

HOMELESS HOUSING PROGRAM GRANT AGREEMENT

This Homeless Housing Program Grant Agreement ("Agreement") is entered into between KITTITAS COUNTY, a political subdivision of the State of Washington (the "County"), and ENTRUST COMMUNITY SERVICES, a Washington non-profit corporation ("Recipient"), partners include the Housing Authority of Kittitas County and Alcohol/Drug Dependency Services (ADDS).

ARTICLE I — PURPOSE AND TERM

Section 1.1 Purpose: The purpose of this Agreement is to distribute homeless housing surcharge funds awarded pursuant to RCW 36.22.179.

Section 1.2 Term: This Agreement shall take effect June 1, 2014 and terminate on May 31, 2015.

ARTICLE II — GRANT AMOUNT, USE AND BUDGET

Section 2.1 Grant Amount: The Recipient is awarded a total of up to one hundred thirty two thousand eight hundred thirty-eight dollars (\$132,838.00) (the "Grant Award") to be administered as follows as Grant Award HH2014 – 003.

Section 2.2 Use of Grant. The Recipient shall use the Grant Award solely for the purposes and in the manner described in **Exhibit A** – Attached Application, and **Exhibit B** - Attached Revised Budget. Adjustments to Proposed Project Timelines may be requested in writing to the Committee and recommended to the Board of Kittitas County Commissioners. These recommendations may be granted or denied at the discretion of the Board of Kittitas County Commissioners.

Section 2.3 Budget. The Grant Award shall be expended by the Recipient as set forth in **Exhibit A** — Attached Application. Adjustments to Proposed Project Budgets may be requested in writing, to the Committee and recommended to the Board of Kittitas County Commissioners. These recommendations may be granted or denied at the discretion of the Board of Kittitas County Commissioners. All program revenues after Year 1 will be returned to offset the leasing costs and case manager salary for the project.

ARTICLE III — DISBURSEMENTS

Section 3.1 Disbursement of Grant Award Funds. Not more frequently than once a month, the Recipient may request disbursement from the Grant Award. Each disbursement request must be made by the Recipient submitting to the County at the address specified in Section 5.2 a properly completed Reimbursement Request form. The request must identify the work performed and be accompanied by a summary of all allowable costs and expenses incurred for which the Recipient is seeking disbursement, unless further documentation is requested by the Committee, the Kittitas County Auditor's Office, or the BOCC. The Recipient will be subject to periodic on-site audits to ensure that satisfactory supporting documentation of all allowable costs and expenses are being kept. Within 30 days of its receipt of the request and satisfactory supporting documentation, and subject to the other terms and conditions contained in this Agreement, the County shall pay the amount of the invoice to the Recipient at the address specified in Section 5.2.

Section 3.2 Advance Disbursement. The Recipient may request disbursement from the Grant Award in advance of actual expenditure only for the following:

- rental and furnishing of dwelling units for the use of homeless persons;
- costs of developing affordable housing for homeless persons, and services for formerly homeless individuals and families residing in transitional housing or permanent housing and still at risk of homelessness;
- operating subsidies for transitional housing or permanent housing serving formerly homeless families or individuals;
- services to prevent homelessness, such as emergency eviction prevention programs including temporary rental subsidies to prevent homelessness;
- temporary services to assist persons leaving state institutions and other state programs to prevent them from becoming or remaining homeless;
- outreach services for homeless individuals and families;
- development and management of local homeless plans including homeless census data collection, identification of goals, performance measures, strategies, and costs of evaluation of progress towards established goals;
- rental vouchers payable to landlords for persons who are homeless or below thirty percent of the median income or in immediate danger of becoming homeless; and
- other activities to reduce and prevent homelessness as identified for funding in the local plan; and

Section 3.3 Disbursement Limitations. In no event will the County ever be required to disburse funds in excess of the Grant Award. In addition, unless expressly provided otherwise in this Agreement: (a) no disbursements will be made in advance of costs or expenses being incurred; and (b) no costs or expenses incurred by the Recipient prior to the effective date of this Agreement, or after its termination, are eligible for reimbursement.

Section 3.4 Disbursement Without Prejudice. Any disbursement made by the County to the Recipient shall be without prejudice to the County's rights later to challenge the

propriety of the Recipient's claimed costs or expenses.

Section 3.5 Withholding Disbursements. If the Recipient fails to perform any obligation under this Agreement and the failure has not been cured within 10 days following oral or written notice from the County or the Committee, the County may, without penalty and in its sole discretion and upon written notice to the Recipient, withhold all monies otherwise due the Recipient until such failure to perform is cured. This right to withhold disbursements is in addition to all other rights and remedies the County may have available to it under this Agreement or under law.

ARTICLE IV—REPORTS AND RECORDKEEPING

Section 4.1 Quarterly Progress Reports. At least once a quarter, and upon request from time to time, the Recipient shall provide a report on the progress made to date on the Project, using such form and meeting such requirements as determined by the Committee (see also III REPORTING). Such progress reports shall be provided by the Recipient to the Committee and to the Kittitas County Auditor's Office at its address specified in Section 5.2. The Recipient shall also provide an annual report as specified in the grant guidelines.

Section 4.2 Record Retention; Review. The Recipient shall maintain records sufficient to fully document its compliance with all contractual, grant and legal requirements. Upon reasonable advance notice, the Recipient shall provide the County, or its authorized agents, with full access to all of the Recipient's records relating to this Agreement or the Project. The Recipient agrees to be financially and legally responsible for any audit exceptions or other irregularities in its performance or recordkeeping, including but not limited to impermissible or unauthorized use of Grant Award funds. This section shall survive termination of this Agreement.

ARTICLE V — CONTRACT ADMINISTRATION AND NOTICES

Section 5.1 Personnel. The Recipient will secure at its own expense all labor and materials required to perform any work in connection with the Project. The Recipient shall be responsible for all applicable payroll, labor and industries premiums, and taxes. All employees and subcontractors of the Recipient shall be covered by Industrial Insurance in full compliance with title 51 of the Revised Code of Washington ("RCW").

Section 5.2 Contract Representatives. The parties' designated representatives shall be responsible for the administration of this Agreement and for receiving notices given in connection with this Agreement. The following are designated as the representatives of the parties.

FOR THE COUNTY: Judy Pless, Budget & Finance Manager
County Auditor's Office

205 West 5th – Suite 105
Ellensburg WA 98926
509-962-7502
Judy.pless@co.kittitas.wa.us

FOR THE RECIPIENT: Tom Gaulke, Chief Operations Officer
PO Box 9727
Yakima, WA 98909

A party may change its designated representative or address by providing written notice to the other party.

Section 5.3 Notices. Any notice required or permitted to be made under this Agreement may be given personally, by facsimile, or by first-class, registered or certified mail. A notice personally delivered to the other party is deemed given upon proper delivery. A notice sent by first-class, registered or certified mail is deemed given three days after mailing, if properly addressed and having proper postage. Notices delivered by facsimile shall be deemed to have been given on the date of transmission if received during the recipient's business day or, if not, on the recipient's next business day. E-mail addresses, if listed in this Agreement, are provided only for convenience and not for notice purposes.

ARTICLE VI — INSURANCE

Section 6.1 Professional Legal Liability. The Recipient will maintain professional legal liability or professional errors and omissions coverage appropriate to the Recipient's profession. The coverage will have a limit of not less than One Million Dollars (\$1 million) per occurrence. The coverage will apply to liability for a professional error, act or omission arising out of the Recipient's services under the Agreement. The coverage will not exclude bodily injury or property damage. The coverage will not exclude hazards related to the work rendered as part of the Agreement or within the scope of the Recipient's services under the Agreement, including testing, monitoring, measuring operations or laboratory analysis where such services are rendered under the Agreement.

Section 6.2 Workers' Compensation and Employer Liability. The Recipient will maintain workers' compensation insurance as required by Title 51 RCW, and will provide evidence of coverage to the BOCC. If the Contract is for over \$50,000, then the Recipient will also maintain employer liability coverage with a limit of not less than One Million Dollars (\$1 million). The Recipient will request that the Washington State Department of Labor and Industries, Workers Compensation Representative, send written verification to the County that the Recipient is currently paying workers' compensation.

Section 6.3 Commercial General Liability. The Recipient will maintain commercial general liability coverage for bodily injury, personal injury and property damage, subject

to a limit of not less than One Million Dollars (\$1 million) per occurrence. The general aggregate limit will apply separately to the Contract and be no less than Two Million Dollars (\$2 million). The Recipient will provide commercial general liability coverage that does not exclude any activity to be performed in fulfillment of the Agreement. Specialized forms specific to the industry of the Recipient will be deemed equivalent, provided coverage is no more restrictive than would be provided under a standard commercial general liability policy, including contractual liability coverage.

Section 6.4 Miscellaneous Insurance Provisions.

- A. The Recipient will place insurance with insurers licensed to do business in the State of Washington and having A.M. Best Company ratings of no less than A-VII, with the exception that excess and umbrella coverage used to meet the requirements for limits of liability or gaps in coverage need not be placed with insurers or re-insurers licensed in the State of Washington.
- B. The insurance limits established by this section are not intended to indicate the Recipient's exposure, nor are they limitations on the Recipient's indemnification duties. This section shall survive termination of this Agreement.
- C. The policy shall be endorsed and the certificate shall reflect that the County, its officers, officials, employees, agents and representatives, are an additional insured with respect to activities under the contract, and the policy will contain no special limitations on the scope of protection afforded to the County, its officers, officials, employees, agents and representatives as an additional insured.
- D. The certificate will, at a minimum, list limits of liability and coverage. The Recipient will furnish the County with properly executed certificates of insurance or a signed policy endorsement, including the additional-insured provision, which will clearly evidence all insurance required in this Section, before work under this Agreement shall commence, but no later than Ten (10) days after the effective date of this Agreement. Acceptable forms of evidence are the endorsement pages of the policy showing the County as an additional insured.
- E. The Recipient will maintain all required policies in force from the time services commence until services are completed. The Recipient will provide a current or updated copy of all insurance policies specified in the Agreement upon the request of the County. Certificates, policies and endorsements scheduled to expire before completion of services will be renewed before expiration. The certificate will provide that the underlying insurance contract may not be canceled, or allowed to expire, except on 30-days' prior written notice to the County. Any certificate or endorsement limiting or negating the insurer's obligation to notify the County of cancellation or changes must be amended so as not to negate the intent of this provision. Written notice of cancellation or change must be delivered to the County as set forth in Sections 5.2 and 5.3.

- F. If the Recipient's liability coverage is written as a claims-made policy, then the Recipient must evidence the purchase of an extended-reporting period or "tail" coverage for a three-year period after completion of the services.
- G. The Recipient's liability insurance provisions will be primary with respect to any insurance or self-insurance programs covering the County, its elected and appointed officers, officials, employees, agents and representatives.
- H. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the County, its officers, officials, employees, agents or representatives.
- I. The Recipient's insurance will apply separately to each insured against whom claim is made or suit is brought, subject to the limits of the insurer's liability. The Recipient will include all subcontractors as insurers under its policies or will furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors will be subject to all of the requirements stated in these provisions.

ARTICLE VII – INDEMNIFICATION

Section 7.1 Indemnification. To the fullest extent permitted by law, the Recipient shall indemnify, defend and hold harmless the County, the Committee and the BOCC, and all County officials, officers, employees, agents and each of them, from and against all claims in any way resulting from or arising out of the performance of this Agreement, whether such claims arise from the actual or alleged acts, errors or omissions of the Recipient, its subcontractors, third parties, the County, the Committee or the BOCC, or anyone directly or indirectly employed or supervised by any of them or anyone for whose acts, errors or omissions any of them may be liable. "Claim" means any loss, claim, suit, action, liability, damage or expense of any kind or nature whatsoever, including but not limited to attorneys' fees and costs, attributable to personal or bodily injury, sickness, disease or death, or to injury to or destruction of property, including the loss of use resulting therefrom.

Section 7.2 Recipient's Duty to Indemnify. The Recipient's duty to indemnify, defend and hold harmless includes but is not limited to claims by the Recipient's or any subcontractor's officers, employees or agents. The Recipient's duty, however, does not extend to claims arising from the sole negligence or willful misconduct of the County, the Committee or the BOCC, or of the officials, officers, employees, agents or representatives of the County, the Committee or the BOCC.

Section 7.3 Waiver of RCW Title 51 Immunity. Solely for purposes of this indemnification provision, the Recipient expressly waives its immunity under Title 51

RCW and acknowledges that this waiver was mutually negotiated by the parties. The Recipient's duty to indemnify, defend and hold harmless shall survive termination of this Agreement.

ARTICLE VIII—NONDISCRIMINATION AND LEGAL COMPLIANCE

Section 8.1 Nondiscrimination. The Recipient shall not discriminate against any employee or applicant for employment, or program participant or program participant applicant, on account of race, color, sex, religion, national origin, creed, marital status, age, Vietnam era or disabled veterans status, or the presence of any sensory, mental or physical handicap with respect to any program participation, employment upgrading, demotion, transfer, recruitment or selection for training, including apprenticeships and volunteers. This prohibition does not apply, however, to a religious corporation, association, educational institution or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution or society of its activities.

Section 8.2 Compliance with Laws. The Recipient and its officials, officers, employees, agents and subcontractors shall comply with all applicable federal, state and local laws, regulations, rules and policies, the County, the Committee and the BOCC shall have no obligation to ensure such compliance.

ARTICLE IX — TERMINATION

Section 9.1 Termination for Loss of Funding. The County shall have the right to terminate this Agreement upon advance written notice if the funds relied upon for the Grant Award are terminated, suspended or otherwise lost or impaired in whole or in part.

Section 9.2 Termination for Convenience. Either party may terminate this Agreement for convenience upon giving the other party at least 30 days' advance written notice. In that event, the Recipient will be entitled to payment only for those expenses and costs reasonably and actually incurred prior to the effective date of the termination.

Section 9.3 Termination for Default. If either party defaults in its performance under this Agreement, the nondefaulting party may give the defaulting party written notice that it has 30 days in which to cure the default. If the default is not cured within 30 days of notice, the nondefaulting party may terminate the contract. In the event of such a termination, the nondefaulting party shall have all rights and remedies available to it under law.

ARTICLE X — MISCELLANEOUS

Section 10.1 Permissible-Use Warranty. The Recipient warrants that its planned and actual

uses of the Grant Award constitute permissible uses for homeless housing surcharge funds as established by RCW 36.22.179. This section shall survive termination of this Agreement.

Section 10.2 Organizational-Status Warranty. The Recipient warrants that it is duly organized, existing and in good standing under the laws of the State of Washington.

Section 10.3 Relationship of Parties. This Agreement, and the parties' and the Committee's and the County's activities under it, shall not be construed as creating any kind of partnership or joint venture, nor shall it be construed as creating any kind of independent contractor, agency or employment relationship between the parties, the Committee, or the County.

Section 10.4 No Third-Party Rights. This Agreement is entered into by the parties solely for their own benefit and it creates or grants no rights of any kind in any other party.

Section 10.5 Assignment. The Recipient shall not assign any of its rights or delegate any of its duties under this Agreement without the prior express written consent of the County, which may be granted or refused in the County's sole discretion.

Section 10.6 Choice of Law; Venue; Jurisdiction. This Agreement shall be governed by the laws of the State of Washington. In the event of a legal proceeding, venue shall be only in a court of competent jurisdiction in Kittitas County. Each party hereby consents to the personal jurisdiction of the courts of the State of Washington, County of Kittitas. This section shall survive the termination of this Agreement.

Section 10.7 Waiver. No term or condition of this Agreement shall be deemed waived unless such waiver is expressly agreed to in writing by the party granting the waiver. In addition, waiver of any breach of this Agreement shall not be deemed a waiver of any prior or subsequent breach.

Section 10.8 Amendment. This Agreement can be amended only by a writing executed by the parties.

Section 10.9 Entire Agreement. The parties acknowledge that this Agreement is the complete expression of their agreement regarding the subject matter of this Agreement. Any oral or written representations or understandings not incorporated into this Agreement are specifically excluded.

Section 10.10 Headings. The headings in this Agreement are for convenience only and shall not be deemed to affect the meaning of its provisions.

Section 10.11 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, such invalidity shall not affect the validity of the remaining provisions that can be given effect without the invalid provision, provided that the underlying intent of the parties can still be given effect.

Section 10.12 Signature Authority. Each person signing this Agreement on behalf of a party warrants that he or she has full authority to sign this Agreement on that party's behalf.

Section 10.13 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall be deemed one agreement. Each counterpart may be executed and delivered by facsimile to the other party.

Section 10.14 Exhibits. The following exhibits are incorporated into this Agreement by reference: (a) Exhibit A — Attached Application.

Exhibit B - Revised Budget

KITTITAS COUNTY:



Clerk of the Board

DATE: July 15, 2014

RECIPIENT:


DATE: 7-24-14

**KITTITAS COUNTY BOARD
OF COUNTY COMMISSIONERS**


Board Chair


Board Vice-Chair


Commissioner


By: (Print Name) Sherie T Leaton

Title: CEO

EXHIBIT A - STATEMENT OF WORK AND BUDGET- SEE ATTACHED APPLICATION

III REPORTING

*For each Quarterly Report, the agency will use the standardized reporting form developed by the Homeless and Affordable Housing Committee.

Quarterly reports are due on the following:

October 15, 2014

January 15, 2015

April 15, 2015

June 15, 2015 – final report due

Agencies may report information beyond the standard reporting form if desired.

Please send an electronic copy of each report to:

Kittitas County Homeless and Affordable Housing Committee
Debbie Myers, Kittitas County Board of Commissioners office
Kittitas County Auditor's Office, Judy Pless

*Reporting requirements may be amended by the Committee so that appropriate data can be gathered.

Section 3 – Instructions for Completing a Funding Application

Grant applicants shall follow the instructions below in preparing their proposal.

- Complete the supplied application forms using a computer. No hand written forms.
- Do not use graphics or formatting embellishments beyond those within the application.
- Be sure to read Sections 1 and 2 of the Kittitas County Homeless and Prevention Plan, 2009.
- Answer each question and sub-question individually in each section of the application.
- Leave in the question and directions. This way we will be sure of the question you are answering, and it will also facilitate easy review for the review committee.
- Use the 1-inch margins through the entire application except as formatted otherwise.
- Use single spaced 12-point Times New Roman or similar font.
- Make certain you are answering the questions. If the question asks “How” answer how, not whether or when.
- Your proposal must contain clearly defined goal statements, objectives to meet those goals, and an evaluation strategy for each goal.

***New applicants please include the following:**

☐ Current Month Statement of Income & Expenses
☐ Recent Fiscal Year-end Agency Audit or Financial Statement (completed by CPA)
☐ Agency Budget for Current Fiscal Year
☐ Copy of IRS Determination Letter
☐ Board of Directors Roster

***Repeat applicants include the following only:**

☒ Most Recent Year-end Agency Audit or Financial Statement
☒ Current Month Statement of Income & Expenses

Applications are due by 4:00 pm, on the date specified in the RFP announcement at the Kittitas County Board of Commissioner’s Office. You will be notified that your application has been received and accepted by the Committee.

Homeless Assistance Grant Program
205 W 5th AVE Suite 108
Ellensburg WA 98926

Please submit one electronic copy, one original and 5 hard copies of the entire application.

NOTE: Incomplete applications may be rejected.

Section 4 – Project Application: 2013 Funding Cycle

Please divide your application into three sections. Part A – General Information, Part B – Agency Questions, Part C – Project Questions, Part D – Funding Questions, Part E – Agency Reapplying for Program Funds, and Part F – Additional Information. Type and number each question, followed by your response.

Part A – General Information

Project Title: Homeless Assistance Program

Project Site Name: Kittitas County

Project Site Address: 107 West 11th Avenue, Ellensburg, WA 98926

Total Project Costs: \$ 161,579.50

Grant Amount Requested: \$ 150,042.00

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

Name of Applicant/Agency: Entrust Community Services

Federal Tax ID#: 91-0862938

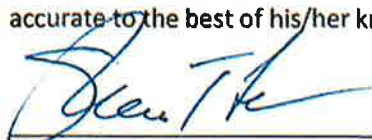
Address of Applicant/Agency: PO Box 9727 Yakima, WA 98909-0727

Name of Contact Persons: Tom Gaulke Title: Chief Operations Officer

Email address: gaulket@entrustcs.org **Phone:** 509-834-1220 **Fax:** 509-453-1614

Name and Title of Authorized Representative: Sherie Leadon, CEO

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

3-13-14

Date

Part B – 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 Community Services has served local communities in Central Washington since 1971 by providing education, training and job placement services to people with disabilities and other barriers to employment that enrich their lives and lead to greater self-sufficiency and inclusion in their community. Service Centers are located in Ellensburg, Yakima, and Sunnyside. As a non-profit organization Entrust is able to work through a wide range of partnerships with other agencies to meet the unmet needs of those served in a way that is person centered.

The HEARTH project started in 2009 with Kittitas County's Homeless and Affordable Housing Funds. The project provided a major benefit to people facing homelessness in Kittitas County. Cooperative partnerships were formed with Entrust thanks to the overall success of the HEARTH project and it was expanded in 2012 to become the Homeless Assistance Program (HAP).

Thanks to an established presence in Kittitas County, Entrust has been able to diversify their efforts and address additional unmet needs from their Ellensburg office. Entrust currently provides support to high school students with special needs, adults with disabilities, and has been involved in the Central Washington Veteran's Coalition to explore the needs of our local veterans.

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 has been serving homeless populations in Kittitas County for over 6 years and has over 40 years experience serving people in Eastern Washington. As an agency, Entrust places over 200 people with significant barriers into employment situations each year. Their services are nationally accredited through the Commission on Accreditation of Rehabilitation Facilities (CARF). In the most recent accreditation survey in 2013, Entrust received national recognition for our Project SEARCH Program in partnership with Yakima Valley Memorial Hospital for its innovative approach to employment for high school students with significant barriers to employment. Highly trained direct service staff receives over 80 hours of training per year. The management team has over 100 years of management experience in the non-profit sector for supported employment. Entrust conducts an annual financial audit by an independent group and is surveyed by our national accrediting body every 3 years.

The Chief Operations Officer of Entrust is a past member of the Executive Committee for the Yakima County Homeless Network, the past Chair of the Self-Sufficiency Committee, and is currently Board Chair for the Washington State Community Employment Alliance. The current HAP Coordinator, Mitchell Rhodes, is currently the Chair Person of the Kittitas County Homeless Network. The Area Manager Carole Miller Rhodes is currently on the Board of Directors for the Housing Authority of Kittitas County, serves as co-chairperson of the legislative committee for the Washington State Community Employment Alliance, and is a long-time advocate for disenfranchised populations in Ellensburg.

Entrust holds or has held successful service contracts with the following public and private entities:

- Yakima County
- Kittitas County
- Grant County
- The State of Washington
- The Division of Developmental Disabilities
- The Division of Vocational Rehabilitation/Department of Services for the Blind
- 12 School Districts throughout ESD105
- Emergency Food and Shelter Program
- Social Security
- Over 50 service contracts with private businesses
- Yakima Valley Memorial Hospital
- Ticket-to-work Employment Network
- Past provider for Department of Commerce – Housing and Emergency Needs Funds
- Partner Agency with United Way of Central Washington

Part C – Project Questions

1. **Project Title:** Homeless Assistance Program
2. **Project Summary:** (Provide one to two succinct paragraphs summarizing your project, and how it will strengthen or enhance housing and/or services to prevent or reduce homelessness in Kittitas County.)

The Homeless Assistance Program (HAP) is a locally based cooperative effort managed by Entrust Community Services that significantly contributes to a decrease in the number of people who are homeless, an increase in self sufficiency among people who are at risk of homelessness, and stronger linkages and overall system wide coordination in Kittitas County. The reason for this program is to confront service gaps in the Kittitas County safety net for people who are homeless or at risk of homelessness. These service gaps are clearly identified in the 2011 Update to Kittitas County's 10-Year Homelessness Reduction and Affordable Housing Plan on Homelessness.

Each listed objective of HAP is intended to significantly move Kittitas toward accomplishing its listed goal to "reduce homelessness in Kittitas County by 50% by 2015" (2011 Update, p.3). The objectives of HAP prioritize early intervention and long-term support in order to see a sustainable result for those who require subsidized assistance in order to prevent or reduce their risk of homelessness.

3. **List each goal statement.** Under the goal statement, list the activities (objectives) that will lead to the accomplishment of the goal. Also, discuss the measures you will be using to evaluate whether or not the goal has been met by the end of the funding cycle.

Goal 1: Decrease the number of people who are homeless through increased access to emergency shelter and rental assistance.

Objective 1: Provide a 24/7 emergency shelter hotline

Measurement: Number of calls for emergency shelter

Objective 2: Provide up to 125 hotel bed night vouchers

Measurement: Number of vouchers issued and average length of stay.

Objective 3: Provide stable housing through rental assistance payments to landlords for up to 46 families or individuals

Measurement: Number of families or individuals that receive rental assistance to move off the streets or stay in their home.

Goal 2: Increase self-sufficiency scores by 10%.

Objective 1: Develop self-sufficiency plans for all program participants within 30 days of application for rental assistance.

Measurement: Number of plans developed and scores from baseline assessment.

Objective 2: Provide case management, service coordination, direct services, and long-term follow along designed to improve areas of low self-sufficiency

Measurement: Follow-up assessment scores every 6 months.

Objective 3: Provide education and employment support services to increase levels of income from wages.

Measurement: Number of families or individuals that report increased earnings.

Goal 3: Strengthen linkages and overall system wide service coordination.

Objective 1: Increase use of HMIS database system by service providers.

Measurement: Number of service providers using HMIS at beginning of period and end of period.

Objective 2: In cooperation with the Kittitas County Homeless Network, design annual reports with information about the number of people reporting they are homeless or at risk of becoming homeless and the services they receive or have received.

Measurement: Quarterly and Annual Homeless Reports.

Objective 3: Participate in the Homeless Network of Kittitas County

Measurement: Number of network meetings attended.

Objective 4: Create a comprehensive resource directory of services related to homelessness in Kittitas County by September 2014.

Measurement: Completed Resource Directory.

4. **Priorities:** Provide a written summary describing how this project responds to the Homeless Assistance Grant Program Priorities for 2009 as listed in Section 2, letter F of this document.

The following chart provides an overview of how the HAP program will respond to the Homeless Assistance Grant Program Priorities for 2009. For a detailed written description of each listed Priority (a-d), read the written descriptions below the chart.

	Homeless Assistance Grant Program Priority	Services Provided by HAP
a)	Increase emergency housing capacity in Kittitas County	Emergency shelter vouchers 24/7 emergency hotline
b)	Increase the number of housing opportunities available for single persons and disenfranchised populations	Rental assistance payments directly to landlords for families and individuals from disenfranchised populations for up to 6 months.
c)	Connect homeless populations to services	Case Management Services include needs assessment, service referral and coordination, development of self-sufficiency plan, follow-up, and employment support. Provide education and employment support services to increase levels of income from wages.
d)	Strengthen linkages between agencies providing services to homeless individuals/families.	Increase use of HMIS database system by service providers Development of a local Homeless Resource Directory and coordination with local 211 systems. Participate in the Homeless Network of Kittitas County Design annual reports in cooperation with the Homeless Network of Kittitas County

a) Increase emergency housing capacity in Kittitas County

HAP provides essential emergency housing services in Kittitas County through the 24/7 Kittitas County Emergency Housing Hotline and the Emergency Hotel Voucher Program. The 24/7 hotline is staffed to receive calls from residents of Kittitas County in need of emergency shelter who have lost their permanent housing due to financial issues and/or issues with the family or roommate. There is an intensive screening process to ensure that applicants are residents of Kittitas County. Emergency shelter is provided with contracted area motels for up to five nights while the applicant family connects with local available services.

Specific Activities:

- Coordinate and manage the 24/7 Hotline with qualified staff

- Provide up to 125 Hotel bed night vouchers to approximately 60 Individuals/families housed for a maximum of 5 days.

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

HAP will serve people who cannot immediately qualify for other programs already in existence in the County due to the emergent nature of their need or failure to meet eligibility guidelines. Funding is available for up to but not more than 6 months. Once an individual or family has received funding for 6 months, they are no longer eligible for support. Special requests may be considered in cases of emergency, but only at the discretion of the HAP Coordinator.

The primary reasons for not receiving services currently in place are the following:

- a) Lack of available units- (family size, single males, non-senior units)
- b) Criminal History – felony or other crimes that prohibit participation in existing programs
- c) Waiting for acceptance to existing programs
- d) Recent Drug and Alcohol Convictions
- e) Family dynamics (i.e., Young adult male over the age of 13 cannot go to the shelter)

Source - 2011 Update to Kittitas County's 10-Year Homelessness Reduction and Affordable Housing Plan

Specific Activities:

- HAP will provide up to \$1500 in rental assistance per tenant
- Serve approximately 28 families and 18 individuals
- Payments are submitted directly to landlords and utility companies

c) Connect homeless populations to services and provide additional case management

The Service Coordinator will assess each individual or family that requests rental assistance using the Arizona Self Sufficiency Matrix (ASSM). The ASSM measures a family or individual across 18 areas of self-sufficiency to determine the scope of their issues and to develop specific strategies to mitigate those issues. An individual Self-Sufficiency Plan is developed in order to provide guidance for each individual or family toward additional resources that will encourage their increased self-sufficiency, such as existing transitional or long-term housing programs in Kittitas County.

Every 3-6 months, the individual or family is reassessed to show changes to their scores in each domain and to measure the efficacy of the programs and services received by the individual or family. Each year, ASSM data on all HAP participants can be collected to summarize the overall impact of the programs and services directed toward reducing homelessness and the number of families or individuals relying on public funding for long-term support.

Specific Activities:

- Provide a Service Coordinator to establish Self-Sufficiency Plans for each individual or Family.

- Provide Job Readiness, Placement, and Follow-along Services to as many as 48 individuals or families.
- Participate in the development and ongoing work of the Housing and Homeless Network of Kittitas County to ensure available services are utilized to the best effect

d) Strengthen linkages between agencies providing services to homeless individuals and families.

The HAP Service Coordinator will communicate with other case managers at Hope Source, ADDS, DSHS, ASPEN, CWCMMH, DSHS, Veteran's Coalition, local Churches, and the DOC to create a system wide information database (HMIS) to ensure that all available services are working together to address the long-term needs of those enrolled in HAP.

Through participation in the Housing and Homeless Network of Kittitas County Entrust will continue to reduce program overlap, increase collaboration, leverage other sources of funding, and capitalize on coordinated service delivery. Service Coordination by its very nature has a positive impact in reducing system abuse, overall costs, overuse or misuse and will encourage further success.

Specific Activities:

- Staff participation in the Housing and Homeless Network of Kittitas County.
- Update the a Homeless Resource Directory
- Design annual reports with information about the number of people reporting they are homeless or at risk of homelessness and the services they receive or have received
- Increase the use of HMIS database system by service providers

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 Homeless Assistance Program is unique because it utilizes 1) a cooperative initiative among local agencies and 2) a housing first and whole family approach that prioritizes stabilization in order to address that family's ability to make progress. This project distinguishes itself from others in Kittitas County for its ability to bring together as many local resources as possible to create a unified solution to reducing the rate of homelessness in Kittitas County.

1) Cooperative Initiative

The Housing Assistance Program (HAP) is a cooperative project between two agencies that serve people who are homeless, at risk of becoming homeless or who have substance abuse issues that put them at risk of homelessness. Each agency complements each other with unique strengths and core competencies. Project cooperation allows each contributor to benefit through efficiencies that come with economies of scale and collaboration.

Collaborating Agency Description: Alcohol and Drug Dependency Services (ADDS)

ADDS was originally organized July 20, 1972, under the name Kittitas County Citizens Council on Alcoholism. In April of 1983, the name was officially changed to Alcohol and Drug Dependency

Services (ADDs) after an Intensive Outpatient program was started in January of that same year. ADDs continues to provide a full range of outpatient treatment services for both adults and youth. Services are also available in Grant County from their office in Moses Lake.

ADDs added a men's recovery house in January 2013 to the ROSC (Recovery Oriented System of Care) available in Kittitas County for Drug Court participants. This program, called the ARM (ADDs Recovering Men's) house, can serve a maximum of five individuals at a time and has the potential to assist 20 individuals over the course of a year.

ADDs is an important component to HAP because for the criminally-involved ADDs clients, housing can be extremely challenging to acquire, particularly in rural areas that have a large demand for housing by university students. Limited housing options for clients entering treatment can lead to shared housing with family or friends who are still actively using alcohol or other drugs, leading to relapse by the client. The ARM house will allow intensive treatment service in conjunction with a stable living environment for Drug Court clients as they become stronger in their recovery and move on to self-sufficiency. With support from HAP the ARM residents can each receive \$250 per month in financial support up to six months to pay for renting a bed in the house. At the same time they are living in the ARM house, they also receive support from Entrust as they work toward long-term employment and also a long-term housing solution. The ARM house provides a brief transition for its residents as they re-enter society as contributing members.

2) Whole Family Approach

HAP represents an overall housing first and whole family approach that focuses on first stabilizing the shelter or housing situation and then addressing the family or individuals ability to move forward and increases their self-sufficiency over time. This approach ensures that a long term solution is provided to families and individuals experiencing varied levels of homelessness.

The whole family approach and the creation of a link between stable housing and employment 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 and HMIS 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 HopeSource, DSHS, DDA, Veteran's, DVR, school districts and others will allow for greater coordination and wrap around systems for our homeless in Kittitas County.

Part D- 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)

The budget amounts attached are for a 13 month grant cycle at the request of the funder.

Fully 55% of funds are returned to the community in the form of hotel/motel vouchers or rental assistance. That is to say they flow directly back into the community to property owners, utility vendors, and the hotel/motel industry. Management oversight charges are related to the time that the Yakima Area Manager supports the HAP staff in the delivery of the contract and for quality assurance monitoring.

Salaries comprise 33% of the budget to specifically staff the 24/7 hotline and the HAP Coordinator/Employment Specialist position. These two staff positions are critical to ensure that each case is monitored and appropriate long-term services, housing solutions, and employment services are defined and achieved.

Rental Assistance funds would be used in the following manner: \$2500 maximum per person or family and would be administered and distributed by Entrust Community Services. The average amount projected per family or individual is \$1558 each. The amount varies by the family or individual based on their exact need. Families typically require larger rental assistance compared to single individuals. Some applicants only need some assistance to catch up on rent due to a significant life event such as temporary loss of employment or illness. Some only need help with the initial deposit.

Hotel Vouchers are issued for a maximum of 5 nights.

Operational expenses are to cover the cost of the office space, communications costs, and supplies such as paper, photocopy expenses, and general office supplies. Staff travel is for mileage reimbursement for staff engaged in direct service activities for HAP participants; travel to and from HMIS and other training necessary for the grant.

Advertising is to cover the costs associated with our outreach materials and mailing costs.

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 will leverage EFSP (federal Emergency Food and Shelter Program) ,and its contracts with DSHS to offset some of the overhead and admin costs of the program. Entrust is also applying for additional dollars through United Way of Central Washington this spring. Entrust contracts with the Division of Vocational Rehabilitation and Kittitas County to provide vocational assessment, training, and supported employment services to those participating in HAP that also qualify for these services.

In 2012, ADDS used \$142,000 of its own resources to purchase and rehabilitate a house in Ellensburg for the ARM project. This created 16 to 20 beds a year for transitional housing for people referred through the Drug Court who would otherwise be homeless.

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

There will always be a need for the Homeless Assistance Grant Program to fund the operation of safety net programs like HAP. These needs were the direct reason for the creation of these funds.

Fundraising options are continually pursued such as grants, United Way, and private donations, but it is not likely in the short term that any program of this type will be able to wean itself completely from using funding from the Homeless Assistance Grant Program.

One intention of HAP is to continue leveraging the Homeless Assistance Grant Program to draw more funding to the area. In August of 2012, Entrust was instrumental in ensuring that nearly \$200,000 in Housing and Emergency Needs funds (HEN) through the Department of Commerce were provided to residents of Kittitas County. Entrust then created the structure of the program, implemented it and subsequently facilitated the move of the program to Hope Source as required by the Department of Commerce.

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

Activity	Projected Start Date	Completion Target	Person/Agency responsible
Assume 24/7 Operation from HAKC	5/15/14	6/1/14	HAKC/Entrust-Mitchell Rhodes
Continue to provide voucher payments to local hotels	6/1/14	On-going	Entrust
Continue to provide rental assistance dollars	6/1/14	On-going	Entrust
Provide Quarterly reports	July, October, April	On-going	Entrust
Annual report	January 2015	January 2015	Entrust
Completion of Resource Directory	6/1/14	9/30/14	Entrust

- 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?)

There is an identified cost per family/individual for the rental assistance program. If funding were reduced an adjustment would be made to the number of families/individuals served and the amount of staff time (FTE) allowable given the reduced amount of funding. The hotel voucher program would also have to be reduced depending on the size of the cuts.

- 6. What are your administrative costs for this grant?**

The administrative cost is \$6,453.76 or 4% of the overall request. Entrust is contributing \$10,237.50 of administrative costs in in-kind match. The \$6,453.76 is related to the direct costs (accounting personnel) of processing the hotel motel vouchers and rental assistance and emergency utility payments to landlords and vendors and to off-set the increased audit expenses charged by our auditing firm. This total amount translates to \$496.44 per month over the 13 month period.

- 7. See attached budget with this application.**

- 8. What percent of the total project budget does this request represent?**

93%.

9. What percent of your total agency budget does this request represent?

6%

Part E – Agencies Reapplying for Program Funds

Please provide a one page summary of your previous programs' successes over the past year.

HAP is on pace to serve the projected number of families or individuals for the 2012 -2013 grant cycle (42). Changes in the Point in Time survey numbers from 2012 to 2013 can be used as an indicator of the overall success of HAP:

<i>Year</i>	<i>Sheltered</i>	<i>Unsheltered</i>	<i>Total Homeless</i>
2012	43	7	50
2013	17	0	17

Source- Department of Commerce 2012-2013 Point in Time Homeless Reports

It can be concluded that the HAP emergency voucher program played a major role in the significant accomplishment of the overall drop in numbers to zero reported unsheltered people. The reduction from 43 to 17 in people being served in a shelter means that HAP is providing a significant benefit to Kittitas County by moving people into stable long-term housing or transitional housing. It also means the stress on the shelters has been reduced saving those organization significant resources.

HAP is reducing the cost per family or individual in the rental assistance program thanks to effective resource management and also through the efficient creation and use of linkages to other resources. Entrust facilitated the acquisition of nearly \$200,000 in annual state money through the Department of Commerce by establishing the Housing and Emergency Needs fund for Kittitas County. That money is on-going and provides resources to mitigate destabilization of families or individuals who have significant medical issues or disabilities and are unable to work.

Here are a few of the stories behind the HAP program:

- A 26 year old single mother of two entered the program while she was pregnant with twins. She and her children were completely homeless when they came to Entrust. Through HAP, she was able to get her housed into an affordable situation. After the birth of her twins, she became employable through assistance from HAP and was able to return to work.
- A young family of four who had recently been transplanted to Kittitas County for work had been living in a one room hotel until they came to Entrust. The HAP program was able to help them with the move in costs needed to move into an apartment that fit their family and was affordable for their income.
- A young family came to Entrust for assistance after their infant had surgery. Their lease was up the same week of the surgery. Due to travel costs to Children's Hospital on the Westside of the state, their funds were being depleted quickly. Entrust assisted them with the initial move in costs for their new home to help them stabilize as their daughter healed.

Part F – Additional Information

If you have not addressed any of the grant elements please indicate in this section why you have not included that information.

We believe we have addressed all grant elements. Thank you.

Section 5 – Certification of Consistency with Local Plans

I certify that the proposed activities/projects in the application are consistent with the jurisdiction's local plans and policies.

Project Title:

Applicant/Agency Name:

Address of Project:

Name of Certifying Jurisdiction (Kittitas County or incorporated city/town in Kittitas County):

Certifying Official of the Local Jurisdiction

If the application involves a housing project, it is the applicant's responsibility to ensure that the project is consistent with all building and zoning codes and the comprehensive plan of the relevant local jurisdiction (either an incorporated city/town, or Kittitas County for projects in the unincorporated county). The applicant must have the relevant City Manager or Community Development Director complete the following section and sign below as the Certifying Official.

Name: _____

Title: _____

Signature: _____

Date: _____

Section 6 – Acknowledgement of Application Receipt

Enter the applicant's name and full address in the box below.

<i>Entrust</i> <i>P.O. Box 9227</i> <i>Yakima, WA 98909</i>

X Kittitas County Homeless Assistance Grant Program received your application by the deadline and will consider it for funding. No further information will be released concerning the relative standing of any applicant until funding announcements are made. However, you may be contacted after initial screening if more information is needed by the Review Committee.

_____ Kittitas County Homeless Assistance Grant Program did not receive your application by the deadline; therefore, your application will not receive further consideration. Your application is enclosed.

Processor's Name: *D. Myer*

Date and Time of Receipt: *3/14/14 3:46 p.m.*

HAP Budget
2014-2015
Submitted by: EnTrust

Description	Overall Budget	1 Month Budget	Total 13 Months	Request	Other/In-kind
Staff Salaries:	12 months			13 months	
24/7 Hotline	\$ 7,200.00	\$ 600.00	\$ 7,800.00	\$ 7,800.00	\$ -
HAP Service Coordinator/Employment Specialist	\$ 34,054.00	\$ 2,837.83	\$ 36,891.83	\$ 36,891.83	\$ -
Management Oversight	\$ 4,403.00	\$ 366.92	\$ 4,769.92	\$ 4,769.92	\$ -
Sub-total	\$ 45,657.00	\$ 3,804.75	\$ 49,461.75	\$ 49,461.75	\$ -
Operational Expenses					
Staff Travel:	\$ 2,000.00	\$ 166.66	\$ 2,166.66	\$ 2,166.66	
Staff Training:	\$ 1,200.00	\$ 100.00	\$ 1,300.00	\$ -	\$ 1,300.00
Supplies:	\$ 1,000.00	\$ 154.83	\$ 1,154.83	\$ 1,154.83	\$ -
Communications/Software	\$ 1,020.00	\$ 85.00	\$ 1,105.00	\$ 1,105.00	\$ -
Rental/Lease:	\$ 6,000.00	\$ 500.00	\$ 6,500.00	\$ 6,500.00	
Sub-total	\$ 11,220.00	\$ 1,006.49	\$ 12,226.49	\$ 10,926.49	\$ 1,300.00
Client Assistance Funds:					
Rental Assistance- Public	\$ 57,000.00	\$ 4,750.00	\$ 61,750.00	\$ 61,750.00	
Cleint Assistance ARM Rent	\$ 12,000.00	\$ 1,000.00	\$ 13,000.00	\$ 13,000.00	
Emergency Hotel Vouchers	\$ 7,200.00	\$ 600.00	\$ 7,800.00	\$ 7,800.00	
Sub-total	\$ 76,200.00	\$ 6,350.00	\$ 82,550.00	\$ 82,550.00	\$ -
Fees for Admin of Housing Fund	\$ 5,957.32	\$ 496.44	\$ 6,453.76	\$ 6,453.76	
Other: Advertising:	\$ 600.00	\$ 50.00	\$ 650.00	\$ 650.00	
Total before Admin	\$ 139,634.32	\$ 11,707.68	\$ 151,342.00	\$ 150,042.00	\$ 1,300.00
Administration Costs	\$ 9,450.00	\$ 787.50	\$ 10,237.50	\$ -	\$ 10,237.50
Total Program Costs	\$ 149,084.32	\$ 12,495.18	\$ 161,579.50	\$ 150,042.00	\$ 11,537.50



Housing Authority of Kittitas County
107 W. 11th Ave.
Ellensburg, WA 98926

March 12, 2014

Tom Gaulke, Chief Operations Officer
EnTrust Community Services
P.O. Box 9727 // 1510 S. 36th Avenue
Yakima, WA 98909

Dear Mr. Gaulke,

As you know, I am planning to 'retire' at the end of March 2014. As such, I am writing to advise that the Housing Authority of Kittitas County will 'opt out' of the operation of the Kittitas County 24/7 Housing Hotline (KCHH) at the end of the current agreement or, as of the close of business on Monday, June 16, 2014. This date is the first working day following the expiration of the current agreement which is Saturday, June 14, 2014.

I am also writing to strongly endorse EnTrust Community Services as the successor agency to coordinate and operate the KCHH.

The housing authority has operated the KCHH since its inception in June 2010. The housing authority 'partnered' with EnTrust Community Services in the Grant Application process for the 2012 – 2013 period and has maintained that partnership into the current grant cycle.

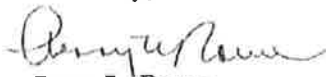
The KCHH was formed to provide emergency housing to Kittitas County residents who found themselves suddenly without housing. Initially, housing authority staff worked with all area service providers in 'spreading the word' concerning the availability of a 24/7 Housing Hotline/KCHH. HAKC staff covered incoming calls during normal business hours and contracted with a Call Center service for incoming calls outside of the normal business hours. After the first year, HAKC staff has provided 24/7/365 coverage of all incoming calls.

The program has grown as its availability has become known. With the upcoming staff changes at the housing authority and the increase in frequency of calls received for services, it is time to turnover the operation to another agency better prepared to deal with the continuation of the overall coordination and operation.

I would like to propose that, as a minimum, EnTrust Community Service strongly consider assigning a staff member to participate in the call rotation with housing authority staff for the duration of the current agreement. HAKC is agreeable to relinquish total control sooner if EnTrust is willing to take over.

Thank you for the partnership experience, support, and assistance with this worthwhile project.

Sincerely,


Perry L. Rowe
Executive Director

PHONE: (509) 962-9006 FAX: (509) 962-3575 EMAIL: Housing@hakittitas.org

EnTrust Community Services Agency Profit & Loss Budget vs Actual

	Dec 13	Budget	December 2013 \$ Over Budget	% of Budget	YTD	YTD Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
40000 · Public Support								
40130 · Indivd, Business Contributions	1,000.00	833.00	167.00	120.05%	3,646.30	10,000.00	-6,353.70	36.46%
40140 · Fundraising Events	200.00	0.00	200.00	100.0%	36,045.60	30,000.00	6,045.60	120.15%
40150 · United Way, CFC Contributions	1,900.00	1,989.00	-89.00	95.53%	23,329.98	23,860.00	-530.02	97.78%
40160 · Grant Revenue	2,083.33				42,918.34			
40210 · Gifts in Kind - Goods	3,878.05				32,535.25			
Total 40000 · Public Support	9,061.38	2,822.00	6,239.38	321.1%	138,475.47	63,860.00	74,615.47	216.84%
45000 · Government Revenue								
45010 · DD Client Fees	113,615.00	127,000.00	-13,385.00	89.46%	1,489,837.09	1,524,000.00	-34,162.91	97.76%
45020 · DVR Fees	9,820.00	18,966.00	-9,146.00	51.78%	200,090.11	225,000.00	-24,909.89	88.93%
45030 · School Fees	6,575.15	6,446.00	129.15	102.0%	107,767.73	117,000.00	-9,232.27	92.11%
45040 · ADH Revenue								
45041 · Medicaid Fees	6,127.03	8,167.00	-2,039.97	75.02%	73,751.25	96,886.00	-23,134.75	76.12%
50200 · Private Pay	5,245.02	7,815.00	-2,569.98	67.12%	62,712.48	92,714.00	-30,001.52	67.64%
Total 45040 · ADH Revenue	11,372.05	15,982.00	-4,609.95	71.16%	136,463.73	189,600.00	-53,136.27	71.98%
45070 · Grant Revenue	5,835.93	6,069.00	-233.07	96.16%	93,478.07	72,000.00	21,478.07	129.83%
45090 · L & I	0.00				7,920.18			
Total 45000 · Government Revenue	147,218.13	174,463.00	-27,244.87	84.38%	2,035,556.91	2,127,600.00	-92,043.09	95.67%
50000 · Outside Sales								
50100 · Sales to Public	11,439.64	13,416.00	-1,976.36	85.27%	132,259.30	160,992.00	-28,732.70	82.15%
50300 · Temporary Staff	723.54	4,977.00	-4,253.46	14.54%	36,837.45	59,725.00	-22,887.55	61.68%
50400 · Transition Student Private Pay	211.86				1,059.30			
Total 50000 · Outside Sales	12,375.04	18,393.00	-6,017.96	67.28%	170,156.05	220,717.00	-50,560.95	77.09%
55000 · Other Revenue								
55010 · Interest Income	407.18				1,706.66			
55020 · Gain/Loss Sale of Assets	10.00				576.70			
55040 · Other Revenue	364.36	78.00	286.36	467.13%	7,398.85	925.00	6,473.85	799.88%
Total 55000 · Other Revenue	781.54	78.00	703.54	1,001.97%	9,682.21	925.00	8,757.21	1,046.73%
Total Income	169,436.09	195,756.00	-26,319.91	86.56%	2,353,870.64	2,413,102.00	-59,231.36	97.55%
Gross Profit	169,436.09	195,756.00	-26,319.91	86.56%	2,353,870.64	2,413,102.00	-59,231.36	97.55%

EnTrust Community Services Agency Profit & Loss Budget vs Actual

Expense	December 2013					
	Dec 13	Budget	% of Budget	YTD	YTD Budget	% of Budget
60000 · Wages & Benefits						
60100 · Staff Wages	142,699.61	132,105.50	10,594.11	1,374,489.56	1,375,024.00	-534.44
60200 · Temporary Staff Wages	634.11	4,248.00	-3,613.89	31,462.85	50,396.00	-18,933.15
60300 · Participant Wages	9,379.01	10,667.00	-1,287.99	117,282.99	126,557.00	-9,274.01
60400 · Health and Disability	10,241.32	7,725.00	2,516.32	112,234.61	92,707.00	19,527.61
60450 · IRA Employer match	992.93	1,458.00	-465.07	12,964.94	17,487.00	-4,522.06
60500 · FICA Expense	10,748.02	10,432.00	316.02	105,572.06	109,045.00	-3,472.94
60600 · Unemployment Insurance	4,848.85	6,079.00	-1,230.15	65,752.02	72,960.00	-7,207.98
60650 · L & I Insurance	1,877.51	1,776.00	101.51	8,305.65	21,235.00	-12,929.35
60000 · Wages & Benefits - Other	0.00			0.00		
Total 60000 · Wages & Benefits	181,421.36	174,490.50	6,930.86	1,828,064.68	1,865,411.00	-37,346.32
62000 · Professional Fees						
62100 · Medical Fees	0.00	101.00	-101.00	512.00	1,214.00	-702.00
62200 · Miscellaneous Professional Fees	1,756.02	1,084.00	672.02	17,722.24	13,000.00	4,722.24
62300 · Legal Fees	0.00	46.00	-46.00	0.00	558.00	-558.00
62400 · Marketing & Public Relations	1,292.68	1,759.00	-466.32	13,528.03	21,102.00	-7,573.97
62401 · Mktng & Public Rel. In-kind	3,878.05			32,515.25		
62500 · Commissions/Employment Fees	0.00	43.00	-43.00	0.00	500.00	-500.00
62700 · Audit and Accounting Fees	938.88	960.00	-21.12	9,528.66	9,600.00	-71.34
62800 · Computer Professional Fees	3,573.27	3,734.00	-160.73	45,172.41	44,806.00	366.41
62900 · Miscellaneous Advertising	204.22	1,104.00	-899.78	3,629.20	13,252.00	-9,622.80
62950 · Website Fees	141.49	42.00	99.49	1,045.70	500.00	545.70
Total 62000 · Professional Fees	11,784.61	8,873.00	2,911.61	123,653.49	104,532.00	19,121.49
65000 · Supplies						
65100 · Office Supplies	174.64	639.00	-464.36	3,606.49	7,584.00	-3,977.51
65200 · Computers - Software	485.82	484.00	1.82	2,719.30	3,487.00	-767.70
65300 · Miscellaneous Supplies	806.93	659.00	147.93	10,136.04	7,824.00	2,312.04
65400 · Program Supplies	371.00	1,500.00	-1,129.00	5,252.19	18,000.00	-12,747.81
Total 65000 · Supplies	1,838.39	3,282.00	-1,443.61	21,714.02	36,895.00	-15,180.98

EnTrust Community Services Agency Profit & Loss Budget vs Actual

	December 2013									
	Dec 13	Budget	\$ Over Budget	% of Budget	YTD	YTD Budget	\$ Over Budget	% of Budget		
66000 • Telephone, Postage & Freight										
66100 • Telephone	1,098.58	1,585.00	-486.42	69.31%	16,381.87	18,807.00	-2,425.13		87.11%	
66200 • Cellular Phones	1,446.45	784.00	662.45	184.5%	14,370.62	9,300.00	5,070.62		154.52%	
66300 • Postage and Freight	0.00	125.00	-125.00	0.0%	3,944.04	1,500.00	2,444.04		262.94%	
Total 66000 • Telephone, Postage & Freight	2,545.03	2,494.00	51.03	102.05%	34,696.53	29,607.00	5,089.53		117.19%	
67000 • Occupancy Expense										
67100 • Utilities	3,782.32	3,411.00	371.32	110.89%	36,226.50	40,471.00	-4,244.50		89.51%	
67200 • Rent	3,000.00	3,150.00	-150.00	95.24%	36,750.00	38,360.00	-1,610.00		95.8%	
67300 • Licenses and Permits	61.00	15.00	46.00	406.67%	71.00	320.00	-249.00		22.19%	
67400 • Building & Grounds Maintenance	71.32	411.00	-339.68	17.35%	8,299.39	4,932.00	3,367.39		168.28%	
67500 • Miscellaneous Occupancy	540.79	146.00	394.79	370.4%	4,100.72	1,747.00	2,353.72		234.73%	
67600 • Equipment Rental	3,149.18	3,018.00	131.18	104.35%	38,724.37	36,238.00	2,486.37		106.86%	
67700 • Equipment Maintenance	378.10	508.00	-129.90	74.43%	4,876.63	6,023.00	-1,146.37		80.97%	
Total 67000 • Occupancy Expense	10,982.71	10,659.00	323.71	103.04%	129,048.61	128,091.00	957.61		100.75%	
68000 • Printing & Subscriptions										
68100 • Printing and Artwork	0.00	177.00	-177.00	0.0%	1,911.66	2,126.00	-214.34		89.92%	
68200 • Subscriptions	0.00	0.00	0.00	0.0%	0.00	0.00	0.00		0.0%	
68300 • Publications	0.00	8.00	-8.00	0.0%	0.00	100.00	-100.00		0.0%	
Total 68000 • Printing & Subscriptions	0.00	185.00	-185.00	0.0%	1,911.66	2,226.00	-314.34		85.88%	
69000 • Travel and Meetings										
69100 • Gas & Oil	2,098.29	1,791.00	307.29	117.16%	30,381.36	21,262.00	9,119.36		142.89%	
69200 • Vehicle Maintenance	2,175.77	1,301.00	874.77	167.24%	9,940.68	15,454.00	-5,513.32		64.32%	
69300 • Vehicle Lease	2,064.41	1,895.00	169.41	108.94%	24,772.92	22,751.00	2,021.92		108.89%	
69400 • Vehicle Insurance	882.75	1,488.00	-605.25	59.33%	11,935.50	17,860.00	-5,924.50		66.83%	
69500 • Vehicle License	254.50	110.00	144.50	231.36%	794.75	1,251.00	-456.25		63.53%	
69600 • Mileage Reimbursement	1,232.88	2,318.00	-1,085.12	53.19%	14,305.52	27,785.00	-13,479.48		51.49%	
69700 • Hotel, Meals, and Other	109.61	130.00	-20.39	84.32%	2,468.83	1,797.00	671.83		137.39%	
69900 • Program Transportation	286.00	450.00	-164.00	63.56%	3,221.50	5,400.00	-2,178.50		59.66%	
69000 • Travel and Meetings - Other	0.00				0.00					
Total 69000 • Travel and Meetings	9,104.21	9,483.00	-378.79	96.01%	97,821.06	113,560.00	-15,738.94		86.14%	
70000 • Training, Conf., Conv., Meeting										
70100 • Conference and Convention	0.00	0.00	0.00	0.0%	2,155.00	968.00	1,187.00		222.62%	
70200 • Meeting Space & Equipment	0.00	28.00	-28.00	0.0%	0.00	337.00	-337.00		0.0%	

EnTrust Community Services
Agency Profit & Loss Budget vs Actual

	December 2013							
	Dec 13	Budget	\$ Over Budget	% of Budget	YTD	YTD Budget	\$ Over Budget	% of Budget
70300 • Meeting Food & Beverage	668.27	475.00	193.27	140.69%	2,447.55	5,705.00	-3,257.45	42.9%
70400 • Staff Training	0.00	100.00	-100.00	0.0%	56.00	1,202.00	-1,146.00	4.66%
Total 70000 • Training, Conf., Conv., Meeting	668.27	603.00	65.27	110.82%	4,658.55	8,212.00	-3,553.45	56.73%
71000 • Cost of Goods for Resale								
71100 • Purchases	323.23	72.00	251.23	448.93%	3,273.77	868.00	2,405.77	377.16%
71300 • Manufacturing Supplies	972.16	1,222.00	-249.84	79.56%	14,914.84	14,673.00	241.84	101.65%
71400 • Small Tools	0.00	8.00	-8.00	0.0%	236.34	98.00	138.34	241.16%
Total 71000 • Cost of Goods for Resale	1,295.39	1,302.00	-6.61	99.49%	18,424.95	15,639.00	2,785.95	117.81%
72000 • Miscellaneous Expense								
72100 • Dues	1,143.55	472.00	671.55	242.28%	10,344.60	6,661.00	3,683.60	155.3%
72200 • Interest	0.00	247.00	-247.00	0.0%	348.53	2,967.00	-2,618.47	11.75%
72250 • Bank Service Charge	0.00	0.00	0.00	0.0%	362.95	0.00	362.95	100.0%
72260 • Credit Card Processing Fee	71.31	0.00	71.31	100.0%	895.44	0.00	895.44	100.0%
72300 • Insurance	2,171.47	1,579.00	592.47	137.52%	17,929.80	18,950.00	-1,020.20	94.62%
72400 • Miscellaneous	605.72	306.00	299.72	197.95%	17,854.98	16,742.00	1,112.98	106.65%
72500 • Bad Debt Expense	0.00	300.00	-300.00	0.0%	0.00	300.00	-300.00	0.0%
72600 • Allocation of Admin. Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
72000 • Miscellaneous Expense - Other	0.00				0.00			
Total 72000 • Miscellaneous Expense	3,992.05	2,904.00	1,088.05	137.47%	47,736.30	45,620.00	2,116.30	104.64%
75000 • Depreciation and Amortization								
75100 • Equipment Depreciation	2,099.99	1,578.00	521.99	133.08%	22,684.47	18,938.00	3,746.47	119.78%
75200 • Warehouse Depreciation	67.26	9.00	58.26	747.33%	322.29	113.00	209.29	285.21%
75300 • Building Improvement Deprec.	0.00	887.00	-887.00	0.0%	6,985.19	10,642.00	-3,656.81	65.64%
Total 75000 • Depreciation and Amortization	2,167.25	2,474.00	-306.75	87.6%	29,991.95	29,693.00	298.95	101.01%
Total Expense	225,799.27	216,749.50	9,049.77	104.18%	2,337,721.80	2,379,486.00	-41,764.20	98.25%
Net Income	-56,363.18	-20,993.50	-35,369.68	268.48%	16,148.84	33,616.00	-17,467.16	48.04%

EnTrust Community Services

Financial Statements and
Independent Auditors' Reports

December 31, 2012



EnTrust Community Services

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INDEPENDENT AUDITORS' REPORT

Board of Directors
EnTrust Community Services
Yakima, Washington

We have audited the accompanying financial statements of EnTrust Community Services (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EnTrust Community Services as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2012, on our consideration of EnTrust Community Services's internal control over financial reporting and on 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 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.

Peterson CPAs + Advisors, PLLC

Yakima, Washington

May 28, 2013

EnTrust Community Services
Statement of Financial Position
December 31, 2012

Assets

Current Assets:

Cash and cash equivalents	\$ 43,706
Accounts receivable, net of allowance for doubtful accounts	351,319
Materials inventory	16,730
Prepaid expenses	28,782
Total current assets	<u>440,537</u>

Property and Equipment:

Buildings and improvements	419,588
Capitalized lease	737,978
Equipment	797,911
	<u>1,955,477</u>
Less accumulated depreciation	<u>(1,706,776)</u>
Total property and equipment	<u>248,701</u>
	<u><u>\$ 689,238</u></u>

Liabilities and Net Assets

Current Liabilities:

Accounts payable	\$ 24,449
Accrued expenses	185,442
Current portion of long-term debt	23,930
Total current liabilities	<u>233,821</u>

Long-term Debt:

Capital leases	103,242
Total liabilities	<u>337,063</u>

Net Assets:

Unrestricted, undesignated	325,041
Unrestricted, board designated	8,162
Total unrestricted net assets	<u>333,203</u>
Temporarily restricted	18,972
Total net assets	<u>352,175</u>
	<u><u>\$ 689,238</u></u>

EnTrust Community Services
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2012

Support:

United Way	\$ 11,930
Assessment fees from state	523,163
Grants from government agencies	1,624,125
Contributions	5,259
Fundraising	32,225
Total support	<u>2,196,702</u>

Other Revenue:

Commercial	243,655
Interest income	420
Miscellaneous	69,077
Total other revenue	<u>313,152</u>

Net Assets Released from Restrictions

Total support and revenue	<u>12,203</u>
	<u>2,522,057</u>

Expenses:

Employment services and training	1,775,877
Upskills	85,596
Project Discovery	73,841
Adult Day Health	248,338
Project Search	127,539
Fundraising	55,514
Administration	402,545
Total expenses	<u>2,769,250</u>

Change in Unrestricted Net Assets

(247,193)

Unrestricted Net Assets, Beginning of Year

580,396

Unrestricted Net Assets, End of Year

\$ 333,203

Change in Temporarily Restricted Net Assets:

Contributions	\$ 11,930
Net assets released from restrictions	<u>(12,203)</u>

Change in Temporarily Restricted Net Assets

(273)

Temporarily Restricted Net Assets, Beginning of Year

19,245

Temporarily Restricted Net Assets, End of Year

\$ 18,972

EnTrust Community Services
Statement of Functional Expenses
For the Year Ended December 31, 2012

	Employment Services and Training	Upskills	Project Discovery	Adult Day Health	Project Search	Fundraising	Administration	Total
<i>Expenses:</i>								
Salaries	\$ 1,139,242	\$ 68,941	\$ 61,267	\$ 182,251	\$ 99,268	\$ 32,873	\$ 151,079	\$ 1,734,921
Wages	135,824	-	-	-	-	-	1,927	137,751
Employee benefits	118,575	6,255	2,058	17,617	9,136	1,546	10,972	166,159
Payroll taxes	141,722	7,019	7,054	22,635	12,546	4,113	29,413	224,502
Total salaries and benefits	<u>1,535,363</u>	<u>82,215</u>	<u>70,379</u>	<u>222,503</u>	<u>120,950</u>	<u>38,532</u>	<u>193,391</u>	<u>2,263,333</u>
Cost of production materials	18,422	-	1	38	-	600	-	19,061
Advertising	342	-	-	672	-	1,676	3,933	6,623
Medical	909	-	36	51	36	-	36	1,068
Depreciation	25,674	1,552	1,380	4,198	2,236	739	3,405	39,184
Professional services	3,107	-	-	3,473	30	59	54,671	61,340
Materials and supplies	6,465	138	96	6,673	72	1,063	10,557	25,064
Telephone and postage	23,009	-	40	-	577	280	13,125	37,031
Utilities	13,128	-	-	-	-	-	28,685	41,813
Insurance	-	-	-	-	-	-	29,268	29,268
Repairs and maintenance	9,423	12	12	989	12	16	6,904	17,368
Transportation	57,279	1,612	1,855	8,063	3,610	685	6,853	79,957
Conferences and training	423	67	42	-	16	3,170	1,701	5,419
Dues and subscriptions	210	-	-	962	-	-	5,955	7,127
Occupancy	77,146	-	-	-	-	-	2,546	79,692
Interest	32	-	-	-	-	-	9,468	9,500
Equipment rental	3,798	-	-	493	-	-	27,658	31,949
Miscellaneous	1,147	-	-	223	-	8,694	4,389	14,453
	<u>\$ 1,775,877</u>	<u>\$ 85,596</u>	<u>\$ 73,841</u>	<u>\$ 248,338</u>	<u>\$ 127,539</u>	<u>\$ 55,514</u>	<u>\$ 402,545</u>	<u>\$ 2,769,250</u>

See accompanying notes to financial statements.

EnTrust Community Services
Statements of Cash Flows
For the Year Ended December 31, 2012

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities:

Cash received from public support and revenue	\$ 2,643,433
Cash paid to suppliers and employees	(2,618,529)
Interest received	420
Interest paid	(9,500)
Net cash provided by operating activities	<u>15,824</u>

Cash Flows from Investing Activities:

Change in temporary investments	3,549
Net cash provided by investing activities	<u>3,549</u>

Cash Flows from Financing Activities:

Payments on long-term debt	(10,220)
Restricted contributions	11,930
Restricted contributions released from restrictions	(12,203)
Net cash used in financing activities	<u>(10,493)</u>

<i>Net Increase in Cash and Cash Equivalents</i>	8,880
--	-------

<i>Cash and Cash Equivalents, Beginning of Year</i>	34,826
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<i>Cash and Cash Equivalents, End of year</i>	<u>\$ 43,706</u>
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Reconciliation of Change in Net Assets to Net Cash

Provided by Operating Activities:

Change in net assets	\$ (247,466)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	39,184
Excess of restricted contributions over net assets released from restrictions	273
(Increase) decrease in operating assets:	
Accounts receivable	121,796
Prepaid expenses	69,995
Materials inventory	(34)
Increase (decrease) in operating liabilities:	
Accounts payable	3,479
Accrued expenses and payroll taxes	28,597
Total adjustments	<u>263,290</u>
Net cash provided by operating activities	<u>\$ 15,824</u>

EnTrust Community Services
Notes to Financial Statements
For the Year Ended December 31, 2012

Note 1 – Organization:

EnTrust Community Services (the Organization) is a non-profit organization with locations in Yakima, Sunnyside, Tri-Cities, and Ellensburg, 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.

EnTrust Community Services was established as a resource to families who have family members with developmental disabilities. The Organization works to supply workers with disabilities in temporary or full time employment; in groups or individually; on-site or off-site. Since its inception, it has evolved into one of the largest employment and training facilities in Central Washington. The mission of the Organization reflects a loyal commitment to enriching the lives of people with disabilities by promoting creative employment, education, and health options that foster integration into their communities. Program emphasis includes assistance with orientation and training, providing dependable employees who want to work, supervision, and coaching.

The core programs of the Organization are:

- Employment Services and Training – Provision of a customer driven, community-based approach to helping people with barriers to employment, especially those with developmental disabilities improve their lives through education, training, employment, and involvement in the community. The employment and training services include the following:
 - Job Development – Assistance to obtain and retain community employment. Working with individuals to identify their employable skills and help to market those skills to business in the community.
 - Job Coaching – Support to employed individuals to help maintain employment through ongoing training and support.
- Upskills – Adult basic education program for adults with disabilities.
- Adult Day Health (ADH) – Provides basic health therapy such as physical, occupational, and speech therapy, and registered nurse services.
- Project Search and Project Discovery – Places students with disabilities into work environments for community job training.

Note 2 – Summary of Significant Accounting Policies:

Basis of accounting – The Organization's financial statements have been prepared on the accrual basis of accounting.

Under this method of accounting revenues are recognized when earned and expenses are recognized when incurred.

Basis of presentation – Financial statement presentation follows U.S. generally accepted accounting principles promulgated by the Financial Accounting Standards Board. Under those principles, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

EnTrust Community Services
Notes to Financial Statements
For the Year Ended December 31, 2012

Note 2 – Summary of Significant Accounting Policies (continued):

Cash and cash equivalents – For purposes of the statement of cash flows, the Organization considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents.

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

Accounts Receivable – The Organization's accounts receivable are carried at original invoice amount less an estimate 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, 2012 of \$7,986.

Inventory – Material inventories are stated at the lower of cost or market on a first-in, first-out basis.

Property and equipment – It is the Organization's policy to capitalize property and equipment over \$1,000. Purchased property and equipment is capitalized 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. Routine repairs and maintenance are expensed as incurred. Depreciation expense was \$39,189 for the year ended December 31, 2012.

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

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. Management reviews and analyzes fixed assets for potential impairment on an annual basis and no impairment was determined by management at December 31, 2012.

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 EnTrust Community Services. Funds for the original construction of the multipurpose facility were obtained through a fund raising project conducted by EnTrust Community Services 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 EnTrust Community Services. 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.

Vacation policy – The Organization recognizes vacation expense when earned. Full-time and part-time employees begin accruing vacation immediately. Accrued vacation is payable upon termination.

Federal income taxes – The Organization is not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the financial statements. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustments to the financial statements. The Organization is no longer subject to U.S. federal income tax examinations by tax authorities for the years before 2009.

Functional expenses – The costs of providing various program and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

EnTrust Community Services
Notes to Financial Statements
For the Year Ended December 31, 2012

Note 2 – Summary of Significant Accounting Policies (continued):

Donated materials and services – Donated materials and services are recorded as contributions at their fair values in the period received when the donated services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A number of volunteers and community organizations have donated significant amounts of their time and materials to the Organization. These materials and services are not recorded because of the lack of objective basis to determine the value of the services and materials.

Net assets – The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The classes of net assets are based on the existence or absence of donor-imposed restrictions. Board designated net assets consist of an endowment fund held with Yakima Valley Community Foundation that the Board has designated for future use. The temporarily restricted net assets consist of United Way Funding that has not yet been earned and a fund restricted for the use of participants. The Organization has no permanently restricted net assets.

Revenue recognition – Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

Advertising – Advertising costs are expensed as incurred. Advertising costs were \$6,623 for the year ended December 31, 2012.

Subsequent events – Subsequent events were evaluated through May 28, 2013, which is the date the financial statements were available to be issued.

Note 3 – Long-Term Debt:

Long-term debt consisted of the following:

Capital lease payable to Enterprise Fleet Management for lease of a truck, due in monthly installments of \$477, including imputed interest of 5%, due November 2016, collateralized by vehicle.	\$ 19,910
Capital lease payable to Enterprise Fleet Management for lease of a van, due in monthly installments of \$927, including imputed interest of 10%, due October, 2017; collateralized by vehicle.	42,307
Capital lease of phone equipment to Great America Leasing Corporation for lease of phone equipment, due in monthly installments of \$2,034, including imputed interest of 24%, due November, 2017; collateralized by equipment. The Organization plans to meet requirements that will allow them to be credited 50% of the lease amount (\$25,562) in three years (November, 2015).	50,681
Capital lease payable to Enterprise Fleet Management for lease of a van, due in monthly installments of \$407, including imputed interest of 5%, due March 2016; collateralized by vehicle.	14,274
	<u>127,172</u>
Less current maturities	23,930
	<u>\$ 103,242</u>

EnTrust Community Services
Notes to Financial Statements
For the Year Ended December 31, 2012

Note 3 – Long-Term Debt (continued):

At December 31, 2012, future maturities were as follows:

Year Ending December 31,	Gross Lease Payments	Less Amount Representing Interest	Principal Portion
2013	\$ 39,532	\$ 15,602	\$ 23,930
2014	39,532	14,338	25,194
2015	39,532	10,888	28,644
2016	34,509	6,821	27,688
2017	25,174	3,458	21,716

Note 4 – Operating Leases:

The Organization leases industrial space at \$2,500 per month. The lease expires in 2017.

The Organization leases office space in Ellensburg with a monthly lease of \$800. The lease expires in 2013.

Future minimum lease payments on long-term operating leases for the five succeeding years are estimated at \$39,600 per year.

For the year ended December 31, 2012 lease expense totaled approximately \$79,700.

Note 5 – 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 year ended December 31, 2012 were \$19,458.

Note 6 – Concentrations:

The Organization depends heavily on grants and contributions for its revenue. As a result, the Organization's ability to continue providing current level of services is heavily dependent upon maintaining the same level of funding.

*GOVERNMENT AUDITING STANDARDS
REPORT SECTION*



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*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
EnTrust Community Services
Yakima, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of EnTrust Community Services (the Organization), which comprise the statement of financial position as of December 31, 2012, and the related financial statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 28, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Petersen CPAs & Advisors, PLLC

Yakima, Washington
May 28, 2013

Kittitas County Grant History Budget Analysis

	HEARTH 09-10	%	10-11 REITH		%
Staff Salaries:	\$ 34,440.00		Staff Salaries:	\$38,312.50	
Staff Fringe:	\$ -	76%	Staff Fringe:	\$7,332.50	46%
Staff Travel:	\$ -		Staff Travel:	\$600.00	
Staff Training:	\$ -		Staff Training:	\$0.00	
Supplies:	\$ -		Supplies:	\$1,200.00	
Other: Advertising:	\$ -		Other: Advertising:	\$2,475.00	
Communications:	\$ -		Communications:	\$480.00	
Rental/Lease:			Rental/Lease:	\$3,600.00	8%
Client Assistance Funds:	\$ 8,500.00	19%	Client Assistance Funds:	\$42,500.00	43%
Fees for Admin of Housing Fund	\$ 2,272.50	5%	Fees for Admin of Housing Fund	\$3,500.00	4%
Total before Admin	\$ 45,212.50	100%	Total before Admin	\$100,000.00	100%

10-11 REITH			%	2012-13 HAP		%	2013-2014 HAP
Staff Salaries:		\$38,312.50		Staff Salaries:	\$ 19,948.00	23%	Staff Salaries:
Staff Fringe:		\$7,332.50	46%	Staff Travel:	\$ 1,000.00		Staff Travel:
Staff Travel:		\$600.00		Supplies:	\$ 1,858.00		Supplies:
Staff Training:		\$0.00		Other: Advertising:	\$ 300.00		Other: Advertising:
Supplies:		\$1,200.00		Communications/Software	\$ 420.00		Communications/Software
Other: Advertising:		\$2,475.00		Rental/Lease:	\$ 3,000.00	8%	Rental/Lease:
Communications:		\$480.00		Rental Assistance	\$ 45,000.00		Rental Assistance- Public
Rental/Lease:		\$3,600.00	8%	Emergency Housing Vouchers	\$ 8,000.00	62%	Client Assistance ARM Rent
Client Assistance Funds:		\$42,500.00	43%	Fees for Admin of Housing Fund	\$ 5,500.00	6%	Emergency Hotel Vouchers
Fees for Admin of Housing Fund		\$3,500.00	4%	Total before Admin	\$ 85,026.00	100%	Fees for Admin of Housing Fund
Total before Admin	\$100,000.00		100%	Total before Admin	\$ 152,163.07	100%	Fees for Admin of Housing Fund
				Total before Admin			

	%	2014-2015 HAP Original Request		%	Hopesource 2014-2015
\$ 49,765.07	33%	Staff Salaries:	\$ 39,058.00	29.4%	\$ 67,600.00 32.00%
\$ 2,000.00		Staff Travel:	\$ 2,166.00		
\$ 1,858.00		Staff Training:	\$ -		
\$ 600.00		Supplies:	\$ 1,954.00		
\$ 840.00		Other. Advertising:	\$ 650.00		
\$ 6,000.00	7%	Communications/Software	\$ 925.00		
\$ 66,000.00		Rental/Lease:	\$ 6,300.00	9.03%	38,532.00 18.50%
\$ 12,000.00		Rental Assistance- Public	\$ 61,750.00		
\$ 7,600.00	56%	Client Assistance ARM Rent	\$ 5,850.00		
\$ 5,500.00	4%	Emergency Hotel Vouchers	\$ 8,233.33	57.08%	102,180.00 49%
\$ 5,957.32	4%	fees for administration of housing	\$ 5,958.33	4.5%	208,312.00 100%
\$ 158,120.39	104%		\$ 132,844.66		