

LINDEN RESOURCES, INC.
(FORMERLY, THE SHELTERED OCCUPATIONAL CENTER
OF NORTHERN VIRGINIA, INC.)

FINANCIAL STATEMENTS

JUNE 30, 2011

LINDEN RESOURCES, INC.
(FORMERLY, THE SHELTERED OCCUPATIONAL CENTER
OF NORTHERN VIRGINIA, INC.)

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2011 AND 2010

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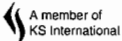
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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Linden Resources, Inc.
(formerly, The Sheltered Occupational Center of Northern Virginia, Inc.)

We have audited the accompanying statements of financial position of Linden Resources, Inc. (Linden) (formerly, The Sheltered Occupational Center of Northern Virginia, Inc.) as of June 30, 2011 and 2010, and the related statements of activities and of cash flows for the year ended June 30, 2011. These financial statements are the responsibility of Linden'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 Linden'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 Linden as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the year ended June 30, 2011 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, 2011 and 2010, which are the responsibility of Linden'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 21, 2011

LINDEN RESOURCES, INC.
(FORMERLY, THE SHELTERED OCCUPATIONAL CENTER OF NORTHERN VIRGINIA, INC.)

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2011 AND 2010

ASSETS	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,269,398	\$ 1,863,586
Receivables, net	2,733,297	1,747,609
Prepaid expenses	44,600	90,721
Inventory	<u>24,890</u>	<u>16,874</u>
Total current assets	4,072,185	3,718,790
INVESTMENTS	4,350,825	4,190,351
PROPERTY AND EQUIPMENT, net	1,294,042	1,316,404
DEPOSITS	<u>21,203</u>	<u>17,003</u>
Total assets	<u>\$ 9,738,255</u>	<u>\$ 9,242,548</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 363,071	\$ 207,402
Accrued expenses	603,071	481,903
Line of credit	200,000	-
Deferred rent, current portion	<u>73,260</u>	<u>51,582</u>
Total current liabilities	<u>1,239,402</u>	<u>740,887</u>
LONG-TERM LIABILITIES		
Deferred compensation payable	33,386	12,495
Funds held for AHRQ	550,134	368,903
Deferred rent, net of current portion	<u>172,485</u>	<u>245,745</u>
Total long-term liabilities	<u>756,005</u>	<u>627,143</u>
Total liabilities	<u>1,995,407</u>	<u>1,368,030</u>
NET ASSETS		
Unrestricted		
Board-designated		
Capacity Building	1,000,000	-
Operating Reserves	3,676,000	6,462,000
Undesignated	<u>3,011,028</u>	<u>1,404,956</u>
Total unrestricted net assets	7,687,028	7,866,956
Temporarily restricted	<u>55,820</u>	<u>7,562</u>
Total net assets	<u>7,742,848</u>	<u>7,874,518</u>
Total liabilities and net assets	<u>\$ 9,738,255</u>	<u>\$ 9,242,548</u>

See accompanying notes to financial statements.

LINDEN RESOURCES, INC.
(FORMERLY, THE SHELTERED OCCUPATIONAL CENTER OF NORTHERN VIRGINIA, INC.)

STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	2011			2010 Total
	Unrestricted	Temporarily Restricted	Total	
REVENUE AND SUPPORT				
Supported Employment Services				
Print operations	\$ 802,100	\$ -	\$ 802,100	\$ 578,735
Workforce development	892,638	-	892,638	826,599
Contract Services				
AbilityOne contracts	7,894,550	-	7,894,550	7,515,688
Workforce development	463,252	-	463,252	407,476
Employment Services	289,440	71,750	361,190	240,902
Temporary Assistance for Needy Families	128,705	-	128,705	122,165
Contributions	157,818	-	157,818	27,394
Administrative services and other	194,817	-	194,817	176,522
Net assets released from restriction	23,492	(23,492)	-	-
Total revenue and support	<u>10,846,812</u>	<u>48,258</u>	<u>10,895,070</u>	<u>9,895,481</u>
EXPENSES				
Program services				
Supported employment services	1,854,842	-	1,854,842	1,535,154
Contract services	6,229,093	-	6,229,093	6,057,912
Employment services	337,312	-	337,312	211,816
Temporary Assistance for Needy Families program	125,816	-	125,816	119,588
Total program services	<u>8,547,063</u>	<u>-</u>	<u>8,547,063</u>	<u>7,924,470</u>
Support services				
Administration	1,948,177	-	1,948,177	1,724,852
Occupancy costs	280,608	-	280,608	202,292
Development/communication	250,892	-	250,892	75,273
Total support services	<u>2,479,677</u>	<u>-</u>	<u>2,479,677</u>	<u>2,002,417</u>
Total expenses	<u>11,026,740</u>	<u>-</u>	<u>11,026,740</u>	<u>9,926,887</u>
CHANGE IN NET ASSETS	(179,928)	48,258	(131,670)	(31,406)
NET ASSETS				
Beginning of year	<u>7,866,956</u>	<u>7,562</u>	<u>7,874,518</u>	<u>7,905,924</u>
End of year	<u>\$ 7,687,028</u>	<u>\$ 55,820</u>	<u>\$ 7,742,848</u>	<u>\$ 7,874,518</u>

See accompanying notes to financial statements.

LINDEN RESOURCES, INC.
(FORMERLY, THE SHELTERED OCCUPATIONAL CENTER OF NORTHERN VIRGINIA, INC.)

STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2010)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (131,670)	\$ (31,406)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	202,782	149,223
Net realized and unrealized gain on investments	(90,323)	(76,868)
In-kind contributions	-	(49,970)
Changes in assets and liabilities		
(Increase) decrease in:		
Receivables	(985,688)	230,366
Prepaid expenses	46,121	97,109
Inventory	(8,016)	2,620
Increase (decrease) in:		
Accounts payable, net of amounts due for capital expenditures	155,669	49,594
Accrued expenses	121,168	3,413
Funds held for AHRQ	181,231	188,329
Deferred rent	(51,582)	(30,636)
Net cash provided by (used for) operating activities	(564,508)	531,774
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(5,119,814)	(5,362,955)
Proceeds from sale of investments	5,070,554	5,318,316
Purchases of property and equipment	(180,420)	(140,792)
Net cash used for investing activities	(229,680)	(185,431)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings on line of credit	200,000	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(594,188)	346,343
CASH AND CASH EQUIVALENTS		
Beginning of year	1,863,586	1,517,243
End of year	\$ 1,269,398	\$ 1,863,586
<u>SUPPLEMENTAL CASH FLOW DISCLOSURES:</u>		
Interest paid	\$ 15,647	\$ 12,118

See accompanying notes to financial statements.

LINDEN RESOURCES, INC.
(FORMERLY, THE SHELTERED OCCUPATIONAL CENTER
OF NORTHERN VIRGINIA, INC.)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Linden Resources, Inc. (Linden) (formerly, The Sheltered Occupational Center of Northern Virginia, Inc) is a non-profit organization established in 1959, to provide jobs and employment services for people with intellectual, physical and mental disabilities. Linden's mission is to expand employment opportunities for people with disabilities while exceeding the expectations of customers.

Linden operates multiple government and AbilityOne contracts in which more than 75% of workers are people with disabilities, including:

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

Linden supports people with disabilities in obtaining and sustaining jobs, both with Linden businesses and in the community in the following programs:

- *Workforce Development* supports people with disabilities to work in administrative positions in businesses operated by Linden in print services, warehousing and fulfillment, contact centers, mailroom management, secure document destruction and steam cleaning.
- *Workforce Solutions* helps people with a range of disabilities secure and retain jobs in the community by providing job readiness preparation, coaching, job placement and job retention services to ensure successful placements.
- *Linden's Vets Ready2Work program* helps veterans with service-related disabilities reintegrate into civilian life through employment, including helping them locate, obtain and sustain jobs in supportive and accommodating work environments.

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

- The *Linden JOBS* program provides specialized and comprehensive employment support to TANF recipients living with disabilities to help them obtain and retain jobs.

To employ people with disabilities and advance the organization's mission, Linden operates commercial businesses in:

- Print and mail services, hand assembly and related services;
- Warehousing, fulfillment and distributions;
- Secure document destruction; and
- Steam cleaning

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

Basis of Presentation - Under generally accepted accounting principles, Linden 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 as of June 30, 2011 and 2010.

Cash and Cash Equivalents - For purposes of the statement of cash flows, Linden 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 - Linden maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. At June 30, 2011, Linden also had approximately \$726,000 invested in an overnight sweep account that was fully collateralized by bank investments in U.S. Government and Government Agency securities. Linden has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Linden 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

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

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 1.5% on past due receivables. The provision for doubtful accounts, based on management's evaluation of the collectability of receivables, is \$2,478 and \$27,026 at June 30, 2011 and 2010, 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. Linden 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.

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 - Linden 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 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 requested 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.

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

Income Taxes - Linden 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, Linden 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 September 21, 2011, 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.

Net Assets - The Board of Directors has designated a portion of unrestricted net assets for two purposes. The first designation is for amounts to either provide financial support for special projects that require a significant investment from the organization or used as matching funds for grant proposals. Net assets are to be used only for board-approved expenditures. The second designation is for an operating expense reserve equal to approximately four months of cash expenses. Total unrestricted net assets designated for these two purposes were \$4,676,000 and \$6,462,000 as of June 30, 2011 and 2010, respectively.

NOTE 2. MAJOR CUSTOMERS

Linden'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 \$7,796,000 and \$7,277,000 for the years ended June 30, 2011 and 2010, respectively, and accounts receivable from Federal government agencies approximated \$2,122,000 and \$1,427,000 at June 30, 2011 and 2010, respectively.

NOTE 3. INVESTMENTS

Linden 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 Linden'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

NOTE 3. INVESTMENTS (CONTINUED)

- 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 Linden’s own assumptions in determining the fair value of investments)

As of June 30, 2011, all of the fair values of Linden’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.

Investments, at fair value, consisted of the following at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Vanguard Prime Cap Fund - Deferred Compensation	\$ 33,386	\$ 12,495
Common equity securities	653,080	337,220
United States Government and Agency securities	2,743,961	2,696,616
Money market funds	566,229	791,300
Certificates of deposit	<u>354,169</u>	<u>352,720</u>
Total	<u>\$4,350,825</u>	<u>\$4,190,351</u>

Investment income and related fees consists of the following for the years ended June 30, 2011 and 2010.

	<u>2011</u>	<u>2010</u>
Interest and dividends	\$ 70,514	\$ 73,222
Net realized and unrealized gains (losses)	90,323	76,868
Investment fees	<u>(11,933)</u>	<u>(11,190)</u>
Total	<u>\$ 148,904</u>	<u>\$ 138,900</u>

NOTE 4. PROPERTY AND EQUIPMENT AND ACCUMULATED DEPRECIATION

Property and equipment at June 30, 2011 and 2010 consists of the following:

	Estimated Useful Lives	2011			2010 Net
		Cost	Accumulated Depreciation	Net	
Land	-	\$ 131,200	\$ -	\$ 131,200	\$ 131,200
Building and improvements	15-35 years	1,874,410	1,088,993	785,417	834,975
Furniture and fixtures	3-10 years	549,581	396,303	153,278	168,144
Computer equipment	3-5 years	806,864	675,463	131,401	73,761
Machinery	5 years	305,739	212,993	92,746	99,825
Vehicles	3-5 years	140,080	140,080	-	8,499
		<u>\$3,807,874</u>	<u>\$2,513,832</u>	<u>\$1,294,042</u>	<u>\$1,316,404</u>

Depreciation expense for the years ended June 30, 2011 and 2010, was \$202,782 and \$149,223, respectively.

NOTE 5. PENSION PLAN

Linden has a 401(k) Plan for eligible employees who have completed one year of service; Linden may also make a matching contribution of each participant's elective deferral to the 401(k) Plan. Each year the Linden Board will decide whether to make a contribution and/or matching contribution and determine the percentages. Linden 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, 2011 and 2010 were \$113,830 and \$58,224, respectively.

In addition, Linden 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 \$299,246 and \$274,105 for the Plan years ended June 30, 2011 and 2010, respectively.

NOTE 5. PENSION PLAN (CONTINUED)

Linden also has a deferred compensation retirement plan for executives. Executives eligible to participate are designated by the Board of Directors and Linden will contribute a percentage of the participants' annual compensation to the plan. As of June 30, 2011 and 2010, the total deferred compensation payable was \$33,386 and \$12,495, respectively. Linden has investments in mutual funds representing the assets of the deferred compensation plan of the same amount. The total amount contributed was \$7,696 and \$9,203 for the years ended June 30, 2011 and 2010, respectively.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Linden 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 - Linden is obligated under non-cancelable leases for warehouse space expiring through January 2014. For the years ended June 30, 2011 and 2010, total rental expense was approximately \$518,888 and \$590,345, 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, 2011 and 2010 was \$245,745 and \$297,327, respectively. Subsequent to June 30, 2011 Linden entered into a new lease agreement for additional office space. This lease commenced on August 1, 2011, has a term of 60 months and annual lease payments of approximately \$25,000.

Linden also entered into various operating lease agreements for equipment expiring through June 2015. Equipment lease expense for each of the years ended June 30, 2011 and 2010 was approximately \$46,000.

Future minimum lease payments under the operating leases at June 30, 2011, are as follows:

Years Ending June 30,	Equipment	Warehouse Space
2012	\$ 106,956	\$ 641,089
2013	105,218	663,527
2014	91,212	339,708
2015	26,808	-
	<u>\$ 330,194</u>	<u>\$ 1,644,324</u>

NOTE 7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2011 and 2010 in the amount of \$30,820 and \$7,562, respectively, represent unexpended grant proceeds restricted for job placement services. Additionally, Linden has \$25,000 of time restricted net assets at June 30, 2010.

NOTE 8. FUNDS HELD FOR AHRQ

Linden is party to an agreement with Agency for Health Research and Quality (AHRQ) in which Linden receives phone orders and receives payments for those orders for AHRQ. For this service, Linden receives a monthly fee. To facilitate the recording and segregation of funds received and held for AHRQ, Linden maintains a separate bank account for AHRQ and reports a related liability in the same amount, \$550,134 as of June 30, 2011, and \$368,903 as of June 30, 2010.

NOTE 9. LINE OF CREDIT

During the year ended June 30, 2011, Linden entered a working capital line of credit agreement with BB&T bank. The agreement allows for a maximum outstanding balance of \$750,000 at any one time and has a maturity date of March 5, 2012. During 2011 Linden drew \$200,000 on the line of credit at an interest rate of 3.75%, all of which was outstanding as of June 30, 2011. The outstanding balance was paid in full, including all principal and accrued interest, on July 14, 2011. The line of credit was secured by Linden's deposit accounts at BB&T Bank.

ADDITIONAL INFORMATION

LINDEN RESOURCES, INC
(FORMERLY, THE SHELTERED OCCUPATIONAL CENTER OF
NORTHERN VIRGINIA, INC.)

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2011

	Program Services						Support Services						2011 Total	
	Supported Employment Services			Contract Services			Employment Services	TANF Program	Program Services Total	Administration	Occupancy Costs	Development/ Communication		Support Services Total
	Print Operations Costs	Workforce Development Costs	Supported Employment Services Total	AbilityOne Contracts Costs	Workforce Development Costs	Contract Services Total								
Staff and rehabilitation salaries	\$ 540,291	\$ 251,073	\$ 791,364	\$ 1,323,446	\$ 105,193	\$ 1,428,639	\$ 259,594	\$ 84,892	\$ 2,564,489	\$ 1,075,314	\$ 58,615	\$ 60,433	\$ 1,194,362	\$ 3,758,851
Consumer and production worker salaries	271,330	-	271,330	2,417,549	-	2,417,549	-	-	2,688,879	-	-	-	-	2,688,879
Payroll taxes	62,582	16,967	79,549	271,170	7,268	278,438	19,148	5,725	382,860	66,253	3,905	4,141	74,299	457,159
Fringe benefits	85,629	22,326	107,955	889,302	9,681	898,983	19,611	18,247	1,044,796	116,840	2,752	3,086	122,678	1,167,474
Fees and commissions	118,730	3,587	122,317	350,402	-	350,402	11,639	-	484,358	193,983	-	15,820	209,803	694,161
Office supplies	105,381	15,189	120,570	50,332	179	50,511	1,051	2,124	174,256	35,623	13,330	301	49,254	223,510
Occupancy costs	-	-	-	602,159	-	602,159	-	-	602,159	3,603	140,045	-	143,648	745,807
Depreciation	5,712	-	5,712	7,471	-	7,471	-	-	13,183	189,599	-	-	189,599	202,782
Equipment repairs and rental	221,802	163	221,965	30,246	-	30,246	-	-	252,211	81,196	60,145	-	141,341	393,552
Communications	2,365	2,718	5,083	45,639	-	45,639	5,804	-	56,526	20,035	-	128,856	148,891	205,417
Shipping	16,729	-	16,729	82,435	-	82,435	-	-	99,164	63	-	384	447	99,611
Training	(37)	2,860	2,823	-	-	-	298	5,681	8,802	9,882	-	-	9,882	18,684
Travel	14,946	1,940	16,886	21,927	1,373	23,300	11,710	828	52,724	20,805	711	52	21,568	74,292
Marketing	58,715	-	58,715	-	-	-	-	-	58,715	500	-	-	500	59,215
Miscellaneous	14,925	18,919	33,844	3,612	9,709	13,321	8,457	8,319	63,941	134,481	1,105	37,819	173,405	237,346
	<u>\$ 1,519,100</u>	<u>\$ 335,742</u>	<u>\$ 1,854,842</u>	<u>\$ 6,095,690</u>	<u>\$ 133,403</u>	<u>\$ 6,229,093</u>	<u>\$ 337,312</u>	<u>\$ 125,816</u>	<u>\$ 8,547,063</u>	<u>\$ 1,948,177</u>	<u>\$ 280,608</u>	<u>\$ 250,892</u>	<u>\$ 2,479,677</u>	<u>\$ 11,026,740</u>

LINDEN RESOURCES, INC
(FORMERLY, THE SHELTERED OCCUPATIONAL CENTER OF
NORTHERN VIRGINIA, INC.)

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2010

	Program Services						Support Services						2010 Total	
	Supported Employment Services			Contract Services			Employment Services	TANF Program	Program Services Total	Administration	Occupancy Costs	Development/ Communication		Support Services Total
	Print Operations Costs	Workforce Development Costs	Supported Employment Services Total	AbilityOne Contracts Costs	Workforce Development Costs	Contract Services 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	1,425.00	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	-	-	-	440.00	-	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>