

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

FINANCIAL STATEMENTS

JUNE 30, 2009

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

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2009 AND 2008**

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**CALIBRE**  
CPA GROUP  
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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, 2009 and 2008, 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, 2009 and 2008, 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.

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, 2009 and 2008, 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  
September 3, 2009

CERTIFIED PUBLIC ACCOUNTANTS  
AND BUSINESS ADVISORS

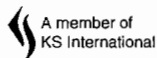
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THE SHELTERED OCCUPATIONAL CENTER OF NORTHERN VIRGINIA, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2009 AND 2008

ASSETS	<u>2009</u>	<u>2008</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,517,243	\$ 1,997,609
Receivables, net	1,977,975	1,981,128
Prepaid expenses	204,833	146,426
Inventory	<u>19,494</u>	<u>28,186</u>
Total current assets	3,719,545	4,153,349
PROPERTY AND EQUIPMENT, net	1,238,688	1,239,684
INVESTMENTS	<u>4,262,832</u>	<u>4,339,815</u>
Total assets	<u>\$ 9,221,065</u>	<u>\$ 9,732,848</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 121,631	\$ 73,344
Accrued expenses	478,490	548,609
Deferred rent, current portion	<u>44,140</u>	<u>36,266</u>
Total current liabilities	<u>644,261</u>	<u>658,219</u>
<b>LONG-TERM LIABILITIES</b>		
Deferred compensation payable	206,483	257,616
Funds held for AHRQ	180,574	273,776
Deferred rent, net of current portion	<u>123,618</u>	<u>172,232</u>
Total long-term liabilities	<u>510,675</u>	<u>703,624</u>
Total liabilities	<u>1,154,936</u>	<u>1,361,843</u>
<b>NET ASSETS</b>		
Unrestricted		
Board-designated	6,321,000	5,979,000
Undesignated	<u>1,744,945</u>	<u>2,380,150</u>
Total unrestricted net assets	8,065,945	8,359,150
Temporarily restricted	<u>184</u>	<u>11,855</u>
Total net assets	<u>8,066,129</u>	<u>8,371,005</u>
Total liabilities and net assets	<u>\$ 9,221,065</u>	<u>\$ 9,732,848</u>

See accompanying notes to financial statements.

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

**STATEMENTS OF ACTIVITIES**

YEARS ENDED JUNE 30, 2009 AND 2008

	2009			2008
	Unrestricted	Temporarily Restricted	Total	
<b>REVENUE AND SUPPORT</b>				
Facility based services				
Production	\$ 531,666	\$ -	\$ 531,666	\$ 462,115
Rehabilitation	763,789	-	763,789	805,391
Community based services				
Production	7,441,648	-	7,441,648	7,406,789
Rehabilitation	454,307	-	454,307	531,721
Job placement services	238,651	-	238,651	189,211
TANF program	104,496	-	104,496	104,860
Contributions	49,857	-	49,857	332,001
Administrative services and other	59,491	-	59,491	203,719
Net assets released from restriction	11,671	(11,671)	-	-
Total revenue and support	<u>9,655,576</u>	<u>(11,671)</u>	<u>9,643,905</u>	<u>10,035,807</u>
<b>EXPENSES</b>				
Program services				
Facility based services	1,379,618	-	1,379,618	1,391,340
Community based services	6,325,884	-	6,325,884	6,098,649
Job placement services	213,527	-	213,527	151,480
TANF program	93,074	-	93,074	106,770
Total program services	<u>8,012,103</u>	<u>-</u>	<u>8,012,103</u>	<u>7,748,239</u>
Support services				
Administration	1,681,085	-	1,681,085	1,558,473
Occupancy costs	202,328	-	202,328	185,817
Development/communication	53,265	-	53,265	8,799
Total support services	<u>1,936,678</u>	<u>-</u>	<u>1,936,678</u>	<u>1,753,089</u>
Total expenses	<u>9,948,781</u>	<u>-</u>	<u>9,948,781</u>	<u>9,501,328</u>
CHANGE IN NET ASSETS	<u>(293,205)</u>	<u>(11,671)</u>	<u>(304,876)</u>	<u>534,479</u>
<b>NET ASSETS</b>				
Beginning of year	<u>8,359,150</u>	<u>11,855</u>	<u>8,371,005</u>	<u>7,836,526</u>
End of year	<u>\$ 8,065,945</u>	<u>\$ 184</u>	<u>\$ 8,066,129</u>	<u>\$ 8,371,005</u>

See accompanying notes to financial statements.

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

**STATEMENTS OF CASH FLOWS**

YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (304,876)	\$ 534,479
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	155,982	147,780
Net realized and unrealized loss on investments	86,659	25,215
Changes in assets and liabilities		
(Increase) decrease in:		
Receivables	3,153	60,439
Prepaid expenses	(58,407)	4,847
Inventory	8,692	10,778
Increase (decrease) in:		
Accounts payable	48,287	(68,980)
Accrued expenses	(70,119)	27,991
Funds held for AHRQ	(93,202)	135,281
Deferred rent	(40,740)	(11,222)
Net cash provided by (used for) operating activities	<u>(264,571)</u>	<u>866,608</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(7,074,206)	(8,138,117)
Proceeds from sale of investments	7,013,397	6,944,276
Purchases of property and equipment	<u>(154,986)</u>	<u>(76,144)</u>
Net cash used for investing activities	<u>(215,795)</u>	<u>(1,269,985)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(480,366)	(403,377)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>1,997,609</u>	<u>2,400,986</u>
End of year	<u>\$ 1,517,243</u>	<u>\$ 1,997,609</u>

See accompanying notes to financial statements.

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

**NOTES TO FINANCIAL STATEMENTS**

YEARS ENDED JUNE 30, 2009 AND 2008

**NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities** - The Sheltered Occupational Center of Northern Virginia, Inc. (SOC) is a not-for-profit organization established to assist physically and mentally disabled persons and persons with behavioral disorders to function socially and vocationally to their highest potential.

A brief description of SOC's programs follows:

*Facility Based Services* provides training and support services to develop adult daily learning skills that promote self-sufficiency in an occupational environment. Emphasis is placed on continuing education/training to promote community integration and independence. Sheltered employment services include printing, binding, mailing, and hand assembly.

*Community Based Services* provides paid employment at contract sites in the community, most of which are integrated with host company employees. Program training and support services provide for the acquisition of job skills, work habits and the further development of adult daily living skills, as necessary, to maximize earnings, independence, and employment potential. Supported employment-group includes visitor's center and mail order sales, mailroom, document processing, data entry, distribution and copy center services for government agencies.

*Job Placement Services* provides career exploration, job-seeking skills, and job development and placement services. Emphasis is placed on finding, securing and retaining placement within integrated work settings. Supported employment-individual services are individual to meet the consumer's skill level, training needs, and career interests.

*TANF Program* is a grant program from the Virginia Department of Rehabilitative Services to serve Temporary Assistance for Needy Families (TANF) recipients with disabilities. The grant was provided to provide the training, employment, and support services needed to overcome these barriers and obtain economic self-sufficiency.

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

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

**Basis of Presentation** - The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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, 2009 and 2008.

**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, 2009, SOC also had approximately \$1.4 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 \$109,912 and \$32,405 at June 30, 2009 and 2008, 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** - The Company accounts for the valuation of long-lived assets under Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long-lived Assets*. SFAS No. 144 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.

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

**Net Assets** - The Board of Directors has designated two funds within the net assets as of June 30, 2009 and 2008. The first fund is to be used specifically for facility renovations and the future acquisition of property and equipment. The net assets are to be used only for board-approved expenditures. The designation is equal to accumulated depreciation on property and equipment.

The second fund was established during 2001 and is an operating expense reserve comprising approximately five months of cash expenses for the years ended June 30, 2009 and 2008.

**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 \$7,329,000 and \$7,333,000 for the years ended June 30, 2009 and 2008, respectively, and accounts receivable from Federal government agencies approximated \$1,726,000 and \$1,467,000 at June 30, 2009 and 2008, respectively.

**NOTE 3. INVESTMENTS**

Effective July 1, 2008, the Organization adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements*. FAS 157 establishes a single definition of fair value, creates a three-tier hierarchy as a framework for measuring fair value based on inputs used to value the Organization's investments, and requires 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, 2009, 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 FAS 157 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, 2009 and 2008.

**NOTE 3. INVESTMENTS (CONTINUED)**

	<u>2009</u>	<u>2008</u>
Vanguard Prime Cap Fund - Deferred Compensation	\$ 206,483	\$ 257,616
Common equity securities	308,224	442,741
United States Government and Agency securities	2,217,827	2,141,500
Money market funds	1,180,298	1,197,958
Certificates of deposit	<u>350,000</u>	<u>300,000</u>
 Total	 <u>\$4,262,832</u>	 <u>\$4,339,815</u>

Investment income and related fees consists of the following for the years ended June 30, 2009 and 2008.

	<u>2009</u>	<u>2008</u>
Interest and dividends	\$ 99,728	\$ 185,023
Net realized and unrealized losses	(86,659)	(25,215)
Investment fees	<u>(15,345)</u>	<u>(11,284)</u>
 Total	 <u>\$ (2,276)</u>	 <u>\$ 148,524</u>

**NOTE 4. PROPERTY AND EQUIPMENT AND ACCUMULATED DEPRECIATION**

Property and equipment at June 30, 2009 and 2008 consists of the following.

	Estimated Useful Lives	<u>2009</u>			2008 Net
		<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	
Land	-	\$ 131,200	\$ -	\$ 131,200	\$ 131,200
Building and improvemer	15-35 years	1,837,434	951,322	886,112	866,967
Furniture and fixtures	3-10 years	517,530	372,591	144,939	175,394
Computer equipment	3-5 years	649,226	592,141	57,085	35,918
Machinery	5 years	139,477	139,477	-	-
Vehicles	3-5 years	<u>140,080</u>	<u>120,728</u>	<u>19,352</u>	<u>30,205</u>
		<u>\$3,414,947</u>	<u>\$2,176,259</u>	<u>\$1,238,688</u>	<u>\$1,239,684</u>

Depreciation expense for the years ended June 30, 2009 and 2008, was \$155,982 and \$147,780, 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, 2009 and 2008 were \$250,507 and \$254,282, 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 \$298,845 and \$280,116 for the Plan years ended June 30, 2009 and 2008, 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, 2009 and 2008, the total deferred compensation payable was \$206,483 and \$257,616, respectively. SOC has investments in mutual funds representing the assets of the deferred compensation plan of the same amount. The total amount contributed was \$11,766 and \$11,259 for the years ended June 30, 2009 and 2008, 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, 2009 and 2008, total rental expense was approximately \$546,289 and \$580,283, 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, 2009 and 2008, was \$167,758 and \$172,232, respectively.

**NOTE 6. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

Future minimum lease payments under the operating leases at June 30, 2009, are as follows:

Years Ending June 30,	
2010	\$ 574,982
2011	336,822
2012	348,610
2013	360,812
2014	<u>183,508</u>
	<u>\$ 1,804,734</u>

**NOTE 7. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of June 30, 2009 and 2008 in the amount of \$184 and \$11,855, 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.

**ADDITIONAL INFORMATION**

THE SHELTERED OCCUPATIONAL CENTER OF  
NORTHERN VIRGINIA, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2009

	Facility Based Services			Program Services				Support Services				2009 Total	
	Production Costs	Rehabilitation		Production Costs	Rehabilitation Costs	Job Placement Services	TANF Program	Program Services Total	Administration	Occupancy Costs	Development/ Communication		Support Services Total
		Based Total	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	\$ 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	-	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	3,246	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	1,240	45,897	203,906
Occupancy costs	189	-	189	814,260	-	814,260	-	-	814,449	142,147	-	142,147	956,596
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	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	-	-	125	99,464
Training	-	78	78	79	-	79	-	4,940	5,505	72	-	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	21,242	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	5,072	100,728	205,640
	\$ 1,068,185	\$ 311,433	\$ 1,379,618	\$ 6,228,127	\$ 97,757	\$ 6,325,884	\$ 213,527	\$ 93,074	\$ 8,012,103	\$ 1,681,085	\$ 53,265	\$ 1,936,678	\$ 9,948,781

THE SHELTERED OCCUPATIONAL CENTER OF  
NORTHERN VIRGINIA, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2008

	Program Services										Support Services			
	Facility Based Services					Community Based Services					Occupancy Costs	Development/Communication	Support Services Total	2008 Total
	Production Costs	Rehabilitation Costs	Facility Based Total	Production Costs	Rehabilitation Costs	Community Based Total	Job Placement Services	TANF Program	Program Services Total	Administration				
Staff and rehabilitation salaries	\$ 419,611	\$ 258,737	\$ 678,348	\$ 1,261,231	\$ 77,829	\$ 1,339,060	\$ 122,750	\$ 61,683	\$ 2,201,841	\$ 863,688	\$ 21,164	\$ -	\$ 884,852	\$ 3,086,693
Consumer and production worker salaries	245,079	-	245,079	2,260,634	-	2,260,634	-	-	2,505,713	-	-	-	-	2,505,713
Payroll taxes	52,233	19,718	71,951	287,921	5,383	293,304	9,530	4,601	379,386	65,182	1,621	-	66,803	446,189
Fringe benefits	73,495	22,991	96,486	726,769	12,451	739,220	11,314	13,958	860,978	137,046	3,406	-	140,452	1,001,430
Fees and commissions	17,942	1,226	19,168	267,323	-	267,323	-	1,124	287,615	130,775	-	-	130,775	418,390
Office supplies	85,179	6,769	91,948	62,825	361	63,186	733	6,431	162,298	49,401	12,650	-	62,051	224,349
Occupancy costs	189	-	189	847,896	-	847,896	-	-	848,085	-	130,391	-	130,391	978,476
Depreciation	17,796	-	17,796	15,776	-	15,776	-	-	33,572	114,208	-	-	114,208	147,780
Equipment repairs and rental	90,901	-	90,901	96,201	-	96,201	-	-	187,102	37,161	16,565	-	53,726	240,828
Communications	3,744	1,020	4,764	56,527	-	56,527	1,654	294	63,239	35,546	-	1,245	36,791	100,030
Shipping	19,066	-	19,066	89,093	-	89,093	-	-	108,159	72	-	-	72	108,231
Training	-	27	27	1,902	204	2,106	-	6,270	8,403	6,181	-	-	6,181	14,584
Travel	17,677	1,786	19,463	24,961	1,485	26,446	5,112	1,077	52,098	13,330	-	-	13,330	65,428
Marketing	-	-	-	-	-	-	-	-	-	9,204	-	-	9,204	9,204
Miscellaneous	29,341	6,813	36,154	1,877	-	1,877	387	11,332	49,750	96,679	20	7,554	104,253	154,003
	\$ 1,072,253	\$ 319,087	\$ 1,391,340	\$ 6,000,936	\$ 97,713	\$ 6,098,649	\$ 151,480	\$ 106,770	\$ 7,748,239	\$ 1,558,473	\$ 185,817	\$ 8,799	\$ 1,753,089	\$ 9,501,328