

Operation PAR, Inc.

FINANCIAL STATEMENTS

June 30, 2015 and 2014



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Operation PAR, Inc.
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June 30, 2015

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REPORT



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Operation PAR, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

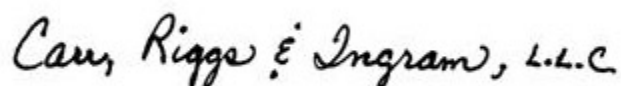
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, 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, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General; and the State of Florida Department of Children and Families are presented for purposes of additional analysis 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2015, on our consideration of Operation PAR, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Operation PAR, Inc.'s internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
October 7, 2015



FINANCIAL STATEMENTS

Operation PAR, Inc.
Statements of Financial Position

<i>June 30,</i>	2015	2014
Assets		
Current assets		
Cash and cash equivalents	\$ 2,898,490	\$ 2,233,391
Client funds	3,625	3,697
Receivables (see Note 3)		
Grants	1,458,093	1,362,132
Other, net	1,124,668	674,898
Prepaid expenses	283,869	279,542
Due from joint venture	39,422	32,855
Total current assets	5,808,167	4,586,515
Property, plant and equipment, net	17,170,658	17,757,845
Investment in joint venture	387,472	408,890
Other assets	1,830,253	1,595,231
Total assets	\$ 25,196,550	\$ 24,348,481

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

Operation PAR, Inc.
Statements of Financial Position (Continued)

<i>June 30,</i>	2015	2014
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 554,024	\$ 441,035
Client funds payable	3,625	3,697
Accrued expenses	1,769,803	1,684,966
Total current liabilities	2,327,452	2,129,698
Other accrued expenses	1,101,602	1,003,262
Total liabilities	3,429,054	3,132,960
Net assets		
Unrestricted		
Undesignated	17,566,508	16,756,472
Designated by board		
Insurance reserves	3,894,569	3,841,890
Capital improvements	295,019	367,159
Other contingent liabilities	11,400	250,000
Total net assets	21,767,496	21,215,521
Total liabilities and net assets	\$ 25,196,550	\$ 24,348,481

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

Operation PAR, Inc.
Statements of Activities

<i>For the years ended June 30,</i>	2015	2014
Unrestricted net assets		
Support and revenue		
Patient service revenue (net of contractual allowances and discounts)	\$ 14,854,012	\$ 13,370,463
Provision for bad debts	(12,450)	(55,713)
Net patient service revenue less provision for bad debts	14,841,562	13,314,750
Department of Children and Families	8,388,197	8,039,916
Federal and state	1,958,203	2,150,626
Local	1,405,015	1,383,027
Donations in-kind	347,287	287,516
Other support	323,208	244,030
Total unrestricted support and revenue	27,263,472	25,419,865
Operating expenses	26,787,740	25,147,554
Other revenues		
Federal grants for plant and equipment	63,722	12,417
Other grants for plant and equipment	32,054	10,670
Loss on joint venture	(21,418)	(15,084)
Gain on sale of assets	1,885	75
Total other revenues	76,243	8,078
Change in unrestricted net assets	551,975	280,389
Unrestricted net assets, Beginning of year	21,215,521	20,935,132
Unrestricted net assets, End of year	\$ 21,767,496	\$ 21,215,521

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

Operation PAR, Inc. Statements of Cash Flows

<i>For the years ended June 30,</i>	2015	2014
Operating Activities		
Changes in net assets	\$ 551,975	\$ 280,389
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	965,573	935,397
Gain on the sale of property and equipment	(1,885)	(75)
Loss on investment in joint venture	21,418	15,084
Provision for bad debt	(12,450)	(55,713)
Increase in cash surrender value of life insurance	(36,682)	(35,659)
Cash provided by (used in) due to changes in assets and liabilities:		
Client funds	-	183
Grants and other receivables	(533,281)	274,909
Prepaid expenses	(4,327)	188,900
Other assets	(198,340)	(32,462)
Accounts and client funds payable	112,989	(71,389)
Accrued expenses	183,177	123,078
Due from related party	(6,567)	(134,560)
Net cash provided by operating activities	1,041,600	1,488,082
Investing Activities		
Net additions of property, plant and equipment	(376,501)	(251,269)
Net cash used in investing activities	(376,501)	(251,269)
Financing Activities		
Payments on long-term debt	-	(670,000)
Net cash used in financing activities	-	(670,000)
Net Increase in Cash and Cash Equivalents	665,099	566,813
Cash and Cash Equivalents, Beginning of year	2,233,391	1,666,578
Cash and Cash Equivalents, End of year	\$ 2,898,490	\$ 2,233,391
Supplemental Disclosure:		
Interest paid	\$ -	\$ 779

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

Operation PAR, Inc.
Statements of Functional Expenses

For the years ended June 30,

2015

	Program Services	Fundraising	Administrative Services	Total
Salaries	\$ 12,549,350	\$ 26,535	\$ 2,353,225	\$ 14,929,110
Fringe benefits	3,063,180	7,555	514,740	3,585,475
Contractual and professional fees	1,300,405	-	171,350	1,471,755
Building & equipment rental	492,588	-	(36,916)	455,672
Insurance	322,835	289	97,016	420,140
Travel and transportation	186,931	-	66,539	253,470
Utilities & telephone	696,652	-	108,043	804,695
Repairs & maintenance	872,204	-	215,833	1,088,037
Printing and postage	44,001	-	11,300	55,301
Food and kitchen costs	391,258	-	6,683	397,941
Supplies	1,940,125	-	116,449	2,056,574
Depreciation	838,036	-	127,537	965,573
Other operating expenses	198,335	46,203	59,459	303,997
Total operating expenses	22,895,900	80,582	3,811,258	26,787,740
Allocation of administrative expenses	3,797,840	13,418	(3,811,258)	-
Grand total	\$ 26,693,740	\$ 94,000	\$ -	\$ 26,787,740

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

Operation PAR, Inc.
Statements of Functional Expenses (Continued)

For the years ended June 30,

2014

	Program Services	Fundraising	Administrative Services	Total
Salaries	\$ 11,875,425	\$ 26,016	\$ 2,214,442	\$ 14,115,883
Fringe benefits	2,754,915	7,204	444,447	3,206,566
Contractual and professional fees	1,420,759	-	171,762	1,592,521
Building & equipment rental	474,099	-	(28,921)	445,178
Insurance	321,257	284	73,994	395,535
Travel and transportation	165,573	-	73,701	239,274
Utilities & telephone	648,003	-	96,819	744,822
Repairs & maintenance	834,058	-	218,651	1,052,709
Printing and postage	36,004	-	10,780	46,784
Food and kitchen costs	376,839	-	6,639	383,478
Supplies	1,613,851	-	101,826	1,715,677
Depreciation	783,723	-	129,772	913,495
Amortization	18,218	-	3,684	21,902
Interest expense	593	-	186	779
Other operating expenses	179,002	29,156	64,793	272,951
Total operating expenses	21,502,319	62,660	3,582,575	25,147,554
Allocation of administrative expenses	3,572,503	10,072	(3,582,575)	-
Grand total	\$ 25,074,822	\$ 72,732	\$ -	\$ 25,147,554

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

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 46 programs providing substance abuse education, prevention, intervention, treatment, and research in 16 locations primarily throughout Pinellas, Pasco, Sarasota, Hernando, 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.

Basis of Accounting

The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) establishes the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. On the effective date, the ASC superseded all then-existing standards. The FASB updates the ASC through the use of FASB *Accounting Standards Updates* (“ASUs”).

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP.

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.

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

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.

Depreciation and Amortization

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives ranging from 3 to 40 years, 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

Deferred compensation plan assets of \$1,101,602 and \$903,262 are included in other assets as of June 30, 2015 and 2014, respectively. Deposits and other miscellaneous assets are included in other assets at \$85,567 and \$85,567 in 2015 and 2014, 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 \$643,084 and \$606,402 as of June 30, 2015 and 2014, 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.

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

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 at June 30, 2015 and 2014 approximate associated carrying values.

Income Taxes

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

The Organization utilizes the provisions of ASC 740, "Accounting for Uncertainty in Income Taxes." As a result, 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 is not included as there are no unrecognized tax benefits.

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.

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

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. The amount of disclosed charity care is valued based on the total of all related direct and indirect costs. Costs associated with providing care to charity patients includes the related charges for those patients who are financially unable to pay and qualify under the Organization's charity care policy and that do not otherwise qualify for reimbursement from a governmental program.

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.

Cash and Cash Equivalents

The Organization considers all cash on hand and amounts on deposit with financial institutions that have original maturities of three months or less to be cash and cash equivalents.

Client Funds

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

Subsequent Events

The Organization applies the provision of ASC 855, *Subsequent Events*, which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before the financial statements are issued. See Note 18, *Subsequent Events*.

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.

Operation PAR, Inc.
Notes to Financial Statements

NOTE 3: RECEIVABLES

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

<i>June 30,</i>	2015	2014
Grants receivable	\$ 1,458,093	\$ 1,362,132

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

Other receivables:

<i>June 30,</i>	2015	2014
Third-party payors, gross	\$ 1,399,986	\$ 762,680
Client fees (private pay)	1,038,280	1,255,045
Other receivables	66,093	28,128
Allowance for private pay	(958,120)	(1,179,429)
Allowance for third-party payors	(421,571)	(191,526)
Other receivables, net	\$ 1,124,668	\$ 674,898

Operation PAR, Inc.
Notes to Financial Statements

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are summarized as follows:

<i>June 30,</i>	2015	2014
Land	\$ 2,274,422	\$ 2,274,422
Building and improvements	20,742,083	17,806,414
Leasehold improvements	3,714,109	3,570,514
Equipment	5,174,599	5,186,149
Land improvements	316,651	310,862
Total property, plant and equipment	32,221,864	29,148,361
Accumulated depreciation	(15,051,206)	(14,347,385)
Subtotal property, plant and equipment, net	17,170,658	14,800,976
Construction in process	-	2,956,869
Total property, plant and equipment, net	\$ 17,170,658	\$ 17,757,845

NOTE 5: SUPPORT RECEIVED FROM GOVERNMENTAL AGENCIES THAT REQUIRED MATCH

The Organization has contracts with various agencies that require a local match. The Organization provided local matching funds in excess of \$637,850 and \$722,859 in 2015 and 2014, respectively.

NOTE 6: LINE OF CREDIT

The Organization has a line of credit with bank for \$500,000, of which \$-0- has been used at June 30, 2015 and 2014. 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 security interest in property including accounts receivable, inventory, furniture and equipment, vehicles, and any balance or share of any deposit, trust or agency account of the Organization.

NOTE 7: DONATED SERVICES

The Organization received donated services from the Pinellas County School Board for teaching services utilized at various programs with school-age children. The donated services were valued by the Pinellas County School Board at approximately \$347,000 and \$288,000 for the years ended June 30, 2015 and 2014, respectively.

NOTE 8: OPERATING LEASES

The Organization conducts a portion of its operations in leased facilities and uses various leased assets in its operations. These leases are non-cancelable operating leases, which expire at various dates through fiscal year 2024.

The minimum rental commitments under operating leases are as follows:

Year ending June 30,		
2016	\$	384,498
2017		400,539
2018		425,993
2019		390,352
2020		383,979

The amount of rental expenses paid on these leases during fiscal year 2015 and 2014 was approximately \$382,000 and \$339,000, respectively.

NOTE 9: PATIENT SERVICE REVENUE

The Organization recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. The Organization provides discounted services for clients unable to pay established fees based on the sliding fee scale. The sliding fee scale is based on the federal poverty guidelines for family annual income and family size. The federal poverty guidelines are updated annually. The fees based on the sliding fee scale can be further discounted by documented fee appeals. All clients are screened for financial eligibility at the point of entry into the system. Based on the information provided and verified, they may be eligible for discounted services. For uninsured patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates, if negotiated or provided by policy. On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts, but before the provision of bad debts, recognized in the period from these major payor sources, is as follows:

Operation PAR, Inc.
Notes to Financial Statements

NOTE 9: PATIENT SERVICE REVENUE (Continued)

<i>For the years ended June 30,</i>	2015		2014	
Private Pay	\$	7,241,261	\$	6,807,313
Medicaid		29,416,688		25,602,956
Third-Party Insurance		745,980		350,090
Other		930		930
Contractual adjustment		(22,550,847)		(19,390,826)
Total patient service revenue, net	\$	14,854,012	\$	13,370,463

NOTE 10: COMMITMENTS

Accrued Expenses

The Organization is insured for employee health benefits up to a total aggregate of approximately \$1,924,000 for the calendar year 2015 with individual stop loss at \$75,000. As of June 30, 2015 and 2014, the Organization has recorded a liability for claims incurred but not reported and specific large claims of approximately \$431,000 and \$557,000, respectively.

NOTE 11: 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 \$159,612 and \$155,954 for the years ended June 30, 2015 and 2014, respectively. These contributions are net of forfeitures available in the Plan to be used to offset the employer contribution. The forfeitures used in 2015 and 2014 were \$3,274 and \$2,220, respectively.

The Organization also administers nonqualified deferred compensation plans for the benefit of senior executives. One plan allowed for participant contributions, while the other plan allows 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 plan was \$90,000 and \$100,000 for the years ended June 30, 2015 and 2014, respectively. Total cash contributions to the Plans for the years ended June 30, 2015 and 2014, were \$190,000 and \$155,737, respectively. The total Plan assets included with other assets as of June 30, 2015 and 2014 were \$1,101,602 and \$903,262, respectively.

In accordance with the Plan provisions, plan assets accumulated for the benefit of one senior executive who vested during 2011 and two more senior executives who vested in 2012. The vested plan assets will remain under the control of the Organization until the executives retire and cease to be employees.

NOTE 11: EMPLOYEE RETIREMENT PLANS (Continued)

During 2014, the nonqualified deferred compensation plan which allowed for employee contributions was dissolved. All related plan assets were distributed to the vested employees. The nonqualified deferred compensation plan which allows for employer contributions remained intact as of June 30, 2015.

NOTE 12: 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 31% of total unrestricted support and revenue. A significant decline in federal, state, or local agency funding could adversely affect the operating results of the Organization.

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 13: 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 14: CHARITY CARE

The amount of charges foregone for services, supplies and costs furnished under the Organization's charity care policy aggregated approximately \$5,600,000 and \$5,200,000 in 2015 and 2014, respectively. The Organization provided charity care services through 6 counties during 2015 and 2014, respectively, in the approximate values of:

NOTE 14: CHARITY CARE (Continued)

County	2015	2014
Pinellas	\$ 1,090,909	\$ 1,001,665
Lee	1,695,105	1,449,941
Manatee	976,224	1,038,763
Pasco	755,245	760,523
Sarasota	593,007	624,495
Hernando	489,510	324,613
Total	\$ 5,600,000	\$ 5,200,000

NOTE 15: FAIR VALUE MEASUREMENTS

The Organization applies ASC 820, *Fair Value Measurements*, which establishes a framework for measuring fair value and expands disclosures about fair value measurements. 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 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 Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

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

If the asset or liability 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.

Operation PAR, Inc.
Notes to Financial Statements

NOTE 15: FAIR VALUE MEASUREMENTS (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of the 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.

The following tables present the fair value of the investments recorded at fair value on a recurring basis, segregated amount the appropriate levels within the fair value hierarchy for the years ended June 30, 2015 and 2014, respectively:

Description	Quoted Prices in Active Markets for Identical Assets Level 1		Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
June 30, 2015				
Other assets:				
Money markets	\$ 94,686	\$ 94,686	\$ -	\$ -
Mutual funds - large growth	1,006,915	1,006,915	-	-
Total other assets	1,101,601	1,101,601	-	-
Cash surrender value of				
life insurance policy	643,084	-	-	643,084
Total assets at fair value	\$ 1,744,685	\$ 1,101,601	\$ -	\$ 643,084

Operation PAR, Inc.
Notes to Financial Statements

NOTE 15: FAIR VALUE MEASUREMENTS (Continued)

Description	Quoted Prices in Active Markets for Identical Assets Level 1		Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
June 30, 2014				
Other assets:				
Money markets	\$ 451,657	\$ 451,657	\$ -	\$ -
Mutual funds - large growth	451,605	451,605	-	-
Total other assets	903,262	903,262	-	-
 Cash surrender value of life insurance policy	 606,402	 -	 -	 606,402
Total assets at fair value	\$ 1,509,664	\$ 903,262	\$ -	\$ 606,402

Following is a description of the valuation methodologies used for these items, as well as the general classification of such items pursuant to the fair value hierarchy of ASC 820:

Money markets: Valued at the quoted net asset value (NAV) of shares held by the Organization at year-end. There are no unfunded commitments within the money markets and in addition there are no significant restrictions on the organizations ability to sell investments.

Mutual funds: Valued at the quoted net asset value (NAV) of shares held by the Organization at year-end. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

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

A summary of changes in the fair value of level 3 assets is a follows:

Cash Current Value of Life Insurance Policy	2015		2014
Beginning balance	\$ 606,402	\$	570,743
Change in cash surrender value	36,682		35,659
Ending balance	\$ 643,084	\$	606,402

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

NOTE 15: FAIR VALUE MEASUREMENTS (Continued)

The following table represents the Organization’s level 3 financial instruments, the valuation technique used to measure the fair value of those financial instruments, and the significant unobservable inputs and ranges of the values for those inputs:

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Range of Significant Input Values	Weighted Average
Cash surrender value of life insurance policy	\$ 643,084	Discounted cash flow	Current crediting rate	4%	N

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended June 30, 2014, the Organization reclassified the money market fund because it was able to gather quoted prices of identical assets for pricing the fund. For the year ended June 30, 2015, there were no significant transfers in or out of levels 1, 2, or 3.

NOTE 16: INVESTMENT IN JOINT VENTURE

During the June 30, 2010 fiscal year, Operation PAR, Inc. and Boley Centers formed an equally owned Florida corporation named Solutions for Administrative Services, Inc. (SAS). SAS has been designated as a for-profit entity by the Internal Revenue Service.

NOTE 16: INVESTMENT IN JOINT VENTURE (Continued)

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.

Amounts due from SAS as of June 30, 2015 and 2014 were \$39,422 and \$32,855, respectively. PAR's share of the operating loss of SAS for the years ended June 30, 2015 and 2014 was \$21,418 and \$15,084 respectively, and was accounted for under the equity method of accounting. Included in the operating loss of SAS is approximately \$170,000 and \$189,000 of shared computer software and administrative operating costs paid by Operation PAR, Inc. to SAS for the years ended June 30, 2015 and 2014, respectively.

NOTE 17: SUBSEQUENT EVENTS

The ownership structure of Operation PAR, Inc. changed effective July 1, 2015. Boley-PAR, Inc., a Florida not-for-profit corporation with 501(c)(3) tax exempt status, is now its sole member (i.e. parent company). Boley-PAR, Inc. is also the new parent company of Boley Centers, Inc. Both organizations amended their corporate governance documents to grant Boley-PAR, Inc. certain reserved powers over their respective organizations. No funds changed hands in connection with this transaction and all of the assets and liabilities of each organization will continue to be owned by the existing owners. This new ownership structure will allow the respective organizations to retain their separate corporate existence while sharing some administrative services to be more cost effective and efficient.

The Board of Directors of Boley-PAR, Inc. is comprised of (a) four (4) individuals elected to serve by the Board of Directors of Boley Centers, Inc., who are at the time of their election either serving on the Board of Directors or as officers of Boley Centers, Inc., (b) four (4) individuals elected to serve by the Board of Directors of Operation PAR, Inc., who are at the time of their election either serving on the Board of Directors or as officers of Operation PAR, Inc., and (c) the President of Boley-PAR, Inc. who serves on such corporation's Board of Directors in an ex-officio capacity without vote. At all times the Board of Directors shall be comprised of an equal number of Directors elected to serve as Directors by the Boards of Directors of Boley Centers, Inc. and Operation PAR, Inc. respectively, in addition to the President of Boley-PAR, Inc. A majority (greater than 50%) of the number of voting Directors constitute a quorum for business transactions.

NOTE 17: SUBSEQUENT EVENTS (Continued)

The composition of the Boards of Directors of Boley Centers, Inc. and Operation PAR, Inc., respectively, will not change as a direct result of the new ownership structure. Similarly, the officers of Boley Centers, Inc. and Operation PAR, Inc., respectively, will not change as a direct result of the new ownership structure.

Management of the Organization evaluated all events or transactions that occurred after June 30, 2015 through October 7, 2015, the date the financial statements were available to be issued.

Operation PAR, Inc.
Schedule of Expenditures of Federal and State Awards and
Other Financial Assistance

For the year ended June 30,

2015

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE CSFA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES	LOCAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through State of Florida Dept. of Education Florida Dept. of Agriculture/USDA Commodities	10.569			\$ 5,767	\$ -	\$ -
TOTAL U.S. DEPT OF AGRICULTURE				\$ 5,767	\$ -	\$ -
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Direct Programs:						
Drug-Free Communities Program - Live Free Prevention Coalition	93.276		2 H79 SP018421-06	\$ 138,628	\$ -	\$ -
Family Achievement in Recovery (FAIR) at PAR Village	93.243		* 1 H79 TI025511-01	320,887		
Technology Assisted Care in Pasco County (TCE-TAC)	93.243		* 1H79TI024730-01 * 1H79TI024730-02	70,088 207,182		
Passed through State of Florida Dept Children/Families:						
Access to Recovery:						
Substance Abuse Services	93.275		PIC03	9,227		
Florida Partnership for Success (FPS)	93.959		* LD972	278,406		
Central Florida Behavioral Health Network, Inc. Alcohol, Drug Abuse and Mental Health Services	93.959 93.558		* QA034 QA034	7,354,651 379,478		
Live Free Prevention Coalition	93.243		* CA071	57,910		
Carryforward Contract	93.959		* CF034	308,507		
LAUNCH Grant	93.959		* LA114	9,900		
Eckerd Community Alternatives Subcontract with Gulf Coast Jewish Family and Community Services, Inc.	93.556			85,801		
Eckerd Community Alternatives Subcontract with Directions for Living, Inc.	93.556			30,724		
Direct Programs:						
Florida Department of Juvenile Justice: Juvenile Assessment Center		80.020	10136		398,430	
Pasco Adolescent Intervention Center		80.022	* X1703		616,663	
Passed Through Other Organizations:						
Early Learning Center (Title XX)	93.666		N/A	122,137		
University of Miami - Clinical Trials Network	93.230		CTN-028 ADHD	24,054		
TOTAL U.S. DEPT OF HEALTH & HUMAN SERVICES				\$ 9,397,580	\$ 1,015,093	\$ -
U.S. DEPARTMENT OF JUSTICE						
Passed Through Other Organizations:						
Pinellas Ex-Offender Re-Entry Coalition, Inc.	16.812			1,564		
TOTAL U.S. DEPT OF JUSTICE				\$ 1,564	\$ -	\$ -
TOTAL FEDERAL AND STATE ASSISTANCE				\$ 9,404,911	\$ 1,015,093	\$ -

Operation PAR, Inc.
Schedule of Expenditures of Federal and State Awards and
Other Financial Assistance (Continued)

For the year ended June 30,

2015

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE CSFA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES	STATE EXPENDITURES	LOCAL EXPENDITURES
LOCAL GRANTS						
Pinellas County Sheriff's Office: Expanded IMPACT	N/A		N/A	\$ -	\$ -	\$ 26,276
Recovery Matters	N/A		N/A	-		152,581
Pinellas Jail Diversion Program	N/A		N/A	-		3,300
Pasco Jail Diversion Program	N/A		N/A	-		44,400
Pinellas County Health & Human Services Department: Detox	N/A		N/A	-		195,000
Juvenile Welfare Board-COSA	N/A		N/A	-		392,526
Juvenile Welfare Board-COSA North	N/A		N/A	-		195,228
Juvenile Welfare Board-Motivating New Moms	N/A		N/A	-		141,700
Pinellas County School Board (Alpha Counselor)	N/A		N/A	-		28,000
Community Action Stops Abuse - Peacemakers	N/A		N/A	-		8,532
United Way of Pinellas County	N/A		N/A	-		81,844
Pinellas County Board of County Commissioners: Homeless Street Outreach Program	N/A		P.O. #404604	-		62,090
Manatee County In-Jail Methadone Services	N/A		N/A	-		7,439
Charlotte County In-Jail Methadone Services	N/A		N/A	-		834
Pasco County In-Jail Methadone Services	N/A		N/A	-		24,140
Lee County In-Jail Methadone Services	N/A		N/A	-		3,960
Hernando County In-Jail Methadone Services	N/A		N/A	-		1,088
Keep Kids Drug Free Foundation, Inc. Regional Prevention Center	N/A		N/A	-		19,000
City of St. Petersburg - Homeless Outreach	N/A		N/A	-		38,240
Behavioral Health Fee Agreement -Speed Pass	N/A		N/A	-		10,891
TOTAL LOCAL ASSISTANCE				\$ -	\$ -	\$ 1,437,069
TOTAL ASSISTANCE				\$ 9,404,911	\$ 1,015,093	\$ 1,437,069
TOTAL FEDERAL, STATE AND LOCAL ASSISTANCE				\$ 11,857,073		

* Major Program

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 and
State Awards and Other Financial Assistance***

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, 2015. 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.

**INDEPENDENT AUDITORS' 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, in accordance with the 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, the financial statements of Operation PAR, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 7, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Operation PAR, Inc.'s internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
October 7, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133
Chapter 10.650, RULES OF THE AUDITOR GENERAL**

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

Report on Compliance for Each Major Federal Program

We have audited Operation PAR, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Operation PAR, Inc.'s major federal programs for the year ended June 30, 2015. Operation PAR, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Operation PAR, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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 Chapter; and 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 occurred. An audit includes examining, on a test basis, evidence about Operation PAR, Inc.'s compliance with those requirements and performing other such procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Operation PAR, Inc.'s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Operation PAR, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and State Project for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Operation PAR, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we consider Operation PAR, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 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 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 will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Clearwater, Florida
October 7, 2015

Operation PAR, Inc.
Schedule of Findings and Questioned Costs

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.
5. The auditors’ report on compliance for the major federal award programs for Operation PAR, Inc. expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Operation PAR, Inc. to be reported in Part C of this Schedule.
7. The programs tested as major programs included:

CFDA #		CONTRACT #
<u>FEDERAL PROGRAMS</u>		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Programs:		
93.243	Family Achievement in Recovery (FAIR) at PAR Village	1 H79 TI025511-01
93.243	Technology Assisted Care in Pasco County (TCE-TAC)	1H79TI024730-01 1H79TI024730-02
Passed through State of Florida Department Children/Families:		
93.959	Florida Partnership for Success (FPS)	LD972
93.959	Central Florida Behavioral Health Network, Inc.	QA034
93.959	Carryforward Contract	CF034
93.959	LAUNCH Grant	LA114
93.243	Live Free Prevention Coalition	CA071
CSFA #		
<u>STATE PROJECTS</u>		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Programs through Florida Department of Juvenile Justice:		
80.022	Pasco Adolescent Intervention Center	X1703

Operation PAR, Inc.
Schedule of Findings and Questioned Costs

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 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, 2015 or June 30, 2014, because there were no items that affect the major federal award programs.

Part E – Prior Year Findings and Questioned Costs

None.

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

AGENCY: OPERATION PAR, INC.

DATE PREPARED: 10/14/2015

CONTRACT #: VARIOUS (SEE BELOW)

BUDGET PERIOD: FROM 07/01/14 TO 06/30/15

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES A	STATE-DESIGNATED SAMH COST CENTERS						
	STATE SAMH-FUNDED COST CENTERS						
	Detox B _{1-a}	Outpatient B _{1-b}	Assessment B _{1-d}	Case Management B _{1-e}	Intervention B _{1-f}	Residential Level 2 B _{1-h}	Residential Level 3 B _{1-i}
IA. STATE SAMH FUNDING							
(1) CFBHN Subcontract #QA034	\$1,027,245	\$116,803	\$39,095	\$94,782	\$404,036	\$2,980,685	\$648,583
(2) CFBHN Subcontract #CF034	\$223,651	\$0	\$0	\$0	\$0	\$84,856	\$0
(3) CFBHN Subcontract #CA071	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(4) CFBHN Subcontract #BA088 Speed Pass	\$0	\$0	\$86	\$0	\$214	\$9,746	\$0
(5) DCF Access to Recovery (ATR)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL STATE SAMH FUNDING=	\$1,250,896	\$116,803	\$39,181	\$94,782	\$404,250	\$3,075,287	\$648,583
IB. OTHER GOVT. FUNDING							
(1) Other State Agency Funding	\$0	\$0	\$0	\$0	\$0	\$82,801	\$21,109
(2) Medicaid Suncoast/C-10	\$0	\$17,179	-\$115	\$0	\$0	\$0	\$0
(2a) Medicaid Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(3) Local Government	\$195,000	\$0	\$0	\$0	\$0	\$0	\$0
(4) Federal Grants and Contracts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(5) In-kind from local govt. only	\$0	\$0	\$0	\$0	\$0	\$130,891	\$0
TOTAL OTHER GOVT. FUNDING=	\$195,000	\$17,179	-\$115	\$0	\$0	\$213,692	\$21,109
IC. ALL OTHER REVENUES							
(1) 1st & 2nd Party Payments	\$32,694	\$41,085	\$18,586	\$0	\$1,536	\$61,945	\$0
(2) 3rd Party Payments (except Medicare)	\$34,905	\$9,689	\$250	\$0	\$0	\$185,979	\$1,065
(3) Medicare	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(4) Contributions and Donations	\$0	\$0	\$0	\$0	\$40,922	\$1,100	\$40,922
(5) Other	\$0	\$0	\$0	\$0	\$0	\$2,089	\$494
(6) In-kind	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL OTHER REVENUES=	\$67,599	\$50,774	\$18,836	\$0	\$42,458	\$251,113	\$42,481
TOTAL FUNDING=	\$1,513,495	\$184,756	\$57,902	\$94,782	\$446,708	\$3,540,092	\$712,173

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

AGENCY: OPERATION PAR, INC.

DATE PREPARED: 10/14/2015

CONTRACT #: VARIOUS (SEE BELOW)

BUDGET PERIOD: FROM 07/01/14 TO 06/30/15

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES A	STATE-DESIGNATED SAMH COST CENTERS						
	STATE SAMH-FUNDED COST CENTERS						
	Methadone Maintenance B _{1-j}	Outreach B _{1-k}	Prevention B _{1-l}	Information & Referral B _{1-m}	Incidental Expenses B _{1-n}	Outpatient Detox B _{1-o}	Room & Board w/Supv Level III B _{1-p}
IA. STATE SAMH FUNDING							
(1) CFBHN Subcontract #QA034	\$702,555	\$62,976	\$238,317	\$155,915	\$31,677	\$198,240	\$223,356
(2) CFBHN Subcontract #CF034	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(3) CFBHN Subcontract #CA071	\$0	\$0	\$55,019	\$0	\$0	\$0	\$0
(4) CFBHN Subcontract #BA088 Speed Pass	\$845	\$0	\$0	\$0	\$0	\$0	\$0
(5) DCF Access to Recovery (ATR)	\$9,227	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL STATE SAMH FUNDING=	\$712,627	\$62,976	\$293,336	\$155,915	\$31,677	\$198,240	\$223,356
IB. OTHER GOVT. FUNDING							
(1) Other State Agency Funding	\$0	\$0	\$278,406	\$0	\$0	\$0	\$0
(2) Medicaid Suncoast/C-10	\$6,552,396	\$0	\$0	\$0	\$0	\$0	\$0
(2a) Medicaid Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(3) Local Government	\$36,373	\$0	\$0	\$0	\$0	\$0	\$0
(4) Federal Grants and Contracts	\$0	\$0	\$138,628	\$0	\$0	\$0	\$0
(5) In-kind from local govt. only	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER GOVT. FUNDING=	\$6,588,769	\$0	\$417,034	\$0	\$0	\$0	\$0
IC. ALL OTHER REVENUES							
(1) 1st & 2nd Party Payments	\$6,386,168	\$0	\$0	\$0	\$0	-\$1,350	\$0
(2) 3rd Party Payments (except Medicare)	\$6,821	\$0	\$0	\$0	\$0	-\$595	\$0
(3) Medicare	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(4) Contributions and Donations	\$2,000	\$0	\$300	\$0	\$0	\$0	\$0
(5) Other	\$646	\$0	\$19,000	\$25,281	\$0	\$0	\$0
(6) In-kind	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL OTHER REVENUES=	\$6,395,635	\$0	\$19,300	\$25,281	\$0	-\$1,945	\$0
TOTAL FUNDING=	\$13,697,031	\$62,976	\$729,670	\$181,196	\$31,677	\$196,295	\$223,356

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

AGENCY: OPERATION PAR, INC.

DATE PREPARED: 10/14/2015

CONTRACT #: VARIOUS (SEE BELOW)

BUDGET PERIOD: FROM 07/01/14 TO 6/30/15

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES A	STATE-DESIGNATED SAMH COST CENTERS						Total for State SAMH-Funded Cost Centers (C ₁ +...+C ₆) D	Total for Non- State-Funded SAMH Cost Centers E
	STATE SAMH-FUNDED COST CENTERS							
	Recovery Support B _{1-q}	TASC B _{1-r}	Prevention/ Intervention-Day B _{1-s}	Daycare B _{1-t}	Behavioral Health Fee B _{1-u}			
IA. STATE SAMH FUNDING								
(1) CFBHN Subcontract #QA034	\$ 12,749	\$336,956	\$434,000	\$17,302	\$8,876	\$7,734,148	\$0	
(2) CFBHN Subcontract #CF034	\$0	\$0	\$0	\$0	\$0	\$308,507	\$0	
(3) CFBHN Subcontract #CA071	\$0	\$0	\$0	\$0	\$2,891	\$57,910	\$0	
(4) CFBHN Subcontract #BA088 Speed Pass	\$0	\$0	\$0	\$0	\$0	\$10,891	\$0	
(5) DCF Access to Recovery (ATR)	\$0	\$0	\$0	\$0	\$0	\$9,227	\$0	
TOTAL STATE SAMH FUNDING=	\$ 12,749	\$336,956	\$434,000	\$17,302	\$11,767	\$8,120,683	\$0	
IB. OTHER GOVT. FUNDING								
(1) Other State Agency Funding	\$0	\$398,430	\$0	\$0	\$0	\$780,746	\$733,068	
(2) Medicaid Suncoast/C-10	\$0	\$0	\$0	\$0	\$0	\$6,569,460	\$47,871	
(2a) Medicaid Other	\$0	\$0	\$0	\$0	\$0	\$0	\$699,183	
(3) Local Government	\$0	\$0	\$28,000	\$524,195	\$0	\$783,568	\$666,468	
(4) Federal Grants and Contracts	\$0	\$0	\$0	\$0	\$0	\$138,628	\$598,157	
(5) In-kind from local govt. only	\$0	\$0	\$216,396	\$0	\$0	\$347,287	\$0	
TOTAL OTHER GOVT. FUNDING=	\$0	\$398,430	\$244,396	\$524,195	\$0	\$8,619,689	\$2,744,747	
IC. ALL OTHER REVENUES								
(1) 1st & 2nd Party Payments	\$0	\$0	\$0	\$27,538	\$0	\$6,568,202	\$607,855	
(2) 3rd Party Payments (except Medicare)	\$0	\$0	\$0	\$0	\$0	\$238,114	\$57,824	
(3) Medicare	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(4) Contributions and Donations	\$0	\$0	\$0	\$402	\$0	\$85,646	\$0	
(5) Other	\$0	\$0	\$0	\$7,458	\$0	\$54,968	\$2,192	
(6) In-kind	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL ALL OTHER REVENUES=	\$0	\$0	\$0	\$35,398	\$0	\$6,946,930	\$667,871	
TOTAL FUNDING=	\$ 12,749	\$735,386	\$678,396	\$576,895	\$11,767	\$23,687,302	\$3,412,618	

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

AGENCY: OPERATION PAR, INC.

DATE PREPARED: 10/14/2015

CONTRACT #: VARIOUS (SEE BELOW)

BUDGET PERIOD: FROM 07/01/14 TO 06/30/15

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES A	Tot. for All State- Designated SAMH Cost Centers (D+E) F	Non-SAMH Cost Center G	Total Funding (F+G) H
IA. STATE SAMH FUNDING			
(1) CFBHN Subcontract #QA034	\$7,734,148	\$0	\$7,734,148
(2) CFBHN Subcontract #CF034	\$308,507	\$0	\$308,507
(3) CFBHN Subcontract #CA071	\$57,910	\$0	\$57,910
(4) CFBHN Subcontract #BA088 Speed Pass	\$10,891	\$0	\$10,891
(5) DCF Access to Recovery (ATR)	\$9,227	\$0	\$9,227
TOTAL STATE SAMH FUNDING=	\$8,120,683	\$0	\$8,120,683
IB. OTHER GOVT. FUNDING			
(1) Other State Agency Funding	\$153,814	\$9,900	\$1523,714
(2) Medicaid Suncoast/C-10	\$6,617,331	\$0	\$6,617,331
(2a) Medicaid Other	\$699,183	\$0	\$699,183
(3) Local Government	\$1,450,036	\$0	\$1,450,036
(4) Federal Grants and Contracts	\$736,785	\$24,054	\$760,839
(5) In-kind from local govt. only	\$347,287	\$0	\$347,287
TOTAL OTHER GOVT. FUNDING=	\$11,364,436	\$33,954	\$11,398,390
IC. ALL OTHER REVENUES			
(1) 1st & 2nd Party Payments	\$7,176,057	\$9,917	\$7,185,974
(2) 3rd Party Payments (except Medicare)	\$295,938	\$43,137	\$339,075
(3) Medicare	\$0	\$0	\$0
(4) Contributions and Donations	\$85,646	\$93,732	\$179,378
(5) Other	\$57,160	\$59,055	\$116,215
(6) In-kind	\$0	\$0	\$0
TOTAL ALL OTHER REVENUES=	\$7,614,801	\$205,841	\$7,820,642
TOTAL FUNDING=	\$27,099,920	\$239,795	\$27,339,715

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

AGENCY: OPERATION PAR, INC.

DATE PREPARED: 10/14/2015

CONTRACT #: VARIOUS

BUDGET PERIOD: FROM 07/01/14 TO 06/30/15

PART II: ACTUAL EXPENSES

EXPENSE CATEGORIES A	STATE-DESIGNATED SAMH COST CENTERS								
	STATE SAMH-FUNDED COST CENTERS								
	Detox B _{1-a}	Outpatient B _{1-b}	Assessment B _{1-d}	Case Management B _{1-e}	Intervention B _{1-f}	Methadone Maintenance B _{1-i}	Outreach B _{1-j}	Prevention B _{1-k}	Information & Referral B _{1-l}
IIA. PERSONNEL EXPENSES									
(1) Salaries	\$ 759,797	\$ 136,753	\$ 110,594	\$ 68,161	\$ 281,048	\$ 5,038,508	\$ 72,183	\$ 311,544	\$ 67,737
(2) Fringe Benefits	\$ 55,836	\$ 37,356	\$ 19,466	\$ 14,062	\$ 72,473	\$ 1,162,224	\$ 19,293	\$ 93,648	\$ 42,999
TOTAL PERSONNEL EXPENSES =	\$ 915,633	\$ 174,110	\$ 130,061	\$ 82,224	\$ 353,521	\$ 6,200,732	\$ 91,476	\$ 405,192	\$ 210,736
IIB. OTHER EXPENSES									
(1) Building Occupancy	\$ 57,529	\$ 40,819	\$ 16,669	\$ 14,416	\$ 41,003	\$ 801,325	\$ 110,116	\$ 19,672	\$ 23,874
(2) Professional Services	\$ 117,248	\$ 11,340	\$ 8,957	\$ 520	\$ 2,915	\$ 389,483	\$ 625	\$ 136,228	-\$ 76,062
(3) Travel	\$ 360	\$ 1,017	\$ 376	\$ 3,496	\$ 18,029	\$ 69,642	\$ 12,113	\$ 16,668	\$ 236
(4) Equipment	\$ 8,393	\$ 8,274	\$ 9,594	\$ 1,602	\$ 4,776	\$ 194,376	\$ 1,146	\$ 5,430	\$ 5,407
(5) Food Services	\$ 136,650	\$ 5,122	\$ 0	\$ 34	\$ 719	\$ 19,253	\$ 14	\$ 1,520	\$ 150
(6) Medical and Pharmacy	\$ 19,787	\$ 21,893	\$ 9,565	\$ 3,981	\$ 19,665	\$ 1,569,556	\$ 2,769	\$ 8,583	\$ 180
(7) Subcontracted Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(8) Insurance	\$ 6,187	\$ 5,483	\$ 2,137	\$ 1,378	\$ 3,723	\$ 63,568	\$ 830	\$ 4,778	\$ 4,101
(9) Interest Paid	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(10) Operating Supplies & Expenses	\$ 47,385	\$ 10,110	\$ 2,441	\$ 2,453	\$ 12,596	\$ 303,528	\$ 1,848	\$ 62,286	\$ 12,571
(11) Other	\$ 2,440	\$ 63	-\$ 489	\$ 0	\$ 8	\$ 4,156	\$ 0	\$ 2,381	\$ 0
(12) Donated Items	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL OTHER EXPENSES =	\$ 395,978	\$ 104,122	\$ 49,251	\$ 27,881	\$ 103,434	\$ 3,414,887	\$ 19,460	\$ 257,546	-\$ 29,543
TOTAL PERSONNEL & OTHER EXPENSES =	\$ 1,311,611	\$ 278,232	\$ 179,312	\$ 110,105	\$ 456,955	\$ 9,615,619	\$ 110,936	\$ 662,738	\$ 181,193
IIIC. DISTRIBUTED INDIRECT COSTS									
(a) Other Support Costs (Optional)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(b) Administration	\$ 219,288	\$ 45,160	\$ 30,349	\$ 18,100	\$ 79,896	\$ 1,619,754	\$ 19,506	\$ 112,023	\$ 0
TOTAL DISTRIBUTED INDIRECT COSTS =	\$ 219,288	\$ 45,160	\$ 30,349	\$ 18,100	\$ 79,896	\$ 1,619,754	\$ 19,506	\$ 112,023	\$ 0
TOTAL ACTUAL OPERATING EXPENSES =	\$ 1,530,899	\$ 323,391	\$ 209,660	\$ 128,205	\$ 536,852	\$ 11,235,373	\$ 130,443	\$ 774,761	\$ 181,193
IIID. UNALLOWABLE COSTS									
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL ALLOWABLE OPERATING EXPENSES =	\$ 1,530,899	\$ 323,391	\$ 209,660	\$ 128,205	\$ 536,852	\$ 11,235,373	\$ 130,443	\$ 774,761	\$ 181,193
IIIE. CAPITAL EXPENDITURES									
	\$ 2,698	\$ 5,497	\$ 0	\$ 0	\$ 0	\$ 68,765	\$ 0	\$ 0	\$ 0

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

AGENCY: OPERATION PAR, INC.

DATE PREPARED: 10/14/2015

CONTRACT #: VARIOUS

BUDGET PERIOD: FROM 07/01/14 TO 06/30/15

PART II: ACTUAL EXPENSES

EXPENSE CATEGORIES A	STATE-DESIGNATED SAMH COST CENTERS								
	STATE SAMH-FUNDED COST CENTERS								
	Incidental Expenses B _{1-m}	Outpatient Detox B _{1-n}	Room & Board w/Supv Level III B _{1-o}	Recovery Support B _{1-p}	TASC B _{2-f}	Residential Level 2 B _{2-g}	Residential Level 3 B _{2-h}	Prevention/ Intervention-Day B _{2-j}	Daycare B _{2-k}
IIA. PERSONNEL EXPENSES									
(1) Salaries	\$0	\$78,556	\$89,386	\$5,102	\$468,620	\$1,287,291	\$415,452	\$112,824	\$125,488
(2) Fringe Benefits	\$0	\$20,698	\$23,552	\$1,344	\$116,401	\$345,876	\$90,529	\$33,682	\$43,404
TOTAL PERSONNEL EXPENSES=	\$0	\$99,255	\$112,938	\$6,446	\$587,021	\$1,633,167	\$505,981	\$146,506	\$168,892
IIB. OTHER EXPENSES									
(1) Building Occupancy	\$0	\$30,133	\$34,287	\$1,957	\$21,970	\$309,526	\$193,193	\$1,936	-\$15,444
(2) Professional Services	\$0	\$39,480	\$44,923	\$2,564	\$0	\$129,223	\$19,700	\$29,746	\$0
(3) Travel	\$0	\$195	\$222	\$13	\$2,935	\$3,281	\$12,048	\$1,146	\$0
(4) Equipment	\$0	\$3,401	\$3,870	\$221	\$17,076	\$90,927	\$58,198	\$4,636	\$1,132
(5) Food Services	\$0	\$0	\$40,299	\$0	\$2,884	\$428,124	\$135,283	\$783	\$68,956
(6) Medical and Pharmacy	\$11,427	\$886	\$1,008	\$58	\$22,927	\$40,949	\$28,924	\$1,879	\$1,347
(7) Subcontracted Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8) Insurance	\$0	\$2,699	\$3,071	\$175	\$11,488	\$56,161	\$20,480	\$2,066	\$2,476
(9) Interest Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10) Operating Supplies & Expenses	\$540	\$0	\$33,555	\$0	\$32,791	\$93,888	\$48,843	\$8,178	\$13,766
(11) Other	\$19,710	\$0	\$0	\$0	\$73	\$632	\$30	\$0	\$0
(12) Donated Items	\$0	\$0	\$0	\$0	\$0	\$130,891	\$0	\$216,396	\$0
TOTAL OTHER EXPENSES=	\$31,677	\$76,794	\$112,234	\$4,988	\$12,144	\$1,283,602	\$516,699	\$266,766	\$72,233
TOTAL PERSONNEL & OTHER EXPENSES=	\$31,677	\$176,048	\$274,172	\$11,434	\$699,165	\$2,916,769	\$1,022,680	\$413,272	\$241,125
IIIC. DISTRIBUTED INDIRECT COSTS									
(a) Other Support Costs (Optional)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(b) Administration	\$0	\$35,201	\$40,053	\$2,286	\$117,807	\$485,149	\$173,702	\$56,698	\$38,733
TOTAL DISTRIBUTED INDIRECT COSTS=	\$0	\$35,201	\$40,053	\$2,286	\$117,807	\$485,149	\$173,702	\$56,698	\$38,733
TOTAL ACTUAL OPERATING EXPENSES=	\$31,677	\$211,249	\$314,225	\$13,720	\$816,972	\$3,401,918	\$1,196,382	\$469,970	\$279,858
IIID. UNALLOWABLE COSTS									
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALLOWABLE OPERATING EXPENSES=	\$31,677	\$211,249	\$314,225	\$13,720	\$816,972	\$3,401,918	\$1,196,382	\$469,970	\$279,858
IIIE. CAPITAL EXPENDITURES									
	\$0	\$0	\$0	\$0	\$0	\$53,406	\$9,367	\$0	\$944

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

AGENCY: OPERATION PAR, INC.

DATE PREPARED: 10/14/2015

CONTRACT #: VARIOUS

BUDGET PERIOD: FROM 07/01/14 TO 06/30/15

PART II: ACTUAL EXPENSES

EXPENSE CATEGORIES A	Total for State- Funded SAMH Cost Centers (C ₁ +...+C _n) D	Total for Non- State-Funded SAMH Cost Centers E	Tot. for All State- Designated SAMH Cost Centers (D+E) F	Non-SAMH Cost Center G	Other Support Costs (optional) H	Administration I	Total Expenses (F+G+H+I) J
IIA. PERSONNEL EXPENSES							
(1) Salaries	\$9,529,045	\$2,822,868	\$11,721,913	\$853,972	\$0	\$2,353,225	\$14,929,110
(2) Fringe Benefits	\$2,294,845	\$527,209	\$2,822,054	\$248,681	\$0	\$514,740	\$3,585,475
TOTAL PERSONNEL EXPENSES=	\$11,823,890	\$2,720,077	\$14,543,967	\$1,102,653	\$0	\$2,867,965	\$18,514,585
IIB. OTHER EXPENSES							
(1) Building Occupancy	\$1,603,879	\$466,852	\$2,070,731	\$266,201	\$0	\$174,545	\$2,511,477
(2) Professional Services	\$856,891	\$94,404	\$951,295	-\$62,425	\$0	\$166,251	\$1,055,121
(3) Travel	\$130,878	\$54,104	\$184,982	\$6,185	\$0	\$62,302	\$253,469
(4) Equipment	\$418,458	\$816,799	\$500,137	\$781	\$0	\$234,272	\$735,190
(5) Food Services	\$839,792	\$57,781	\$897,573	-\$506,314	\$0	\$6,683	\$397,942
(6) Medical and Pharmacy	\$1,765,384	\$208,298	\$1,973,682	-\$694,371	\$0	\$5,099	\$1,284,410
(7) Subcontracted Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8) Insurance	\$190,800	\$47,527	\$238,327	\$84,797	\$0	\$97,016	\$420,140
(9) Interest Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10) Operating Supplies & Expenses	\$686,779	\$142,949	\$829,728	\$105,932	\$0	\$196,880	\$1,132,540
(11) Other	\$29,004	\$60,454	\$89,458	\$45,876	\$0	\$245	\$135,579
(12) Donated Items	\$347,287	\$0	\$347,287	\$0	\$0	\$0	\$347,287
TOTAL OTHER EXPENSES=	\$6,869,153	\$1,214,047	\$8,083,200	-\$753,338	\$0	\$943,293	\$8,273,155
TOTAL PERSONNEL & OTHER EXPENSES=	\$18,693,043	\$3,934,124	\$22,627,167	\$349,315	\$0	\$3,811,258	\$26,787,740
IIIC. DISTRIBUTED INDIRECT COSTS							
(a) Other Support Costs (Optional)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(b) Administration	\$3,093,705	\$673,454	\$3,767,159	\$44,099	\$0	-\$3,811,258	\$0
TOTAL DISTRIBUTED INDIRECT COSTS=	\$3,093,705	\$673,454	\$3,767,159	\$44,099	\$0	-\$3,811,258	\$0
TOTAL ACTUAL OPERATING EXPENSES=	\$21,786,748	\$4,607,578	\$26,394,326	\$393,414	\$0	\$0	\$26,787,740
IIID. UNALLOWABLE COSTS							
	\$0	\$0	\$0	\$45,916	\$0	\$1,776	\$47,692
TOTAL ALLOWABLE OPERATING EXPENSES=	\$21,786,748	\$4,607,578	\$26,394,326	\$347,498	\$0	-\$1,776	\$26,740,048
IIIE. CAPITAL EXPENDITURES							
	\$140,677	\$71,718	\$212,395	\$56,373	\$0	\$109,618	\$378,386

AUDIT SCHEDULE

OPERATION PAR, INC.

**SCHEDULE OF STATE EARNINGS FOR
FISCAL YEAR JULY 1, 2014 - JUNE 30, 2015**

1. Total Expenditures	<u>\$26,787,740</u>
2. Less Other State and Federal Funds	<u>(\$9,601,067)</u>
3. Less Non-Match SAMH Funds	<u>(\$6,804,077)</u>
4. Less Unallowable Costs per 65E-14, F.A.C.	<u>(\$640,912)</u>
5. Total Allowable Expenditures (Sum of lines 1, 2, 3, and 4)	<u>\$9,741,684</u>
6. Maximum Available Earnings (Line 5 times 75%)	<u>\$7,306,263</u>
7. Amount of State Funds Requiring Match	<u>\$1,176,383</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 06/30/15**

Program A	Cost Center B	State Contracted Rate C	Total Units of Service Provided D	Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies E	Maximum # of Units Eligible for Payment by Department (D-E) F	Amount Paid for Services by the Department G	Maximum \$ Value of Units in Column F (F x C) H	Amount Owed to Department (G-H or \$0, whichever is greater) I
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	\$204.94	7,300	1,029	6,271	\$1,250,896.00	\$1,285,165.49	\$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 06/30/15**

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

FOOTNOTE:

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