



Opportunities for everyone

**MISSION OF
OE ENTERPRISES, INC**

Creating opportunities for personal and professional growth

**VISION OF
OE ENTERPRISES**

OE Enterprises is a thriving business offering individualized options leading to vocational success of persons facing employment barriers.

Annual Report

OE Enterprises, Inc.

Fiscal year ending June 30, 2010

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“A business within a business”

Carolina Shredding Authority (CSA) is a division of OE started October 1, 2009, with one federal contract.

Successfully completed three Quality Improvement project:

1. Continuation of Services/Risk Management
2. Marketing on placement services.
3. Care coordination

OE Gives Back 2009 – 2010

OE Consumers and Staff held a food drives, coat drives and a Red Cross Blood Drive

September 2009

New phone system installed

Advantages over our old system

- 1 - Voice mail for all staff
- 2 - Centralized calling...calls to all three sites ring to one receptionist. This is typically Hillsborough but can be routed to any of the three sites if necessary.
- 3 - Inter-office calls can be accomplished without incurring long distance expenses.

This fiscal year OE Enterprises did not find anyone referred to us for services to be ineligible for our services

OE was awarded two grants through VR, beginning in 2010 – 2011. One project will address employment for consumers who have a disability and also have a criminal conviction. The second project is for a mobile cleaning crew.

OE was awarded Project SEARCH grant. Project SEARCH involves an extensive period of training and career exploration, innovative adaptations, long-term job coaching, and continuous feedback from teachers, job coaches, and employers. As a result, at the completion of the training program, students with significant intellectual disabilities are placed in nontraditional, complex and rewarding jobs.

Another Successful Year

OE Enterprises has had another successful year! We served 621 individuals who have a disability. Ninety one of those individuals gained employment and completed their job training, an especially great achievement in the current economy. Of the individuals in our Job Retention program 87% remain employed. Individuals served in our CAP and ADVP programs participated more in activities in their community. Survey responses from our stakeholders indicate a high level of satisfaction with our services. Our partnership with the Duke Technology program gained a national award for a gluing device that was created for facility based contract.

Our vision is to be a thriving business offering individualized options leading to vocational success of persons facing employment barriers. We took a step towards that this year by opening Carolina Shredding Authority (CSA) on October 1, 2009. CSA provides secure, confidential document destruction from our Alamance site. Contracts are increasing and we have contracts with business throughout the state and beyond. We have been able to hire four individuals with disabilities.

Staff training has improved in recent years as indicated on our staff survey results. Direct care staff members asked for more information on Autism, so we brought in a trainer from the Autism Society to present at our spring staff training day. We also had training offered to all staff members on Work Place Violence by the Orange County Sherriff's Department and on Wage and Hour by Mark Knuckles Associates, Inc.

The economic downturn has certainly affected OE Enterprises. We received funding cuts from the LME's and from Medicaid. Creating even more difficulty, the cuts changed throughout the fiscal year. These cuts resulted in reduction of services for some of our consumers. With high unemployment rate it has been difficult for our contract procurement staff to bring in enough contract work for all of our consumers. We have compensated for this by offering more classes and activities. As the year progressed we experienced an increase in work at each of our sites.

In order to remain a healthy business we introduced other cost saving measures. We have always offered twelve paid holidays to staff and consumers. We did not want to reduce that benefit but realized that we lost revenue each day we closed. In order to remain open an additional 3 days per year we are now closed for only 9 holidays, and staff and consumers have 3 floating holidays.

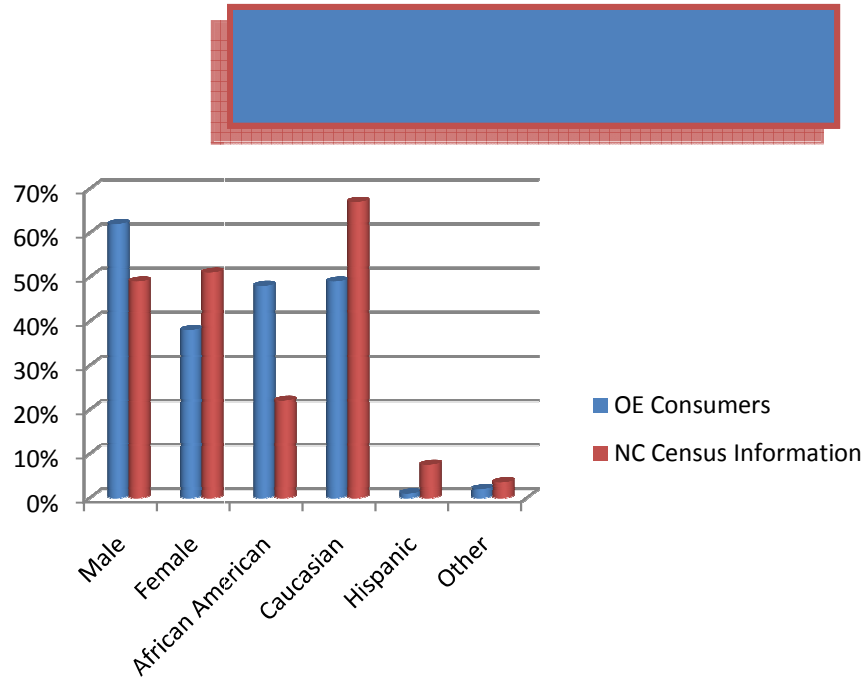
We discontinued paying for transportation for consumers. We were able to work with local transportation agencies so that the cost for each consumer is minimal. This change did not prevent anyone from continuing to receive services. We continue from last year with no retirement match, and staff contributions to their health insurance. In order to assist staff members with these changes, we began a flex spending program for health and dependent care in January. The costs saving measures we have put into effect have assisted in shoring up our financial standing.

OE – An Overview

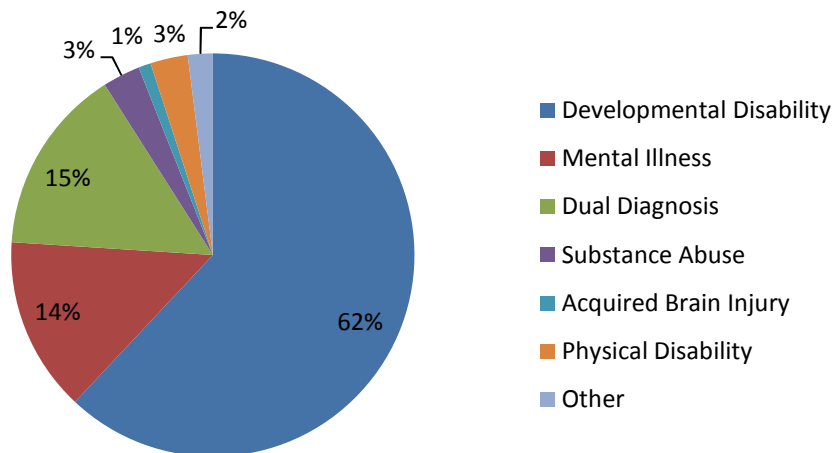
OE served 621 individuals who have a disability. We serve individuals in Durham, Orange, Alamance and Caswell.

Census is taken from North Carolina Quick Facts from the US Census Bureau, 2008.

This is the first year we have looked at these demographics against the county and state percentages. We will take this information into consideration as we look at marketing to consumers this year.



Our population has remained stable again this year in terms of the diagnosis of the individuals we served.



Corporate Compliance

This year OE Enterprises revised our Corporate Compliance Policy. We remain committed to the highest ethical standards throughout our company and wanted to insure our policy covered all aspects necessary. After our policy was approved by our Board of Directors training was held for all staff members on our Corporate Compliance policy. All of our policies and procedures are available to staff members in both paper and electronic form.

OE Enterprises has had no reported incidents of wrong doing.

Review of Incidents

This year our Human Rights Committee met quarterly. Our committee consists of individuals we serve, staff members, family members and members of the community. We are currently seeking a community representative to join our committee. If you are interested please contact us.

During each meeting we review all reported incidents. We look for any trends or incidents that may put OE at risk and we work on strategies to mitigate any identified risk. We did not have any behavioral plans brought to the committee this year.

Each year we send a report of incidents that occur involving our consumers to the LME. A level I is a minor incident, a level II is a moderate incident and a level III is the most serious. This year we had no level III incidents. We had one level I to report, and that involved a missed dose of medication. We have addressed that situation by purchasing a watch with an alarm for the individual to alert him and staff that it is time for his medication. In addition to that reportable incident we had minor injuries requiring only first aid.

There were 13 level II incidents occurred. These included allegations of abuse or neglect (this is any suspicion we have and does not mean the report was necessarily against an OE staff) suspension of service, and vehicular accident. We did not find any trends in these incidents and they were reported across our facility locations.

This year the State of North Carolina instituted a new, on line incident reporting system. Several members attended training on the use of the new system, called IRIS, provided by the LME's. An in-house training was then developed and training was provided to all staff members. Testing indicated that staff members are ready to use this system accurately. Client-rights training was provided for new hires as well as current staff. Consumers were also offered client-rights training this year in printed form and in a PowerPoint presentation.

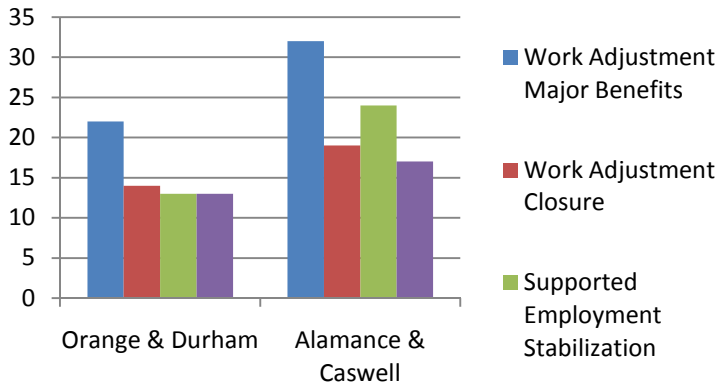
OE – Our Programs

Employment in our Community
Supported Employment & Work Adjustment

This year despite the high unemployment rates in all of NC, we were able to assist a total of 91 individuals obtain employment and stay on their job until their training was completed. This is an increase from 79 individuals who obtained jobs last fiscal year. Of the individuals who went to work this year 69 % are still working at least 90 days after the job training ended. Others are continuing to work but have not yet reached the 90 days to closure.

A work adjustment major benefit and a Supported Employment Stabilization means the worker has completed on site job training. A closure means that the worker is still working 90 days after completing job training.

Consumers placed in the community this year earned an average of \$137.00 a week in Orange and Durham Counties, and an average of \$202.00 a week in Alamance and Caswell Counties work adjustment programs. In our Supported Employment program the average weekly earnings was \$62.00 for Orange and Durham Counties, and \$99.00 in Alamance and Caswell Counties. This discrepancy in the average earnings will be investigated during the upcoming year.



95% of individuals who completed the job development satisfaction survey felt that OE helped them find a job they wanted and they were satisfied with the time it took to find a job. Of the individuals in jobs 100 % feel they can reach someone at OE if they have a problem. This year we have increased the number of job clubs offered and have had increased participation.

Employment in our Community
Job Retention

OE Enterprises served a total of 99 individuals in our Job Retention Service this year. This year we provided quarterly opportunities for individuals in job retention to get together, network and just have fun. They report that they have things that they do for fun and have friends at work. Of those individuals 87% maintained their job through out the year. This is an increase from last year when we had 81% job retention. Reasons for individuals leaving jobs include lay off due to financial problems within the

business, moving, health issues and job performance. When we looked at each job loss we found that support was offered to each individual who is no longer working. Follow up indicates that individuals who wanted to find another job were assisted by OE Enterprises staff to reapply to Vocational Rehabilitation for assistance in that area.

As our consumers go to work they gain in many ways. Survey results indicate that individuals, who are working in their community, make enough money to pay their bills, have friends at work and have things they do for fun.

Evaluation

With the rising unemployment rate referrals for evaluation increased this year. A greater number of people than usual who began an evaluation did not complete their evaluation. However, 100% of those who completed our satisfaction survey indicated that the evaluation helped them decide what type of job they wanted, assisted them to try different jobs, and they felt they learned more about their strengths and needs. We are seeing an increase in referrals for community based-assessments.

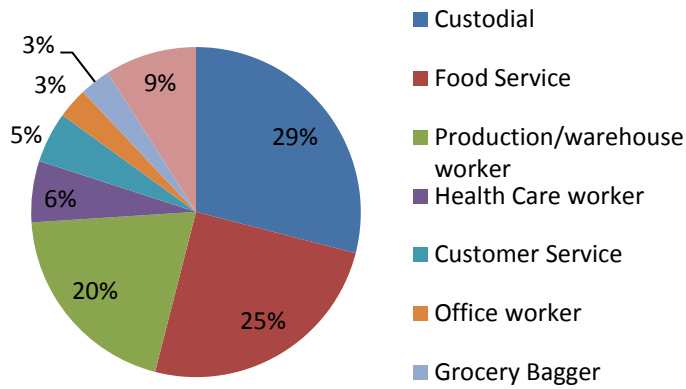
Employment in our Facility & Community Integration

This year 100% of the individuals who participate in our CAP Day Supports program reported that they learned to do more things for themselves and made choices of what they wanted to do. Of the individuals in the CAP program 97 % participated in activities in their community. We provided more opportunities for individuals to participate in their community and 88% reported they were satisfied with their community activities. They feel safe and comfortable in their community and feel our staff treat them with respect. These activities included volunteer opportunities with seniors, at the animal shelter and at a state park. Other activities include shopping, attending the community college, eating out, and many others.

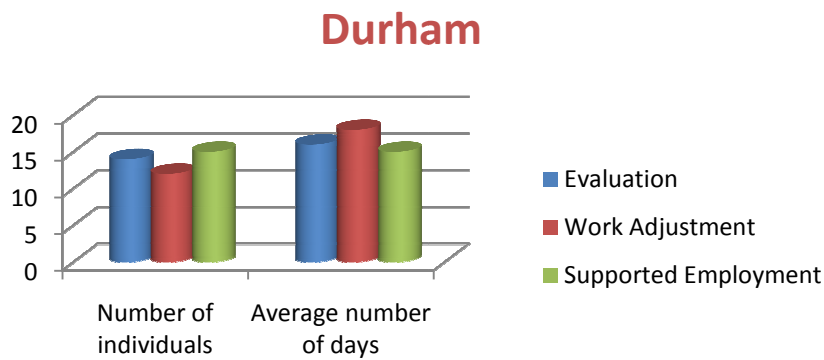
The individuals served in our facility based Adult Developmental Vocational Program also increased involvement in their community and 83% would like even more community involvement. OE teams helped the individuals participate more in their community through team and individual goals. Of the individuals who work in our facilities 98 % report they like to work at OE. This year we expanded our contract work to include more small parts assembly. We continue self determination activities for individuals who have completed training with self determination clubs. This will increase in the coming year.

The population of individuals in our ADVP program is aging as younger people are choosing to work in their communities, and there is little funding for facility based services. We realize that some of the older adults have needs that are changing, so at each of our facilities we have a senior activities program. Of our senior 97% find our facilities have easy access to things they need. Seventy-two percent are learning new things about retirement and 67% have set some goals for their retirement. Seniors in our Orange location are lucky to have a great senior center and they are taking advantage of activities such as karaoke, dancing, bingo and meals.

Community Assessment



Length of time from OE receipt of referral until entrance



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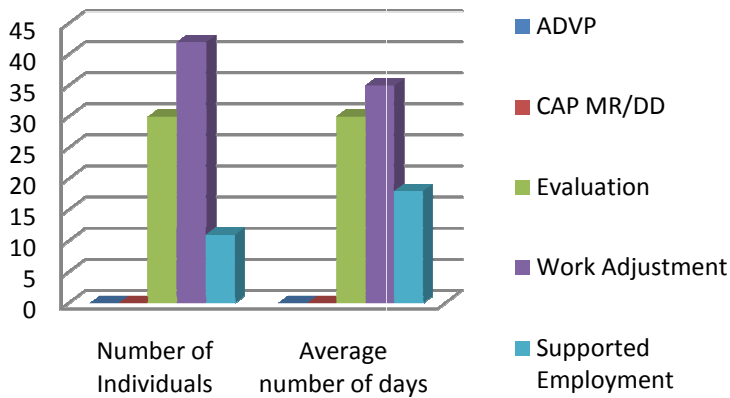
Adjustment

tion 2 individuals took 77 days due to difficulty coordinating and finding.

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- Evaluation
- Work Adjustment
- Supported Employment
- CAP

Orange



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Each work team at OE develops and works toward our goals annually. They address issues that are important to the individuals they are serving. This year our 12 teams developed a total of 71 goals. Goals cover a wide range of issues and include increasing community integration, increasing job placement and retention, increasing staff knowledge of individual plans, increasing educational opportunities for consumers, increasing participation from families and caregivers, minimizing absences, increasing self determination, increasing business partners and decreasing production errors. Of the team goals 65% were met as written, and progress was made on 95% of the goals.



OE partners with the Orange County and the Chapel Hill/Carrboro City Schools to provide school to adult transition services. The service we provide through this program has evolved through the years as the needs of the students and schools have changed. We provide Job Club in the classrooms, and on the job training experiences through volunteer sites in the community. For students in the Occupational Course of Study community volunteer hours are necessary to earn their diploma. This year our surveys indicate that 100% of students are learning how to deal with conflict, a very important skill we address both in the classroom and in the community. Of our students 87% indicate that they are learning how to keep a job and how to make their own decisions. Self determination is taught and practiced throughout this service. Team goals for transition work to help students gain employment or further their education, attend drivers' education classes and gain understanding of adult services.

The 2009/2010 year for contract sales was good in spite of a generally bad business economy. We did not quite meet our projected budget, but were slightly ahead of 2008/2009 in total volume by approximately 10%. Our profits per job

These companies have been extremely strong this past year:

- 1) Convatec
- 2) Unlimited Nutrition
- 3) Duke Tips
- 4) American Kennel Club
- 5) LabCorp
- 6) BD Diagnostics
- 7) Armacell

New business partners to OE this past year are:

- 1) Tcoag
- 2) Planet Logo
- 3) ACCSA
- 4) Alamance Chamber of Commerce
- 5) Armacell (new Products)
- 6) IPAS
- 7) Mueller Industries
- 8) Planet Logo (Store Front operation)
- 9) Woman Care Global
- 10) Canine Health Foundation
- 11) Kenan Institute of Ethics
- 12) UNC Publication Service
- 13) UNC Research Registry
- 14) Watauga Opportunities

We have been working hard to acquire more full time job opportunities. We have had some success in this. We also have hired a new Manager of Sales.

Currently we are working on several opportunities that could produce significant volume for OE. They are with:

- 1) Convatec (new product line)
- 2) Flanders Filters
- 3) Mueller Industries
- 4) Stevenson and Vestal
- 5) Tichy Train

In order to continue excellent quality in our production services, this year we conducted two internal ISO audits.

OE – Our Service Contracts

Annual Report for 2009 – 2010

The following locations were cleaned by the SCD in the last year:

Federal Contracts	Orange County	Town of Hillsborough
Raleigh, NC (3 locations)	Gateway	Town of Hillsborough
Elizabeth City, NC	EMS	
Greenville, NC	Central Senior Center	
Wilmington, NC	Animal Shelter	
Charlotte, NC (2 locations)	Solid Waste	
Gastonia, NC	Seymour Senior Center	
Winston-Salem, NC	Hillsborough Commons	
Charleston, SC	Moody Building	
	Skills Development Center	

We cleaned over 1,000,000 square feet a day and employed 78 persons in the division. Ten persons are supervisors, 55 perform direct labor with some type of disability and 14 persons perform direct labor with no disability.

Of the 21 custodial locations:

Town of Hillsborough started in December 2009 with 1 employee

Hillsborough Commons, Moody Bldg, and Skills Development started in January 2010 with 6 employees

The Service Contract Division cleans 6 Federal Courthouse/Office Buildings, 3 Veteran Administration Buildings, 1 USDA, 1 USDA Landscaping, 1 Town of Hillsborough and 9 Orange County Buildings.

Carolina Shredding Authority (CSA) is a division of OE Enterprises; it is a part of the Service Contract Division and is located in our Alamance facility. CSA started in October 2009 with one federal contract, this contract has 13 locations to date we have shredded over 40,000 lbs of paper. CSA also has 30 private customers; we have shredded over 75,000 lbs of paper for them. CSA currently employees six individuals with disabilities for shredding and sorting, as our business increases so will our employees.

Contract income for fiscal year 2009/2010 was \$2,158,300.

OE – Complaints & Grievances

Annual Report for 2009 – 2010

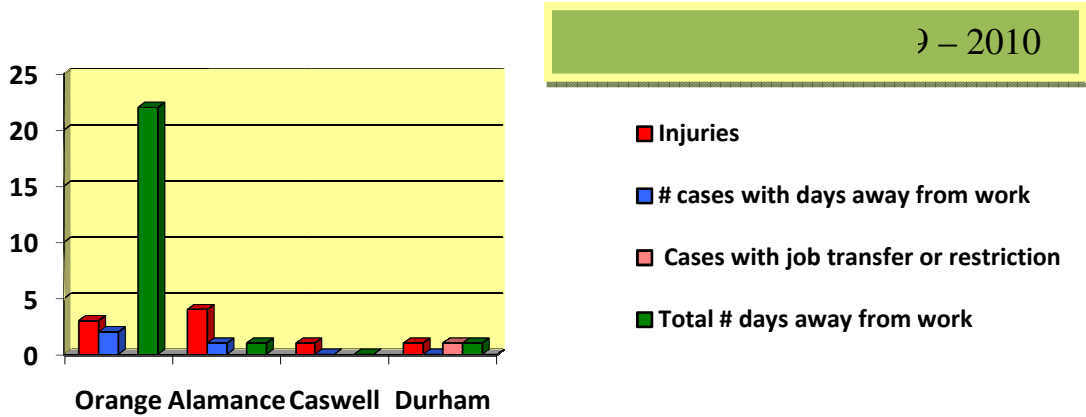
During this fiscal year no complaints or grievances were brought forth by staff or consumers. Concerns were resolved with the person involved, the immediate supervisor or with the Team Coordinator.

Training was held to inform consumers about the complaint procedure during client rights training and compliant/grievance forms are available at all sites.

This year we began looking at complaints during the Quality Team Meetings. These meetings are held at least quarterly and consist of staff from various areas of our company. By looking at all complaints more often we will be able to notice any trends and to deal with any systemic problems more quickly.

We continue to ask consumers, families and caregivers on our survey what they would do if they were treated unfairly. The response continues to show that individuals would speak up to staff if they felt they were treated unfairly.

OE – Health & Safety



Types of Injuries: Minor Cut, Bruise, Back strain, fall and Minor Burn

Although OE Enterprises continues to practice good safety habits and we had a slight increase in injuries this year, our number of injuries remained low. Most of the days away from work this year stem from a single incident. Annual safety training occurs for staff and for consumers who work in our facilities. We have been able to lower our Workers Compensation premium due to our good safety record. In addition to providing a safe place to work, we are improving our financial standing.

This year monthly emergency drills were conducted in all locations, and we exhibited the ability to respond in a safe and timely manner. A need was found for wheel chairs to assist several persons with mobility needs during drills. We were able to procure these through donation. Safety meetings were held in all locations as well as quarterly company meetings for the safety committee members. Safety checklists are assigned on a daily basis at the facilities.

Monthly safety trainings occur at all Service Contract Division locations. Job site safety checks are completed for all community based work sites.

For the coming year we will focus on improving safety awareness at all locations.

OE – Financials

2010	
Revenues	
Production	\$ 1,156,258
Program Services	\$ 3,993,760
Service Contracts	\$ 2,166,082
Other	\$ 155,910
Total Revenues	\$ 7,472,010
Expenses	
Cost of Goods	\$ 2,445,103
General & Adm	\$ 4,834,611
Total Expenses	\$ 7,279,714
Net Income	\$ 192,296

OE – Customer Satisfaction

What people are saying

Our ISO quality policy outlines our commitment to zero defects, on time delivery and no customer complaints in our production contracts division. Customer satisfaction survey results indicate that the services we provided our business partners were excellent or good in all areas. We received positive comments including “great customer service” and “we are very, very pleased with our relationship with OE. Hoping it will continue for years to come”.

Employers who hired individuals referred from OE were 100% positive about the services they received from us this year. They all felt it was helpful for us to visit their business and they would recommend OE to other businesses.

Other agencies we work with also responded with 100% satisfaction this year. They feel our staff is courteous, coordinates well with their services and are knowledgeable about the consumers’ strengths and needs.

Ninety six percent of families and caregivers feel OE staff meets their needs in a timely manner, answers their questions and assists them in problem solving.

This is what we heard from stakeholder through surveys this year.

People who receive CAP services

“My daughter loves working at OE. In a matter of fact it is her life, it’s that important to her.”

“My son loves his job coach. The job coach and OE do an outstanding job of helping him reach his full potential as a young adult.”

People who work in our facility

“I want to stay here at OE.”

“I love working with OE so I can work hard.”

What else would individuals who work in the facility like to do?

“Go out to eat, go shopping, shoot pool, go to the movies, and other community leisure activities, have a job, be on the safety committee “

Families and Caregivers

“Great job OE”

“Thanks for all you do”

Other Agencies

“They give them close personal attention. Getting them ready to go to work.”

“In intake they do a good job finding out what the person needs.”

“Works hard getting the folks that can be employed in the community, jobs in the community”.

“Just happy OE is there. Provide this service to give them the opportunity to live independent and feel good about themselves”

“The staffs at OE work well with their clients. I have observed the staff and have found them to be professional, patient and courteous”

“The staff at OE seems to do all they can to help their clients”.

OE – The Future

What are we planning for next year?

We have been awarded 2 grants from Vocational Rehabilitation. One project will create a mobile cleaning crew at our Alamance location. This grant will fund 2 cars, staff, supplies, marketing and other expenses. Our other project will fund staff and expenses to create and run a training module to improve employment opportunities for consumers referred by Vocational Rehabilitation who have at least one criminal conviction. This will serve individuals in Alamance and Caswell Counties. These projects each are fully embracing of our mission to create opportunities for personal and professional growth.

Our Quality Management Team has selected three areas for our quality improvement projects for the 2010-2011 year. They were selected based on information collected this year and input from stakeholders. We will:

1. Improve awareness of safety on the job for consumers and staff members
2. Clean up the F-drive to make work more efficient, accurate and protect confidentiality
3. Improve marketing of our services to consumers, families, agencies and others

Other goals include:

1. Investigate the differences we found in average earnings per week for individuals placed in community employment in our different Counties. This is based on data collected upon client entrance into jobs.
2. Improve communication and ability to work together well for all divisions of OE. This is a need based on staff survey data.
3. Launch Project Search in Durham County. OE Enterprises was selected by the Durham Center this year to partner with The Durham Center, the Durham School System and a local business to create and launch a Project Search site in Durham. This collaboration has begun and we are currently working to secure the business partner. This is an exciting best practice project that began at Cincinnati Children’s Hospital and has been replicated both in and outside of the United States. Durham and Charlotte will be the first sites in North Carolina. This will allow us to work with a group of students from the Exceptional Children’s Program full time for their last year of school. Their classroom will be the partner agency where they will work on job seek and job keeping skills and will participate in internships within the business.

OE – Our Leadership

Board of Directors

Joseph D. Appleton - Chair
Paul Popish - Vice Chair
Martha Cleary - Secretary
William Conley, M.D. – Treasurer
Deena Currie
Milele Archibald
Walter Jacobs
Judith K. Guibert

Executive Management Team

Kathy Sticksel, President
Donna Musson, Executive Director
Tracey Craven, Orange/Durham Site Director
Tom Wilson, Alamance/Caswell Site Director
Roger Francis, CFO
John Wiltshire, Director of Production
Van Welch, Director of Services Contracts

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