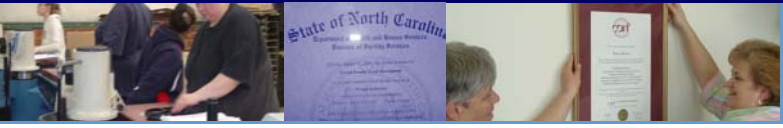


Person Industries

For Year Ending June 30, 2006

Accredited · Licensed · Endorsed



Person Industries		For Year Ending June 30
2006	Annual Report	

Annual Report



When I sat down with my management team to review the 2006 fiscal year, the first thing that came to the minds of all in the room was what a year of reviews and accreditations we had, on top of our transition to Person County Government. What a whirlwind year...

 Wanda Rogers Executive Director Person Industries	<h1>Message to Stakeholders</h1>	
		Person Industries 2006 Annual Report

First, I want to say thank you to all PI staff and employees for a very successful Fiscal Year 2006. WE DID IT!!! We made it through a year of transition, enrollments, accreditations, reviews, licenses and inspections. WHAT A YEAR TO REMEMBER!

It began July 1, 2005 with Person Industries transitioning to Person County Local Government. Person County welcomed us with open arms but it was just the beginning of a year full of adjustments and challenges. How would our employee payroll work? Did all the staff get their new benefits correct? How will we handle the transfer of vehicles, new policies, fixed assets, new paperwork? How difficult will it be for staff to adjust to new paydays and timesheets? While we are pondering these things, we realize we have an OSHA inspection in July and must also begin direct enrollment with Medicaid. Then comes the notice that we must be Division of Facilities Services (DFS) licensed by August 31, 2006 in order to continue to provide our CAP services. But wait, our National Accreditation (CARF) expires March 2006 and we have to get the application in by mid-September. We have our new Medicaid number to bill CAP but we have to learn how to directly bill. Then a VR Program Review is scheduled for October. Meanwhile, fuel prices are soaring due to Katrina and we have to adjust the budget.

More questions—How do we now interface with the LMEs? They are faced with change and challenges as well. We have new e-mail addresses, new software. Program Management Team is busy forming new committees—Client Rights, Incident Review, etc. We have to review and develop new policies and procedures to be approved by our new Board—Person County Commissioners. There are new service definitions. What are enhanced benefits?

Finally, we made it through January and we are preparing for our CARF review in February but there is so much production demand that we must add a 2nd shift for PI Manufacturing. This means hiring more employees to cover the 2nd shift. It is now February and we need to start that application process for our DFS license, which means getting zoning permits, fire and building inspections, square footage, pictures, etc, for the application to be mailed in May. But wait, how did the CARF review go?

Of the two surveyors sent by CARF to review our program, one operated a program in North Carolina and therefore fully understood system reform and why PI had come under the umbrella of Person County Government. What a big help! Our review went well despite all the transition and change. Our survey summary stated, “Person Industries demonstrates a strong commitment to improving accessibility and quality of life for individuals served.”

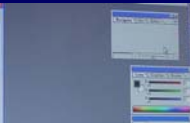
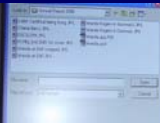
It is not over. After CARF, we must immediately begin to develop more policies for DFS as we are scheduled to go to Raleigh in June to present them to state officials. But only after an LME monitoring in May. Are you tired?

I want to say we did all of this with no interruption to our services. We met nearly all of our productivity goals and had a very successful year. As quoted in our CARF review, “The management and staff members of Person Industries have done an exceptional job during the transition from our affiliation with Orange, Person, and Chatham counties (OPC) Area Program to Person County auspices.” Person Industries is a great place with dedicated staff and committed employees. It was a tough year and one we will always remember. Thanks to all of you for your support through this tumultuous year. Our customers, in particular Implus Corporation, our employees and families are wonderful people and make for a great community.

What will FY 2007 bring? What challenges are we yet to face? We are willing and ready. But first, the details on 2006...



Accredited for Services



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The accreditation process is one by which organizations make sure that institutions or programs within are conforming to the necessary standards. During the 2006 program year, the Person Industries' Evaluation, Work Adjustment, Supported Employment and Adult Developmental Vocational Program (ADVP) programs were reviewed and accredited by the Commission on the Accreditation of Rehabilitation Facilities (CARF), an independent, international, accrediting organization.

During the review process, surveyors thoroughly reviewed PI's business practices, quality of individualized services and employment services. All programs were awarded a three-year accreditation. To see how the accredited programs performed during the entire program year, continue reading.

VOCATIONAL EVALUATION AND WORK ADJUSTMENT

The Vocational Evaluation (VE) and Work Adjustment Training (WAT) Programs served 70 people needing assistance finding jobs during fiscal year 2005-2006. The referrals came from Vocational Rehabilitation, Department of Social Services' Work First Program, Social Security Administration's Ticket-to-Work and Page Rehabilitation Services. Some highlights of the year were:

- PI's first Ticket-to-Work entrepreneurial business kicked off with Jenny's Creations. Jenny

Smith creates beautiful hand-crocheted christening gowns and other welcoming items for a baby's first year of life. After an initial mailing to craft stores around the country, Jenny is busily filling orders for her wonderful items.

- PI started working with the Piedmont Community College Work Keys/Work Training Program to help more people with disabilities move into local manufacturing facilities. Several referrals have taken the tests and two are actively working on improving their skills in reading, math and information location at the college's Uptown Business Development Center location.
- Over 50% of PI placements were with local industry and several of those industries hired from us for the first time. (See box below.)
- On average, people receiving services from VE and WAT were 98% satisfied with the services they received.

As this was a year for reviews and accreditations, Vocational Rehabilitation reviewed the programs this year as well and found them to be functioning very well.

SUPPORTED EMPLOYMENT

This was a busy year for the Supported Employment (SE) Program beginning with the settling in process after moving Bee-Line Designs back into the PI Main facility at the end of the previous fiscal year. The Bee-Line Design Store is much smaller, but customers are still encouraged to walk-in and shop—just check with the front desk and they will page a sales clerk. SE highlights were:

- Bee-Line Designs made a net profit of \$8,277. Three people with disabilities were employed with the store. This year, for the first time, an employee with a disability became a customer service/sales clerk and has been successfully helping customers place orders at the store.
- Eight SE participants were placed in jobs in

PEPSI COLA HIRES FORMER PI EMPLOYEE BJ WESLEY



BJ Wesley was hired by Pepsi Cola Bottling Company in March of this year as a warehouse worker. Company managers at Pepsi were aware of BJ's desire to work there and encouraged him to put forth the needed effort to qualify. BJ was thus rewarded with the job he wanted.

Pepsi was one of several local industries to hire PI employees for the first time.

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food service, retail, janitorial and industry.

- In addition to job placements, the SE Job Coaches provide ongoing on-the-job support for 11 individuals and five work crew members who all work in the community at minimum wage (or better) jobs. All of these individuals received placement services in the past and have been on the job for 1 to 20 years.

- 96% of people receiving services through SE were satisfied with those services.

The SE Program successfully completed Vocational Rehabilitation reviews. CARF awarded a three-year accreditation with only one recommendation. The surveyors commended the SE job coaches for “excellent” progress notes and thorough documentation of the services provided to SE participants.

ADVP

The ADVP Program went through the CARF review this year for the first time and received a three-year accreditation. In addition, the OPC LME reviewed the program and gave only two administrative recommendations.

ADVP highlights were:

- Over ¾ of those served in ADVP participated in community activities based on each person’s interests and preferences.
- Classes in health/safety, vocational skills and self-advocacy were offered to ADVP participants.
- The overall productivity of ADVP participants increased by 3.24%. 66% of the participants increased their wages by increasing their productivity.

PI AND PERSON COUNTY SCHOOLS HELP STUDENTS GRADUATE INTO THE WORLD OF WORK



Person Industries works closely with Vocational Rehabilitation and Person High School to assist students with disabilities to find careers that suit their skills and interests. With the help of Job Coaches Pauline Porterfield and Lorri Barnett, along with the staff of the Occupational Course of Study (OCS) program, students explore work interests as early as the 9th grade. By the time they are seniors, they are working in community jobs as part of their credits toward graduating with an OCS diploma.

In 2006, this program helped eight seniors receive their OCS diplomas. Most of these graduates are either working in community jobs or referred for further vocational services to help them secure jobs. Thanks to this program, 15 seniors are on track for productive lives after graduation in 2007.

- ADVP participants were 100% satisfied with the services they received through PI.

Many people working through the ADVP Program are approaching retirement age. Currently, three ADVP participants are involved in retirement activities. In the coming year, the ADVP Program Coordinator plans to implement classes on retirement options for all those over the age of 50.

MEDICAID SERVICES

The Medicaid Program felt the impact of System Reform this year with the implementation of changes in the service definitions. Community Based Services (CBS) is no longer an approved category for people enrolled in Medicaid services. Thanks to the diligence of the Medicaid Services staff, CBS participants at PI were transferred to other service categories and no one had to be dropped from supportive programming. PI can no longer provide Case Management Services (CMS) under the new definitions, and, as a result, three individuals no longer receive CMS services through PI.

The good news for the year was:

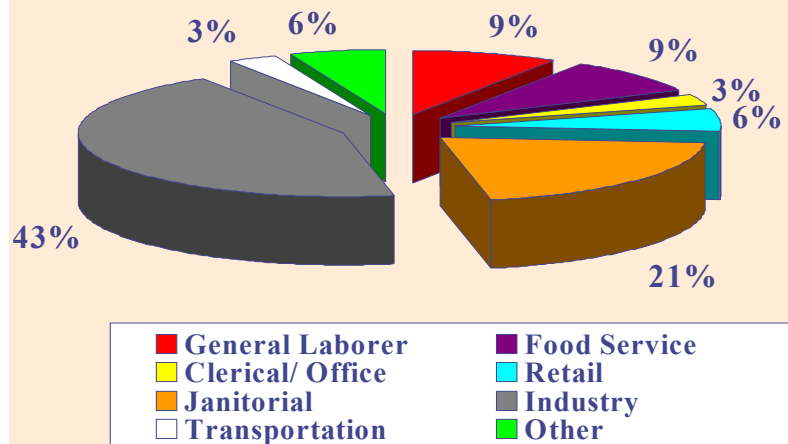
- 71% of those receiving Medicaid services accomplished at least one goal on their Service Plan.

- 8 participants had an increase in wages.
- 1 participant works in the community full-time.
- 76% of the participants had the opportunity for community involvement including job sampling, community outings and Special Olympics.

People receiving Medicaid funded services at PI attended the program 95% of the time. This high rate of participation clearly shows how important these programs are to the daily lives of the participants.

The CAP-MR/DD Services went through CARF review and services review by OPC LME and Five County LME. There were no recommendations for improvement from any of the reviewing bodies.

PI Community Placements for FY 2006



Following on the heels of CARF, Vocational Rehabilitation, Five County LME and OPC reviews, all PI programs were reviewed and awarded licensure from the Division of Facility Services of the state of North Carolina.

Stakeholder Satisfaction

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Every year Person Industries assesses the satisfaction of all the people who have a vested interest in our program—our stakeholders. This includes consumers (the results of our consumer surveys are reported in the programming section of this report), agencies, and businesses for whom we provide services.

In 2006, we sent surveys to Vocational Rehabilitation Counselors, case managers, churches, industries, and other businesses who have hired people from our programs or for whom we do business. We asked the stakeholders to rank us on a scale of 1 (poor) to 5 (excellent) in relation to the following criteria: quality, timeliness, positive impact, helpful information, needs and customer service. The feedback from this survey is in turn used to improve our overall performance with our stakeholders. This year's results were very satisfying to us and gave us food for thought regarding the future.

Stakeholders rated us an average of 4.7 on the quality of services in all programming areas. They felt our timeliness

rated an average of 4.5. Our helpfulness rating came in at a 4.7. When asked if our services had a positive impact, stakeholders ranked us at 4.6. We rated at 4.8 average for helpful information and customer service.

As to whether our services met the needs of our stakeholders, we received an average rating of 4.7. So our overall rankings fell in the above average to excellent range on the survey.

When posed with the question of whether the surveyed agencies would recommend our services to others, all agencies indicated that they would. One stakeholder responded to this question with "I have." Another stakeholder did request more supervision for the person with whom they were working.

At Person Industries, we are looking at ways to alleviate that issue and any other that impedes or weakens our stakeholders from receiving 100% satisfaction. We appreciate the time our stakeholders take to give us the feedback we need to do a good job.

Rating on Quality of Employees

1 = Poor

5 = Excellent

Quality	4.7
Timeliness	4.5
Positive Impact	4.6
Helpful Information	4.7
Customer Service	4.7

In the Community



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When employees initially enroll at Person Industries, many already have the goal of finding employment with a business or industry in the community. If the goal is not already present, the concept of working outside of PI is quickly instilled in their minds by program managers who want to see them reach their full potential while experiencing the world of work with all of its risky yet rewarding remunerations. Therefore, the terms community support, community employment and community contracts are greatly bandied about as staff go about the daily business of PI.

COMMUNITY SUPPORT

It is the support of the community that allows PI to function for the benefit of those we serve. In the 2006 fiscal year, an event unfolded that typified the term community support.

For years, Quinland had worked as a bagger at a local grocery store. In his job, he became known to many in the community and was extremely well-liked. When the owner of the business decided to retire and sell the store, he encouraged Quinland to come to Person Industries. As time passed and Quinland did not make the move, people from everywhere within the community decided to refer Quinland to PI on their own. Calls came to PI from a diverse group of people with just two thoughts in mind—Quinland needed a place to work and Person Industries was that place.

This is a single example of the intangible support PI enjoys and such support is a precondition to the subsequent phases of community employment and community contracts.

COMMUNITY EMPLOYMENT

Over the past several years, Person County, like many textile towns, has

been on the losing end of jobs. As local industries like Collins and Aikman slowed down preparatory to closing, many of the job placements PI had made in previous years, came to be in need of new job placements during fiscal year 2006. Because of such layoffs and job shifting, PI found itself in the position of finding job placements to the first person ever to be placed in the Supported Employment Program 20 years ago.

Despite this tenuous situation, the community “opened up” and PI was able to place those as well as seven others. (See Supported Employment and Work Adjustment on page 3). Currently, nine businesses and industries are employing participants from Supported Employment and 30 from the Work Adjustment Program.

COMMUNITY CONTRACTS

The 2006 fiscal year was one of new contracts for those PI services in the community for confidential shredding and housekeeping. It was also a year of growth in the number of our in-house contracts from local businesses. Requests for PI’s services came from the Person County

Health Department, Al-sco Metals and Taylor Printing. As is the case with most contracts, the beginning was small but leaves open enormous opportunity for growth as well as an opportunity to diversify contracts, as suggested by CARF.

As PI’s presence continues to grow in the community, our goal is to continually assess and train our employees to be productive members of their community, whether performing in or outside of Person Industries.



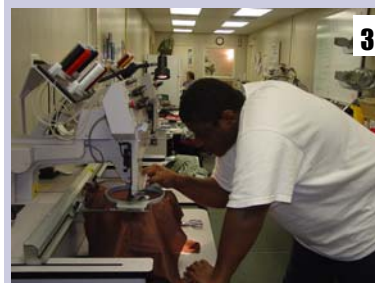
1—Kevin works as loguer at PI Mfg.



2—Petrina and Angela shred at Person Memorial Hospital



3—Bobby handles embroidery orders at Bee-Line Designs



4—Quinland changes jobs to become a packer at PI

Leadership & Staff

Leadership



**Steve
Carpenter**
County
Manager



**Johnny
Lunsford**
Chairman
of Board of
Commissioners



**Larry
Bowes**
Commissioner



**Jimmy
Clayton**
Commissioner



**Roy
Holler**
Commissioner



**Larry
Yarborough**
Commissioner

LEADERSHIP

Among the many changes PI experienced during the 2006 fiscal year was a change in leadership. Now a unit of Person County Government, PI falls under the auspices of the Person County Manager and Board of County Commissioners.

This new group of leaders gave PI two invaluable components to a successful year. The first was the authority to continue providing services to our employees without interruption and/or adverse change. The second was any assistance needed to offer the best possible services. With board oversight and approval, PI was able to revise new policies and procedures to comply with those already in existence by county departments, as well as create new policies as needed for our unique county program.

We thank our new leadership for their support in bringing us on board and seeing us through this year of accreditations and reviews.

STAFF

The experience of the PI Staff was crucial to this year of change. PI's long tenured staff had survived many standards evaluations in the past and was able to come together in a spirit of teamwork and collaboration to weather a CARF Accreditation, Vocational Evaluation Review, OSHA Inspection, LME Audit, Medicaid Review, CAP Endorsement Process and License Review for Division of Facility Services.

PI experienced no turnover in staff during this year, further supporting the stability of our services.

Staff

Managers

Wanda Rogers
Director

Roderick Canada
Production Manager

Judith Casseday
Vocational Evaluator

Becky Clayton
Program Manager

Vernon Dowdall
Work Adjustment Coordinator

Lisa Jeffreys
Program Manager

Dana Drumwright
Program Specialist

Charles "Jody" Suitt
Production Manager

Veronica Wilkerson
Business Officer

Field Supervisors
Ozell Barnett
Alison Folley
Annie Gibson

Job Coaches
Lorri Barnett
Sarah Martin
Pauline Porterfield
Tina Wilkerson

Production Assistants
Clementine Goodman
Shelia Long
Sorside Zamora

Habilitation Assistants
Beverly Berned
John Dickerson
Gennie Johnson
Sharion Lawson
Carolyn Fuller
Evelyn Moore
Gary Parks

Administrative Support

Yvette Farmer
Payroll Technician

Carolyn Walters
Admin Support Specialist

0001-00 EQUITY IN CERTAIN POP-UP
0000-00 PETTY CASH
0000-00 ACCOUNTS RECEIVABLE
0000-00 NSF CHECKS
0000-00
0000-00 ACCOUNTS PAYABLE
0000-00 ACCOUNTS PAYABLE - PRIOR YEARS
0000-00
0000-00
Over: (Under) Expenditures

Financial Overview & Looking Ahead



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Revenue	FY 2006	% of Total	FY 2005	% of Total
County	\$118,410.53	4.5%	\$84,999.88	3.3%
Medicaid	\$291,429.24	11.0%	\$355,093.49	13.7%
Program Generated	\$1,415,917.63	53.4%	\$1,450,637.70	56.2%
Contributions	\$8,979.76	0.3%	\$300.00	0.0%
Miscellaneous	-\$333.05	0.0%	\$5,743.68	0.2%
State Revenues	\$789,561.89	29.8%	\$686,660.43	26.6%
Federal Revenues	\$0.00	0.0%	\$0.00	0.0%
LME Support	\$29,758.66	1%	-\$44,411.54	-1.7%
Total	\$2,653,724.66	100.0%	\$2,539,023.64	100.0%
Expenses				
Salaries & Benefits (Staff)	\$1,191,123.54	44.9%	\$1,229,222.30	48.4%
Salaries & Benefits (Employees)	\$1,025,913.65	38.7%	\$881,977.56	34.7%
Supplies and Materials	\$80,243.04	3.0%	\$86,807.58	3.4%
Current Obligations & Services	\$138,976.00	5.2%	\$167,904.80	6.6%
Fixed Charges and Obligations	\$138,668.10	5.2%	\$167,102.40	6.6%
Capital Outlay	\$3,595.64	0.1%	\$1,153.00	0.0%
Client Services Contracts	\$75,204.69	2.8%	\$4,856.00	0.2%
Other		0.0%		0.0%
Total	\$2,653,724.66	100.0%	\$2,539,023.64	100.0%



601 N. Madison Boulevard
Roxboro, NC 27573

Phone: 336-599-7571
Fax: 336-597-2834
www.personindustries.com

HIGHLIGHTS OF OUR 2006

ACCOMPLISHMENTS

- Obtain CARF Accreditation and pass all program reviews
- Successfully transition to Person County Government
- Enroll as a Medicaid Provider and provide applicable services
- Review and develop all policies & procedures and handbooks

Looking Back

WHAT WILL THE 2007 PROGRAMMING AND FISCAL YEAR HOLD FOR PI?

- Increase organizational self-sufficiency by moving toward becoming an affirmative business
- Update technology by making computers more available to program participants
- Reduce risk factors
- Promote health and safety by revising the Natural Disaster Plan and exploring health screenings for all employees

Looking Ahead