

2010 Annual Report

Finding Our Way



A Message from the President

Directions, please! Have you ever needed driving directions? I have, more than once, but usually try it my way first and then as a last resort ask someone for assistance. All of us have needed some “life” directions at some point. OWL has been providing assistance for almost 50 years to individuals who need “life directions.” Thank you for being involved with us. It has been an exciting journey!

OWL has been looking for directions the last three years as we have gone down new roads and opened doors to overcome the economic woes our whole country has been facing. We are pleased that in FY10 the new roads and open doors made new opportunities available to reach our mission and vision. We launched our zero landfill e-recycling program, from which nearly 100 refurbished computers were placed back into the communities we serve and several tractor trailer loads of scrap were sent to certified recyclers.

Seven new companies began doing business with LMC, SEEC expanded further into Jefferson County, while the OWL Center expanded their programming with Fayette County Public Schools. These are just a few of the doors that opened for us in FY10.



OWL President & CEO, David Boggs

It’s hard to believe that in 2011 we will be celebrating 50 years of service to this community. We want you to be a part of the celebration at every level that will fit your schedule. Want to get involved? Give us a call, text, or email. OWL is your community benefit organization and your assistance is needed. “Life directions” – it’s your turn to get involved.

Best regards,
David Boggs



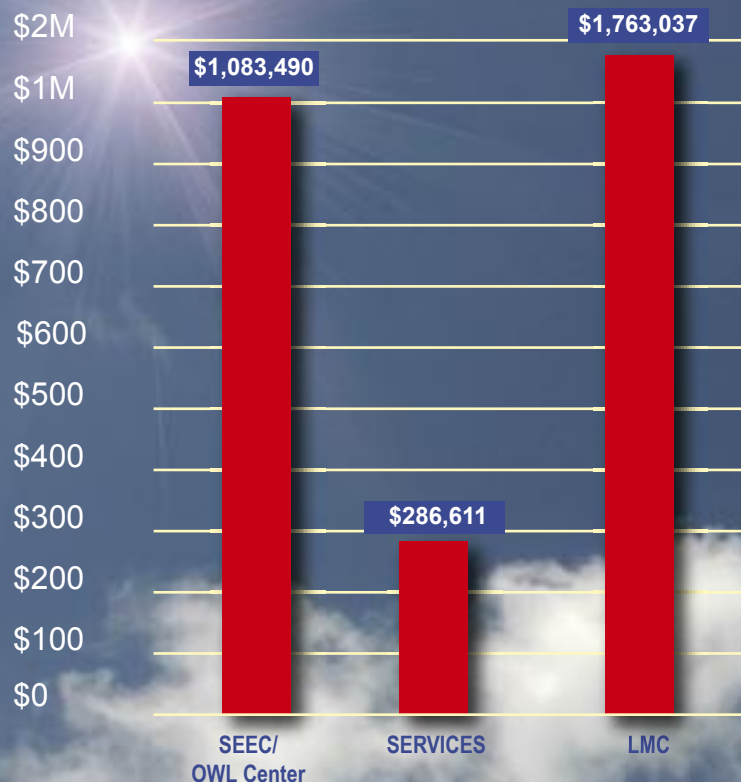
2009/2010 Financials



OWL's financial health realized a much-needed improvement in fiscal year 2010. Although the company incurred some losses for the year, it realized an 8 percent increase in total revenue and hit the highest revenue total since fiscal year 2006. This revenue growth, coupled with reductions in expenses, reduced losses by 70 percent from the previous year. The future looks bright and the OWL team is looking forward to a profitable 2011!

Total Sales:	\$3,133,138
Cost of Sales:	\$1,375,550
Expenses:	\$1,866,370
Net Operations:	-\$108,601
# of Persons on Payroll:	270
Total Payroll for FY-10:	\$2,023,046

OWL Sources of Income By Departments





Skill Enhancement & Employment Center

Skill Enhancement & Employment Center (SEEC) has had a very creative and prosperous year! We have been planning for future expansion and growth, while concentrating on our primary goal of providing quality services for consumers. New positions have been developed and filled while established programs have been enhanced. We are continuing to make fresh developments, for which much of the groundwork has been laid with the submission of a new contract.

Since 1999, SEEC has received over one million dollars from its contract from the Cabinet for Health and Family Services to perform screening assessments and placements. SEEC completes approximately 500-600 screenings a year on individuals who receive Kentucky Temporary Aid to Needy Families (K-TAP) in the Southern Bluegrass Area District (10 counties). These screenings help Case Managers with Community Based Services determine which people need additional supportive services, while allowing those able to move on with their career plans.

Approximately two years ago, SEEC began screening individuals in Louisville with the help of three screening assessors. In the past year an Administrative position was added in order to facilitate the flow of information, both prior to and following completion of the assessments. The Louisville Assessment Project (LAP) is expected to strengthen and enlarge in the coming year. One area of the screening assessments that is expanding in both LAP and in the Bluegrass is the referrals of individuals from other ethnic origins (ESL screenings). This has produced the need to develop another assessment piece so that individuals from different cultures are not left at a disadvantage. It is always a challenge to make accommodations for those ESL participants who come to assessments and cannot read, use a computer, etc.

On July 1, 2005 a new position was added to SEEC's contract. It provided a Community Liaison Caseworker for SEEC's Transitioning to Independence for People (TIP) Program. This position has been responsible for helping individuals on TANF with disabilities/obstacles transition to independence by securing the supportive needs required. The position was found to be in such demand among consumers that it was expanded to three workers, covering ten counties of the Southern Bluegrass Area District. Currently there are three new TIP caseworkers: Karen

Colbert, Laura Schwarz and Jennifer Coffee. One of their "success stories" is as follows:

Wanda Stinnett was referred for a SEEC TANF screening assessment which was completed on December 4, 2009. During her screening assessment, it was determined that Ms. Stinnett was in need of supportive services and therefore was recommended to the TIP program. The TIP Community Liaison Caseworker met with Ms. Stinnett on December 23, 2009 to begin services. She had a strong desire to set a good example and provide a better life for herself and her daughter. With the help of the TIP Community Liaison Caseworker, Ms. Stinnett accomplished several of her goals and is still working to accomplish others. Ms. Stinnett was able to attain stable housing, attend a CNA certification class and obtained a full time job as caregiver for Comfort Keepers in Richmond. Ms. Stinnett also began attending GED classes and hopes to obtain her GED soon. Ms. Stinnett's self-worth and self-confidence has increased with each step of independence she accomplishes. Ms. Stinnett continues to provide a safe and loving home for her daughter while being an example of a strong woman who can overcome the obstacles she has faced.

SEEC continues to perform vocational evaluations and assessments for the Rehabilitation Divisions at OWL. This included assessments for the Bluegrass Community Grant with OWL last year. Summer Gawthorp, SEEC's Vocational Evaluator, is constantly assessing new tests and inventories for both the TANF and OVR consumers so that clients may have the best of what is on the market.

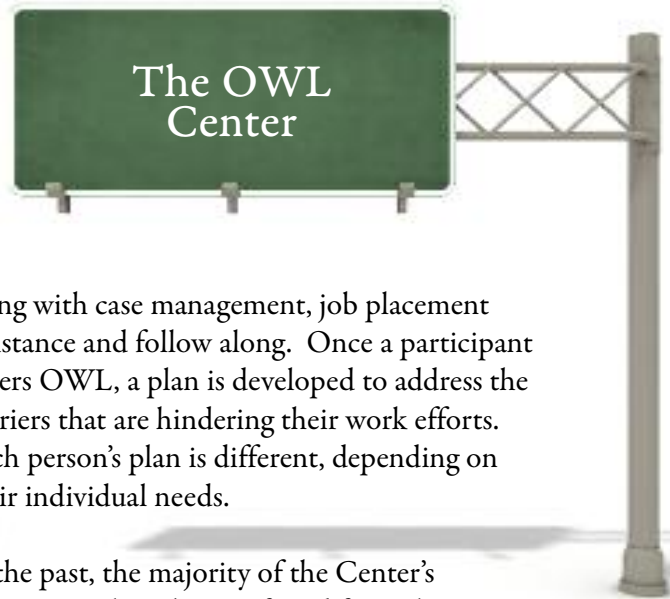
It has been an exciting year thus far and SEEC hopes to continue providing excellent services to consumers!



The Year in Numbers

Counties Served:	15
Individuals who received service:	397
Number of participants referred for Job Placement:	301
Number of Participants successfully employed:	71
• 31% have medical benefits available	
• Range of earnings: \$7.25 to \$19.50 per hour	
• Businesses employing our consumers:	59

The OWL Center is designed to support OWL's vision by helping consumers learn to reduce their barriers to employment, one person at a time. The Center does this by providing lifeskill classes, transitional work experience and computer classes



along with case management, job placement assistance and follow along. Once a participant enters OWL, a plan is developed to address the barriers that are hindering their work efforts. Each person's plan is different, depending on their individual needs.

In the past, the majority of the Center's participants have been referred from the Kentucky Office of Vocational Rehabilitation. This year, services were also provided to individuals referred by the Bluegrass Community Partnership Program. For this group, the transitional work experience took place in the Center's new e-recycling program and computer lab.

Zachary Carson: *An OWL Success*



Zachary Carson wanted to come to OWL because he had a limited work history. He graduated from Kentucky School for the Deaf in 2006 and worked a seasonal job at a toy store that year. Since then, he had applied for jobs but felt if he had some training and a current work experience, he would find a job he liked. In September 2009, Zachary was referred to OWL by Julie Beth Hayden, Counselor with the Kentucky Office of Vocational Rehabilitation. He worked in LMC's Transitional program and completed the Logistic and Forklift Training Program. From the beginning, he

demonstrated strong work habits and he was able to quickly develop communication accommodations with his supervisors and coworkers. He started a job search with the assistance of his Employment Consultant, Jaye Forsythe-Seward. Shortly after that, he was hired to work as a Forklift Operator/Material Handler at TOPS in Georgetown, KY. Ronnie, his supervisor at TOPS reports that, "Zach comes in each night ready to work and take on any task I ask of him. He has learned many different jobs since coming to work here and has really excelled at anything I ask him to do." In addition, Rebecca Jenkins, Human Resource Director at TOPS states that, "From an HR perspective, TOPS was proud to work with Zach finding safe and creative ways to work around his deafness. Removing this barrier to employment allowed Zach to show his skills and work ethic. It's a win-win for both Zach and TOPS!"

Since going to work at TOPS, Zach has continued to live his dream and became a homeowner a few months ago. Congratulations to Zach on his continued success!

Lexington Manufacturing Center

The 2009/2010 fiscal year, although challenging, allowed the organization to take a fresh look at our approach to the daily issues related to running a manufacturing facility. With the mission to prepare clients to function at a very high level, it became more critical to provide the type of on-site training that would give them the job skills and work habits that would allow them to be successful in a very competitive job market.

The LMC team approached the daily challenge with renewed vigor, bolstered by the support and increased opportunities offered by its business partners. Over the past 12 months, LMC bid on 142 new projects from a combination of existing and new customers and were awarded 65 percent of all the projects bid. The range and complexity of these projects exposed clients to a variety of production process, requiring them to learn new skills and disciplines that could be transferred to their next job.

LMC is extremely grateful to the group of companies and organizations that work with the center on a daily basis.

Their expectations for the production group were extremely high and their demands for quality work, delivered on-time and at competitive prices were the minimum standard they would accept. The LMC team understood their requirements and constantly worked to meet and exceed expectations by reviewing, revising and improving our processes to provide the best product available on the market.

LMC continues to focus on best manufacturing practices by maintaining the ISO-9001-2008 certification, UL and CSA approvals and Lean Manufacturing Programs and creating an operating environment where continuous improvement is the standard, an idea that the team strives to transfer to every client and employee working in the program.

LMC's first green project launched in September 2009 created a new client training program focused on recycling and refurbishing of computers, printers and related office equipment. The partnership with Global Environment Systems, Connect Kentucky, Lexmark and Blue Grass Community Action Partnership was very successful and plans are in place to continue the program beyond the original completion date of September 2010. During the first nine months of the program, LMC provided 54



refurbished computers to ten organizations and 23 students in eight counties in the Central Kentucky area.

LMC's forklift training program continues to grow with 15 clients and employees completing the program and receiving their forklift certification since it was launched in 2009. The program has been an important component of LMC's client training and has provided additional resources to expand the services offered in the warehouse, fulfillment and distribution areas.

Finally, efforts for the 2009/2010 fiscal year were reinforced with the addition of seven new customers and multiple new projects from existing companies and organizations. Continued growth is expected with several new projects scheduled to launch beginning in July. Although the challenges connected to the slow down in the economy remain, the 2010/2011 fiscal year is expected to be one of continued improvement and growth at every level of the LMC organization.



Customer	Customer Since
Lexmark	1961
J.M. Smuckers Company	1983
Barrow Reserve Center	1987
VoTech Reserve Center	1987
Parker Seal	1987
The Trane Company	1990
Lexair	2000
Keeneland	2000
ITW Ramset/Redhead	2004
Square D/	
Schneider Electric	2005
Ainak	2006
Webasto	2006
ITW Powertrain	2006
Injectech	2007
Whitehall Industries	2007
Alternative Plastics	2007
Hatfield Chrysler	2007
Safety City (LFUCG)	2007
S-Lec America	2007
Jennmar Corporation	2008
Chapman Printing	2009
Tops	2009
Jim Beam	2009
Thybar	2009
Nitto Denko	2009
Winchester Industrial Authority	2009
Packaging Engineering	2010
Pilkington Glass	2010
KabaMas	2010
Neogen	2010
Audio Authority	2010
Alltech	2010
Blue Grass Area Development District	2010

2009-2010

BOARD OF DIRECTORS

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Curtsinger Sales

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Rector Law Office, PLLC

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Jim Harley
The Business Exchange

Rebecca Jenkins
TOPS/RR Donnelley

Gary Kiesler
Lexmark International

George Leamon
Bluegrass Area Development
District

Chad Rudzik
Fifth-Third Bank

Kathy Susman
Consultant

PRESIDENT/CEO

David I. Boggs
OWL, Inc.

Vision Statement

To create a world without barriers to employment.

Mission Statement

OWL partners within communities to educate and equip individuals with barriers to employment to reach their vocational goals.

Core Values

We are true professionals committed to:

- Treating all people with dignity and respect
- Conducting ourselves honestly and ethically at all times
- Valuing feedback and dialogue from others
- Investing in personal and professional development



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