

**COMPREHENSIVE ALCOHOLISM
REHABILITATION PROGRAMS, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2011

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
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Viniar & Company

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Comprehensive Alcoholism
Rehabilitation Programs, Inc.
West Palm Beach, Florida

We have audited the accompanying statement of financial position of Comprehensive Alcoholism Rehabilitation Programs, Inc., (a nonprofit organization) as of June 30, 2011, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 audit. The prior year summarized comparative information has been derived from the Organization's 2010 financial statements, and in our report dated September 8, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Comprehensive Alcoholism Rehabilitation Programs, Inc., as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2011, on our consideration of Comprehensive Alcoholism Rehabilitation Programs, Inc.'s internal control over financial reporting and on 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 Comprehensive Alcoholism Rehabilitation Programs, Inc., taken as a whole. The accompanying schedules as listed in the Table of Contents are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Florida Rules of the Auditor General Chapter 10.650, 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 basic 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 basic financial statements taken as a whole.

Viniar & Company

Viniar & Company
September 20, 2011

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR 2010

ASSETS

	<u>2011</u>	<u>2010</u>
Current assets		
Cash and cash equivalents	\$ 923,341	\$ 1,234,231
Cash and cash equivalents - sinking fund	75,001	75,889
Cash and cash equivalents held in trust	<u>52,695</u>	<u>91,608</u>
Total cash and cash equivalents	1,051,037	1,401,728
Marketable securities held in trust	1,407,824	1,104,422
Grants and contracts receivable	1,034,125	910,968
Other receivables	7,021	18,438
Prepaid expenses	<u>85,670</u>	<u>86,050</u>
Total current assets	<u>3,585,677</u>	<u>3,521,606</u>
Property and equipment		
Land	352,931	352,931
Buildings and improvements	8,639,592	8,605,251
Leasehold improvements	195,369	195,369
Furniture, fixtures and equipment	1,217,115	1,192,231
Automobiles and vans	<u>146,192</u>	<u>146,192</u>
Total fixed assets	10,551,199	10,491,974
Less accumulated depreciation	<u>(5,741,662)</u>	<u>(5,364,444)</u>
Total property and equipment	<u>4,809,537</u>	<u>5,127,530</u>
Other assets		
Deposits	<u>21,789</u>	<u>21,789</u>
Total other assets	<u>21,789</u>	<u>21,789</u>
TOTAL ASSETS	<u>\$ 8,417,003</u>	<u>\$ 8,670,925</u>

(continued)

The accompanying notes are an integral part of these financial statements.

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
STATEMENT OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR 2010

LIABILITIES AND NET ASSETS

	2011	2010
Current liabilities		
Accounts payable	\$ 79,387	\$ 122,066
Accrued payroll	106,204	102,591
Accrued vacation	193,703	202,600
Payroll taxes payable	10,791	7,998
Other liabilities	52,448	28,922
Insurance contract payable	-	19,416
Mortgage payable - current portion	300,000	300,000
Interest payable	45,719	49,888
Total current liabilities	788,252	833,481
Long term debt		
Mortgage payable	2,900,000	3,200,000
Total long term liabilities	2,900,000	3,200,000
Total liabilities	3,688,252	4,033,481
Net assets		
Unrestricted	3,186,732	3,383,914
Temporarily restricted	1,517,019	1,253,530
Permanently restricted	25,000	-
Total net assets	4,728,751	4,637,444
TOTAL LIABILITIES AND NET ASSETS	\$ 8,417,003	\$ 8,670,925

The accompanying notes are an integral part of these financial statements.

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2011	2010
Support and Revenues					
Public support					
State - DCF Substance Abuse	\$ -	\$ 3,279,825	\$ -	\$ 3,279,825	\$ 3,282,265
Palm Beach County	-	1,135,060	-	1,135,060	1,155,550
Palm Beach Community Chest	-	59,040	-	59,040	67,935
United Way	-	4,025	-	4,025	3,604
Contributions	2,840	82,500	-	85,340	196,391
Total public support	2,840	4,560,450	-	4,563,290	4,705,745
Other revenues					
State and local service revenues	-	1,116,706	-	1,116,706	1,357,850
Client fees	295,281	-	-	295,281	335,113
Food stamps	-	102,184	-	102,184	57,346
Federal Probation Program	-	82,942	-	82,942	85,021
U.S. Pretrial	-	6,750	-	6,750	4,452
Fund-raising	158,039	-	-	158,039	144,500
Donnelley endowment	-	-	25,000	25,000	-
Investment income (loss)	4,494	125,435	-	129,929	167,473
Miscellaneous	72,142	-	-	72,142	69,632
Total other revenues	529,956	1,434,017	25,000	1,988,973	2,221,387
Temporarily restricted net assets released from restrictions	5,730,978	(5,730,978)	-	-	-
Total support and revenues	6,263,774	263,489	25,000	6,552,263	6,927,132
Expenses					
Program services					
Outpatient	943,473	-	-	943,473	1,067,255
Residential	2,982,226	-	-	2,982,226	2,779,457
Detoxification	1,343,575	-	-	1,343,575	1,430,847
Homeless Assessment Center	499,150	-	-	499,150	426,904
Total program services	5,768,424	-	-	5,768,424	5,704,463
Supporting services					
Administration	643,402	-	-	643,402	828,891
Fund raising	49,130	-	-	49,130	16,916
Total supporting services	692,532	-	-	692,532	845,807
Total expenses	6,460,956	-	-	6,460,956	6,550,270
Change in net assets	(197,182)	263,489	25,000	91,307	376,862
Net assets, beginning of year	3,383,914	1,253,530	-	4,637,444	4,260,582
Net assets, end of year	\$ 3,186,732	\$ 1,517,019	\$ 25,000	\$ 4,728,751	\$ 4,637,444

The accompanying notes are an integral part of these financial statements.

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR 2010

	PROGRAM SERVICES			
	Outpatient	Residential	Detoxification	Homeless Assessment Center
Personnel expenses				
Salaries	\$ 475,500	\$ 1,288,318	\$ 785,725	\$ 302,098
Fringe benefits	117,683	317,789	193,815	73,820
Total personnel expenses	<u>593,183</u>	<u>1,606,107</u>	<u>979,540</u>	<u>375,918</u>
Operating expenses				
Building occupancy	129,852	506,469	114,249	41,651
Professional services	36,904	30,138	15,232	2,499
Travel	239	8,902	2,460	959
Equipment	8,735	24,936	9,446	4,109
Food services	-	299,883	75,072	30,840
Medical and pharmacy	80,813	51,866	43,916	11,093
Insurance	31,989	124,490	28,362	10,340
Interest	-	124,953	31,281	12,850
Operating supplies and expenses	30,883	89,695	40,214	8,109
Other expenses	30,875	114,787	3,803	782
Total operating expenses	<u>350,290</u>	<u>1,376,119</u>	<u>364,035</u>	<u>123,232</u>
TOTAL PERSONNEL AND OPERATING EXPENSES	<u>\$ 943,473</u>	<u>\$ 2,982,226</u>	<u>\$ 1,343,575</u>	<u>\$ 499,150</u>

The accompanying notes are an integral part of these financial statements.

Total Program Services	SUPPORTING SERVICES			TOTAL FUNCTIONAL EXPENSES	
	Administrative	Fund- Raising	Total Support Services	2011	2010
\$ 2,851,641	\$ 334,610	\$ 10,838	\$ 345,448	\$ 3,197,089	\$ 3,251,822
703,107	179,803	2,636	182,439	885,546	882,727
<u>3,554,748</u>	<u>514,413</u>	<u>13,474</u>	<u>\$ 527,887</u>	<u>4,082,635</u>	<u>4,134,549</u>
792,221	36,748	728	37,476	829,697	909,225
84,773	49,460	-	49,460	134,233	141,612
12,560	213	-	213	12,773	9,659
47,226	-	-	-	47,226	50,201
405,795	-	-	-	405,795	398,121
187,688	833	-	833	188,521	187,722
195,181	10,793	-	10,793	205,974	146,230
169,084	-	-	-	169,084	184,783
168,901	13,275	3,672	16,947	185,848	203,833
150,247	17,667	31,256	48,923	199,170	184,335
<u>2,213,676</u>	<u>128,989</u>	<u>35,656</u>	<u>164,645</u>	<u>2,378,321</u>	<u>2,415,721</u>
<u>\$ 5,768,424</u>	<u>\$ 643,402</u>	<u>\$ 49,130</u>	<u>\$ 692,532</u>	<u>\$ 6,460,956</u>	<u>\$ 6,550,270</u>

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR 2010

	<u>2011</u>	<u>2010</u>
Operating Cash Flows		
Cash received from public support program service and other revenues	\$ 6,310,594	\$ 6,334,743
Cash paid to employees and suppliers	(5,940,086)	(5,947,841)
Interest paid	(169,084)	(184,783)
Investment income	79,136	(100,470)
Unrealized gains (losses) on investment	50,792	267,943
Net operating cash flows	<u>331,352</u>	<u>369,592</u>
Investing cash flows		
Investments in marketable securities	(303,402)	(99,525)
Purchase of property and equipment	(59,225)	(56,940)
Pooled loan reserve	-	48,673
Net investing cash flows	<u>(362,627)</u>	<u>(107,792)</u>
Financing cash flows		
Insurance financing agreement	(19,416)	(7,588)
Principal payments on mortgage	(300,000)	(300,000)
Net financing cash flows	<u>(319,416)</u>	<u>(307,588)</u>
Net increase (decrease) in cash	(350,691)	(45,788)
Cash and cash equivalents, beginning of year (including sinking fund)	<u>1,401,728</u>	<u>1,447,516</u>
Cash and cash equivalents, end of year (including sinking fund)	<u>\$ 1,051,037</u>	<u>\$ 1,401,728</u>
Reconciliation of Change in Net Assets to Operating Cash Flows		
Change in net assets	\$ 91,307	\$ 376,862
Add depreciation expense	377,218	391,312
Change in:		
Receivables	(111,740)	(424,916)
Prepaid expenses	380	(2,454)
Deposits	-	(8,400)
Payables	(25,813)	37,188
Net operating cash flow	<u>\$ 331,352</u>	<u>\$ 369,592</u>

The accompanying notes are an integral part of these financial statements.

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: NATURE OF THE ORGANIZATION

Comprehensive Alcoholism Rehabilitation Programs, Inc., (the Organization) was founded in 1968 and incorporated on July 17, 1972, as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code, to increase public understanding of chemical dependency in the form of alcoholism, alcohol abuse, drug addiction and drug abuse and the accompanying illnesses of the significant others of chemically dependent persons; to provide the public with insight into the need for treatment of these diseases and the effectiveness of such treatment; and to provide treatment alternatives corresponding to individual needs within a continuum of care.

The Organization's approach is to make the above objectives effective by:

1. Operating the Homeless Assessment Center of Palm Beach County, where individuals who are homeless or at imminent risk of becoming homeless receive services including: comprehensive assessment, medical, chemical dependency and psychological services, referral, linkage and residential care for those persons difficult to place.
2. Making available to chemically dependent persons a full range of treatment services to include: crisis intervention, medical detoxification, assessment, group/individual therapy in residential and non-residential settings and by developing and incorporating additional treatment modalities as circumstances warrant.
3. Educating the community regarding the problems of chemical dependency by conducting informational series, by making materials and resources available by offering consulting services to community organizations and agencies, and by providing speakers on topics related to chemical dependency.
4. Providing prevention, education and treatment services through a continuum of care, to individuals and families affected by alcoholism and drug dependency to achieve an abstinence-based recovery.

NOTE 2: DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition and disclosure through September 20, 2011, the date the financial statements were available to be issued.

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization follows standards of accounting and financial reporting prescribed for voluntary health and welfare agencies. It uses the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred. Federal, state, and local government and public grants are recorded as support when performance occurs under the terms of the grant agreement.

The costs of providing the various programs and other activities have been detailed in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Salaries and other expenses directly related with specific programs are charged to those programs. Salaries and other expenses related to more than one program are allocated to the various programs based on the relative benefit provided. Administrative expenses are allocated to the various programs based on equitable methodology.

Cash and Cash Equivalents

For purposes of the statement of financial position and statement of cash flows, the Organization considers demand deposits with banks, certificates of deposit, money market funds and all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Organization maintains its cash at several financial institutions in South Florida. The accounts are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for each financial institution. As of June 30, 2011, the Organization had uninsured deposits in the amount of \$189,849.

The Organization maintains a trust account at a financial institution in South Florida. The account consists of \$52,695 in cash and \$1,407,824 in marketable securities. The cash is held in a fiduciary account and is insured by the FDIC. The marketable securities are insured under the Securities Investor Protection Corporation.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2009, June 30, 2010 and June 30, 2011 are subject to examination by the IRS, generally for three years after they were filed.

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. During the year ended June 30, 2011, the Organization sold donated stock in the amount of \$16,090 and recognized a gain on the sale in the amount of \$2,849.

Grant and Contracts Receivable / Revenue

Grant and contract revenue is recognized when the allowable costs, as defined by the individual grants or contracts, are incurred and the unit of service has been performed. Grant and contracts receivable at year-end represent units of service performed, which have not yet been reimbursed by the granting agency.

Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance by the Organization with the terms of the grants or contracts.

Contributions

Contributions received are recorded at fair value, recognized as revenue in the period received and recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Depreciation

Property purchased is stated at cost, and that which has been donated is stated at fair market value at the date of acquisition. The Organization capitalizes all assets acquired, in excess of \$300. Depreciation is provided on the straight-line method based upon estimated useful lives of the assets as follows: building, 25-30 year life; building improvements, 15 years; leasehold improvements, 5 to 10 years; furniture, fixtures and equipment, 2 to 10 years; transportation equipment, 5 years. Depreciation expense for the year was \$377,218.

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Food, Services and Clothing

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor and have been used for purposes of meeting matching requirements. Donated items are reflected in the accompanying statements at their estimated fair market value at date of receipt. Donated services from the Palm Beach County School Board are recorded at fair market value as determined by the School Board and the Organization. Donated clothing and other donated items have not been recorded in the accompanying statements as these amounts are considered immaterial.

Summarized Financial Information for 2010

The financial information for the year ended June 30, 2010, presented for comparative purposes, is not intended to be a complete financial statement presentation. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

NOTE 4: FAIR VALUE MEASUREMENT

FASB ASC 820 defines fair value, creates a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. *(The unobservable inputs should be developed based on the best information available under the circumstances and may include the Organization's own data.)*

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4: FAIR VALUE MEASUREMENT (CONTINUED)

Cash and cash equivalents have been valued using Level 1 inputs. Marketable securities have also been valued using Level 1 inputs. No valuation techniques have been applied to any other assets or liabilities included in the statement of financial position. Due to the nature of these items, all have been recorded at their historic value.

NOTE 5: LONG TERM DEBT

Mortgage Payable

At June 30, 2011, there was a \$5,900,000 mortgage payable to Wachovia N.A. issued by Palm Beach County, Florida pursuant to an Indenture of Trust dated April 1, 2000. The interest rate on the note was initially based on the Securities Industry and Financial Markets Association index, which was an average of the rates of similar bonds, which reset on Wednesday of each week. As a means of the Organization's lowering its borrowing costs, the original principal amount was swapped from a floating rate to an annual fixed rate of 4.52%, payable in quarterly installments through January 2, 2013, under the terms of the Interest Rate Swap Agreement with Wachovia Bank, NA. Final maturity of the loan is April 1, 2020.

Total mortgage balance at June 30, 2011	\$ 3,200,000
Less: current portion	300,000
Total long-term debt	\$ 2,900,000

Maturities of long-term debt are as follows:
Years ending June 30:

2012	\$ 300,000
2013	300,000
2014	300,000
2015	300,000
2016	300,000
Thereafter	1,700,000
Total debt	\$ 3,200,000

Interest paid on the above mortgages for the current year was \$12,383, plus swap transaction fees of \$151,312, standby commissions of \$16,479, remarketing fees of \$2,500, and administrative fees of \$2,650. The sinking fund cash is a separate bank account in which 1/12 of the annual debt requirement is deposited monthly.

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 5: LONG TERM DEBT (CONTINUED)

Line of Credit

The Organization renewed the Line of Credit loan in the amount of \$250,000 with Wachovia Bank on February 20, 2011. The interest rate is the bank's prime rate plus 1%. As of June 30, 2011, the Organization did not draw on the line of credit.

NOTE 6: LEASE COMMITMENTS

The programs and services of the Organization were provided from three leased facilities for most of this year. These operating leases have annual renewal options with expiration dates on the anniversary dates. Each lease contains a right to terminate with notice. Total rent expense as of June 30, 2011, for all buildings was \$101,503.

NOTE 7: MATCHING REQUIREMENT

The Organization received a substantial portion of its support from the State of Florida, under grant contract numbers ID093 and ZDK58 with the Department of Children & Families, Alcohol, Drug Abuse, Substance Abuse and Mental Health Services Program. These contracts are three year contracts with an expiration date of June 30, 2012. Although a maximum amount is established during the negotiation process, income is earned on a reimbursement basis; that is, income can be recognized only to the extent of eligible services provided and expenses incurred. Portions of the contract require a thirty-three percent (33%) local match for certain substance abuse services.

During the fiscal year ended June 30, 2011 the reimbursable expenses were as follows:

	<u>District 9</u>	<u>District 15</u>
Total expenses	<u>\$ 6,156,952</u>	<u>\$ 304,004</u>
Total funds requiring match	1,378,806	5,001
Local match required	<u>459,602</u>	<u>1,667</u>
Total requiring match	<u>1,838,408</u>	<u>6,668</u>
Excess match	<u>\$ 4,318,544</u>	<u>\$ 297,336</u>

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 8: INSURANCE CONTRACT PAYABLE

On December 30, 2009, the Organization executed a financing agreement to fund the annual general professional liability, property and automobile insurance premiums with Premium Funding Associates, Inc. The amount of the premiums was \$105,742. The terms of the policies were January 1, 2010 to December 31, 2010. The amount financed was \$84,594, at an interest rate of 6.99%. The agreement required a down payment of \$21,149 and nine monthly payments in the amount of \$9,708, beginning February 1, 2010. As of June 30, 2011, the financing agreement was paid in full. Interest expense, for the year ending June 30, 2011, relating to this agreement is \$1,242.

NOTE 9: STATE AND LOCAL SERVICE REVENUES

The Organization is reimbursed for fees from state and local agencies for services provided based on individual client participation in the program. These agencies and related service revenues received are summarized as follows:

Florida Department of Corrections	\$ 665,032
Palm Beach School District	108,000
Sheriff Department - Substance Abuse Awareness Program	97,533
Drug Courts	127,994
Funding for Homeless	<u>118,147</u>
Total	<u>\$ 1,116,706</u>

NOTE 10: EMPLOYMENT AGREEMENTS

Executive Director and CEO Employment Contract Agreement

In July 1998, the Organization entered into an employment agreement with its Executive Director. The agreement was entitled an "Executive Selective Retirement Plan for Key Employees" as authorized by the Internal Revenue Service Code Section 162. The agreement was effective retroactive to January 1, 1998, and continues until December 31, 2015. The agreement provides for a net payment annually of \$35,000. Should the Executive Director separate voluntarily, the remaining payments are reduced by 50%. If the separation from the employment is involuntary, the agreement provides that 100% of the remaining payments are due annually until December 31, 2015. This agreement may be reviewed for increases annually by the Board of Directors. The Board of Directors has determined that only the Executive Director and CEO will have an employment contract with the agency.

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 10: EMPLOYMENT AGREEMENTS (CONTINUED)

Executive Employee Bonus

In September 2000, the Organization extended a benefit to the Director of Financial Operations. This benefit provides for a net payment annually of \$26,500. Should the employee separate voluntarily or involuntarily, no further bonus payment will be extended beyond the period of active employment.

Agency policy extends this benefit to any employee making a minimum of \$80,000 a year and meeting the requirements of the Internal Revenue Code Section 162 (Executive Selective Retirement Plan for Key Employees). The qualifying date shall be the date when the employee's salary increases to an amount equal to or greater than \$80,000. The amount of the annual net payment shall be determined by multiplying the number of consecutive years of service prior to the qualifying date by \$1,460. An employee who qualifies for this benefit at date of hire shall receive \$1,460 under this benefit. This payment shall be made to all qualified employees in January of each year.

NOTE 11: INVESTMENTS HELD IN TRUST

In October 2006, the Board of Directors adopted a Nonqualified Deferred Compensation Plan for its Executive Director. The Organization executed a Deferred Compensation Plan Trust Agreement with Grand Bank and Trust of Florida and a Deferred Compensation Plan Agreement with its Executive Director. In consideration for remaining in its employ, the Organization agreed to initially fund a nonqualified deferred compensation plan for the Executive Director in the amount of seven hundred fifty thousand dollars (\$750,000). Annually, or more frequently as determined by the Board of Directors, additional amounts may be contributed to the plan. In September 2010, the Board of Directors authorized a cost-of-living (or 3%) increase to be contributed to the Trust Account. The fund is managed by Grand Bank & Trust of Florida, the trustee under the Deferred Compensation Plan Trust Agreement.

In the event of the Executive Director's retirement, the plan shall pay the Executive Director deferred compensation in the amount of sixty-seven thousand dollars (\$67,000) per year. Such amount may be increased, but not decreased, by the Organization from time to time subject to the Organization's ability to pay such additional deferred compensation. Upon the death of the Executive Director, the deferred compensation shall terminate. The payments to the Executive Director shall be made from assets which shall continue, for all purposes, to be a part of the general assets of the Organization.

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 11: INVESTMENTS HELD IN TRUST (CONTINUED)

The following schedule summarizes the investment return and its classification in the Statement of Activities and Changes in Net Assets for the year ended:

	June 30, 2011		
	Unrestricted	Temporarily Restricted	Total
Interest and dividend income	\$ 4,494	\$ 71,310	\$ 75,804
Net realized and unrealized gains (losses)	-	54,125	54,125
Total investment return	\$ 4,494	\$ 125,435	\$ 129,929

As of June 30, 2011, there was \$1,460,519 held in trust at Grand Bank & Trust of Florida for this nonqualified deferred compensation plan. Plan assets include cash in the amount of \$52,695 and marketable securities in the amount of \$1,407,824. The fair value measurements at reporting date are using quoted prices in active markets for identical assets.

	June 30, 2011		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Short term investments - Now account	\$ 52,695	\$ 52,695	\$ -
Trading securities	1,357,032	1,407,824	50,792
Total investments held in trust	\$ 1,409,727	\$ 1,460,519	\$ 50,792

NOTE 12: TAX SHELTERED ANNUITY

The option to participate in a 403(b) tax sheltered annuity plan had been given to the Organization's employees in 1993. This plan allows all employees to contribute up to 16 percent of their gross income with a limit established by the Internal Revenue Code annually and permits withdrawals, at age 59-1/2 or, if separated from service, at age 55 or older, with no tax penalty.

On October 6, 1993, the Board of Directors approved a program, which was revised in March 2011 for compliance with government guidelines. The Organization matches 1/2 to 60 percent of total salary for employees having at least one year of service and greater, who are contributing to the plan. For the year ended June 30, 2011, the Organization matched a maximum of \$16,500 per employee. All contributions are owned by the employee. Total matching contributions by the Organization for the year ended June 30, 2011, were \$107,691.

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 13: COMPENSATED ABSENCES

The Organization's annual leave policy is that employees who achieve permanent status accrue 8 hours per month. The amount increases at the beginning of the 5th year of employment, to 10 hours per month. At the beginning of the 8th year it increases to 12 hours per month, and at the beginning of the 10th year it increases to 14 hours per month. At the end of each calendar year, employees may not carry more than 240 hours into the next year, with the exception of the Executive Director, who may carry 400 hours into the next year. Excess balances are either forfeited or paid at the equivalent hourly rate, provided the employee was unable to take the leave because of the Organization's needs. During the year, there were 15 staff members who had accumulated excess vacation leave, due to the needs of the Organization. The Organization compensated these individuals for their lost time, in the aggregate amount of \$14,310. The Executive Director chose to donate his payment back to the Organization. As of June 30, 2011, accrued annual leave pay totaled \$193,703.

NOTE 14: TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net assets at June 30, 2011 are primarily related to the investments held in trust, as described in Note 11. The assets in the account have been set aside for deferred compensation payments to the Executive Director. In addition, there was \$57,500 designated for the construction of a Campus Recreational Center on the main campus. This building is in the planning and development phase. Upon completion it will serve all clients in residential treatment, male and female, adult and adolescent, providing state of the art equipment and facilities to meet our client's exercise and recreational needs. At June 30, 2011, the Organization has accumulated the following temporarily restricted net assets:

Cash and cash equivalents held in trust	\$ 52,695
Marketable securities held in trust	1,407,824
Donations for recreation center	<u>57,500</u>
Total temporarily restricted net assets	<u>\$ 1,517,019</u>

NOTE 15: PERMANENTLY RESTRICTED NET ASSETS

The permanently restricted net assets at June 30, 2011 are related to the \$25,000 received as the down payment of a new endowment in honor of Willard Donnelley. The funds are to be used for a facility or treatment of homeless substance abuse. The endowment is expected to increase to \$150,000.

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 16: BED AVAILABILITY PAYMENTS

The Organization received a portion of its support from the Federal Government and the State of Florida under grant contract number ID093 with the Department of Children and Families (DCF).

Under the contract, the Organization must provide the DCF with a schedule of bed-day availability payments.

<u>Cost Center</u>	Substance Abuse	
	<u>Adult Detoxification</u>	<u>Adolescent Detoxification</u>
A State unit cost	\$ 154.71	\$ 151.69
B Available bed days	11,076	203
C Units paid by other parties	5,434	-
D Eligible units (B - C)	5,642	203
E Amount paid by DCF	598,065	30,842
F Maximum value of C (A x D)	988,883	30,842
G Amount DCF overpaid	-	-
<u>Units Paid by Others</u>	<u>Received</u>	
PBC Community Match	\$ 398,011	
Community Justice Services	5,620	
Riviera Beach Drug Court	8,318	
Others	236,778	
Client fees	191,924	
Total dollar amount	840,651	
Unit rate	154.71	
Unit equivalent	5,434	

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 17: DEPARTMENT OF CORRECTIONS

The revenue per unit of monies received from the Department of Corrections contracts as of June 30, 2011, is detailed below. This does not include any supplemental revenue required to provide services. Examples include: fees received directly from the Department of Correction clients, agency match, contributions, etc.

Contract

District 9 - Residential	$\frac{\$ 628,283}{13,189 \text{ units}} = \$ 47.64 \text{ per diem}$
Palm Beach County	$\frac{\$ 24,088}{1,041 \text{ units}} = \$ 23.14 \text{ per session/per client}$
Martin County - Stuart	$\frac{\$ 12,001}{529 \text{ units}} = \$ 22.69 \text{ per session/per client}$

SUPPLEMENTARY INFORMATION

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA CSFA Number	Contract Grant Number	Expenditures (in thousands)
Federal Awards:			
U.S. Department of Health and Human Services			
Passed through State Government			
Florida Department of Children and Families			
Block Grant for Prevention and Treatment of Substance Abuse	93.959	ID093	\$ 1,634
Block Grant for Prevention and Treatment of Substance Abuse	93.959	ZDK58	263
Temporary Assistance for Needy Families	93.558	ID093	<u>1</u>
Total Florida Department of Children and Families			<u>1,898</u>
Total Expenditures of Federal Awards			<u>\$ 1,898</u>
State Financial Assistance:			
Direct Projects			
Department of Children and Families			
Alcohol, Drug Abuse and Mental Health	60.030	none	\$ 586
Alcohol, Drug Abuse and Mental Health	60.031	none	249
Alcohol, Drug Abuse and Mental Health	60.033	none	534
Alcohol, Drug Abuse and Mental Health	60.033	ZDK58	<u>5</u>
Total Department of Children and Families			<u>1,374</u>
Florida Department of Corrections	70.016	C2413	547
	70.016	DO1474373	<u>50</u>
Total Florida Department of Corrections			<u>597</u>
Total Expenditures of State Financial Assistance			<u>\$ 1,970</u>

See accompanying note to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE A: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the Federal and State grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 69I-5.003, *Florida Administrative Code*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 1) 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.
- 2) Pass-through entity identifying numbers are presented where available.

NOTE C: SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the Organization did not provide federal awards to any subrecipients.

See Auditor's Report

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY COST CENTER
FOR THE YEAR ENDED JUNE 30, 2011

	COST CENTER		
	Assessment	Case Management	Intervention Individual
Personnel expenses			
Salaries and wages	\$ 97,538	\$ 94,829	\$ 37,932
Fringe benefits	24,060	23,391	9,272
Total personnel expenses	<u>121,598</u>	<u>118,220</u>	<u>47,204</u>
Operating expenses			
Building occupancy	19,913	11,450	2,074
Professional fees	4,233	4,486	398
Travel	49	47	19
Equipment costs	510	510	255
Food services	-	-	-
Medical pharmacy	25,339	10,339	169
Insurance	4,943	2,843	515
Interest	-	-	-
Operating supplies and expenses	3,516	3,449	1,491
Other	472	459	185
Total operating expenses	<u>58,975</u>	<u>33,583</u>	<u>5,106</u>
Total personnel and operating expenses	<u>180,573</u>	<u>151,803</u>	<u>52,310</u>
Distributed costs:			
Administration	21,679	18,225	6,280
Total expenses	<u>202,252</u>	<u>170,028</u>	<u>58,590</u>
Capital expenditures	7,928	4,864	1,099
Total	<u>\$ 210,180</u>	<u>\$ 174,892</u>	<u>\$ 59,689</u>

(continued)

See Auditor's Report

COST CENTER

Intervention Group	Medical	Outpatient Individual	Outpatient Group	Prevention	Aftercare Individual
\$ 24,385	\$ 16,256	\$ 65,026	\$ 119,213	\$ 13,547	\$ 5,419
5,976	4,010	16,040	29,406	3,342	1,641
<u>30,361</u>	<u>20,266</u>	<u>81,066</u>	<u>148,619</u>	<u>16,889</u>	<u>7,060</u>
3,074	5,310	52,271	19,664	332	7,882
398	1,592	8,466	16,137	796	199
12	8	33	60	7	3
236	255	2,810	3,698	203	118
-	-	-	-	-	-
157	20,170	1,870	22,461	135	79
515	1,318	12,976	4,882	83	1,957
-	-	-	-	-	-
1,118	960	7,775	11,057	779	393
118	79	315	15,732	13,482	26
<u>5,628</u>	<u>29,692</u>	<u>86,516</u>	<u>93,691</u>	<u>15,817</u>	<u>10,657</u>
35,989	49,958	167,582	242,310	32,706	17,717
4,321	5,998	20,119	29,091	3,926	2,127
<u>40,310</u>	<u>55,956</u>	<u>187,701</u>	<u>271,401</u>	<u>36,632</u>	<u>19,844</u>
1,058	2,238	22,248	11,563	374	2,994
<u>\$ 41,368</u>	<u>\$ 58,194</u>	<u>\$ 209,949</u>	<u>\$ 282,964</u>	<u>\$ 37,006</u>	<u>\$ 22,838</u>

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY COST CENTER (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

	COST CENTER		
	Aftercare Group	Residential Adult 2	Residential Adolescent
Personnel expenses			
Salaries and wages	\$ 1,355	\$ 911,712	\$ 376,606
Fringe benefits	545	224,892	92,897
Total personnel expenses	<u>1,900</u>	<u>1,136,604</u>	<u>469,503</u>
Operating expenses			
Building occupancy	7,882	385,809	120,660
Professional fees	199	22,178	7,960
Travel	1	7,540	1,362
Equipment costs	140	20,402	4,534
Food services	-	257,274	42,609
Medical pharmacy	94	37,039	14,827
Insurance	1,957	95,777	28,713
Interest	-	107,199	17,754
Operating supplies and expenses	345	70,367	19,328
Other	7	4,965	109,822
Total operating expense	<u>10,625</u>	<u>1,008,550</u>	<u>367,569</u>
Total personnel and operating expenses	<u>12,525</u>	<u>2,145,154</u>	<u>837,072</u>
Distributed costs:			
Administration	1,504	257,539	100,495
Total expenses	<u>14,029</u>	<u>2,402,693</u>	<u>937,567</u>
Capital expenditures			
Total	3,016	164,426	47,603
	<u>\$ 17,045</u>	<u>\$ 2,567,119</u>	<u>\$ 985,170</u>

(continued)

See Auditor's Report

COST CENTER			SUPPORTING SERVICES			
Detox	HAC	Total for all Programs	Administration	Fund-Raising	Total Support Services	Total
\$ 785,725	\$ 302,098	\$ 2,851,641	\$ 334,610	\$ 10,838	\$ 345,448	\$ 3,197,089
193,815	73,820	703,107	179,803	2,636	182,439	885,546
<u>979,540</u>	<u>375,918</u>	<u>3,554,748</u>	<u>514,413</u>	<u>13,474</u>	<u>527,887</u>	<u>4,082,635</u>
114,249	41,651	792,221	36,748	728	37,476	829,697
15,232	2,499	84,773	49,460	-	49,460	134,233
2,460	959	12,560	213	-	213	12,773
9,446	4,109	47,226	-	-	-	47,226
75,072	30,840	405,795	-	-	-	405,795
43,916	11,093	187,688	833	-	833	188,521
28,362	10,340	195,181	10,793	-	10,793	205,974
31,281	12,850	169,084	-	-	-	169,084
40,214	8,109	168,901	13,275	3,672	16,947	185,848
3,803	782	150,247	17,667	31,256	48,923	199,170
<u>364,035</u>	<u>123,232</u>	<u>2,213,676</u>	<u>128,989</u>	<u>35,656</u>	<u>164,645</u>	<u>2,378,321</u>
<u>1,343,575</u>	<u>499,150</u>	<u>5,768,424</u>	<u>643,402</u>	<u>49,130</u>	<u>692,532</u>	<u>6,460,956</u>
<u>161,304</u>	<u>59,926</u>	<u>692,532</u>	<u>(643,402)</u>	<u>(49,130)</u>	<u>(692,532)</u>	<u>-</u>
<u>1,504,879</u>	<u>559,076</u>	<u>6,460,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,460,956</u>
<u>53,360</u>	<u>20,247</u>	<u>343,018</u>	<u>16,205</u>	<u>-</u>	<u>16,205</u>	<u>359,223</u>
<u>\$ 1,558,239</u>	<u>\$ 579,323</u>	<u>\$ 6,803,974</u>	<u>\$ 16,205</u>	<u>\$ -</u>	<u>\$ 16,205</u>	<u>\$ 6,820,179</u>

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY COST CENTER
DCF DISTRICT NO.15
FOR THE YEAR ENDED JUNE 30, 2011

	PROGRAM SERVICES			SUPPORT	TOTAL
	Outpatient Services	Residential Adult 2	Total Program Services	Administrative	
Personnel expenses					
Salaries and wages	\$ 69,618	\$ 91,171	\$ 160,789	\$ 6,432	\$ 167,221
Fringe benefits	15,202	22,489	37,691	1,507	39,198
Total personnel expenses	84,820	113,660	198,480	7,939	206,419
Operating expenses					
Building occupancy	14,594	27,007	41,601	1,664	43,265
Professional fees	3,537	1,552	5,089	204	5,293
Travel	22	528	550	22	572
Equipment costs	847	1,428	2,275	91	2,366
Food services	-	18,009	18,009	-	18,009
Medical pharmacy	6,175	2,593	8,768	351	9,119
Insurance	1,921	6,704	8,625	345	8,970
Operating supplies and expenses	2,930	4,755	7,685	307	7,992
Other	1,574	348	1,922	77	1,999
Total operating expenses	31,600	62,924	94,524	3,061	97,585
Total personnel and operating expenses	116,420	176,584	293,004	11,000	304,004
Distributed costs:					
Administration	4,371	6,629	11,000	(11,000)	-
Total expenses	120,791	183,213	304,004	-	304,004
Capital expenditures	3,524	11,510	15,034	601	15,635
Total	\$ 124,315	\$ 194,723	\$ 319,038	\$ 601	\$ 319,639

See Auditor's Report

REQUIRED REPORTS

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL
ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2011

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Comprehensive Alcoholism Rehabilitation Programs, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Comprehensive Alcoholism Rehabilitation Programs, Inc. were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major Federal award programs and State projects are reported in the INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133.
5. The auditor's report on compliance for the major Federal and State award programs for Comprehensive Alcoholism Rehabilitation Programs, Inc. expresses an unqualified opinion on all major Federal and State programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, are reported in this Schedule.
7. The programs tested as major programs include:
 - Federal Programs:
Prevention and Treatment of Substance Abuse, CFDA Number 93.959; and
 - State Programs:
State of Florida Department of Children and Families, CSFA Numbers 60.030, 60.033; and
Florida Department of Corrections, CSFA Number, 70.016.
8. The threshold for distinguishing Types A and B programs was \$300,000 for both Federal and State awards.

(continued)

COMPREHENSIVE ALCOHOLISM REHABILITATION PROGRAMS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (CONTINUED)
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL
ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2011

9. Comprehensive Alcoholism Rehabilitation Programs, Inc. was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENTS AUDIT

None to note.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None to note.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Such schedule is not necessary due to no prior audit findings.

FINDINGS REQUIRED TO BE REPORTED UNDER RULE 10.656(3)(e) OF THE STATE OF FLORIDA
AUDITOR GENERAL

No items related to State financial assistance required to be reported.

Viniar & Company

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S 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

Board of Directors
Comprehensive Alcoholism
Rehabilitation Programs, Inc.
West Palm Beach, Florida

We have audited the financial statements of Comprehensive Alcoholism Rehabilitation Programs, Inc., as of and for the year ended June 30, 2011, and have issued our report thereon dated September 20, 2011. 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 Comprehensive Alcoholism Rehabilitation Programs, 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 the Comprehensive Alcoholism Rehabilitation Programs, 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 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 Comprehensive Alcoholism Rehabilitation Programs, 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, Auditor General State of Florida, 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.

Viniar & Company
Viniar & Company
September 20, 2011

Viniar & Company

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE WITH OMB CIRCULAR A-133

Board of Directors
Comprehensive Alcoholism
Rehabilitation Programs, Inc.
West Palm Beach, Florida

Compliance

We have audited Comprehensive Alcoholism Rehabilitation Programs, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (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 its major federal programs and state financial assistance projects for the year ended June 30, 2011. The Comprehensive Alcoholism Rehabilitation Programs, Inc.'s major federal programs and state projects are identified in the summary of 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 Comprehensive Alcoholism Rehabilitation Programs, Inc.'s management. Our responsibility is to express an opinion on Comprehensive Alcoholism Rehabilitation Programs, 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, State of Florida Rules of the Auditor General. Those standards and 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 financial assistance project occurred. An audit includes examining, on a test basis, evidence about Comprehensive Alcoholism Rehabilitation Programs, 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 Comprehensive Alcoholism Rehabilitation Programs, Inc.'s compliance with those requirements.

In our opinion, Comprehensive Alcoholism Rehabilitation Programs, 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 financial assistance projects identified in the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2011.

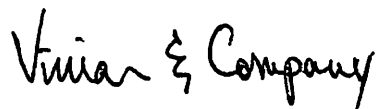
Internal Control Over Compliance

Management of Comprehensive Alcoholism Rehabilitation Programs, Inc. is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered Comprehensive Alcoholism Rehabilitation Programs, Inc.'s internal control over compliance with the 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, Rules of the Auditor General, 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 Comprehensive Alcoholism Rehabilitation Programs, 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 and was not designed to identify all deficiencies in internal control 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 and use of the Board of Directors, management and Federal and State awarding agencies and pass-through entities, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.



Viniar & Company
September 20, 2011