As we look ahead to our 45th year, it seems there is more to do for people than ever. Soaring jobless rates and mortgage loan defaults are just two glaring features of a recession that has fostered a historic economic stimulus response by the Congress. And if 2009 is to be a year of recovery, Telamon/Transition Resources will have played its part on the human services stage as additional resources have bolstered our housing counseling capabilities, put hundreds of youth in summer jobs and expanded early childhood services. These programs have provided scores of new jobs as well. Meanwhile, three other major proposals in the pipeline are targeted to train unemployed persons in health care careers and jobs in the “green” economy.

So, while annual reports like this one are retrospective accounts of organizational efforts and statistical performance milestones, we are intently focused on the road ahead; and being part of tomorrow’s solution to problems of people in crisis today is, as they say, what we do. The maturity of our systems, experience of our workforce and strength of our community partnerships will serve us and our program recipients well as we go forward in pursuit of our mission.

We hope that readers of this report will note that our objectives of individual empowerment and community improvement shine brightly through the work of our employees and volunteers, and that the lives of people in need are better for them.

Richard A. Joanis
Raleigh, North Carolina

Telamon’s mission: We are committed advocates for people in need. Our mission is to promote the development
Following architectural styles of the ancient Greeks, early Roman builders adapted the use of human figures, some called Telamons, that were symbolically cast as columnar roof supports. Since 1965, Telamon Corporation has provided supportive assistance to untold numbers of recipients. Farmworkers and their families, children born into poverty, low-income and elderly residents of rural America, youth who struggle with societal challenges, the dislocated and disenfranchised comprise this universe of people in need. To our stylized logogram (seen at right), we add a heart that beats with commitment to those we choose to serve, and a soul that is the collective effort of thousands of employees and volunteers who have given of themselves.
In 2008, Telamon operated 96 human service programs and projects in 11 states. Our 124 locations consist of state administrative offices, housing project offices, Head Start and early childhood development centers, and a variety of employment and training facilities strategically located where the opportunity to serve people is the greatest - often within career centers and community colleges. State administrative offices are commonly located in their respective state’s capital city. Our corporate headquarters is located in Raleigh, North Carolina.

**Telamon Corporation Locations**
- Raleigh Corporate Office
- State Office
- Housing Service Offices
- Employment & Training Offices
- Head Start Centers

<table>
<thead>
<tr>
<th>Miles</th>
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<tbody>
<tr>
<td>0</td>
</tr>
<tr>
<td>60</td>
</tr>
<tr>
<td>120</td>
</tr>
</tbody>
</table>

**TELAMON’S GOVERNING BOARD**

As of December 2008:

Karen Hasenauer  
Knoxville, Tennessee

Selena Lipscomb  
Providence, North Carolina

T. Jerome Cheek - Chair  
Burlington, North Carolina

Leila Borroto Krouse  
Salisbury, Maryland

Tracey Bethel  
Danville, Virginia

Nicole Williams  
N. Augusta, South Carolina

John H. Newman - Vice Chair  
Lanesville, Indiana

Hilda Guerrero  
Adrian, Michigan

Mary Brown - Secretary  
Martinsburg, West Virginia

James D. Benham  
Versailles, Indiana

Richard C. Smith  
Moorefield, West Virginia

Edward Garrison - Treasurer  
Greenville, North Carolina

Maria Ines Perez  
Walkerville, Michigan

Samuel Puckett  
Bull’s Gap, Tennessee

Margaret Hill  
Midway, Alabama

Carrie Reavenell  
Goose Creek, South Carolina

Karina Vazquez  
Unicoi, Tennessee

Mary C. Williams  
Columbia, South Carolina

Dolores Dixon,  
Dover, Delaware

B. Agayapon Opare  
Dover, Delaware

Esther Graham  
Wyoming, Delaware

Mary Wedgeworth  
Montgomery, Alabama

Araceli Bueno  
Ty Ty, Georgia

Victor Gomez  
Ladysmith, Virginia

Neda Biggs  
Smyrna, Delaware

David A. Whitaker  
Martinsburg, West Virginia
2008 Corporate accomplishments

Telamon set new strategic goals, continued the development of training modules for its board and staff members, and implemented new technologies for greater efficiency.

• Progress on Telamon’s Strategic Goals

In April 2008, a group of Telamon Governing Board members, Head Start Policy Council members, program staff, State Directors and corporate office staff met to formulate the principles of a corporate strategic plan for the next five years. Results of their deliberations were presented to the Governing Board at the May quarterly meeting. This outline of strategic goals includes an affirmation of our current mission statement, the addition of a vision statement, and a series of specific goals. Anticipating positive board action, organization directors established a process for plan development and implementation. Subsequently, the board approved a plan outline in May with minor revisions to our three key goals: increase community relations, focus and enhance systems development and accountability, and continue organizational development.

• Telamon Early Childhood Program successfully completes the Office of Head Start’s trienniel review process

Our Migrant Head Start programs in Michigan successfully demonstrated compliance with Head Start Performance Standards including education, health, parental involvement, transition activities, nutritional, and social services during its July 2008 onsite review.

• Corporation launches online board website

As the demands on nonprofit board members increase in the face of changing regulatory and programmatic environments, Telamon has launched an information portal designed to keep its Governing Board members up-to-date on the Corporation’s activities between quarterly Board meetings. The portal, found at board.telamon.org, features news updates, announcements from funding sources, activity and financial reports, and training materials designed to support their service to the Corporation.

• Telamon receives an unqualified opinion on annual financial audit

As has been the result of many consecutive financial audits of the Corporation, the auditing firm of Lunsford & Strickland of Raleigh issued an unqualified (i.e. “clean”) opinion on the financial statements for Fiscal Year 2008. See page 10 of this Report for two financial statements for this period.
Early Childhood Education

Telamon’s early childhood services are centered on a diverse group of Head Start programs in five states. Since 1980, Telamon has focused on high quality, comprehensive services that are focused on the most disadvantaged children in the communities we serve. Our programs serve children that range in age from 2 weeks (infants) through five years (preschool). Each program has developed a unique approach to preparing children and families for later academic and life success.

In 2008, we operated 282 Head Start classrooms in 46 centers across five states. Some 4,102 infant, toddler and preschool children from 3,218 families received comprehensive Head Start services. Safe and reliable transportation to centers was provided to 70% of children, a valuable service especially in the rural communities served by Head Start. The vast majority (85%) of Head Start parents were employed or attending school, and some 2,973 parents participated as volunteers in their Head Start center. We continued to emphasize quality service delivery by:

* Continuing the professional development support of our teachers, specialists and directors: over 70% of all teaching staff hold a BA, AA, CDA or were engaged in professional development activities during 2008.
* increasing opportunities for child and family literacy skills development.
* refining our child outcomes evaluation methods by tracking children’s developmental progress in language, social-emotional, science and math.
* continuing our expansion of services to communities with Head Start age-eligible and income eligible children.
* continuing the emphasis on comprehensive health and dental screenings for all children with the cooperation of local health providers.

For detailed statistical information on Head Start services, please refer to each program’s Head Start Annual Report to the Public.

Partnership Spotlight...Proyecto Escalon Professional Development

Michigan State University (MSU) has helped over 100 Migrant Head Start teachers in Michigan to attend college and forty-three to earn an Associate of Arts degree. In partnership, MSU and MHS established Proyecto Escalón to help forty-five teachers take the next step toward earning baccalaureate degrees. The project’s objectives include: identifying and recruiting 25 teachers with associate degrees who are willing to pursue a baccalaureate degree. The next step is recruiting another 20 teachers nearing completion of an associate degree who are interested in pursuing a baccalaureate degree. All participants receive the necessary career, financial, educational information and support services to succeed. Through reciprocal arrangements with MSU and local community colleges, teachers may earn a baccalaureate degree within five years. The project continues as a professional development cornerstone for Telamon’s Migrant Head Start teachers.
We continued offering Employment and Training Services to low-income farmworkers, dislocated workers, and other disadvantaged populations in 2008. Funding originates with the federal Department of Labor, while some states receive grants through state agencies or local Workforce Investment Boards. Telamon employees are active members of many WIBs in their communities. In North Carolina, Telamon operates the JobLink Career Center in Wake and Johnston Counties, serving a variety of people with training and employment needs. The National Farmworker Jobs Program (NFJP) continues to be a major program focus for Telamon in nine states.

All employment and training services are targeted at adults and youth who seek to improve their employment prospects through skill development or want greater financial stability from a better job. The programs are typically located in One Stop centers to maximize coordination with other employment agencies and to offer more education and training options to customers. Our programs help customers enroll in local educational institutions to provide customers with skills they need to fulfill their employment goals.

Services vary among programs, based on grant purpose and local community needs, but typically include the following: employment search; educational assistance; literacy assistance, including English as a Second Language; workplace safety and pesticide safety training; housing and supportive services; follow-up services for those placed in employment; self-employment and business enterprise development education.

Youth and Adult Employment and Training Services
Customers, 2008: 22,354
Total NFJP Customers (as of June 30, 2008): 2,103
Total NFJP Training Participants: 788

A WIA Success Story

Julie Duncan embodies the spirit of success. Although she came from humble beginnings in rural, southeastern North Carolina, Julie never allowed herself to be separated from a life goal: self-sufficiency through a gainful career. Julie has always had an openly positive attitude with her employment outlook. By using an inherent drive to succeed combined with the support of Telamon services, Julie was able to pursue the educational track of her choice to accomplish her goals.

Julie’s initial career goal was to obtain employment in a health care field. After thorough counseling with her Telamon Case Manager, Julie decided to become a licensed practical nurse, since these were in great demand in her area. She found that the competitive Nursing Track at Southeastern Community College yielded demands far greater than she could accommodate at the time due to finances, class schedules, required clinicals, and personal issues. Rather than quit, Julie undauntedly sought guidance from her Case Manager who helped her develop a new educational plan. Julie then began her full-time pursuit of a Practical Nursing degree while working part-time. In December 2008, she graduated with an Associates Degree and was immediately hired by Liberty Commons Center in Whiteville, North Carolina as a full-time Licensed Practical Nurse with full benefits. Since the beginning she showed nothing less than pure determination and has been willing to do all that is necessary to achieve her personal goals.
Housing Services

Telamon’s housing programs are designed to create affordable, revitalized and safe housing options in the communities we serve. In 2008, we assisted 1,613 individuals and their families with smart temporary and permanent housing solutions. See page 11 for a complete list of our funding partners from federal, state and local housing agencies and foundations.

**Farm Labor Housing Development** Telamon administers two multi-state housing programs designed to improve housing conditions for migrant and seasonal farmworkers through USDA/Rural Development and the US Department of Labor funding. These resources are used to conduct training and technical assistance to local organizations in the development of multi-family apartment communities for migrant and seasonal farmworkers. This program operates in Alabama, Georgia, South Carolina, North Carolina, Indiana and Virginia. Telamon operates an On-Farm Housing Program funded by the WIA that provides financial assistance to farmers and growers who wish to improve their existing farm labor housing. The project also makes emergency housing assistance and housing counseling services available to eligible migrant and seasonal farmworkers.

**Housing Counseling and Buyer Assistance Programs** In 2008, we expanded our housing counseling assistance services to families in more communities who are facing mortgage foreclosure and default. As a HUD approved Local Housing Counseling Agency, we offered a complete range of housing services, including Fair Housing Assistance, Homebuyer Education Programs, Loss Mitigation, Mobility and Relocation Counseling, Money Debt Management, Mortgage Delinquency and Default Resolution Counseling, Postpurchase Counseling, Prepurchase Counseling, Renters Assistance and Services for Homeless.

**New Project Development** In Virginia, we partner with housing development organizations using the Low Income Housing Tax Credit Program (LIHTC) in the development of new multi-family facilities and the acquisition and rehabilitation of existing multi-family housing facilities to benefit low- or moderate-income homebuyers.

**Self-Help Housing** The program helps moderate-income participants achieve the dream of homeownership through “sweat equity.” Each year, five families such as Amber Schmidt’s (seen at bottom right at her Hedgesville, West Virginia homesite) work together under the supervision of a construction supervisor to provide most of the labor needed to complete their homes. They are offered a low-interest USDA 502 loan to purchase their land, materials and pay the sub-contractors their services. Together with volunteers, families do the framing, setting of trusses, roofing, sheathing, siding, drywall, painting, and interior trim work. Families move into their new home once all five homes in the group are completed.

**Weatherization, Revitalization and Repair Programs** Together, these programs provide for improved energy efficiency in rural homes. Revitalization and Repair is accomplished through the installation of new roofs and siding, while Weatherization ensures a weatherproof and energy efficient home.

**Transitional Housing for the Homeless** In West Virginia, the Successful Transitioning in the Eastern Panhandle to Self-Sufficiency (STEPS) Program and Victory House Program assist homeless customers with acquiring affordable permanent housing. Historically, the families and veterans served by these two programs have repeatedly required emergency assistance to feed, house and clothe their families. A Telamon Family Mentor works individually with customers to help them utilize their skills and abilities to develop and follow self-sufficiency plans. The primary goal is to assist program customers with establishing the skills and resources they need to reach and maintain self-sufficiency.
Making the Dream of Affordable Housing a Reality in Southern Virginia

In February, Telamon broke ground on six single-family three-bedroom homes in Pittsylvania County, as part of its Affordable Housing Preservation and Production (AHPP) project funded by the Virginia Department of Housing and Community Development. The 1,060 square foot homes were made available to income eligible first-time homebuyers. Our partners at USDA-Rural Development and the Virginia Housing Development Agency provided the buyers with mortgage financing featuring below market interest rates. HOME funds were also made available for down payment and closing cost assistance to make the dream of homeownership a reality.

Ms. Cindy Martin took advantage of opportunities provided by Telamon through AHPP and its homeownership education program to prepare her for two milestones: owning her first home, moving out of public housing for the first time. Ms. Martin purchased the first house built in the Beverly Heights neighborhood, where she and her son love living. “It is wonderful,” she said. “The classes that Telamon offered have taught me ways to stick to a budget… If you want to be a homeowner, stick to your plan... We are homeowners and we are loving it.”

Community Services

Telamon served 4,051 people during 2008 through a variety of programs focused on locally identified community needs in eleven states. These include educational, counseling, training and supportive services focused on youth and adults, workplace literacy skills training, emergency food and shelter projects, pesticide and workplace safety training, Americorps service projects, Low Income Home Energy Assistance Program (LIHEAP), English as a second language, Reading is Fundamental (RIF), literacy, counseling, and emergency assistance.
TELAMON CORPORATION

STATEMENT OF ACTIVITIES
For the year ended September 30, 2008

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Program</th>
<th>Services</th>
<th>Total</th>
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<tr>
<td>Operations</td>
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<td>Support:</td>
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<tr>
<td>Grant receipts</td>
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<td>$ 47,996,371</td>
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<tr>
<td>Donated funds</td>
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<td>65,174</td>
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<tr>
<td>Miscellaneous program income</td>
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<td>(512,266)</td>
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<tr>
<td>Total support</td>
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<td>$47,549,279</td>
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<td>Revenue:</td>
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<tr>
<td>Interest and dividend income</td>
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<tr>
<td>Other sale proceeds</td>
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<td>256,195</td>
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<tr>
<td>Total revenue</td>
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<td>TOTAL SUPPORT AND REVENUE</td>
<td>110,500</td>
<td>47,805,474</td>
<td>47,915,974</td>
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</table>

EXPENSES

| Program services: |         |          |       |
| Federal Grants | -      | 45,295,966 | 45,295,966 |
| Non-Federal Grants | - | 2,520,147 | 2,520,147 |
| Total Program services | - | 47,816,113 | 47,816,113 |
| TOTAL EXPENSES |       | 47,816,113 | 47,816,113 |

Change in net assets - Unrestricted | - | - | 99,861 |

Net assets, September 30, 2007 | 1,375,756 |
Net assets, September 30, 2008 | $1,475,617 |

STATEMENT OF FINANCIAL POSITION
For the year ended September 30, 2008

ASSETS

<p>| | | | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Cash and cash equivalents</td>
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<tr>
<td>Unrestricted</td>
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<tr>
<td>Restricted</td>
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<tr>
<td>Investments</td>
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<tr>
<td>Accounts Receivable</td>
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<td>3,958,914</td>
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<tr>
<td>Billed accounts receivable</td>
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<td>3,958,914</td>
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<tr>
<td>Sales tax</td>
<td>51,916</td>
<td>3,958,914</td>
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<tr>
<td>Other receivables</td>
<td>112,035</td>
<td>3,958,914</td>
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<tr>
<td>Prepaid Expenses</td>
<td>3,681,566</td>
<td>244,134</td>
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<tr>
<td>Cash Surrender Value of Company-owned Life Insurance</td>
<td>30,000</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td>Land Available for Sale</td>
<td>88,626</td>
<td>88,626</td>
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<tr>
<td>Total Current Assets</td>
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<td>7,348,763</td>
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<tr>
<td>PROPERTY AND EQUIPMENT, NET</td>
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<td>2,030,579</td>
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<tr>
<td>OTHER ASSETS</td>
<td>773,035</td>
<td>773,035</td>
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<tr>
<td>Investments, less current portion</td>
<td>61,000</td>
<td>61,000</td>
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<tr>
<td>Investment in captive insurance company</td>
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<td>737,035</td>
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<tr>
<td>TOTAL ASSETS</td>
<td>$10,213,377</td>
<td>$10,213,377</td>
<td></td>
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</table>

LIABILITIES

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>CURRENT LIABILITIES</td>
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<tr>
<td>Accounts payable, trade:</td>
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<td>367,398</td>
<td></td>
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<tr>
<td>Deferred revenue</td>
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<td>795,709</td>
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<tr>
<td>Captive insurance arrangement obligation</td>
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<td>654,780</td>
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<tr>
<td>Other accrued expenses</td>
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<td>$3,499,043</td>
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</tr>
<tr>
<td>Accrued payroll &amp; employee benefit liabilities:</td>
<td>3,681,566</td>
<td>3,681,566</td>
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</tr>
<tr>
<td>Salaries</td>
<td>1,394,522</td>
<td>1,394,522</td>
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<tr>
<td>Employee leave</td>
<td>836,555</td>
<td>836,555</td>
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<tr>
<td>Payroll taxes</td>
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<td>795,709</td>
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<tr>
<td>Self-insured health plan obligation</td>
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<td>7,290,777</td>
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<tr>
<td>Notes payable, current portion</td>
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<td>92,472</td>
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<tr>
<td>Total Current Liabilities</td>
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<td>367,398</td>
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<tr>
<td>Employee benefit liabilities, non-current</td>
<td>987,120</td>
<td>987,120</td>
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<tr>
<td>Captive insurance arrangement obligation, non-current</td>
<td>1,475,617</td>
<td>1,475,617</td>
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<tr>
<td>Notes Payable, less current portion</td>
<td>8,737,760</td>
<td>8,737,760</td>
<td></td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>$10,213,377</td>
<td>$10,213,377</td>
<td></td>
</tr>
</tbody>
</table>

NET ASSETS – UNRESTRICTED | 1,475,617 |
TOTAL LIABILITIES AND NET ASSETS | $10,213,377 |
WE THANK OUR FUNDING PARTNERS ...

Alabama
US Department of Labor, Employment & Training Administration (USDOLETA)
US Department of Agriculture – Rural Development

Delaware
Delaware Department of Education – Early Childhood Assistance Program
Delaware Department of Health & Human Services
Delaware Division of Social Services
Delaware Early Childhood Center
Delaware State University
East Coast Migrant Head Start Project
Nemours Health and Prevention Services
United Way/Emergency Food and Shelter National Board Program
US Department of Health and Human Services – Office of Head Start
USDOLETA

Georgia
CWSAV Youth
East Coast Migrant Head Start Project
RDC Out of School Youth
USDOLETA

Indiana
Purdue University, Office of the Indiana State Chemist
Rural Opportunities, Inc.
USDOLETA
Workforce Development Associates, Inc. (Region 10 Workforce Board)

Maryland
Community Foundation of the Eastern Shore
Dollar General Literacy Foundation
Lower Shore Workforce Alliance
Reading Is Fundamental
State of Maryland
United Way/Emergency Food and Shelter National Board Program
US Department of Agriculture
US Department of Labor Employment & Training Administration

Michigan
Macatawa Bank of Holland
March of Dimes
Michigan Department of Community Health
Michigan Department of Human Services
Michigan State University
Mid-Michigan Community Action Agency
Northwest Human Services Agency
Reading Is Fundamental
Sparta Community Foundation
United Way/FEMA – Emergency Food and Shelter Program
US Department of Health and Human Services – Office of Head Start
USDOLETA

North Carolina
Cape Fear Workforce Development Board
Capital Area Workforce Development Board

East Coast Migrant Head Start Project
North Carolina More at Four Program
North Carolina Office of Economic Opportunity
Turning Point Workforce Development Board
USDA Rural Housing
US Department of Health and Human Services – Office of Head Start
US Department of Labor Housing
USDOLETA

South Carolina
Housing Preservation Grant
Reading Is Fundamental
USDOLETA
US Department of Labor Housing
US Department of Housing & Urban Development Youthbuild
US Department of Agriculture – Rural Development

Tennessee
Reading Is Fundamental
Starbucks Youth Foundation
US Department of Health and Human Services – Office of Head Start

Virginia
BB&T CRA/Community Development
The Cameron Foundation of Petersburg, Virginia
City of Danville Community Housing Development Organization
City of Danville Redevelopment and Housing Authority
Corporation for National and Community Service (Americorps)
FEMA - Emergency Food and Shelter Program
Governor’s Office of Workforce Development
The Theodore H. Barth Foundation, Inc.
US Department of Agriculture – Rural Development
US Department of Housing and Urban Development
USDOLETA
Virginia Department of Agriculture and Consumer Services
Virginia Department of Housing & Community Development
Virginia Department of Social Services

West Virginia
FEMA - Emergency Food and Shelter Program
United Way of the Eastern Panhandle
US Department of Agriculture – Rural Development
US Department of Housing & Urban Development
USDOLETA
US Department of Veterans Affairs
West Virginia Office of Economic Opportunity