

**THE SHELTERED OCCUPATIONAL CENTER
OF NORTHERN VIRGINIA, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2010

**THE SHELTERED OCCUPATIONAL CENTER
OF NORTHERN VIRGINIA, INC.**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
The Sheltered Occupational Center of Northern Virginia, Inc.

We have audited the accompanying statements of financial position of The Sheltered Occupational Center of Northern Virginia, Inc. (SOC) as of June 30, 2010 and 2009, and the related statements of activities and of cash flows for the years then ended. These financial statements are the responsibility of SOC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SOC's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SOC as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 9 to the financial statements, net assets previously reported as of June 30, 2008 have been restated to correct the accounting for an operating lease agreement.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of functional expenses for the years ended June 30, 2010 and 2009, which are the responsibility of SOC's management, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. That information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Calibre CPA Group, PLLC

Washington, DC
August 30, 2010

CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS

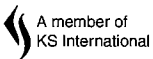
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THE SHELTERED OCCUPATIONAL CENTER OF NORTHERN VIRGINIA, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2010 AND 2009

	2010	(Restated) 2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,863,586	\$ 1,517,243
Receivables, net	1,747,609	1,977,975
Prepaid expenses	90,721	187,830
Inventory	<u>16,874</u>	<u>19,494</u>
Total current assets	3,718,790	3,702,542
INVESTMENTS	4,190,351	4,262,832
PROPERTY AND EQUIPMENT, net	1,316,404	1,238,688
DEPOSITS	<u>17,003</u>	<u>17,003</u>
Total assets	<u>\$ 9,242,548</u>	<u>\$ 9,221,065</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 207,402	\$ 121,631
Accrued expenses	481,903	478,490
Deferred rent, current portion	<u>51,582</u>	<u>30,635</u>
Total current liabilities	<u>740,887</u>	<u>630,756</u>
LONG-TERM LIABILITIES		
Deferred compensation payable	12,495	206,483
Funds held for AHRQ	368,903	180,574
Deferred rent, net of current portion	<u>245,745</u>	<u>297,328</u>
Total long-term liabilities	<u>627,143</u>	<u>684,385</u>
Total liabilities	<u>1,368,030</u>	<u>1,315,141</u>
NET ASSETS		
Unrestricted		
Board-designated	6,462,000	6,321,000
Undesignated	<u>1,404,956</u>	<u>1,584,740</u>
Total unrestricted net assets	7,866,956	7,905,740
Temporarily restricted	<u>7,562</u>	<u>184</u>
Total net assets	<u>7,874,518</u>	<u>7,905,924</u>
Total liabilities and net assets	<u>\$ 9,242,548</u>	<u>\$ 9,221,065</u>

See accompanying notes to financial statements.

THE SHELTERED OCCUPATIONAL CENTER OF NORTHERN VIRGINIA, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2010 AND 2009

	2010			(Restated)
	Unrestricted	Temporarily Restricted	Total	2009 Total
REVENUE AND SUPPORT				
Facility based services				
Production	\$ 578,735	\$ -	\$ 578,735	\$ 531,666
Rehabilitation	826,599	-	826,599	763,789
Community based services				
Production	7,515,688	-	7,515,688	7,441,648
Rehabilitation	407,476	-	407,476	454,307
Job placement services	229,902	11,000	240,902	238,651
TANF program	122,165	-	122,165	104,496
Contributions	27,394	-	27,394	49,857
Administrative services and other	176,522	-	176,522	59,491
Net assets released from restriction	3,622	(3,622)	-	-
Total revenue and support	<u>9,888,103</u>	<u>7,378</u>	<u>9,895,481</u>	<u>9,643,905</u>
EXPENSES				
Program services				
Facility based services	1,535,154	-	1,535,154	1,379,618
Community based services	6,057,912	-	6,057,912	6,356,218
Job placement services	211,816	-	211,816	213,527
TANF program	119,588	-	119,588	93,074
Total program services	<u>7,924,470</u>	<u>-</u>	<u>7,924,470</u>	<u>8,042,437</u>
Support services				
Administration	1,724,852	-	1,724,852	1,681,085
Occupancy costs	202,292	-	202,292	202,328
Development/communication	75,273	-	75,273	53,265
Total support services	<u>2,002,417</u>	<u>-</u>	<u>2,002,417</u>	<u>1,936,678</u>
Total expenses	<u>9,926,887</u>	<u>-</u>	<u>9,926,887</u>	<u>9,979,115</u>
CHANGE IN NET ASSETS	<u>(38,784)</u>	<u>7,378</u>	<u>(31,406)</u>	<u>(335,210)</u>
NET ASSETS				
Beginning of year, restated	<u>7,905,740</u>	<u>184</u>	<u>7,905,924</u>	<u>8,241,134</u>
End of year	<u>\$ 7,866,956</u>	<u>\$ 7,562</u>	<u>\$ 7,874,518</u>	<u>\$ 7,905,924</u>

See accompanying notes to financial statements.

THE SHELTERED OCCUPATIONAL CENTER OF NORTHERN VIRGINIA, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2010 AND 2009

	2010	(Restated) 2009
	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (31,406)	\$ (335,210)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	149,223	155,982
Net realized and unrealized loss on investments	(76,868)	86,659
In-kind contributions	(49,970)	-
Changes in assets and liabilities		
(Increase) decrease in:		
Receivables	230,366	3,153
Prepaid expenses	97,109	(58,407)
Inventory	2,620	8,692
Increase (decrease) in:		
Accounts payable, net of amounts due for capital expenditures	49,594	48,287
Accrued expenses	3,413	(70,119)
Funds held for AHRQ	188,329	(93,202)
Deferred rent	(30,636)	(10,406)
Net cash provided by (used for) operating activities	<u>531,774</u>	<u>(264,571)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(5,362,955)	(7,074,206)
Proceeds from sale of investments	5,318,316	7,013,397
Purchases of property and equipment	<u>(140,792)</u>	<u>(154,986)</u>
Net cash used for investing activities	<u>(185,431)</u>	<u>(215,795)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	346,343	(480,366)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>1,517,243</u>	<u>1,997,609</u>
End of year	<u>\$ 1,863,586</u>	<u>\$ 1,517,243</u>

See accompanying notes to financial statements.

**THE SHELTERED OCCUPATIONAL CENTER
OF NORTHERN VIRGINIA, INC.**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - The Sheltered Occupational Center of Northern Virginia, Inc. (SOC Enterprises) is a non-profit organization established in 1959, to provide employment and vocational services for people with severe intellectual and physical disabilities. The mission is to expand employment opportunities for people with disabilities while exceeding the expectations of customers. SOC programs and services include:

- Individual Placement Programs help people with disabilities attain the necessary skills to find, secure and retain a job, as well as community job placement and follow along services to ensure continued job success. SOC's Individual Placement Programs include:
 - Thresholds: a fee for service program that receives referrals from the Department of Rehabilitative Services to place people with severe intellectual disabilities in community jobs. Vocational Specialists work with the prospective employer and employee to make sure it is the right fit.
 - Vets Ready2Work: currently funded by an ARRA grant, this program finds community jobs for veterans with service related disabilities.
 - SOC JOBS: funded by Arlington County through a Virginia Department of Rehabilitative Services grant, this program provides the specialized wrap-around supports and job placement services that people who receive Temporary Assistance for Needy Families (TANF) who also live with disabilities require to attain and retain jobs and achieve financial self-sufficiency.

SOC also operates government contracts that employ people with disabilities, including:

- The visitor center and fulfillment operations for the Bureau of Engraving and Printing;
- Contact, warehouse and fulfillment centers for the Agency for Healthcare Research and Quality (AHRQ) and the Bureau of Alcohol, Tobacco and Firearms (BATF);
- Mailrooms for the Army Corps of Engineers (ACE), the US Geological Survey (USGS), the Patent and Trademark Office (PTO), the Food and Drug Administration (FDA) and the Federal Trade Commission.

Additionally SOC operates several businesses that employ people with disabilities including:

- Full service commercial printing, mailing, hand assembly and all related services;
- Warehousing, fulfillment and distribution services for commercial clients;
- Employment services to businesses that need skilled and trained employees.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting - The financial statements of the SOC are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation – Under generally accepted accounting principles, SOC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. There were no permanently restricted net assets at June 30, 2010 and 2009.

Cash and Cash Equivalents - For purposes of the statement of cash flows, SOC considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, unless held as part of its long-term investment portfolio.

Financial Risk - SOC maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. At June 30, 2010, SOC also had approximately \$1.6 million invested in an overnight sweep account that was fully collateralized by bank investments in U.S. Government and Government Agency securities. SOC has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

SOC invests in a professionally managed portfolio that contains fixed income securities and common shares of publicly traded companies. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would significantly affect investment balances and the amounts reported in the financial statements.

Receivables - Receivables are carried at original invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. A receivable is considered past due if any portion is outstanding more than 30 days. Interest is charged at 2% on past due receivables. The provision for doubtful accounts, based on management's evaluation of the collectability of receivables, is \$27,026 and \$109,912 at June 30, 2010 and 2009, respectively.

Inventory - Inventory consists of materials used in production and is stated at the lower of cost, on a first-in, first-out basis, or market.

Property and Equipment - Property and equipment are stated at cost. SOC follows the practice of capitalizing all expenditures for property, furniture and office equipment in excess of \$1,500. Depreciation is computed by the straight-line method over the estimated useful lives of the assets.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments - Investments are reported at fair value. To adjust the carrying value of investments, the change in fair value is reported in the statement of activities as part of administrative services and other revenue.

Valuation of Long-lived Assets - SOC accounts for the valuation of long-lived assets under generally accepted accounting principles which requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less cost to sell.

Revenue Recognition - Revenue from sales and service fees is recognized when the service to which it relates is performed.

All contribution revenue is considered to be available for unrestricted use, unless a specific use is specified by the donor. Contribution revenue is recognized at the time an unconditional promise to give is received. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes - SOC is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3). Income from nonexempt functions is subject to income taxes to the extent that the revenue exceeds related costs. In addition, SOC has been determined by the Internal Revenue Service not to be a private foundation under Section 509(a)(2).

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events Review - Subsequent events have been evaluated through August 30, 2010, which is the date the financial statements were available to be issued. This review and evaluation revealed no new material event or transaction which would require an additional adjustment to or disclosure in the accompanying financial statements.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets - The Board of Directors has designated a portion of unrestricted net assets for two purposes. The first designation is for amounts to be used specifically for facility renovations and the future acquisition of property and equipment. Net assets are to be used only for board-approved expenditures. The amount of this designation is equal to accumulated depreciation on property and equipment. The second designation is for an operating expense reserve equal to approximately five months of cash expenses. Total unrestricted net assets designated for these two purposes was \$6,462,000 as of June 30, 2010, and \$6,321,000 as of June 30, 2009.

Reclassification - Certain reclassifications were made to the 2009 amounts to conform to the 2010 presentation.

NOTE 2. MAJOR CUSTOMERS

SOC's contracts are generally with the Federal government. Therefore, a majority of its revenue and accounts receivable are derived from this source. Revenue from Federal government agencies approximated \$7,277,000 and \$7,329,000 for the years ended June 30, 2010 and 2009, respectively, and accounts receivable from Federal government agencies approximated \$1,427,000 and \$1,726,000 at June 30, 2010 and 2009, respectively.

NOTE 3. INVESTMENTS

The Organization has adopted the accounting standards on *Fair Value Measurements* which establish a single definition of fair value, create a three-tier hierarchy as a framework for measuring fair value based on inputs used to value the Organization's investments, and require additional disclosure about fair value. The hierarchy of inputs is summarized below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments)

As of June 30, 2010, all of the fair values of the Organization's investments were calculated based on Level 1 inputs, except for investments in certificates of deposit for which the fair values were based on Level 2 inputs. The adoption of the standards had no effect on the Organization's financial position or changes in net assets.

Investments, at fair value, consist of the following at June 30, 2010 and 2009.

NOTE 3. INVESTMENTS (CONTINUED)

	<u>2010</u>	<u>2009</u>
Vanguard Prime Cap Fund - Deferred Compensation	\$ 12,495	\$ 206,483
Common equity securities	337,220	308,224
United States Government and Agency securities	2,696,616	2,217,827
Money market funds	791,300	1,180,298
Certificates of deposit	<u>352,720</u>	<u>350,000</u>
Total	<u>\$4,190,351</u>	<u>\$4,262,832</u>

Investment income and related fees consists of the following for the years ended June 30, 2010 and 2009.

	<u>2010</u>	<u>2009</u>
Interest and dividends	\$ 73,223	\$ 99,728
Net realized and unrealized gains (losses)	76,867	(86,659)
Investment fees	<u>(11,190)</u>	<u>(15,345)</u>
Total	<u>\$ 138,900</u>	<u>\$ (2,276)</u>

NOTE 4. PROPERTY AND EQUIPMENT AND ACCUMULATED DEPRECIATION

Property and equipment at June 30, 2010 and 2009 consists of the following.

	Estimated Useful Lives	<u>2010</u>			2009 Net
		<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	
Land	-	\$ 131,200	\$ -	\$ 131,200	\$ 131,200
Building and improvemer	15-35 years	1,854,427	1,019,452	834,975	886,112
Furniture and fixtures	3-10 years	541,331	373,187	168,144	144,939
Computer equipment	3-5 years	693,144	619,383	73,761	57,085
Machinery	5 years	281,970	182,145	99,825	-
Vehicles	3-5 years	<u>140,080</u>	<u>131,581</u>	<u>8,499</u>	<u>19,352</u>
		<u>\$3,642,152</u>	<u>\$2,325,748</u>	<u>\$1,316,404</u>	<u>\$1,238,688</u>

Depreciation expense for the years ended June 30, 2010 and 2009, was \$149,223 and \$155,982, respectively.

NOTE 5. PENSION PLAN

SOC has a 401(k) Plan for eligible employees who have completed one year of service; SOC may contribute an equivalent percentage of their annual base salary to the 401(k) Plan. In addition, SOC may also make a matching contribution of each participant's elective deferral to the 401(k) Plan. Each year the SOC Board will decide whether to make a contribution and/or matching contribution and determine the percentages. SOC is not required to make any contribution and/or match.

Eligible employees will become participants in the first full month following their first year of employment. To be vested in the contribution for a plan year, participants must have worked a minimum of one hour in that plan year. The eligible class includes all employees except "highly compensated employees," employees classified as "production workers" and employees classified as "consumers." Contributions for the years ended June 30, 2010 and 2009 were \$58,224 and \$141,044, respectively.

In addition, SOC has a defined contribution plan covering substantially all contract workers that receive health and welfare benefits, as defined in the Plan. Participation in the Plan is required when there is a difference between the health and welfare benefit and insurance expense. Employer contributions totaled approximately \$274,105 and \$298,845 for the Plan years ended June 30, 2010 and 2009, respectively.

SOC also has a deferred compensation retirement plan for executives. Executives eligible to participate are designated by the Board of Directors and SOC will contribute a percentage of the participants' annual compensation to the plan. At June 30, 2010 and 2009, the total deferred compensation payable was \$12,495 and \$206,483, respectively. SOC has investments in mutual funds representing the assets of the deferred compensation plan of the same amount. The total amount contributed was \$9,203 and \$11,766 for the years ended June 30, 2010 and 2009, respectively.

NOTE 6. COMMITMENTS AND CONTINGENCIES

SOC performs services under a federally funded cost plus award fee service contract which is subject to financial audits by the Federal government or their representatives. As such, there exists a contingent liability for potential questioned costs that may result from such audits. Management does not anticipate any significant adjustments as a result from such audits.

Leasing Arrangements - SOC is obligated under non-cancelable leases for warehouse space expiring through January 2014. For the years ended June 30, 2010 and 2009, total rental expense was approximately \$590,345 and \$715,235, respectively. The warehouse lease provides for scheduled rent increases, all of which are required to be recognized ratably over the lease term in accordance with accounting principles generally accepted in the United States of America. Accordingly, the amount of rent expense does not coincide with cash payments. This gives rise to a deferred rent liability, which is being amortized over the term of the lease. The deferred rent liability at June 30, 2010 and 2009, was \$297,327 and \$327,963, respectively.

NOTE 6. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Future minimum lease payments under the operating leases at June 30, 2010, are as follows:

Years Ending June 30,	
2011	\$ 619,409
2012	641,089
2013	663,527
2014	<u>339,708</u>
	<u>\$ 2,263,733</u>

NOTE 7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2010 and 2009 in the amount of \$7,378 and \$184, respectively, represent unexpended grant proceeds restricted for job placement services.

NOTE 8. FUNDS HELD FOR AHRQ

SOC is party to an agreement with Agency for Health Research and Quality (AHRQ) in which SOC receives phone orders and receives payments for those orders for AHRQ. For this service, SOC receives a monthly fee. To facilitate the recording and segregation of funds received and held for AHRQ, SOC maintains a separate bank account for AHRQ and reports a related liability in the same amount, \$368,903 as of June 30, 2010, and \$180,574 as of June 30, 2009.

NOTE 9. PRIOR PERIOD ADJUSTMENT

During 2010, the Organization determined that the deferred rent liability related to a warehouse lease agreement was understated in prior periods. This understatement resulted from a lease amendment not being taken into consideration when the deferred rent liability was calculated. Unrestricted and total net assets previously reported as of June 30, 2009 and 2008 have been reduced by \$160,205 and \$129,871, respectively, to correct this error.

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Net assets, as previously reported	\$8,371,005	\$8,371,005
Restatement	<u>(160,205)</u>	<u>(129,871)</u>
Net assets, as restated	<u>\$7,904,924</u>	<u>\$8,241,134</u>

ADDITIONAL INFORMATION

**THE SHELTERED OCCUPATIONAL CENTER OF
NORTHERN VIRGINIA, INC.**

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2010

	Program Services									Support Services				2010 Total
	Facility Based Services			Community Based Services			Job Placement Services	TANF Program	Program Services Total	Administration	Occupancy Costs	Development/ Communication	Support Services Total	
	Production Costs	Rehabilitation Costs	Facility Based Total	Production Costs	Rehabilitation Costs	Community Based Total								
Staff and rehabilitation salaries	\$ 422,880	\$ 279,101	\$ 701,981	\$ 1,257,002	\$ 86,756	\$ 1,343,758	\$ 168,551	\$ 80,827	\$ 2,295,117	\$ 978,198	\$ 24,208	\$ 57,779	\$ 1,060,185	\$ 3,355,302
Consumer and production worker salaries	222,581	-	222,581	2,335,468	-	2,335,468	-	-	2,558,049	-	-	-	-	2,558,049
Payroll taxes	54,387	21,124	75,511	287,977	6,549	294,526	13,752	5,991	389,780	69,736	1,398	4,168	75,302	465,082
Fringe benefits	75,821	15,913	91,734	769,883	6,032	775,915	7,825	14,019	889,493	95,336	745	1,227	97,308	986,801
Fees and commissions	22,515	3,681	26,196	363,713	-	363,713	-	-	389,909	148,329	-	-	148,329	538,238
Office supplies	89,061	24,371	113,432	40,588	54	40,642	3,804	6,544	164,422	39,142	10,742	1,425	51,309	215,731
Occupancy costs	189	-	189	674,364	-	674,364	-	-	674,553	4,452	147,111	-	151,563	826,116
Depreciation	8,287	-	8,287	7,877	-	7,877	-	-	16,164	133,059	-	-	133,059	149,223
Equipment repairs and rental	155,185	-	155,185	52,192	-	52,192	-	-	207,377	47,669	18,088	-	65,757	273,134
Communications	1,862	3,370	5,232	58,718	-	58,718	4,131	-	68,081	35,731	-	2,694	38,425	106,506
Shipping	19,151	-	19,151	77,962	-	77,962	-	-	97,113	86	-	-	86	97,199
Training	-	184	184	164	-	164	296	4,365	5,009	18,713	-	-	18,713	23,722
Travel	20,867	1,979	22,846	27,606	1,268	28,874	6,861	729	59,310	20,161	-	172	20,333	79,643
Marketing	53,690	-	53,690	-	-	-	440	-	54,130	-	-	-	-	54,130
Miscellaneous	36,537	2,418	38,955	157	3,582	3,739	6,156	7,113	55,963	134,240	-	7,808	142,048	198,011
	<u>\$ 1,183,013</u>	<u>\$ 352,141</u>	<u>\$ 1,535,154</u>	<u>\$ 5,953,671</u>	<u>\$ 104,241</u>	<u>\$ 6,057,912</u>	<u>\$ 211,816</u>	<u>\$ 119,588</u>	<u>\$ 7,924,470</u>	<u>\$ 1,724,852</u>	<u>\$ 202,292</u>	<u>\$ 75,273</u>	<u>\$ 2,002,417</u>	<u>\$ 9,926,887</u>

**THE SHELTERED OCCUPATIONAL CENTER OF
NORTHERN VIRGINIA, INC.**

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2009

	Program Services									Support Services			(Restated) 2009 Total	
	Facility Based Services			Community Based Services			Job Placement Services	TANF Program	Program Services Total	Administration	Occupancy Costs	Development/ Communication		Support Services Total
	Production Costs	Rehabilitation Costs	Facility Based Total	Production Costs	Rehabilitation Costs	Community Based Total								
Staff and rehabilitation salaries	\$ 410,908	\$ 253,168	\$ 664,076	\$ 1,307,792	\$ 58,720	\$ 1,366,512	\$ 173,525	\$ 61,471	\$ 2,265,584	\$ 907,812	\$ 25,118	\$ 42,431	\$ 975,361	\$ 3,240,945
Consumer and production worker salaries	247,264	-	247,264	2,288,480	-	2,288,480	-	-	2,535,744	-	-	-	-	2,535,744
Payroll taxes	51,597	18,556	70,153	275,763	3,877	279,640	12,673	4,546	367,012	62,401	1,465	3,246	67,112	434,124
Fringe benefits	70,682	23,287	93,969	783,661	11,487	795,148	12,553	13,229	914,899	144,375	5,113	-	149,488	1,064,387
Fees and commissions	18,105	1,704	19,809	350,720	-	350,720	-	3,372	373,901	166,366	-	-	166,366	540,267
Office supplies	86,016	11,998	98,014	58,853	24	58,877	789	329	158,009	34,221	10,436	1,240.00	45,897	203,906
Occupancy costs	189	-	189	844,594	-	844,594	-	-	844,783	-	142,147	-	142,147	986,930
Depreciation	13,020	-	13,020	9,537	-	9,537	-	-	22,557	133,425	-	-	133,425	155,982
Equipment repairs and rental	144,693	-	144,693	85,827	-	85,827	-	-	230,520	41,080	17,636	-	58,716	289,236
Communications	2,535	371	2,906	60,611	-	60,611	2,485	248	66,250	38,343	-	1,173	39,516	105,766
Shipping	9,932	-	9,932	89,407	-	89,407	-	-	99,339	72	-	53	125	99,464
Training	-	78	78	79	-	79	408	4,940	5,505	8,165	-	-	8,165	13,670
Travel	13,738	1,954	15,692	23,010	2,660	25,670	11,066	994	53,422	23,192	-	50	23,242	76,664
Marketing	-	-	-	-	-	-	-	-	-	26,390	-	-	26,390	26,390
Miscellaneous	(494)	317	(177)	80,127	20,989	101,116	28	3,945	104,912	95,243	413	5,072	100,728	205,640
	<u>\$ 1,068,185</u>	<u>\$ 311,433</u>	<u>\$ 1,379,618</u>	<u>\$ 6,258,461</u>	<u>\$ 97,757</u>	<u>\$ 6,356,218</u>	<u>\$ 213,527</u>	<u>\$ 93,074</u>	<u>\$ 8,042,437</u>	<u>\$ 1,681,085</u>	<u>\$ 202,328</u>	<u>\$ 53,265</u>	<u>\$ 1,936,678</u>	<u>\$ 9,979,115</u>