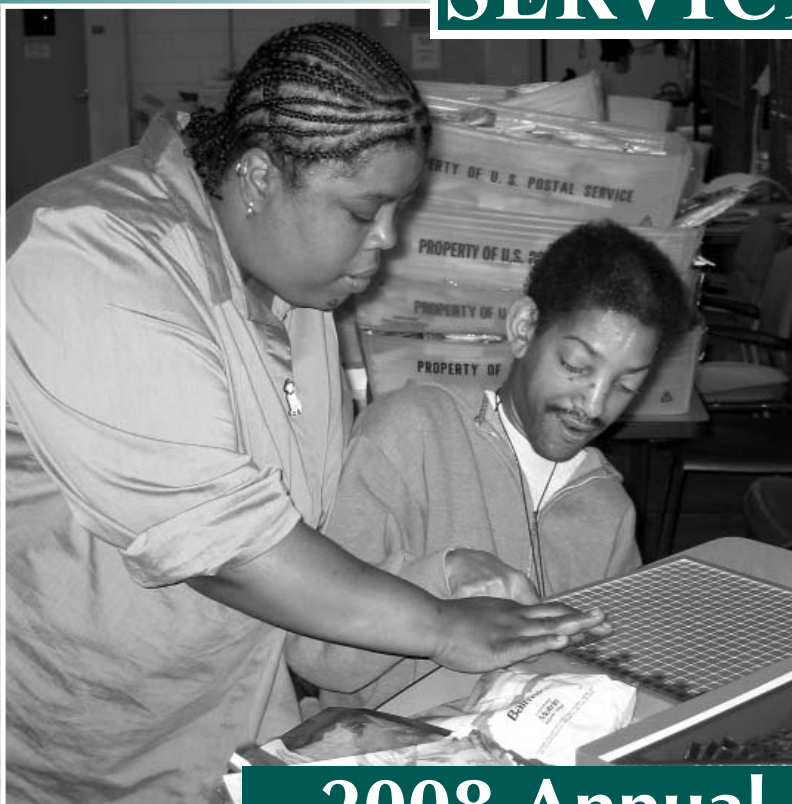
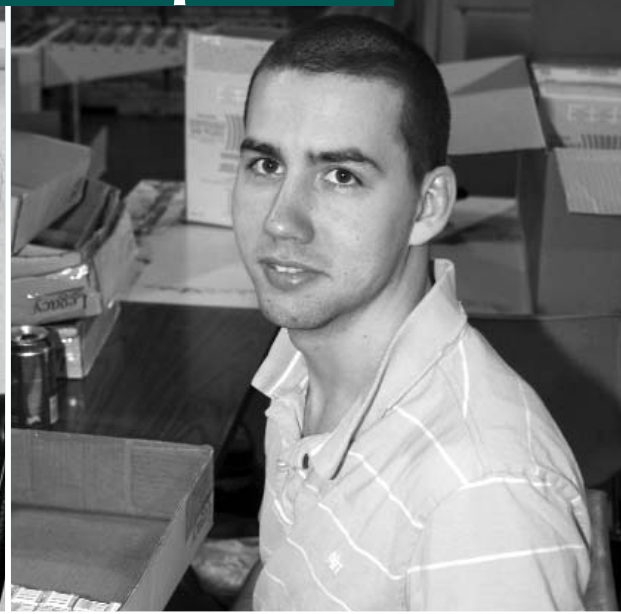


OCCUPATIONS SYSTEM of SERVICES



2008 Annual Report

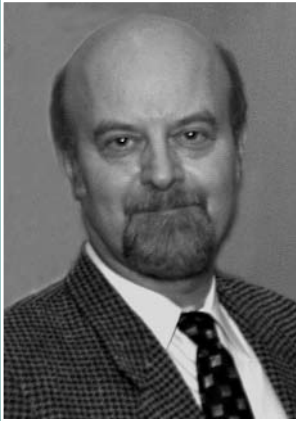


**Creating Hope for People
in the Hudson Valley and Beyond**

Creating Hope
for 45 years

Service Excellence Through Collaboration

**OCCUPATIONS
SYSTEM of
SERVICES**



James B. DeStefano

In 2008, we introduced to the Hudson Valley community *a dynamic collaboration* of human services providers, the Occupations System of Services: Occupations, Inc., Family Empowerment Council, Inc., and New Dynamics Corporation. Working together, these three organizations share *one* purpose — to create hope and choice by assisting people with special challenges in their efforts to lead healthy, satisfying, productive, interdependent lives.

We are proud of the commitment demonstrated by the Boards and staff to embrace innovation and change in our work. We consistently ensure that any change is grounded in our beliefs and values to create the demand for ongoing, consistent quality improvement. For decades our system of services has actively participated with individuals, families, agencies, and government in recreating the service system to *better* meet the current and future needs of people with disabilities.



Amy Anderson-
Winchell

Most of all we are proud of the accomplishments people have made through their own strengths and abilities. With the support of our talented, passionate staff, many have been able to overcome challenges in their lives and create the future of their choice. Lives are changed. Our communities become an even better place in which to live.

The ultimate reflection of our success is seeing the advancement and improved lives of those we serve. These wonderful people represent the true face of the Occupations System of Services — a face we have been proud to serve for the past 45 years and look forward to serving for many more to come.

A handwritten signature in cursive script, reading "Amy Anderson-Winchell".

Amy Anderson-Winchell
Executive Director
Family Empowerment Council, Inc.
Exec. Vice President & Chief Operating Officer
Occupations, Inc.

A handwritten signature in cursive script, reading "James B. DeStefano".

James B. DeStefano
President & Chief Executive Officer
Occupations, Inc.

Occupations & FEC Help Turn a Life Around

Audrey had been an easygoing young lady. She welcomed others with a smile and would help anyone who asked. Audrey had some tough experiences that altered her personality and actions toward her family members. She entered counseling at Occupations and received service coordination services from Family Empowerment Council. Her progress was great, resulting in a return to her 'former' self.

Audrey has been working for Occupations on Fortune Rd. since 2007. During the first year, Audrey was doing janitorial work and expressed that she was unhappy doing these tasks. Audrey was given the opportunity to become an assembler in the industrial work center. Audrey is much happier in this role and looks forward to getting up every morning and going to work. Now with the guidance of her Occupations' support staff, Audrey has developed into a positive, motivated, committed assembly worker and continues to work on her goals and aspirations. Thanks to the support of her parents, as well as Randy Mandel (Medicaid Service Coordinator, FEC) and Sherry Dippolitto (Vocational Counselor, Occupations), Audrey continues to make her own choices, including her decision to continue working as an assembly worker in the Scotchtown work center, maintaining an enjoyable and productive routine.



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George Handler, *Treasurer*
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OCCUPATIONS, INC.

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FOUNDATION, Inc.

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Eileen Taylor

OCCUPATIONS SYSTEM of SERVICES



Edward F. Lekis (above) and David Sheib (below, left) were each recognized in December 2008 for their five years of service on the Occupations Board. Linda Hicks, Board Chair, presented both gentlemen with a plaque acknowledging their volunteer commitment.



*Graham M. Skea, Board Chair
Family Empowerment Council*



Celebrating 45 Years of Service

A Vision & Purpose

During 2008 we continued our exciting journey of change and improvement toward enhanced integration and quality to the people we serve, as a system of services. We continue to collaborate in the reorganization of teams and creation of system-wide structures and processes, with the benefit of enhanced communications to unify and support the growth and evolution of the work we do. We pride ourselves on having:

- ✓ Value-Based Person-Centered Services
- ✓ Commitment to Quality Outcomes
- ✓ The Ability to Change
- ✓ A Strong Code of Ethics
- ✓ An Environment of System-Wide Collaboration



These elements support our quality of services and future growth. We have been implementing **evolutionary change** that involves setting new directions, allocating responsibilities, and establishing timelines for achieving objectives. We are also introducing **revolutionary change** where the response time is short due to the urgency for more profitable growth and the need to adjust to economic conditions and changes in funding.

We must rapidly become even more efficient, while always striving to maximize quality.

Some Important Facts

- Through our affiliation with Family Empowerment Council, we have become one of the largest comprehensive human services providers in the Hudson Valley.
- We have a passionate team of over 570 full and part-time staff
- We provide the majority of Orange County's outpatient mental health services.
- We employ over 270 people with disabilities in the community. For those employees with disabilities working on service contracts for state and federal government, their average hourly wage is **\$11.67 plus** benefits, averaging **\$4.05/hour**.
- We maintain our own transportation system throughout six counties daily assisting close to 300 people with their transportation needs.

As our business needs, plans, goals and strategies adjust to ensure the delivery of high-quality services to our consumers, and to achieve our corporate plan outcomes, there are three concepts that will not change —



our values, ethics, and shared beliefs. We believe in quality, safety, training, efficiency, vision, and values. We believe that our staff members are the foundation of quality services for our consumers, and that they play a critical role in our future growth.

To put it simply, we believe in what we do and that the need for our programs and services will only continue to grow, as must we.

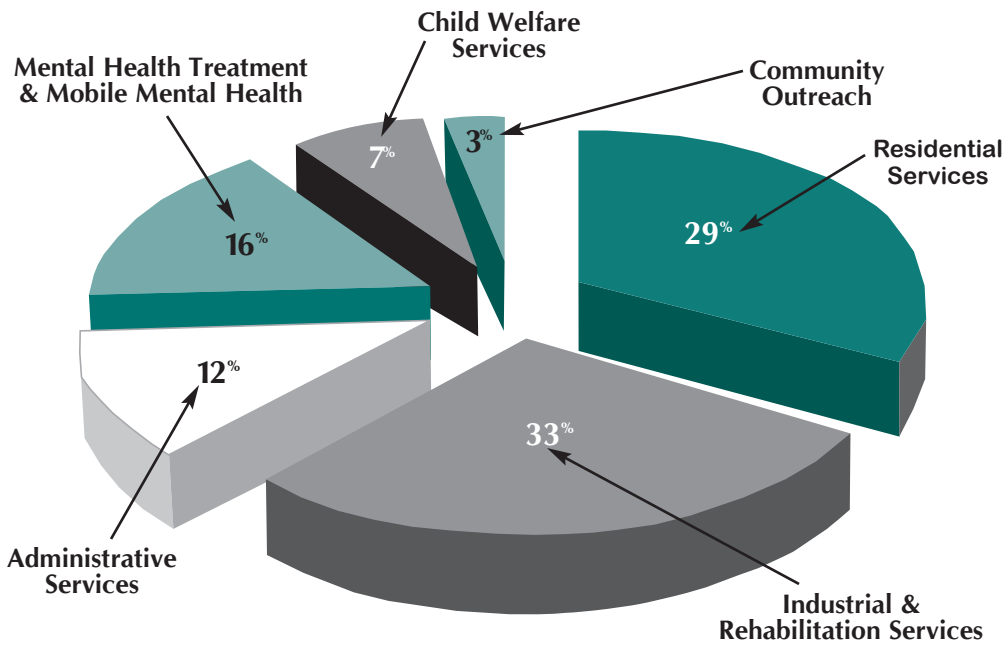
Occupations' Priceless Vision

We are committed to assisting people — children, adults, families and those with special challenges — in the Mid-Hudson region and beyond, in their efforts to lead healthy, satisfying, productive and interdependent lives. We do this by increasing opportunities to attain their goals and make a difference. Our commitment includes delivering value to the people we serve, volunteers, employees, contributors, contractors/vendors, and the community.



2008 Was An Exciting Year

Occupations, Inc. had the opportunity and challenge of creating a system of services that was more effective and more efficient during difficult economic conditions, while leading a true cultural change and beginning a new approach to expanding and branding our services.



Services Available through Occupations, Inc.

COMMUNITY SERVICES

- Community Residences
- Day Habilitation
- Service Coordination
- Community Living Support
- Benefits Counseling
- Case Management
- Recreation
- Transportation

EMPLOYMENT SERVICES

- Vocational Rehabilitation
- Job Training, Placement & Support
- School-to-Work Services
- Welfare-to-Work Programs

BUSINESS SERVICES

- Contract Packaging
- Janitorial Services
- Food Attendant Services
- Retail & Clerical Support

CLINICAL SERVICES

- 24-Hour Crisis Intervention
- Counseling
- Psychiatric Services
- Partial Hospitalization
- PROS (Personalized Recovery Oriented Services)
- Children's Services

CHILD WELFARE SERVICES

- Clinical Casework
- Healthy Families
- School-Based Case Management
- Family Support
- HCBS (Home & Community Based Services) Waiver Program
- Community Alternatives

Occupations, Inc. 2008 Financials

Occupations, Inc., receives funds to provide services from a variety of sources and are dependent on the program and the services provided. We are proud of the way that we manage the public and private funds with which we are entrusted. Numbers below reflect the period of 1/1/08-12/31/08.

INCOME

Medicaid, Medicare, Insurance	\$ 22,492,447.80
Industrial Sales	\$ 6,654,139.31
Sullivan County Family Services	\$ 75,000.00
Orange County DSS	\$ 1,935,757.00
Orange County ETA	\$ 163,545.00
New York State OCFS	\$ 738,992.00
OMRDD	\$ 3,419,404.82
OMH	\$ 1,342,482.03
SSI	\$ 1,491,931.10
OCDMH	\$ 902,248.71
Contributions - Restricted & Non-Restricted	\$ 263,027.53
VESID	\$ 260,728.71
Other Income**	\$ 292,197.23
Federal Grant - UMTA	\$ 173,339.20
Participant/Provider Fees	\$ 397,209.19
	\$ 40,602,449.57

EXPENSES

Wages & Benefits	\$ 27,273,335.29
General Operating	\$ 6,676,281.55
Occupancy	\$ 2,441,789.12
Transportation	\$ 1,602,210.51
Consumer Wages & Benefits	\$ 1,807,151.62
Consumer Emergency Assistance	\$ 271,326.29
	\$ 40,072,094.38

With a budget of \$41.1 million for 2008, and while managing to keep our administration costs to 12% of our total budget, we continue to provide quality services benefiting people in need as indicated in the piechart at left.

** Does not include \$517,365 in management fees received from affiliates (FEC, NDC).

Occupations, Inc., is a fully qualified, tax-deductible, not-for-profit rehabilitation organization under section 501(c)(3) of the Internal Revenue Code. A copy of Occupation, Inc.'s audited financial report can be obtained by contacting Occupations, Inc., at 15 Fortune Road West, Middletown, NY 10941-1697, or by writing to the State of New York, Office of the Attorney General, Charities Bureau, 120 Broadway, New York, NY 10271.



Services Available

- **SERVICE COORDINATION**
Medicaid Service Coordination
Family Assistance Coordination
Traumatic Brain Injury
Service Coordination
Care at Home Service Coordination
Plan of Care Support Services
Transition Family Assistance
Program
Nursing Home Transition
& Diversion Waiver
- **LEARN**
Residential Habilitation
- **RESPITE - HCBS Waiver Respite**
- **NETWORK TRANSITIONS - Orange County**
Innovative services for young adults, ages 18-25, with serious and emotional behavioral challenges
- **NETWORK - Orange County**
Innovative services for children under 18 who have serious emotional and behavioral challenges.
- **DIRECTION**
Consumer-Directed Personal Care Services for individuals with Medicaid who wish to direct their own care.
- **Youth Educational School Services (YESS)**
Advocacy for students with disabilities and/or at-risk youth to remain in school.
- **CONNECTIONS**
An inclusive person-centered day habilitation program for adults using community-based supports.
- **FAMILY EMPOWERMENT PROJECT (FEP)**
Referral assistance and funding assistance
- **EARLY INTERVENTION**
(For ages 3 and under)
Core & Supplemental Evaluations
Service Coordination
Respite

Family Empowerment Council was established in 1993 by a group of concerned parents, including the late Sally McGlynn, seeking family involvement in the establishment, provision of, and advocacy for services for their children with disabilities. The agency now provides a variety of services including service coordination for a diverse population, support for families with children who have serious behavioral and emotional challenges, consumer-directed personal care, residential and day habilitation, respite, and educational advocacy. Through a recent affiliation, Family Empowerment Council became part of the Occupations, Inc. service system with FEC remaining an independent entity continuing with its mission.

Family Matters Orange County

Orange County received a SAMHSA grant referred to as System of Care, also known as **Family Matters Orange County**. The goal was to develop an integrated family and child-centered system of care to improve outcomes for Seriously Emotionally Disturbed children. One facet of FEC's Network is family representation. Through collaboration with the Orange County Department of Mental Health, FEC, Occupations, Inc., Mental Health Association of Orange County, Orange County Youth Bureau and United Way, there is a cross-system change to strengthen existing services, provide new services (evidence based/best practice models) and sustainability. FEC is the lead agency for family support and care for the 250+ families that will receive services through this new initiative.

Youth Educational School Services (YESS)

YESS is an education advocacy program essential to helping students with disabilities, and those at risk to stay in school, by advocating for appropriate programs and supports so that the student will have a successful experience. The YESS mission is to work collaboratively with families, students, service providers, professionals, agencies and school districts to identify the educational needs of these youth. In addition to helping Gabriela and her family (*see story at right*), FEC's YESS program assisted 278 children in 2008, helping them to stay in school, enhancing their skills, and empowering them and their families to advocate for themselves — ultimately to achieve the highest possible quality of life within their community.

On October 2nd, Family Empowerment Council, Inc. hosted a Harvest Gathering; a fundraiser at the Bull's Head Inn in Campbell Hall to benefit the YESS Program. The evening was attended by parents, local agency supporters, staff and community leaders who are committed to the vital work of the YESS program. Board Chair, Graham M. Skea commented, "Family Empowerment deeply appreciates the support the Luedke Family, the Bull's Head Inn, and the community has extended to our agency and YESS."

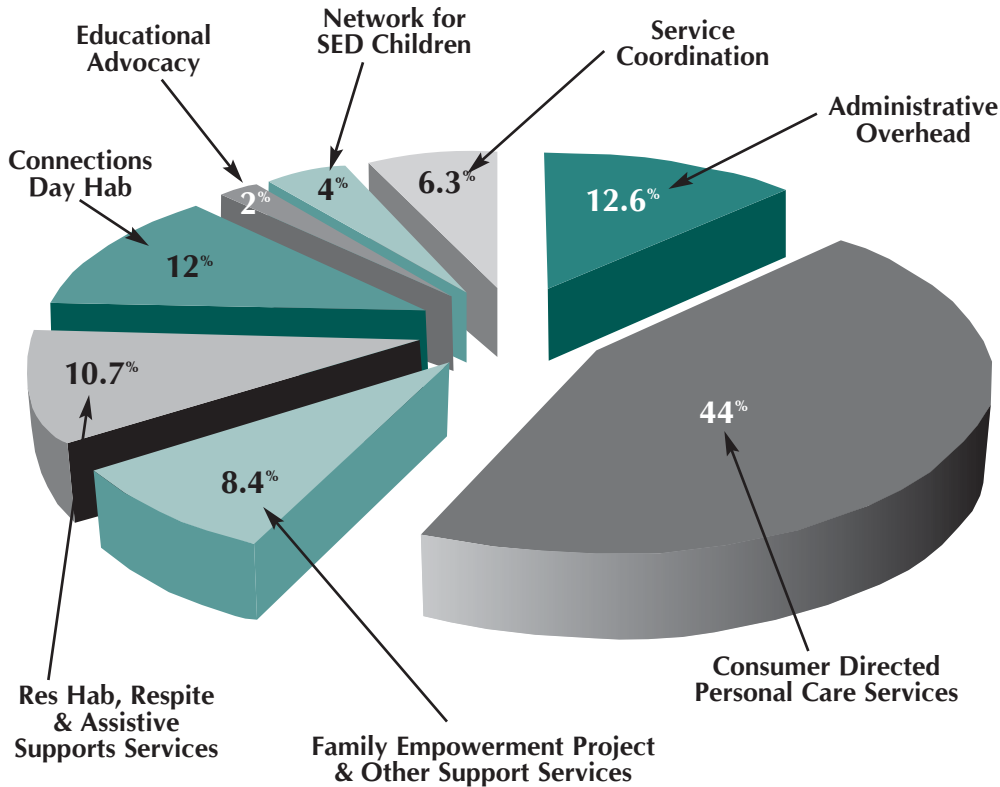
Mission Statement

. . . to assist people with disabilities to make and implement informed choices in all areas of their lives. FEC is a person-centered not-for-profit corporation that promotes the individualization, independence, integration, and productivity of people with disabilities. FEC is committed to the principle that each person should be included in the community as he/she chooses.

Making a Difference One Life at a Time

Connecting, Networking, Empowering

The 160+ passionate staff of Family Empowerment Council, together with the 338 Personal Care Assistants who work directly for consumers, are mission-driven and committed to providing quality services to the children, adults and families in our communities.



FEC 2008 Financials

Numbers below reflect the period of
January 1, 2008 - December 31, 2008 (unaudited)

INCOME

Medicaid - Federal, State & Local	\$ 9,473,623
NYS OMRDD - Family Support	\$ 196,244
NYS OMH	\$ 493,761
NYS DOH-Early Intervention/TBI	\$ 146,479
Other	\$ 63,612
Contributions (restricted & non)	\$ 75,151
Total	\$ 10,488,870

EXPENSES

Wages & Benefits	\$ 8,286,047
General Operating	\$ 1,209,181
Occupancy	\$ 212,571
Transporation	\$ 223,529
Total	\$ 9,931,328



Gabrielle Tells Her Own Story

I am nine years old, have three big brothers, my parents, and two dogs. A month after I was born I was diagnosed as having special needs as a result of malpractice. I think my worst problems began when I was one. I had no balance, couldn't walk, couldn't sit, couldn't eat. To help me survive they changed my toys, parties and outings. They adapted my entire life to therapy — for the rest of my life — so that I could participate in life's activities and events. I do things like hippo therapy, swimming, occupational and speech therapy, and something called extreme therapy.

I've had two painful operations that changed my life. I can now use a walker and exercise bike. My biggest dream is to have a friend who doesn't leave me or see me as being different. I think it's hard for people to deal with someone like me — a person with disabilities. They're not prepared.

Today, thanks to a lot of people, my world has changed for the better. They believe in me. It's been a long road, but today I feel like it's a big new challenge! I am alive and am going to show what I can do! I'm getting help from programs like YESS and Family Empowerment. I'm in a new place thanks to them. I know that schools like Temple Hill are willing to open their doors to me and other kids like me in the future. Finally, for me, the School District really does exist and is willing to fight for me!

2008 SYSTEM C

We Create Hope to En



Occupations, Inc., Family Empowerment Council, Inc. and New Dynamics Corp. are grateful for the continued support and confidence in the programs and services we provide. Lives are positively changed because of what an individual and/or a family can accomplish with our assistance. These successes are a reflection of your support for our mission. Thank you, again, for your tireless commitment to assisting us in creating hope for thousands of people in the Hudson Valley and beyond.

Include Us in Your Estate Planning

Planned Gifts are deductible contributions that do not significantly affect current finances or after-tax income, and are a wonderful way to make a long-lasting contribution and ensure the quality of life for those we serve.

Planned giving may be done through gifts of cash, real estate, bequests, life insurance, appreciated stock and/or trust annuities.

For more information, please call Patti Archiere at (845) 692-4454, ext. 101.

VISIONARIES (\$10,000 & above)

Cumulus Media
KeyBank
Provident Bank, F.A.
Richard Rowley
Simon & Stella Sheib Foundation
The Elaine & William Kaplan Family Private Foundation
The Wel Foundation
Tom & Jeanine Glendening
USI Insurance
Warwick Savings Foundation

BENEFACTORS (\$5,000 - \$9,999)

Dana Distributors, Inc.
Time Warner Cable
Johnstons Toyota
The Gerry Foundation
Rider, Weiner & Frankel, P.C.
E & A Contracting of Orange County
Safina Office Products, Inc.

PATRONS (\$2500 - \$4999)

Alders Wholesale Florist, Inc.
Anthony's Pier 9
CheckPoint HR, LLC
Crystal Run Healthcare
David Wieboldt Architect
Dupee & Monroe, P.C.
Elegant Images
Granite Associates, LP
HIP Health Insurance Plan of Greater NY
Laborers Local 17
Loeb & Troper
Ludlow Composites Corp.
Med World
MEDIACOM, L.L.C.
Mount Saint Mary College
Multi Packaging Solutions
MVP Health Plan
Orange & Rockland Utilities, Inc.
PAETEC Communications
Philadelphia Insurance Companies
Price Chopper's Golub Foundation
Robert D'Arrigo
Sano Foundation
Stewart's Foundation
Sullivan County Community College
Sullivan Renaissance
TD Banknorth, N.A.
TricorBraun

SUPPORTERS (\$1,000 - \$2,499)

AHRC of Orange County
Aliton's Pharmacy Home Health

Amy & Paul Anderson-Winchell
B.P.O.E. Lodge #1097
Brown Advisory
Paul Calogherakis
Construction Contractors Assoc. of the Hudson Valley
Crystal Run Village, Inc.
James B. DeStefano
Fulton Chevrolet-Cadillac
Halmar International
Hudson River Contracting Corporation
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Cellex Building Services
Centennial Golf Club
Ceridian Freedom
Drs. Muthaiah & Lalithla
Chandrasekhara
Philip Coombe
Brian J. Curry
Melissa & Jimi Dewitt

CONTRIBUTORS

rich the Lives of Many

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Verticon, LTD.
Thomas W. Wade
Walden Federal
Wind Turbine & Energy Cables Corp.
Stephen & Terry Winter
Mr. & Mrs. Daniel Yeager

Generous Gifts Were Also Received

In Loving Memory of . . .
Arlene "Cricket" Hoffman
Louis Silver

And In Honor of . . .
Hal Berlin's 70th Birthday
David Rider
The Silver Family

For more information about all forms of giving, volunteering, and participating in the work of the Occupations System of Services, please contact us at (845) 692-4454, ext. 101, or e-mail parchiere@occupations.org.





Connections

Connections is an inclusive person-centered day habilitation program for adults using community-based supports. Each specialized plan is developed based on the individual's goals and interests and tailored to meet each person's individual needs. Recently, in an effort to provide highly individualized programming, a new group was piloted -- **Day Hab Without Walls in Southern Orange County**. The program emphasizes social skills development, life skills training, and vocational preparation, within an inclusive community setting.



Residential Habilitation Program Expands

In 2008, the **Residential Habilitation** ("Res Hab") program expanded with the addition of a full time Qualified Mental Retardation Professional and a part-time supervisor. The expansion enabled FEC to increase and develop relationships with both consumers/families and employees and provided more support for staff, ultimately increasing the quality of care and service for consumers. Through FEC's Res Hab program, 105 people with developmental disabilities living in Orange and Sullivan Counties have been assisted with daily living needs and skills, as well as community integration and inclusion.



Service Coordination

What do you do when your child or a loved one has suddenly become disabled, diagnosed with a disability or born with a disability? You are overwhelmed with the medical care needed, the bills, the treatments, the therapies, and struggling to make decisions and preparations to make sure your child/loved one gets what he/she needs to assist him/her in adapting and having control of their own life and their future.

FEC provides service coordination to diverse populations such as people with developmental disabilities, traumatic brain injury (TBI), children who are medically fragile with complex health needs, and children with challenging behaviors transitioning from Pre-K to kindergarten. There are many aspects of service coordination that can assist an individual or family in making choices that are his or her right and accessing the available services. FEC provides Medicaid Service Coordination, Early Intervention Service Coordination, Plan of Care Support Services, Transition Family Assistance Program, and Nursing Home Transition and Diversion Waiver Services. FEC's Service Coordination program is dedicated to helping an individual with a disability make choices that are his or her right, promoting individualization, independence, integration, and productivity.



In 2008, FEC's Medicaid Service Coordinators helped over 20 children participate in the Orange County Department of Mental Health's OPTS Coordinated In-Home Supports project for children with diagnoses on the autism spectrum with challenging behavior. FEC's service coordinators assisted more than 500 individuals in 2008 in making real choices supported by high quality services, resulting in their ability to live fully and enjoy what their community has to offer.

Employment Opportunities



New Dynamics Corporation (NDC) is a not-for-profit sister agency of Occupations, Inc. It was formed in 1997 to increase employment opportunities for individuals with disabilities while not relying on funding from any government source. Currently NDC provides employment for more than 40 people with and without disabilities through government and commercial contracts for products and services.

NDC obtains these government contract opportunities through participation in the **Ability One** program. **What is Ability One?** It is a federal initiative that helps people who are blind or severely disabled and participating in community rehabilitation agencies, to find employment. It is the largest single source of jobs for the blind or severely disabled in the country, providing employment to well over 45,000 individuals. The Ability One program is a priority source of the supply of products and services to the Federal customer. NDC and Occupations both receive assistance from this program in their efforts to provide employment opportunities for people with disabilities.

Currently NDC holds an Ability One contract for disposable ear plugs. Primary federal customers are The Defense Supply Center in Philadelphia and General Service Administration. NDC manufactures, packages and distributes one and two-color earplugs under the name Sound Guard. This operation employs individuals with disabilities and provides high-quality hearing protection that meets or exceeds government standards. The United States Military is NDC's largest customer for the earplugs. Sound Guard earplugs are also sold commercially, accessible through the NDC website at www.newdynamics.net.

NDC also holds two custodial service contracts — U.S. Treasury: The Mint at West Point, and the Air National Guard at Stewart International Airport. At these locations a team of workers provide high-quality service at a competitive price. Workers are highly trained and possess necessary skills to satisfy customer requirements. They are highly respected and are recognized as part of the team as they perform their duties during traditional working hours.

NDC and Occupations continue to pursue various government product and service contracts that will generate agency revenue and provide employment opportunities for people with disabilities. Revenue generated from these contracts is used to support underfunded programs and services of the Occupations System of Services.

NDC 2008 Financials *(unaudited)*

INCOME

Industrial Sales	\$ 1,820,352
Other Income	\$ 8,084
	\$ 1,828,436

EXPENSES

Wages & Benefits	\$ 291,709
General Operating	\$ 817,703
Occupancy	\$ 101,604
Transportation	\$ 55,800
Consumer Wages & Benefits	\$ 400,795
	\$ 1,667,611

NDC held its administrative overhead at 11.3% of total operating expenses for the year 2008.



Making a Difference, One Life at a Time



Residential Growth

Meadow Hill IRA (Individualized Residential Alternatives) is the last home of the Occupations OPTS (Option for People Through Services) Project. This project helped to decrease the number of adults served at each of

Occupations' residence resulting in the development of four new IRAs in Orange County. The Meadow Hill home is shared by five individuals and provides respite opportunity to families caring for their loved one. The home is staffed with dedicated staff including a supervisor, an assistant supervisor and six residential counselors. The staff are experienced, creative and committed to person-centered planning.

"I have to say that David's transition into his new home went very well, and we are very pleased. I must say, it went better than I had anticipated. David appears to be very happy. Of course, there will always be issues because of his handicap, but he is doing very well and everyone seems pleased with him too."

Joyce C. Gibbons, parent

David is shown here with his Site Supervisor, Melanie Ticehurst.

In Crisis? Call Mobile Mental Health

Occupations, in collaboration with the Orange County Department of Health, has made available Mobile Mental Health (MMH) services. This professional, clinician-staffed telephone support and outreach intervention is available to anyone in Orange County in need of emotional support or crisis intervention in the home, at school or in the community. Trained therapists are available 24 hours a day, 7 days a week by calling 1-888-750-2266.

A growing number of people — schools, doctors, police, and the community at large — are utilizing MMH services as a resource for people in crisis. Recently MMH saved a life through their immediate response to a drug overdose/suicide attempt — the person's second attempt after just being released from the hospital. The MMH team takes every call seriously and treats each call as an immediate concern, responding as quickly as they can. In 2008, MMH received 3,306 calls and made 1,684 outreaches in the community.

Community Alternatives Program

Working in partnership with the Orange County Dept. of Social Services, the continuing goal of Community Alternatives (CA) is to identify youth in high-cost institutional placements who, if provided with intensive services, could be candidates for early discharge. CA program staff work with youth and families to develop an innovative and intensive service plan that will highlight the strengths of the youth, family and support system, and organize the intervention with a goal of the youth's ultimate successful re-integration into the community. CA accepted its first family in January '06. Since that time, CA has provided intensive preventive services for 44 families. By the end of 2008, 30 youth had been discharged from CA. Of those only three have returned to a residential level of care — reflecting a 90% success rate.



Providing Access to Opportunities



Treatment Centers Prepare to Consolidate

During the 4th quarter 2008, Occupations began preparations to consolidate mental health treatment services to more centralized locations in downtown communities of Middletown and Newburgh. The consolidation will create efficiencies for staff and provide accessible services for the chronically underserved, including the mentally ill and economically disadvantaged people living in the inner cities. In 2008 the counseling services served more than 3,500 children, adults and families providing individual/family therapy and/or group counseling and psychiatric services.

Industrial Work Centers

Occupations operates three manufacturing facilities that provide employment and training opportunities to more than 220 adults with disabilities. Vocational counselors help each person create an individual rehabilitation plan focused on the development of job skills and career goals. Within these facilities Occupations manufactures, packages and distributes a variety of staplers and an assortment of brass stencils. All products are distributed commercially and to the New York State and federal governments. Workers perform a variety of different packaging and assembling projects for several businesses throughout the United States. Some of the contracts have been in place for years, including our bottle fill line that has been in production for 13 years, filling 12,000,000+ vessels per year. In 2008, Occupations received new development rights for pasta repackaging from NISH for the Federal Bureau of prisons.



Healthy Families

Based on a model from Prevent Child Abuse America, Healthy Families is a cooperative home visiting program in the 12550 (Newburgh) and 10940 (Middletown) zip codes to screen all pregnant women and new parents for risk factors. Since its inception in 1991 and with the expansion of services in the 10940 zip code area in 2008, Healthy Families has provided services to 260 adults and 180 children. Participation is voluntary and grant-funded through the NYS Office of Children and Family Services, and begins during pregnancy or up until the baby is three months old.

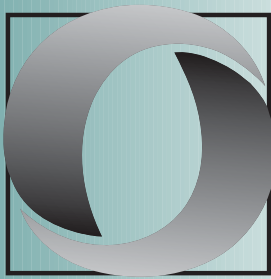


PROS - Personalized Recovery Oriented Services

Located at Union Center in Middletown, PROS is a rehabilitation and recovery service program available to adults with mental illness. PROS provides an array of services with community rehabilitation and support as the core component, including services to assist individual in acquiring and maintaining skills and supports to live successfully in their communities. This program that began in 2007 and now serves 230 adults, has seen an increase in vocational outcomes through job placement, employment, training and working with VESID (Vocational and Educational Services for Individuals with Disabilities). Others are volunteering and/or going to school.

Through the development of staff training in areas such as health and wellness, suicide prevention, person-centered planning, and family consultation, there has been an increase in family involvement and a decrease in the number of suicide attempts.





OCCUPATIONS
FOUNDATION, Inc.

Occupations Foundation 2008 Financials

(unaudited)

INCOME

Annual Gala	\$	116,870
Capital Campaign	\$	81,604
Other Income	\$	22,006
Unrealized Loss	(156,324)
	\$	64,156

*Unrealized loss due to endowment funds
and economic loss on investments.*

EXPENSES

Wages & Benefits	\$	7,419
General Operating	\$	60,347
Fundraising Expense	\$	54,837
	\$	122,603

*Occupations Foundation held its
administrative overhead
at 8.8% for the year 2008.*

Gala Honors Sandra Gerry

On September 20th, the annual gala hosted by Occupations Foundation, Inc. presented the Vision of Hope Award to Sandra Gerry, Founder of Sullivan Renaissance. Sullivan Renaissance began as the vision of Mrs. Gerry who believes that residents can enhance the appearance of Sullivan County while building pride and spirit in their communities. James W. Taylor, Jr., president of Taylor Recycling served as chairperson for the annual fundraiser.



Sandra Gerry and James Taylor

Darrell Supak of Granite Associates, LLC, served as honorary chairperson. Proceeds from this event went toward the Grand Street renovation project.

Country-Western Theme Barbecue

The law firm of Dupee & Monroe hosted a County Western Barbeque on July 5th to benefit Occupations Foundation, at their newly renovated offices in Goshen. Over 100 guests showed up throughout the day, some dressed theme-appropriately in cowboy hats and boots. Country Western music was performed throughout the day by The Wood Hobo Band, Freddie's Last Stand, and Copper Creek. Radio personalities from 97.3FM The Wolf radio station were on location in support of the event.

Capital Campaign Update



In September 2008, state and city dignitaries joined a groundbreaking ceremony to launch Occupations Grand Street Renovation Project at 21-23 Grand Street, Newburgh, New York -- "Revitalizing History & Hope". This project marked the beginning of Occupations' capital campaign to raise funds to help serve the unmet service needs of families throughout the Hudson Valley region.

\$1.6 Million Raised for Grand Street Project

In addition to a lead gift of \$900,000 from The Elaine and William Kaplan Family Private Foundation, Occupations Foundation has received contributions and commitments of over \$300,000 from foundations and philanthropists, and more than \$400,000 in federal and state government grants. Construction is well underway. Phase 1 completion is anticipated for August, 2009 with a projected completion date of December 2009.



With the renovations of 21-23 Grand Street, Family Counseling of Occupations is poised to expand upon a long tradition of service to the children, adults, and families of Newburgh and the surrounding communities. The project includes the consolidation of two of the mental health clinics, resulting in a reduction in operating expense, retention of staff, and the ability to maintain quality mental health services for the community. The project involves renovating and connecting two buildings while preserving the historic look of the architecture, and making it accessible to people with disabilities by combining the structures into one accessible site.

Occupations, Inc.

James B. DeStefano, M.Ed.
President & Chief Executive Officer

Amy Anderson-Winchell, LCSW
*Executive Vice President
& Chief Operating Officer*

Melissa Arenas-Dewitt
Director of Rehabilitation Services

Marylou Berardino, MA
*Director of Business Development
& Operations*

Wendi Chason
*Director of Development
& Public Relations*

Yvette Figueroa
Director of Community Outreach Services

Katariina Hoas
Vice President of Program Services

Lori A. Lentini, MS
*Vice President of Human Resources
& Quality Assurance*

Walter C. Pawlowski
Vice President of Industrial Operations

Maude Rosado
Chief Financial Officer

Robyn Sellet, LCSW
*Director of Clinical Services
& Child Welfare Services*

Muthaiah Chandrasekhara, MD
Medical Director

William J. Brown
Industrial Operations Director

Mark Cerberville, LMSW
*Service Access &
Mobile Mental Health Services Director*

Ron Colavito
Finance Director

Tiffany Connolly
Human Resources Director

Family Empowerment Council, Inc.

Amy Anderson-Winchell, LCSW
Executive Director

Barbara Russell, MS
Director of Program Services

Mary Radford, CPA
Director of Finance

Tony Pennimpede
LEARN/Respite/ISS

Carol McMahan
Service Coordination Manager

Karen Vaughan
Connections Manager

Kathy White
YESS Supervisor

Francine Cuebas
MR Residential Program Director

Phyllis Dwyer
*Director of Vocational Rehabilitation
& Employment Services*

Patty Gianti
Custodial Contract Director

JoAnn Goswick
Medicaid Service Director

Bill Jolly, LMSW
MH Residential Program Director

Jessica Joseph-Thomas
MR Residential Program Director

Robert Lobb
*IT Systems Administrator/
HIPPA Security*

James O'Loughlin
Transportation Director

Diana Noger, LCSW
*Community Counseling Director
at Goshen and Middletown*

Vicki O'Brien, LCSW, MPS
Director of Clinical Day Programs

Maureen A. Piermarini
Custodial Services Director

Marlo Schorling
Day Habilitation Services Director

Sharon Seelig, LCSW, ATR
*New Windsor & Newburgh
Clinic Director*

Patricia Tuber
Child Welfare Director

Eileen Zepf
Quality Assurance Director

Patricia A. Archiere
Public Affairs Coordinator

Louise Schwarz
NETWORK Supervisor

Sean Gerow
Direction Manager

James Schueler
FEP/El Services Coordinator

Laurie Wolfe
Quality Assurance Coordinator

Laurie Davidson
Human Resources Coordinator

Jamie Moore
Payroll Supervisor

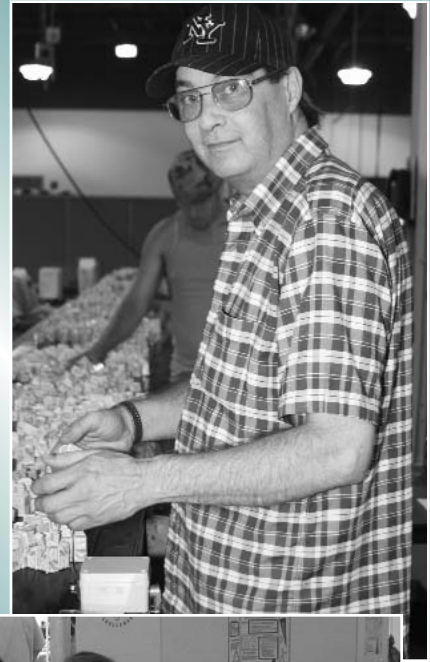
Leadership Teams



A New Training Center is Made Available

Arrow Park is a privately owned cultural center comprised of approximately 60 acres located adjacent to the newly preserved 22,000 acre Sterling Forest. It includes bungalows, a pavilion, and a stone mansion.

In 2008 Occupations, with the support of The Sterling Center, began coordinating special training and service programs at Arrow Park on topics such as Suicide Prevention for Veterans and Children & Bereavement. Occupations will continue to work with The Sterling Center and Arrow Park to offer additional training programs in 2009 and future. For information on Arrow Park, visit: www.arrowparkny.com.



OCCUPATIONS SYSTEM of SERVICES



OCCUPATIONS, INC.

Occupations, Inc. • Executive Offices

15 Fortune Road West

Middletown, NY 10941-1967

Tel: 845-692-4454 Fax: 845-692-8887 www.occupations.org

For all services, call toll-free: 888-750-2266

 **Family Empowerment Council, Inc.**
Services for People with Disabilities

225 Dolson Ave., Suite 403

Middletown, NY 10940

Phone: 845-343-8100 • 1-800-343-8181

www.familyempowerment.org

NEW DYNAMICS
CORP

15 Fini Drive

Middletown, NY 10941

Phone: 845-692-0022 • 1-800-925-3421

www.newdynamics.net