

BRONXWORKS, INC.
CONSOLIDATED FINANCIAL STATEMENTS
AND AUDITOR'S REPORT

JUNE 30, 2010 AND 2009

BRONXWORKS, INC.

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Independent Auditor's Report

Board of Directors BronxWorks, Inc.

We have audited the accompanying consolidated balance sheet of BronxWorks, Inc. as of June 30, 2010 and 2009, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of BronxWorks, Inc.'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 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 BronxWorks, Inc.'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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of BronxWorks, Inc. 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.

Our audits were 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 audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to basic financial statements taken as a whole.

Loeb & Troper LLP

January 13, 2011

BRONXWORKS, INC.

CONSOLIDATED BALANCE SHEET

JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ 1,979,373	\$ 1,075,481
Certificates of deposit	1,989,779	2,627,685
Accounts receivable (net of allowance of \$258,000 in 2010 and \$383,000 in 2009)	5,242,405	4,339,404
Prepaid expenses and deposits	357,716	399,395
Fixed assets - net (Note 3)	<u>6,491,971</u>	<u>5,669,125</u>
Total assets	<u>\$ 16,061,244</u>	<u>\$ 14,111,090</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 2,236,884	\$ 1,424,170
Accrued salaries and vacations payable	1,182,938	1,113,037
Due to government agencies	481,587	490,413
Lines of credit (Note 4)	950,000	1,576,650
Mortgages payable (Note 5)	<u>2,208,632</u>	<u>602,899</u>
Total liabilities	<u>7,060,041</u>	<u>5,207,169</u>
Net assets (Exhibit B)		
Unrestricted	8,904,737	8,709,926
Temporarily restricted (Note 6)	<u>96,466</u>	<u>193,995</u>
Total net assets	<u>9,001,203</u>	<u>8,903,921</u>
Total liabilities and net assets	<u>\$ 16,061,244</u>	<u>\$ 14,111,090</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF ACTIVITIES

YEARS ENDED JUNE 30, 2010 AND 2009

	2010				2009				
	Unrestricted		Temporarily Restricted	Total	Unrestricted		Temporarily Restricted	Total	
	Operating	Plant			Operating	Plant			
Revenues									
Grants from government agencies	\$ 32,408,473		\$ 32,408,473		\$ 30,412,508		\$ 30,412,508		\$ 30,412,508
Foundation grants and other contributions	1,645,414		1,645,414	\$ 96,466	1,741,880	2,789,806	2,789,806	\$ 193,995	2,983,801
Program service fees	303,078		303,078		312,098	312,098	312,098		312,098
Medicaid	843,528		843,528		883,792	883,792	883,792		883,792
Other revenues	121,429		121,429		202,347	202,347	202,347		202,347
Net assets released from restriction (Note 6)	193,995		193,995	(193,995)	150,000	150,000	150,000	(150,000)	
Total revenues	35,515,917		35,515,917	(97,529)	35,418,388	34,750,551	34,750,551	43,995	34,794,546
Expenses (Schedule 1)									
Program services									
BronxWorks program	2,390,832	\$ 6,236	2,397,068		1,544,523	\$ 6,236	1,550,759		1,550,759
Services for the elderly	1,577,000	23,854	1,600,854		1,603,985	19,308	1,623,293		1,623,293
Homeless/prevention/relocation	7,030,301	69,227	7,099,528		6,679,203	44,471	6,723,674		6,723,674
Family shelter for the homeless	9,002,734	103,889	9,106,623		9,491,897	67,184	9,559,081		9,559,081
AIDS programs	1,951,570	14,838	1,966,408		2,252,287	14,838	2,267,125		2,267,125
Children and youth	6,550,908	18,653	6,569,561		6,573,462	18,653	6,592,115		6,592,115
Workforce development	2,300,302	4,270	2,304,572		1,781,645	4,270	1,785,915		1,785,915
Total program services	30,803,647	240,967	31,044,614		29,927,002	174,960	30,101,962		30,101,962
Supporting services									
Management and general (including interest of \$122,314)	3,594,179	445,422	4,039,601		3,338,452	336,396	3,674,848		3,674,848
Fund raising	236,891		236,891		240,333		240,333		240,333
Total supporting services	3,831,070	445,422	4,276,492		3,578,785	336,396	3,915,181		3,915,181
Total expenses	34,634,717	686,389	35,321,106		33,505,787	511,356	34,017,143		34,017,143
Change in net assets before other changes	881,200	(686,389)	194,811	(97,529)	97,282	1,244,764	733,408	43,995	777,403
Transfers - repayment of mortgage	(74,267)	74,267			(31,408)	31,408			
Transfers - capital acquisitions	(1,509,235)	1,509,235			(2,117,669)	2,117,669			
Transfers - line of credit	903,350	(903,350)			776,650	(776,650)			
Change in net assets (Exhibit C)	201,048	(6,237)	194,811	(97,529)	97,282	(127,663)	733,408	43,995	777,403
Net assets - beginning of year	4,420,350	4,289,576	8,709,926	193,995	8,903,921	4,548,013	7,976,518	150,000	8,126,518
Net assets - end of year (Exhibit A)	\$ 4,621,398	\$ 4,283,339	\$ 8,904,737	\$ 96,466	\$ 9,001,203	\$ 4,420,350	\$ 8,709,926	\$ 193,995	\$ 8,903,921

See independent auditor's report.

The accompanying notes are an integral part of these statements.

BRONXWORKS, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Change in net assets (Exhibit B)	\$ 97,282	\$ 777,403
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	686,389	511,356
Decrease (increase) in assets		
Accounts receivable	(903,001)	(41,010)
Prepaid expenses and deposits	41,679	(73,291)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	812,714	432,665
Accrued salaries and vacations payable	69,901	89,392
Due to government agencies	(8,826)	(44,835)
Net cash provided by operating activities	<u>796,138</u>	<u>1,651,680</u>
Cash flows from investing activities		
Capital expenditures	(1,509,235)	(2,117,669)
Purchases of certificates of deposit		(467,939)
Redemptions of certificates of deposit	637,906	
Net cash used by investing activities	<u>(871,329)</u>	<u>(2,585,608)</u>
Cash flows from financing activities		
Repayments of mortgage principal and line of credit	(1,754,267)	(31,408)
Proceeds from mortgage and line of credit	2,733,350	991,650
Net cash provided by financing activities	<u>979,083</u>	<u>960,242</u>
Net change in cash and cash equivalents	903,892	26,314
Cash and cash equivalents - beginning of year	<u>1,075,481</u>	<u>1,049,167</u>
Cash and cash equivalents - end of year	<u>\$ 1,979,373</u>	<u>\$ 1,075,481</u>
Supplemental data		
Cash paid for interest	<u>\$ 122,314</u>	<u>\$ 50,833</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

BRONXWORKS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

NOTE 1 - NATURE OF ORGANIZATION

BronxWorks, Inc. (the "Organization") is a Bronx-based nonprofit organization.

BronxWorks, Inc. helps individuals and families improve their economic and social well-being. From toddlers to seniors, the organization feeds, shelters, teaches and supports its neighbors to build a stronger community.

The Organization is supported primarily by government grants, foundation grants and other contributions.

In September 2009, the Organization filed a certificate of amendment to its certificate of incorporation with the Secretary of State of the State of New York, changing its name from Citizens Advice Bureau, Inc. to BronxWorks, Inc.

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is a publicly supported organization as described in Section 509(a).

On August 31, 2006, Citizens Advice Bureau Property Holding Company, Inc. (the "Subsidiary") was incorporated as a subsidiary of the Organization. Subsequently, the Subsidiary purchased the property at 60 East Tremont Avenue, Bronx, New York (the "Headquarters Property"), which is used by the Organization as its headquarters office.

The Subsidiary is exempt from federal income tax under Section 501(c)(2) of the Internal Revenue Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Consolidation - Intercompany balances and transactions have been eliminated in the consolidation.

Reclassification - Certain 2009 balances related to investments, cash, and advance deposits have been reclassified to conform to the 2010 presentation.

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BRONXWORKS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FASB Accounting Standards Codification - In July 2009, the FASB released FASB Accounting Standards Codification (ASC) as the single source of authoritative nongovernmental U.S. Generally Accepted Accounting Principles (GAAP). The Codification is effective for interim and annual periods ending after September 15, 2009. All existing accounting standards documents are superseded as described in FASB Statement No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles*. All other accounting literature not included in the Codification is nonauthoritative.

Use of 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 reported period. Actual results could differ from these estimates.

Cash and cash equivalents - Cash and cash equivalents consist of cash held in various bank accounts and short-term securities with original maturities when acquired of less than three months.

Certificates of deposit - Certificates of deposit have maturity dates of more than three months and are considered investments for cash flow purposes.

Accounts receivable and allowance for doubtful accounts - The Organization records receivables based on established rates or contracts for services provided. Bad debt expense is charged if the receivable is determined to be uncollectible based on periodic review by management. Factors used to determine whether an allowance should be recorded include the age of the receivable and a review of payments subsequent to year end. Interest is not charged on outstanding receivables.

Fixed assets - Fixed assets and leasehold improvements are recorded at cost whose useful life is more than one year. Fixed assets are depreciated over their estimated useful lives on the straight-line method. Leasehold improvements are amortized on the straight-line method over the lesser of the useful lives of the assets or the lives of the leases. Minor equipment costing less than \$5,000 is expensed in the year acquired.

Due to government agencies - Due to government agencies includes overpayments and advances from funders, which are contractually owed back. Overpayments and advances are usually utilized or paid during the next fiscal year.

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BRONXWORKS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unrestricted net assets - Unrestricted net assets include funds having no restrictions as to use or purpose imposed by donors.

Temporarily restricted net assets - Temporarily restricted net assets consist of funds restricted as to use or purpose.

Government grants - Revenues from government grants are recognized when earned. Expense-based grants are recognized as allowable expenses are incurred. Performance-based grants are recognized as milestones are achieved. Revenues from government agencies are subject to audit by the agencies. No provision for any disallowance is reflected in the financial statements, since management does not anticipate any material adjustments.

Foundation grants and other 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 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 to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets whose restrictions have been satisfied in the year of restriction are shown as unrestricted on the statement of activities.

Operating leases - Operating leases are straight-lined over the term of the lease. Deferred rent is recorded when there are material differences between the fixed payment and the rent expense.

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

Uncertainty in income taxes - Effective January 1, 2009, the Organization adopted the provision pertaining to uncertain tax positions (ASC Topic 740) and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Tax returns for the years June 30, 2007 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent events - Subsequent events have been evaluated through January 13, 2011, which is the date the financial statements were available to be issued.

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BRONXWORKS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

NOTE 3 - FIXED ASSETS

	<u>2010</u>	<u>2009</u>	<u>Useful Lives</u>
Land	\$ 190,000	\$ 190,000	
Land improvements	59,410	59,410	10 years
Buildings and improvements	7,789,875	6,718,812	15-30 years
Furniture, equipment and vehicle	2,497,552	2,059,380	5 years
Leasehold improvements	<u>682,225</u>	<u>682,225</u>	5 years
	11,219,062	9,709,827	
Less accumulated depreciation and amortization	<u>(4,727,091)</u>	<u>(4,040,702)</u>	
Net book value	<u>\$ 6,491,971</u>	<u>\$ 5,669,125</u>	

NOTE 4 - LINES OF CREDIT

- A. The Organization has a revolving line of credit account with Merrill Lynch, payable on demand. The line of credit is collateralized by certificates of deposit purchased through Merrill Lynch and is limited to 80 % of the value of the certificates of deposit. The limit was \$1,691,000 as of June 30, 2010 and \$1,100,000 as of June 30, 2009. The line has a floating interest rate based on 1.5% above the one month LIBOR rate. The interest rate was 1.85% and 1.83% at June 30, 2010 and 2009, respectively. As of June 30, 2010 and 2009, the outstanding principal balance was \$950,000 and \$800,000, respectively. The outstanding principal balance was paid in full in December 2010.
- B. The Subsidiary had a \$1,680,000 line of credit to fund the cost of renovating and expanding the Headquarters Property (the "Construction Line of Credit"), bearing interest at a floating rate equal to the lender's Prime Rate minus 0.50%, which at June 30, 2009 was 2.75%. The outstanding balance as at June 30, 2009 was \$776,650. The Construction Line of Credit was secured by a second mortgage on the Headquarters Property and, as described in Note 5, was converted to a 15-year fixed-rate loan in November 2009 upon completion of construction. The Subsidiary's obligations under the Construction Line of Credit were guaranteed by the Organization.

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BRONXWORKS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

NOTE 5 - MORTGAGES PAYABLE

- A. The Subsidiary borrowed \$680,000 to fund a portion of the purchase price of the Headquarters Property, secured by a first mortgage on the Headquarters Property (the "First Mortgage"). The First Mortgage has a term of 15 years with payments made monthly with the final payment due December 2021. The initial interest rate of 6.53% was modified to 5.83% in April 2010. The outstanding balance of the First Mortgage as at June 30, 2010 and 2009 was \$570,431 and \$602,899, respectively. The Subsidiary's obligations under the First Mortgage are guaranteed by the Organization.
- B. In December 2009, the Construction Line of Credit was converted to a 15-year fixed-rate loan in the amount of \$1,680,000, secured by a second mortgage on the Headquarters Property (the "Second Mortgage"). The Second Mortgage bears interest at 5.28% with payments made monthly, with the final payment due December 2024. The outstanding balance of the Second Mortgage as at June 30, 2010 was \$1,638,201. The Subsidiary's obligations under the Second Mortgage are guaranteed by the Organization.

Principal payments are as follows:

	<u>First Mortgage</u>	<u>Second Mortgage</u>	<u>Total</u>
2011	\$ 34,703	\$ 76,844	\$ 111,547
2012	37,039	81,001	118,040
2013	39,531	85,383	124,914
2014	42,191	90,002	132,193
2015	45,030	94,870	139,900
Thereafter	<u>371,937</u>	<u>1,210,101</u>	<u>1,582,038</u>
Total	<u>\$ 570,431</u>	<u>\$ 1,638,201</u>	<u>\$ 2,208,632</u>

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes:

	<u>2010</u>	<u>2009</u>
BronxWorks program		
Children and youth	\$ 96,466	\$ 131,635
Workforce development		<u>62,360</u>
	<u>\$ 96,466</u>	<u>\$ 193,995</u>

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BRONXWORKS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS (continued)

Net assets released from restriction as of June 30, 2010 and 2009 were:

	<u>2010</u>	<u>2009</u>
BronxWorks program	\$ 131,635	\$ 150,000
Children and youth	<u>62,360</u>	<u> </u>
	<u>\$ 193,995</u>	<u>\$ 150,000</u>

NOTE 7 - BUILDING LEASES

BronxWorks leases offices in several locations in the form of noncancelable leases which terminate between 2010 and 2015. Two of the leases, one for the Willow Family Residence and one for Safe Haven, do contain provisions that they can be canceled if the funding contracts are canceled. However, with the Safe Haven, although BronxWorks is not responsible for the base rent, BronxWorks would still be responsible for the unamortized amount of additional rent charged to fund improvement, which approximates \$1.18 million as of January 13, 2011. The Organization advanced \$200,000 to the Landlord towards the cost of the Safe Haven renovation. In November 2010, the Landlord began to reimburse BronxWorks. As of January 13, 2011, \$116,666 has been repaid.

The rent expense for 2010 and 2009 was \$2,753,991 and \$2,744,491, respectively. Some leases are renewed annually.

The minimum future lease payments are as follows:

2010 - 2011	\$ 3,213,838
2011 - 2012	3,059,567
2012 - 2013	2,980,890
2013 - 2014	2,981,925
2014 - 2015	<u>333,469</u>
	<u>\$ 12,569,689</u>

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BRONXWORKS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

NOTE 8 - CONCENTRATIONS

Financial instruments which potentially subject the Organization to a concentration of credit risk are cash accounts with major financial institutions in excess of FDIC insurance limits. Management believes that credit risk related to these accounts is minimal.

NOTE 9 - PENSION PLAN

The Organization sponsors a defined contribution pension plan covering all full-time employees after one year of service. The pension expense was \$1,161,253 and \$1,277,375 for the years ended June 30, 2010 and 2009, respectively.

The following table represents the percentage of compensation based on the employee hire date. The employer contribution and costs are as follows:

Terms of Service	Percentage of Compensation		
	Before January 1, 2007	After January 1, 2007	All Tiers (Reduced) as of December 1, 2009
Less than 5 years of service	8%	6%	4%
5 years of service but less than 10 years of service	9%	9%	7%
10 years or more of service	12%	12%	10%

NOTE 10 - CONTINGENCIES

The Organization receives funding for many of its programs through contracts principally entered into with New York State and New York City. Certain governmental revenues are recorded based on allocated expenditures incurred and are subject to audit and adjustment by Medicaid and other regulatory agencies. Third-party reimbursement adjustments are recorded when reasonably determinable.

Revenues from fee-for-service and reimbursement contracts with New York State and New York City are recorded at rates established by the governmental payors. Revenues are recorded based on estimated allowable costs and are subject to audit and adjustment by governmental payors. The effects of such adjustments are recorded when reasonably determinable.

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BRONXWORKS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

NOTE 10 - CONTINGENCIES (continued)

The Organization is responsible to report to various third parties, amongst which are the Centers for Medicare and Medicaid Services ("CMS"), the New York State Department of Health's Independent Office of Medicaid Inspector General, the New York State Office of the Attorney General's Medicaid Fraud Unit, the Internal Revenue Service, and the New York State Office of the Attorney General's Charities Bureau and the New York City Department of Homeless Services.

The current third-party-payor programs, including Medicaid-funded programs, are based upon complex laws and regulations. Noncompliance with such laws and regulations could result in fines, penalties, and exclusion from such programs. The Organization is not aware of any allegations of noncompliance that could have a material adverse effect on the Organization's change in net assets or financial position and believes that it is substantially in compliance with all applicable laws and regulations.

CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2010

(With Summarized Financial Information
for the Year Ended June 30, 2009)

	Program Services							Supporting Services			Total		
	Bronx- Works Program	Services for the Elderly	Homeless/ Prevention/ Relocation	Family Shelter for the Homeless	AIDS Programs	Children and Youth	Workforce Development	Total	Management and General	Fund Raising	Total	2010	2009
Salaries	\$ 1,544,166	\$ 833,689	\$ 3,607,998	\$ 4,195,207	\$ 1,243,219	\$ 3,723,999	\$ 1,409,010	\$ 16,557,288	\$ 2,288,394	\$ 151,108	\$ 2,439,502	\$ 18,996,790	\$ 18,516,277
Payroll taxes and employee benefits	423,684	217,962	1,054,845	1,207,261	357,398	900,197	400,797	4,562,144	597,675	41,252	638,927	5,201,071	5,152,887
Professional fees	21,940	37,640	30,652	61,269	45,671	22,098	3,343	222,613	105,947	12,667	118,614	341,227	366,584
Office supplies	40,949	18,974	52,316	52,643	21,168	56,138	23,077	265,265	69,480	11,101	80,581	345,846	244,591
Occupancy	116,798		372,364	2,663,247	137,600	228,396	193,379	3,711,784	19,401	2,156	21,557	3,733,341	3,822,095
Telephone	29,722	20,329	50,498	55,605	21,228	47,311	13,935	238,628	23,521	2,614	26,135	264,763	245,653
Repairs and maintenance	25,931	29,497	80,383	326,989	4,609	15,671	13,054	496,134	71,764		71,764	567,898	444,938
Printing and publications	44				3,709	4,314	89	8,156	23,119	8,654	31,773	39,929	21,005
Travel and meetings	12,111	27,889	19,456	5,377	34,341	130,246	130,766	360,186	3,460	385	3,845	364,031	346,061
Insurance	22,907	22,898	73,149	88,939	22,274	58,174	29,053	317,394	15,125	1,681	16,806	334,200	351,495
Postage	2,111	397	5,886	1,386	3,403	4,618	1,114	18,915	12,307	88	12,395	31,310	37,294
Program supplies	11,055	50,247	62,320	167,647	11,463	87,030	2,406	392,168	16,143		16,143	408,311	379,546
Food	10,508	279,419	81,388	18,208	20,947	636,180	6,375	1,053,025	7,135		7,135	1,060,160	955,892
Equipment/rental/furniture	34,251	28,724	96,181	128,331	16,329	77,339	40,650	421,805	49,517		49,517	471,322	375,852
Direct assistance to individuals	14,975	4,549	822,705	13,943		5,062	29,100	890,334				890,334	748,284
Subcontractor professional fees/VNS	70,800		605,000					675,800				675,800	580,218
Payroll service and bank charges				220				220	60,373		60,373	60,593	49,814
Stipends	1,336					480,811		482,147				482,147	465,370
Depreciation and amortization	6,236	23,854	69,227	103,889	14,838	18,653	4,270	240,967	445,422		445,422	686,389	511,356
Interest									122,314		122,314	122,314	50,833
Provision for bad debts													177,735
Miscellaneous	7,544	4,786	15,160	16,462	8,211	73,324	4,154	129,641	108,504	5,185	113,689	243,330	173,363
Total expenses (Exhibit B)	\$ 2,397,068	\$ 1,600,854	\$ 7,099,528	\$ 9,106,623	\$ 1,966,408	\$ 6,569,561	\$ 2,304,572	\$ 31,044,614	\$ 4,039,601	\$ 236,891	\$ 4,276,492	\$ 35,321,106	\$ 34,017,143

See independent auditor's report.