

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORT**

JUNE 30, 2008

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

TABLE OF CONTENTS

Independent Auditor's Report

Exhibit

A - Statement of Activities

B - Balance Sheet

C - Statement of Cash Flows

Notes to Financial Statements

Schedule

1 - Schedule of Government Fees and Contracts



Independent Auditor's Report

Board of Directors Brooklyn Bureau of Community Service

We have audited the accompanying balance sheet of Brooklyn Bureau of Community Service (Bureau) as of June 30, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Brooklyn Bureau of Community Service's 2007 financial statements and, in our report dated December 6, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 Brooklyn Bureau of Community Service'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 audit provides 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 Brooklyn Bureau of Community Service as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information in schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.

Loeb & Troper LLP

October 23, 2008

BROOKLYN BUREAU OF COMMUNITY SERVICE

EXHIBIT A

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2008
 (With Summarized Financial Information
 for the Year Ended June 30, 2007)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2008</u>	<u>2007</u>
Operating revenues and other support					
Government fees and contracts (Schedule 1)	\$ 9,637,051	\$ 14,965,634		\$ 24,602,685	\$ 23,074,431
Contributions					
Individuals and corporations	133,158	388,987		522,145	470,351
Foundations and trusts	626,687	333,000		959,687	930,247
Legacies and bequests	41,643			41,643	187
United Way of New York City	8,183			8,183	28,742
New York Times Neediest Cases	805,752			805,752	813,116
In-kind contribution - equipment	46,577			46,577	
Capital campaign		416,500		416,500	
Special events					
Less cost of direct benefits of special events		\$ 328,796			
Net revenues from special events	270,303			270,303	578,448
Sales - contract and other	333,525			333,525	491,500
Day care fees	247,842			247,842	284,423
Interest and dividends (net of fees of \$90,538 in 2008)	386,920	298		387,218	267,579
Miscellaneous	56,470			56,470	91,079
Net assets released from restrictions					
Satisfaction of program restrictions (Note 10)	<u>15,647,081</u>	<u>(15,647,081)</u>			
Total operating revenues and other support	<u>28,241,192</u>	<u>457,338</u>		<u>28,698,530</u>	<u>27,030,103</u>
Operating expenses					
Program services					
Education and child care	6,394,933			6,394,933	6,096,329
Family counseling	6,206,640			6,206,640	5,796,178
Mental retardation	3,607,000			3,607,000	3,872,717
Mental health	3,199,766			3,199,766	3,275,205
Job training and employment services	<u>5,184,787</u>			<u>5,184,787</u>	<u>4,906,484</u>
Total program services	<u>24,593,126</u>			<u>24,593,126</u>	<u>23,946,913</u>

-continued-

BROOKLYN BUREAU OF COMMUNITY SERVICE

EXHIBIT A

-2-

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2008
(With Summarized Financial Information
for the Year Ended June 30, 2007)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	2008	2007	2008	2007
Operating expenses (continued)				
Supporting services				
Management and general	\$ 3,793,419		\$ 3,793,419	\$ 3,416,598
Public relations	250,709		250,709	231,703
Fund raising	426,526		426,526	484,344
Total supporting services	4,470,654		4,470,654	4,132,645
Total operating expenses	29,063,780		29,063,780	28,079,558
Change in net assets from operations	(822,588)	\$ 457,338	(365,250)	(1,049,455)
Net realized and unrealized gain (loss) on investments	(686,070)		(686,070)	1,071,530
Change in net assets before pension adjustment	(1,508,658)	457,338	(1,051,320)	22,075
Pension adjustment - funded status and other	(218,708)		(218,708)	(890,788)
Change in net assets (Exhibit C)	(1,727,366)	457,338	(1,270,028)	(868,713)
Net assets - beginning of year	9,109,682	533,297	975,844	11,487,536
Net assets - end of year (Exhibit B)	\$ 7,382,316	\$ 990,635	\$ 975,844	\$ 10,618,823

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

BALANCE SHEET

JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 910,372	\$ 1,389,655
Investments (Note 3)	10,084,674	10,737,206
Accounts receivable		
Government agencies (net of allowance for doubtful accounts of \$411,968 in 2008 and \$436,741 in 2007)	4,882,893	4,474,674
Customers (net of allowance for doubtful accounts of \$5,318 in 2008 and \$27,609 in 2007)	57,662	75,117
Contributions and grants receivable (Note 4)	630,995	217,987
Other receivables	55,329	52,603
Prepaid expenses and deposits	236,648	220,060
Assets held by insurance trusts (Note 5)	337,495	353,067
Assets held for deferred compensation	54,356	52,399
Fixed assets (net of accumulated depreciation of \$5,021,779 in 2008 and \$4,671,201 in 2007) (Note 6)	<u>2,861,254</u>	<u>2,196,648</u>
Total assets	<u>\$ 20,111,678</u>	<u>\$ 19,769,416</u>

-continued-

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

BALANCE SHEET

JUNE 30, 2008 AND 2007

	2008	2007
LIABILITIES AND NET ASSETS		
Accounts and accrued expenses payable	\$ 1,328,918	\$ 861,920
Accrued salaries and related liabilities	1,423,145	1,191,494
Refundable advances	1,554,106	1,295,737
Lines of credit (Note 7)	3,000,000	2,325,000
Loan and mortgage payable (Note 7)	2,024,104	2,393,789
Accrued defined benefit plan pension payable (Note 8)	719,225	418,966
Deferred compensation payable	54,356	52,399
Supplemental retirement benefits payable (Note 8)	659,029	611,288
	10,762,883	9,150,593
Net assets (Exhibit A)		
Unrestricted	7,382,316	9,109,682
Temporarily restricted (Note 10)	990,635	533,297
Permanently restricted (Note 10)	975,844	975,844
	9,348,795	10,618,823
Total liabilities and net assets	\$ 20,111,678	\$ 19,769,416

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2008

Cash flows from operating activities	
Change in net assets (Exhibit A)	\$ (1,270,028)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	350,578
Net loss on investments	686,070
Increase in assets	
Accounts receivable	(390,764)
Contributions and grants receivable	(413,008)
Other receivables	(2,726)
Prepaid expenses and deposits	(16,588)
Increase in liabilities	
Accounts and accrued expenses payable	466,998
Accrued salaries and related liabilities	231,651
Refundable advances	258,369
Accrued defined benefit plan pension payable	300,259
Deferred compensation payable	1,957
Supplemental retirement benefits payable	47,741
	<hr/>
Net cash provided by operating activities	250,509
	<hr/>
Cash flows from investing activities	
Decrease in assets held by insurance trusts	15,572
Increase in assets held for deferred compensation	(1,957)
Purchase of fixed assets	(1,015,184)
Purchase of investments	(5,743,502)
Proceeds from sale of investments	5,709,964
	<hr/>
Net cash used by investing activities	(1,035,107)
	<hr/>

-continued-

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2008

Cash flows from financing activities	
Proceeds from loan and line of credit	\$ 7,210,000
Repayments of loan, line of credit and mortgage	<u>(6,904,685)</u>
Net cash provided by financing activities	<u>305,315</u>
Net decrease in cash and cash equivalents	(479,283)
Cash and cash equivalents - beginning of year	<u>1,389,655</u>
Cash and cash equivalents - end of year	<u><u>\$ 910,372</u></u>
Supplemental disclosure of cash flow information	
Cash paid during the year for interest	<u><u>\$ 233,877</u></u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 1 - NATURE OF ORGANIZATION

Brooklyn Bureau of Community Service (Bureau) was founded in 1866 as a voluntary, nonsectarian, social service agency serving families, children and persons with disabilities throughout various communities in Brooklyn. The Bureau operates various programs for families and children, persons with disabilities and for persons who are mentally, developmentally and emotionally disabled at a number of community and program sites. The Bureau's current focus in all its programs is to assist participants to move to more independent levels of functioning by building upon individual, family and community strengths. The Bureau is supported primarily by government fees and contracts and contributions from individuals, corporations and foundations.

Brooklyn Bureau of Community Service is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation - The financial statements are prepared on the accrual basis.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenues from government agencies - Revenues from government agencies are subject to audit by the agencies. No provision for any disallowances is reflected in the financial statements, since management does not anticipate any material adjustments.

Contributions - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In-kind contributions - In-kind contributions are recorded at fair value at date of donation.

-continued-

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional expenses - The costs of providing the Bureau's services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Unrestricted net assets - Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors. In addition, resources which are set aside for board-designated purposes are unrestricted.

Restricted net assets - Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets are limited by donors for investment.

Cash and cash equivalents - Cash and cash equivalents include all highly liquid instruments with maturities when acquired of three months or less at the date of purchase.

Investments - Investments are stated at fair value based upon quoted market. Realized and unrealized gains and losses on investments of the permanently restricted endowment fund are recognized in the board-designated endowment fund.

Promises to give - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Fixed assets - Fixed assets costing in excess of \$1,000 are capitalized. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

Summarized financial information for 2007 - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2007, from which the summarized information was derived.

-continued-

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 3 - INVESTMENTS

	<u>2008</u>	<u>2007</u>
Money market funds	\$ 543,583	\$ 465,442
Government obligations	2,592,268	3,258,215
Mutual funds	297,429	1,156,092
Corporate obligations	1,457,789	807,950
Common stocks	<u>5,193,605</u>	<u>5,049,507</u>
	<u>\$ 10,084,674</u>	<u>\$ 10,737,206</u>

The investment portfolio consists primarily of the permanently restricted endowment fund of \$975,844, the supplemental retirement benefits fund of \$248,337, and the board-designated endowment fund of \$8,860,493.

The Bureau invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on the markets' declines, and that such changes could materially affect the Bureau's balance sheet.

NOTE 4 - CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable have been discounted over the payment period using a discount rate of 5%. Contributions and grants receivable are due as follows:

<u>Year Ending June 30</u>	
2009	\$ 387,027
2010	93,333
2011	93,333
2012	40,000
2013	<u>43,600</u>
	657,293
Less discount to present value	<u>(26,298)</u>
	<u>\$ 630,995</u>

-continued-

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 5 - INSURANCE TRUSTS

A. Workers' Compensation

Effective May 1, 1996, the Bureau established a Workers' Compensation Fund, approved by the New York State Workers' Compensation Board. The Bureau makes payments to the fund as determined by the New York State Workers' Compensation Board. Payments for the year ended June 30, 2008 were \$168,522. As of June 30, 2008, \$129,185 is available for future claims.

B. Unemployment Insurance

Effective January 1, 1997, the Bureau established an Unemployment Insurance Trust, approved by the New York State Department of Labor. The Bureau makes contributions to the trust as determined by an independent actuary. Contributions for the year ended June 30, 2008 were \$57,875. As of June 30, 2008, \$208,310 is available for future claims and administrative costs.

NOTE 6 - FIXED ASSETS

	<u>2008</u>	<u>2007</u>	<u>Estimated Useful Lives</u>
Land	\$ 29,504	\$ 29,504	
Building	415,496	415,496	40 years
Building improvements	4,420,704	3,697,381	5 - 25 years
Furniture and equipment	<u>3,017,329</u>	<u>2,725,468</u>	3 - 10 years
	7,883,033	6,867,849	
Less accumulated depreciation	<u>(5,021,779)</u>	<u>(4,671,201)</u>	
	<u>\$ 2,861,254</u>	<u>\$ 2,196,648</u>	

-continued-

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 7 - LINES OF CREDIT, LOAN AND MORTGAGE PAYABLE

Lines of Credit

The Bureau has a \$3,000,000 secured revolving line of credit with JP Morgan Chase, which expires on March 31, 2009. The outstanding balance as of June 30, 2008 is \$3,000,000. Interest is at prime minus 1%, which at June 30, 2008 is 4%. Drawdowns on the line are collateralized by securities.

In addition, the Bureau entered into a revolving line of credit in the amount of \$500,000 with Sovereign Bank. This agreement expires on July 6, 2009. Interest is at 2.25% above either the prime which, at June 30, 2008, is 7.25% or LIBOR at the time of the drawdown, at the Bureau's election. There were no drawdowns during the year on this line of credit.

The Bureau has a letter of credit with JP Morgan Chase for \$625,000 as security for the Workers' Compensation Fund. This agreement expires on June 30, 2009. Interest is at prime, which at June 30, 2008 is 5%. Drawdowns on the line are collateralized by securities. There were no drawdowns during the year on this letter of credit.

Loan Payable

On February 9, 2007 the Bureau assumed a five-year term loan from JP Morgan Chase of \$1,600,000, which expires on February 9, 2012. The outstanding balance as of June 30, 2008 is \$1,200,000. Interest is at a fixed rate of 6% and payable monthly. Principal payments of \$80,000 are made quarterly. On February 9, 2012, a balloon payment for the remaining principal balance plus interest will be due. The loan is collateralized by securities.

Mortgage Payable

In 2005, the Bureau assumed a five-year Term Loan Facility Promissory Note of \$1,000,000, which expires on July 7, 2009 and can be renewed for an additional five years. The outstanding balance as of June 30, 2008 is \$824,104. Interest is at a fixed rate of 5.84%. The note commitment, including principal and interest, is \$100,228 per year and on July 7, 2009 a balloon payment for the remaining principal balance plus interest will be due. The loan is collateralized by real estate located at 285 Schermerhorn Street. Future principal payments are as follows:

-continued-

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 7 - LINES OF CREDIT, LOAN AND MORTGAGE PAYABLE (continued)

<u>Year Ending June 30</u>	<u>Mortgage Payable</u>	<u>Loan Payable</u>	<u>Total</u>
2009	\$ 54,242	\$ 320,000	\$ 374,242
2010	769,862	320,000	1,089,862
2011		320,000	320,000
2012		<u>240,000</u>	<u>240,000</u>
	<u>\$ 824,104</u>	<u>\$ 1,200,000</u>	<u>\$ 2,024,104</u>

Interest expense for the year was \$233,877.

NOTE 8 - PENSION AND SUPPLEMENTAL RETIREMENT BENEFITS

The Bureau sponsors a noncontributory defined benefit retirement plan covering substantially all its nonunion employees. The following table summarizes the benefit obligations, fair value of assets and the funded status as of June 30, 2008:

Projected benefit obligation	\$ (6,829,164)
Fair value of plan assets	<u>6,109,939</u>
Funded status	<u>\$ (719,225)</u>
Accrued benefit cost recognized in the balance sheet	\$ (719,225)
Accumulated benefit obligation	5,894,142
Employer contributions	655,416
Benefits paid	566
Net periodic benefit cost	736,967
Weighted average assumptions:	
Discount rate	6.25%
Expected return on plan assets	7.4
Rate of compensation increase	3.0

-continued-

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 8 - PENSION AND SUPPLEMENTAL RETIREMENT BENEFITS (continued)

Plan Assets

The Bureau's pension plan asset allocations by asset category are as follows:

<u>Asset Category</u>	
Money market	1.10%
Equity security	54.26
Debt security	39.29
Real estate fund	5.35

The Bureau's investment policies are designed to ensure adequate plan assets are available to provide future payments of pension benefits to eligible participants. Taking into account the expected long-term rate of return on plan assets, the Bureau formulates the investment portfolio composed of the optimal combination of equity, debt and real estate securities.

The investment policies are as follows:

1% of the fund will be set aside in the money market account. The remaining funds will be invested as follows:

55%	Equity
40%	Debt
5%	Real estate

The balance between equities and fixed income will be allowed to drift 5% either way before realignment is required.

Supplemental Retirement Benefits

At the recommendation of the Bureau's Board of Directors, a study of the Bureau's defined benefit retirement plan was undertaken to determine whether benefits available under the existing qualified plan were competitive relative to peer organizations, and sufficient to achieve an adequate retirement benefit for senior executive staff. Finding that the benefits were insufficient and, based on this finding, the Board established a supplemental retirement plan to improve the overall retirement benefit for the selected key personnel so affected. Service under the plan is recognized retroactive to the date of hire for each of the covered employees, their vesting to occur at age 62. The expense for the year was \$237,495. Supplemental retirement benefits payable as of June 30, 2008 total \$659,029.

-continued-

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 8 - PENSION AND SUPPLEMENTAL RETIREMENT BENEFITS (continued)

Cash Flows

Contribution

The Bureau expects to contribute \$595,000 to its pension plan in 2009.

Estimated future benefit payments

The following benefit payments, which reflect expected future service, are expected to be paid as follows:

Year Ending June 30	Pension	Supplemental Retirement Benefits
2009	\$ 64,788	
2010	110,450	\$ 596,124
2011	156,479	165,159
2012	182,571	54,392
2013	345,826	180,000
2014-2018	2,670,378	

NOTE 9 - LEASE COMMITMENTS

The Bureau rents space under several noncancelable operating leases with expiration dates beginning in fiscal year 2009 through fiscal year 2017. The following are the total future minimum rental payments required under operating leases that have initial or remaining lease terms in excess of one year:

Year Ending June 30	
2009	\$ 947,677
2010	892,609
2011	906,002
2012	403,529
2013	239,401
Thereafter	1,164,640

Rent expense for the year was \$909,890.

-continued-

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 10 - NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

	<u>2008</u>	<u>2007</u>
Purpose restrictions		
Education and child care		
Day care	\$ 14,649	\$ 90,722
Klinsky After School	548,234	431,489
Capital acquisitions	<u>416,500</u>	<u> </u>
	979,383	522,211
For periods after June 30, 2008 and 2007 Unitrust	<u>11,252</u>	<u>11,086</u>
	<u>\$ 990,635</u>	<u>\$ 533,297</u>

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable for general purposes.

During 2008 and 2007, net assets were released from contractual or donor restrictions by incurring expenses satisfying the following restricted purposes or by the occurrence of other events specified by donors:

	<u>2008</u>	<u>2007</u>
Education and child care	\$ 6,403,555	\$ 6,036,142
Family counseling	3,696,064	3,403,897
Mental retardation	1,646,722	1,473,648
Mental health	2,299,642	2,277,876
Job training and employment services	<u>1,601,098</u>	<u>1,304,578</u>
	<u>\$ 15,647,081</u>	<u>\$ 14,496,141</u>

-continued-

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 11 - FUNCTIONAL EXPENSES

The Bureau assists persons with disabilities to achieve greater levels of independence, and helps families establish stable and nurturing homes in which children can develop to their fullest potential. Expenses related to providing these services are as follows:

Program services	\$ 24,593,126
General and administrative	3,793,419
Public relations	250,709
Fund raising	<u>426,526</u>
 Total expenses reported on Exhibit A	 29,063,780
 Special event expenses	 58,493
Investment fees	<u>90,538</u>
 Total expenses	 <u>\$ 29,212,811</u>

NOTE 12 - CONCENTRATIONS

Financial instruments which potentially subject the Bureau to a concentration of credit risk consist primarily of cash accounts in financial institutions which, from time to time, exceed federal insurance limits.

SCHEDULE 1

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

SCHEDULE OF GOVERNMENT FEES AND CONTRACTS

YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
New York City Administration for Children		
Day Care	\$ 3,244,194	\$ 3,460,508
Preventive Services	3,696,064	3,173,897
Homemaker	3,019,872	2,639,446
 New York City Human Resources Administration		
We Care	2,997,902	2,985,938
 New York City Department of Youth and Community Development		
Klinsky After School Program	1,330,108	1,086,029
 New York State Office of Vocational Educational Services for Individuals with Disabilities		
Case Services	279,139	253,691
Specialized Vocational Training	121,213	94,465
Supported Employment	315,810	291,704
 New York State Office of Mental Retardation and Developmental Disabilities		
Sheltered Employment	274,999	262,698
Day Habilitation	3,212,858	2,873,308
Residential Habilitation	266,847	245,673
Family Support Service	59,428	57,564
Individual Support Service	22,811	9,363
Supported Employment	390,882	402,803
 New York City Department of Health and Mental Hygiene		
Metro Club	438,387	426,172
East New York Club House	432,185	430,701
Enclaves in Industry	141,259	136,377
Work Readiness	143,084	138,375
Transitional Living Community	606,421	588,258
Adolescent Employment and Education	397,436	406,625

-continued-

**BROOKLYN BUREAU
OF COMMUNITY SERVICE**

SCHEDULE OF GOVERNMENT FEES AND CONTRACTS

YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
New York State Office of Mental Health		
Continuing Day Treatment	\$ 979,065	\$ 1,024,754
Supported Employment	144,705	121,649
United States Department of Agriculture		
Day Care	572,873	617,111
United States Department of Housing and Urban Development		
Transitional Living Community	724,318	724,598
New York City Department of Education		
UPK Program	139,594	
United States Department of Education		
Project with Industry	215,891	209,604
United States Department of Health and Human Services		
Head Start	<u>435,340</u>	<u>413,120</u>
Total (Exhibit A)	<u>\$ 24,602,685</u>	<u>\$ 23,074,431</u>

See independent auditor's report.