

FINANCIAL STATEMENTS

CENTER FOR COMMUNITY ALTERNATIVES

DECEMBER 31, 2009 AND 2008

CENTER FOR COMMUNITY ALTERNATIVES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Center for Community Alternatives
Syracuse, New York

We have audited the accompanying statements of financial position of Center for Community Alternatives as of December 31, 2009 and 2008 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Center for Community Alternatives' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Community Alternatives as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2010 on our consideration of Center for Community Alternatives' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Center for Community Alternatives taken as a whole. The accompanying schedule of expenditures of federal awards for the year ended December 31, 2009 is 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 is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Pestone, Marshall & Deserigo, LLP

July 9, 2010
Syracuse, New York

CENTER FOR COMMUNITY ALTERNATIVES
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 101,622	\$ 74,486
Grants and contracts receivable	1,641,226	2,286,535
Client specific planning receivables	46,490	79,769
Prepaid expenses	17,932	6,088
Total current assets	<u>1,807,270</u>	<u>2,446,878</u>
PROPERTY:		
Furniture and equipment	161,076	161,076
Less accumulated depreciation	<u>157,011</u>	<u>154,923</u>
Property - net	<u>4,065</u>	<u>6,153</u>
SECURITY DEPOSITS	<u>112,121</u>	<u>112,954</u>
TOTAL	<u>\$ 1,923,456</u>	<u>\$ 2,565,985</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Short-term bank borrowings	\$ 160,749	\$ 917,717
Accounts payable	100,950	152,093
Accrued payroll and payroll taxes	344,744	295,251
Deferred revenue	58,966	66,896
Total current liabilities	665,409	1,431,957
NET ASSETS - UNRESTRICTED	<u>1,258,047</u>	<u>1,134,028</u>
TOTAL	<u>\$ 1,923,456</u>	<u>\$ 2,565,985</u>

See Notes to Financial Statements

CENTER FOR COMMUNITY ALTERNATIVES
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
SUPPORT AND REVENUE:		
Grant and Contract:		
City of New York	\$ 2,333,340	\$ 2,404,265
New York State Division of Probation and Correctional Alternatives	620,041	389,720
U.S. Department of Health and Human Services, Substance Abuse & Mental Health Services Administration (SAMHSA)	2,545,540	2,567,001
New York State Division of Criminal Justice Services	549,025	585,924
New York State Department of Health	320,537	348,995
New York State Department of Correctional Services	108,434	134,015
City of Syracuse	7,525	7,525
Syracuse City School District (SCSD)	248,973	162,592
National Court Appointed Special Advocate Association (CASA)	53,752	36,638
Public Health Solutions (PHS)/MHRA, Inc.	394,225	252,249
New York State Office of Alcoholism and Substance Abuse Services (OASAS)	163,287	86,671
New York State Office of Children and Family Services	180,962	254,753
Onondaga County Department of Health	16,274	19,926
Onondaga-Cortland-Madison BOCES	97,019	77,672
New York State Department of Education- 21st Century	95,235	207,457
Total grant and contract support	7,734,169	7,535,403
Foundation:		
Robin Hood Foundation	-	133,947
Public Interest Project - Fulfilling the Dream	76,135	49,606
Public Interest Project - U.S. Human Rights Fund	10,000	27,222
U.S. Conference of Mayors Foundation	35,353	-
Annie E. Casey Foundation	-	4,282
HIV Mac Global	360	255
New York Community Trust - Crossroads	-	11,211
Pinkerton Foundation	26,555	22,722
Central New York Community Foundation	17,199	27,801
Total foundation	165,602	277,046
Total support	7,899,771	7,812,449
Revenue:		
Client specific planning	191,584	185,223
United Way of Central New York	112,927	109,175
Frank H. Hiscock Legal Aid Society	13,087	15,123
CNY Works Funding	19,454	-
Miscellaneous revenue	16,656	38,480
Contributions	34,627	31,786
Interest income	365	936
Total revenue	388,700	380,723
Total support and revenue	8,288,471	8,193,172

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CENTER FOR COMMUNITY ALTERNATIVES
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
EXPENSES:		
Program Services:		
New York State Demonstration/Client Specific Planning	221,758	156,852
Crossroads	642,857	750,407
SAMHSA Programs	2,240,299	2,243,289
U.S. Conference of Mayors - SISTA Strong	31,378	-
Youth Advocacy Program - Syracuse	105,526	102,226
Strategies for Success	59,590	122,148
SCSD Connections	235,439	160,807
After School Alternatives - Syracuse	104,004	154,476
Youth Advocacy Program - New York City	926,022	762,082
Robin Hood Foundation	-	113,363
New York City - After School - Community Monitoring	661,763	604,425
Office of Children and Family Services	56,090	88,219
New York State Department of Health - Choices	289,341	310,754
Family Court Client Specific Planning	212,440	238,157
NYC Common Council Adult Specific Planning	-	49,476
CASA	92,572	99,160
PHS/MHRA /Choices-1A and Precise-A/Co-Factors	85,746	112,636
PHS/MHRA/Buddies/Women's Choices/Positive Choices	191,960	211,831
21st Century	92,621	201,209
HIV Mac Global	360	255
Parent Success Initiative	75,311	64,215
NYS OASAS/Medicaid	51,424	17,880
Re-entry Related Services	138,929	6,561
Total program services	<u>6,515,430</u>	<u>6,570,428</u>
Management and general	<u>1,649,022</u>	<u>1,332,515</u>
Total expenses	<u>8,164,452</u>	<u>7,902,943</u>
CHANGE IN NET ASSETS	124,019	290,229
NET ASSETS - BEGINNING OF YEAR	<u>1,134,028</u>	<u>843,799</u>
NET ASSETS - END OF YEAR	<u>\$ 1,258,047</u>	<u>\$ 1,134,028</u>

See Notes to Financial Statements

**CENTER FOR COMMUNITY ALTERNATIVES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	New York State Demonstration/ CSP		SAMHSA Programs	U.S. Conference of Mayors SISTA Strong	Youth Advocacy Program - Syracuse	Strategies for Success	SCSD Connections
Salaries	\$ 150,589	\$ 265,865	\$ 1,186,579	\$ 17,539	\$ 64,861	\$ 47,088	\$ 161,987
Payroll taxes and employee benefits	40,697	57,629	276,819	2,087	17,148	6,375	47,927
Total salaries and related expenses	191,286	323,494	1,463,398	19,626	82,009	53,463	209,914
Client costs/Research honoraria	20	213	12,894	4,337	2,362	2,978	2,471
Consulting fees and subcontractors	-	21,066	295,339	-	520	-	-
Stipends	-	-	24,743	4,940	10,649	-	-
Professional fees	-	-	-	-	-	-	-
Office expense	4,050	5,824	71,070	446	1,057	95	3,641
Telephone expense	4,454	13,300	25,704	-	1,399	-	1,095
Postage and delivery	1,573	2,993	8,796	30	540	47	547
Rent	8,574	140,199	167,974	-	638	-	6,850
Utilities	2,413	110,357	27,215	-	-	-	2,405
Equipment rental, maintenance and purchases	-	2,319	5,124	-	-	-	-
Insurance	32	-	-	-	-	-	-
Travel	8,174	13,676	89,705	1,294	3,790	2,400	6,452
Training and seminars	-	109	1,476	-	314	607	299
Depreciation expense	-	-	-	-	-	-	-
Program supplies	-	2,921	40,808	705	2,248	-	135
Miscellaneous expense	-	350	-	-	-	-	703
Building maintenance	505	5,973	4,787	-	-	-	645
Interest expense	-	-	-	-	-	-	-
Recruiting expense	677	63	1,266	-	-	-	282
Bad debt expense	-	-	-	-	-	-	-
Total functional expenses	<u>\$ 221,758</u>	<u>\$ 642,857</u>	<u>\$ 2,240,299</u>	<u>\$ 31,378</u>	<u>\$ 105,526</u>	<u>\$ 59,590</u>	<u>\$ 235,439</u>

<u>NYS-OCFS After School Altern. - Syr.</u>	<u>Youth Advocacy Program - New York City</u>	<u>New York City - After School - Community Monitoring</u>	<u>NYS-OCFS Smart Choices- NYC</u>	<u>New York State Department of Health - Choices</u>	<u>Family Court Client Specific Planning</u>	<u>CASA</u>	<u>PHS/ MHRA - Choices -IA and Precise-A/ Co-Factors</u>	<u>PHS/ MHRA - Buddies/ Women's Choices/ Positive Choices</u>	<u>21st Century</u>
\$ 69,906	\$ 483,477	\$ 404,983	\$ 35,192	\$ 182,475	\$ 106,203	\$ 68,948	\$ 53,353	\$ 87,251	\$ 50,288
17,557	121,037	95,974	7,808	49,677	24,228	10,040	7,579	14,260	17,016
87,463	604,514	500,957	43,000	232,152	130,431	78,988	60,932	101,511	67,304
1,010	9,216	3,813	-	1,071	825	-	-	800	6,030
9,412	4,131	12,583	-	-	2,164	350	512	-	9,144
-	-	500	-	200	-	-	10,523	29,491	-
-	-	-	-	-	-	-	-	-	-
1,220	5,313	16,630	569	2,010	2,756	3,022	308	1,115	866
913	13,829	15,445	768	1,887	5,505	29	140	426	815
131	2,223	2,277	133	364	602	86	-	173	77
-	188,009	53,722	10,036	14,211	59,546	36	12,000	15,500	1,620
-	20,041	5,607	800	2,589	7,036	12	817	2,465	767
-	5,699	1,192	-	3,588	478	-	-	630	-
-	6,746	-	-	8,630	-	-	-	4,776	-
1,035	33,914	13,888	337	13,436	1,330	3,683	183	27,406	5,549
299	990	58	-	-	100	1,040	30	245	140
-	-	-	-	-	-	-	-	-	-
2,521	27,743	33,445	100	7,137	68	4,133	258	7,289	-
-	-	-	-	-	-	-	-	-	-
-	3,629	1,526	287	1,449	1,599	-	43	133	260
-	-	-	-	-	-	-	-	-	-
-	25	120	60	617	-	324	-	-	49
-	-	-	-	-	-	869	-	-	-
<u>\$ 104,004</u>	<u>\$ 926,022</u>	<u>\$ 661,763</u>	<u>\$ 56,090</u>	<u>\$ 289,341</u>	<u>\$ 212,440</u>	<u>\$ 92,572</u>	<u>\$ 85,746</u>	<u>\$ 191,960</u>	<u>\$ 92,621</u>

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**CENTER FOR COMMUNITY ALTERNATIVES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	HIV Mac Global	Parent Success Initiative	NYS OASAS/ Medicaid	Re-entry Related Services	Total Program Services	Management and General	Total
Salaries	\$ -	\$ 57,853	\$ 18,176	\$ 93,796	\$ 3,606,409	\$ 880,874	\$ 4,487,283
Payroll taxes and employee benefits	-	13,467	3,863	24,285	855,473	174,414	1,029,887
Total salaries and related expenses	-	71,320	22,039	118,081	4,461,882	1,055,288	5,517,170
Client costs/Research honoraria	-	728	-	59	48,827	715	49,542
Consulting fees and subcontractors	-	-	11,275	350	366,846	152,688	519,534
Stipends	-	-	-	-	81,046	-	81,046
Professional fees	-	-	-	-	-	48,530	48,530
Office expense	-	268	63	6,205	126,528	56,421	182,949
Telephone expense	-	600	-	714	87,023	3,446	90,469
Postage and delivery	-	-	30	312	20,934	3,896	24,830
Rent	-	-	15,000	6,600	700,515	76,566	777,081
Utilities	-	-	3,000	2,261	187,785	23,505	211,290
Equipment rental, maintenance and purchases	-	-	-	-	19,030	22,906	41,936
Insurance	-	-	-	-	20,184	63,817	84,001
Travel	-	2,395	17	3,721	232,385	57,549	289,934
Training and seminars	-	-	-	-	5,707	1,920	7,627
Depreciation expense	-	-	-	-	-	2,088	2,088
Program supplies	360	-	-	5	129,876	389	130,265
Miscellaneous expense	-	-	-	-	1,053	29,486	30,539
Building maintenance	-	-	-	240	21,076	11,963	33,039
Interest expense	-	-	-	-	-	29,391	29,391
Recruiting expense	-	-	-	381	3,864	126	3,990
Bad debt expense	-	-	-	-	869	8,332	9,201
Total functional expenses	<u>\$ 360</u>	<u>\$ 75,311</u>	<u>\$ 51,424</u>	<u>\$ 138,929</u>	<u>\$ 6,515,430</u>	<u>\$ 1,649,022</u>	<u>\$ 8,164,452</u>

See Notes to Financial Statements

**CENTER FOR COMMUNITY ALTERNATIVES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	New York State Demonstration/ CSP	Crossroads	SAMHSA Programs	Youth Advocacy Program - Syracuse	Strategies for Success	SCSD Connections	NYS-OCFS After School Alternatives - Syracuse
Salaries	\$ 108,706	\$ 294,195	\$ 1,171,724	\$ 57,311	\$ 87,265	\$ 109,993	\$ 81,264
Payroll taxes and employee benefits	<u>31,629</u>	<u>70,441</u>	<u>295,846</u>	<u>17,901</u>	<u>23,508</u>	<u>24,271</u>	<u>25,749</u>
Total salaries and related expenses	140,335	364,636	1,467,570	75,212	110,773	134,264	107,013
Client costs/Research honoraria	-	825	16,797	1,299	4,944	3,199	508
Consulting fees and subcontractors	-	36,091	285,532	250	-	3,085	35,191
Stipends	-	3,912	37,439	12,853	-	-	-
Professional fees	-	-	-	-	-	-	-
Office expense	1,427	10,126	68,479	1,829	1,019	1,554	1,749
Telephone expense	2,693	13,188	27,368	490	-	996	433
Postage and delivery	758	3,474	9,685	609	136	725	287
Rent	4,550	184,157	148,392	-	-	5,558	-
Utilities	1,980	103,464	29,613	-	-	2,316	-
Equipment rental, maintenance and purchases	-	4,875	6,682	125	-	-	-
Insurance	-	-	-	-	-	-	-
Travel	4,509	11,160	93,094	2,784	3,904	6,447	1,474
Training and seminars	-	540	7,585	419	603	199	1,228
Depreciation expense	-	-	-	-	-	-	-
Program supplies	-	6,254	28,646	6,121	319	862	5,393
Miscellaneous expense	-	55	269	-	-	391	-
Building maintenance	315	7,508	13,238	-	-	597	-
Interest expense	-	-	-	-	-	-	-
Recruiting expense	285	142	2,900	235	450	614	1,200
Bad debt expense	-	-	-	-	-	-	-
Total functional expenses	<u>\$ 156,852</u>	<u>\$ 750,407</u>	<u>\$ 2,243,289</u>	<u>\$ 102,226</u>	<u>\$ 122,148</u>	<u>\$ 160,807</u>	<u>\$ 154,476</u>

Youth Advocacy Program - New York City	Robin Hood Foundation	New York City Afterschool Community Monitoring	NYS-OCFS Smart Choices-NYC	New York State Department of Health - Choices	Family Court Client Specific Planning	NYC Common Council Adult Specific Planning	CASA	PHS/MHRA- Choices -1A and Precise-A/ Co-Factors	PHS/MHRA - Buddies/ Women's Choices/ Positive Choices
\$ 429,039	\$ 77,871	\$ 278,717	\$ 58,944	\$ 196,580	\$ 123,829	\$ 14,063	\$ 69,516	\$ 69,458	\$ 114,395
<u>103,387</u>	<u>20,243</u>	<u>69,071</u>	<u>13,755</u>	<u>54,441</u>	<u>26,663</u>	<u>3,164</u>	<u>11,666</u>	<u>9,522</u>	<u>25,736</u>
532,426	98,114	347,788	72,699	251,021	150,492	17,227	81,182	78,980	140,131
9,063	4,208	4,314	84	515	15	-	-	770	285
22,900	4,549	30,220	-	-	8,717	29,030	1,667	336	-
200	50	-	-	300	-	-	-	16,982	-
-	-	-	-	-	-	-	-	-	-
3,628	1,116	10,713	135	3,685	980	-	2,486	330	1,092
15,388	-	19,837	1,788	2,023	9,715	-	54	745	945
1,614	-	3,188	483	842	497	45	231	346	331
94,250	-	126,432	10,123	15,670	53,353	2,163	428	12,221	33,838
14,791	-	4,422	1,019	2,723	6,519	947	-	970	4,290
10,173	-	3,213	-	5,837	2,779	-	722	-	218
7,676	-	-	-	6,689	-	-	-	-	-
27,234	-	19,624	435	13,091	3,311	12	5,689	343	20,119
3,568	90	420	568	-	844	-	720	5	150
-	-	-	-	-	-	-	-	-	-
11,996	5,020	33,275	579	6,707	200	-	5,603	357	9,987
-	52	-	-	-	-	-	-	-	-
6,920	-	472	306	1,446	483	-	-	251	445
-	-	-	-	-	-	-	-	-	-
255	164	507	-	205	252	52	207	-	-
-	-	-	-	-	-	-	171	-	-
<u>\$ 762,082</u>	<u>\$ 113,363</u>	<u>\$ 604,425</u>	<u>\$ 88,219</u>	<u>\$ 310,754</u>	<u>\$ 238,157</u>	<u>\$ 49,476</u>	<u>\$ 99,160</u>	<u>\$ 112,636</u>	<u>\$ 211,831</u>

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**CENTER FOR COMMUNITY ALTERNATIVES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	21st Century	HIV Mac Global	Parent Success Initiative	NYS OASAS/ Medicaid	Re-entry Related Services	Total Program Services	Management and General	Total
Salaries	\$ 118,372	\$ -	\$ 50,962	\$ 7,450	4,757	\$ 3,524,411	\$ 614,380	\$ 4,138,791
Payroll taxes and employee benefits	<u>39,733</u>	-	<u>8,558</u>	<u>928</u>	<u>1,745</u>	<u>877,957</u>	<u>150,096</u>	<u>1,028,053</u>
Total salaries and related expense:	158,105	-	59,520	8,378	6,502	4,402,368	764,476	5,166,844
Client costs/Research honoraria	6,601	-	45	-	-	53,472	2,320	55,792
Consulting fees and subcontractors	9,623	-	-	8,050	-	475,241	150,049	625,290
Stipends	4,374	-	-	-	-	76,110	350	76,460
Professional fees	-	-	-	-	-	-	24,875	24,875
Office expense	2,099	-	2,019	-	-	114,466	67,210	181,676
Telephone expense	1,567	-	700	-	-	97,930	6,338	104,268
Postage and delivery	481	-	-	-	-	23,732	2,704	26,436
Rent	2,415	-	-	-	-	693,550	47,133	740,683
Utilities	2,071	-	-	-	-	175,125	8,362	183,487
Equipment rental, maintenance and purchases	75	-	-	-	-	34,699	11,418	46,117
Insurance	-	-	-	-	-	14,365	62,377	76,742
Travel	11,963	-	1,212	-	59	226,464	75,341	301,805
Training and seminars	522	-	-	-	-	17,461	1,932	19,393
Depreciation expense	-	-	-	-	-	-	3,065	3,065
Program supplies	59	255	-	1,452	-	123,085	1,480	124,565
Miscellaneous expense	-	-	-	-	-	767	24,642	25,409
Building maintenance	565	-	-	-	-	32,546	18,582	51,128
Interest expense	-	-	-	-	-	-	56,291	56,291
Recruiting expense	689	-	669	-	-	8,826	51	8,877
Bad debt expense	-	-	50	-	-	221	3,519	3,740
Total functional expenses	<u>\$ 201,209</u>	<u>\$ 255</u>	<u>\$ 64,215</u>	<u>\$ 17,880</u>	<u>\$ 6,561</u>	<u>\$ 6,570,428</u>	<u>\$ 1,332,515</u>	<u>\$ 7,902,943</u>

See Notes to Financial Statements

CENTER FOR COMMUNITY ALTERNATIVES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 124,019	\$ 290,229
Adjustments to reconcile change in net assets to net cash provided by (utilized in) operating activities:		
Depreciation	2,088	3,065
Bad debt expense	9,201	3,740
Changes in operating assets and liabilities:		
Grants and contracts receivable	645,309	(387,744)
Client specific planning receivables	24,078	24,687
Prepaid expenses	(11,844)	(2,580)
Security deposits	833	(2,403)
Accounts payable	(51,143)	41,437
Accrued payroll and payroll taxes	49,493	35,242
Deferred revenue	(7,930)	(119,573)
Total adjustments	<u>660,085</u>	<u>(404,129)</u>
Net cash provided by (utilized in) operating activities	<u>784,104</u>	<u>(113,900)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property	<u>-</u>	<u>(4,900)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) in short-term bank borrowings	<u>(756,968)</u>	<u>150,089</u>
 INCREASE IN CASH AND CASH EQUIVALENTS	27,136	31,289
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>74,486</u>	<u>43,197</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 101,622</u>	<u>\$ 74,486</u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the years for interest	\$ 29,391	\$ 56,291

See Notes to Financial Statements

**CENTER FOR COMMUNITY ALTERNATIVES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Center for Community Alternatives (the Center) provides services, training, research and technical assistance in criminal and juvenile justice and human services primarily in Central New York and New York City.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Support and Revenue

The Center is funded by a combination of public contracts, foundation grants, private donations and client fees. The Center has public contracts with federal, state and local governments.

Support and revenue are classified into unrestricted net assets, temporarily restricted net assets and permanently restricted net assets based upon the existence or absence of donor-imposed restrictions. Unrestricted net assets are not subject to donor-imposed stipulations. Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or the passage of time. The Center adopted a policy requiring that all support and revenue be recorded as unrestricted net assets if the restriction expires in the same reporting period. Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Center. There were no restricted net assets at December 31, 2009 or 2008.

Cash and Cash Equivalents

The Center considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Client Specific Planning Receivables

Client specific planning receivables represent amounts due from clients in the normal course of operations. The Center considers the receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

(Continued)

CENTER FOR COMMUNITY ALTERNATIVES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property and Accumulated Depreciation

Property is stated at cost, less accumulated depreciation. Property purchased for greater than \$2,500 that is not related to public contracts or grants is capitalized. Repairs and maintenance are charged to expense when incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Contributions of property are recorded at fair market value on the date of donation.

Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs benefited based on management's estimates. Other costs specifically identified to a program are charged directly to that program.

Retirement Plan

The Center maintains a simplified employee retirement plan covering substantially all employees meeting eligibility requirements. These requirements are based on attaining the age of twenty-one and completing one year of service. The Center contributed \$46,431 and \$71,475 to the plan in 2009 and 2008, respectively.

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 for the reporting period and as of the financial statement date. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from these estimates.

Income Taxes

The Center is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Center has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Subsequent Events

Management has evaluated subsequent events through July 9, 2010, which is the date the financial statements were available to be issued, for significant events that have occurred since the balance sheet date and before the audit report date.

(Continued)

CENTER FOR COMMUNITY ALTERNATIVES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

2. DEFERRED REVENUE

Deferred revenue consists of grant and contract revenue received but not yet earned at the balance sheet date. It is anticipated that this revenue will be earned currently.

3. LEASES

The Center has operating leases for office space, storage space and vehicles in Syracuse, New York and New York City expiring at various times through 2013. Rent expense was \$787,769 and \$751,482 for the years ended December 31, 2009 and 2008, respectively and is included in rent expense and equipment rental, maintenance and purchases in the statement of functional expenses.

Minimum lease commitments as of December 31, 2009 relating to these leases:

YEAR ENDING DECEMBER 31,	AMOUNT
2010	\$ 735,019
2011	356,341
2012	361,765
2013	191,934
Total	<u>\$ 1,645,059</u>

4. SHORT-TERM BANK BORROWINGS

The Center has a line of credit of \$1,250,000 with Citizens Bank. Borrowings on this line accrue interest at the LIBOR rate plus 2.5%, and are collateralized by all Center assets. The line of credit is due on demand and expires July 30, 2010.

5. CONCENTRATIONS

Financial instruments that potentially subject the Center to credit risk consist of unsecured grant receivables and contracts and client specific planning receivables which represent those receivables not paid by the State of New York through its Capital Defender Office.

**CENTER FOR COMMUNITY ALTERNATIVES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

5. CONCENTRATIONS (CONT'D)

A significant portion of the Center's revenue is generated through Federal, New York State and New York City grants that are renewed annually, without which there would be an impact on the Center's level of service and operation.

In addition, the Center maintains its principal banking relationship with Citizen's Bank. As such, at times, the Center has on deposit with this bank deposits in excess of the \$250,000 insurance limit established by the Federal Deposit Insurance Corporation.

6. RECLASSIFICATION

Certain amounts reported at December 31, 2008 have been reclassified to reflect information and assumptions existing at December 31, 2009. These reclassifications had no effect on net assets or the change in net assets as previously reported.

**CENTER FOR COMMUNITY ALTERNATIVES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

FEDERAL GRANTOR/PROGRAM TITLE EXPENDITURES	FEDERAL CFDA NUMBER	CONTRACT NUMBER	GRANT OR AWARD	FEDERAL AMOUNT
U.S. Department of Justice:				
Edward Byrne Formula Grant Program - Memorial State and Local Law Enforcement Assistance Discretionary Grants Program - Crossroads Grant (passed through the New York Division of Criminal Justice Services)	16.579	BJ06632121 BJ08632134 Subtotal 16.579	\$ 158,660 165,000 <u>323,660</u>	\$ 158,660 165,000 <u>323,660</u>
Juvenile Justice and Delinquency Prevention Juvenile Accountability Block Grant - Connections	16.523	JJ05442303	82,622	61,308
Juvenile Accountability Block Grant Alternatives to Detention After School/Community	16.523	JB05522233 JABG-3 JB08612025 JABG-4 Subtotal 16.523	281,401 286,057 <u>650,080</u>	245,896 18,104 <u>325,308</u>
U.S. Department of Health and Human Services:				
Substance Abuse and Mental Health Services Admin - Syracuse Recovery Support Community Project	93.243	1H79TI018075-03 1H79TI018075-04	350,000 350,000	257,773 87,681
Substance Abuse and Mental Health Services Admin - Crossroads & Alternatives: Expansion of Crossroads for Formerly Incarcerated	93.243	5H79TI020348-01 5H79TI020348-02 1H79TI018408-03 1H79TI018408-04	400,000 400,000 500,000 500,000	351,265 107,562 375,531 124,419
Substance Abuse and Mental Health Services Admin - Crossroads to Home	93.243	1H79-TI16649-04	400,000	301,919
Substance Abuse and Mental Health Services Admin - Reintegration and Empowering a Life	93.243	1H79T1019283-02 1H79T1019283-03	500,000 500,000	405,926 140,781

(Continued)

**CENTER FOR COMMUNITY ALTERNATIVES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

FEDERAL GRANTOR/PROGRAM TITLE EXPENDITURES	FEDERAL CFDA NUMBER	CONTRACT NUMBER	GRANT OR AWARD	FEDERAL AMOUNT
U.S. Department of Health and Human Services (Cont'd):				
Substance Abuse and Mental Health Services Admin - Strategies for Success: A Family Centered Substance Abuse Treatment Program	93.243	1H79T1017847-02 1H79T1017847-03 Subtotal 93.243	300,000 300,000 <u>4,500,000</u>	226,399 75,261 <u>2,454,517</u>
Temporary Assistance for Needy Families (passed through the New York State Offices of Children and Family Services)	93.558	C023955	<u>162,455</u>	<u>122,884</u>
Administration for Children and Families Financial Assistance Awards	93.616	90CV038401	<u>50,000</u>	<u>15,670</u>
HIV Emergency Relief formula grant (passed through NYC Department of Health & Medical Health Research Assoc of NYC, Inc.) - Harm Reduction, Recovery, Readiness & Relapse Prevention Grant	93.914	07-HRR-703	552,464	308,589
HIV Demonstration Research, Public & Professional - Choices (passed through NYS Dept. of Health & Health Research Inc.)	93.914	2772-04 2772-05	100,000 100,000	30,026 77,833
HIV Emergency Relief formula grant - CoFactor of HIV Transmission (passed through NYC Department of Health & Medical Assoc. of NYC, Inc.)	93.914	07-COF-703 Subtotal 93.914	<u>106,357</u> <u>858,821</u>	<u>85,636</u> <u>502,084</u>
U.S. Department of Housing and Urban Development:				
Community Development Block Grant - Self Development (passed through the City of Syracuse, New York)	14.218	-	<u>7,525</u>	<u>7,525</u>

(Continued)

**CENTER FOR COMMUNITY ALTERNATIVES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

FEDERAL GRANTOR/PROGRAM TITLE EXPENDITURES	FEDERAL CFDA NUMBER	CONTRACT NUMBER	GRANT OR AWARD	FEDERAL AMOUNT
U.S. Department of Education:				
SCSD Connections Mentoring Program (passed through Syracuse City School District)	84.184	No. 334-07	199,275	177,579
		No. 334-07	<u>208,799</u>	<u>51,480</u>
		Subtotal 84.184	<u>408,074</u>	<u>229,059</u>
21st Century Community Learning Ctrs (passed through NYS Dept of Education)	84.287	C400325	<u>206,960</u>	<u>95,235</u>
TOTAL			<u>\$ 7,167,575</u>	<u>\$ 4,075,942</u>

Note: The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting.

(Concluded)



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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*

To the Board of Directors
Center for Community Alternatives,
Syracuse, New York

We have audited the financial statements of Center for Community Alternatives as of and for the year ended December 31, 2009, and have issued our report thereon dated July 9, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered Center for Community Alternatives' 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 Center for Community Alternatives' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Center for Community Alternatives' 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 Center for Community Alternatives' 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*.

We noted certain matters that we have reported to the management of Center for Community Alternatives in a separate letter dated July 9, 2010.

This report is intended solely for the information and use of the Board of Directors, management, and the various federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Restone, Marshall & Descenza, CP

July 9, 2010
Syracuse, New York



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Center for Community Alternatives
Syracuse, New York

COMPLIANCE

We have audited the compliance of Center for Community Alternatives with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. Center for Community Alternatives' major federal programs 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 is the responsibility of Center for Community Alternatives' management. Our responsibility is to express an opinion on Center for Community Alternatives' 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*. Those standards and OMB Circular A-133 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 Center for Community Alternatives' 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 Center for Community Alternatives' compliance with those requirements.

In our opinion, Center for Community Alternatives complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

INTERNAL CONTROL OVER COMPLIANCE

The management of Center for Community Alternatives is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Center for Community Alternatives' internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Center for Community Alternative's internal control over compliance.

A deficiency in internal control over compliance 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 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.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily 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 the various federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Nestore, Marshall & Design, LLP

July 9, 2010
Syracuse, New York

**CENTER FOR COMMUNITY ALTERNATIVES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Part I - Summary of Auditor's Results:

- i. An unqualified opinion has been issued on the financial statements of Center for Community Alternatives as of and for the year ended December 31, 2009.
- ii. There were no material weaknesses in internal control over financial reporting disclosed by the audit of the December 31, 2009 financial statements.
- iii. The audit did not disclose any instances of noncompliance that were considered material to the financial statements as required to be reported in accordance with *Government Auditing Standards* as of and for the year ended December 31, 2009.
- iv. We noted no material weaknesses in internal control over compliance with requirements applicable to major federal programs for the year ended December 31, 2009.
- v. An unqualified opinion was issued on compliance for major programs for the year ended December 31, 2009.
- vi. There were no audit findings required to be reported under Section .510(a) of OMB Circular A-133.
- vii. The Substance Abuse and Mental Health Services (CFDA #93.243) and Edward Byrne Formula Grant Program (CFDA #16.579) were audited as major programs.
- viii. The \$300,000 threshold was used to distinguish between Type A and Type B programs.
- ix. The Center qualified as a low-risk auditee as that term is defined in OMB Circular A-133.

Part II - Financial Statement Findings

None

Part III - Federal Award Findings and Questioned Costs

None