

# **Operation PAR, Inc.**

## **Financial Statements**

**For the Years Ended  
June 30, 2010 and 2009**



Certified Public Accountants  
Business Consultants  
Limited Liability Company

**Operation PAR, Inc.**  
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**June 30, 2010**

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**INDEPENDENT AUDITORS' REPORT**



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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Operation PAR, Inc.  
Pinellas Park, Florida

We have audited the accompanying statements of financial position of Operation PAR, Inc. (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the organization'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 Operation PAR, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated on September 27, 2010 on our consideration of Operation PAR, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Operation PAR, Inc. taken as a whole. The accompanying schedule of Expenditures of Federal and State Awards and Other Financial Assistance, Program/Cost Center Actual Revenues and Expenses Schedule, Schedule of State Earnings, Schedule of Bed-Day Availability Payments, and Schedule of Related Party Transaction Adjustments are presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Nonprofit Organizations*; and Chapter 10.650, Rules of the Auditor General; and the State of Florida Department of Children and Family, and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Carr, Riggs & Ingram, LLC*

CARR, RIGGS & INGRAM, L.L.C

Certified Public Accountants

September 27, 2010

## FINANCIAL STATEMENTS

**Operation PAR, Inc.****Statements of Financial Position**

<i>June 30,</i>	<b>2010</b>	<b>2009</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	<b>\$ 3,047,295</b>	\$ 1,639,844
Certificates of deposit	<b>512,336</b>	1,915,198
Client funds	<b>10,981</b>	40,768
Receivables (see Note 3)		
Grants	<b>1,955,607</b>	2,032,856
Other, net	<b>474,111</b>	438,588
Prepaid expenses	<b>316,591</b>	288,225
Total current assets	<b>6,316,921</b>	6,355,479
Assets limited as to use	<b>13,164</b>	26,528
Property, plant and equipment, net	<b>18,931,365</b>	18,081,950
Investment in joint venture	<b>178,399</b>	-
Other assets	<b>1,383,896</b>	1,162,960
Total assets	<b>\$ 26,823,745</b>	\$ 25,626,917

See accompanying Notes to Financial Statements.

**Operation PAR, Inc.**

**Statements of Financial Position (Continued)**

<i>June 30,</i>	<b>2010</b>	<b>2009</b>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	<b>\$ 751,694</b>	\$ 549,565
Client funds payable	<b>10,981</b>	40,768
Accrued expenses	<b>1,470,918</b>	1,241,001
Current portion of bonds payable	<b>565,000</b>	535,000
Grant advance	<b>13,829</b>	4,177
Current portion of capital lease obligation	<b>5,267</b>	60,657
<hr/>		
Total current liabilities	<b>2,817,689</b>	2,431,168
Other accrued expenses	<b>755,405</b>	549,913
Long-term obligations		
Long-term bonds payable, net of current portion	<b>1,910,000</b>	2,475,000
Long-term capital lease obligation, net of current portion	<b>-</b>	5,267
<hr/>		
Total long-term obligations	<b>1,910,000</b>	2,480,267
<hr/>		
Total liabilities	<b>5,483,094</b>	5,461,348
<hr/>		
Net assets		
Unrestricted		
Undesignated	<b>15,282,252</b>	14,178,606
Designated by board		
Debt reduction	<b>565,000</b>	595,657
Insurance reserves	<b>3,913,140</b>	3,589,189
Capital improvements	<b>299,700</b>	248,294
Other contingent liabilities	<b>1,280,559</b>	1,553,823
<hr/>		
Total net assets	<b>21,340,651</b>	20,165,569
<hr/>		
Total liabilities and net assets	<b>\$ 26,823,745</b>	\$ 25,626,917
<hr/>		

See accompanying Notes to Financial Statements.

**Operation PAR, Inc.**

**Statements of Activities**

<i>For the year ended June 30,</i>	<b>2010</b>	<b>2009</b>
<b>Unrestricted Net Assets</b>		
Support and revenue		
Department of Children and Families	<b>\$ 7,767,320</b>	7,601,904
Federal and state	<b>5,945,691</b>	6,264,331
Local	<b>1,726,872</b>	1,982,573
Private pay	<b>6,173,459</b>	6,743,908
Medicaid	<b>7,373,978</b>	5,572,752
Third-party insurance	<b>291,551</b>	333,174
Donations in-kind	<b>439,190</b>	493,545
Other support	<b>774,663</b>	768,400
Total support and revenue	<b>30,492,724</b>	29,760,587
Less: deductions from support and revenue:		
Contractual expense	<b>3,928,768</b>	3,296,782
Total deductions	<b>3,928,768</b>	3,296,782
Total unrestricted support and revenue	<b>26,563,956</b>	26,463,805

See accompanying Notes to Financial Statements.

**Operation PAR, Inc.**

**Statements of Activities (Continued)**

<i>For the year ended June 30,</i>	<b>2010</b>	<b>2009</b>
<b>Expenses</b>		
Salaries	<b>14,988,363</b>	14,809,354
Fringe benefits	<b>3,445,229</b>	3,283,087
Contractual & professional fees	<b>2,001,447</b>	1,870,315
Building & equipment rental	<b>388,995</b>	392,906
Insurance	<b>351,767</b>	339,444
Training & travel	<b>337,159</b>	370,488
Utilities & telephone	<b>903,283</b>	857,998
Repairs & maintenance	<b>832,165</b>	775,676
Printing/postage/data processing	<b>79,250</b>	79,129
Food	<b>625,825</b>	695,542
Supplies	<b>1,644,618</b>	1,647,238
Depreciation	<b>1,070,838</b>	1,105,890
Amortization	<b>16,041</b>	20,207
Interest expense	<b>22,790</b>	147,962
Bad debt expense	<b>96,418</b>	46,132
Other	<b>258,515</b>	297,201
<hr/>		
Total expenses	<b>27,062,703</b>	26,738,569
Other revenues (expenses)		
Federal grants for plant and equipment	<b>1,699,874</b>	1,455,755
Other grants for plant and equipment	<b>5,699</b>	31,511
Loss on joint venture	<b>(32,808)</b>	-
Gain on sale of assets	<b>1,064</b>	534
<hr/>		
Total other revenues (expenses)	<b>1,673,829</b>	1,487,800
<hr/>		
<b>Change in Unrestricted Net Assets</b>	<b>1,175,082</b>	1,213,036
<b>Unrestricted net assets, Beginning of year</b>	<b>20,165,569</b>	18,652,533
Transfer from temporarily restricted assets	-	300,000
<hr/>		
<b>Unrestricted net assets, End of year</b>	<b>\$ 21,340,651</b>	20,165,569
<hr/>		
<b>Temporarily restricted net assets, Beginning of year</b>	<b>\$ -</b>	300,000
Transfer to unrestricted net assets	-	(300,000)
<hr/>		
<b>Temporarily restricted net assets, End of year</b>	<b>\$ -</b>	-

See accompanying Notes to Financial Statements.

## Operation PAR, Inc.

### Statements of Cash Flows

<i>For the year ended June 30,</i>	<b>2010</b>	2009
<b>Operating Activities</b>		
Changes in net assets	\$ 1,175,082	\$ 1,213,036
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,086,879	1,126,097
Gain on the sale of property and equipment	(1,064)	(534)
Loss on investment in joint venture	32,808	-
Provision for bad debt	96,418	46,132
Cash provided by (used in) due to changes in assets and liabilities:		
Client funds	29,787	10,931
Assets limited as to use	13,364	249,214
Grants and other receivables	(54,692)	95,624
Prepaid expenses	(28,366)	(44,854)
Other assets	(236,977)	(184,636)
Accounts and client funds payable	172,342	(243,432)
Accrued expenses	435,409	(203,650)
Deferred revenue	9,652	(5,000)
Net cash provided by operating activities	2,730,642	2,058,928
<b>Investing Activities</b>		
Net additions of property, plant and equipment	(1,920,500)	(2,001,273)
Investment in joint venture	(211,207)	-
Purchase of certificates of deposit	(504,940)	(1,650,000)
Proceeds from certificates of deposit	1,907,802	878,369
Proceeds from sale of property and equipment	1,311	-
Net cash used in investing activities	(727,534)	(2,772,904)
<b>Financing Activities</b>		
Payments on long-term debt	(535,000)	(505,000)
Payments on capital lease obligation	(60,657)	(56,198)
Net cash used in financing activities	(595,657)	(561,198)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,407,451</b>	<b>(1,275,174)</b>
<b>Cash and Cash Equivalents, Beginning of year</b>	<b>1,639,844</b>	<b>2,915,018</b>
<b>Cash and Cash Equivalents, End of year</b>	<b>\$ 3,047,295</b>	<b>\$ 1,639,844</b>
<b>Supplemental disclosure:</b>		
Interest paid	\$ 23,247	\$ 151,266

See accompanying Notes to Financial Statements.

## Operation PAR, Inc.

### Statement of Functional Expenses

*For the year ended June 30,*

**2010**

	<b>Program Services</b>	<b>Fundraising</b>	<b>Administrative Services</b>	<b>Total</b>
Salaries	\$ 12,573,173	\$ -	\$ 2,415,190	\$ 14,988,363
Fringe benefits	2,919,611	-	525,618	3,445,229
Contractual and professional fees	1,628,905	-	372,542	2,001,447
Building & equipment rental	411,518	-	(22,523)	388,995
Insurance	304,603	-	47,164	351,767
Travel and transportation	252,600	-	84,559	337,159
Utilities & telephone	808,738	-	94,545	903,283
Repairs & maintenance	617,449	-	214,716	832,165
Printing and postage	60,216	-	19,034	79,250
Food and kitchen costs	612,760	-	13,065	625,825
Supplies	1,545,046	-	99,572	1,644,618
Depreciation	890,549	-	180,289	1,070,838
Amortization	12,852	-	3,189	16,041
Interest expense	12,949	-	9,841	22,790
Bad debt expense	96,418	-	-	96,418
Other operating expenses	153,016	23,071	82,428	258,515
<b>Total operating expenses</b>	<b>22,900,403</b>	<b>23,071</b>	<b>4,139,229</b>	<b>27,062,703</b>
Allocation of administrative expenses	4,135,078	4,151	(4,139,229)	-
<b>Grand total</b>	<b>\$ 27,035,481</b>	<b>\$ 27,222</b>	<b>\$ -</b>	<b>\$ 27,062,703</b>

See accompanying Notes to Financial Statements.

**Operation PAR, Inc.**

**Statement of Functional Expenses**

*For the year ended June 30,*

**2009**

	<b>Program Services</b>	<b>Fundraising</b>	<b>Administrative Services</b>	<b>Total</b>
Salaries	\$ 12,605,736	\$ -	\$ 2,203,618	\$ 14,809,354
Fringe benefits	2,762,069	-	521,018	3,283,087
Contractual and professional fees	1,566,269	-	304,046	1,870,315
Building & equipment rental	414,568	-	(21,662)	392,906
Insurance	293,471	-	45,973	339,444
Travel and transportation	297,358	-	73,130	370,488
Utilities & telephone	760,944	-	97,054	857,998
Repairs & maintenance	566,752	-	208,924	775,676
Printing and postage	63,166	1,024	14,939	79,129
Food and kitchen costs	680,620	-	14,922	695,542
Supplies	1,560,708	-	86,530	1,647,238
Depreciation	874,605	-	231,285	1,105,890
Amortization	12,852	-	7,355	20,207
Interest expense	116,913	-	31,049	147,962
Bad debt expense (recovery)	46,132	-	-	46,132
Other operating expenses	164,625	17,420	115,156	297,201
<b>Total operating expenses</b>	<b>22,786,788</b>	<b>18,444</b>	<b>3,933,337</b>	<b>26,738,569</b>
Allocation of administrative expenses	3,930,098	3,239	(3,933,337)	-
<b>Grand total</b>	<b>\$ 26,716,886</b>	<b>\$ 21,683</b>	<b>\$ -</b>	<b>\$ 26,738,569</b>

See accompanying Notes to Financial Statements.

Notes to Financial Statements

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**NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Organization***

Operation PAR, Inc. (“Organization”) is a not-for-profit organization that provides a comprehensive system of mental health and substance abuse services. The Organization administers 54 programs providing substance abuse education, prevention, intervention, treatment, and research in 15 locations primarily throughout Pinellas, Pasco, Lee and Manatee Counties. Significant revenue sources are federal, state, and local grants. Other sources of revenue include fees billed to Medicaid, third-party payors, and individual clients for program services and donations from private individuals.

Operation Hope for a Brighter Future Foundation, Inc. (“Foundation”) is in the development stage as a supporting foundation for Operation PAR, Inc. The Foundation was formed as of June 2, 2003 and has no significant operating revenue or expenses.

***Revenue Recognition***

Grant funds for reimbursement type grants are deemed to be earned and reported as revenue when expenditures are incurred in compliance with specific grant requirements.

Grant funds for units of service type grants are deemed to be earned and reported as revenue when a unit of service is provided in compliance with specific grant requirements.

Amounts due from Medicaid, third-party payors and clients are deemed to be earned and reported as revenue when the service is provided.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Time-restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restrictions. Contributions that are restricted by the donor, as well as any related gains and investment income, are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

***Property and Equipment***

Purchased property and equipment are stated at cost. Donated property and equipment are recorded at estimated fair value as of the date received. Property and equipment purchases or donations greater than \$1,000 are capitalized.

Property acquired with governmental funds is considered to be owned by the Organization while used in the program for which it was purchased or in other future authorized programs. However, the granting agency has a reversionary interest in the property; its disposition, as well as the ownership of any proceeds therefrom, are subject to government regulations.

Notes to Financial Statements

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**NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Depreciation and Amortization***

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis. Leasehold improvements are amortized over the lives of the respective leases or the service lives of the improvements, whichever is shorter.

***Other Assets***

Loan issuance costs relating to debt issuances are capitalized and amortized over the life of the debt. Net remaining loan issuance costs of \$76,124 and \$87,165 after deduction of accumulated amortization of \$158,586 and \$147,545 in 2010 and 2009, respectively, are included in other assets. Deposits, deferred compensation plan assets, and other miscellaneous assets are included in other assets at \$836,336 and \$635,844 in 2010 and 2009, respectively.

***Life Insurance***

The Organization is the beneficiary of a \$1,000,000 life insurance policy on a former corporate officer with a cash surrender value of \$471,436 and \$439,951 as of June 30, 2010 and 2009, respectively, which is included in other assets.

***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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

***Fair Value of Financial Instruments***

Estimates of fair values are subjective in nature and include uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could affect the estimates. The fair values of the Organization's cash and cash equivalents, receivables, other assets, accounts payable, accrued expenses, bond payable at June 30, 2010 and 2009 approximate associated carrying values.

Notes to Financial Statements

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**NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Income Taxes***

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

The Organization adopted the provisions of ASC 740, “*Accounting for Uncertainty in Income Taxes*” on June 30, 2010. As a result of the implementation of ASC 740, the Organization has not recognized any respective liability for unrecognized tax benefits as it has no known tax positions that would subject the Organization to any material income tax exposure. A reconciliation of the beginning and ending amount of unrecognized tax benefits in interest expense and penalties in operating expenses as there are no unrecognized tax benefits. The tax years that remain subject to examination are 2007, 2008, and 2009 for all major tax jurisdictions.

***Donated Services***

Donated services are reflected at estimated values at date of receipt. These are also reflected as expenses in the accompanying statements at the same amount. These services are primarily teaching services donated by a county.

***Functional Allocation***

The Organization has no material fundraising expenses. All expenses of an administrative nature are directly related to the Organization’s programs. Administrative expenses are allocated to the various programs based on each program’s total expenses.

***Accounts Receivable***

The Organization considers accounts receivable to be substantially collectible. An allowance for doubtful accounts is established for accounts receivable when collection is doubtful. Accounts receivable are monitored continuously and are written off when deemed uncollectible based on contractual terms and age of the account.

***Charity Care***

The Organization provides care to clients who meet certain criteria under its charity care policy without charges or at amounts less than established rates. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

***Interdepartmental Professional Charges***

The Organization charges fees for tests performed for other service programs by its laboratory. These interdepartmental charges are offset in the total professional fees reported for the year.

Notes to Financial Statements

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**NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Cash and Cash Equivalents***

As of June 30, 2010 and 2009, all cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000 or are invested in money markets.

***Certificates of Deposit***

The certificates of deposit are reported at their original cost plus earned interest. The certificates included in this category all mature within one year of the balance sheet date.

***Client Funds***

The Organization holds client funds in trust for clients participating in certain treatment programs.

***Reclassification***

Certain items have been reclassified in the prior years to reflect a comparative presentation in the current year.

***Management's Review***

Subsequent events have been evaluated through September 27, 2010, which is the date the financial statements were issued.

**NOTE 2 – OTHER THIRD-PARTY PAYOR REVENUE**

The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. The agreements are with commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Organization under these agreements is based primarily on negotiated contractual agreements.

**NOTE 3 – CERTIFICATES OF DEPOSIT**

Certificates of deposit with face values of \$504,940 and \$1,650,000 were held by the Organization at June 30, 2010 and 2009, respectively. The certificates bear interest at rates ranging from 1.4% to 4.0% and original maturities of 12 months.

Notes to Financial Statements

**NOTE 4 – RECEIVABLES**

Grant receivables, client fee receivables, and third-party payor settlements represent amounts expected to be collected as follows:

<i>June 30,</i>	<b>2010</b>	2009
Grants receivable	<b>\$ 1,955,607</b>	\$ 2,032,856

The Organization has considered the collectability of the grant receivable and has determined an allowance is not necessary.

Other receivables:

<i>June 30,</i>	<b>2010</b>	2009
Third-party payors, gross	<b>\$ 368,616</b>	\$ 354,946
Client fees (private pay)	<b>2,159,657</b>	1,915,304
Other receivables	<b>48,083</b>	56,559
Allowance for uncollectible	<b>(2,087,968)</b>	(1,852,516)
Allowance for third-party contractuals	<b>(14,277)</b>	(35,705)
Other receivables, net	<b>\$ 474,111</b>	\$ 438,588

Notes to Financial Statements

**NOTE 5 - PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are summarized as follows:

<i>June 30,</i>	<b>2010</b>	2009
Land	\$ 2,209,922	\$ 2,209,922
Building and improvements	17,610,645	17,610,645
Leasehold improvements	3,132,431	3,095,777
Equipment	4,720,497	4,614,187
Equipment under capital lease	170,000	170,000
Land improvements	273,019	273,019
Construction in process	2,085,416	523,274
	<b>30,201,930</b>	28,496,824
Accumulated depreciation	<b>(11,270,565)</b>	(10,414,874)
	<b>\$ 18,931,365</b>	\$ 18,081,950

**NOTE 6 – SUPPORT RECEIVED FROM GOVERNMENTAL AGENCIES WHICH REQUIRED MATCH**

The Organization has contracts with various agencies that require a local match. The Organization provided local matching funds in excess of \$1,030,840 and \$759,007 in 2010 and 2009, respectively.

**NOTE 7 – LINE OF CREDIT**

The Organization has a line of credit with a bank for \$500,000 as of June 30, 2010 of which \$-0- had been used at June 30, 2010 and 2009. The line of credit bears interest at the bank's prime rate. The balance on the line of credit plus interest is due within 30 days of the bank's demand. The line of credit is secured by a lien and security interest in all property including any balance or share of any deposit, trust or agency account of the Organization.

Notes to Financial Statements

**NOTE 8 – LONG-TERM DEBT**

<i>June 30,</i>	<b>2010</b>	2009
\$7,000,000 Variable Rate Demand Revenue Bonds	<b>\$ 2,475,000</b>	\$ 3,010,000
Total long-term debt	<b>2,475,000</b>	3,010,000
Less: current maturities	<b>565,000</b>	535,000
Total long-term debt, net of current maturities	<b>\$ 1,910,000</b>	\$ 2,475,000

Maturities of long-term obligations are as follows:

<b>Year</b>	<b>Principal</b>
2012	\$ 605,000
2013	635,000
2014	670,000
	<b>\$ 1,910,000</b>

On June 15, 1999, the Pinellas County Industry Council issued 15-year \$7,000,000 Variable Rate Demand Revenue Bonds (“Operation PAR Project”), Series 1999 (the “Bonds”). The proceeds were used for the purpose of financing or refinancing the costs of acquiring and constructing or refurbishing certain mental health and substance abuse treatment facilities at various locations. The Bonds were issued pursuant to an Indenture of Trust between the Pinellas County Industry Council and a financial institution, as Trustee. The loan agreement related to the bonds is collateralized by an irrevocable letter of credit issued by the bank (the “Trustee”) for \$2,781,100, which expires on January 30, 2011 and will automatically renew for one year every year through June 1, 2014, the final expiration date, unless notice not to extend is given at least 60 days prior to the renewal date. Therefore, these Bonds are considered long-term except for the current portion related to the regular quarterly installments. In addition, the loan agreement contains covenants that require the Organization to maintain certain financial ratios and a threshold of unrestricted net assets.

The letter of credit (“Note”) was originally secured by first mortgages on eight properties. During 2003, Operation PAR, Inc. negotiated the sale of one of those properties, known as Springbrook Hospital in Hernando County, for a \$3,100,000 sale price. The financial institution agreed to accept \$1,800,000 from proceeds from the sale of Springbrook to release the mortgage on Springbrook and, at the Organization’s request, those funds were placed in an escrow account with the financial institution before applying the funds to the Bonds.

Notes to Financial Statements

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**NOTE 8 – LONG-TERM DEBT (Continued)**

The Organization then requested that the \$1,800,000 not be applied to the Bonds and that the Organization be permitted to utilize the funds for various capital improvements as outlined in a memo to the financial institution dated June 10, 2003.

The financial institution consented to releasing the escrow account with the following conditions:

- Availability under the above-referenced Note (Note 6) shall be permanently reduced from \$1,200,000 to \$500,000.
- As financial statements required under terms of the loan documents are submitted, the Organization shall include a schedule of capital improvements made during such period.
- The Organization shall pay a \$1,500 fee related to necessary counsel document review and preparation of releases.

Regularly scheduled repayment is to be made by the Organization according to the terms of the loan documents.

The Bonds are remarketed on a weekly basis and bear interest at a variable rate that cannot exceed the maximum rate allowed by law. The rate was 0.45% and 0.52% (before letter of credit and remarketing fees) at June 30, 2010 and 2009, respectively. The Company has the option to lock the interest rate until maturity of the Bonds at the lower of the maximum rate allowed or at the rate determined by the remarketing agent in accordance with the Indenture of Trust. Conversion from the variable rate requires a mandatory tender offer to all current holders of bonds. The remarketing agent will then resell the bonds. Concurrent with this borrowing, the Organization entered into an interest rate swap agreement to reduce the impact of changes in interest rates during the variable rate period. The agreement effectively changes the Organization's interest rate exposure during the variable rate period of the Bonds to a fixed 4.49% for approximately \$-0- and \$2,064,000 of bonds outstanding at June 30, 2010 and 2009, respectively. The interest rate swap agreement matured July 1, 2009 and was not renewed. Therefore, only the variable interest rate was used to calculate interest expense.

During the variable rate period, any holder of the Bonds may, subject to the terms of the Indenture of Trust, require the repurchase of all or a portion of the Bonds at a price equal to the principal amount of the Bonds plus accrued interest. The Indenture of Trust allows the Trustee to draw upon the letter of credit for payment of interest on a monthly basis and for any tender advances. The Organization is required to repay the interest draws immediately and tender advances at the earlier of 1) the bonds tendered are resold, 2) the first anniversary of the tender advance, 3) the final maturity of the bonds, or 4) the termination date of the letter of credit (the last day a drawing is available on the letter before its expiration). The letter of credit agreement is collateralized by a pledge agreement, the mortgaged property and all fixtures, leases, rentals, sales, etc., relating to the property, as well as all gross revenue, accounts receivable and other accounts related to the mortgaged property.

Notes to Financial Statements

**NOTE 8 – LONG-TERM DEBT (Continued)**

The Bonds are also subject to mandatory or optional redemption at the direction of the Organization. Mandatory redemption, upon termination of taxability or the project ceases to be a “healthcare facility,” is at 100% of the principal plus accrued interest. The Bonds may also be redeemed during the variable rate period at 100% plus accrued interest. During the fixed rate period, the Bonds may be redeemed at redemption prices ranging from 101% to 100% of principal plus accrued interest based upon the date of redemption. A portion of the Bonds is subject to mandatory quarterly redemptions at a price equal to the principal installments due quarterly, in accordance with the loan document, which range from \$95,000 to \$170,000. The last quarterly installment is due June 1, 2014. In fiscal years 2010 and 2009, the current portion of the bonds payable was \$565,000 and \$535,000, respectively, due in quarterly installments.

Interest expense on long-term obligations amounted to approximately \$23,000 and \$148,000 in 2010 and 2009, respectively. The recorded value of long-term obligations approximates fair value.

**NOTE 9 – CAPITAL LEASE**

During 2007, the Organization leased a piece of equipment under a capital lease agreement. The economic substance of the lease is that the Organization is financing the acquisition of the asset through the lease, and accordingly is recorded in the Organization’s assets and liabilities. The lease agreement contains a bargain purchase option at the end of the lease term.

The following is a schedule by year of the future minimum payments required under the lease together with the present value as of June 30, 2010:

<b>2011</b>	5,301
Total minimal lease payments	5,301
Less amount representing interest	34
Present value of minimum lease payments	\$ 5,267

**NOTE 10 – DONATED SERVICES**

The Organization received donated services from the Pinellas County School Board for teaching services utilized at various programs with school-age children and with adults who are working to obtain their GED. The donated services were valued by the Pinellas County School Board at approximately \$439,000 and \$493,000 for the years ended June 30, 2010 and 2009, respectively. The Organization also received approximately \$0 and \$600 in donated rent for 2010 and 2009.

Notes to Financial Statements

**NOTE 11 – OPERATING LEASES**

The Organization conducts a portion of its operations in leased facilities and uses various leased assets in its operations. These leases are noncancelable operating leases, which expire at various dates through fiscal year 2015.

The minimum rental commitments under operating leases are as follows:

Year ended June 30,	
2011	\$ 220,825
2012	220,373
2013	216,971
2014	211,508
2015	208,937

The amount of rental expense paid on these leases during fiscal year 2010 and 2009 was \$326,783 and \$354,550, respectively.

**NOTE 12 – RECONCILIATION OF FEDERAL, STATE, AND LOCAL REVENUE**

The following schedule reconciles total federal, state, and local revenues as shown on the attached Schedule of Expenditures of Federal and State Awards with the Statement of Activities for the fiscal year ended June 30, 2010.

Department of Children and Families	\$ 7,767,320
Federal and State	5,945,691
Local	1,726,872
Federal Grants for Plant and Equipment	1,699,874
Other Grants for Plant and Equipment	5,699
<hr/>	
Total Federal, State, and Local Revenue	\$ 17,145,456

**NOTE 13 – COMMITMENTS**

***Assets Limited as to Use***

The Organization has agreed to utilize \$1,800,000 received from the proceeds of the sale of Springbrook Hospital in 2003 to fund renovations and construction per an agreement with a financial institution. The board approved the following improvements: \$107,320 for furnishings at the Therapeutic Community, \$17,077 for land preparation and development at PAR Village North, \$250,907 for renovations and building at COSA, \$1,376,981 for land and building at Pasco MAPS (formerly known as NATC), and \$47,715 for renovations at Highpoint.

**Notes to Financial Statements**

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**NOTE 13 – COMMITMENTS (continued)**

The Organization has expended \$1,786,836 of the \$1,800,000 capital improvement money as of June 30, 2010.

The Organization received a grant in September 2005 for approximately \$3,000,000 for a Family Guidance Center construction project in Pasco County. As of June 30, 2010, the Organization has expended approximately \$2,068,000 in total for the Pasco County project.

The Organization is self-insured for employee health benefits up to a total aggregate of approximately \$2,095,000 for calendar year 2010 with individual stop loss at \$75,000. As of June 30, 2010 and 2009, the Organization has recorded a liability for claims incurred but not reported and specific large claims of approximately \$448,000 and \$254,000, respectively.

**NOTE 14 – EMPLOYEE RETIREMENT PLANS**

The Organization administers its own defined contribution 401(k) plan. The Organization matches 50% of the employee's first 6% of compensation. Contributions by the employer to the employee retirement plans were \$159,571 and \$149,779 for the years ended June 30, 2010 and 2009, respectively. These contributions are net of forfeitures available in the plan to be used to offset the employer contribution. The forfeitures used in 2010 and 2009 were \$3,512 and \$2,265, respectively.

The Organization also administers nonqualified deferred compensation plans for the benefit of senior executives. One plan allows for participant contributions, while other plans allow for employer contributions to be made at the sole discretion of the board of directors. Per the plan agreements, the plans assets remain general assets of the Organization until such time amounts are distributed to participants in accordance with plan provisions. Employer recognized expense to the employer only funded plans were \$196,058 and \$85,000 for the years ended June 30, 2010 and 2009. Total cash contributions to the plans for the years ended June 30, 2010 and 2009 were \$196,058 and \$170,000, respectively. The total plan assets included with other assets as of June 30, 2010 and 2009 were approximately \$755,000 and \$550,000, respectively.

**NOTE 15 – RISKS AND UNCERTAINTIES**

The Organization is dependent upon grants and fees from federal, state, and local agencies for its principal source of funding. Grants received directly from, or passed through the Department of Children and Families account for approximately 45% of total federal, state and local grant funding. A significant decline in federal, state, or local agency funding could adversely affect the operating results of the Organization.

Notes to Financial Statements

**NOTE 15 – RISKS AND UNCERTAINTIES (continued)**

For the year ending June 30, 2009, the Organization was exposed to credit loss in the event of nonperformance by the financial institution in the interest rate swap agreement associated with the revenue bonds payable discussed in Note 7. However, the Organization did not anticipate nonperformance by the financial institution. As discussed in Note 7, the interest rate swap agreement matured on July 1, 2009 and was not renewed.

The Organization received funds from various governmental and public funding agencies that have been recorded as revenues. These grants and contracts are subject to audit by the granting agencies.

**NOTE 16 – CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK**

During the year, the Organization will occasionally have amounts on deposit at financial institutions that exceed the FDIC limit. The Organization believes there is no significant risk with respect to these deposits.

**NOTE 17 – CHARITY CARE**

The amount of charges foregone for services and supplies furnished under the Organization's charity care policy aggregated approximately \$4,550,000 and \$5,005,000 in 2010 and 2009, respectively. The Organization provided charity care services for 25 and 39 counties during 2010 and 2009, respectively, in the approximate values of:

County	2010	2009
Pinellas	\$ 1,487,000	\$ 1,615,000
Pasco	637,000	714,000
Hillsborough	20,000	26,000
Manatee	790,000	896,000
Lee	827,000	950,000
Charlotte	147,000	134,000
Collier	60,000	68,000
Hernando	96,000	99,000
Sarasota	435,000	458,000
All other counties	51,000	45,000
Total	\$ 4,550,000	\$ 5,005,000

## Notes to Financial Statements

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### NOTE 18 – TEMPORARILY RESTRICTED NET ASSETS

The Organization received a donation of 40 acres of land valued at \$300,000 located in Pasco County as a temporarily restricted contribution in December 2002. The land is restricted to build a treatment facility specializing in treatment of mothers and families. During 2009, construction was started and the restriction was released.

### NOTE 19 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the FASB ASC 820 are described as follows:

*Level 1:* Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

*Level 2:* Inputs to the valuation methodology include

- quoted prices for similar assets in active markets;
- quoted prices for identical or similar assets in inactive markets;
- inputs other than quoted prices that are observable for the asset;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset.

*Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2010 and 2009.

*Money markets:* Valued at the net asset value (NAV) of shares held at year end.

*Mutual funds:* Valued at the net asset value (NAV) of shares held at year end.

*Certificates of deposit:* Valued at their original cost with the accrued interest to date.

Notes to Financial Statements

**NOTE 19 – FAIR VALUE MEASUREMENTS (Continued)**

*Cash surrender value of life insurance policies:* Valued at the gross cash surrender value.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value:

**Assets at Fair Value as of June 30, 2010**

	Level 1	Level 2	Level 3	Total
Money markets	\$ -	\$ 1,666,484	\$ -	\$ 1,666,484
Mutual funds - large growth	7,381	-	-	7,381
Mutual funds - mid-cap growth	40,633	-	-	40,633
Certificates of deposit	-	1,000,813	-	1,000,813
Cash surrender value of life insurance policy	-	-	471,436	471,436
<b>Total assets at fair value</b>	<b>\$ 48,014</b>	<b>\$ 2,667,297</b>	<b>\$ 471,436</b>	<b>\$ 3,186,747</b>

**Assets at Fair Value as of June 30, 2009**

	Level 1	Level 2	Level 3	Total
Money markets	\$ -	\$ 511,155	\$ -	\$ 511,155
Mutual funds - large growth	5,828	-	-	5,828
Mutual funds - mid-cap growth	32,931	-	-	32,931
Certificates of deposit	-	1,915,198	-	1,915,198
Cash surrender value of life insurance policy	-	-	439,951	439,951
<b>Total assets at fair value</b>	<b>\$ 38,759</b>	<b>\$ 2,426,353</b>	<b>\$ 439,951</b>	<b>\$ 2,905,063</b>

The following table provides further details of the Level 3 fair value measurements:

<i>Year ended June 30,</i>	2010	2009
Beginning balance	\$ 439,951	\$ 409,377
Change in cash surrender value	31,485	30,574
<b>Ending balance</b>	<b>\$ 471,436</b>	<b>\$ 439,951</b>

The change in cash surrender value is included in other support in the Statements of Activities.

Notes to Financial Statements

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**NOTE 20 – INVESTMENT IN JOINT VENTURE**

During the June 30, 2010 fiscal year Operation PAR and Boley Centers formed an equally owned Florida corporation named Solutions for Administrative Services, Inc. (SAS). SAS has since filed for tax-exempt status with the Internal Revenue Service.

The primary purpose of the Corporation is to serve as an administrative services organization that efficiently provides management, support and administrative services to qualifying tax-exempt organizations that operate in the geographic area served by the Corporation, including the Corporation's current members, Boley Centers, Inc. and Operation PAR, Inc. The members and other area tax-exempt organizations desiring to utilize the Corporation's services shall have the benefit of collaborating and sharing a variety of management and related administrative services, thereby gaining efficiencies and economies of scale and enabling the participating tax-exempt organizations to focus on their respective missions, goals and programs for which they are organized. Specific services that will be provided by the Corporation include four core service areas: human resources, finance/accounting and electronic health record (EHR) development/management, information technology, property management, and support services.

Operation PAR invested \$211,207 in the joint venture during the June 30, 2010 year to fund start-up organization costs and new computer software applications.

The operating loss of SAS for the year ended June 30, 2010 was \$32,808 and was accounted for under the equity method of accounting.

**SUPPLEMENTAL INFORMATION**

Operation PAR, Inc.

Schedule of Expenditures of Federal and State Awards and Other Financial Assistance

For the year ended June 30,

2010

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE CSFA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES	OTHER EXPENDITURES
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
Passed Through State of Florida Dept. of Education National School Board Lunch	10.555		01-0222	\$ 52,606		
Florida Dept. of Agriculture/USDA Commodities	10.550			6,712		
TOTAL U.S. DEPT OF AGRICULTURE				\$ 59,318	\$ -	\$ -
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
Direct Programs:						
PAR Village North Construction Project	93.887*		1 C76 HF05827-01	1,562,144		
Family Achievement in Recovery (FAIR)	93.243*		1 H79 TI019605-01	123,329		
	93.243*		1 H79 TI019605-02	361,304		
Live Free Substance Abuse - Prevention Coalition of Pinellas Co.	93.276		1 H79 SP13502-04	29,187		
	93.276		1 H79 SP13502-05	81,169		
PAR Adolescent Recovery and Intervention Services	93.243*		1 H79 TI017761-03	79,707		
U-Turn New Directions Toward Recovery and Independent Living	93.243*		1 H79 TI020566-01	139,326		
	93.243*		1 H79 TI020566-02	277,411		
Cornerstone of Successful Achievement Women's Empowerment Initiative	93.243*		1 H79 TI019787-01	129,768		
	93.243*		1 H79 TI019787-02	347,863		
Bay Area Young Offender Re-entry Program	93.243*		1 H79 TI021580-01	277,120		
Stop Act	93.243*		CH9SP16223A	35,761		
Passed through State of Florida Dept Children/Families:						
Alcohol, Drug Abuse and Mental Health Services- Circuit 20	93.959		HD01R	105,660		
Central Florida Behavioral Health Network, Inc. Alcohol, Drug Abuse and Mental Health Services	93.959		CF2010-1011	3,979,938		
	93.558		CF2010-1011	564,979		
		60.029**	CF2010-1011		133,266	
		60.053	CF2010-1011		6,262	
		60.030	CF2010-1011		1,646,174	
		60.033	CF2010-1011		1,166,639	
Capital Improvement Funding - Detox renovations						32,800
Prevention Partnership Grant	93.959		PPG02	131,557		
Direct Programs:						
State of Florida Department of Health:						
Healthy Start	93.926		PS 913	22,975		
	93.926		PSA11	63,681		
Florida Department of Juvenile Justice:						
Juvenile Assessment Center		80.020**	P2025		336,767	
Pasco Adolescent Intervention Center		80.022*	X1462		650,415	

Operation PAR, Inc.

Schedule of Expenditures of Federal and State Awards and Other Financial Assistance

For the year ended June 30,

2010

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE CSFA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES	OTHER EXPENDITURES
Florida Department of Law Enforcement: Project Northland	84.186 84.186		2008-DFC-PINE-2-16-024 2009-DFC-PINE-1-X1-018	13,555 35,432		
Passed Through Other Organizations:						
Coordinated Child Care (Title XX)	93.666		N/A	96,565		
University of Miami - Clinical Trials Network	93.230 93.230 93.230		1 U10 DA13720 CTN-028 ADHD	4,624 20,178 3,391 22,397		
Titan Pharmaceuticals, Inc. - Probuphine Clinical Study			1RC2DA028910-01			3,500
Florida State University: Substance Abuse Response Guide Project (SARG)	93.243*		R01147	65,392 1,500		
Mentoring	93.243*		RO1186 R01257	1,915 4,791		
Pinellas County Sheriff's Office: Project Recovery Enhancement Program	93.243*		1 H79 TI020373-01 1 H79 TI020373-02	68,838 158,279		
Pinellas County Board of County Commissioners: Pinellas County Adult Drug Court Collaborative	93.243*		1 H79 TI020117-01 1 H79 TI020117-02	35,550 93,595		
Family Resources, Inc.: Family Connect Program	93.651		90CB0163/01 90CB0163/02	27,418 95,932		
<b>TOTAL U.S. DEPT OF HEALTH &amp; HUMAN SERVICES</b>				<b>\$ 9,062,231</b>	<b>3,939,523</b>	<b>\$ 36,300</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>						
Passed through Local Government or Other Organizations: Supportive Housing-Homeless Veterans	14.235		FL29B97-0207	58,597 41,855		
<b>TOTAL DEPT. OF HOUSING AND URBAN DEVELOPMENT</b>				<b>\$ 100,452</b>	<b>\$ -</b>	<b>\$ -</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>						
Passed through Local Government:						
Pinellas County - Trust Funds (Oral Swab Testing)	N/A		N/A			3,177
Pinellas County - Trust Funds (Renovations)	N/A		N/A			4,591
Pinellas County - Trust Funds (Prevention supplies)	N/A		N/A			8,365
ARRA - Pinellas County - JAG Adult Drug Court	16.803*		2010-JAGC-PINE-9-4X-175	47,142		
ARRA - Pinellas County - JAG Adult ReEntry	16.803*		2010-ARRC-PINE-4-W7-240	55,840		
ARRA - Pinellas County - Drug Court Pilot Program	16.803*		P.O. #231866	6,747		

Operation PAR, Inc.

Schedule of Expenditures of Federal and State Awards and Other Financial Assistance

For the year ended June 30,

2010

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE CSFA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES	OTHER EXPENDITURES
Passed Through State of Florida Dept of Corrections:						
Adult Outpatient		70.016**	C2298		17,142	
Secured Long-Term Residential		70.016**	C2178		1,831,293	
Prison Diversion Program		70.003**	DO1656419		102,368	
<b>TOTAL U.S. DEPT OF JUSTICE</b>				<b>\$ 109,729</b>	<b>\$ 1,950,803</b>	<b>\$ 16,133</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>						
Passed through State of Florida Dept. of Transportation						
	20.513		N/A	41,349 57,002		
<b>TOTAL U.S. DEPT OF TRANSPORTATION</b>				<b>\$ 98,351</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL FEDERAL ASSISTANCE</b>				<b>\$ 9,430,081</b>	<b>\$ 5,890,326</b>	<b>\$ 52,433</b>
<b>LOCAL GRANTS</b>						
Pinellas County Sheriff's Office:						
In-Jail Methadone Services	N/A		N/A			14,654
Expanded IMPACT	N/A		N/A			11,819 31,232
Pinellas County Health & Human Services Department:						
Detox	N/A		N/A			51,815 146,250
Juvenile Welfare Board-COSA	N/A		N/A			86,650
Juvenile Welfare Board-COSA	N/A		N/A			290,061
Juvenile Welfare Board-ALPHA	N/A		N/A			27,511
Juvenile Welfare Board-ALPHA	N/A		N/A			44,000
Juvenile Welfare Board-Academy	N/A		N/A			157,996
Juvenile Welfare Board-Academy	N/A		N/A			345,706
Juvenile Welfare Board-Juvenile Outpatient	N/A		N/A			37,553
Pinellas County School Board (Alpha Counselor)	N/A		N/A			4,666 23,333
Community Action Stops Abuse - Peacemakers	N/A		N/A			9,179 25,210
United Way of Pinellas County	N/A		N/A			85,287
Pinellas County Board of County Commissioners:						
Drug Court- Adult Outpatient Level II & III	N/A		P.O. #228099			43,139
Drug Court- Adult Outpatient Level II & III	N/A		P.O. #231363			116,600
Homeless Street Outreach Program	N/A		P.O. #223732 P.O. #223732 P.O. #231984			19,735 14,464 29,971
Manatee County In-Jail Methadone Services	N/A		N/A			4,052

# Operation PAR, Inc.

## Schedule of Expenditures of Federal and State Awards and Other Financial Assistance

For the year ended June 30,

2010

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE CSFA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES	OTHER EXPENDITURES
Lee County In-Jail Methadone Services	N/A		N/A			3,071
Charlotte County In-Jail Methadone Services	N/A		N/A			400
Collier County In-Jail Methadone Services	N/A		N/A			2,158
R Club	N/A		N/A			1,662
Community Pride Child Care, Inc.	N/A		N/A			1,652
Eckerd Community Alternatives	N/A		N/A			15,110
PEMHS	N/A		N/A			19,874 50,318
Keep Kids Drug Free Foundation, Inc. Regional Prevention Center Mini-Grants			N/A N/A			40,000 2,500
City of St. Petersburg - Weed & Seed	N/A		N/A			-
City of St. Petersburg - Homeless Outreach	N/A		N/A			7,817
<u>Allegany Franciscan Ministries, Inc.</u>	<u>N/A</u>		<u>N/A</u>			<u>7,171</u>
<u>TOTAL LOCAL ASSISTANCE</u>				<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,772,616</u>
<u>TOTAL ASSISTANCE</u>				<u>\$ 9,430,081</u>	<u>\$ 5,890,326</u>	<u>\$ 1,825,049</u>
TOTAL FEDERAL, STATE AND LOCAL ASSISTANCE				<u>\$ 17,145,456</u>		

\* Major Program

\*\* Major Project

Note 1: Prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Note 2: Column entitled "Transfers to Subrecipients" has been excluded as it is not applicable.

**Operation PAR, Inc.  
Notes to the Schedule of  
Expenditures of Federal Awards  
and Other Financial Assistance  
For the Year Ended June 30, 2010**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Operation PAR, Inc. under programs of the federal government for the year ended June 30, 2010. The information in this schedule is presented in accordance with the requirement of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Operation PAR, Inc. it is not intended to and does not present the financial position, changes in net assets or cash flows of Operation PAR, Inc.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To The Board of Directors  
Operation PAR, Inc.  
Pinellas Park, Florida

We have audited the financial statements of Operation PAR, Inc. as of and for the year ended June 30, 2010, and have issued our report thereon dated September 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Operation PAR, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Operation PAR, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Operation PAR, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the audit committee, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Carr, Riggs & Ingram, LLC". The signature is written in dark ink on a light blue rectangular background.

CARR, RIGGS & INGRAM, L.L.C.

Certified Public Accountants

September 27, 2010

**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE  
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
FEDERAL PROGRAM AND STATE PROJECT  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133 AND  
CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

To The Board of Directors  
Operation PAR, Inc.  
Pinellas Park, Florida

**Compliance**

We have audited Operation PAR, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the requirements described in the *Department of Financial Services State Projects Compliance Supplement*, that could have a direct and material effect on each of Operation Par Inc.'s major federal programs and state projects for the year ended June 30, 2010. Operation PAR, Inc.'s major federal programs and state projects are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects is the responsibility of Operation PAR, Inc.'s management. Our responsibility is to express an opinion on Operation PAR, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133; *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project. An audit includes examining, on a test basis, evidence about Operation PAR, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Operation PAR, Inc.'s compliance with those requirements.

In our opinion, Operation PAR, Inc. complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2010.

**Internal Control Over Compliance**

Management of Operation PAR, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws regulations, contracts, and grants

applicable to federal programs and state projects. In planning and performing our audit, we considered Operation PAR, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Operation PAR Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the audit committee, management and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in cursive script that reads "Carr, Riggs & Ingram, LLC". The signature is written in dark ink on a light blue background.

CARR, RIGGS & INGRAM, L.L.C.

Certified Public Accountants

September 27, 2010

**Schedule of Findings and Questioned Costs  
June 30, 2010**

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**Part A – Summary of Audit Results**

1. The auditors' report expresses an unqualified opinion on the financial statements of Operation PAR, Inc.
2. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Operation PAR, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses were disclosed during the audit of the major federal award programs and state financial assistance projects.
5. The auditors' report on compliance for the major federal award programs and state financial assistance projects for Operation PAR, Inc. expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs and state financial assistance projects for Operation PAR, Inc. to be reported in Part C of this Schedule.
7. The programs/projects tested as major programs/projects included:

**FEDERAL PROGRAMS**

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Federal CFDA No.		Grant Number
	<b>PASSED THROUGH DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.243	PAR Adolescent Recovery and Intervention Services (PARIS)	1 H79TI017761-03
93.243	Family Achievement in Recovery (FAIR)	1 H79TI019605-01
93.243	Family Achievement in Recovery (FAIR)	1 H79TI019605-02
93.243	Bay Area Young Offender Reentry Program (YORP)	1 H79TI021580-01
93.243	U-Turn New Directions Toward Recovery and Independent Living	1 H79TI020566-01
93.243	U-Turn New Directions Toward Recovery and Independent Living	1 H79TI020566-02
93.243	Cornerstone of Successful Achievement Women's Empowerment Initiative	1 H79TI019787-01
93.243	Cornerstone of Successful Achievement Women's Empowerment Initiative	1 H79TI019787-02
93.243	Stop Act	CH9SP16223A
93.887	PAR Village North Construction Project	1 C76 HF05827-01

**PASSED THROUGH OTHER ORGANIZATIONS**

93.243	Florida State University – Live Free – Substance Abuse Response Guide Project (SARG)	R01147
93.243	Florida State University – Live Free - Mentoring	RO1186
93.243	Florida State University – Live Free - Mentoring	R01257

**U.S. DEPARTMENT OF JUSTICE**

<b>Federal CFDA No.</b>		<b>Grant Number</b>
<b>PASSED THROUGH LOCAL GOVERNMENT</b>		
16.803	ARRA – JAG Adult Drug Court	2010-JAGC-PINE-9-4X-175
16.803	ARRA – JAG Adult ReEntry	2010-ARRC-PINE-4-W7-240
16.803	ARRA – Drug Court Pilot Program	P.O. #231866

**STATE PROJECTS**

**STATE OF FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES**

<b>State CSFA No.</b>		<b>Grant Number</b>
<b>PASSED THROUGH CENTRAL FLORIDA BEHAVIORAL HEALTH NETWORK</b>		
60.029	Alcohol, Drug Abuse and Mental Health Services	CF2010-1011

**STATE OF FLORIDA DEPARTMENT OF CORRECTIONS**

<b>State CSFA No.</b>		<b>Grant Number</b>
70.016	Adult Outpatient	C2298
70.016	Secured Long-Term Residential	C2178
70.003	Prison Diversion Program	DO1656419

**STATE OF FLORIDA DEPARTMENT OF JUVENILE JUSTICE**

<b>State CSFA No.</b>		<b>Grant Number</b>
80.020	Juvenile Assessment Center	P2025
80.022	Pasco Adolescent Intervention Center	X1462

8. The threshold for distinguishing Type A and B programs was \$300,000 for major federal awards programs and \$300,000 for Florida state financial assistance projects.
9. Operation PAR, Inc. is determined to be a low-risk auditee for purposes of the major federal award programs.

**Part B – Findings – Financial Statement Audit**

None.

**Part C – Findings and Questioned Costs – Major Federal Award Programs and Major State Project Award Programs Audit**

None.

**Part D – Other Issues**

We noted no significant deficiencies or material weaknesses in the current or prior year period. A management letter was not presented for the year ended June 30, 2010 or June 30, 2009 because there were no items that affect the major federal award programs and state financial assistance projects.

**Part E – Prior Year Findings and Questioned Costs**

None for Major Federal Award Programs

None for Florida State Financial Assistance Projects

**AUDIT SCHEDULE**  
**SUBSTANCE ABUSE & MENTAL HEALTH SERVICES**  
**PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE**

AGENCY: OPERATION PAR, INC. DATE PREPARED: 11/11/2010  
 CONTRACT #: QD0AR, QH0AR, HD01R BUDGET PERIOD: FROM 07/01/09 TO 06/30/10

**PART I: ACTUAL FUNDING SOURCES & REVENUES**

**STATE-DESIGNATED SAMH COST CENTERS**  
**STATE SAMH-FUNDED COST CENTERS**  
 Adult Substance Abuse Program

A FUNDING SOURCES & REVENUES	Detox B <sub>1,a</sub>	Outpatient B <sub>1,b</sub>	Aftercare B <sub>1,c</sub>	Assessment B <sub>1,d</sub>	Case Management B <sub>1,e</sub>	Intervention B <sub>1,f</sub>	Day/Night B <sub>1,g</sub>	Residential Level 3 B <sub>1,h</sub>
(1) Suncoast Region - Contract #QD0AR (Subcontract #CF2010-1011)	\$1,151,051	\$120,981	\$17,098	\$115,651	\$15,129	\$610,604	\$35,625	\$2,128,942
(2) Suncoast Region - Contract #QH0AR (Subcontract #PPG02)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(3) Suncoast Region, Circuit 20 - Contract #HD01R	\$0	\$0	\$0	\$0	\$0	\$74,476	\$0	\$0
<b>TOTAL STATE SAMH FUNDING=</b>	<b>\$1,151,051</b>	<b>\$120,981</b>	<b>\$17,098</b>	<b>\$115,651</b>	<b>\$15,129</b>	<b>\$685,080</b>	<b>\$35,625</b>	<b>\$2,128,942</b>
IB. OTHER GOVT. FUNDING								
(1) Other State Agency Funding	\$32,800	\$0	\$0	\$0	\$0	\$0	\$0	\$2,164,441
(2) Medicaid	\$0	\$12,386	\$0	\$0	\$0	\$0	\$6,947	\$0
(3) Local Government	\$198,065	\$0	\$0	\$0	\$86,656	\$70,192	\$451,611	\$59,367
(4) Federal Grants and Contracts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$115,121
(5) In-kind from local govt. only	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,318
<b>TOTAL OTHER GOVT. FUNDING=</b>	<b>\$230,865</b>	<b>\$12,386</b>	<b>\$0</b>	<b>\$0</b>	<b>\$86,656</b>	<b>\$70,192</b>	<b>\$458,558</b>	<b>\$2,404,247</b>
IC. ALL OTHER REVENUES								
(1) 1st & 2nd Party Payments	\$5,634	\$15,297	\$0	\$16,147	\$0	\$962	\$32,623	\$39,207
(2) 3rd Party Payments (except Medicare)	\$71,508	-\$1,445	\$0	\$0	\$0	\$0	-\$403	-\$423
(3) Medicare	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(4) Contributions and Donations	\$0	\$0	\$0	\$0	\$42,344	\$0	\$1,250	\$43,693
(5) Other	\$0	\$318	\$0	\$0	\$0	\$45	\$1,554	\$3,718
(6) In-kind	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL ALL OTHER REVENUES=</b>	<b>\$77,142</b>	<b>\$14,170</b>	<b>\$0</b>	<b>\$16,147</b>	<b>\$42,344</b>	<b>\$1,007</b>	<b>\$35,024</b>	<b>\$86,195</b>
<b>TOTAL FUNDING=</b>	<b>\$1,459,058</b>	<b>\$147,537</b>	<b>\$17,098</b>	<b>\$131,798</b>	<b>\$144,129</b>	<b>\$786,279</b>	<b>\$529,207</b>	<b>\$4,619,384</b>

**AUDIT SCHEDULE**  
**SUBSTANCE ABUSE & MENTAL HEALTH SERVICES**  
**PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE**

AGENCY: OPERATION PAR, INC.

DATE PREPARED: 11/1/2010

CONTRACT #: QD0AR, QH0AR, HD01R

BUDGET PERIOD: FROM 07/01/09 TO 06/30/10

**PART I: ACTUAL FUNDING SOURCES & REVENUES**

**STATE-DESIGNATED SAMH COST CENTERS**  
**STATE SAMH-FUNDED COST CENTERS**

**Adult Substance Abuse Program**

FUNDING SOURCES & REVENUES A	Methadone Maintenance B <sub>1,i</sub>	Outreach B <sub>1,j</sub>	Prevention B <sub>1,k</sub>	Information & Referral B <sub>1,l</sub>	Incidental Expenses B <sub>1,m</sub>	Outpatient Detox B <sub>1,n</sub>	Room & Board w/Supv Level III B <sub>1,o</sub>	Recovery Support B <sub>1,p</sub>	Total for Adult Substance Abuse (B <sub>1,q</sub> +...+B <sub>1,x</sub> ) C <sub>1</sub>
<b>IA. STATE SAMH FUNDING</b>									
(1) Suncoast Region - Contract #QD0AR (Subcontract #CF2010-1011)	\$189,195	\$58,732	\$174,326	\$30,000	\$24,305	\$203,830	\$318,260	\$23,979	\$5,217,708
(2) Suncoast Region - Contract #QH0AR (Subcontract #PPG02)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(3) Suncoast Region, Circuit 20 - Contract #HD01R	\$31,184	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$105,660
<b>TOTAL STATE SAMH FUNDING=</b>	<b>\$220,379</b>	<b>\$58,732</b>	<b>\$174,326</b>	<b>\$30,000</b>	<b>\$24,305</b>	<b>\$203,830</b>	<b>\$318,260</b>	<b>\$23,979</b>	<b>\$5,323,368</b>
<b>IB. OTHER GOVT. FUNDING</b>									
(1) Other State Agency Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,197,241
(2) Medicaid	\$3,564,339	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,563,672
(3) Local Government	\$29,759	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$895,650
(4) Federal Grants and Contracts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$115,121
(5) In-kind from local govt. only	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,318
<b>TOTAL OTHER GOVT. FUNDING=</b>	<b>\$3,594,098</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,857,002</b>
<b>IC. ALL OTHER REVENUES</b>									
(1) 1st & 2nd Party Payments	\$5,787,710	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,897,580
(2) 3rd Party Payments (except Medicare)	\$7,608	\$0	\$0	\$0	\$0	\$19,025	\$0	\$0	\$95,870
(3) Medicare	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(4) Contributions and Donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$87,287
(5) Other	\$15,000	\$0	\$42,500	\$78,196	\$0	\$0	\$0	\$0	\$141,331
(6) In-kind	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL ALL OTHER REVENUES=</b>	<b>\$5,810,318</b>	<b>\$0</b>	<b>\$42,500</b>	<b>\$78,196</b>	<b>\$0</b>	<b>\$19,025</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,222,068</b>
<b>TOTAL FUNDING=</b>	<b>\$9,824,795</b>	<b>\$58,732</b>	<b>\$216,826</b>	<b>\$108,196</b>	<b>\$24,305</b>	<b>\$222,855</b>	<b>\$318,260</b>	<b>\$23,979</b>	<b>\$18,402,438</b>

**AUDIT SCHEDULE**  
**SUBSTANCE ABUSE & MENTAL HEALTH SERVICES**  
**PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE**

AGENCY: OPERATION PAR, INC.

DATE PREPARED: 11/1/2010

CONTRACT #: QD0AR, QH0AR, HD01R

BUDGET PERIOD: FROM 07/01/09 TO 06/30/10

**PART I: ACTUAL FUNDING SOURCES & REVENUES**

**STATE-DESIGNATED SAMH COST CENTERS**

**STATE SAMH-FUNDED COST CENTERS**

**Children's Substance Abuse Program**

A	B <sub>2,a</sub> Assessment	B <sub>2,b</sub> Outpatient	B <sub>2,c</sub> Aftercare	B <sub>2,d</sub> Case Management	B <sub>2,e</sub> Intervention	B <sub>2,f</sub> TASC	B <sub>2,g</sub> Residential Level 2	B <sub>2,h</sub> Outreach	B <sub>2,i</sub> Prevention	B <sub>2,j</sub> Prevention/ Intervention-Day
<b>IA. STATE SAMH FUNDING</b>										
(1) Suncoast Region - Contract #QD0AR (Subcontract #CF2010-1011)	\$28,465	\$146,131	\$2,845	\$61,425	\$50,842	\$494,067	\$935,753	\$1,079	\$236,811	\$315,917
(2) Suncoast Region - Contract #QH0AR (Subcontract #PPG02)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$131,557	\$0
(3) Suncoast Region, Circuit 20 - Contract #HD01R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL STATE SAMH FUNDING=</b>	<b>\$28,465</b>	<b>\$146,131</b>	<b>\$2,845</b>	<b>\$61,425</b>	<b>\$50,842</b>	<b>\$494,067</b>	<b>\$935,753</b>	<b>\$1,079</b>	<b>\$368,368</b>	<b>\$315,917</b>
<b>IB. OTHER GOVT. FUNDING</b>										
(1) Other State Agency Funding	\$0	\$0	\$0	\$0	\$0	\$336,767	\$71,722	\$0	\$0	\$0
(2) Medicaid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(3) Local Government	\$1,069	\$37,060	\$0	\$0	\$0	\$0	\$503,702	\$0	\$4,591	\$99,512
(4) Federal Grants and Contracts	\$0	\$0	\$0	\$0	\$0	\$0	\$44,650	\$0	\$0	\$0
(5) In-kind from local govt. only	\$0	\$0	\$0	\$0	\$0	\$0	\$169,584	\$0	\$0	\$204,288
<b>TOTAL OTHER GOVT. FUNDING=</b>	<b>\$1,069</b>	<b>\$37,060</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$336,767</b>	<b>\$789,658</b>	<b>\$0</b>	<b>\$4,591</b>	<b>\$303,800</b>
<b>IC. ALL OTHER REVENUES</b>										
(1) 1st & 2nd Party Payments	\$7,187	\$6,704	\$0	\$0	\$0	\$0	\$10,948	\$0	\$0	\$0
(2) 3rd Party Payments (except Medicare)	\$0	-\$343	\$0	\$0	\$0	\$0	\$57,753	\$0	\$0	\$0
(3) Medicare	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(4) Contributions and Donations	\$0	\$0	\$0	\$0	\$0	\$0	\$10	\$0	\$0	\$0
(5) Other	\$0	\$0	\$0	\$0	\$0	\$0	\$2	\$0	\$0	\$0
(6) In-kind	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL ALL OTHER REVENUES=</b>	<b>\$7,187</b>	<b>\$6,361</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$68,713</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL FUNDING=</b>	<b>\$36,721</b>	<b>\$189,552</b>	<b>\$2,845</b>	<b>\$61,425</b>	<b>\$50,842</b>	<b>\$830,834</b>	<b>\$1,794,124</b>	<b>\$1,079</b>	<b>\$372,959</b>	<b>\$619,717</b>

**AUDIT SCHEDULE**  
**SUBSTANCE ABUSE & MENTAL HEALTH SERVICES**  
**PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE**

AGENCY: OPERATION PAR, INC.

DATE PREPARED: 11/1/2010

CONTRACT #: QD0AR, QH0AR, HD01R

BUDGET PERIOD: FROM 07/01/09 TO 06/30/10

**PART I: ACTUAL FUNDING SOURCES & REVENUES**

FUNDING SOURCES & REVENUES	Adult Mental Health					Total for Non-State-Funded SAMH Cost Centers (D+E)	Non-SAMH Cost Center	Total Funding (F+G)		
	Total for Children's Substance Abuse (B <sub>2,a</sub> +...+B <sub>2,x</sub> ) C <sub>2</sub>	Intervention			Total for Adult Mental Health (B <sub>3,a</sub> +...+B <sub>3,x</sub> ) C <sub>3</sub>				Total for State SAMH-Funded Cost Centers (C <sub>1</sub> +...+C <sub>x</sub> ) D	Total for Non-State-Funded SAMH Cost Centers E
		B <sub>3,a</sub>	B <sub>3,b</sub>	B <sub>3,c</sub>						
(1) Suncoast Region - Contract #QD0AR (Subcontract #CF2010-1011)	\$2,273,335	\$5,496	\$595	\$169	\$6,260	\$7,497,303	\$0	\$7,497,303		
(2) Suncoast Region - Contract #QH0AR (Subcontract #PPG02)	\$131,557	\$0	\$0	\$0	\$0	\$131,557	\$0	\$131,557		
(3) Suncoast Region, Circuit 20 - Contract #HD01R	\$0	\$0	\$0	\$0	\$0	\$105,660	\$0	\$105,660		
<b>TOTAL STATE SAMH FUNDING=</b>	<b>\$2,404,892</b>	<b>\$5,496</b>	<b>\$595</b>	<b>\$169</b>	<b>\$6,260</b>	<b>\$7,734,520</b>	<b>\$0</b>	<b>\$7,734,520</b>		
(4) Other State Agency Funding	\$408,489	\$0	\$0	\$0	\$0	\$2,605,730	\$935,649	\$3,541,379		
(5) Medicaid	\$0	\$0	\$0	\$0	\$0	\$3,583,672	\$0	\$3,583,672		
(6) Local Government	\$645,934	\$0	\$0	\$0	\$0	\$1,541,584	\$392,295	\$1,933,879		
(7) Federal Grants and Contracts	\$44,650	\$0	\$0	\$0	\$0	\$159,771	\$2,361,557	\$2,521,328		
(8) In-kind from local govt. only	\$373,872	\$0	\$0	\$0	\$0	\$439,190	\$0	\$439,190		
<b>TOTAL OTHER GOVT. FUNDING=</b>	<b>\$1,472,945</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,329,947</b>	<b>\$3,689,501</b>	<b>\$12,019,448</b>		
(9) 1st & 2nd Party Payments	\$24,839	\$0	\$0	\$0	\$0	\$5,922,419	\$89,429	\$6,011,848		
(10) 3rd Party Payments (except Medicare)	\$57,410	\$0	\$0	\$0	\$0	\$153,280	\$0	\$153,280		
(11) Medicare	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
(12) Contributions and Donations	\$10	\$0	\$0	\$0	\$0	\$87,297	\$1,000	\$88,297		
(13) Other	\$2	\$0	\$0	\$0	\$0	\$141,333	\$36,911	\$178,244		
(14) In-kind	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
<b>TOTAL ALL OTHER REVENUES=</b>	<b>\$82,261</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,304,329</b>	<b>\$127,340</b>	<b>\$6,431,669</b>		
<b>TOTAL FUNDING=</b>	<b>\$3,960,098</b>	<b>\$5,496</b>	<b>\$595</b>	<b>\$169</b>	<b>\$6,260</b>	<b>\$22,366,796</b>	<b>\$3,816,841</b>	<b>\$26,185,637</b>		
								<b>\$2,062,148</b>		
								<b>\$28,237,785</b>		

**AUDIT SCHEDULE**  
**SUBSTANCE ABUSE & MENTAL HEALTH SERVICES**  
**PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE**

AGENCY: OPERATION PAR, INC. DATE PREPARED: 11/11/2010  
 CONTRACT #: QD0AR, QH0AR, HD01R BUDGET PERIOD: FROM 07/01/09 TO 06/30/10

**PART II: ACTUAL EXPENSES**

STATE-ESIGNATED SAMH COST CENTERS										
STATE SAMH-FUNDED COST CENTERS										
Adult Substance Abuse Program										
EXPENSE CATEGORIES	A	B <sub>1-a</sub>	B <sub>1-b</sub>	B <sub>1-c</sub>	B <sub>1-d</sub>	B <sub>1-e</sub>	B <sub>1-f</sub>	B <sub>1-g</sub>	B <sub>1-h</sub>	Residential Level 3
<b>III. PERSONNEL EXPENSES</b>										
(1) Salaries	\$668,762	\$74,771	\$6,335	\$79,138	\$76,308	\$382,375	\$364,490	\$1,891,271		\$1,891,271
(2) Fringe Benefits	\$170,263	\$21,627	\$1,512	\$18,685	\$16,780	\$106,576	\$94,102	\$455,133		\$455,133
	<b>TOTAL PERSONNEL EXPENSES=</b>	<b>\$1,039,025</b>	<b>\$7,847</b>	<b>\$97,823</b>	<b>\$95,088</b>	<b>\$488,951</b>	<b>\$458,592</b>	<b>\$2,346,403</b>		<b>\$2,346,403</b>
<b>III. OTHER EXPENSES</b>										
(1) Building Occupancy	\$108,716	\$28,306	\$2,224	\$6,064	\$16,672	\$35,439	\$117,847	\$606,873		\$606,873
(2) Professional Services	\$157,046	\$2,002	\$471	\$510	\$770	\$5,156	\$14,624	\$132,658		\$132,658
(3) Travel	\$8	\$1,310	\$9	\$722	\$6,069	\$22,437	\$4,510	\$4,715		\$4,715
(4) Equipment	\$7,335	\$10,100	\$1,056	\$742	\$2,898	\$6,715	\$31,781	\$276,807		\$276,807
(5) Food Services	\$96,114	\$1,882	\$2,328	\$2,773	\$434	\$1,885	\$16,030	\$691,453		\$691,453
(6) Medical and Pharmacy	\$20,700	\$8,697	\$685	\$2,885	\$902	\$26,381	\$32,084	\$191,532		\$191,532
(7) Subcontracted Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
(8) Insurance	\$6,971	\$2,142	\$202	\$751	\$991	\$4,503	\$16,065	\$56,654		\$56,654
(9) Interest Paid	\$568	\$540	\$4	\$19	\$48	\$83	\$535	\$1,138		\$1,138
(10) Operating Supplies & Expenses	\$73,506	\$5,199	\$513	\$6,007	\$2,815	\$25,379	\$32,208	\$135,002		\$135,002
(11) Other	\$15,714	\$2,721	\$72	\$3,321	\$284	\$743	\$6,380	\$20,486		\$20,486
(12) Donated Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85,318		\$85,318
	<b>TOTAL OTHER EXPENSES=</b>	<b>\$486,678</b>	<b>\$7,564</b>	<b>\$23,795</b>	<b>\$31,884</b>	<b>\$128,722</b>	<b>\$272,064</b>	<b>\$2,182,635</b>		<b>\$2,182,635</b>
<b>TOTAL PERSONNEL &amp; OTHER EXPENSES=</b>										
	\$1,525,703	\$159,298	\$15,411	\$121,618	\$126,972	\$617,673	\$730,656	\$4,529,038		\$4,529,038
<b>III. DISTRIBUTED INDIRECT COSTS</b>										
(a) Other Support Costs (Optional)	\$100,612	\$14,951	\$350	\$28,117	\$5,283	\$26,071	\$21,757	\$91,985		\$91,985
(b) Administration	\$296,034	\$30,127	\$2,816	\$26,778	\$23,927	\$115,129	\$131,286	\$817,874		\$817,874
	<b>TOTAL DISTRIBUTED INDIRECT COSTS=</b>	<b>\$396,646</b>	<b>\$3,165</b>	<b>\$54,895</b>	<b>\$29,211</b>	<b>\$141,201</b>	<b>\$153,043</b>	<b>\$909,859</b>		<b>\$909,859</b>
<b>TOTAL ACTUAL OPERATING EXPENSES=</b>										
	\$1,922,349	\$204,376	\$18,576	\$176,513	\$156,183	\$758,874	\$883,698	\$5,438,897		\$5,438,897
<b>III. UNALLOWABLE COSTS</b>										
	\$13,889	\$922	\$0	\$4,160	\$0	\$0	\$5,793	\$12,669		\$12,669
<b>TOTAL ALLOWABLE OPERATING EXPENSES=</b>										
	\$1,908,460	\$203,454	\$18,576	\$172,352	\$156,183	\$758,874	\$877,905	\$5,426,228		\$5,426,228
<b>III. CAPITAL EXPENDITURES</b>										
	\$29,268	\$0	\$0	\$0	\$0	\$1,120	\$24,358	\$19,090		\$19,090

**AUDIT SCHEDULE**  
**SUBSTANCE ABUSE & MENTAL HEALTH SERVICES**  
**PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE**

AGENCY: OPERATION PAR, INC.

DATE PREPARED: 11/11/2010

CONTRACT #: QD0AR, QH0AR, HD01R

BUDGET PERIOD: FROM 07/01/09 TO 06/30/10

**PART II: ACTUAL EXPENSES**

STATE-DESIGNATED SAMH COST CENTERS										
STATE SAMH-FUNDED COST CENTERS										
EXPENSE CATEGORIES	Adult Substance Abuse Program									
	A	B <sub>1-i</sub>	B <sub>1-j</sub>	B <sub>1-k</sub>	B <sub>1-l</sub>	B <sub>1-m</sub>	B <sub>1-n</sub>	B <sub>1-o</sub>	B <sub>1-p</sub>	C <sub>1</sub>
	Methodone Maintenance	Outreach	Prevention	Information & Referral	Incidental Expenses	Outpatient Detox	Room & Board w/Supv Level III	Recovery Support	Total for Adult Substance Abuse	
<b>III. PERSONNEL EXPENSES</b>										
(1) Salaries	\$3,628,049	\$63,388	\$149,914	\$211,501	\$0	\$63,861	\$91,200	\$6,871	\$7,960,235	
(2) Fringe Benefits	\$771,755	\$16,935	\$30,400	\$49,151	\$0	\$13,562	\$19,368	\$1,459	\$1,787,307	
<b>TOTAL PERSONNEL EXPENSES=</b>	<b>\$4,399,804</b>	<b>\$80,324</b>	<b>\$180,314</b>	<b>\$260,652</b>	<b>\$0</b>	<b>\$77,423</b>	<b>\$110,568</b>	<b>\$8,331</b>	<b>\$9,747,543</b>	
<b>III. OTHER EXPENSES</b>										
(1) Building Occupancy	\$539,445	\$3,876	\$6,499	\$10,379	\$0	\$23,534	\$33,609	\$2,532	\$1,542,014	
(2) Professional Services	\$216,737	\$326	\$250	\$1,533	\$0	\$2,465	\$3,520	\$265	\$538,333	
(3) Travel	\$80,688	\$1,097	\$5,296	\$904	\$0	\$60	\$85	\$6	\$127,917	
(4) Equipment	\$121,824	\$373	\$2,771	\$12,375	\$0	\$40	\$57	\$4	\$474,878	
(5) Food Services	\$9,458	\$47	\$45	\$180	\$0	\$17,565	\$25,085	\$1,890	\$867,171	
(6) Medical and Pharmacy	\$984,896	\$2,021	\$0	\$0	\$0	\$3,594	\$5,132	\$387	\$1,279,896	
(7) Subcontracted Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(8) Insurance	\$37,987	\$522	\$1,194	\$2,613	\$0	\$514	\$733	\$55	\$131,898	
(9) Interest Paid	\$1,382	\$2	\$15	\$0	\$0	\$116	\$166	\$12	\$4,629	
(10) Operating Supplies & Expenses	\$213,872	\$4,378	\$20,977	\$17,296	\$24,305	\$1,266	\$1,808	\$136	\$564,668	
(11) Other	\$75,635	\$260	\$42	\$0	\$0	\$1,332	\$1,903	\$143	\$129,036	
(12) Donated Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,318	
<b>TOTAL OTHER EXPENSES=</b>	<b>\$2,281,924</b>	<b>\$12,903</b>	<b>\$37,089</b>	<b>\$45,280</b>	<b>\$24,305</b>	<b>\$50,485</b>	<b>\$72,098</b>	<b>\$5,432</b>	<b>\$5,725,757</b>	
<b>TOTAL PERSONNEL &amp; OTHER EXPENSES=</b>	<b>\$6,681,728</b>	<b>\$93,227</b>	<b>\$217,403</b>	<b>\$305,932</b>	<b>\$24,305</b>	<b>\$127,908</b>	<b>\$182,666</b>	<b>\$13,763</b>	<b>\$15,473,300</b>	
<b>III. DISTRIBUTED INDIRECT COSTS</b>										
(a) Other Support Costs (Optional)	\$85,856	\$3,975	\$13,392	-\$197,736	\$0	\$7,410	\$10,582	\$797	\$213,402	
(b) Administration	\$1,125,772	\$17,376	\$42,072	\$0	\$0	\$24,006	\$34,283	\$2,583	\$2,690,064	
<b>TOTAL DISTRIBUTED INDIRECT COSTS=</b>	<b>\$1,211,628</b>	<b>\$21,352</b>	<b>\$55,464</b>	<b>-\$197,736</b>	<b>\$0</b>	<b>\$31,416</b>	<b>\$44,865</b>	<b>\$3,380</b>	<b>\$2,903,466</b>	
<b>TOTAL ACTUAL OPERATING EXPENSES=</b>	<b>\$7,893,356</b>	<b>\$114,578</b>	<b>\$272,867</b>	<b>\$108,196</b>	<b>\$24,305</b>	<b>\$159,324</b>	<b>\$227,531</b>	<b>\$17,143</b>	<b>\$18,376,766</b>	
<b>III. UNALLOWABLE COSTS</b>										
	\$26,783	\$0	\$0	\$0	\$0	\$954	\$1,362	\$103	\$66,635	
<b>TOTAL ALLOWABLE OPERATING EXPENSES=</b>	<b>\$7,866,573</b>	<b>\$114,578</b>	<b>\$272,867</b>	<b>\$108,196</b>	<b>\$24,305</b>	<b>\$159,370</b>	<b>\$226,169</b>	<b>\$17,040</b>	<b>\$18,310,131</b>	
<b>III. CAPITAL EXPENDITURES</b>										
	\$35,076	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$106,912	

**AUDIT SCHEDULE**  
**SUBSTANCE ABUSE & MENTAL HEALTH SERVICES**  
**PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE**

AGENCY: OPERATION PAR, INC.

DATE PREPARED: 11/11/2010

CONTRACT #: QD0AR, QH0AR, HD01R

BUDGET PERIOD: FROM 07/01/09 TO 06/30/10

**PART II: ACTUAL EXPENSES**

STATE-DESIGNATED SAMH COST CENTERS										
STATE SAMH-FUNDED COST CENTERS										
Children's Substance Abuse Program										
EXPENSE CATEGORIES	A	Assessment B <sub>2a</sub>	Outpatient B <sub>2b</sub>	Aftercare B <sub>2c</sub>	Case Management B <sub>2d</sub>	Intervention B <sub>2e</sub>	TASC B <sub>2f</sub>	Residential Level 2 B <sub>2g</sub>	Outreach B <sub>2h</sub>	Prevention B <sub>2i</sub>
<b>III. PERSONNEL EXPENSES</b>										
(1) Salaries	\$31,303	\$139,891	\$1,224	\$24,503	\$470,267	\$772,104	\$520	\$221,133		
(2) Fringe Benefits	\$7,489	\$26,740	\$292	\$7,753	\$126,796	\$183,971	\$165	\$60,797		
<b>TOTAL PERSONNEL EXPENSES=</b>	<b>\$38,792</b>	<b>\$166,631</b>	<b>\$1,516</b>	<b>\$32,255</b>	<b>\$597,063</b>	<b>\$956,075</b>	<b>\$685</b>	<b>\$281,930</b>		
<b>III. OTHER EXPENSES</b>										
(1) Building Occupancy	\$964	\$20,430	\$298	\$1,418	\$16,425	\$187,960	\$30	\$9,428		
(2) Professional Services	\$41	\$2,754	\$38	\$417	\$525	\$24,229	\$9	\$34,174		
(3) Travel	\$322	\$488	\$6	\$1,565	\$886	\$4,090	\$19	\$10,764		
(4) Equipment	\$300	\$2,564	\$96	\$370	\$25,782	\$60,485	\$8	\$13,030		
(5) Food Services	\$0	\$3,638	\$225	\$29	\$2,968	\$142,029	\$1	\$1,957		
(6) Medical and Pharmacy	\$1,029	\$11,703	\$0	\$1,824	\$20,866	\$0	\$51	\$0		
(7) Subcontracted Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
(8) Insurance	\$289	\$2,231	\$30	\$196	\$8,310	\$18,751	\$4	\$3,304		
(9) Interest Paid	\$0	\$250	\$3	\$3	\$0	\$1,947	\$0	\$47		
(10) Operating Supplies & Expenses	\$2,626	\$3,339	\$79	\$3,491	\$35,721	\$49,806	\$74	\$17,753		
(11) Other	\$1,420	\$4,534	\$26	\$10	\$0	\$16,185	\$0	\$151		
(12) Donated Items	\$0	\$0	\$0	\$0	\$0	\$169,564	\$0	\$0		
<b>TOTAL OTHER EXPENSES=</b>	<b>\$6,991</b>	<b>\$51,951</b>	<b>\$802</b>	<b>\$9,221</b>	<b>\$111,672</b>	<b>\$675,065</b>	<b>\$196</b>	<b>\$90,608</b>		
<b>TOTAL PERSONNEL &amp; OTHER EXPENSES=</b>	<b>\$45,784</b>	<b>\$218,582</b>	<b>\$2,318</b>	<b>\$41,476</b>	<b>\$708,735</b>	<b>\$1,631,140</b>	<b>\$880</b>	<b>\$372,538</b>		
<b>III. DISTRIBUTED INDIRECT COSTS</b>										
(a) Other Support Costs (Optional)	\$12,337	\$22,649	\$71	\$2,333	\$65,072	\$44,887	\$50	\$0		
(b) Administration	\$10,412	\$41,760	\$471	\$8,947	\$137,125	\$297,025	\$160	\$67,956		
<b>TOTAL DISTRIBUTED INDIRECT COSTS=</b>	<b>\$22,749</b>	<b>\$64,409</b>	<b>\$542</b>	<b>\$9,880</b>	<b>\$202,197</b>	<b>\$341,922</b>	<b>\$210</b>	<b>\$67,956</b>		
<b>TOTAL ACTUAL OPERATING EXPENSES=</b>	<b>\$68,533</b>	<b>\$282,991</b>	<b>\$2,860</b>	<b>\$51,356</b>	<b>\$910,932</b>	<b>\$1,973,062</b>	<b>\$1,090</b>	<b>\$440,494</b>		
<b>III. UNALLOWABLE COSTS</b>										
	\$0	\$3,719	\$0	\$0	\$0	\$9,338	\$0	\$0		
<b>TOTAL ALLOWABLE OPERATING EXPENSES=</b>	<b>\$68,533</b>	<b>\$279,272</b>	<b>\$2,860</b>	<b>\$51,356</b>	<b>\$910,932</b>	<b>\$1,963,724</b>	<b>\$1,090</b>	<b>\$440,494</b>		
<b>III. CAPITAL EXPENDITURES</b>										
	\$0	\$0	\$0	\$0	\$0	\$11,730	\$0	\$4,591		

**AUDIT SCHEDULE**  
**SUBSTANCE ABUSE & MENTAL HEALTH SERVICES**  
**PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE**

AGENCY: OPERATION PAR, INC.

DATE PREPARED: 11/11/2010

CONTRACT #: QD0AR, QH0AR, HD01R

BUDGET PERIOD: FROM 07/01/09 TO 06/30/10

**PART II: ACTUAL EXPENSES**

EXPENSE CATEGORIES	Adult Mental Health				Total for State-Funded SAMH Cost Centers (C <sub>1</sub> +...+C <sub>2</sub> )	
	Prevention/ Intervention-Day B <sub>2j</sub>	Total for Children's Substance Abuse (B <sub>2a</sub> +...+B <sub>2k</sub> ) C <sub>2</sub>	Intervention B <sub>3-a</sub>	Outreach B <sub>3-b</sub>		Incidental Expenses B <sub>3-c</sub>
<b>IIA. PERSONNEL EXPENSES</b>						
(1) Salaries	\$158,695	\$1,851,182	\$13,891	\$1,504	\$427	\$15,822
(2) Fringe Benefits	\$42,512	\$468,612	\$2,352	\$255	\$72	\$2,679
<b>TOTAL PERSONNEL EXPENSES=</b>	<b>\$201,207</b>	<b>\$2,319,793</b>	<b>\$16,243</b>	<b>\$1,758</b>	<b>\$499</b>	<b>\$18,501</b>
<b>IIIB. OTHER EXPENSES</b>						
(1) Building Occupancy	\$169	\$237,227	\$2,162	\$234	\$66	\$2,462
(2) Professional Services	\$28,000	\$90,467	\$0	\$0	\$0	\$0
(3) Travel	\$2,470	\$21,684	\$24	\$3	\$1	\$27
(4) Equipment	\$7,747	\$110,402	\$468	\$51	\$14	\$533
(5) Food Services	\$1,249	\$152,095	\$0	\$0	\$0	\$0
(6) Medical and Pharmacy	\$0	\$37,874	\$0	\$0	\$0	\$0
(7) Subcontracted Services	\$0	\$0	\$0	\$0	\$0	\$0
(8) Insurance	\$1,979	\$35,339	\$117	\$13	\$4	\$133
(9) Interest Paid	\$0	\$2,250	\$0	\$0	\$0	\$0
(10) Operating Supplies & Expenses	\$12,036	\$125,291	\$486	\$53	\$15	\$554
(11) Other	\$0	\$22,327	\$0	\$0	\$0	\$0
(12) Donated Items	\$204,288	\$373,872	\$0	\$0	\$0	\$0
<b>TOTAL OTHER EXPENSES=</b>	<b>\$257,938</b>	<b>\$1,208,829</b>	<b>\$3,256</b>	<b>\$353</b>	<b>\$100</b>	<b>\$3,709</b>
<b>TOTAL PERSONNEL &amp; OTHER EXPENSES=</b>	<b>\$459,145</b>	<b>\$3,528,622</b>	<b>\$19,499</b>	<b>\$2,111</b>	<b>\$600</b>	<b>\$22,210</b>
<b>IIIC. DISTRIBUTED INDIRECT COSTS</b>						
(a) Other Support Costs (Optional)	\$1,333	\$151,740	\$0	\$0	\$0	\$0
(b) Administration	\$83,331	\$654,734	\$3,654	\$396	\$112	\$4,162
<b>TOTAL DISTRIBUTED INDIRECT COSTS=</b>	<b>\$84,664</b>	<b>\$806,474</b>	<b>\$3,654</b>	<b>\$396</b>	<b>\$112</b>	<b>\$4,162</b>
<b>TOTAL ACTUAL OPERATING EXPENSES=</b>	<b>\$543,809</b>	<b>\$4,335,096</b>	<b>\$23,153</b>	<b>\$2,507</b>	<b>\$712</b>	<b>\$22,738,234</b>
<b>IIID. UNALLOWABLE COSTS</b>						
	\$0	\$13,057	\$0	\$0	\$0	\$0
<b>TOTAL ALLOWABLE OPERATING EXPENSES=</b>	<b>\$543,809</b>	<b>\$4,322,039</b>	<b>\$23,153</b>	<b>\$2,507</b>	<b>\$712</b>	<b>\$22,658,542</b>
<b>IIIE. CAPITAL EXPENDITURES</b>						
	\$0	\$16,321	\$0	\$0	\$0	\$0
<b>TOTAL CAPITAL EXPENDITURES=</b>	<b>\$0</b>	<b>\$16,321</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$125,233</b>

**AUDIT SCHEDULE**  
**SUBSTANCE ABUSE & MENTAL HEALTH SERVICES**  
**PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE**

AGENCY: OPERATION PAR, INC.

DATE PREPARED: 11/11/2010

CONTRACT #: QD0AR, QH0AR, HD01R

BUDGET PERIOD: FROM 07/01/09 TO 06/30/10

**PART II: ACTUAL EXPENSES**

\*except IIC & IID

EXPENSE CATEGORIES	A	E	F	G	H	I	J
	Total for Non-State-Funded SAMH Cost Centers	Tot. for All State-Designated SAMH Cost Centers (D+E)	Non-SAMH Cost Center	Other Support Costs (optional)	Administration	Total Expenses (F+G+H+I+J)	
<b>IIA. PERSONNEL EXPENSES</b>							
(1) Salaries	\$1,918,991	\$11,746,230	\$240,264	\$586,679	\$2,415,190	\$14,988,363	
(2) Fringe Benefits	\$450,983	\$2,709,581	\$59,870	\$150,160	\$525,618	\$3,445,229	
<b>TOTAL PERSONNEL EXPENSES=</b>	<b>\$2,369,974</b>	<b>\$14,455,811</b>	<b>\$300,134</b>	<b>\$736,839</b>	<b>\$2,940,808</b>	<b>\$18,433,592</b>	
<b>IIIB. OTHER EXPENSES</b>							
(1) Building Occupancy	\$167,772	\$1,949,475	\$78,248	-\$54,361	\$55,990	\$2,029,352	
(2) Professional Services	\$281,056	\$909,856	\$55,542	\$22,869	\$372,531	\$1,360,798	
(3) Travel	\$87,500	\$237,128	\$11,348	\$4,124	\$84,559	\$337,159	
(4) Equipment	\$63,660	\$649,473	\$87,429	-\$63,887	\$407,125	\$1,080,140	
(5) Food Services	\$72,041	\$1,091,307	\$331	-\$478,878	\$13,065	\$625,825	
(6) Medical and Pharmacy	\$126,133	\$1,443,903	-\$657,340	\$0	\$104	\$786,667	
(7) Subcontracted Services	\$201,459	\$201,459	\$0	\$0	\$0	\$201,459	
(8) Insurance	\$25,791	\$193,161	\$2,891	\$108,551	\$47,164	\$351,767	
(9) Interest Paid	\$114	\$6,993	\$3,389	\$2,567	\$9,841	\$22,790	
(10) Operating Supplies & Expenses	\$167,616	\$858,129	\$21,246	\$102,611	\$168,662	\$1,150,648	
(11) Other	\$16,751	\$168,114	\$25,561	\$10,261	\$39,380	\$243,316	
(12) Donated Items	\$0	\$439,190	\$0	\$0	\$0	\$439,190	
<b>TOTAL OTHER EXPENSES=</b>	<b>\$1,209,893</b>	<b>\$8,148,188</b>	<b>-\$371,355</b>	<b>-\$346,143</b>	<b>\$1,198,421</b>	<b>\$8,629,111</b>	
<b>TOTAL PERSONNEL &amp; OTHER EXPENSES=</b>	<b>\$3,579,867</b>	<b>\$22,603,999</b>	<b>-\$71,221</b>	<b>\$390,696</b>	<b>\$4,139,229</b>	<b>\$27,062,703</b>	
<b>IIIC. DISTRIBUTED INDIRECT COSTS</b>							
(a) Other Support Costs (Optional)	\$18,361	\$383,503	\$1,030	-\$384,533	\$0	\$0	
(b) Administration	\$623,865	\$3,972,825	\$166,404	\$0	-\$4,139,229	\$0	
<b>TOTAL DISTRIBUTED INDIRECT COSTS=</b>	<b>\$642,226</b>	<b>\$4,356,328</b>	<b>\$167,434</b>	<b>-\$384,533</b>	<b>-\$4,139,229</b>	<b>\$0</b>	
<b>TOTAL ACTUAL OPERATING EXPENSES=</b>	<b>\$4,222,093</b>	<b>\$26,960,327</b>	<b>\$96,213</b>	<b>\$6,163</b>	<b>\$0</b>	<b>\$27,062,703</b>	
<b>IIID. UNALLOWABLE COSTS</b>							
	\$15,783	\$95,475	\$23,618	\$6,163	\$1,100	\$126,356	
<b>TOTAL ALLOWABLE OPERATING EXPENSES=</b>	<b>\$4,206,310</b>	<b>\$26,864,852</b>	<b>\$72,595</b>	<b>\$0</b>	<b>-\$1,100</b>	<b>\$26,936,347</b>	
<b>IIIE. CAPITAL EXPENDITURES</b>							
	\$16,193	\$139,426	\$1,562,144	\$120,349	\$98,583	\$1,920,502	

**AUDIT SCHEDULE**

**OPERATION PAR, INC.**

**SCHEDULE OF STATE EARNINGS FOR  
FISCAL YEAR JULY 1, 2009 - JUNE 30, 2010**

1. Total Expenditures	<u>\$27,062,703</u>
2. Less Other State and Federal Funds	<u>(\$11,169,559)</u>
3. Less Non-Match SAMH Funds	<u>(\$6,784,683)</u>
4. Less Unallowable Costs per 65E-14, F.A.C.	<u>(\$126,356)</u>
5. Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	<u>\$8,982,105</u>
6. Maximum Available Earnings (Line 5 times 75%)	<u>\$6,736,579</u>
7. Amount of State Funds Requiring Match	<u>\$930,840</u>
8. Amount Due to Department (Subtract line 7 from line 6. If negative, the amount of the difference is due to the department up to the amount of line 7)	<u>\$0</u>

**AUDIT SCHEDULE**

**OPERATION PAR, INC.**

**Schedule of Bed-Day Availability Payments  
For Fiscal Year Ending 06/30/10**

Program <b>A</b>	Cost Center <b>B</b>	State Contracted Rate <b>C</b>	Total Units of Service Provided <b>D</b>	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies <b>E</b>	Maximum # of Units Eligible for Payment by Department (D-E) <b>F</b>	Amount Paid for Services by the Department <b>G</b>	Maximum \$ Value of Units in Column F (F x C) <b>H</b>	Amount Owed to Department (G-H or \$0, whichever is greater) <b>I</b>
Children's MH	Crisis Stabilization Unit	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00
Adult MH	Crisis Stabilization Unit	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00
Children's SA	Substance Abuse Detox	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00
Adult SA	Substance Abuse Detox	\$197.18	7,300	1,163	6,137	\$1,151,051.00	\$1,210,016.22	\$0.00
Adult MH	Short-term Residential Treatment	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00

**Total Amount Owed to Department = \$0.00**

**AUDIT SCHEDULE**

**OPERATION PAR, INC.**

**Schedule of Related Party Transaction Adjustments  
for the Fiscal Year Ending 06/30/10**

Revenues From Grantee	Related Party	Allocation of Related Party Transactions Adjustment				
		State-Designated Cost Centers				
		1	2	3	.....	Total
Rent	0	0	0	0	0	0
Services	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total Revenue From Grantee</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses Associated with Grantee Transactions</b>						
Personnel Services	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total Associated Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Related Party Transaction Adjustment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FOOTNOTE:**

Operation PAR, Inc. does not have any related party transactions that were above cost and need to be reported on this schedule.