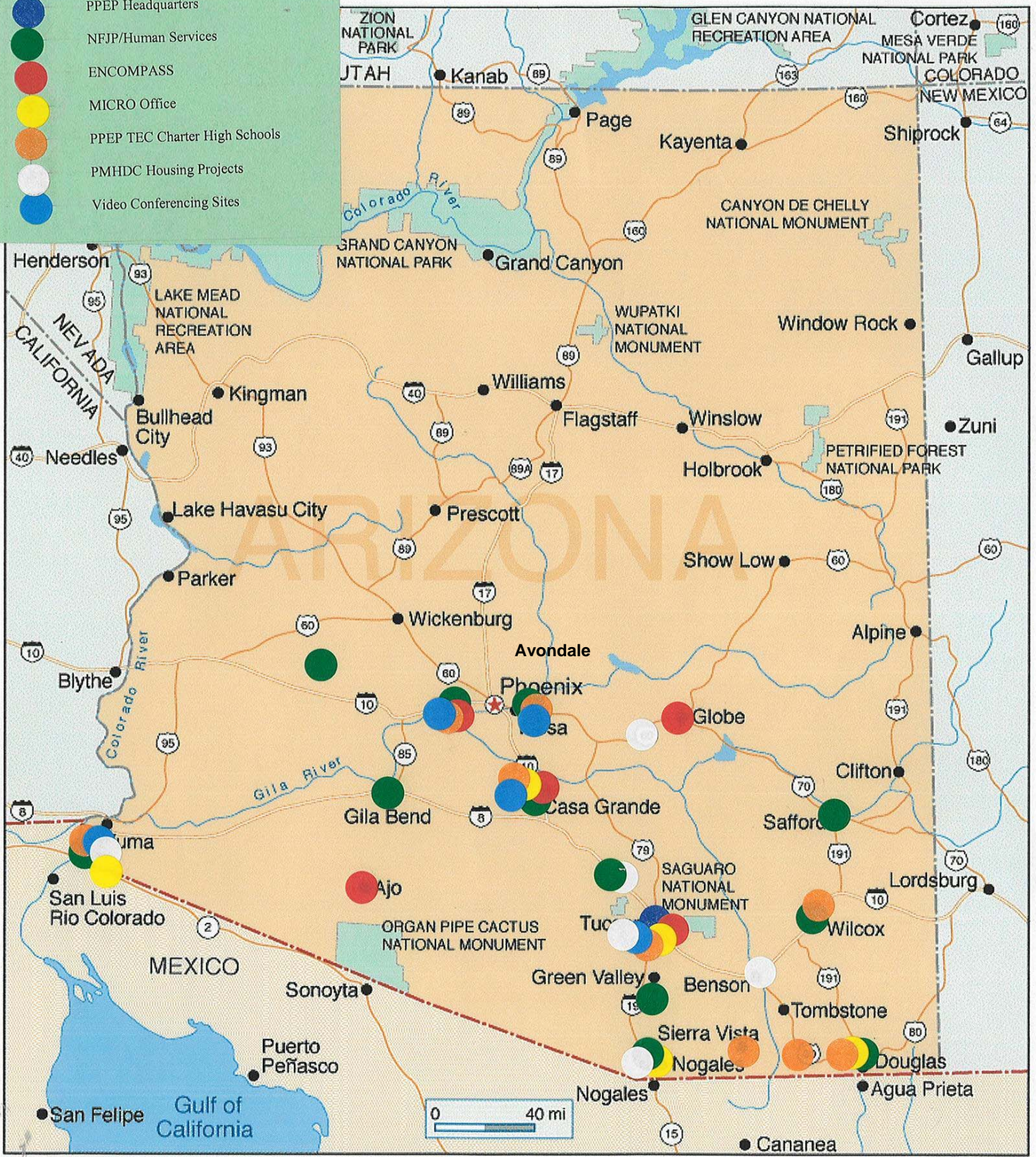
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“Good, Better, Best; May I never rest until my good is better and my better is best”

Nana Otibribi, III

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"

2011 THEME: 2012
“Good, Better, Best; May I never rest until my good is better and my better is best”
Nana Otibribi, III



Dr. John David Arnold with C.A.C. Eronini and US Department of Agriculture Secretary Tom Vilsack at the 2011 AFOP Gala/Conference in Washington, DC

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

PPEP

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John Bordenave

John David Arnold, Ph.D.

Hector

CEO REPORT

2010 - 2011 ANNUAL REPORT

**“Good, Better, Best; May I never rest until my good is better and my better is best”
Nana Otibribi, III**

Estimados PPEP Family Members and Friends:

This year has been one of growth and mobilizing additional funding resources at a time when our rural communities. Farm workers are suffering due to the negative effects of the down time of the economy here and abroad.

I. Funding Resources

PPEP, Inc. and PMHDC efforts to alleviate rural hardships were bolstered by new grants and grant renewals from the US Department of Labor for Job Training (NFJP) and new funding for farm labor housing.

- I. Housing: This grant is for the purpose of providing technical assistance to build far labor housing units from up to 200 working needing temporary shelter. Also, to provide rehabilitation to existing and foreclosed housing units. This grant is for two year.
- II. NFJP: The National Farmworker Jobs Program (NFJP) is one of our oldest (since 1980) Federal grant programs providing job training to migrant and seasonal farmworkers. The grant is for two years.

United States HUD awarded PPEP a YouthBuild grant to train Farmworker youth to construct houses and receive a GED along with college vocational certificates.

USDA and the Small business Administration also bolstered PMHDC lending and technical assistance capabilities to our inner city and rural border communities.

II. Reductions in Resources and State Budget Cuts

The State of Arizona has suffered economically due to a sharp drop in tax revenues. Subsequently, there were 15% cuts in funding for programs to services to the developmentally disabled, such as the Encompass program. Similar cuts were made to education such as PPEP TEC Schools. This had the potential to disrupt two of PPEP's largest programs Encompass and PPEP TEC Charter schools. Fortunately, evasive action was taken to make sure both programs were not negatively affected. Within compromising services both programs ended in the positive on July 31, 2011.

III. Highlights of Fiscal Year 2010-2011

1. PPEP TEC High School graduated 280 students. Now 3,300 since its doors opened in 1996.
2. AIMS scores at PPEP TEC have increased, since the new district instruction model was installed.
3. Buem Micro Credit Cooperative Society opens in Ghana.
4. 10 Youth Build graduates that constructed 3 homes for farmworkers.
5. PMHDC named the Minority and Small Business Alliance Outstanding Business Advocate of the year.
6. 78 Farm worker adults received their diploma under the High School Equivalency Program (HEP). This program is considered the top producing GED graduates nationwide.
7. PPEP and CEO received the Black Chamber of Commerce
8. Became Southern Arizona 92nd largest employer up from 99th last year.
9. PPEP TEC re-chartered for 20 years.
10. Renegotiated 20 year agreement with K-12, Inc. and Arizona Virtual Academy.
11. CEO re-appointed National Education Co-Chair and LULAC International Relations Chair.
12. Creation of the West African Rural Empowerment Society (WARES) to direct and mobilize resources for projects abroad.
13. Re-constitution of PPEP Housing Development Corporation California to platform rural development and educational projects.
14. PPEP California acquired a new education partnership with K-12, Inc. that replaces Insight as internet instructional provider.
15. Highest year on record for developing non-restricted funds that full funding gaps and budgeting shortfalls.
16. Negotiated Comprehensive Health and Wellness plan with CPSA Consortium that lowers rates, improves service, and ensures bargaining power health providers.
17. Taking steps to create youth employment and refugee component within PPEP.

IV. Outlook for Future

Outlook for future is one of cautious optimism. There certainly will be more State budgetary cuts, elimination of entire programs by Congress. PPEP's strength is in its diversity of programs and funding sources. This coupled with strong contractual compliance, quality services, dedicated staff, and conserving agency resources are the keys to our continued success.

In summary, PPEP's vision is still alive and well. When we provide tours to the Farmworker Hall of Fame we can proudly say that we are still "Dedicated to improving the quality of rural life" building on dreams of the original Bracero students aboard "La Tortuga" in 1967.

Si Se Pudo!



John David Arnold, PhD
CEO/Founder



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 (PTHS) 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, Arizona Instrument to Measure 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 a lot 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 PTHS 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 intensive Arizona State Standards based instruction and opportunities for students to participate in Accelerated Learning Opportunities in which students are able to move rapidly through the curriculum material. This approach allows students to finish in a much shorter time than expected in a traditional high school format.

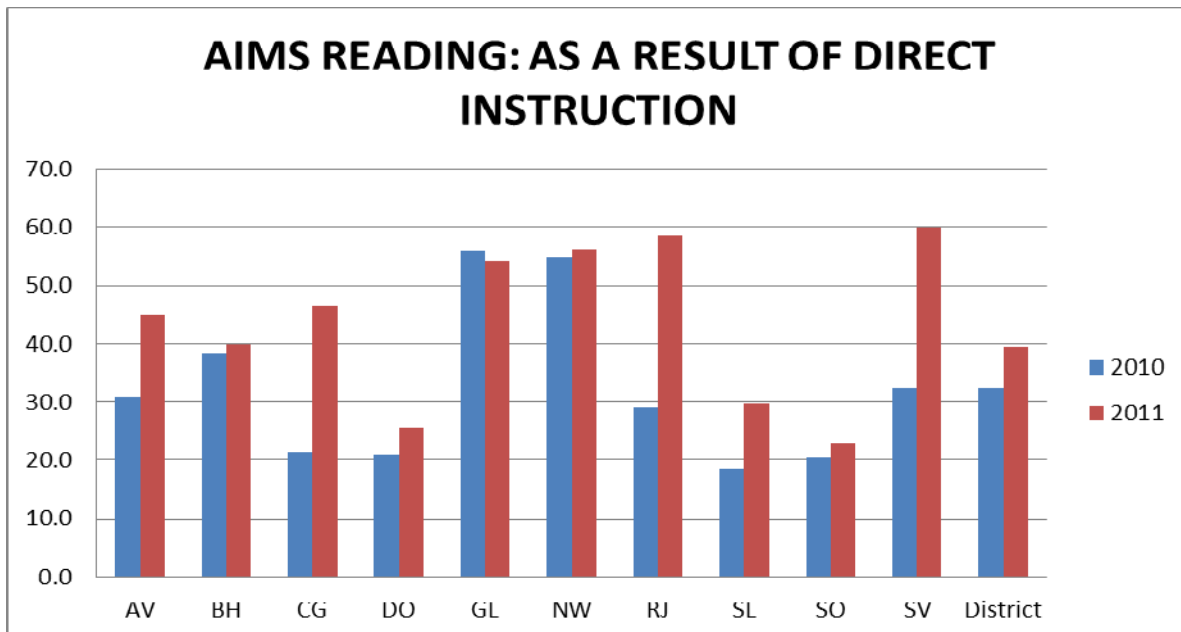
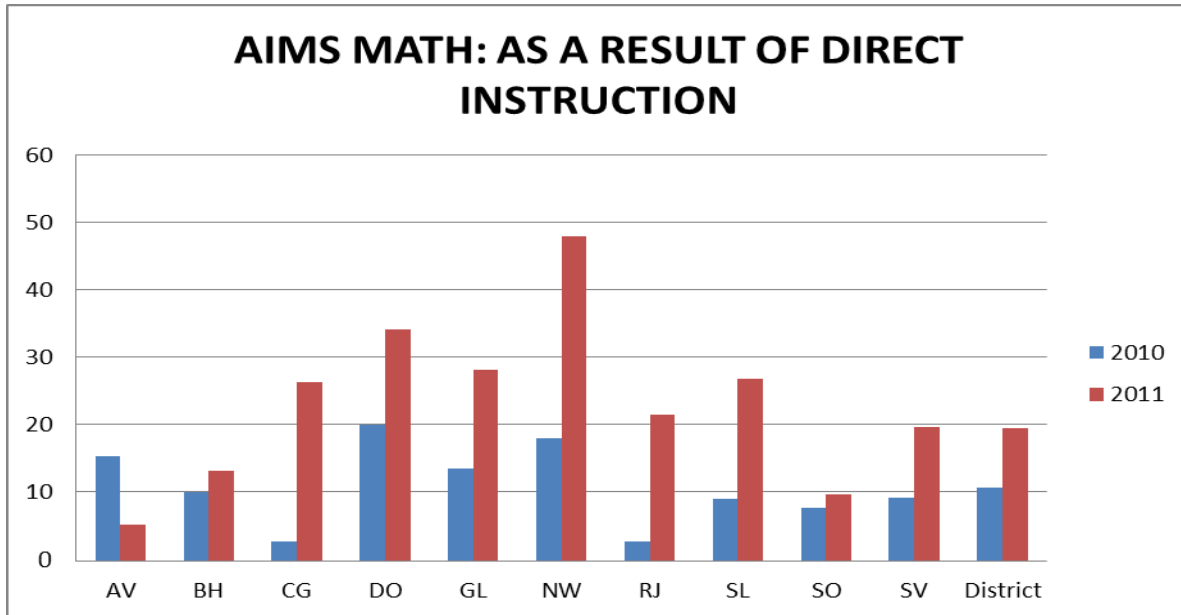
Since its inception in 1995, PTHS has played a leading role in educating Arizona's youth. We have graduated over 3100 students throughout our 11 sites. Our enrollment this past year was approximately 1150 students, and we try to maintain a student teacher ratio of 15:1.

For the 2010-2011 school year, PTHS 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.

2010-2011 Major Successes

AIMS

- For the 2010-2011 school year, PTHS moved to a direct instruction model for all of our students who had not yet passed the Reading and Math Arizona Instrument to Measure Standards (AIMS) tests and the results were phenomenal. Almost all of our sites saw a dramatic rise in AIMS scores with some sites improving up to 30% in Math and Reading!



Prom

- In the spring of 2011, four of our campuses (the Celestino Fernandez, Alice Paul, Robles Junction, and Lito Pena Learning Centers), took part in our third annual prom. The theme was “Vegas Night”. Over 100 students participated. The event was held at the Hotel Tucson and was once again a rousing success!



AmeriCorps

- This past school year, PTHS continued its relationship with AmeriCorps Volunteers. Volunteer Tatiana Marquez was based at our John David Arnold site where the students participated in a dog walking program through the Pima County Humane Society. Ms. Marquez also worked with our Celestino Fernandez students on gardening and adding to the site mural.



Basketball

- The 2010-2011 PPEP TEC Puma's Boys' 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 9-0 and were Charter League Champs for a fourth consecutive year and team captain Adam Carranza received a scholarship to play for Park College in Missouri. Congratulations to Coach Arzani, Adam and the rest of the team!



College Night

- In September, 2010, PPEP TEC High School students attended the 24th Annual College Night, which took place at The Tucson Convention Center. Over 300 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.



Field Trips

- PTHS students from all over the state participated in field trips where they combined education with a little fun as well. The Science Club at the Jose Yopez Learning Center in Somerton, under the direction of Science Teacher Martha Molina, visited the San Diego Zoo and Aquarium in March of 2010.



Nana

- PTHS gained a very special friend during the 2010-2011 school year. His Royal Highness Nana Otibribi III of Ghana visited all 11 of our sites at least twice during the year in addition to speaking at several of our graduation ceremonies. His uplifting and powerful messages touched all of those that he came into contact with. PTHS owes Nana a very special thank you for all of his support!



- PTHS provided services to 165 English Language Learners.
- PTHS provided services to 177 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 Cesar Chavez Learning Center in San Luis 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 San Luis PTHS staff and students. This is a great accomplishment!

- PTHS partners with PPEP Behavioral Health Services to provide counseling services to all of our schools on regular schedule of at least once a week.
- PTHS 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.
- PTHS sites 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

- Three hundred and twenty one (321) outstanding students graduated from PPEP TEC High School in 2009-2010. Congratulations on a job well done!
- The PTHS administrative staff for 2010-2011 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; Andrew Greif, 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; Linda Garcia, Student Retention Coordinator; Abdul Arzani, Student Outreach Specialist/Team Coach; Karol Basel, School Psychologist; and Alma Colmenero, Executive Assistant.

Accolades

- Many thanks to the students of PTHS 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 whom we consult with on almost a daily basis.
- Many thanks to Gary Kleopfer, Greg Saxman, and the entire Property Management Department for their constant support of the needs of PTHS. 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 youth.
- My personal appreciation to the PTHS Management Team for all that they do for us at PTHS 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

Carlyn Hacker, Executive Director

What words can properly summarize this past fiscal year within the PPEP Behavioral Health Services department? After long thought and consultation with fellow staff, a few came to mind:

SUCCESS, CHANGE, CONTINUITY, and COMPASSION.

SUCCESS:

The past fiscal year for the counseling department has been a great success for a several reasons.

The number of clients has risen which is a success in itself. Within the past year, the numbers have doubled totaling 2683 adults and 180 children. Of the 2683 adults, 934 are no longer in treatment. An amazing 83% of those individuals have successfully finished treatment as evidence by the 802 Certificates of Completion issued. Certificates of Completion are required by the Courts, Diversion Agencies, Adult Probation and Child Protective Services due to arrests related to Domestic Violence, Substance Abuse, DUI treatment, Adult Civic Responsibility, and Parenting. A Certificate of Completion means a client has met the goals of their individualized treatment plan, attended a required amount of sessions, has not relapsed, and met financial obligations.

In order to get a client to the point of completion, they must feel respected, comfortable with the staff, and receive a high quality of care. If this all occurs, plus more, the client will feel comfortable coming to services and show for their sessions. The show rate = positive attitude and change = higher percent of completions = happy referral sources = increased counselor productivity = more referrals = \$ over expenses. It is a simple formula as long as the administration, counselors, and support staff believe in what they do and do it well.

Success is not just measured in the number of clients served, certificates provided, or even the total dollars over expenses. Success is based upon the impact the department has made on the community in which we all reside. Success is how each employee feels at the end of the day, week, month, and year. Did they do their job to the best of their ability? Did they help someone change for the better? Did they feel supported and valued? Are they willing to do it all again tomorrow?" That is success.

CHANGE:

One of the major changes this past year has been contractual. After years of advocating on behalf of the people of South Tucson and the rural communities, our main contractor, the Community Partnership of Southern Arizona, has granted us the opportunity to provide counseling services to individuals utilizing their entitled

AHCCCS benefits. Prior to this, PPEP BHS offered approximately 20 groups per week including those provided in the rural areas of Catalina, Marana, and Ajo. We now deliver over 43 groups per week. Because the number of clients has increased, PPEP BHS naturally had to hire additional staff to handle the influx of work related to the number of clients served. The department has expanded to:

8 Support Staff: These individuals are the backbone of the agency. They field the calls, greet the clients, produce the billing, track the sessions, re-engage the clients, and support the clinicians and administration. All their hard work is deeply appreciated. *Jessica Quiroz, Blanca Gradillas, Marisa Zuniga, Christine Valle, Sonia Solis, Kelly Patton, Mehgan Enriquez*

4 Intake Clinicians/Eligibility Specialists: After meeting the receptionist, these individuals are the first point of contact for PPEP BHS and will set the tone for the rest of the services to be provided. Though they are total strangers, they must possess the skills necessary to convince a client to reveal their life history including substance abuse, family, abuse, medical, etc. and secrets they may have kept from other. The value of this position goes without saying. *Amy Kirch, Jose Acosta, Delia Gastelum, Shirley Hileman*

12 FTE Clinicians: Our clinicians wear multiple hats and are expected to perform a wide range of duties: intakes, school based children/adolescent counseling, case management, individual & group substance abuse, domestic violence, couples, and family therapy. They coordinate with the referral sources, document to the criteria set forth by the State of Arizona, motivate, and listen to clients. They use their years of schooling and expertise to help each client gain insight and independence toward future success. *Brenda Hanna, Harrell Goodman, Tamara Klein, Jessica Rojas, Erin Kelly, Kenneth Brown, Miguel Zevellos, Christy Charles, Ron Schramm, Rachael Javidan, David Martinez-Rivera, Thomas Richeson* Part time or On Call: *Terry Gentner, Elizabeth Rios, Laurie Mazerbo, Charlotte Peper, Janet McKay*

2 New Administrative position: PPEP has developed a position of Quality Management Specialist, *Laura Thompson*, and developed a lead role within the Arizona Families First program, *Susanna Villa*. Laura and Susanna have been Clinicians with PPEP for years and have displayed the willingness and aptitude to sort through the finite details required by our contractors. The details are what keep the referrals coming.

Another great change to the department is the addition of a counseling office in Somerton. Anayansi Root, who currently is a Charter school counselor within the communities of San Luis and Somerton Arizona, is now offering Substance Abuse, DUI Treatment, Domestic Violence, and Parenting groups at this new location. The local court system has vocalized their excitement to have a quality behavioral health provider in the area. Historically, they have been required to send the client to Yuma

and pay higher treatment cost than what PPEP is offering. We are a positive addition to the community.

CONTINUITY:

The major continuity in the counseling program has been maintaining the highest quality of care possible. Even with the department's expansion, the administrative staff has worked extremely hard to make sure quality does not slack. We want the client to be a name versus a number and I personally feel we have been successful doing this. PPEP BHS is still the main provider of counseling services to the rural areas such as Marana, Three Points, Marana, Catalina, and Ajo. PPEP/BHS provides a very comprehensive package of counseling to its clients including those offered by our highly qualified bilingual staff. Substance abuse, General Mental Health, Children, and services for Persons with Serious Mental Illness are some of the areas of expertise offered to our clientele.

The majority of the department employs support staff, clinicians, administration, and contractor that have been with PPEP 5 plus years. In fact, 2 of our Administration Gina Judy, CAO and Carlyn Hacker, Executive Director are entering their 20th year. Elliott Heiman, MD has been traveling to Ajo, AZ once a month for over 30 years to provide psychiatric services to the Serious Mentally Ill individuals of that community. In addition, PPEP BHS has had some of the same referral sources for 20 plus years, ie Southwest intervention Services, Adult Probation, Ajo Justice Court, Green Valley Justice Court, Catalina Community and Resource Center, Altar Valley School district, Marana School District, Flowing Wells School District etc. In fact, the PPEP Tec Charter School has had counseling services from our department since its inception. Continuity of care in behavioral health services is one of the most valuable qualities an agency can have. People begin to rely on the fact that you are going to be there in their times of need.

COMPASSION:

Compassion is what drives the PPEP BHS department. It is the belief in people, change, hope, and what we do that makes this job worthwhile. It is compassion that helps all the staff members of this department deal with the client problems day in and day out. We continue to listen and provide guidance in a supportive and nonjudgmental manner. It is the presence of compassion and caring that endears the client to PPEP and PPEP to the client. It creates **continuity** in care, positive **change**, and overall **success** for the PPEP Behavioral Health Department.



Executive Director, Carlyn Hacker



Clinical Director, Tamara Zuniga



Quality Management Specialist, Laura Thompson



Behavioral Health team members, Chris, Jessica, and Sonia



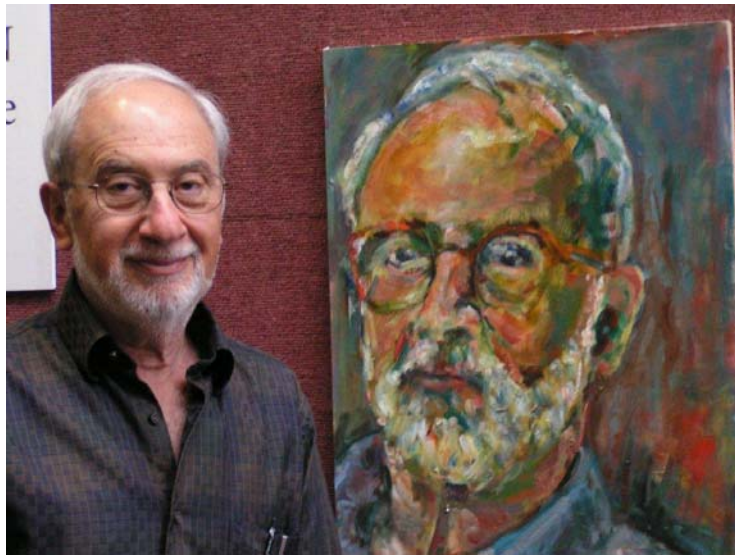
PPEP Behavioral Health counseling team members: Nicole Abrams, Brenda Hanna, Jose Acosta, Laura Thompson, Miguel Zevellos, Tammy Klein, Vonique Schmidt, Harrell Goodman, Christine Valle, Kenneth Brown, and David Martinez-Rivera



Erin Kelly, Susanna Villa, Amy Kirch, and Jessica Rojas



Ajo team members Terry Gentner, Tom Richeson, and Shirley Hileman



Elliott Heiman, MD Psychiatrist



The IT experts assist Anayansi Root in setting up computers in the new Bingham office in Somerton

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

2010-2011

**Kari Hogan, Chief Administrative Officer
(With input from Barbara Simcoe, State Director of Operations)**



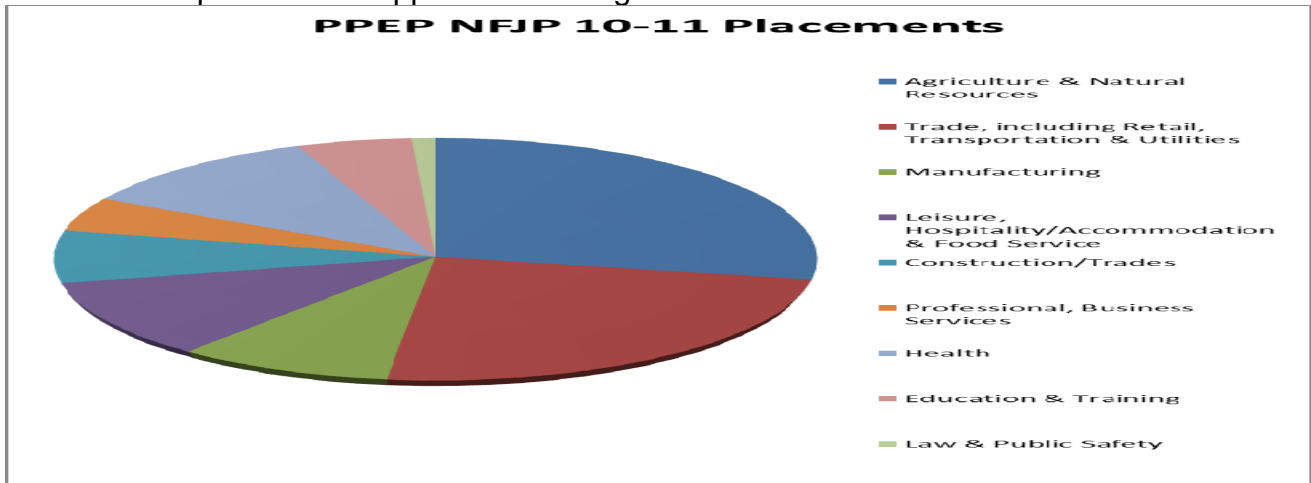
Photo of all PPEP staff who attended the AFOP Annual Conference & 40th Anniversary Gala, Alexandria, VA, September of 2011. This included staff from NFJP, WIA and Youth Build.)

The WIA 167 Program continues to perform well despite the economic recession. This past year, the continued dedication and hard work done by all staff serving Migrant and Seasonal Farmworkers and their families, produced good programmatic results, despite staff attrition in two offices.

Overall, the farm-worker program did well in obtaining projected goals. Staff met and exceeded enrollment goals by enrolling 441 New Enrollees for 120% of the goal. This was added to 153 Carry-Overs for a caseload of 594 participants. They nearly met the placement goal for the year with 204 Placements out of a goal of 208, for a 98% placement rate.

Five industries in Arizona provide the most opportunities for NFJP job-seekers, in this order: 1) Agriculture & Natural Resources, 2) Transportation, Distribution & Logistics, 3) Health Science, 4) Leisure, Hospitality/Accommodations & Food Service and 5) Manufacturing. The chart below shows placements over the past grant year and shows that Arizona NFJP participants are, for the most part, being placed in high growth/high

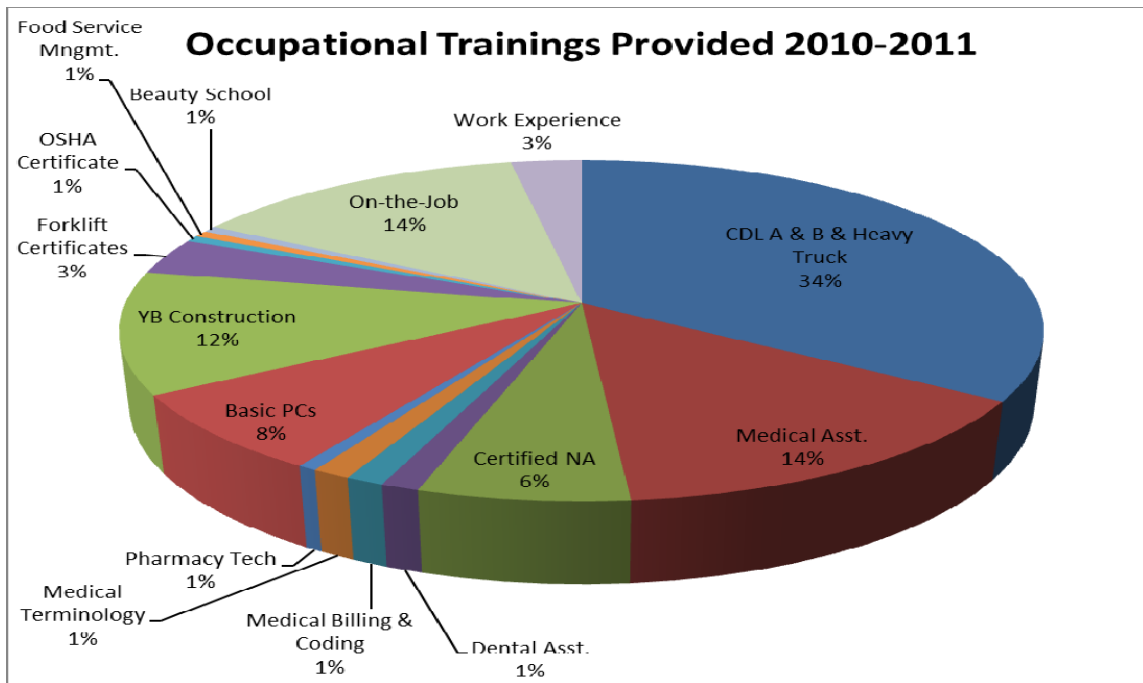
demand occupations with opportunities for growth.



Note on the AZ Labor Market: A Forecast Report from the AZ Dept. of Commerce predicts that although some occupational groups are expected to have gains between 2009 and 2011, the forecast is for a net loss of about 36,500 jobs or -1.4%. Occupations that are expected to gain during this period include: Healthcare Practitioners (+3.5%) and Healthcare Support (+4.1%). Gains are also expected in: Food Preparation & Serving Related (+2.5%) and Sales and Related (+0.9%). (From the AZ Workforce Informer's "Occupational Projections: 2009-11").

The program exceeded expectations in expanding the network of employers both Ag and non-Ag. Over 300 new employers were contacted, resulting in a new base of over 600 (676) employers. Staff has developed relationships with close to 300 Ag Employers, adding 42 new employers to the base for a total of 266 across the state. NFJP staff made contact with 265 Partner Agencies this year for referral services and continues to cross-refer to other PPEP programs, in order to leverage DOL funds. More than 100 program participants were referred to the local One-Stop Career Centers, but fewer than 6% were co-enrolled into WIA Adult or DW programs.

In total, 173 participants completed occupational training (other than post-placement training); with a large percentage provided in CDL- A and B, which is the highest number in the past five years. Next was in the medical support occupations, with 24% of the trainees going into the medical field of some sort. Some OJTs and WEPs were also enrolled in the medical field, including two Medical Assistants, a Certified Nurses' Assistant, a Medical Secretary, a Receptionist at Regional Center for Border Health and a Summer Youth internship at a dermatologists office. Other OJT and WEP job titles included: Recyclers, Customer Service/Sales, Production Workers in a manufacturing setting, Pre-School/Child-Care Workers, an Administrative Assistant, an IT Tech, an HVAC Tech, a Pest Control Worker and a Cook.

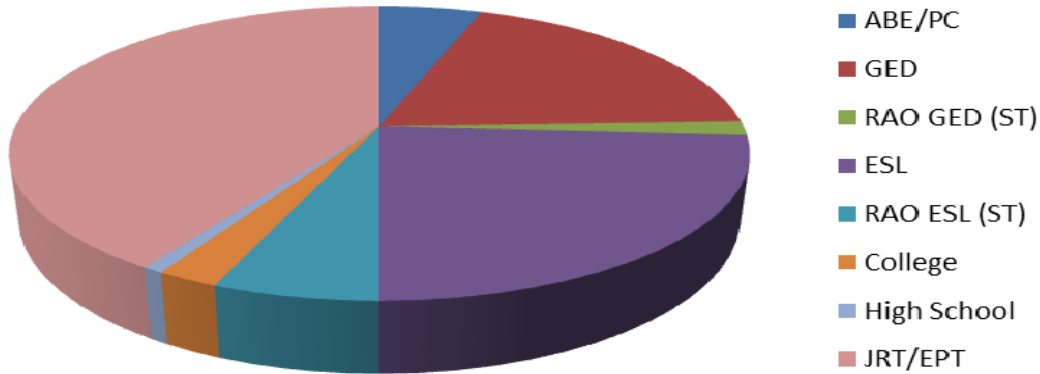


In Basic Skills Training during 2010-11, the total number of participants receiving training was 262, again the largest number in five years. However, the number receiving Employment Preparation, or Job Readiness Training, was only 107, the lowest in four years.

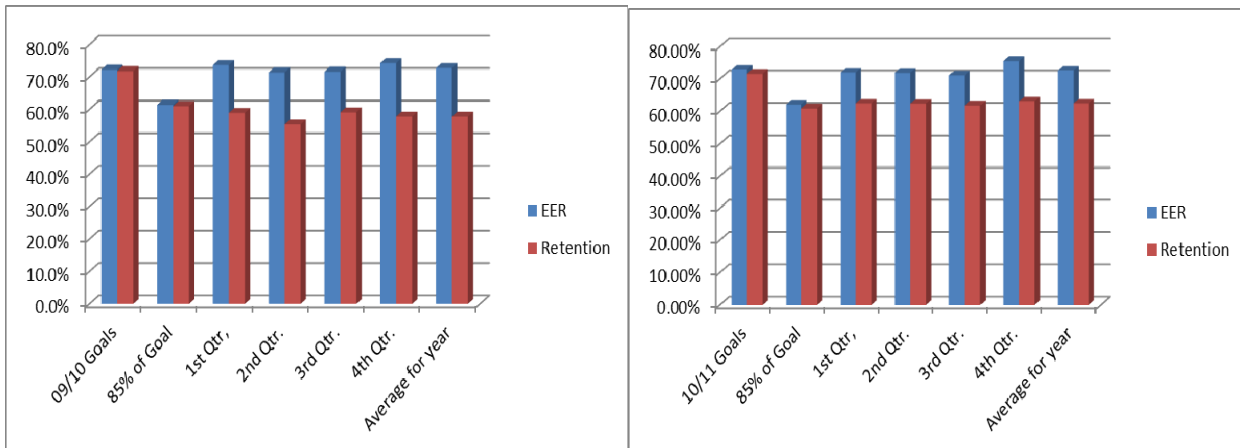
The number receiving academic educations, such as GEDs, ESL, ABE, High School and College was 155, again the highest in the past five years. This is due to the fact that PPEP NFJP has established two plaza Communitarias program – one in Wilcox and one in San Luis – where Spanish-speakers can complete their primary and secondary classes with curriculum provided by the Mexican Dept. of Education, INEA, and the Mexican Consulate. Norma Franco, who also teaches GED classes to the YouthBuild students, also teaches the Plaza Communitaria classes in San Luis. Wilcox’s “Plaza” has graduated three students from Primary school and two from secondary. The newer San Luis class, which began in April, has enrolled 18 students, of which one has already graduated from primary school.

PPEP NFJP also began providing ESL classes in San Luis, where Adriana Valladares, was hired to teach a number of classes at varying levels. She is utilizing Ventures system for the assessments and curriculum. Twenty-five students began ESL in March – six in a morning intermediate class, eight in the afternoon class for YB students and 11 in an evening class. In July, the classes were divided into a morning beginner’s class with 11 students, and an afternoon beginners’ class with four and an evening advanced class with four students.

Basic Skills Trainings Provided 2010-2011



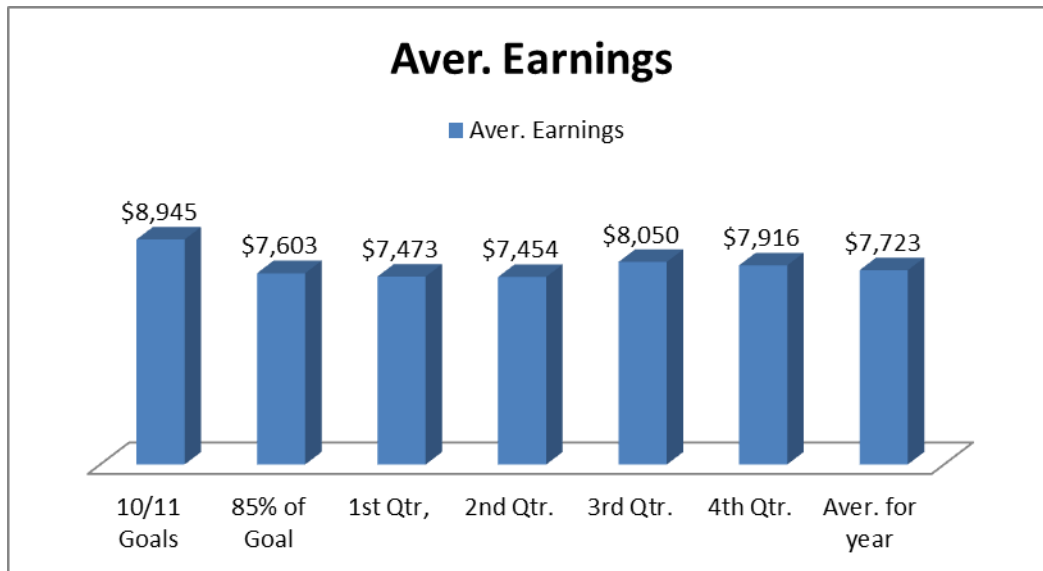
As for Qualitative Goals, PPEP NFJP exceeded the national Common Measure set for the WIA programs for Entered Employment Rate, with 72.7% EER (out of a goal of 72.2). Retention, which was very low last year showed a dramatic increase. Our Retention average rose nearly 5%, with an average of 62.48% (last year's was only 57.78%), which was above the 60.9% expected by DOL for 85% of the national goal. The charts below show this year's and last year's quarters and our performance relative to the 85% goal of on each of these two measures.



	EER	Retention
09/10 Goals	72.2%	71.8%
85% of Goal	61.40%	61.00%
1st Qtr.	73.60%	58.90%
2nd Qtr.	71.40%	55.30%
3rd Qtr.	71.60%	59.10%
4th Qtr.	74.20%	57.80%
Average for year	72.70%	57.78%

	EER	Retention
10/11 Goals	73.00%	71.60%
85% of Goal	62.10%	60.90%
1st Qtr.	72.00%	62.50%
2nd Qtr.	71.90%	62.40%
3rd Qtr.	71.10%	61.80%
4th Qtr.	75.70%	63.20%
Average for year	72.68%	62.48%

PPEP NFJP's 10-11 Average Earnings (over a six month period) were very close to last year's, with \$7723 being attained this year and \$7771 being attained last year. Both year's results were above the 85% goal set by DOL.



Arizona workers, from all industries, make an average of \$821/week or over \$21,000 in six months (from the National Compensation Survey). Meanwhile, Arizona raised its Minimum Wage to \$7.35 this year. A minimum wage job brings in \$7644 every six months, which is much closer to what the PPEP NFJP graduates make, on the average. This is primarily due to the fact that the majority of PPEP's placements are in Yuma Co., where high unemployment (over 20%) creates an employer's market.

Continuous Quality Improvement: Last year, Barb Simcoe, State Director of Operations, took the lead in forming a team to analyze the Retention situation and make recommendations on how improvements might be made. PPEP began contracting with Campesinos sin Fronteras in Yuma Co. to provide a Life Skills Class for those participants whom staff identified as "vulnerable", such as the long-term Ag workers and the dependents of Ag workers.

PPEP State Directors, Sandy Adams and Barb Simcoe, also suggested two new policies be incorporated that would affect Retention in a positive manner. One was the institution of enrolling participants, who want only short-term (16 weeks or less) Adult Basic Education or Basic Skills class, such as Plaza Comunitarias and ESL classes, into an RAO/Basic Skills (a Core Service) category that keeps their performance from being counted, post-placement and affecting the Common Measures requirements, and the second was more rigorous training requirements for those participants who wanted CDL B for farmwork. This being an AG Upgrade, PPEP management wished to determine that the participant would actually be working year-round in a better-paying job after the training.

Yuma County: Once the 2010 grant year was concluded, it was clear that, once again, the staff in Yuma County had done an outstanding job. Towards the end of this year, Maricela Alvarado was promoted to Field Operations Manager, in charge of supervising all of the NFJP and Youth Build staff. Cesar Fandino was then promoted to Area Coordinator. The staff there includes the following Workforce Development Specialists – Leticia Beltran, Jovanna Covarrubias, Aracely Escalante, Catalina Guajardo, Cinthia Jacobo, Elsa Madrid, Alma Rojas, Imelda Monreal, who transferred over to NFJP from PMHDC and our new ESL instructor Adriana Valladares. YouthBuild staff include: Jesse Lopez, Rigo Conde, Ernesto Gomez and Norma Franco, who also teaches the newly established Plaza Comunitaria classes.

Yuma staff enrolled a total of 331 new participants for 100% of their area goals. This represented 77% of the statewide enrollments. As for placements, they found 184 jobs for farm workers for 86% of their area goals, representing 90% of the total statewide placements.

“Pima Plus” Counties (Maricopa, Pima, Pinal, Santa Cruz, Cochise, Graham, Greenlee): This past year saw a turn-over in management staff, when Margaret Larez joined the staff as the new Area Coordinator for the “Pima Plus” area, which was staffed by three Workforce Development Specialists: Rosa Garcia, Edgar Gonzales and Frances Rascon. Her staff enrolled 101 participants for 83% of their enrollment goal and placed only 20 for 26% of their placement goal.

Statewide Staff Training & Technical Assistance Received:

The Annual NFJP Staff Training Conference was held in July in Yuma, where most attendees agreed that it was one of the best conferences PPEP NFJP had ever provided. In fact staff surveys scored it a 9.4-9.5 out of 10 —the best score in the past three years. Topics included: Program Updates; Grant and Individual staff Goals, Grant Plan review with new Common Measures; Allowable & Unallowable Program Costs; Refined Strategic Plan; CQI Process Teams Reports - *Retention Team & Data Collection*; NFJP Policy Updates; US DOL Monitoring Guide, Operations Section; “Know your Program” and “Exit” Exercise; Meet & Greet with DES MSFW Outreach Program Staff & Presentations on both programs; Review of the new MOU; CSBG, Community Needs Assessment; and a presentation by the CAO on Health & Wellness and its importance in goal achievement. On Thursday there was a Working Lunch with DES where Agricultural Employers. The employers were presented with an overview of NFJP services, specifically Ag upgrades, and were verbally surveyed on their hiring and workforce development needs.

Area	# Seen	Hrs. spent	Enrollments	#Seen/Enrollments
Cochise	90	104	4	22.5
Maricopa	48	74	6	8
Pima, Pinal	215	321	17	12.7
Yuma	1245	674	80	15.6
TOTALS	1714	1173	107	16
GRAND TOTALS	5711	4410.5	432	13

The chart above shows the statistics reported to DES MSFW Outreach program for the fourth quarter's outreach efforts. The last column is not reported, but gives NFJP staff an indicator of how many farmworkers must be seen in order to obtain one enrollment into the program

PPEP AZ NFJP hosted a Monitoring Visit from the Regional Project Officer, Krister Engdahl, in September. He was accompanied by Violet Jackson, who conducted the fiscal monitoring, while Krister reviewed the operations. Krister met with Barb Simcoe to discuss operations, reviewed files from grant year 09-10 and went to visit several local Tucson employers and their new workers, accompanied by Polly Gutierrez and Rosa Garcia. Polly and Barb took him to Wilcox one afternoon, where he met with Frances Rascon, Rusty Rascon, the Plaza Instructor, and several plaza students, two employers, the local DES MSFW Outreach Program worker and two representatives from the mobile dental clinic. The ensuing Monitoring Report held no findings. As for Best Practices, they mentioned the Quality teams, working on the process issues and looking to improve the Retention measure. It also referred to our efforts to collaborate with the DES MSFW program.



(Shown above, facing camera, Krister Engdahl, DOL Project Officer, at the meeting held in Wilcox, during his monitoring Visit.)

In February 2010, during the AFOP mini-Conference, held in Washington, DC, US DOL announced the identity of the NFJP sites that will be part of a Mathematica Policy Research program evaluation, where PPEP was chosen to participate in the important study. US DOL is funding the evaluation of nine total sites, which

The study has three components: case studies of each site, with a focus on operation, partnerships, customer service approaches and technical assistance needs; a cross-site analysis of data with a focus on customer service and performance measures and; development of a final report describing key challenges and promising practices.

Kari Hogan, Barb Simcoe and Sandy Adams attended a DOL Region 6 Meeting in San Francisco in February, where Barb presented to the group on both our MOU with DES MSFW Outreach program and our Retention Team efforts and recommendations.

In Feb. 2011, Kari, Barb and Sandy began working with staff from Anchor Wave, a local agency that has been contracted to build a better website for PPEP, Inc. Over the past eight months they have worked to build the pages related to the Workforce Development, Youth and Human Services Departments for the new PPEP website. They are looking at a completion date of Dec. 2011.



(Some of the PPEP NFJP and WIA staff shown, above, at an event held during the Rocky Mt. HI Conference in Las Vegas.)

Kari Hogan, Chief Administrative Officer

I would personally like to thank all of the NFJP staff for a job well done this past year. There have been a number of changes occur, but through a continued dedication and personal development we will continue to do great work. I would especially like to thank my State Directors, 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 for only we know what we are capable of” (unknown)

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

Annual Report 2010-2011

In 2010, 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 also serves dislocated workers in Yuma County area under WIA through a contract with YPIC.

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 2010-11 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 – State Director of Operations
Kari Hogan – Chief Administrative Officer

This past year, the team once again produced outstanding results. Due to the economic down-turn for the third year in a row, the staff found themselves extremely busy with new applicants and enrollments. There were 404 Carry-Overs and the four WFDS' and the OJT Coordinator enrolled 268 new participants, for a grand total of 665 for 145% of their enrollment goal. Nearly 60 OJT contracts were also developed, at over 20 different employers, for a grand total of nearly \$150,000.00 in contracts and an average wage of \$11.22, overall.

Carry-Overs = 404	Enrollments	Job Placement	# within WIB Target Industries	Average Wage*
@ DES and One Stop	329	118	103	\$13.03
Rural	293	119	116	\$13.72
OJTs	43	31	30	\$11.46
Total	665	268	249	\$13.05*

Note: The OJT's listed in the graph were case managed by PPEP's OJT Coordinator. * The Average Wage was taken from all monthly reports; it is not an average of the three areas.

In December, 2010, Grace, Mary, David and Oscar all completed the Job Developers' certification course offered by Career Team through AFOP and went to the annual AFOP Conference in New Orleans to receive those certificates. Then in the spring and summer, they began the Case Management certification classes, which were completed at the annual AFOP Conference in Alexandria, VA, in September, 2011.

After School and Summer Youth: This past year under Pima County, PPEP was awarded Summer Youth program monies for Basic Education and Work Experience. Overall, PPEP served a total of 120 students in Work Experience and 100 students in Basic Skills, within the Marana and Tucson area. This year's WEP program had great results with 98% of the Youth meeting and exceeding the Work Readiness component and a number of students being placed in permanent positions at the end of the summer. PPEP was the largest provider this summer, other than Pima County serving youth for comprehensive services.

The after school programs this past year broke new ground with Marana High School and was able to serve 30 students in after school work, which successfully helped many seniors with their graduation requirements so they could successfully graduate with the rest of their class. This was a first for PPEP and Marana and we look forward to a continued relationship based on the huge success of the program this past year.

Older Workers Program: With the Pima County Senior Program, PPEP continues to work with seniors age 55 and older on employment and training objectives. This program is very successful in helping older workers in today's job markets to brush up on their skills and classes are always full. This program is aptly managed by Margaret Slaughter and located at the Kino Service Center. This year, we served 389 job-seekers – 308 under Core Services and 71 enrollees into WIA. Twenty-six workshops were offered for a total of 344 hours of instruction.

YUMA COUNTY/YPIC:

The Yuma County grant is relatively small. It is for full services, including Intensive, Training and Follow-up services being provided to 25 Dislocated Workers. 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 Yuma area. La Linda Vasquez, our Workforce Development Specialist, has moved into the YPIC offices, but serves all of South County and Yuma County as a whole. Our State Director, Barbara Simcoe, supervises this program.

Under this contract, during the 2010-11 grant years, PPEP enrolled 25 new participants, meeting our enrollment goal, and placed 19 at an Average Wage of \$10.72, which is nearly \$2.00/hour above the goal of \$9.00/hour. A total of 87% of the PPEP enrollees received occupational training leading to a certificate. Some of those trainings included: CDL A, Medical Assistant, Medical Billing & Coding, Early Childhood Education and Office Administration. Most of the enrollees who went to work without occupational training, did receive their GEDs.

Looking to the future: PPEP's programs are off to a good start this year with referrals and enrollments. We look forward to continually providing 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

PPEP & Affiliates
Human Services/Community Action Department
Annual Report 2010-2011

The Human Services/Community Action department continues with emergency assistance to rural residents in need of services, such as rental assistance, utility assistance, food, clothing, transportation, day care and employment. These services are provided by either direct service to the clients or by way of information and referral. Services under this department are spread far and wide to serve low income and/or farmworker rural families across the county in the communities that we live and serve.

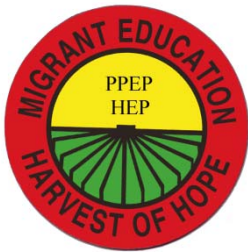
In Pima County, in the town of Ajo, PPEP provides services to the elderly, with case management services. Last year this program helped 15 elderly individuals with Case Management services such as information, referral to additional services, budgeting, weatherization applications, food box pickup, and insured their needs were met for continued self-sufficiency. An additional 12 elderly individuals were referred to information and referrals services only for a total of 27 elderly individuals served in Ajo with long term case management.

In other parts of rural Pima County there was a total of \$62,000 under the ESN grants (rent and utilities) that served 60 families with an average of \$1,033 per family on emergency services. This included rent, mortgage, and utilities.

Under the State CSA (Case Management Administration) we were able to help and serve individuals across 9 counties throughout 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 and/or farmworkers through an intensive Case Management program that assists those farmworkers who have dependent children with emergency assistance, job development and long term case management, or emergency services for employment and training, for a path to self-sufficiency. Under the same contract the Community Services Block Grant (CSBG) program provided for emergency services such as rental assistance, utility assistance, transportation assistance (bus passes, gas cards, and car repair), clothing and short term case management, along with subsidizing local community food banks in four counties to support farmworkers and low income individuals with additional food boxes. PPEP was able to provide services to over 7,000 low-income households throughout the counties with a total of \$56,601 in direct services under the CSBG contract.

The Human Services/Community Action Department continues to serve rural residents that are low income and/or farmworkers. In the past year PPEP has seen more individuals in need due to the economy that it has in the past. We have had many first time customers in the program that never thought that they would need this type of service. This was due to the many company layoffs that occurred and business downsizing. Over the past year PPEP has paid higher rents, mortgages and utility payments because of the different type of clientele that we are now seeing. We continue to try and serve as many people as possible and leverage all of our funding for a comprehensive service delivery system. All of our programs continue to work together and collaborate with past partners and continue to develop new partnerships for a well-rounded service system.

Kari Hogan, Chief Administrative Officer
With Sandy Adams, State Director



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

Annual Report F.Y. 2010-2011



PPEP-HEP is now in its twelfth 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 be able 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 incomes. 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, and Regional Center for Border Health, Inc., to have their representatives do presentations to our HEP students in order to inform

them of services which are available to them. In addition to these agencies, Arizona Western College provides instruction in a college orientation presentation for our HEP students, and 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 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. 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 two fulltime recruiters, and a coordinator, who 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 Driver's License (CDL) program.

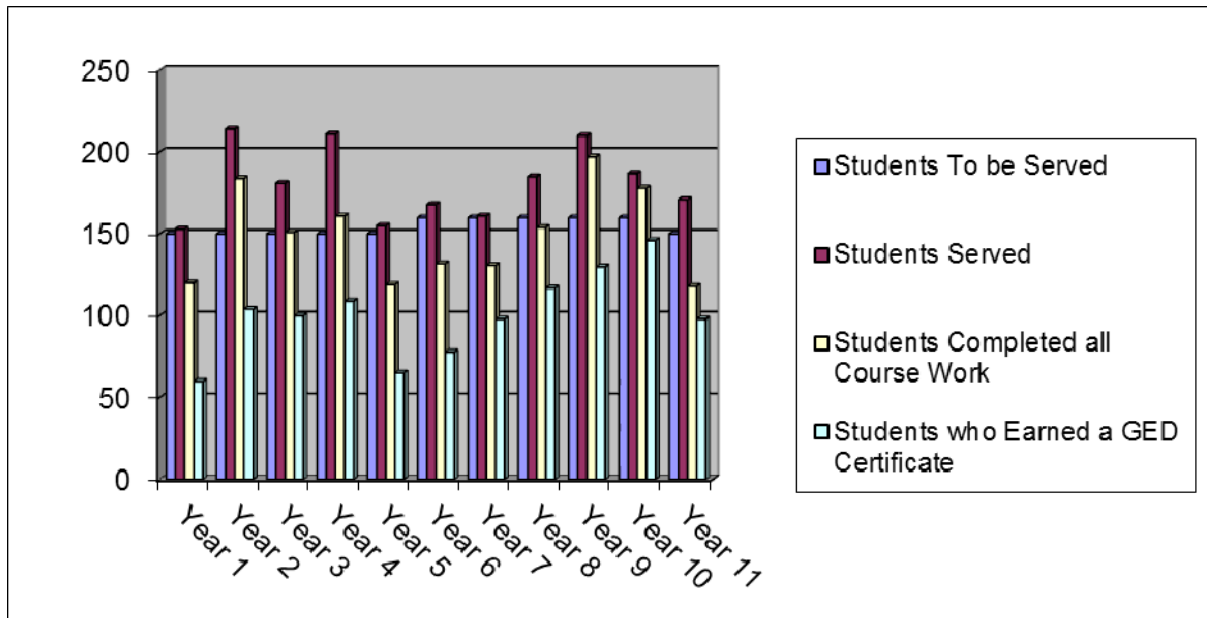
As one might imagine, many of the PPEP-HEP students are married and have families. Working, studying, and sharing time with families, all can contribute to a great deal of stress on family members. Our PPEP Mental Health and Counseling Division has services available to HEP students to help them to develop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

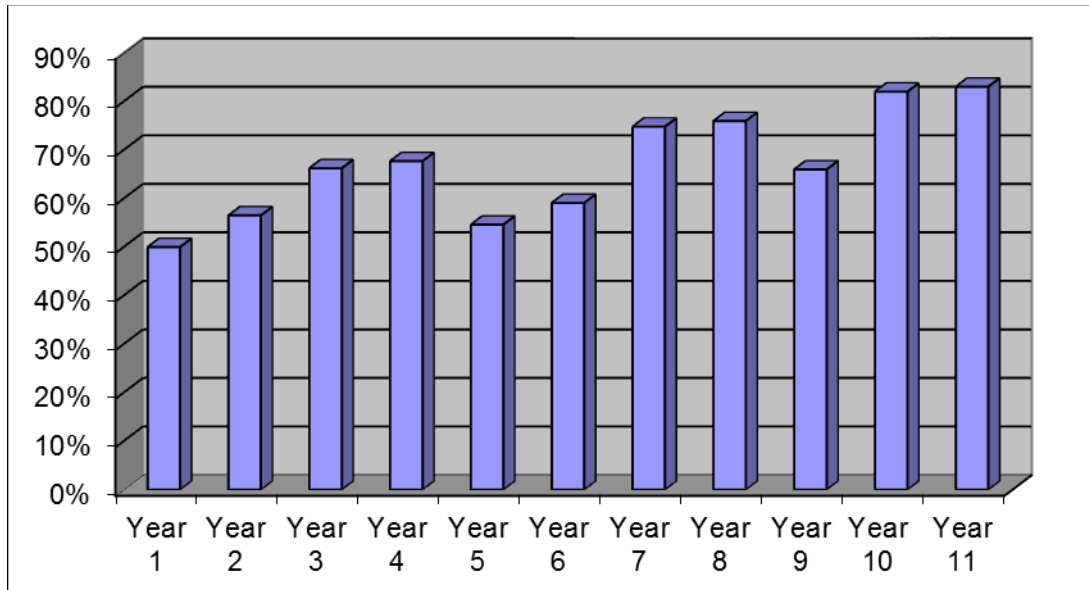
For FY 2010-2011, PPEP-HEP served 171 students (114% of number to be served). Of the 171 served, 98 completed the program and tested. Of the 98 who tested, 78 (80%) passed the GED examination. Thirty seven of the graduates (47%) have applied for financial aid and for admission to Arizona Western College. Seventeen (22%) have received job enhancements.

In the first eleven years PPEP-HEP has served 1,996 students, 1,085 have successfully completed the program and received their GED, and 554 have gone on to an institution of higher education .

PPEP - High School Equivalency Program											
FY 2000 - FY 2011											
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	N/A	17	0	102	87%
Year 9	160	210	197	130	66%	46	N/A	23	0	69	53%
Year 10	160	187	178	146	82%	55	N/A	47	0	102	70%
Year 11	150	171	118	98	83%	37	N/A	17	0	54	55%
Totals	1700	1996	1645	1105	67%	554	40	238	5	837	76%



Number of Students
FY 2000 – FY 2011



Percentage HEP Participants Receiving a GED Certificate
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 means 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 by the U.S. Department of Education, Office of Migrant Education, that the college had been 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 will be able to enroll at an Institution of Higher Education and to 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 of the other PPEP agencies to its students. PPEP has its NFJP program, Housing and Microbusiness Division, and the Mental Health and the Human Resource Division. In essence, PPEP-HEP is 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.

PPEP, INC
ARIVACACOMMUNITYGARDEN

Annual Report 2009-2010

Visitors from Afar Continue to Visit Arivaca Community Garden



The Arivaca Community Garden is approaching its thirteenth year of operation and this year our visitor from Nigeria, Africa was the Royal Monarch, Dr. Eronini shown above holding fresh produce from the garden. This program continues to move in a forward direction with amazing improvements and increased crop production. Shown above with the Royal Monarch Dr. Eronini is Garden Manager Bill Stern, garden staff David Keller and Joe Kleinholz, along with Carlotta Wray and community volunteers.

The Arivaca Community Garden is 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, all the tools needed to produce high quality, certified organic vegetables, and a new bath and wash house for visitors and volunteers from abroad.

This past year we were able to purchase materials to build mobile green houses that will protect crops from the harsh weather in the winter and freezing temperatures. This will allow us a longer growing season in the winter months and to increased needed food production for farmers markets, the food banks, and the community.

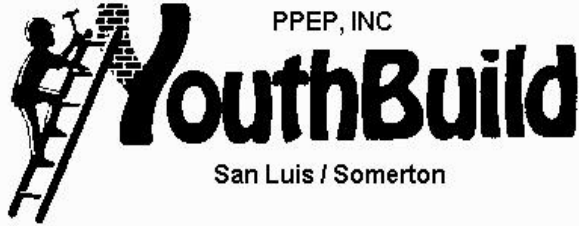
Farming is always a learning experience and this year provided many lessons and opportunities to improve the job we do at the garden. Each year Bill Stern and staff attend training with others from around the county to learn more about organic gardening, farmers markets, cooling/refrigeration units,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

This last year we were hit a little hard due to a plant disease that basically wiped out most of our winter crop, but we have bounced back over the spring and summer months with good harvests this past year.



The picture above shows the healthy harvest of the summer, along with Dr. Cousins and wife and Garden Manager Bill Stern. This is truly a community projects and we look forward to many more harvests and providing healthy foods to low income communities across southern Arizona.

Kari Hogan, Chief Administrative Officer



**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 seventh YouthBuild group of graduates. Over the past year, the PPEP Youthbuild program graduated another two youthbuild groups in February 2010 and July 2011, for a total of 105 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 nine years the Youthbuild program in conjunction with Comite de Bienstar, and many other partners, have completed and built a total 20 homes and finished numerous rehabs, to many low income homes.



Last year, students participated in many community projects. One of the biggest projects they participated in was the Global Youth Service Day, in conjunction with the City of San Luis and many other volunteers for the One Mile Cleanup and Adoption of Juan Sanchez Blvd. in San Luis, Arizona. This one mile stretch of roadway is now a part of the YouthBuild program. In partnership with the City of San Luis and Mayor Escamilla, students helped get the word out to the citizens of South County on this community project.

This past year was YouthBuild's first year in the AmeriCorps Program, where all ten youth were a part of the National Service Learning community, where they could earn quarter time education grants for their college education. This time amounted to about \$1,500 for each student, upon completing their 450 hours of service that included GED and Construction and other community service projects like the one above.

In the picture below is the Youthbuild group in Phoenix, working in conjunction with Arizona State University on a project for Martin Luther King Day. Here they worked to rehab the University Public School, one of the elementary schools in the Phoenix area that needed much repair. It is projects like these and learning about diversity and leadership that are so important for our young people today. It is because of opportunities like these that are youth are successful.



In the next picture below, because of the hard work of YouthBuild staff and students, the PPEP YouthBuild program was awarded two awards from YouthBuild USA. The first was Outstanding Achievement in Academic Testing and the other was Outstanding Achievement in Attendance. The YouthBuild Program was also awarded the Outstanding Volunteer Award by the City of San Luis for their collaborative efforts in Global Youth Service Day and other community service activities.



Other youthbuild projects that continue to be important is the connection with the 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. 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.

Project PPEP Youthbuild students are involved in their community. There are numerous opportunities for leadership activities in the youthbuild program, and because of staff efforts and the administrative leadership; PPEP Youthbuild was able to secure funds from the City of San Luis again this past year in the amount of \$23,000 and obtain new grants from YouthBuild USA on Micro Enterprise and AmeriCorps. 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 funding from HUD.

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, 2011

Jim Stewart, Executive Director

PPEP MICROBUSINESS AND HOUSING DEVELOPMENT CORPORATION

The fiscal year ended June 30, 2011 was a very significant year as it was marked by improvement, challenge and micro-lender industry change driven by uncertainty, debate and inaction at the federal government level. For PMHDC, improvement continued in our affordable housing activities and our lending policies and procedures. Challenge continued in our delinquency management activities as the recession continued and many of our business clients struggled for satisfactory financial performance. And in Washington, the political stalemate continued and one of the many crippling results was in the micro-lending industry which did not receive the critical funding that covers operating expenses for the first half of the 2011 calendar year. In fact, it is now October and PMHDC is just now beginning to receive reimbursement funding for operating expenses dating back to April.

Very early in the 2011 calendar year when it became clear that federal government funding for micro-lenders would be delayed indefinitely, the PMHDC management team moved quickly to conserve financial resources by moving to a 4-day work week and cutting paid hours of all employees. As the funding delay continued, PMHDC management implemented a plan to move to a computer based application process and closed the loan production offices in Douglas, Nogales and San Luis. Personnel in those offices were terminated as were 2 community development officers we had hired in Phoenix. Very quickly our loan staff was cut from 6 community development officers to 1 who offices in Tucson. While these changes were necessary due to the lack of federal government funding, their negative impact on loan production and collection efforts was predictable. However, the ongoing recession is now generally causing very slow loan demand in the rural areas of Arizona so the PMHDC Executive Director and community development officer have been able to travel to areas where we formerly had offices and support our rural clients. Most of our present loan demand is urban in nature and coming primarily from the Tucson market. We are now augmenting our collection efforts by using a professional collection agency and, as always, our collection efforts are built around our commitment to assist our clients with their business problems in every way we can. In addition to the technical assistance we provide clients in solving their operating problems, we are constantly alert to opportunities to restructure loans to help clients survive this difficult economic environment.

Fortunately for PMHDC, the need to overhaul lending policies and teach lending skills to staff were accomplished during the last half of 2010 so we are now doing a much better job of properly analyzing loan opportunities and guiding both prospects and clients during these difficult times.

In the PMHDC affordable housing division, the 2 apartment properties we own and manage are finally in compliance with all appropriate government agencies, have occupancy levels of 100% and have waiting lists for units that become available.

During the 2011 fiscal year we made great strides in improving the properties both aesthetically and functionally. HUD representatives have been complimentary of our progress and our manager, Jake Herrington.

Microbusiness Lending Activities

During the 2011 fiscal year, PMHDC was awarded several grants pertaining to our lending activities and technical assistance efforts. Those awards included the following grants:

- RMAP Grant: Awarded by the Department of Agriculture Rural Development. Includes loan funds of \$500,000 and technical assistance funding of \$105,000.
- Prime Grant: Awarded by the SBA and includes funding in the amount of \$128,967 to provide technical assistance to clients in the international border area.
- Bank of America Grant: \$60,000 to be included in our SBA loan loss reserve.
- Bank of America Grant: \$25,000 to be included in our RMAP loan loss reserve.
- Bank of America Grant: \$25,000 to be used for IT upgrades.
- City of San Luis Grant: \$29,750 for San Luis office support.
- K-12, Inc. \$36,000 unrestricted funds.
- Tides Foundation \$10,000 to be included in our loan loss reserve.
5,000 to improve access and efficiency of our service.

At June 30, 2011, PMHDC had outstanding loans of \$3,880,409 and notes payable to funding sources totaling \$2,875,698.

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. Loans receivable on these funds totaled \$305,711 at fiscal 2011 year end. The notes payable due the lending agency totaled \$423,317 at fiscal year end.

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 \$196,574 at June 30, 2011 and the note payable to the funding agency was \$100,015 at that date.

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, 2011, outstanding loans totaled \$83,643 and there was no note payable related to these funds.

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, total loans outstanding were \$2,095,500 at June 30, 2011. Notes payable to Rural Development totaled \$2,184,996 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, 2011 loans outstanding totaled \$231,527 and notes payable to EDA totaled \$100,015.

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. Loans outstanding at June 30, 2011 totaled \$313,134 and notes payable to the funding parties totaled \$142,370.

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. Loans receivable under this agreement totaled \$271,441 at June 30, 2011 and there were no related notes payable.

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. Loans receivable totaled \$11,660 at June 30, 2011 and there were no related notes payable.

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. Loans receivable totaled \$299,871 at June 30, 2011 and there were no related notes payable.

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. Loans receivable totaled \$24,177 at June 30, 2011 and there were no related notes payable.

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. Loans receivable totaled \$24,152 at June 30, 2011 and there were no related notes payable outstanding.

Tides Foundation

PMHDC has a grant from the Tides Foundation in the amount of \$40,000. The funds are to be loaned to Microbusiness borrowers. At June 30, 2011 loans receivable totaled \$23,614 and there were no related notes payable outstanding.

Loan Delinquency Summary

Statistics for PHMDC's total loan portfolio as of June 30, 2010, were as follows:

DAYS DELINQUENT	31-60	61-90	91-120	120+
PORTFOLIO @ RISK	\$12,910	\$12,387	\$415,645	0
% OF PORTFOLIO	.5%	.5%	17%	0

These delinquent accounts were comprised of both small and large loans, with original loan amounts ranging from several thousand dollars to \$150,000. 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 19 accounts totaling \$103,414. These accounts referred for charge-off to 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 \$16,331 being recovered.

Technical Assistance Report

PMHDC provided technical assistance and training to prospects and clients during the fiscal year. Between July 1, 2010 and June 30, 2011, PMHDC staff devoted 2,730 hours of technical assistance and training to 115 existing clients and 229 potential clients. PMHDC offers training webinars presented in both Spanish and English.

Border Business Resource Center, Douglas

The Border Business Resource Center in Douglas was closed during the 2011 fiscal year as the funding grant ended.

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

July 1, 2010– June 30, 2011

First-time Loans Funded: 9 (\$36,683)

Subsequent Loans Funded: 9 (\$55,145)

Small Business Loans Funded (25,000+): 0 (\$0)

Community Facility Loans: 0 (\$0)

Percentage Of Women-Owned Enterprises: 70%

PMHDC Loan Portfolio: \$3,880,409

January 1987 through June 2011

TOTAL AMOUNT LOANED: \$23,011,208

AVERAGE LOAN AMOUNT: \$6,539

TOTAL NUMBER OF FIRST-TIME LOANS: 1,541

TOTAL NUMBER OF ALL LOANS: 3,519

HISTORICAL LOSSES: \$2,273,410 (9.9%)

RECOVERY PROGRAM-TO-DATE: \$198,499

Housing Development Activities

During the 2011 fiscal year the final home in the Quail Run subdivision in Douglas was sold and that project has now been completed.

The U.S. Department of Agriculture awarded PMHDC funds totaling \$455,955 for the improvement of the Don Frew Apartment project. The award was the result of a loan application submitted to the Dept. of Agriculture just over 2 years ago. Those funds include a loan of \$371,801, a grant of \$71,154 and a subsequent loan of \$13,000 with no principal or interest payment required until all other loans secured by the property are paid off. Improvements will include the reroof of the entire property, new exterior paint, replacement of evaporative coolers with new air conditioning units as well as new furnaces, repair and resurface of the parking lot and 21 additional areas of improvement. This will allow a much needed renovation of the property that will add value for years to come.

During the 2011 fiscal year HUD has approved PMHDC's request to withdraw \$54,899.09 from the La Ramona Morales Apartments reserve account to fund updates to the overall facility. Those updates, now being completed, are as follows:

\$ 21,279.68	New stoves - ADA slide in self-cleaning ranges
16,500.00	Awning and shade in courtyard
7,451.41	Install new storm doors
4,983.00	Parking lot repairs
3,500.00	Kitchen countertop resurface and repairs
1,185.00	Tree removal

Importantly, Jake Herrington received several verbal compliments from Jennifer Reilly, HUD Project Manager in Phoenix, about the work he and PMHDC are doing. She mentioned how quick and accurate he has been in getting information on the reserve withdrawal request to her, she complimented him because the information she has received from him in responses to the MOR reports have been very thorough in explanation, and she remarked that for many years things had not been done correctly at PMHDC and we now seem to have things on track. Jennifer also remarked that Jake is doing exactly what he should be doing by improving the complex in ways that add value to the project.

PMHDC has been awarded a Farm Worker Housing grant for the Somerton area. This grant includes both temporary and permanent housing. PMHDC will oversee the creation of 2 on-farm "dormitories" housing 400 migrant farm workers per year, repurposing 4-8 homes per year from bank foreclosure holdings and using them as permanent off-farm rental properties for seasonal farm workers and refurbishing 12-15 homes currently owned/occupied by seasonal farm worker families. Renovation activities will include green building materials and practices.

ENCOMPASS

Enhanced Community Participation and Support Services

A Salute to Our Staff

Is there anything more important to a person than their home? A home is where you are comfortable. Your home is an expression of who you are and it is the place where you relax and take solace. PPEP, Inc. ENCOMPASS takes great effort to ensure that the community residences we provide reflect the individuals who live there. Residents make decisions about the look and the feel of the home. Even more important that the physical aspects of home are the direct care workers who help individuals live as independently as possible. Direct care employees at PPEP, Inc. ENCOMPASS help individuals with those day-to-day activities that make up life. Eating, personal care, cleaning, attending appointments, and participating in community activities are all examples of the help and assistance that our direct care workforce provide to the individuals that we serve. Perhaps the most important function of our direct care workforce is they help individuals learn to live their lives with a sense of direction and as a meaningful member of their communities.

In a residential environment, direct care workers are there every day of the year, 24 hours a day. They are there on good days, sad days, days of celebration, and days of crisis. They share the resident's lives, they teach, they support, and they act as role models.

Direct care workers at PPEP, Inc. ENCOMPASS also provide home management-related tasks, day treatment activities, employment related supports, transportation, recreation, housekeeping, attendant care, and other community participation support services. They play a vital role by promoting independence and inclusion for individuals with disabilities. They do their jobs, keeping in mind the delicate balance of fostering the resident's independence while making sure they make healthy, safe and responsible life choices.

We know how important our direct care workers are. We never take for granted their special dedication.

We recognize all employees as our most valuable resource because each and every one of you is vital to the work performed on behalf of our consumers. As a result of your dedication, skill, and commitment, individuals with developmental disabilities receive the supports they need to ensure they are able to live in their communities and lead meaningful lives. Your efforts have given people with developmental disabilities the ability to leave institutions, live in the community and enjoy simple pleasures such as working and socializing in a neighborhood.

How proud I am to have each of our direct care workers as a member of the PPEP, Inc. ENCOMPASS team. I take this opportunity to recognize you for the immeasurable difference made each day in the lives of people in your care. All of us at PPEP, Inc., consumers, families, and community members across Arizona say, "thank you" for the wonderful work and dedication of our direct support professionals.

Gina K. Judy

Chief Administrative Officer

PPEP, Inc. ENCOMPASS and Behavioral Health Divisions

In-Home Services

ENCOMPASS expands its In-Home Services to provide services to the elderly, individuals with developmental disabilities, individuals in need of physical assistance, and individuals with other support requirements. These services include respite, attendant care, individualized habilitation, and housekeeping. Respite is short term care services to relieve individuals who care for someone who may be home bound. Attendant care involves hands on assistance of daily living activities for individuals. Individual habilitation is more exclusive services geared for an individual towards self-determination. And, housekeeping, involves helping with home care duties like general cleaning and laundry.

While ENCOMPASS services in the past have been limited to individuals with developmental disabilities, our expansion of In-Home Services extends our reach to thousands of additional individuals and families that may not have a developmental diagnosis but still require similar in-home type of assistance. The program assists a large range of populations in Ajo, Green Valley, Sahuarita, Tucson, South Tucson, Casa Grande, Globe, Miami, Avondale, Goodyear, Litchfield, and Sells areas.

We believe in supporting safe and sanitary living conditions for every individual that receives services. By maintaining a healthy environment, we can ensure individuals will continue to have as much independence and autonomy in their own homes for as long as they can.



Program Participant, Minnie Ordorica, talks to Gina Judy about how much she enjoys her services and how much she loves the team members that provide her with direct care services.

Avondale ENCOMPASS

For over 10 years the Avondale day treatment and training programs have provided support services that include transportation to more than twenty individuals with developmental disabilities. Many participants have been in the program since it began. The individuals we serve depend on our direct care staff to provide consistent loving care.

Our program participants come in each day to work on individualized goals, self-help, health & safety, communication, and social skills. We also take individuals out in the community where we educate the public as much as we do the people we serve. Years ago people would fear or shy away from an individual with a disability. For the most part, this is no longer true because of programs like ours.

Each member of our staff brings special skills to enhance our program. One of our team leaders is our arts and crafts coordinator. She shares her creativity with our group and is always able to adapt an activity so everyone can participate. In a fun, positive way, another team leader motivates our individuals to get up and moving, socializing and going out in the community. She is never shy about asking for a discount so our individuals can participate in more activities. One of our certified care givers runs our daily exercise program which our individuals love. This year, many of the regular participants have lost some weight, lowered their blood pressure, and improved their overall health. Our certified care givers are wonderful and dedicated, helping where ever they are needed.

Without programs like ours and dedicated direct care staff the individuals we serve would be at home without much to do and forgetting everything they have learned. Their parents would be unable to work, creating hardships and stress for the family. Programs like our provide a place where vulnerable individuals can be safe, learn to become more independent, and spend time with peers and making lifelong friendships.

It is programs like the Avondale Encompass Day Treatment and Training program that bring individuals we serve out of the small world they live in and into everyone's world.





Gina Judy, PPEP, Inc. ENCOMPASS CAO and two participants in the Avondale DTA Program



The ENCOMPASS Avondale DTA Program support team.

Encompass Administrative Support Staff

The Encompass administrative support staff, located at the main office in Tucson provides service to all Encompass areas throughout 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.

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.

In April several of the administrative support staff traveled to Globe for their anniversary celebration. Along with the IT and Maintenance Departments, we helped in the kitchen preparing food and ensuring the buffet was full.

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.

The Encompass administrative support staff is reducing the hours of some staff due to the budget cuts we received from our funding source. We will continue to support the Encompass coordinators, managers, directors, staff and consumers.



Jackie Johnson and Gary Kloepper assisting with special events in Globe, Arizona



Administrative team and program participants working together on fun activities

Globe Area

PPEP Encompass has been serving the area since 1990.

The Globe ENCOMPASS programs include five community residential programs, individualized living supports, and day treatment supports. The Globe Encompass Program has had an increase of Consumers to the day program. Residential Programs continue to receive excellent ratings from the Division of Developmental Disabilities.

Recently, the Arizona Diamond Backs donated 30 tickets for our Consumers and staff to attend a game, everyone had a great time!

Encompass Day Program held a Summer Bash Dinner and Dance for the Consumers we serve as well as other community members

I would like to thank all the employees for your continued support and dedication to the program and our Consumers.

Thank you to Gina Judy for being such a strong advocate for the Individuals we serve

This year has been challenging for our programs due to significant budget cuts to the programs. The budget cuts have had a direct impact on our programs, despite all the funding cuts PPEP ENCOMPASS continues to provide quality service to our Consumers at a significant loss to the Agency. With continued funding cuts there will be more programs/agencies that will not be able to survive and will be forced to make drastic changes.

The changes have also impacted the Consumers we serve; they have received an increase of 18% for their cost of room and board. Due to the increase in their shared cost for Room and Board, a large number of the Consumers are struggling to purchase items needed that are not covered by their insurance such as over the counter medications that are necessary for their health, essentials for daily living; clothes and other personal items etc.

Due to Economic situation, we are finding that the supports we once had within the community, that donate to our organization has either decreased their donation fund dollars or are no longer donating.

Bonnie Hayes
Area Director





Having fun at a dance in Globe



Tucson and Green Valley day treatment & training programs and work related programs

PPEP's expansion to the Green Valley and Sahuarita areas in February of 2009 has doubled its client base and continues to grow. The program has been fortunate to obtain a rental property with payments that have not increased from the time in which the program moved from a modular unit to a larger facility across the driveway of the property. The larger space that was completely renovated has helped with our continued growth. Clients are enjoying the large kitchen for cooking class. The outdoor covered patio is perfect for the cooler weather. This Halloween, the group is hosting a Halloween haunted house and has invited students from Sahuarita High School that may be interested in attending PPEP's day program once they transition out of high school. The Green Valley day program continues to provide transportation for its consumers in this rural area. PPEP continues to serve our developmentally disabled community in Tucson with the Olsen day program. Over four years ago, we purchased the property at on Olsen. This spacious property has allowed us to combine two of the day programs to decrease cost.

PEPP's work related program continues to provide transportation to client workers to their job site with the Town of Oro Valley. At the town hall, they do the recycling for the administration building, water building, zoning and planning buildings. On occasion, the workers set up chairs in the conference room and collect the trash out of the bins at the police department and along the bike trails. The individuals working in this special work program are very proud of the work that they do and are have the satisfaction of being self-sufficient when earning a wage.



Program participant, Lauren Cigrand, and direct care team member, Rebecca Contreras



Participants in the day treatment and training programs display their art work.

Special Highlights for PPEP Direct Care Professionals



PPEP nominates direct care professional, Shannon Conway, as Direct Care Professional of the Year. Shannon receives special recognition from Gina Judy and the national association, ANCOR

Tim Sikkema, AZ DES Division of Developmental Disabilities District 2, shares ***“Congratulations on Direct Support Professionals Recognition Week! Thanks for the skill and dedication you bring to your job on a daily basis. Through your work, the individuals we serve are able to live happy and productive lives. You are making a difference and we appreciate everything you do!”***

Peter Brockington, AZ DES Division of Developmental Disabilities, recognizes the commitment of the PPEP team members when he says ***“DDD is proud to partner with PPEP to serve our clients throughout the State of Arizona. We salute the hard work and dedication of the PPEP Staff.”***

Gina Judy, PPEP, Inc. ENCOMPASS CAO and Arizona ANCOR Representative, ***“Our direct support professionals assist people with developmental disabilities live the American dream....and they do this quietly, without much fanfare, and often for not enough pay... their dedication to this segment of the population is invaluable and does not go unnoticed. I feel fortunate to have each and every one of our direct care employees as a member of the PPEP ENCOMPASS team.”***

Judy Muller, parent of an ENCOMPASS resident, frequently expresses gratitude and appreciation to ENCOMPASS direct caregivers and members of management. Judy writes, ***“The direct care staff in Robin House have been consistently outstanding in many ways. They are dedicated, loyal, very hard-working, highly skilled, exceptionally caring and compassionate, responsible, cheerful, creative, they get along well with each other and with the guardians. They know and understand the unique personalities and needs of the residents and are attuned to subtle changes in health or behavior. They are excellent advocates for the well-being of the people they are caring for. They take pride in their work, truly care about each resident, and are a pleasure for me to interact with. These fine people have made it possible for my son to live a healthy and contented life, and they have given me a life of my own, as they have taken on the care of my son, a vulnerable person with complex special needs. I honor them and give thanks for them daily. Sincerely, Judy Muller”***

Ajo and Sells Area

Community integrated services for individuals with disabilities in the ENCOMPASS division expanded to the Ajo area in 1996. Following a number of years at the historic Ajo Train Depot, PPEP ENCOMPASS purchased a building to serve as the central location for community service provision. The Ajo day treatment and training program moved to its new location last year. The newly renovated building, originally the Jackson & Pullman Texaco Station, continues to provide the critical space needed to bring support services for individuals with disabilities. The spacious area not only provides an opportunity for day treatment services, but also offers space for outreach services offered by other areas of PPEP. Elderly services and behavioral health services can also be provided in the location.

The building houses a beautiful mural that was painted by a local artist. The entire community benefits from this lovely new facility.

The Sells program continues to expand in both service provision and community involvement. The exercise program remains one of the favorite activities of the program participants.

Arizona's DES Director Clarence Carter visits the Globe programs



Gina Judy, Jesse Valdez, and DES Director Clarence Carter



Jacob Sanchez, Jim Huggins, DES Director Clarence Carter, and Glennye Lou Coy

BANNING THE USE OF THE R-WORD

The R-word is the word 'retard(ed)'. Why does it hurt? The R-word hurts because it is exclusive. It's offensive. It's derogatory. The R-word is hate speech. "The R-word is hurtful. When people in our lives intentionally or accidentally hurt us with their words, they leave scars that take time to heal. When hurtful words are said often enough they can change the very essence of who we are." – *Gina Judy, PPEP, Inc. and Arizona's Representative to ANCOR*

When they were originally introduced, the terms "mental retardation" or "mentally retarded" were medical terms with a specifically clinical connotation; however, the pejorative forms, "retard" and "retarded" have been used widely in today's society to degrade and insult people with intellectual disabilities. Additionally, when "retard" and "retarded" are used as synonyms for "dumb" or "stupid" by people without disabilities, it only reinforces painful stereotypes of people with intellectual disabilities being less valued members of humanity. PPEP, Inc. is actively involved in the elimination of the derogatory use of the r-word from everyday speech and promotes the acceptance and inclusion of people with intellectual disabilities.

Casa Grande Services for Individuals with Developmental Disabilities

While our new site appears to be ready for operation, we continue to await pavement and sprinkler system installation so that our new site can be licensed. We have high hopes of reaching our goal in the early part of 2012.

The Casa Grande area got a late approval for new services under DTS and Respite for children during the summer break, but the program was off and running this year with three participants. All went well and ENCOMPASS will continue to offer these services for all school breaks. Families were encouraged to apply for the units of service during the summer to prevent any delays. New DTS and Respite services are ongoing without number limitations. We are excited to also have two recent referrals for the area that both appear to be happy in their new programs. The region can still accommodate two more consumers in residential settings. With each expansion in services, we seek to add new team members.

We are very fortunate to have several long term team members. Some direct care team members have worked with PPEP for 12 years. The Casa Grande team members are truly dedicated and committed to services for individuals with developmental disabilities.



Casa Grande team members enjoy a day of appreciation with Area Director, Maria Davis, and Gina Judy. Teresa Rodriguez, Shawn Villascusa, Gina Judy, and Elsa Simpson are shown.



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 a part time Human Resources Assistant.

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

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. Works with benefits brokers to ensure PPEP is providing a comprehensive and competitive benefits package to staff.

➤ **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 508 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	352
Regular, Part-Time	48
On Call	82
Work Experience (WEP)	18
Special Certificate (DD)	3
Temporary	5

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 Health Care 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 Health Care Specialty benefits were contracted with to provide employee, spouse and dependent coverage for general life or AD&D. The Hartford also offers voluntary AD&D 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 2010/2011 Fiscal Year:

1. **Health & Wellness Fair:** Hosted the Fifth Annual PPEP Health and Wellness Fair and implemented Flu shots for all area locations at no charge to PPEP employees. Approximately 80 staff were vaccinated. Other staff may still receive the vaccine and receive some reimbursement for costs.
2. **Improved the Automated Application Process:** Improved the current PPEP/PMHDC 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.

Goals For the 2011/2012 Fiscal Year:

1. **Classification and Compensations Surveys:** Review and update all PPEP's comprehensive compensation plans for all job titles. Evaluate past salary surveys to determine cost effectiveness of the compensation plan. This should assist with and increase the effectiveness of recruiting efforts and promote fiscal responsibility.
2. **Coordination with other Non-Profits:** Form partnerships with other local non-profits providing similar services for coordination of services offered to clients, plan comparisons, sharing salary survey information etc.
3. **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. (This project is currently on hold due to system programming issues).



Property and Insurance (2011)

Gary Kleopfer, CAO, Property Management

One of the primary goals of the Property and Insurance Department is to support all the other programs in meeting their facility needs. In accomplishing this goal the men and women of our department have responded to over two thousand maintenance or service request in the past year. This includes service request after normal work hours and weekends as this department is on call 24 hours a day 7 days a week.

Some of the accomplishments that stand out the most are:

- Kitchen renovations to the Manuel Bojorquez Learning Center in Bisbee, the Raul H. Castro Learning Center in Douglas and the Cesar Chavez Learning Center in San Luis. This enabled the school to meet county health code requirements for serving meals to the students.



RJ School Kitchen Project



JD on the job in Douglas

- Painted the exterior of the of 4 Group Homes and the DTA in Globe.
- Completed phase one of a fence project at the Ajo DTA.
- At the Avondale DTA we painted the interior, Install new flooring in several areas, made improvements to the restrooms and other minor repairs.



Greg Saxman

- Installed new ceramic floor in one restroom at the Alice S. Paul Learning Center in Casa Grande.
- At the Robles Junction Learning Center a kitchen renovation project is 80 percent completed and we are now serving hot meals to our students.
- We completed a project at the Celestino Fernandez Learning Center to repair the parking lot lights. All the light poles were



Art Benge

remove, cleaned and painted, rewired and reinstalled. This is the first time since we have owned the building that all the parking lots lights are working.

In all we provided supported to 60 PPEP facilities in 22 Arizona cities.

In addition to the facilities we also oversee PPEP's liability and vehicle insurance requirements and we oversee a vehicle fleet of 107 vehicles ranging from the 1957 La Tortuga bus to a 2010 Kia to several handicap accessible vans.

I would like to recognize the hard work and dedication of the Property and Insurance Department staff. **Greg Saxman**, Maintenance Supervisor, **Alicia Buckholz**, Property and Insurance Coordinator, **Art Benge**, Maintenance Technician and

Lock Smith, Maintenance Technicians **James Sams**, **Chris Greene**, **Phil Greene**, and **Dario Cuevas**. Each has my deepest thanks for a job well done.

Two of our friends and coworkers departed this summer; **America Balderas** resigned and has plans to continue her education in pursuit of a degree in law. America did an outstanding job for PPEP and we wish her success in school. **Carmen Pinheiro**, resigned and has retired. Carmen also did an outstanding job for PPEP and we wish her happiness in her retirement.

For the coming year we are looking forward to new opportunities.



2011 CEO QUARTERLY REPORTS



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John Bordenave
President

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

Hector Sanchez
President

"Si Se Pudo"

January 31, 2011 CEO QUARTERLY REPORT (Year ending 2010 – looking forward to 2011)

PMHDC Board, staff, and friends:

I. 2010 Major Accomplishments

We have been successful in completing our 43rd year and remember our mission "to improve the quality of rural Life." This report is dedicated to the life and times of Honorable Gabriella Gifford's and wishes for a speedy recovery from her injuries. Major accomplishments this past year were new grants received and stabilizing the lending area along the border and beyond. Great strides have been made to reduce the delinquencies and provide technical assistance to our borrowers to cope with the border region severe economic down turn and drug related violence.

II. Sharing our Vision

This past year we took a step further to share this mission abroad. We allocated seed funds for two new micro credit cooperative "Hybrid" loan funds one in Owerri, Nigeria and another among the Baika people in the Buem Communities of Ghana. Seed funds for a K-6 school model and a Women's palm oil processing plant. I had the privilege of visiting each over this past holiday season. I assisted in the inauguration of each and provided board training to those overseeing the projects.

I can only say that I was overwhelmed by their spirit of gratitude for our assistance and the hard work put forward to make all the projects viable. They send their utmost gratitude to the PPEP Board of Directors. I was further impressed by the fact that most of the projects had a cash or voluntary labor match to our grant. Also, while in West Africa we formed a non-profit organization called the "West African Rural Empowerment and Development Society."

The mission statement is similar to ours "Dedicated to improving the quality of rural life and cultural heritage, organic sustainable agricultural, recycling, affordable energy efficient housing, solar, microbusiness/cooperative credit, economic development, job training toward empowerment and self sufficiency. The initial partners would be PPEP, Inc. USA, Tree of Life USA, Awo Kingdom, Nigeria and Baika Buem Kingdom Ghana.

III. Major Tasks for 2011

Several critical issues and tasks being carried forward from the previous year are being delinquently dealt with but not yet resolved. They include the following:

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- A. As usual every year we have our independent A-133 audit which is comprehensive in nature. Barbara Coronado our CFO informs me that it is going well and should be completed soon to be presented to the Board by Addington and Associates. This audit process can take up to 6 months because it not only tests our financial transactions, but our contractual compliance to our funders.
- B. The HUD Self Help Housing Program (SHOP) audit issues. Last summer we began to deal with some questions costs by one of our sub-contractors in Colorado Thistle Housing Corporation. Since audit finding were several years back it has taken an extraordinary amount of time to reconstruct all the documentation HUD is requiring. In some cases, the key staff members involved have since left. However, through the efforts of our housing staff, Danita Rodriguez, and legal assistance we feel that all the documentation that HUD requested has been found. We are now waiting for their favorable response so there will be no audit disallowances whereby funding would have to be returned. The initial disallowance was \$800,000 of which feel we have documented the entire amount thereby no payback by our SHOP consortium. We will keep you posted.
- C. Lawsuit: accident death of Encompass client in Globe. As been reported in a previous audit there is an on going lawsuit relating to the accidental death of a client in our Globe Encompass Program. This client choked on his food and died. This initiated a lawsuit against PPEP and the State's ADES for negligence. It is our strong feeling that this was not the case. Even the paramedics at the scene indicated nothing could have been done to save the client. Since, the filing of the lawsuit the PPEP staff have produced thousands of documents we feel that substantiate our record of responsible and professional care of our clients. Philadelphia Insurance Co. is our carrier and we have requested they settle within the liability amount of \$6 million which they have not yet come to agreement. The case is in court as of January 2011. We have retained our own lawyer to advise us on the legalities of settlement with the DeConcini legal firm. As soon as we know the outcome we will schedule an Executive Board meeting.
- D. Arizona Department of Education (ADE) audit of Title Programs and PPEP TEC school operations. The past year ADE came to our campuses to collect records on various aspects of our PPEP TEC school operations mainly relating to Title Programs.
Once again it is our feeling that we are in compliance with the regulations. Also they do not understand our mission as an at-risk school student population. They are trying to force us to run our school like the traditional school with high achieving students. They do not understand the kind of students we are from rescuing that were casualties of the very system. Once we received their finding we will make our case as we have done in the past. I have attached a description of a typical PPEP TEC student so you can see the challenges of working with students everyone has given up on (see attached).

IV. Challenges of making ends meet with reductions and delays in funding. 2011 may be our most challenging year yet as we try to sort out what the State of Arizona are going to do about cutting budgets and delays in paying us. Mostly affected are the two largest PPEP programs Encompass and PPEP TEC. The good news is that their no major cuts in the Governor's budget for Encompass Programs. However, PPEP

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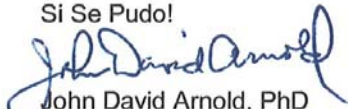
TEC will receive a 10% cut in revenue this year. Also, we will be paid on a delayed basis as the State Treasury is low. This coupled with what ADE may require us to do may put a real strain on our schools operations and finances.

In summary, those of you that have been on the Board of Directors know that similar challenges have come our way. The Reagan cuts were severest of them all and we survived. Government agency reviews are not uncommon yet they are formidable challenges because they are usually of projects several years back.

Another huge challenge was with USDA and HUD over our rental projects in Benson and Marana. It took up over three years to sort all those issues out to everyone's satisfaction. Much of the time the bureaucracies do not understand their own regulations. Our hallmark achievement this year has been the successful negotiations of a 20 year financial contract with K-12, Inc.

You can rest assured the PPEP staff is on top of the tasks and challenges we outlined above. At each board meeting we will bring you an update. Our theme for 2011 is, "Overcoming the obstacles, meeting the challenges, seizing the opportunities before us."

Si Se Pudo!



John David Arnold, PhD
CEO/Founder

"Dedicated to Improving the Quality of Rural Economic Life in Arizona" – SINCE 1967



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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 2011

PPEP and Affiliates Board, staff, and friends:

These are trying times for the farmworkers and rural communities. Perhaps the worst I have seen in a longtime. Service cutbacks in funding coupled with social services agencies closing their doors, and governmental agencies cutting off services have had their negative impact. PPEP itself while sustaining cutbacks in Encompass and the schools has made the necessary adjustments to get us through. The agency as a whole is maintaining its service delivery and even boosted its services in behavioral health counseling and youth jobs. This summer we will administer 140 jobs to our rural youth. The college farm worker scholarship efforts have gone exceptionally well with over 20 given out.

II. PPEP, Inc. International

On the international front we have seen significant development with projects and donations. We have formed the West African Rural Empowerment Society consisting of AWO Kingdom Nigeria, and Baika Kingdom, Ghana; PPEP, Inc. and Tree of Life Rejuvenation Center Foundation as the United States partners.

As for Memorandum of Understanding (MOU's) in Mexico, we recently signed a non-financial cooperation agreement for peer group exchanges with the University of Kino in Hermosillo and the City of Magdalena de Kino, Sonora (see attached agreements).

III. Future International Projects

New projects include another orphanage/nutrition center in Nogales, Sonora, Mexico, including a feeding program for street kids. In Ghana, a nutrition center and feeding program for seniors and students is in its first phase.

IV. PPEP California

The update on the PPEP California Board of Directors is that our sub-contractor for the online school in Los Angeles was bought out by Kaplan Schools. We were concerned about contract negotiations for the one year remaining on our charter with Antelope Valley School District. PPEP Arizona is contracted to provide the

"Dedicated to Improving the Quality of Rural Economic Life in Arizona" – SINCE 1967 1

Human Resources and bookkeeping services for the California's operations. Plus a service fee for recruitment and technical assistance of 5%. The Arizona Virtual Academy contract with K-12 has been renewed for 20 years. There are about 500 high school students online in Los Angeles and approximately 5,000 students K-12 grades in Arizona.

V. Grants/Governmental Agencies

It seems that governmental agencies have been conducting reviews more than ever. Arizona Department of Education, Housing and Urban Development (HUD), United States Department of Labor (USDOL), and the State of Arizona regulating agencies have the most aggressive. Even though the process is time consuming we have the responsibility to address any issues raised. The longest one to date is the one with HUD which wants to go back six years to review pass through SHOP grants. As you can imagine, with staff changes and archive records it's been difficult and expensive as one sub-grantee is in Colorado. However, I am assured by our attorney and consultant we are making progress.

VI. Awards to PPEP Staff and Programs

At the annual meeting of the Arizona Interagency Farmworker Coalition (AIFC), Frances Rascon of the PPEP NFJP Farmworker Program was recognized as the Employee of the Year and the PPEP Youth Build in San Luis was recognized as the Program of the Year. In Ghana West Africa, the CEO was conveyed by the Baika Buem Kingdom Honorary Citizenship and elevated to Royal Stool of Nana Bloti.

- a. Title: Nana Bloti Omabayo 1 (see attached Royal Proclamation).
- b. A corrido was written by Dr. Celestino Fernandez commemorating our four decades of rural service.

VII. Conferences

- A. LULAC Legislative Awards Gala and Washington, D.C. trip consisted of visiting Federal agencies and Congressional offices along with seminars on making organizations more accountable.
- B. Rocky Mountain/Hawaii Coalition of Farmworkers job training programs known as (NFJP) held their annual meeting to build capacity for job training. This meeting also serves as a peer group exchange between organizations that enhances performance in serving farm workers. We organized this coalition as well as the Arizona Rural human Services Network to serve as advocacy and peer exchanges.
- C. Padre Eusebio Kino's 300 year anniversary celebration was held in Sonora, Mexico during April. I spoke at the event in the city of Magdalena and the University of Kino. Also, participated in Press Conferences and forums referencing similarities in the Padre Kino's "itinerant model" and "PPEP's La

Tortuga Portable Practical Education model” of taking practical services and instruction to where the rural people live and work.

VIII. Other Notables

Some major events of recent include our PPEP 44th Rural Service Anniversary coupled with the Encompass Program’s 20 Year Anniversary in the Miami-Globe area.

The San Luis Youth Build Graduation took place in early April where 14 participants graduated from their construction trades training. During the six months of the program the youth built two complete homes that were donated to deserving farm worker families. To date, this program has built two dozen homes and rehabilitated 70 homes with 100 participants over the last five years.

The HEP program, as of today, has served 1,859 students and 1,041 students have received their GED certificate. This data is from the year 2000 up to the present time.

IX. Upcoming Events

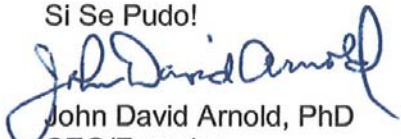
Upcoming events include:

- A. Plaza Comunitarias Education & Peer Exchange Contract. Signing with Mexican Government Officials– April 29, 2011
- B. LULAC PPEP Farmworker Scholarship Award Dinner – April 29, 2011
- C. Visit by Superintendent John Huppenthal – May 11, 2011
- D. PPEP HEP Graduation, Yuma County (90 graduates) – May 2011
- E. PPEP TEC High School Graduations (200 plus graduates) – May 2011
- F. PPEP California Insight High School Graduation (50 graduates) – May 2011

X. Summary

PPEP is surviving the crisis so far, but there are many pitfalls to come and we must be diligent to meet our contracts, collect revenues due, and most of all continue to provide comprehensive services to our rural and farm worker clients.

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

Hector Sanchez
President

"Si Se Pudo"

August 29, 2011 CEO UPDATE MAY – AUGUST 2011

Dear Members of the Board and PPEP Family and Friends:

The attached is a brief update of my activities for May – August including my trip to the West African nations of Ghana and Nigeria. In May, I attended all of the PPEP TEC graduations with the exception of Avondale. Most of July, I was involved in the summer youth jobs program and summer tutorial program at PPEP TEC. All this besides the normal year end activities and close outs, I spent time working on the school enrollments at PPEP TEC. I made significant inroads with the Tucson refugee community and made presentations to their leaders as well as conducted a tours of the PPEP Hall of Fame and PPEP TEC Campus. In July I attended the National LULAC National convention in Cincinnati Ohio. I had the opportunity to speak to former Mexican President Vicente Fox and pin him as a LULAC member. Also, I greeted Hilda Solis USDOL Secretary and the Secretary of HHS during the Convention.

I attended the graduation ceremonies of both the on the summer youth job training and summer school math and science students. I spent time with the media, Channel 9 and Channel 12 to get our message out on the PPEP TEC day and night schools.

During May, I participated in most of the graduations of PPEP TEC High Schools throughout the state. Two trips were made to speak to the San Luis City Council regarding refunding of PPEP Micro. During the same trip, I met with Youth Build staff and programs .I hosted the PPEP California Board in a-one day in -service training at the PPEP Tucson main office. Also, I have attended to the PPEP properties up grades as well as resolving the HUD/Thistle audit issue. As per my international report, I have attached my trip report to West Africa plus the minutes for the organizational meeting of the West Africa Rural Empowerment Society.

Si Se Pudo!


John David Arnold, PhD
CEO/Founder

"Dedicated to Improving the Quality of Rural Economic Life in Arizona" – SINCE 1967

**INTERNATIONAL
PHOTO ALBUM
OCTOBER 2011**



Ghana National Seminar on Diabetes



Ghana Diabetes Awareness Event



West African Empowerment Society Dedication Service



West African Rural Empowerment Society



Young Medical Students at the Diabetes Seminar



Students looking at their Renovated Building



Buem Women get Manicure and Pedicure



Flag Football Camp



Sports Camp American Flag Football Huddle



Kids get Art Class in their new School



Bueman Micro Credit Office



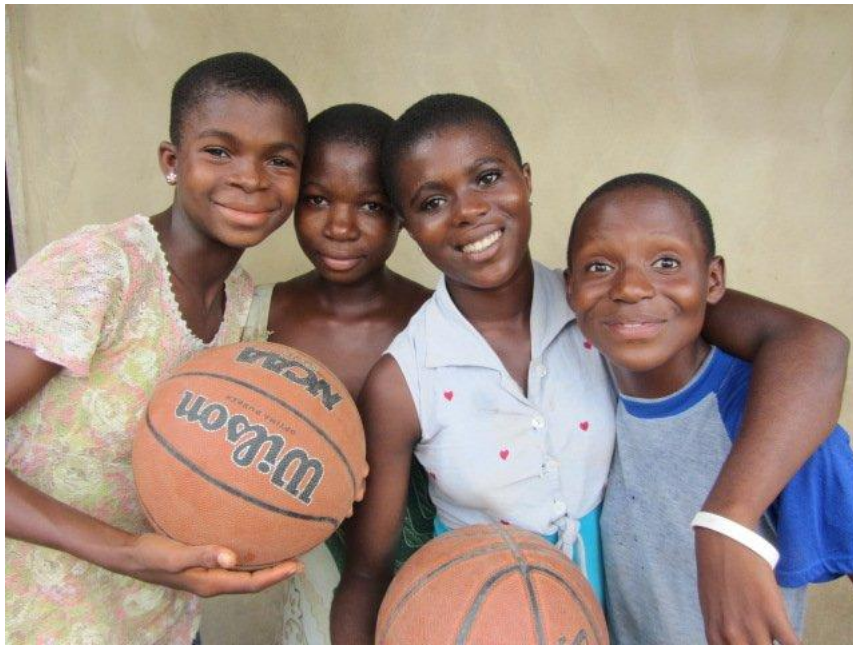
Ghana and Nigeria Meet



Arnold's Eagles Cultural Dancers



YouthBuild at Buem



Girls' Basketball Team



Boys' Basketball at Buem



African Drumming Session



Eagles Soccer Team



Dedication of John David Arnold Center for Excellence



Nana and Dr. Arnold addressing School Dedication Crowd



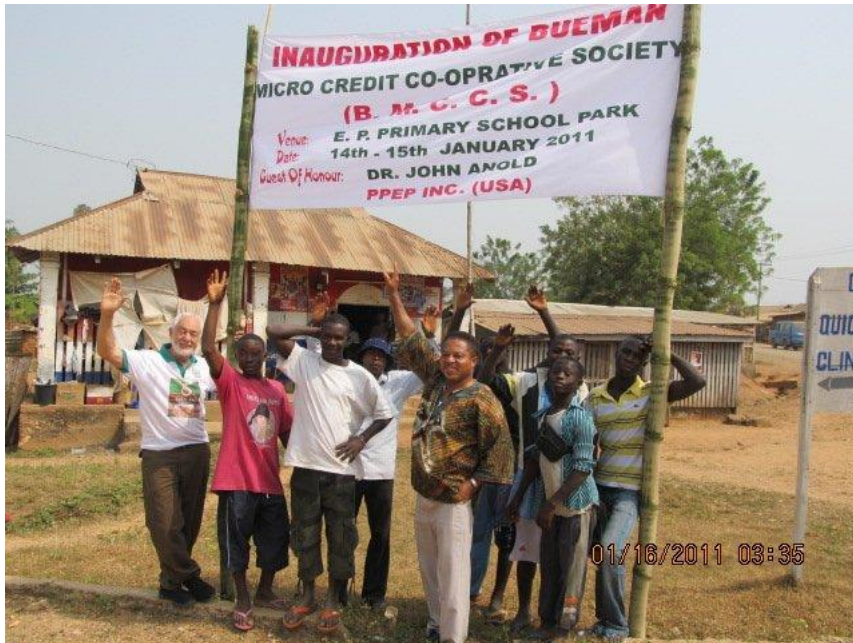
Promotoras in San Luis, Arizona



Border Orphans Feeding Program – Imuris, Sonora, Mexico



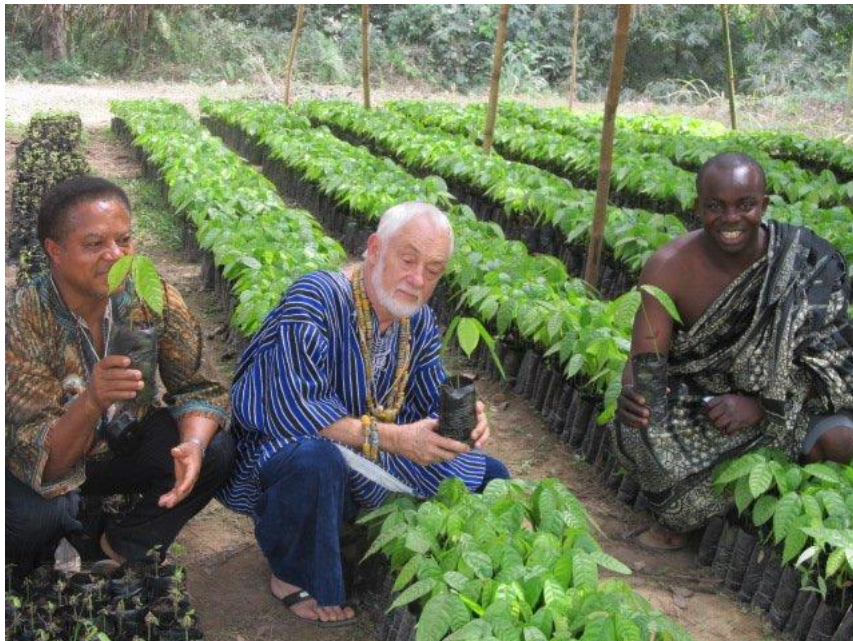
Bueman Micro Credit Board of Directors



A Bueman Welcome to PPEP, Inc.



Bueman Community Multi-Purpose Learning Center Restoration Project



Bueman Cocoa Plant Nursery



Bueman Micro Credit Council



The Inauguration of the Bueman Micro Credit Program - Ghana



Honorary Citizen of the Kingdom



Organic Fruit Vendors



Awo Kingdom Micro Credit Office - Nigeria



AWO Kingdom Women's Palm Oil Processing Plant, Owerri, Nigeria



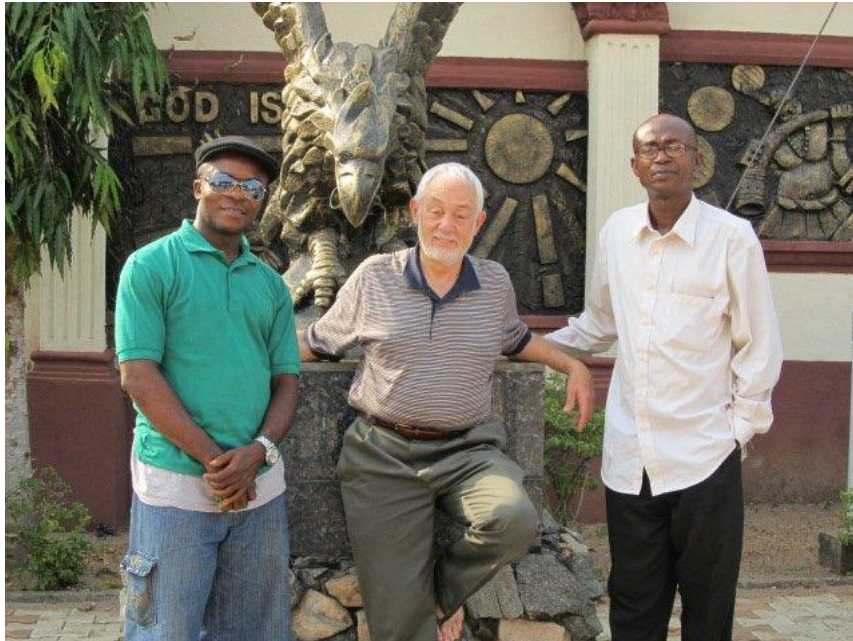
John David Arnold Academy for Success



John David Arnold Academy for Success



WAAST Micro Credit Borrower



Owerri Micro Business Partners



Chancellor Imo State University, Nigeria



Cultural Dancers at John David Arnold Academy for Success



Students at the John David Arnold Academy for Success with Dr. Arnold



AWO Kingdom Women's Palm Oil Ribbon Cutting



Dr. Arnold teaching Spanish and Art Classes at the John David Arnold Academy for Success



Ribbon Cutting at the John David Arnold Academy for Success



John David Arnold Academy for Success student with Dr. Arnold



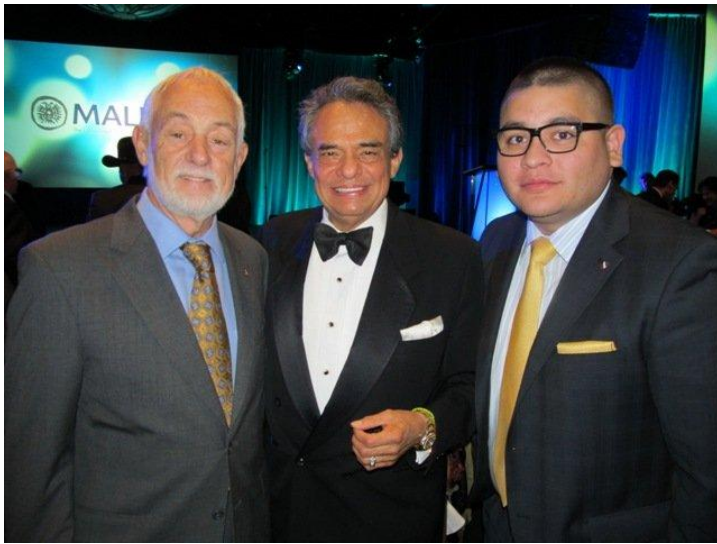
AWO Kingdom Micro Credit Board Training



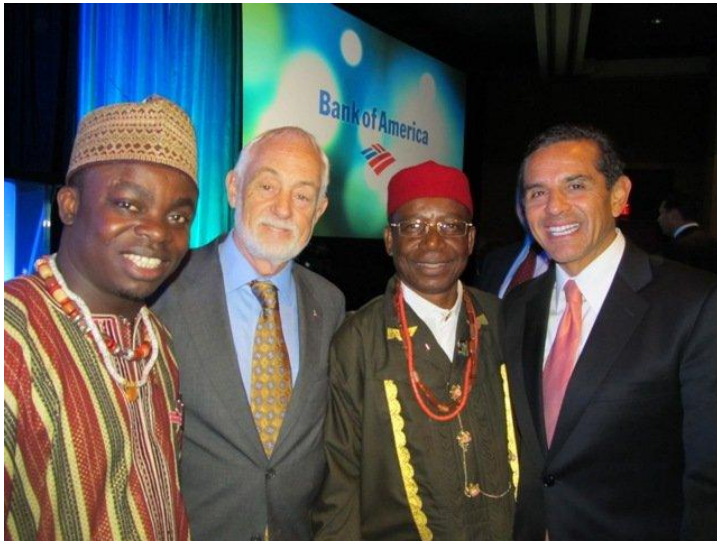
Nigerian Cultural Dancers



Dedication of Nigerian Community Project



Renato former PMHDC intern meets Jose Jose at MALDEF Gala



Royalty meets the Mayor of Los Angeles at MALDEF Gala



Brent Wilkes, LULAC Executive Director meets African Royalty

PRESS RELEASE

The present Ethiopian Director General for the Americas/Foreign Affairs Ambassador, Taye Habte Atske-Selassie served as counselor and head of the Political and Community Affairs Departments at the Ethiopian Embassy in Sweden (1998-2000). In 2000, he was pointed as counselor and head of the Community Affairs Department at the Ethiopian Embassy in Washington (2000-2002). In August 2002, he became the consulate general of Ethiopia in Los Angeles, CA. **In January 2011, he was appointed as** Director General to increase foreign investment between U.S and Ethiopia. He is visiting PPEP Inc. charter schools, micro finance, rural development, affordable housing, nutrition, and sustainable gardening projects, Pima County, AZ on Thursday, October 13th 2011. Contact person Dr. John David Arnold, CEO PPEP Inc. Thursday's host. Cell 520 591 5600



No. 1 – Secretary of State Hillary Clinton arrives in Ethiopia and is met by Deputy Prime Minister and Foreign Minister Hailemariam Dessalegn accompanied by State Minister of Foreign Affairs Ambassador Berhane Gebre-Christos (right) and Chief of Protocol Ministry of Foreign Affairs Mesfin Mideksa (left). Behind them from left to right are U.S. Ambassador to Ethiopia Donald E. Booth, U.S. Ambassador to African Union Michael Battle, and Director General for the Americas Ministry of Foreign Affairs Ambassador Taye Habte Atske Selassie



Dr. John David Arnold and Americas
Ministry of Foreign Affairs Ambassador
Taye Habte Atske Selassie



Speaking to the PPEP TEC Students



PPEP TEC Students Hear the Ambassador



PPEP TEC High School Students Year Book Gift



Mural at PPEP TEC High School – Tucson, Arizona



James Stewart sharing PMHDC Micro Finance Manual



PMHDC Micro Credit Program



Greeting the Black Chamber of Commerce Clarence Boykin



The La Tortuga bus 1957 Chevy



Meeting Mr. Granillo, Sr. for lunch



Home Livestock Production - Sahuarita, Arizona



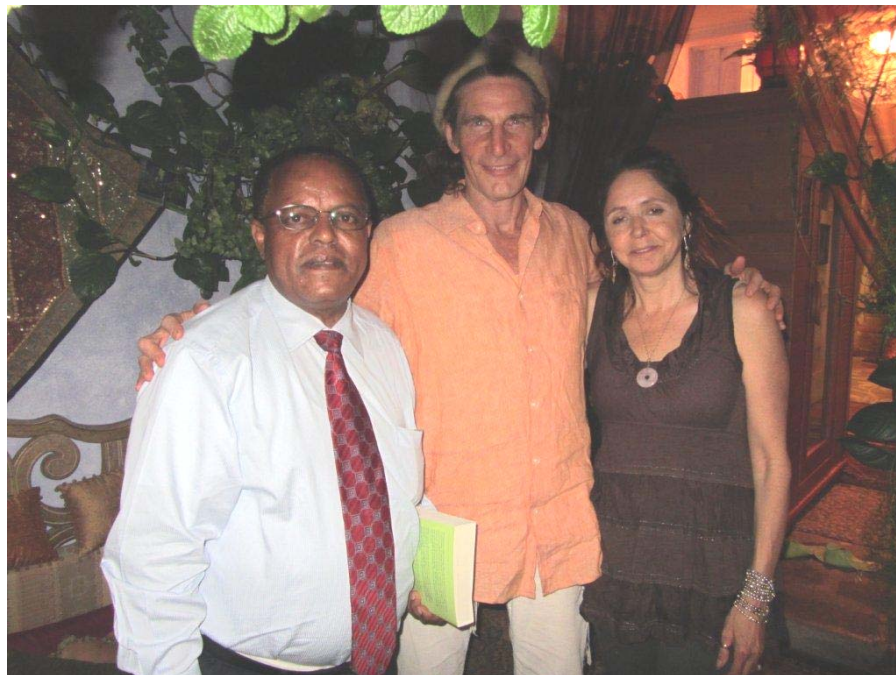
Portable Green House at the Arivaca Community Garden



Permanent Green House at the Arivaca Community Garden



Tree of Life visit with Dr. Gabriel Cousens, MD



Dr. Gabriel Cousens and his wife

School Children in Owerri

