



4th Quarter, 2007

**In This Issue:**

- ◆ **Open Enrollment**
- ◆ **Retirement Plan Update**
- ◆ **Meet the Finance Team**
- ◆ **Scary Pictures**
- ◆ **More...**

## The Provider

### Benefit Open Enrollment 2007

Sally Davis, Benefits Manager

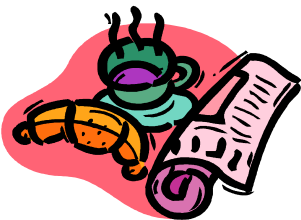


**GET READY...GET SET...**

### **TIME FOR OPEN ENROLLMENT**

Yes, it's that time of year again! Representatives from our insurance carriers will be on site for information, concerns, and questions. Individual employee packets will be available for changes to current coverage and New Enrollee Packets for anyone electing for the first time. A Notification of Open Enrollment Meetings is posted at all sites and was included with your paycheck of November 16th and again with your paycheck of November 30<sup>th</sup>. The deadline for submitting Enrollment/Change forms is December 21<sup>st</sup>. Our new Plan Year starts January 1, 2008.

**Don't miss this opportunity to learn more about the benefits CPES offers.**



# Retirement Plans Update



## 401(k) News

Open enrollment for all CPES benefits is set for December but the 401(k) Committee wants to remind everyone that *you don't have to wait for open enrollment to get started with your 401(k)*. There are only two requirements – 1) You must be at least 19 years old and 2) you must have worked at least 90 days. This really is a great way to save for the future and the sooner you start the better off you'll be, so please seriously consider participating. If you're interested in getting started or have any questions please contact Jon Stetzel at the corporate office. The Committee has also changed one of the funds being offered and added two additional funds, so if you're currently participating you can expect to receive a notice regarding these changes.

## ESOP News

**GREAT NEWS! Drum roll please.....The ESOP has been unfrozen!  
The Board of Directors has voted to unfreeze the ESOP retroactive to  
January 1<sup>st</sup>, 2007.**

What does this mean for you? For those of you who are already an ESOP participant, it's business as usual. However, if you are not a current ESOP participant but you have reached your two year anniversary and you've worked at least 1,000 hours in each of the two years commencing on your date of hire and the anniversary of your date of hire, you will automatically be a participant in the plan effective 01/01/07. If you do qualify and enter the plan it means that as long as you're still employed with CPES on 12/31/07 and have completed at least 1,000 hours in the 2007 calendar year, you will be eligible to receive an allocation of shares effective 12/31/07. While we hope those of you that will become new ESOP participants are excited about becoming an employee owner, we also want to make sure everyone has reasonable expectations.

Here's a very brief history that will hopefully explain how we became what's called a "Mature" ESOP and what this means for you. When the ESOP was established in July of 1994 we had to take out loans to payout the founder of the company. Shares of CPES stock were held as collateral for those loans. Each year, as those loans were repaid, there was a certain number of shares released from collateral and allocated to the active ESOP participants. The number of shares being allocated each year during this timeframe was fairly significant. The loans were finally paid off in June of 2005 which also meant that all of the shares of CPES stock that had been issued were allocated and in the hands of the current or former employee owners. This resulted in a "Mature" ESOP. Moving forward, shares will primarily become available for allocation as a result of shares available for allocation following ESOP distributions. When participants who no longer work for CPES qualify to be paid out (a distribution) they are given cash for their shares and then those shares are allocated back to the active participants. The number of shares resulting from these distributions that are eligible for allocation are generally much lower compared to the shares that became available each year when the loans were being repaid. This means that you old timers shouldn't expect to see the same number of shares hit your account every year like you used to. Also, just so that everyone knows, allocations, distributions and the mailing of statements (for you to keep track of your ownership position) occur once a year after the audits and valuation has been completed, typically around June.

At the same time the ESOP was frozen the company also switched to buying back the shares from distributions, holding those shares within the company, and not reallocating them. As a result there will be a decent number of shares to allocate for 2007 but then for the next few years you will most likely see a reduced number of shares being allocated. Please remember that actual contribution levels will be decided each year by the Board of Directors and that you make no contributions from your paycheck to participate in the ESOP.

# Meet our Finance Team

We'd like to introduce you to the Finance Team at the Corporate Office. We know that many of you deal with one or more of these people daily or weekly, and we wanted to help you know who does what.

**Arnold Enoki**—Chief Financial Officer

Arnold has been with CPES for nearly a year. He is a recent transplant to Arizona from Hawaii.

**Beth Simmons**—Accounting Manager

Supervisor of Finance employees

**Ron Cheatwood**—Senior Accountant

Works closely with our auditors and helps prepare the financial statements.

**Alicia McManus**—Staff Accountant

Vehicle leases, registrations and special projects.

**Jackie Field**—Accounts Payable

If you need a bill paid or have questions about any bills...call Jackie.

**Karmen Thornton**—Payroll

We love payroll!!! Karmen's email is [KThornton@cpes.com](mailto:KThornton@cpes.com). Please email her with timesheet changes and questions.

**Leanna Clark**—Accounts Receivable

Leanna does our DDD billing and helps bring in the funds we need to keep CPES going.

**Malai Sungsourya**—Accounts Receivable

Malai does the billing for Counseling & Consulting Services.

**Stephanie Ramirez**—Accounts Receivable

Stephanie works with Leanna in getting the DDD billing out on time.

**Beverly Gardner**—Accounting Assistant

Beverly is in charge of our purchase cards. She is the one to contact with any questions. She also sets up utilities for the group homes.

**Christene Hester**—Accounting Assistant

Provides support for the Finance team in several different areas.

**Angela Pereverzeva**—Accounting Assistant

Supports the Finance team, takes the money to the bank, and manages the client funds.



## CPES bids a sad farewell to the Self-Determination Fund on June 30, 2007

This fund supported people with disabilities for nearly ten years, helping individuals become a little more independent through the distribution of one-time grants. Some of the more memorable gifts were for a guitar, a DJ class and a dream vacation to Las Vegas to see show-girls, but the Self-Determination Fund also helped with those very important day-to-day expenses like utilities, clothing and home repair and upgrades.

While we were sorry to see the fund close, it was with great satisfaction that we were able to give nearly \$116,000 in gifts over the course of a decade.



**Mark your Calendars!!**

*CPES will mail out your W-2 form on January 31.*

