

March 1, 2010

Kittitas County Board of Commissioners
205 West 5th Avenue, Room 108
Ellensburg, WA 98926

Dear Commissioners,

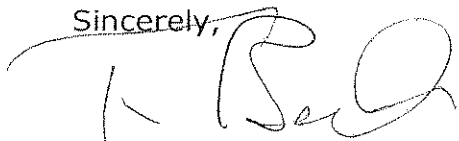
We are pleased to have the opportunity to formulate a grant request to assist residents of Kittitas County on a path towards self-sufficiency through housing assistance, comprehensive case management and employment. Please accept our response to the call for Requests for Proposal under the Kittitas County Homeless and Affordable Housing grants.

The project proposal will is named, RIETH, Rapid Intervention Emergency Transitional Housing. Our goal is to provide housing assistance to individuals and/or families who are ineligible for housing services presently available in Kittitas County.

This request represents a co-mingling of both the Homeless Prevention fund and Affordable Housing fund, as separately delineated in the advertisement.

Thank you for the opportunity to apply for this grant proposal. If you have questions or concerns, please feel free to direct them to me at (509) 834-2961.

Sincerely,



Tom Gaulke
Chief Operations Officer
EnTrust Community Services

RECEIVED

MAR 1 2010

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KITTITAS COUNTY BOARD OF COMMISSIONERS

Applicants must submit completed proposals according to the instructions. Failure to do so may render your application ineligible. Applications must be typed in the format on the application provided.

Project/Facility Title: Rapid Intervention Emergency Transitional Housing (RIETH)

Project/Facility Address: 107 West 11th Avenue - Ellensburg, WA 98926

Total Project Costs: \$250,750.08

Grant Amount Requested: \$150,000.00

Type of Grant Requested:

☐ Capital: ☐ Acquisition ☐ New Construction ☐ Rehabilitation

☐ Operations & Maintenance – Single Year

XX Operations & Maintenance – Multiple Year – Number of Years: **2**

☐ Emergency/Youth Shelter Operations

Type of Housing: ☐ Emergency ☐ Transitional **XX** Permanent ☐ Other

Number and type of units to be funded with Affordable Housing funds:

☐ New ☐ Preserved ☐ Rehabbed ☐ Existing **25** Other

City, Town or Unincorporated Area to be served: All of Kittitas County

Name of Applicant: EnTrust Community Services (formerly Provident Horizon Group)

Federal Tax ID#: 91-0862938

Address of Applicant: Po Box 9727, Yakima WA 98909-0727

Name of Contact Persons: Tom Gaulke

Title: Chief Operations Officer

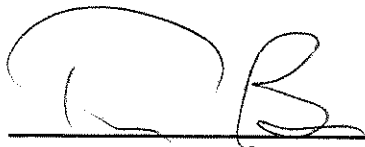
Email Address: gaulket@entrustcs.org

Phone: 509-834-2961

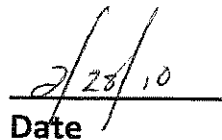
Fax: 509-453-1614

Name and Title of Authorized representative: Tom Gaulke - COO

Acceptance of this application may be subject to subsequent compliance reviews, including a review of the latest audit of financial statement. Preparation of an application does not guarantee that applicants will receive funds. By signing this grant application form the undersigned certifies that all information is accurate to the best of his/her knowledge.



Signature of Authorized Representative


Date

Section I. Project Questions

Please respond to the questions in this section about the specific project to be funded.

1. Project Title: Rapid Intervention Emergency Transitional Housing (RIETH)

2. Project Summary and Goals: (Provide one to two paragraphs summarizing your project and how it will strengthen or enhance housing and/or services to prevent or reduce homeless in Kittitas County. **Specifically list the goals of the project.**

Many people facing homelessness do not currently qualify for local housing assistance due to various eligibility requirements inherent in those programs. In the first 3 months of operation, the HEARTH project has seen 75% of all enrollees fail to be accepted by other housing assistance programs in Kittitas County due to those requirements and a whole host of other issues. Project RIETH addresses those issues by creating a housing assistance program designed specifically for people who experience significant barriers to housing and cannot qualify for existing programs.

Housing assistance payments alone will not provide a lasting effect unless coupled with case management and employment services. Project RIETH will work hand in hand with an expanded Project HEARTH program already in place through EnTrust and its partner Kittitas County. Project HEARTH is already working with people facing homelessness to get linked to resources and, through its employment program, find jobs. These jobs will lead to long term stability and a lessening reliance on services.

Project Goals:

1. Conduct a comprehensive assessment of each enrollee or family using the Arizona Self-Sufficiency Matrix.
2. Develop "Whole Life Plans" for each enrollee or family to address each area of critical need outlined in the matrix.
3. Provide specific rental assistance on a structured basis to 25 individuals or families and secure housing.
4. Provide life skills training and employment services that lead to employment.
5. Provide Case Management services to coordinate all benefits and link enrollees to critical programs and services.
6. Create a housing assistance and employment center where employment resources are available along with case management and other supports services.
7. Educate local landlords about the program and benefits in working with the project.

3. Priorities: (How does this project respond to the Homeless Assistance Grant Program Priorities for 2009? Describe how this project fills an unmet need)

Project RIETH will address the following priorities from the Homelessness Assistance Grant Program:

- Funding help with rent payments when households lose their primary source of income.

Since many of the people who will participate in Project RIETH do not qualify for the existing housing assistance programs and will have little or no financial resources available to them, Project RIETH and its structured housing assistance funds will provide much needed assistance to establish a stable residence. Coupled with Entrusts existing employment and training programs, increased income from working will become the primary source of income. Case Management services will also ensure that until stable employment is found, all available income will be accessed.

Housing Assistance benefits:

Benefit to Landlord:

- 6 month rent guarantee
- Case Management
- Early Intervention with rental issues
- Secondary point of contact
- Pre-screened and qualified

Benefit to Family:

- 6 month rent guarantee
- Assistance with Budget
- Employment assistance
- Build positive rental history
- Case Management
- Increase family stability
- Connection to services and treatment
- Advocacy

- Increase the number of housing opportunities available for single persons and disenfranchised populations.

Because RIETH establishes a structured housing assistance fund, opportunities through traditional housing and low-income housing placements will occur as we work with landlords to accept people into their units that would not otherwise be able to. We will conduct an educational forum for local landlords to learn about the program and the benefits of working with the Housing Assistance Fund.

- Connect homeless populations to services and strengthen linkages between agencies providing services to homeless individuals/families.

RIETH will use the Arizona Matrix to establish what connections make the most sense for each participant's situation and will assist the participants to connect with those resources. Our Project Coordinator will also work to educate all agencies and other interested entities i.e., churches, the university, etc. in the area of our project and will learn about their individual eligibility criteria.

- Provide additional case management to homeless populations.

Case Management will be provided through EnTrust staff to connect people to existing services. Using the Arizona Self-Sufficiency Matrix, a detailed assessment of need will be used to establish a long-term plan that will increase each enrollee's self-sufficiency in each of the matrix measurement areas. Case Managers will then work with the enrollee to build a network of resources using existing services in the area. EnTrust will also collect data about gaps in services and then work within the existing framework of agencies and funders to address those gaps.

Not only does the proposed program provide housing to an un-housed population, it assists them to achieve self-sufficiency by using a structured payment option, building an independent rental history, education and training leading to employment and by providing hope for achievement of future goals after tasting success.

This project will respond to the following Affordable Housing preferences for 2009:

- Provides a comprehensive approach using the "whole family" model and works closely with HEARTH project and other projects already in place.
- Provides in-kind match
- Leverages other funds
- Follows – housing first guidelines
- Addresses gaps in service populations

4. Preferences: (Briefly describe how your project meets one or more of the criteria listed under Section E of the Homeless Assistance Program Guiding Principles)

- Strength of the proposal to comprehensively address homelessness and affordable housing.

Coordinated Case Management, detailed assessment of need, long-range planning, a structured housing assistance program, and employment services are the key to providing a "whole life or whole family approach". All the above in combination with Project HEARTH, Entrusts established employment programs and our current partnerships with the Housing Authority of Kittitas County, Central Washington Comprehensive Mental Health, HopeSource, Alcohol and

Drug Dependency Services and the Division of Vocational Rehabilitation will ensure a comprehensive approach is provided.

- The applicant's contribution toward total project costs, including in-kind.

EnTrust will reduce its administrative costs charged to the grant from 12% to 0% for this grant as in-kind services through its corporate offices in Yakima.

EnTrust will also work to continue developing alternate and additional sources of funding through grants to other state and federal agencies, foundations and local donations.

Entrust will provide Case Management software(CTK) licenses for new staff in-kind as well as 3 refurbished computers with software donated from Microsoft.

- The project's increased housing options available for single persons and disenfranchised populations, as described in the "Gaps in Service" section of the Plan.

RIETH will work with a broad group of people and will specifically target single males as a part of its project. Because many of the HEARTH project enrollees currently being served are single males and are in need of housing assistance, RIETH will fill this gap. HEARTH currently serves single people exiting the corrections system.

Long-term case management is also identified as a gap in service and that is provided in the project as well.

Through the creation of a Housing and Employment center we will be able to centralize many services and expand the hours of operation beyond those of traditional programs.

- The project's ability to leverage other funds.

EnTrust currently has funding available for employment programs through a contract with the Division of Vocational Rehabilitation and will bring those resources to bear for those enrollees that have a disability. Since people with disabilities, mental health issues, and drug and alcohol issues are reported in nearly 71% of the homeless population, this will have a significant impact in helping fund these activities. Entrust also contracts with the Division of Developmental Disabilities for services to people who qualify for employment supports. Entrust also intends to establish contracts with local school districts for employment services to high school aged participants enrolled in special education programs. We also will use funds from our HEARTH grant with Kittitas County to provide services for those enrollees who have had or are currently working with the Department of Corrections.

- Support of the "housing first" principle as well as the priorities outlined in the 2009 Kittitas County Homeless Prevention Plan.

RIETH directly embraces the “housing first” principle as a priority. People cannot reach any level of stabilization without first feeling safe and secure in a home. Everything builds on this. Unfortunately, many people are not able to move into affordable housing because they have life issues and histories that prevent them from qualifying for existing housing programs.

By providing assistance with: Deposits for housing and utilities, the first 6 months of rent, family budgeting, and food stamp enrollment, we can create a chance for a stable environment to build upon.

- The project’s ability to sustain or strengthen existing resources.

RIETH will work to strengthen existing programs by providing additional Case Management resources to link people to existing services which provides agencies with a referral stream. The project will also provide data that the County can use for planning purposes and caseload projections in the future to allow for application for future funding from existing sources.

Entrust also brings an aggressive grant writing team to the system. We intend to apply for any and all appropriate sources of new funding and to build on the partnerships already in place to create a community coalition allowing the system to apply for new sources of funding not previously available.

Partners on this project are:

MOU – Housing Authority of Kittitas County

Role of HAKC:

- Background checks
- Financial (cut checks)
- Shared Risk
- Advocacy
- Provider Landlord relationships
- Increase HAKC visibility and positive image in community

Services Providers:

- Alcohol and Drug Dependency Services
- Central Washington Comprehensive Mental Health
- Division of Vocational Rehabilitation
- Department of Social and Health Services
- Energy Assistance Program CAP Agency

This project will respond to the following Affordable Housing preferences for 2009:

- Provides a comprehensive approach using the “whole family” model and works closely with HEARTH project and other projects already in place.

- Provides in-kind match
- Leverages other funds
- Follows – housing first guidelines
- Addresses gaps in service populations

5. Creativity/Innovation: (Describe any creative or innovative aspects of this project. How is it different or unique? Include information about project partners/collaborations)

The whole family approach and the creation of a Housing and Employment Center will bring new and innovative resources to the area. A one-stop approach will make the system far easier to navigate for the homeless in the community. Also the use of the Arizona Self-sufficiency Matrix will allow for greater tracking of individuals and families over time giving the system accurate rates of effectiveness for the programs servicing the target population.

EnTrust also brings its total quality management philosophy to the area as well allowing for continuous improvement of the systems serving the homeless. Our work with Central Washington Comprehensive Mental Health, DVR and the school districts will allow for greater coordination and wrap around systems for our homeless in Kittitas County.

Tying the long-term success of housing stability with employment is the new paradigm. Without a stable home they cannot go to work and without work they cannot have a stable home.

Section II. Funding Questions

Please respond to the questions in this section about the specific project to be funded.

1. Homeless Assistance Funds: (Specify how you will use the Homeless Assistance funds. Do not describe the project again; rather specify where you will use the funds received from this grant application)

- a. Funds would be used in the following manner: \$2500 maximum per person or family and would be administered and distributed by our partner the Housing Authority of Kittitas County.
 - i. Rental assistance on structured basis after a complete family budgetary analysis:
 - ii. Month one:
 1. 1st month rent
 2. Last month rent
 3. Utility deposit
 4. Application fees as necessary
 5. Arrangements made with Landlord for self pay of damage deposits
 - iii. Month two: 75% - 25% split rent

- iv. Month three: 50% - 50% split rent
- v. Month four: 50% - 50% split rent
- vi. Month five: 25% - 75% split rent
- vii. Month six: 25% - 75% split rent
- viii. Month seven: Independently pay full rent

The theory behind structured rent: Allow previously homeless families to get back on their feet, pay the damage deposit over 6 months so they have a buy in and allow them to independently pay for other expenses associated with moving (telephone, change driver's license, furnishing, etc.).

- b. Establish a RIETH Project Coordinator/Case Manager position to oversee the project and provide direct case Management services to 25 families.
- c. Develop a Housing and Employment Center at the Housing Authority property by expanding the size of the existing HEARTH site, creating a computer lab, workspaces, and group meeting space, links to WorkSource and other job service sites, providing staff supervision of location.
- d. Provide training and tools for Arizona Self-Sufficiency Matrix.
- e. Provide staff to conduct baseline assessment and reports on progress every 6 months using Arizona Self-Sufficiency Matrix.
- f. Provide access to EnTrust job development and coaching staff.
- g. Provide Life Skills classes at center.
- h. Provide job readiness classes at center.
- i. Provide Kiosk through the Kittitas County SNAP grant for direct access to DSHS programs and services

2. Other Funds: (What funding for this project have you already secured? What in-kind donations have been received? What other grants are you applying for?)

EnTrust has secured funding from Kittitas County for project HEARTH to provide employment services for people who are coming out of the correctional institution or justice system that are at risk of or are currently experiencing homelessness.

EnTrust has a contract with the Division of Vocational Rehabilitation to provide funding for people with disabilities to find employment.

We are in the process of securing a contract with Kittitas County to provide employment services for people with Developmental Disabilities.

EnTrust will provides a 0% administration fee for the project while leveraging DSHS program funding to reduce the overall staff costs of the RIETH Coordinator/Case Manager to 80%.

Entrust will apply for funding from United Way in the next cycle for this project and is in the process of applying for funds from the Lauzier Foundation.

3. Sustainability: (Discuss how this project will be sustained after the Homeless Assistance funds are exhausted.)

Funding for the employment side of this project is covered long-term by DVR and other employment dollars from the State and federal Government. It is our plan to develop enough funding through foundational grants, United Way, and other government sources such as the Second Chance Act grant, to sustain this project long-term beyond the Homeless Assistance dollars.

We are also working now with Yakima Valley Community College to create Life Skills classes through funding from DSHS – Welfare to Work program, which is a contract modification to existing contracts. EnTrust also has a contract to enroll people in the food stamp program.

We have two years to develop a success story and demonstrate this innovative approach. This will allow for an even greater breadth of funding possibilities in the future.

4. Timeline: (Provide a very specific calendar for the expenditure of the Homeless Assistance funds, including important project milestones)

Activity	Date	Person(s) Responsible
Establish RIETH Program Coordinator job description and orientation for staff.	4/2010	Tom Gaulke – Chief Operations Officer
Train staff on Arizona Self-Sufficiency Matrix.	4/2010	Tom Gaulke – Chief Operations Officer Kristie Hunziker – MSW
Housing Assistance Fund policies and procedures and MOU with Housing Authority completed.	5/2010	RIETH Program Coordinator Housing Authority Staff
Expand current office space at Housing Authority to create Housing and Employment Center	5/2010	RIETH Program Coordinator Housing Authority Staff
Forum with local landlords to discuss program	5/2010	RIETH Program Coordinator Housing Authority Staff
Outreach and recruitment begins	6/2010	RIETH Program Coordinator
Housing Assistance Funds begin to flow.	6/2010	RIETH Program Coordinator
Classroom and Job Development Activities begin	7/2010	Education Coordinator – Carole Miller Rhodes Job Development Specialist – Lyle Ocker

5. Partial Funding: (If this project were to receive only partial funding from the Homeless Assistance Grant Program, how would the funds be used? How would the project be impacted?)

The cost per participant outcome would be approximately \$6,000. We would look first to scale back any overhead costs before looking at cutting the number of people served. But we may have to scale back the number of people that can be served.

6. Other: (Is there anything else that would be helpful for the committee to know in evaluating this application?)

Please see attached Arizona Self-Sufficiency Matrix.

Section III. Agency Questions

Please respond to the questions in this section about the specific project to be funded.

1. Background/History: (Please give a brief background and/or history of the applicant organization)

EnTrust has been serving local communities in Central Washington since 1971 by providing education, training and job placement services to people with disabilities and other barriers to employment. We have over 100 employees throughout eastern Washington and facilities in Ellensburg, Yakima, Sunnyside, Kennewick, and Walla Walla. As a non-profit corporation we work to meet the unmet needs of those we serve in a person centered way and through extensive partnerships with other agencies.

Last winter we started project HEARTH with funds from Kittitas County and the project is already having an impact on people facing homelessness in our community. In the first quarterly report we were able to report that we had already been able to serve nearly all the target numbers anticipated for the whole year. We continue to add people every day (See EnTrust Quarterly report attached).

2. Qualifications: (Describe your organization's ability and qualifications to complete the project you are requesting to be funded, including any experience you have in managing public funds)

EnTrust places over 200 people with significant barriers into employment situations each year. We are nationally accredited through the Commission on Accreditation of Rehabilitation Facilities (CARF). In our recent accreditation survey in February, we received national recognition for our Project Search Program in partnership with Memorial Hospital for its innovative approach to employment for high school students with significant barriers to employment. We have highly trained staff in direct services that receive over 80 hours of

training per year. Our management team has over 100 years management experience in the non-profit employment sector.

Our Chief Operations Officer is the Chair of the Self-Sufficiency Committee and is a member of the Executive Committee for the Yakima County Homeless Network.

Our service contracts include:

- Yakima County
- The Division of Developmental Disabilities
- The Division of Vocational Rehabilitation/Department of Services for the Blind
- DSHS – WorkFirst
- 12 School Districts throughout ESD105
- Medicaid
- Social Security
- Over 50 service contracts with business
- Yakima Valley Memorial Hospital
- Ticket-to-work Employment Network

We conduct an annual independent audit of our finances and are surveyed by our national accrediting body every 3 years.

Section IV. Financial Information

Please respond to the questions in this section about the specific project to be funded.

1. What percent of your total agency budget does this request represent? **5%**
2. What percent of the total project budget does this request represent? **63%**
3. Please provide project budget with line items for expenses and income. Be as specific as possible, itemizing where appropriate.

Description	2 Year Budget	RIETH	Other	In-Kind
Staff Salaries:	\$ 106,200.00	\$ 61,300.00	\$ 44,900.00	
Staff Fringe:	\$ 23,724.00	\$ 11,320.00	\$ 12,404.00	
Staff Travel:	\$ 2,400.00	\$ 1,200.00	\$ 1,200.00	
Staff Training:	\$ 1,200.00	\$ -	\$ 1,200.00	
Supplies:	\$ 1,200.00	\$ 1,200.00	\$ -	
Communications:	\$ 960.00	\$ 480.00	\$ 480.00	
Rental/Lease:	\$ 19,200.00	\$ 8,000.00	\$ 11,200.00	
Client Assistance Funds:	\$ 62,500.00	\$ 62,500.00	\$ -	
Fees for Admin of Housing Fund	\$ 5,500.00	\$ 3,500.00	\$ 2,000.00	
Other: Advertising:	\$ 1,000.00	\$ 500.00	\$ 500.00	
Total before Admin	\$ 223,884.00	\$ 150,000.00	\$ 73,884.00	\$ -
Administration Costs	\$ 26,866.08			\$ 26,866.08
Total Program Costs	\$ 250,750.08	\$ 150,000.00	\$ 73,884.00	\$ 26,866.08

Budget Narrative:

The Project Salaries include a .8 FTE for the Project Coordinator/Case Manager and .5 FTE for the Job developer.

Rental costs are for the costs to expand the space at the Housing Authority.

Client assistance funds are for the Housing Assistance program and are calculated at \$2500.00 per individual/family for 25 individuals or families.

Entrust will add \$73,884 in funding from other sources including HEARTH, DVR, and other funding programs.

4. How much administrative cost is included in this application?

EnTrust is donating its administrative costs of \$26,866.08 to the project. This represents 18% of the grant request as in-kind.

AGENCY CONSOLIDATED INCOME STATEMENT
For Period 1 Ending 1/31/2010

THE PROVIDENT HORIZON GROUP (PSI)

	Period to Date	% of Revenue	Year to Date	% of Revenue
REVENUES				
PUBLIC SUPPORT				
PUBLIC SUPPORT	3,650.00	1.54	3,650.00	1.54
UNITED WAY	2,148.33	0.91	2,148.33	0.91
Total PUBLIC SUPPORT:	5,798.33	2.44	5,798.33	2.44
GOVERNMENT REVENUES				
DD CLIENT FEES	141,487.38	59.65	141,487.38	59.65
DVR FEES	18,560.25	7.82	18,560.25	7.82
SCHOOL FEES	6,995.00	2.95	6,995.00	2.95
CREATIVE HEALTH OPTIONS	19,135.66	8.07	19,135.66	8.07
SPECIAL PROJECTS FEES	2,970.50	1.25	2,970.50	1.25
HEARTH GRANT/DSHS ELLENSBURG	3,492.71	1.47	3,492.71	1.47
Total GOVERNMENT REVENUES:	192,641.50	81.21	192,641.50	81.21
SALES TO THE PUBLIC				
SALES TO THE PUBLIC	38,448.67	16.21	38,448.67	16.21
Total SALES TO THE PUBLIC:	38,448.67	16.21	38,448.67	16.21
OTHER REVENUE				
INTEREST INCOME	170.49	0.07	170.49	0.07
MISC REVENUE	144.00	0.06	144.00	0.06
Total OTHER REVENUE:	314.49	0.13	314.49	0.13
Total REVENUES:	237,202.99	100.00	237,202.99	100.00
Gross Profit:	237,202.99	100.00	237,202.99	100.00
EXPENSES				
WAGES & BENEFITS				
STAFF WAGES	144,203.33	60.79	144,203.33	60.79
TEMPORARY STAFF WAGES	14,992.75	6.32	14,992.75	6.32
CLIENT WAGES	9,176.48	3.87	9,176.48	3.87
HEALTH & DISABILITY INSURANCE	19,221.25	8.10	19,221.25	8.10
IRA MATCH CONTRIB	752.24	0.32	752.24	0.32
FICA	11,773.48	4.96	11,773.48	4.96
UNEMPLOYMENT INSURANCE	5,135.75	2.17	5,135.75	2.17
L & I INSURANCE	5,884.06	2.48	5,884.06	2.48
Total WAGES & BENEFITS:	211,139.34	89.01	211,139.34	89.01
PROFESSIONAL FEES				
MEDICAL FEES	330.00	0.14	330.00	0.14
MISC PROF FEES	1,453.20	0.61	1,453.20	0.61
PUBLIC RELATIONS FEES	153.88	0.06	153.88	0.06
EMPLOYMENT FEES	95.20	0.04	95.20	0.04
COMPUTER PROF. FEES	3,896.80	1.64	3,896.80	1.64
MISC ADVERTISING	170.19	0.07	170.19	0.07
Total PROFESSIONAL FEES:	6,099.27	2.57	6,099.27	2.57
SUPPLIES				
OFFICE SUPPLIES	898.85	0.38	898.85	0.38
MISC SUPPLIES	366.03	0.15	366.03	0.15
PROGRAM SUPPLIES	864.26	0.36	864.26	0.36
Total SUPPLIES:	2,129.14	0.90	2,129.14	0.90
TELEPHONE, POSTAGE, FREIGHT				

AGENCY CONSOLIDATED INCOME STATEMENT
For Period 1 Ending 1/31/2010

THE PROVIDENT HORIZON GROUP (PSI)

	Period to Date	% of Revenue	Year to Date	% of Revenue
TELEPHONE, POSTAGE, FREIGHT				
(Continued)				
TELEPHONE	2,143.04	0.90	2,143.04	0.90
CELLULAR PHONE	647.12	0.27	647.12	0.27
POSTAGE	220.00	0.09	220.00	0.09
Total TELEPHONE, POSTAGE, FREIGHT:	3,010.16	1.27	3,010.16	1.27
OCCUPANCY				
UTILITIES	3,462.51	1.46	3,462.51	1.46
RENT	7,381.15	3.11	7,381.15	3.11
LICENSES & PERMITS	9.00	0.00	9.00	0.00
BLDGS & GRNDS MAINT	1,491.94	0.63	1,491.94	0.63
EQUIPMENT RENTAL	3,726.56	1.57	3,726.56	1.57
EQUIPMENT MAINTENANCE	551.95	0.23	551.95	0.23
Total OCCUPANCY:	16,623.11	7.01	16,623.11	7.01
TRAVEL & TRANSPORTATION				
GAS & OIL	1,435.20	0.61	1,435.20	0.61
VEHICLE MAINTENANCE	711.40	0.30	711.40	0.30
INSURANCE VEHICLES	914.67	0.39	914.67	0.39
VEHICLE LICENSE	57.75	0.02	57.75	0.02
MILEAGE REIMBURSEMENT	1,832.99	0.77	1,832.99	0.77
PROGRAM TRANSPORTATION	228.00	0.10	228.00	0.10
Total TRAVEL & TRANSPORTATION:	5,180.01	2.18	5,180.01	2.18
TRAINING, CONFERENCE, CONVENTION, MTG				
MTG FOOD & BEVERAGE	605.37	0.26	605.37	0.26
Total TRAINING, CONFERENCE, CONVENTION, MTG:	605.37	0.26	605.37	0.26
COST OF GOODS FOR RESALE				
PURCHASES DISCOUNT	-11.70	0.00	-11.70	0.00
MFG SUPPLIES	1,289.56	0.54	1,289.56	0.54
Total COST OF GOODS FOR RESALE:	1,277.86	0.54	1,277.86	0.54
MISC AGENCY EXPENSE				
INDIVIDUAL DUES	416.00	0.18	416.00	0.18
AGENCY DUES	250.00	0.11	250.00	0.11
INTEREST EXPENSE	172.49	0.07	172.49	0.07
INSURANCE	1,815.58	0.77	1,815.58	0.77
BAD DEBT EXPENSE	94.56	0.04	94.56	0.04
Total MISC AGENCY EXPENSE:	2,748.63	1.16	2,748.63	1.16
DEPRECIATION & AMORTIZATION				
DEPRECIATION/EQUIP	2,021.74	0.85	2,021.74	0.85
DEPRECIATION/WAREHOUSE	9.42	0.00	9.42	0.00
DEPRECIATION/BLDG IMPROVEMENTS	1,266.25	0.53	1,266.25	0.53
Total DEPRECIATION & AMORTIZATION:	3,297.41	1.39	3,297.41	1.39
Total EXPENSES:	252,110.30	106.28	252,110.30	106.28
NET INCOME FROM OPERATIONS:	-14,907.31	-6.28	-14,907.31	-6.28
EARNINGS BEFORE INCOME TAX:	-14,907.31	-6.28	-14,907.31	-6.28
Net Income (Loss):	-14,907.31	-6.28	-14,907.31	-6.28

**EnTrust Community Services
2010 BUDGET**

REVENUES	BUDGETED	%	Monthly
Public Support			
Public Support	-	0.00%	-
United Way	25,780	0.83%	2,148
Government Revenues			
DD Client Fees	1,887,684	60.89%	157,307
DVR Fees	417,909	13.48%	34,826
School Fees (includes 10 Project Search Students)	86,660	2.80%	7,222
CHO	240,000	7.74%	20,000
Ticket to Work	-	0.00%	-
DDC - RISE (Micro Bus Dev)	30,000	0.97%	2,500
Project Search Grant - DVR	16,000	0.52%	1,333
HEARTH Grant	33,909	1.09%	2,826
DSHS Grants	-	0.00%	-
Sales to the Public			
Sales to the Public	352,739	11.38%	29,395
Other Revenues			
Interest income	5,303	0.17%	442
Miscellaneous Revenue	4,200	0.14%	350
TOTAL REVENUES	3,100,184	100.00%	258,349
EXPENSES			
Wages & Benefits			
Staff Salaries	1,720,000	55.87%	143,333
Staff Bonus	-	0.00%	-
Production Wages	-	0.00%	-
Temporary Staffing	44,609	1.45%	3,717
Client Wages	184,272	5.99%	15,356
L & I Insurance	48,797	1.58%	4,066
FICA	134,993	4.38%	11,249
Unemployment Reserve	69,120	2.25%	5,760
Health & Disability Insurance	243,432	7.91%	20,286
IRA Match Contribution	24,120	0.78%	2,010
SUBTOTAL	2,469,343	80.21%	205,779
Professional Fees			
Medical Fees (Drug Screens)	1,760	0.06%	147
Misc Prof Fees (Contract Employees, CARF)	32,230	1.05%	2,686
Legal Fees	777	0.03%	65
Public Relations Fees (Marketing)	19,755	0.64%	1,646
Employment Fees (Job Ads)	500	0.02%	42
Audit and Accounting Fees	13,200	0.43%	1,100
Computer Professional Fees	52,766	1.71%	4,397
Misc Advertising	-	0.00%	-
Web Site Fees	500	0.02%	42
Supplies			
Office Supplies	8,751	0.28%	729
Computer Software	1,564	0.05%	130
Misc Supplies	7,221	0.23%	602
Other Program Supplies (CHO meals)	10,800		
Telephone, Postage, Freight			
Telephone	25,209	0.82%	2,101
Cellular Phone	10,220	0.33%	852
Postage	3,645	0.12%	304
Freight	107	0.00%	9
Occupancy (Building & Grounds)			
Utilities	45,196	1.47%	3,766

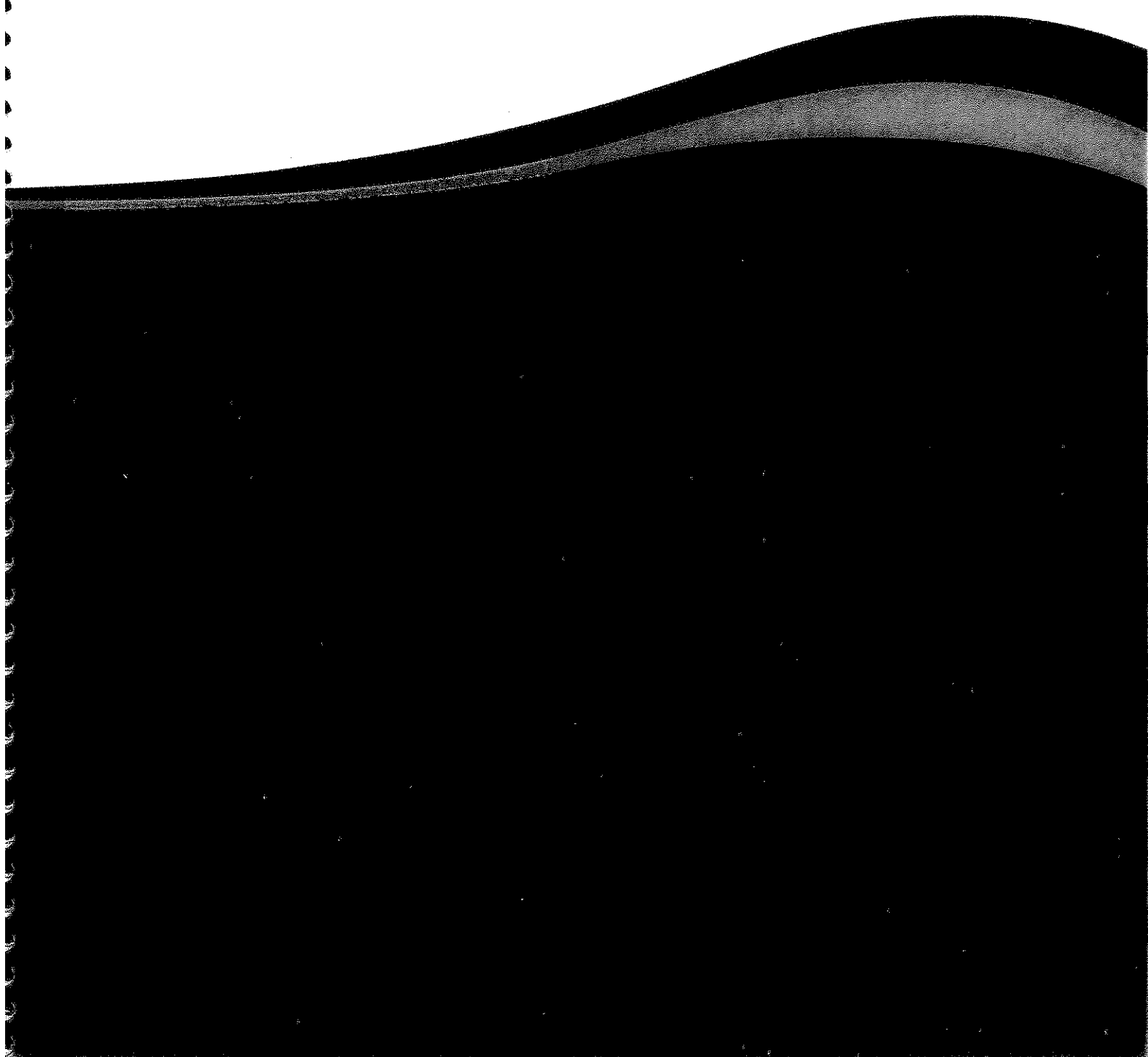
2010 Budget DRAFT

Rent	87,577	2.84%	7,298
Licenses & Permits	320	0.01%	27
Buildgs & Grnds Maint	5,000	0.16%	417
Misc Occupancy	3,704	0.12%	309
Equipment Rental	44,534	1.45%	3,711
Equipment Maint.	6,631	0.22%	553
Publications, Subscriptions, Printing			
Printing & Artwork	1,290	0.04%	108
Subscriptions	-	0.00%	-
Publications	475	0.02%	40
Transportation			
Gas and Oil	30,303	0.98%	2,525
Vehicle Maintenance	10,665	0.35%	889
Insurance Vehicles	10,976	0.36%	915
Vehicle License	606	0.02%	51
Mileage Reimbursement	40,443	1.31%	3,370
Hotel, Meals, & Other	5,541	0.18%	462
Airfare & Related	-	0.00%	-
Conference, Convention, Training			
Conference, Conventions, Mtg	1,412	0.05%	118
Mtg Space & Equip	200	0.01%	17
Mtg Food & Beverage	4,474	0.15%	373
Staff Training	3,124	0.10%	260
Cost of Goods Sold			
Purchases	25,260	0.82%	2,105
Purchases Discount	(550)	-0.02%	(46)
Mfg Supplies	15,623	0.51%	1,302
Small Tool Expense	150	0.00%	13
Miscellaneous Expense			
Individual Dues	1,865	0.06%	155
Agency Dues	7,168	0.23%	597
Interest Expense	2,531	0.08%	211
Insurance	22,412	0.73%	1,868
Bad Debt Expense	-	0.00%	-
Miscellaneous	1,047	0.03%	87
SUBTOTAL	566,980	15.85%	47,248
TOTAL EXP BEFORE DEPR	3,036,323	98.62%	253,027
Depreciation & Amortization			
Depreciation/Equip	27,087	0.88%	2,257
Depreciation/Warehouse	108	0.00%	9
Depreciation/Bldg Improvements	15,195	0.49%	1,266
Amortization	-	0.00%	-
SUBTOTAL	42,390	1.38%	3,533
TOTAL EXPENSES	3,078,713	97.43%	256,559
REVENUE OVER (UNDER) EXPENSES	21,471	0.7%	

Provident Horizon Group

Financial Statements and
Independent Auditors' Reports


December 31, 2008 and 2007



Provident Horizon Group

Financial Statements and
Independent Auditors' Reports

December 31, 2008 and 2007



Powerful insight. Proven results.

INDEPENDENT AUDITORS' REPORT

Board of Directors
Provident Horizon Group
Yakima, Washington

We have audited the accompanying statements of financial position of Provident Horizon Group (a nonprofit organization) (the Organization) as of December 31, 2008 and 2007, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Provident Horizon Group's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Provident Horizon Group as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 6, 2009 on our consideration of Provident Horizon Group's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

LeMaster Daniels PLLC

Yakima, Washington
July 6, 2009

Provident Horizon Group

Statements of Financial Position

	December 31,	
	<u>2008</u>	<u>2007</u>
<i>Assets</i>		
<i>CURRENT ASSETS:</i>		
Cash and cash equivalents	\$ 119,199	\$ 161,028
Temporary investments	127,996	122,560
Accounts receivable, net of allowance for doubtful accounts	552,237	709,614
Materials inventory	18,803	11,134
Prepaid expenses	13,072	6,079
Total current assets	<u>831,307</u>	<u>1,010,415</u>
<i>PROPERTY AND EQUIPMENT:</i>		
Buildings and capitalized lease	999,096	958,248
Equipment	764,482	737,092
	<u>1,763,578</u>	<u>1,695,340</u>
Less accumulated depreciation and amortization	<u>(1,566,477)</u>	<u>(1,515,651)</u>
	<u>197,101</u>	<u>179,689</u>
	<u>\$ 1,028,408</u>	<u>\$ 1,190,104</u>
<i>Liabilities and Net Assets</i>		
<i>CURRENT LIABILITIES:</i>		
Accounts payable	\$ 56,165	\$ 31,929
Accrued payroll taxes	111,725	167,237
Accrued expenses	66,503	59,095
Current portion of long-term debt	9,118	17,301
Total current liabilities	<u>243,511</u>	<u>275,562</u>
<i>NONCURRENT LIABILITIES, NET OF CURRENT PORTION:</i>		
Note payable	-	9,118
Total liabilities	<u>243,511</u>	<u>284,680</u>
<i>NET ASSETS:</i>		
Unrestricted	771,947	892,474
Temporarily restricted	12,950	12,950
Total net assets	<u>784,897</u>	<u>905,424</u>
	<u>\$ 1,028,408</u>	<u>\$ 1,190,104</u>

See accompanying notes to financial statements.

Provident Horizon Group

Statements of Activities and Changes in Net Assets

	Years Ended December 31,	
	<u>2008</u>	<u>2007</u>
<i>REVENUE:</i>		
United Way	\$ 12,950	\$ 13,150
Assessment fees from state	670,445	335,513
Grants from government agencies	2,341,485	2,038,031
	<u>3,024,880</u>	<u>2,386,694</u>
<i>OTHER REVENUE:</i>		
Commercial	505,472	1,182,012
Interest income	8,125	7,382
Miscellaneous	6,962	5,727
	<u>520,559</u>	<u>1,195,121</u>
Net assets released from restrictions	12,950	13,150
	<u>533,509</u>	<u>1,208,271</u>
Total revenue	<u>3,558,389</u>	<u>3,594,965</u>
<i>EXPENSES:</i>		
Program services:		
Employment services	1,206,397	750,817
Industrial services	994,017	969,022
Production	317,547	839,197
Group employment	232,045	231,388
Evaluation and case management	239,185	298,526
Adult Day Health	89,189	-
Upskills	316,897	-
Administration	283,639	267,884
	<u>3,678,916</u>	<u>3,356,834</u>
<i>CHANGES IN UNRESTRICTED NET ASSETS</i>	(120,527)	238,131
<i>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</i>	<u>892,474</u>	<u>654,343</u>
<i>UNRESTRICTED NET ASSETS, END OF YEAR</i>	<u>\$ 771,947</u>	<u>\$ 892,474</u>
<i>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:</i>		
Contributions	\$ 12,950	\$ 12,950
Net assets released from restrictions	(12,950)	(13,150)
	<u>-</u>	<u>(200)</u>
<i>TEMPORARILY RESTRICTED NET ASSETS, BEGINNING OF YEAR</i>	<u>12,950</u>	<u>13,150</u>
<i>TEMPORARILY RESTRICTED NET ASSETS, END OF YEAR</i>	<u>\$ 12,950</u>	<u>\$ 12,950</u>
See accompanying notes to financial statements.		

Provident Horizon Group

Statement of Functional Expenses

Year Ended December 31, 2008

	Employment Services	Industrial Services	Production	Group Employment	Evaluation and Case Management	Adult Day Health	Upskills	Administration	Total
Salaries	\$ 875,357	\$ 637,352	\$ 135,023	\$ -	\$ 169,070	\$ 61,868	\$ 217,275	\$ 167,175	\$ 2,263,120
Wages	4,031	-	32,547	165,630	-	-	-	11,050	213,258
Employee benefits	64,121	104,687	-	-	14,482	-	30,925	18,711	232,926
Payroll taxes	55,654	98,843	40,341	9,223	17,937	5,212	23,577	18,559	269,346
Total salaries and benefits	999,163	840,882	207,911	174,853	201,489	67,080	271,777	215,495	2,978,650
Cost of production materials	-	194	98,833	21,801	-	-	-	-	120,828
Advertising	2,706	3,170	-	-	464	-	1,005	387	7,732
Medical	2,322	147	2,326	-	84	641	-	36	5,556
Professional services	3,943	550	537	-	527	12,872	174	41,902	60,505
Materials and supplies	7,843	8,186	-	250	2,914	4,945	2,654	4,071	30,863
Telephone and postage	16,714	12,955	-	436	3,775	180	4,021	1,824	39,905
Shipping	-	-	200	-	-	-	-	67	267
Utilities	12,008	16,977	4,141	-	1,656	14	4,969	1,656	41,421
Insurance	7,159	8,386	-	-	1,227	-	2,659	1,023	20,454
Repairs and maintenance	4,806	7,498	1,326	-	994	740	1,823	801	17,988
Transportation	74,667	5,699	321	32,212	9,346	1,390	3,344	2,095	129,074
Conferences	592	1,210	61	-	2,652	154	-	3,307	7,976
Staff training	1,928	-	-	-	94	100	204	79	2,405
Dues and subscriptions	11,697	12,789	83	-	2,369	481	3,714	3,050	34,183
Occupancy	45,131	56,991	377	413	8,636	82	13,580	2,046	127,256
Interest	-	-	-	-	-	-	-	1,335	1,335
Bad debts	-	-	1,327	-	-	-	-	-	1,327
Miscellaneous	-	-	-	-	-	218	-	147	365
Total expenses before depreciation and amortization	1,190,679	975,634	317,443	229,965	236,227	88,897	309,924	279,321	3,628,090
Depreciation	10,085	12,584	104	2,080	2,296	292	4,156	2,661	34,258
Amortization	5,633	5,799	-	-	662	-	2,817	1,657	16,568
	\$ 1,206,397	\$ 994,017	\$ 317,547	\$ 232,045	\$ 239,185	\$ 89,189	\$ 316,897	\$ 283,639	\$ 3,678,916

See accompanying notes to financial statements.

Provident Horizon Group

Statement of Functional Expenses

Year Ended December 31, 2007

	Employment Services	Industrial Services	Production	Group Employment	Evaluation and Case Management	Administration	Total
Salaries	\$ 548,913	\$ 612,929	\$ -	\$ -	\$ 198,681	\$ 166,565	\$ 1,527,088
Wages	3,938	91,123	561,719	170,524	-	10,995	838,299
Employee benefits	40,178	2,979	3,535	-	23,597	16,645	86,934
Payroll taxes	36,041	92,768	160,157	11,021	23,096	15,302	338,385
Total salaries and benefits	629,070	799,799	725,411	181,545	245,374	209,507	2,790,706
Cost of production materials	-	224	93,503	11,475	-	-	105,202
Advertising	2,075	3,001	180	-	736	283	6,275
Medical	1,306	680	5,559	-	-	-	7,545
Professional services	3,508	1,671	63	-	2,274	29,530	37,046
Materials and supplies	4,738	7,158	964	-	2,062	2,403	17,325
Telephone and postage	10,891	14,999	606	320	4,696	1,681	33,193
Shipping	-	-	1,764	-	-	107	1,871
Utilities	9,828	17,494	4,368	-	3,640	1,456	36,786
Insurance	6,747	13,244	700	-	3,249	1,249	25,189
Repairs and maintenance	2,837	4,982	1,230	-	1,025	502	10,576
Transportation	34,910	10,142	228	30,777	6,053	9,061	91,171
Conferences	459	-	-	-	910	1,603	2,972
Staff training	188	30	107	-	91	37	453
Dues and subscriptions	4,177	7,871	260	-	2,351	2,549	17,208
Occupancy	28,235	63,235	1,605	2,356	18,759	1,223	115,413
Interest	-	-	-	-	-	1,119	1,119
Bad debts	-	-	1,245	-	-	-	1,245
Miscellaneous	-	-	-	-	-	613	613
Total expenses before depreciation and amortization	738,969	944,530	837,793	226,473	291,220	262,923	3,301,908
Depreciation	6,878	14,949	808	4,915	4,523	2,973	35,046
Amortization	4,970	9,543	596	-	2,783	1,988	19,880
	\$ 750,817	\$ 969,022	\$ 839,197	\$ 231,388	\$ 298,526	\$ 267,884	\$ 3,356,834

See accompanying notes to financial statements.

Provident Horizon Group

Statements of Cash Flows

	Years Ended December 31,	
	<u>2008</u>	<u>2007</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>		
<i>CASH FLOWS FROM OPERATING ACTIVITIES:</i>		
Cash received from public support and revenue	\$ 3,686,394	\$ 3,388,230
Cash paid to suppliers and employees	(3,658,292)	(3,246,628)
Interest received	8,125	7,382
Cash from other sources	12,919	22,452
Net cash provided by operating activities	<u>49,146</u>	<u>171,436</u>
<i>CASH FLOWS FROM INVESTING ACTIVITIES:</i>		
Change in temporary investments	(5,436)	(15,749)
Additions to property and equipment	(68,238)	(39,618)
Net cash used in investing activities	<u>(73,674)</u>	<u>(55,367)</u>
<i>CASH FLOWS FROM FINANCING ACTIVITIES:</i>		
Proceeds from long-term debt	-	34,618
Payments on long-term debt	(17,301)	(21,791)
Net cash (used in) provided by financing activities	<u>(17,301)</u>	<u>12,827</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(41,829)	128,896
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>161,028</u>	<u>32,132</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 119,199</u>	<u>\$ 161,028</u>

See accompanying notes to financial statements.

Statements of Cash Flows

Years Ended
December 31,

2008

2007

Reconciliation of Changes in Net Assets to Net Cash Provided by Operating Activities:

Changes in net assets	\$ (120,527)	\$ 237,931
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	50,826	54,926
Decrease (increase) in assets:		
Accounts receivable	157,377	(179,357)
Prepaid expenses	(6,993)	3,775
Materials inventory	(7,669)	4,766
Increase (decrease) in liabilities:		
Accounts payable	24,236	(22,960)
Accrued expenses and payroll taxes	(48,104)	72,355
Total adjustments	<u>169,673</u>	<u>(66,495)</u>
Net cash provided by operating activities	<u>\$ 49,146</u>	<u>\$ 171,436</u>

Provident Horizon Group

Notes to Financial Statements

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization:

Provident Horizon Group (the Organization) is a nonprofit organization with locations in Yakima and Sunnyside, Washington. The Organization was established to train, promote, and provide diversified employment for developmentally disabled adults in the Yakima Valley. The Organization funds operations through contracts with Yakima and Benton-Franklin counties, government grants, private commercial contracts, and contributions from the public.

Provident Horizon Group uses five programs to provide services:

- Prevocational Employment – Individuals perform various services for outside businesses at the Organization's location.
- Group Supported Employment (GSE) – Individuals perform various services, working in groups, at various private business locations.
- Individual Supported Employment (ISE) – This program places clients in private businesses as employees of the business.
- Creative Health Options (CHO) – This program provides basic health therapy such as physical, occupational, and speech therapy, and registered nurse services.
- Upskills – Adult basic education program for adults with disabilities.

Summary of Significant Accounting Policies:

- a. *Basis of presentation* – The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

The Organization has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Under SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

The Organization records certain contributed services performed by its professional staff as in-kind contributed services. The Organization measures the value of these services by comparable wage estimates.

Provident Horizon Group

Notes to Financial Statements

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Summary of Significant Accounting Policies (continued):

- b. *Cash and cash equivalents* – For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.
- c. *Accounts receivable* – The Organization's accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts using historical experience applied to the aging of accounts. Management regularly evaluates customer balances to determine collectability. A receivable is considered to be past due if it is outstanding for more than 90 days. Receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded as income when received. Management's evaluation resulted in an allowance for doubtful accounts at December 31, 2008 and 2007, of \$19,453 and \$18,126, respectively.
- d. *Inventory* – Material inventories are stated at the lower of cost or market on a first-in, first-out basis.
- e. *Property and equipment* – Buildings and equipment are stated at cost and depreciated on a straight-line basis over estimated useful lives of 5 to 40 years. Major expenditures for property and those which substantially increase useful lives over certain thresholds, are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. Depreciation expense for the years ended December 31, 2008 and 2007, was \$34,258 and \$35,046, respectively.

Estimated useful lives are as follows:

Equipment	3-10 years
Buildings	10-40 years

In accordance with FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the Organization records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets. During the years ended December 31, 2008 and 2007, management evaluated the events and circumstances related to property and equipment and determined there was no need to record an impairment loss.

Provident Horizon Group

Notes to Financial Statements

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Summary of Significant Accounting Policies (continued):

- f. *Capitalized lease* – The Organization has capitalized the original cost of its leased facilities and is amortizing this cost over 30 years on a straight-line basis. The lease, which expired December 31, 2004, required no payments by Provident Horizon Group. Funds for the original construction of the multipurpose facility were obtained through a fund raising project conducted by Provident Horizon Group in 1977 and 1978. Private donations and special grants from the City and County of Yakima for this purpose were channeled through Yakima County, Washington, with a leaseback of the constructed facilities made to Provident Horizon Group. During the year ended December 31, 2008, Yakima County transferred the property to the Organization. The deed carries a condition that the property must always be used for the purpose of serving people with disabilities. If the property is sold, the proceeds must be reinvested in a new property used for the same purpose. The amount expensed as amortization for the years ended December 31, 2008 and 2007, was \$16,568 and \$19,880, respectively.
- g. *Functional allocation of expenses* – The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
- h. *Estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.
- i. *Income taxes* – Provident Horizon Group is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.
- j. *Recent accounting pronouncements* – In July 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with Statement No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return including positions that the Organization is exempt from income taxes or not subject to income taxes on unrelated business income. FIN 48 also provides guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure, and transition.

Provident Horizon Group

Notes to Financial Statements

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Summary of Significant Accounting Policies (continued):

j. *Recent accounting pronouncements (continued) –*

In December 2008, the FASB provided for a deferral of the effective date of FIN 48 for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2008. The Organization has elected this deferral and, accordingly, will be required to adopt FIN 48 in its 2009 annual financial statements. Prior to adoption of FIN 48, the Organization will continue to evaluate its uncertain tax positions and related income tax contingencies under Statement No. 5, *Accounting for Contingencies*. SFAS No. 5 requires the Organization to disclose or recognize income tax positions based on management's estimate of whether it is reasonably possible or probable, respectively, that a liability has been incurred for unrecognized income tax benefits. Management has not yet determined if the adoption of FIN 48 will have a material effect on the Organization's financial statements.

- k. *Concentration of credit risk* – The Organization has accounts receivable from customers located primarily in Eastern Washington. Customers' ability to honor their commitments is dependent on the viability of this region.

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits; however, they have not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 2 – TEMPORARILY RESTRICTED NET ASSETS:

On July 1, 2006, the Organization received a pledge from the United Way of Yakima County to contribute \$26,300 for the period of July 1, 2007 through June 30, 2008. On July 1, 2007, the Organization received a pledge from the United Way of Yakima County to contribute \$25,900 for the period of July 1, 2007 through June 30, 2008. At both December 31, 2008 and 2007, temporarily restricted net assets consisted of the remaining contribution outstanding of \$12,950.

NOTE 3 – TEMPORARY INVESTMENTS:

Investments are carried at cost plus accumulated interest. The carrying amount approximates fair market value at December 31, 2008 and 2007.

Provident Horizon Group

Notes to Financial Statements

NOTE 3 — TEMPORARY INVESTMENTS (continued):

Temporary investments consisted of the following at December 31, 2008:

	Maturity <u>Date</u>	Interest <u>Rate</u>	<u>Amount</u>
Certificates of deposit:			
Banner Bank	11-02-09	3.55%	\$ 97,841
Yakima Valley Credit Union	04-28-09	2.62	<u>30,155</u>
			\$ 127,996
			<u><u> </u></u>

Temporary investments consisted of the following at December 31, 2007:

	Maturity <u>Date</u>	Interest <u>Rate</u>	<u>Amount</u>
Certificates of deposit:			
Banner Bank	07-28-08	2.57%	\$ 29,282
Yakima Valley Credit Union	11-02-08	5.05	<u>93,278</u>
			\$ 122,560
			<u><u> </u></u>

Provident Horizon Group

Notes to Financial Statements

NOTE 4 — LONG-TERM DEBT:

Long-term debt included the following:

	<u>December 31,</u>	
	<u>2008</u>	<u>2007</u>
Note payable to Lower Valley Credit Union, due in monthly installments of \$1,553, including annual interest of 7.18%, due June 2009; collateralized by a vehicle	\$ 9,118	\$ 26,419
Less current maturities	<u>9,118</u>	<u>17,301</u>
	<u>\$ -</u>	<u>\$ 9,118</u>

NOTE 5 — OPERATING LEASES:

The Organization leases industrial space at \$4,615 per month. The lease expires in 2012.

The Organization leases industrial space for the Work Source program, with a monthly lease of approximately \$1,400. The lease will continue on a month-to-month basis for the five succeeding years.

Future minimum lease payments on long-term operating leases per year for the five succeeding years are estimated at \$72,180 per year.

For the years ended December 31, 2008 and 2007, lease expense totaled approximately \$89,000 and \$85,000, respectively.

NOTE 6 — RETIREMENT PLAN:

The Organization established a Simple IRA as of July 1, 2005. All full-time, permanent staff members are eligible to participate after 30 days of service. Employees may make voluntary contributions up to the maximum allowed by law. The Organization makes a matching contribution up to 3% of the employee's gross pay. Matching contributions for the Simple IRA for the years ended December 31, 2008 and 2007, were \$24,434 and \$9,311, respectively.

GOVERNMENT AUDITING STANDARDS
REPORT SECTION

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Provident Horizon Group
Yakima, Washington

We have audited the financial statements of Provident Horizon Group as of and for the year ended December 31, 2008, and have issued our report thereon dated July 6, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Provident Horizon Group's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Provident Horizon Group's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Provident Horizon Group's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

He Martin i. Sanchez ALLE

Yakima, Washington

July 6, 2009

Internal Revenue Service
District Director

Department of the Treasury

Date:

NOV 30 1983

Federal ID# 910862938

Person to Contact: George Bihrer

Contact Telephone Number: 206-442-8450

► Provident Industries
1510 South 36th Avenue
Yakima, WA 98902

RECEIVED

DEC 5 1983

PROVIDENT

— Gentlemen:

Based on the information you recently submitted, we have classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Internal Revenue Code because you are an organization described in section 170(b)(1)(A)(iii) of the code.

Your exempt status under section 501(c)(3) of the Code is still in effect.

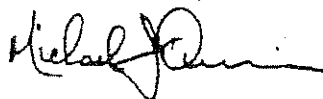
This classification is based on the assumption that your operations will continue as you have stated. If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status.

This supersedes our letter dated January 21, 1972.

Because this letter could help resolve any questions about your foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



District Director

1m

P.O. Box 21224, Seattle, WA 98111

Letter 1078(DO) (Rev. 8-82)

Provident Horizon Group
Board Member List
2008

Bingham, Charlene (2004)

Job Title: Special Ed Teacher K-12
Bus: Granger Middle School
Res: 131 Parkland Drive #116
Sunnyside, WA 98944
Bus: (509) 854-1003
Cell: (509) 830-2725
Home: (509) 837-7924
E-mail: binghamc@gsd.wednet.edu
binghamcharlene@yahoo.com

Committee: Program

Cote, Dave (2008)

Job Title: Agent
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Yakima, WA 98902
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Cell: (509) 952-3189
E-mail: dkcote1@ft.newyorklife.com

Committee: Marketing

Darlene Bodey (2008)

Participant Advisory Committee
Res: 11 Hall Ave, Apt 4
Yakima, WA 98902
Home: (509) 576-7940
Cell: (509) 594-9499

Committee: Program

Ferguson, Cary (2005), Treasurer

Job Title: President
Bus: Accounting Offices PC
4700 Tieton Dr, Suite B
Yakima, WA 98908
Bus: (509) 457-2440
E-mail: caryferg@aol.com

Committee: Finance Chair

Hatton, Leslie (2004), Secretary

Job Title: Board Member
110 S 9th Ave
Yakima, WA 98902
Cell 930-6306
E-mail: hattons@charter.net

Committee: Marketing

Dave Hazel (2008)

Job Title: Attorney
Bus: Divorce Law Office
1420 Summitview Ave
Yakima, WA 98902
Home: (509) 453-0181
Cell: (509) 949-5271
E-mail: daveh@davidhazel.com

Committee: Finance

Barbara McCarthy, (2005)

Job Title: Special Events
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Yakima, WA 98901
Home: (509) 248-9766
Cell: (509) 930-1058
E-mail: barbaramccarthy@live.com

Committee: Marketing Chair

Betty Newquist (2006)

Job Title: Substitute Cook
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Toppenish, WA 98948
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Cell: (509) 952-7688
E-Mail: j_bnewquist@bentonrea.com

Committee: Program

Roger O'Dell (2006)

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Home: (509) 877-3894
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Committee: Marketing

Olson, Sue (2004)

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Yakima, WA 98908
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Committee: Program

Sauve, Tom (2007) President

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 Yakima, WA 98902
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 PO Box 71
 Toppenish, WA 98948
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 Home: (509) 457-6835
 Cell: (509) 945-5739
 E-mail: tomgrowerssupply@hotmail.com

Committee: Finance**Frank Villanueva (2007) President Elect**

Job Title: Senior District Executive
 Bus: Boy Scouts of America
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 Yakima, WA 98907
 Fax: (509) 457-3222
 Home: (509) 839-0553
 Cell: (509) 830-5665
 E-mail: jvillanu@bsamail.org

Committee: Personnel**Waller, Joanne (2007)**

Job Title: Retired Operations Manager
 Bus: Smith Barney
 Res: 71 Estate Way
 Yakima, WA 98908
 Home: (509) 965-8390
 Cell: (509) 307-0702
 E-mail: jwaller71@hotmail.com

Committee: Personnel**Warneke, Kay (2004)**

Job Title: Office Manager
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 1005 Tieton Dr.
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 Fax: (509) 248-7923
 Home: 452-3185
 Cell: 949-5140
 E-mail: kay@sousley.com

Committee: Personnel Chair, Finance**Ulla Whitmont (2007)**

Job Title: School Psychologist
 Bus: West Valley School District
 412 S. 23rd Avenue
 Yakima, WA 98902
 Home: (509) 453-3563
 Bus: (509) 972-5890
 Fax: (509) 248-6009
 E-mail: whitmontu@wvwsd208.org
ullawhi@gmail.com (attachments)

Committee: Program Chair**PHG Addresses:**

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 1510 S. 36th Avenue
 P.O. Box 9727
 Yakima, WA 98909-0727
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 Toll Free: (888) 880-3971
 Fax: (509) 453-1614

Sunnyside Office

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 Sunnyside, WA 98944
 Bus: (509) 839-8066
 Bus: (888) 880-3970
 Fax: (509) 839-0661

Kennewick Office

5219 W Clearwater Ste 10-A
 Kennewick, WA 99336
 Bus: (509) 735-6624
 Fax: (509) 735-6683

Staff:**Sherie Leadon, ext 201**

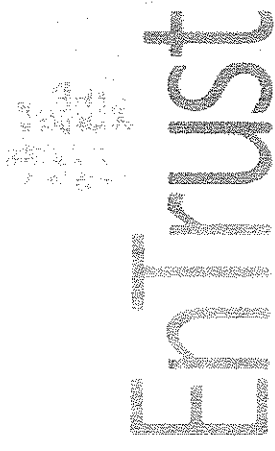
Job Title: Executive Director
 Direct: (509) 834-2960
 Cell: (509) 833-7149
 E-mail: leadons@ceoptions.org

Tom Gaulke, ext 202

Job Title: Chief Operations Officer
 Direct: (509) 834-2961
 Cell: (509) 840-9081
 E-mail: gaulket@ceoptions.org

Joyce Usher, ext 216

Job Title: Administrative Assistant
 E-mail: usherj@ceoptions.org



1510 S. 36th Ave, P.O. Box 9727 • Yakima, WA 98909
Toll Free: 888-880-3971 • Phone: 509-453-4150 • Fax: 509-453-4611

Trained...C...I...

HEARTH Grant Quarterly Report

January 2010

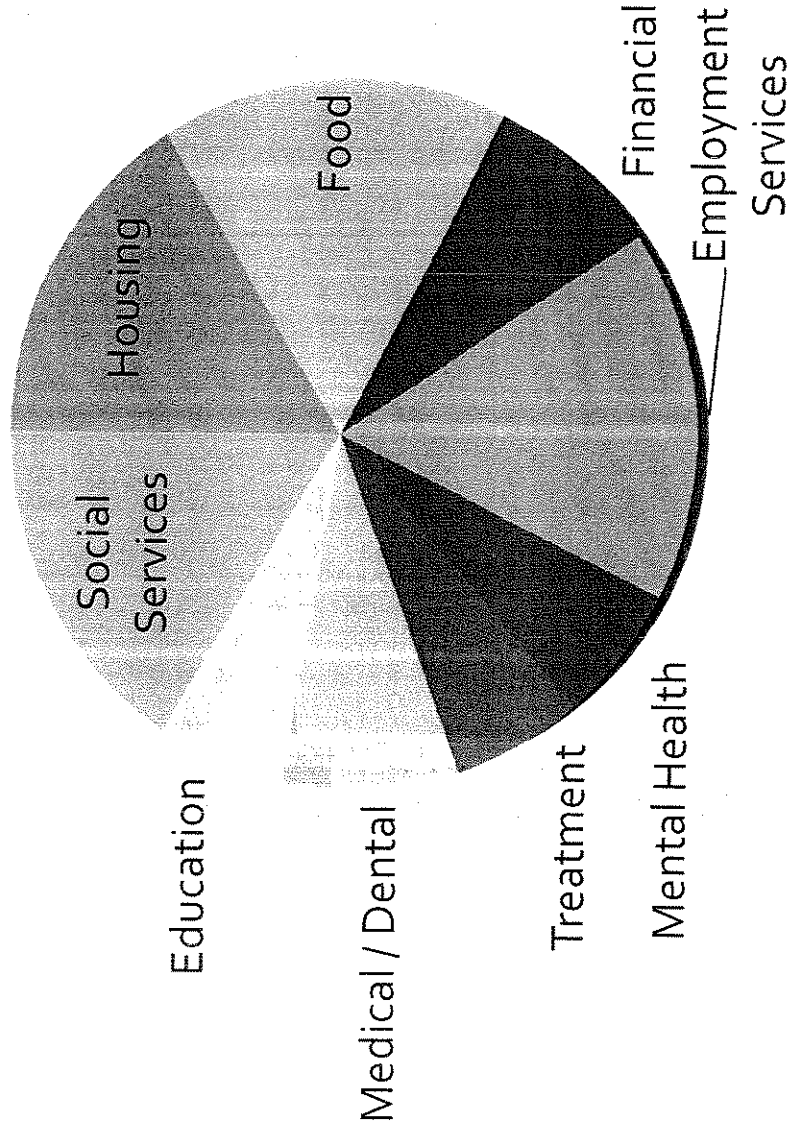
1/8/2010

HEARTH: Helping through Employment Access, Resources, Training and Hope

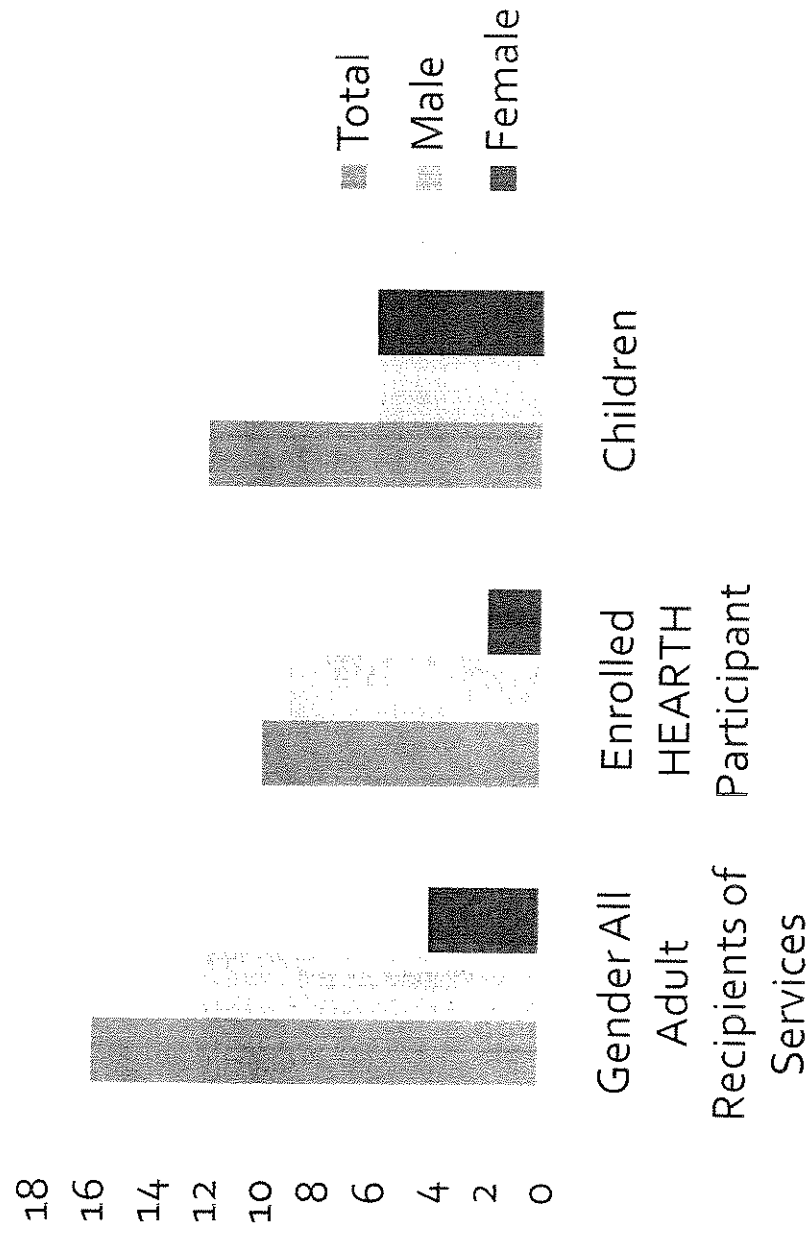
- The total number of anticipated participants for the term of the grant funding was 20 individuals.
- The HEARTH program was initialized on
November 2, 2009
- Since initializing the program we have had 16 qualifying participants and families; 16 people in just two months time!
- The number of participants in a relatively short time documents proof of our initial assumptions. This is an underserved population with a very real need.

EnTrust HEARTH Quarterly Report

Types of Services Rendered

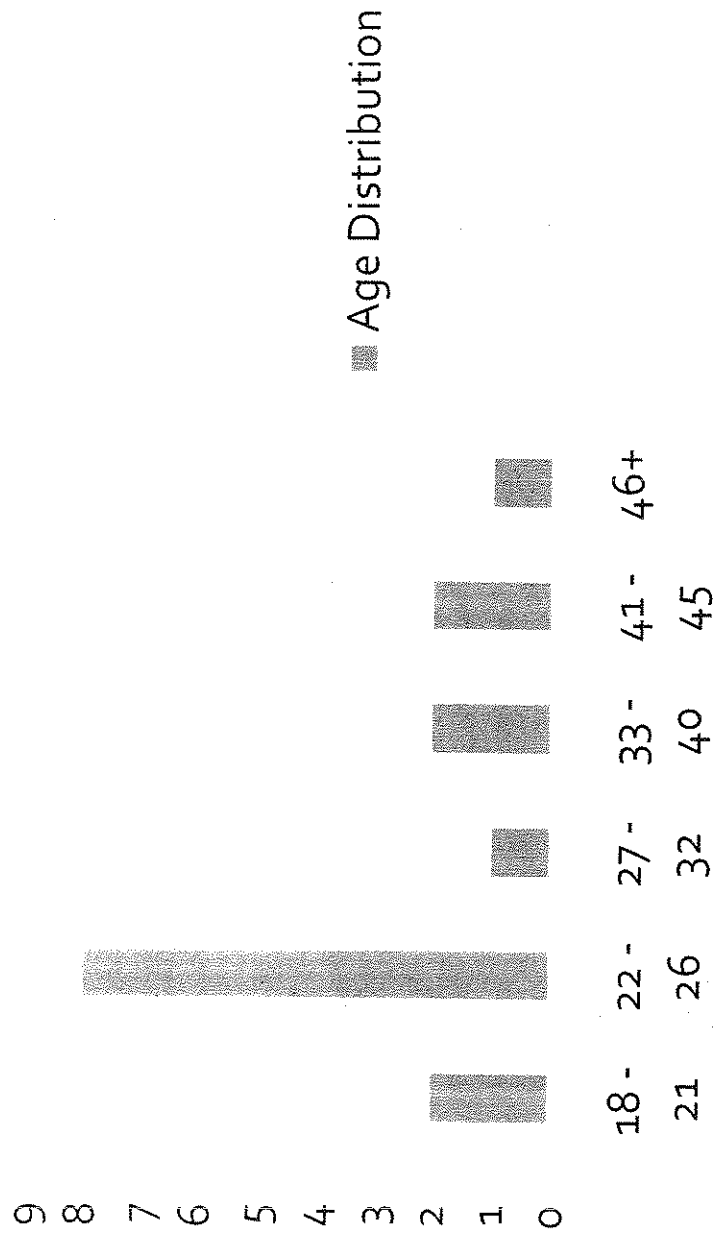


EnTrust HEARTH Participant Census



EnTrust HEARTH Quarterly Report

Age Distribution of Enrolled Participants



EnTrust HEARTH Quarterly Report

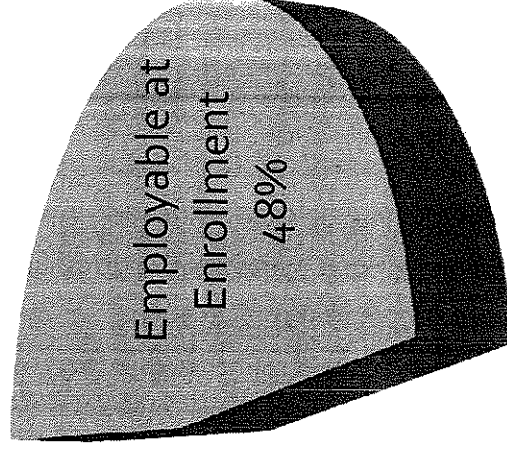
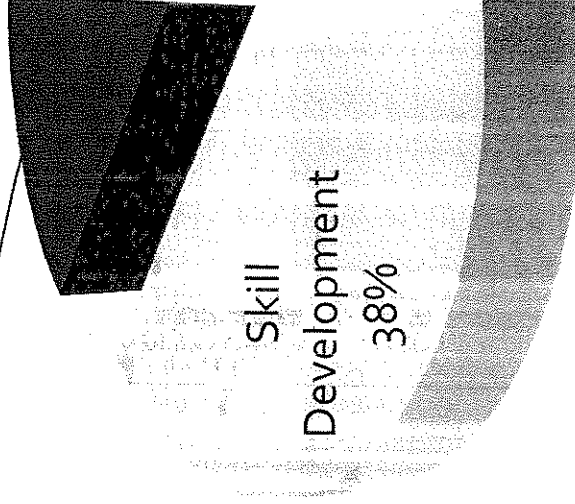
Employment Outcomes Of 16 Total

Participants

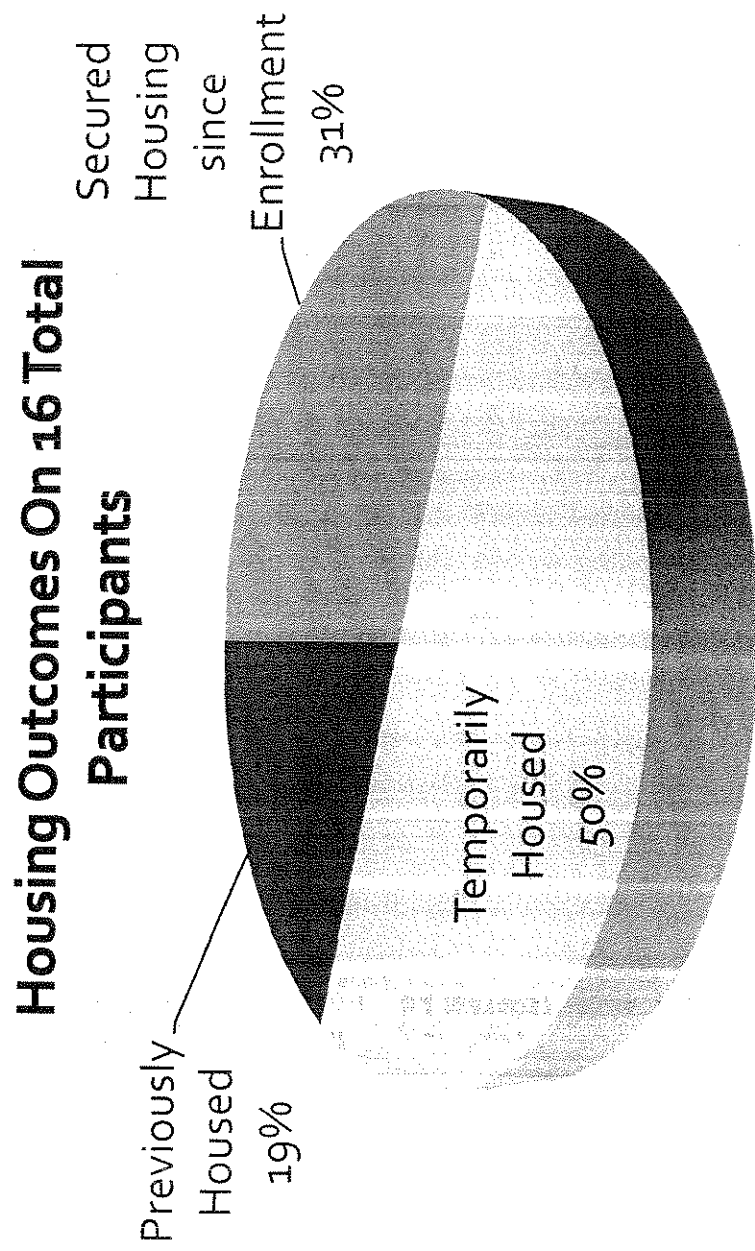
Now

Employed

14%



EnTrust HEARTH Quarterly Report



Self-Sufficiency Matrix

Domain	Score	1	2	3	4	5
Income		no income	Inadequate income and/or spontaneous or inappropriate spending	Can meet basic needs with subsidy; appropriate spending	Can meet basic needs and manage debt without assistance	Income is sufficient, well managed; has discretionary income and benefits
Employment		No job	Temporary, part-time or seasonal; inadequate pay, no benefits.	Employed full time; inadequate pay; few or not benefits	Employee full time with adequate subsidized housing.	Maintains permanent employment with adequate income and benefits.
Housing		Homeless or threatened with eviction	In transitional, temporary or substandard housing; and/or current rent/mortgage payment is unaffordable (over 30% of income)	In stable housing that is safe but only marginally adequate.	Household is in safe, adequate, subsidized housing.	Household is safe, adequate, unsubsidized housing.
Food		No food or means to prepare it. Relies to a significant degree on other sources of free or low-cost food.	Household is on food stamps	Can meet basic food needs, but requires occasional assistance.	Can meet basic food needs without assistance.	Can choose to purchase any food household desires.
Childcare		Needs childcare, but none is available/accessible and/or child is not eligible.	Child care is unreliable or unaffordable, inadequate supervision is a problem for child care that is available	Affordable subsidized childcare is available, but limited.	Reliable, affordable childcare is available, no need for subsidies	Able to select quality childcare of choice
Safety		Home or residence is not safe; immediate level of lethality is extremely high; possible CPS involvement	Safety is threatened/temporary protection is available; level of lethality is high	Safety is threatened/temporary protection is available; level of lethality is high	Safety is threatened/temporary protection is available; level of lethality is high	Safety is threatened/temporary protection is available; level of lethality is high
Parenting Skills		There are safety concerns regarding parenting skills	There are safety concerns regarding parenting skills	There are safety concerns regarding parenting skills	There are safety concerns regarding parenting skills	There are safety concerns regarding parenting skills

Self-Sufficiency Matrix, cont.

Children's Education	One or more eligible children not enrolled in school.	One or more eligible children enrolled in school, but not attending classes.	Enrolled in school, but one or more children only occasionally attending classes.	Enrolled in school and attending classes most of the time.	All eligible children enrolled and attending on a regular basis
Adult Education	Literacy problems and/or no high school diploma/GED are serious barriers to employment.	Enrolled in literacy and/or GED program and/or has sufficient command of English to where language is not a barrier to employment.	Has high school diploma/GED	Needs additional education/training to improve employment situation and/or resolve literacy problems to where they are able to function effectively in society.	Has completed education/training needed to become employable; No literacy problems
Legal	Current outstanding tickets or warrants.	Current charges/trial pending, noncompliance with probation/parole.	Fully compliant with probation/parole terms.	Has successfully completed probation/parole within past 12 months, no new charges filed.	No active criminal justice involvement in more than 12 months and/or no felony criminal history
Health Care	No medical coverage with immediate need.	No medical coverage and great difficulty accessing medical care when needed. Some household members may be in poor health.	Some members (eg Children on AHCCCS)	All members can get medical care when needed, but may strain budget.	All members are covered by affordable, adequate health insurance.
Life Skills	Unable to meet basic needs such as hygiene, food, activities of daily living.	Can meet a few but not all needs of daily living without assistance.	Can meet most but not all daily living needs without assistance.	Able to meet all basic needs of daily living without assistance	Able to provide beyond basic needs of daily living for self and family.
Mental Health	Danger to self or others; recurring suicidal ideation; experiencing severe difficulty in day-to-day life due to psychological problems.	Recurrent mental health symptoms that may affect behavior, but not a danger to self/others; persistent problems with functioning due to mental health symptoms.	Mild symptoms may be present but are transient; only moderate difficulty in functioning due to mental health problems.	Minimal symptoms that are expectable response to life stressors; only slight impairment in functioning	Symptoms are absent or rare; good or superior functioning in wide range of activities; no more than every day problems or concerns.



Housing Authority of Kittitas County
107 West 11th Avenue
Ellensburg, WA. 98926-2568

February 25, 2010

Mark McClain, Chair
Paul Jewell, Vice Chair
Alan Crankovich, Member
Board of County Commissioners, Kittitas County
205 W. 5th Avenue, Suite 108
Ellensburg, WA 98926

Dear Commissioners McClain, Jewell, & Crankovich;

I am writing to acknowledge that the Housing Authority of Kittitas County has agreed to partner with EnTrust Community Service for the grant seeking funds from the Affordable Housing Act Program and the Homeless Prevention and Reduction Program for the March 2010 grant award cycle.

As you are aware, EnTrust Community Service has been instrumental in Kittitas County, in developing alliances with our agency and many other service providers, including Washington State Department of Corrections (DOC), Central Washington Comprehensive Mental Health (CWCMMH), Alcohol and Drug Dependency Services (ADDS), Central Washington University through their H.E.A.R.T.H. (Helping through Education, Access, Resources, Training, and Hope) project. This valuable project has formed strong partnerships with area providers that will have a significant impact on the successful return of recently released offenders by providing the advocacy and support to allow these folks to return to our communities with an enhanced chance of living productive lives. Already lives are being changed from a liability to the community and its resources to an asset to their families, neighborhoods, and the community at large.

The H.E.A.R.T.H. project provides the necessary supports and opportunities for people to learn good decision making skills and move away from their old patterns of behavior and towards the achievement of positive and healthy life goals that will benefit the community for years to come. EnTrust Community Services has a 40 year track record of providing high quality supports and services to hundreds of people with significant barriers to employment each year.

Specifically, the Housing Authority of Kittitas County will continue its partnership with EnTrust Community Services in this current project as well. The Housing Authority will provide administration of the housing aspect of the grant by processing applications, performing necessary background checks, working with landlords in establishing guidelines and lease agreement arrangements, and disbursing the funds to landlords and utility providers in a timely fashion. A detailed accounting will be maintained and be available for review at any time during the life of the grant. The Housing Authority administered a One Time Assistance Payment (OTAP) program during 2005 with a \$10,000 grant from HopeSource. This program solicited applications from residents within Kittitas County who needed assistance with their housing (rent and utilities) costs for a one time emergency basis. The program brought a number of participants, usually four to six for each review process, from other service providers to review applications and determine awards based on the applications and supporting documents/references submitted. The program was very successful and the available funds were disbursed in four and half months.

Page 2

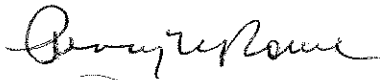
Kittitas County Affordable Housing Program & Homeless Prevention and Reduction Program Grant
February 25, 2010

The housing authority has partnered with EnTrust Community Service with two clients under the H.E.A.R.T.H. project with good results. In both cases we have seen a reuniting of families and a significant improvement in the choices made by the family in general and an improvement in the behavior and disposition of the children in the families. This is having a huge impact in the child's life in their relationships with the parents and in their neighborhoods and schools. We will work to achieve the same results with EnTrust Community Service in this project.

Many of the potential clients of the Housing Authority of Kittitas County (and other area housing providers) would have a greater chance in safe, decent, affordable housing with the enhanced services that would be made available to them and their families through the successful awarding of this grant to EnTrust Community Services and the Housing Authority of Kittitas County.

I appreciate the positive consideration of this Grant Application and look forward to a continued association with EnTrust Community Services and the many other area agencies striving to positively assist the citizens of Kittitas County to create a better, safer, and more successful community.

Sincerely,

A handwritten signature in cursive script, appearing to read "Perry L. Rowe".

Perry L. Rowe
Executive Director