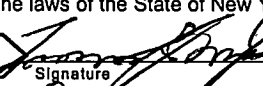



AM 775

Form CHAR500 <small>This form used for Article 7-A, EPTL and dual filers (replaces forms CHAR 497, CHAR 610 and CHAR 606)</small>	Annual Filing for Charitable Organizations New York State Department of Law (Office of the Attorney General) Charities Bureau - Registration Section 120 Broadway New York, NY 10271 http://www.charitiesnys.com	2012 Open to Public Inspection
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1. General Information																																		
a. For the fiscal year beginning (mm/dd/yyyy) <u>01/01</u> / 2012 and ending (mm/dd/yyyy) <u>12/31/2012</u>																																		
b. Check if applicable for NYS: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial filing <input type="checkbox"/> Final filing <input type="checkbox"/> Amended filing <input type="checkbox"/> NY registration pending	c. Name of organization Addiction Research and Treatment Corporatin Number and street (or P.O. box if mail not delivered to street address) Room/suite 22 Chapel Street City or town, state or country and zip + 4 Brooklyn, NY 11201		d. Fed. employer ID no. (EIN) (##-####-###) <table border="1" style="width:100%; text-align: center;"> <tr><td>1</td><td>3</td><td>-</td><td>2</td><td>6</td><td>4</td><td>2</td><td>4</td><td>5</td><td>1</td></tr> </table> e. NY State registration no. (###-###) <table border="1" style="width:100%; text-align: center;"> <tr><td>0</td><td>1</td><td>-</td><td>4</td><td>7</td><td>-</td><td>7</td><td>5</td></tr> </table> f. Telephone number <table border="1" style="width:100%; text-align: center;"> <tr><td>(</td><td>7</td><td>1</td><td>8</td><td>)</td><td>2</td><td>6</td><td>0</td><td>-</td><td>2</td><td>9</td><td>0</td><td>6</td></tr> </table> g. Email sduvoor@artcny.org	1	3	-	2	6	4	2	4	5	1	0	1	-	4	7	-	7	5	(7	1	8)	2	6	0	-	2	9	0	6
	1	3	-	2	6	4	2	4	5	1																								
	0	1	-	4	7	-	7	5																										
(7	1	8)	2	6	0	-	2	9	0	6																						

2. Certification - Two Signatures Required			
We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report.			
a. President or Authorized Officer	 <small>Signature</small>	Lawrence S Brown Jr <small>Printed Name</small>	Chief Executive Officer <small>Title</small>
			05/13/2013 <small>Date</small>
b. Chief Financial Officer or Treas.	 <small>Signature</small>	Sudhakar Duvoor <small>Printed Name</small>	Chief Financial Officer <small>Title</small>
			05/13/2013 <small>Date</small>

3. Annual Report Exemption Information
a. Article 7-A annual report exemption (Article 7-A registrants and dual registrants) Check <input type="checkbox"/> if total contributions from NY State (including residents, foundations, corporations, government agencies, etc.) did not exceed \$25,000 and the organization did not engage a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during this fiscal year. NOTE: An organization may claim this exemption if no PFR or FRC was used and either: 1) it received an allocation from a federated fund, United Way or incorporated community appeal and contributions from other sources did not exceed \$25,000 or 2) it received all or substantially all of its contributions from one government agency to which it submitted an annual report similar to that required by Article 7-A.
b. EPTL annual report exemption (EPTL registrants and dual registrants) Check <input type="checkbox"/> if gross receipts did not exceed \$25,000 and assets (market value) did not exceed \$25,000 at any time during this fiscal year.
<small>For EPTL or Article-7A registrants claiming the annual report exemption under the one law under which they are registered and for dual registrants claiming the annual report exemptions under both laws, simply complete part 1 (General Information), part 2 (Certification) and part 3 (Annual Report Exemption Information) above. Do not submit a fee, do not complete the following schedules and do not submit any attachments to this form.</small>

4. Article 7-A Schedules
If you did not check the Article 7-A annual report exemption above, complete the following for this fiscal year:
a. Did the organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? .. <input checked="" type="checkbox"/> Yes* <input type="checkbox"/> No * If "Yes", complete Schedule 4a.
b. Did the organization receive government contributions (grants)? <input checked="" type="checkbox"/> Yes* <input type="checkbox"/> No * If "Yes", complete Schedule 4b.

5. Fee Submitted: See last page for summary of fee requirements.	
Indicate the filing fee(s) you are submitting along with this form:	
a. Article 7-A filing fee \$ <u>25</u> b. EPTL filing fee \$ <u>750</u> c. Total fee \$ <u>775</u>	Submit only one check or money order for the total fee, payable to "NYS Department of Law"

6. Attachments - For organizations that are not claiming annual report exemptions under both laws, see last page for required attachments →→→

Schedule 4a: Professional Fund Raisers (PFR), Fund Raising Counsels (FRC), Commercial Co-Venturers (CCV)

If you checked the box in question 4.a. on page 1, complete the following schedule for each PFR, FRC or CCV that the organization engaged for fund raising activity in NY State:

1. Type of fund raising professional (FRP):

Professional fund raiser	<input type="checkbox"/>
Fund raising counsel	<input checked="" type="checkbox"/>
Commercial co-venturer	<input type="checkbox"/>

2. Name of FRP:
Quest Philanthropic Group, LLC.

Number and street (or P.O. box if mail is not delivered to street address):
85 East End Avenue, #2N

City or town, state or country and zip + 4:
New York, NY 10028

3. FRP telephone number:
(212) 628 - 8246

4. Services provided by FRP (provide description):
Coordinate mini major gift campaign and draft a Request for Proposal (RFP) for Marketing and Development Consultants.

5. Compensation arrangement with FRP (provide description):
Consulting agreement.

6. Dates of contract 06/07/2012 through 10/31/2012
(mm/dd/yyyy) (mm/dd/yyyy)

7. Amount paid to FRP \$ 15,000.00

8. If services were provided by a CCV, did the CCV provide the charitable organization with the interim report(s) required by §§ 173-a. 3 of the Executive Law? Yes No

)

5. Fee Instructions

The filing fee depends on the organization's Registration Type. For details on Registration Type and filing fees, see the Instructions for Form CHAR500.

Organization's Registration Type	Fee Instructions
----------------------------------	------------------

- | | |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| • Article 7-A | Calculate the Article 7-A filing fee using the table in part a below. The EPTL filing fee is \$0. |
| • EPTL | Calculate the EPTL filing fee using the table in part b below. The Article 7-A filing fee is \$0. |
| • Dual | Calculate both the Article 7-A and EPTL filing fees using the tables in parts a and b below. Add the Article 7-A and EPTL filing fees together to calculate the total fee. Submit a <u>single</u> check or money order for the total fee. |

a) Article 7-A filing fee

Total Support & Revenue	Article 7-A Fee
more than \$250,000	\$25
up to \$250,000 *	\$10

* Any organization that contracted with or used the services of a professional fund raiser (PFR) or fund raising counsel (FRC) during the reporting period must pay an Article 7-A filing fee of \$25, regardless of total support and revenue.

b) EPTL filing fee

Net Worth at End of Year	EPTL Fee
Less than \$50,000	\$25
\$50,000 or more, but less than \$250,000	\$50
\$250,000 or more, but less than \$1,000,000	\$100
\$1,000,000 or more, but less than \$10,000,000	\$250
\$10,000,000 or more, but less than \$50,000,000	\$750
\$50,000,000 or more	\$1500

6. Attachments – Document Attachment Check-List

Check the boxes for the documents you are attaching.

For All Filers		
<u>Filing Fee</u>		
<input checked="" type="checkbox"/> Single check or money order payable to "NYS Department of Law"		
<u>Copies of Internal Revenue Service Forms</u>		
<input checked="" type="checkbox"/> IRS Form 990	<input type="checkbox"/> IRS Form 990-EZ	<input type="checkbox"/> IRS Form 990-PF
<input type="checkbox"/> All required schedules (including Schedule B)	<input type="checkbox"/> All required schedules (including Schedule B)	<input type="checkbox"/> All required schedules (including Schedule B)
<input type="checkbox"/> IRS Form 990-T	<input type="checkbox"/> IRS Form 990-T	<input type="checkbox"/> IRS Form 990-T

Additional Article 7-A Document Attachment Requirement
<u>Independent Accountant's Report</u>
<input checked="" type="checkbox"/> Audit Report (total support & revenue more than \$250,000)
<input type="checkbox"/> Review Report (total support & revenue \$100,001 to \$250,000)
<input type="checkbox"/> No Accountant's Report Required (total support & revenue not more than \$100,000)

*** Form 990 Online Filers: Please fax completed and signed form to 866-699-3916

Form **8453-EO**

Exempt Organization Declaration and Signature for Electronic Filing

OMB No. 1545-1879

For calendar year 2012, or tax year beginning 01/01, 2012, and ending 12/31, 2012

2012

Department of the Treasury
Internal Revenue Service

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

Name of exempt organization

Employer identification number

ADDICTION RESEARCH AND TREATMENT CORPORATION

13-2642451

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the type of return being filed with Form 8453-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a below and the amount on that line of the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). If you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a Form 990 check here	<input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1b	22,874,150
2a Form 990-EZ check here	<input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2b	
3a Form 1120-POL check here	<input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b	
4a Form 990-PF check here	<input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b	
5a Form 8868 check here	<input type="checkbox"/>	b Balance due (Form 8868, Part I, line 3c or Part II, line 8c)	5b	

Part II Declaration of Officer

- 6 I authorize the U.S. Treasury and its designated Financial Agent to initiate an Automated Clearing House (ACH) electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.
- If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2012 electronic return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund.

Sign Here  Signature of officer  Date  Title

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only	ERO's signature	Date	Check if also paid preparer <input type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code				EIN
					Phone no.

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name				Firm's EIN
	Firm's address				

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2012 calendar year, or tax year beginning **01/01**, 2012, and ending **12/31**, 20 **12**

B Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C Name of organization **ADDICTION RESEARCH AND TREATMENT CORPORATION**
 Doing Business As
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
22 Chapel Street
 City, town or post office, state, and ZIP code
Brooklyn, NY 11201

D Employer identification number
13-2642451

E Telephone number
718-260-2906

G Gross receipts \$ **22,952,559**

F Name and address of principal officer: **Lawrence S Brown Jr**
22 Chapel Street, Brooklyn, NY 11201

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list. (see instructions)

I Tax-exempt status: 501(c)(3) 501(c) () ◀ (insert no.) 4947(a)(1) or 527

J Website: ▶ **www.artcny.org**

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: **1969** **M** State of legal domicile: **NY**

H(c) Group exemption number ▶

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>The Mission of the Addiction Research and Treatment Corporation is to provide: The highest quality of compassionate, comprehensive, evidence-based health-care, and social services; Education of the public concerning maintenance of healthy lifestyles; and Cutting-edge behavioral, biomedical, and healthcare services research.</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	4
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	4
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	435
	6	Total number of volunteers (estimate if necessary)	6	0
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 2,810,782	Current Year 5,078,010
	9	Program service revenue (Part VIII, line 2g)	19,011,834	17,691,146
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	12,401	13,963
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	9,850	91,031
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	21,844,867	22,874,150
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	16,323,327	16,200,753
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 27,216		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	5,955,834	4,761,966
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	22,279,161	20,962,719	
	19 Revenue less expenses. Subtract line 18 from line 12	-434,294	1,911,431	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 13,320,497	End of Year 17,786,514
	21	Total liabilities (Part X, line 26)	3,936,660	6,221,121
	22	Net assets or fund balances. Subtract line 21 from line 20	9,383,837	11,565,393

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: _____ Date: _____
 Lawrence Brown Jr, Chief Executive Officer
 Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: _____ Preparer's signature: _____ Date: _____ Check if self-employed PTIN: _____
 Firm's name ▶: _____ Firm's EIN ▶: _____
 Firm's address ▶: _____ Phone no.: _____

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission:

The Mission of the Addiction Research and Treatment Corporation is to provide: The highest quality of compassionate, comprehensive, evidence-based health-care, and social services; Education of the public concerning maintenance of healthy lifestyles; and Cutting-edge behavioral, biomedical, and healthcare services research.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 17,024,238 including grants of \$ 0) (Revenue \$ 0)

The Addiction Research and Treatment Corporation maintains the highest standard of national accreditation from CARF since the inception of accreditation standards for opioid agonist treatment programs. With a population of approximately 3,000 patients, ARTC maintained its census at 95% of its licensed capacity for methadone maintenance treatment, far in excess of the statewide average. Additionally, the agency provided HIV prevention and primary care and general primary care to over 30% of its patients. To support the provision for the highest caliber of health care, several capital improvements were made and ARTC developed a partnership with New York City Department of Health and Mental Hygiene Primary Care Information Project and e-Clinical Works to implement its electronic medical record. To evaluate the impact of the electronic medical record on clinical care, ARTC received a grant funded by the National Institute on Drug Abuse.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.) (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)

4e Total program service expenses ▶ 17,024,238

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	✓	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?		✓
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		✓
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		✓
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		✓
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		✓
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		✓
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		✓
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	✓	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		✓
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		✓
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		✓
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		✓
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	✓	
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		✓
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	✓	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		✓
14 a	Did the organization maintain an office, employees, or agents outside of the United States?		✓
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV.</i>		✓
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		✓
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		✓
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>		✓
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	✓	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		✓
20 a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		✓
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		✓
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		✓
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	✓	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		✓
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		✓
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		✓
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		✓
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		✓
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		✓
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		✓
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		✓
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		✓
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	✓	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		✓
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		✓
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		✓
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	✓	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

			Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	17		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		✓	
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	435		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		✓	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a			✓
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b			
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			✓
b If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			✓
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			✓
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a			✓
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7 Organizations that may receive deductible contributions under section 170(c).				
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		✓	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		✓	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			✓
d If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			✓
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			✓
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			✓
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			✓
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9 Sponsoring organizations maintaining donor advised funds.				
a Did the organization make any taxable distributions under section 4966?	9a			
b Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10 Section 501(c)(7) organizations. Enter:				
a Initiation fees and capital contributions included on Part VIII, line 12	10a			
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11 Section 501(c)(12) organizations. Enter:				
a Gross income from members or shareholders	11a			
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a			
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.				
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a			
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c Enter the amount of reserves on hand	13c			
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a			✓
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b			

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		<input checked="" type="checkbox"/>
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		<input checked="" type="checkbox"/>
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		<input checked="" type="checkbox"/>
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		<input checked="" type="checkbox"/>
6	Did the organization have members or stockholders?		<input checked="" type="checkbox"/>
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		<input checked="" type="checkbox"/>
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		<input checked="" type="checkbox"/>
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	<input checked="" type="checkbox"/>	
8b	Each committee with authority to act on behalf of the governing body?	<input checked="" type="checkbox"/>	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? <i>If "Yes," provide the names and addresses in Schedule O.</i>		<input checked="" type="checkbox"/>

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		<input checked="" type="checkbox"/>
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	<input checked="" type="checkbox"/>	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? <i>If "No," go to line 13</i>	<input checked="" type="checkbox"/>	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	<input checked="" type="checkbox"/>	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? <i>If "Yes," describe in Schedule O how this was done</i>	<input checked="" type="checkbox"/>	
13	Did the organization have a written whistleblower policy?	<input checked="" type="checkbox"/>	
14	Did the organization have a written document retention and destruction policy?	<input checked="" type="checkbox"/>	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	<input checked="" type="checkbox"/>	
15b	Other officers or key employees of the organization <i>If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).</i>	<input checked="" type="checkbox"/>	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		<input checked="" type="checkbox"/>
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► NY
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► **Sudhakar V Duvoor, (718)260-2906**

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Joyce Y Hall Chairperson	1 0	✓					5,000	0	0	
Judith D Mitchell Esq Secretary / Treasurer	1 0	✓					3,750	0	0	
Juan Bailey MD Vice Chairperson	1 0	✓					3,000	0	0	
Gwendolyn Towns Trustee	1 0	✓					3,500	0	0	
Beny J Primm Trustee	1 0	✓					0	0	0	
Horace L Morancie Trustee	1 0	✓					1,500	0	0	
Lawrence Brown Jr Chief Executive Officer	35 0			✓			166,498	0	21,554	
Charles Madray Chief Operating Officer	35 0			✓			140,000	0	21,934	
Sudhakar Duvoor Chief Financial Officer	35 0			✓			90,930	0	14,052	
Dr Carlota John-Hull Director, Medical Services	35 0					✓	170,000	0	17,448	
Tatiana Gouskova Physician	35 0					✓	120,286	0	19,196	
Ewa M Janusz-Berezowska Physician	35 0					✓	125,580	0	15,484	
Ambrosio Quiban Physican	35 0					✓	123,401	0	15,561	
Owen Ifill Physician	35 0					✓	121,123	0	0	

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII.

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a 0					
	b Membership dues	1b 0					
	c Fundraising events	1c 61,600					
	d Related organizations	1d 0					
	e Government grants (contributions)	1e 4,167,968					
	f All other contributions, gifts, grants, and similar amounts not included above	1f 848,442					
	g Noncash contributions included in lines 1a-1f: \$	0					
	h Total. Add lines 1a-1f		5,078,010				
Program Service Revenue	Business Code						
	2a Medicaid Title XIX	621420	17,104,798	17,104,798	0	0	
	b Patient Fee	621420	323,649	323,649	0	0	
	c Culinary Arts Academy	722310	262,699	262,699	0	0	
	d _____						
	e _____						
	f All other program service revenue .		0	0	0	0	
g Total. Add lines 2a-2f		17,691,146					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		13,963	13,963	0	0	
	4 Income from investment of tax-exempt bond proceeds		0	0	0	0	
	5 Royalties		0	0	0	0	
	6a Gross rents	(i) Real	106,512				
		(ii) Personal	0				
		b Less: rental expenses	78,409				
		c Rental income or (loss)	28,103				
	d Net rental income or (loss)		28,103	28,103	0	0	
	7a Gross amount from sales of assets other than inventory	(i) Securities					
		(ii) Other					
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)	0	0			
	d Net gain or (loss)						
	8a Gross income from fundraising events (not including \$ 0 of contributions reported on line 1c). See Part IV, line 18	a	0				
		b Less: direct expenses	0				
		c Net income or (loss) from fundraising events		0		0	0
	9a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses							
c Net income or (loss) from gaming activities							
10a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold						
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11a _____							
b _____							
c _____							
d All other revenue		62,928	62,928	0	0		
e Total. Add lines 11a-11d		62,928					
12 Total revenue. See instructions.		22,874,150	17,796,140	0	0		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22 . . .				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 . .				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	397,428		397,428	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . .				
7 Other salaries and wages	12,496,455	10,739,252	1,757,203	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	932,151	775,940	156,211	
9 Other employee benefits	1,280,567	1,065,943	214,624	
10 Payroll taxes	1,094,152	910,793	183,359	
11 Fees for services (non-employees):				
a Management				
b Legal	114,746		114,746	
c Accounting	69,960	9,000	60,960	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) . .	127,207	33,932	78,275	15,000
12 Advertising and promotion				
13 Office expenses	587,592	445,837	134,651	7,104
14 Information technology	25,227	3,145	22,082	
15 Royalties				
16 Occupancy	908,510	705,651	202,859	
17 Travel	58,961	26,004	32,929	28
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings . .	61,207	37,948	18,299	4,960
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization .	553,716	453,723	99,993	
23 Insurance	242,440	149,001	93,439	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Telephone	333,546	211,518	122,028	
b Equipment Rental & Maintenance	460,906	340,907	119,999	0
c Patient Costs	1,090,807	1,089,249	1,558	0
d Miscellaneous	127,141	26,395	100,622	124
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	20,962,719	17,024,238	3,911,265	27,216
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X

		(A)		(B)	
		Beginning of year		End of year	
Assets	1 Cash—non-interest-bearing	0	1		
	2 Savings and temporary cash investments	1,485,091	2	7,717,179	
	3 Pledges and grants receivable, net	629,075	3	501,090	
	4 Accounts receivable, net	4,394,730	4	1,812,547	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L			6	
	7 Notes and loans receivable, net	434,168	7	154,911	
	8 Inventories for sale or use		8		
	9 Prepaid expenses and deferred charges	18,338	9	38,997	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	21,391,762			
	b Less: accumulated depreciation	13,835,512			
	11 Investments—publicly traded securities		11		
	12 Investments—other securities. See Part IV, line 11		12		
	13 Investments—program-related. See Part IV, line 11		13		
	14 Intangible assets		14		
	15 Other assets. See Part IV, line 11	5,540	15	5,540	
16 Total assets. Add lines 1 through 15 (must equal line 34)	13,320,497	16	17,786,514		
Liabilities	17 Accounts payable and accrued expenses	3,635,023	17	2,632,622	
	18 Grants payable	156,791	18	3,588,499	
	19 Deferred revenue		19		
	20 Tax-exempt bond liabilities		20		
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22		
	23 Secured mortgages and notes payable to unrelated third parties		23		
	24 Unsecured notes and loans payable to unrelated third parties	144,846	24		
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	0	25	0	
	26 Total liabilities. Add lines 17 through 25	3,936,660	26	6,221,121	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	9,383,837	27	11,565,393	
	28 Temporarily restricted net assets	0	28	0	
	29 Permanently restricted net assets	0	29	0	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
	33 Total net assets or fund balances	9,383,837	33	11,565,393	
34 Total liabilities and net assets/fund balances	13,320,497	34	17,786,514		

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	22,874,150
2	Total expenses (must equal Part IX, column (A), line 25)	2	20,962,719
3	Revenue less expenses. Subtract line 2 from line 1	3	1,911,431
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	9,383,837
5	Net unrealized gains (losses) on investments	5	0
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	270,125
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	11,565,393

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . . If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		✓
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	✓	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	✓	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	✓	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	✓	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization ADDICTION RESEARCH AND TREATMENT CORPORATION	Employer identification number 13-2642451
---------------------------------------------------------------------------------	-----------------------------------------------------

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III—Functionally integrated d Type III—Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 - (ii) A family member of a person described in (i) above?
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	22,850,803	22,551,651	21,269,702	21,844,867	22,874,150	111,391,173
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	22,850,803	22,551,651	21,269,702	21,844,867	22,874,150	111,391,173
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						111,391,173

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4	22,850,803	22,551,651	21,269,702	21,844,867	22,874,150	111,391,173
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						111,391,173
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	100 %
15 Public support percentage from 2011 Schedule A, Part II, line 14	15	100 %
16a 33 1/3% support test—2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	► <input checked="" type="checkbox"/>	
b 33 1/3% support test—2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	► <input type="checkbox"/>	
17a 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	► <input type="checkbox"/>	
b 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	► <input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	► <input type="checkbox"/>	

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . .						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . .						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons .						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	%
19a 33 1/3% support tests—2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 33 1/3% support tests—2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions <input type="checkbox"/>		

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Name of the organization

Employer identification number

ADDICTION RESEARCH AND TREATMENT CORPORATION

13-2642451

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Table with 2 columns: Description, Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year, 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B) (i) and section 170(h)(4)(B)(ii)?, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Table with 2 columns: Description, Amount. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items. 1b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1, (ii) Assets included in Form 990, Part X. 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenues included in Form 990, Part VIII, line 1, b Assets included in Form 990, Part X.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|-------------------------------------------|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment ▶%
 - b Permanent endowment ▶%
 - c Temporarily restricted endowment ▶%
- The percentages in lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|-------------------------------------------------------------------------------------------------|---------------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	392,208		392,208
b Buildings	0	1,811,912	1,811,912	0
c Leasehold improvements	0	12,712,383	6,000,908	6,711,475
d Equipment	0	6,254,616	5,850,803	403,813
e Other	0	220,643	171,889	48,754
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				7,556,250

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes	0	
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
(11)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	0	

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**SCHEDULE G
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

**Supplemental Information Regarding
Fundraising or Gaming Activities**

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

Employer identification number

ADDICTION RESEARCH AND TREATMENT CORPORATION

13-2642451

Part I

Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

- 1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a** Mail solicitations
 - b** Internet and email solicitations
 - c** Phone solicitations
 - d** In-person solicitations
 - e** Solicitation of non-government grants
 - f** Solicitation of government grants
 - g** Special fundraising events
- 2a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? **Yes** **No**
- b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total						

- 3** List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

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Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		Capacity Building Receipts (event type)	(event type)	(total number)	(add col. (a) through col. (c))
Revenue	1 Gross receipts	61,600			61,600
	2 Less: Contributions	0			0
	3 Gross income (line 1 minus line 2)	61,600			61,600
Direct Expenses	4 Cash prizes	0			0
	5 Noncash prizes	0			0
	6 Rent/facility costs	4,959			4,959
	7 Food and beverages	0		0	0
	8 Entertainment	0		0	0
	9 Other direct expenses	22,257			22,257
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(27,216)
11 Net income summary. Combine line 3, column (d), and line 10 ▶				34,384	

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
		1 Gross revenue			
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				()	
8 Net gaming income summary. Combine line 1, column d, and line 7 ▶					

9 Enter the state(s) in which the organization operates gaming activities: _____
a Is the organization licensed to operate gaming activities in each of these states? Yes No
b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No
b If "Yes," explain: _____

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service
Name of the organization

Compensation Information
For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990,
Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047
2012
**Open to Public
Inspection**

ADDICTION RESEARCH AND TREATMENT CORPORATION

Employer identification number
13-2642451

Part I Questions Regarding Compensation

	Yes	No								
<p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <table border="0"> <tr> <td><input type="checkbox"/> First-class or charter travel</td> <td><input type="checkbox"/> Housing allowance or residence for personal use</td> </tr> <tr> <td><input type="checkbox"/> Travel for companions</td> <td><input type="checkbox"/> Payments for business use of personal residence</td> </tr> <tr> <td><input type="checkbox"/> Tax indemnification and gross-up payments</td> <td><input type="checkbox"/> Health or social club dues or initiation fees</td> </tr> <tr> <td><input type="checkbox"/> Discretionary spending account</td> <td><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</td> </tr> </table>	<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use	<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence	<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees	<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use									
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence									
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees									
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)									
<p>b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</p>	1b									
<p>2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?</p>	2									
<p>3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.</p> <table border="0"> <tr> <td><input type="checkbox"/> Compensation committee</td> <td><input type="checkbox"/> Written employment contract</td> </tr> <tr> <td><input checked="" type="checkbox"/> Independent compensation consultant</td> <td><input checked="" type="checkbox"/> Compensation survey or study</td> </tr> <tr> <td><input type="checkbox"/> Form 990 of other organizations</td> <td><input checked="" type="checkbox"/> Approval by the board or compensation committee</td> </tr> </table>	<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract	<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study	<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee				
<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract									
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study									
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee									
<p>4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:</p>										
<p>a Receive a severance payment or change-of-control payment?</p>	4a	✓								
<p>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p>	4b	✓								
<p>c Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.</p>	4c	✓								
<p>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.</p>										
<p>5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</p>										
<p>a The organization?</p>	5a	✓								
<p>b Any related organization?</p> <p>If "Yes" to line 5a or 5b, describe in Part III.</p>	5b	✓								
<p>6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</p>										
<p>a The organization?</p>	6a	✓								
<p>b Any related organization?</p> <p>If "Yes" to line 6a or 6b, describe in Part III.</p>	6b	✓								
<p>7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III</p>	7	✓								
<p>8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III</p>	8	✓								
<p>9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	9									

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)–(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 Lawrence Brown Jr, Chief Executive Officer	(i)	166,498	0	0	14,768	6,786	188,052	0
	(ii)	0	0	0	0	0	0	0
2 Charles Madray, Chief Operating Officer	(i)	140,000	0	0	12,391	9,543	161,934	12,596
	(ii)	0	0	0	0	0	0	0
3 Dr Carlota John-Hull, Director, Medical Services	(i)	170,000	0	0	16,580	868	187,448	17,058
	(ii)	0	0	0	0	0	0	0
4 Beny J Primm MD, Trustee / Special Assistant to CEO	(i)	88,681	0	0	8,328	495	97,504	0
	(ii)	0	0	0	0	0	0	0
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

Name of the organization

ADDICTION RESEARCH AND TREATMENT CORPORATION

Employer identification number

13-2642451

Form 990, Part VI, Section B, Line 11b - Form 990 is reviewed by corporate counsel and by all members of the governing body before it is submitted.

Form 990, Part VI, Section B, Line 12c - All members of the governing body and key employees sign written compliance affirmations each year. Potential conflicts of interest are reviewed by the Legal and Ethics committee of the governing body.

Form 990, Part VI, Section B, Line 15 - An independent firm was retained to provide comparability data. That data was reviewed by the governing body and by counsel. The governing body evaluated the performance of the Chief Executive Officer and officers and set compensation at a level that fell within the comparability data. The actions of the governing body were contemporaneously documented.

Form 990, Part VI, Section C, Line 18 - The organization makes its Form 1023 and 990 available to the public upon request.

Form 990, Part VI, Section C, Line 19 - The organization makes its governing documents, conflict of interest policy and financial statements available to the public upon request.

Form 990, Part XI, Line 9 - Prior period adjustment

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

**Open to Public
Inspection**

Name of the organization

ADDICTION RESEARCH AND TREATMENT CORPORATION

Employer identification number

13-2642451

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) Affiliated Services and Resources Corp (11-2813909) 22 Chapel Street, Brooklyn, NY 11201	Supporting Organization	NY	509 (A) (3)	501 (C) (3)	N/A		
(2) -----							
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Gift, grant, or capital contribution to related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c Gift, grant, or capital contribution from related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d Loans or loan guarantees to or for related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e Loans or loan guarantees by related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f Dividends from related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g Sale of assets to related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h Purchase of assets from related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
i Exchange of assets with related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
j Lease of facilities, equipment, or other assets to related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
k Lease of facilities, equipment, or other assets from related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
l Performance of services or membership or fundraising solicitations for related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
m Performance of services or membership or fundraising solicitations by related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
o Sharing of paid employees with related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
p Reimbursement paid to related organization(s) for expenses	<input checked="" type="checkbox"/>	<input type="checkbox"/>
q Reimbursement paid by related organization(s) for expenses	<input checked="" type="checkbox"/>	<input type="checkbox"/>
r Other transfer of cash or property to related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
s Other transfer of cash or property from related organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													



ADDICTION RESEARCH AND TREATMENT CORPORATION AND SUBSIDIARY

Consolidating Financial Statements

December 31, 2012 and 2011

With Independent Auditors' Reports

Addiction Research and Treatment Corporation and Subsidiary
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Addiction Research and Treatment Corporation and Subsidiary
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WithumSmith+Brown, PC
A Professional Corporation
Certified Public Accountants and Consultants

One Spring Street
New Brunswick, NJ 08901
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Additional Offices in New Jersey, New York,
Pennsylvania, Maryland, Colorado and Florida

Independent Auditors' Report

To the Board of Trustees,
Addiction Research and Treatment Corporation:

We have audited the accompanying consolidating statements of financial position of Addiction Research and Treatment Corporation and Subsidiary, which comprise the consolidating balance sheets as of December 31, 2012 and 2011 and the related consolidating statements of activities, changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the consolidating financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidating 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 consolidating financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidating financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidating financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidating financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidating 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 consolidating 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 consolidating 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 consolidating financial statements referred to above present fairly, in all material respects, the financial position of Addiction Research and Treatment Corporation and Subsidiary as of December 31, 2012 and 2011, and the results of its operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC

April 2, 2013



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Pennsylvania, Maryland, Colorado and Florida

Independent Auditors' Report

To the Board of Trustees,
Addiction Research and Treatment Corporation:

Report on the Financial Statements

We have audited the accompanying consolidating statements of financial position of Addiction Research and Treatment Corporation and Subsidiary, which comprise the consolidating statements of financial position as of December 31, 2012 and 2011 and the related consolidating statements of activities, changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidating financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidating 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidating 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 of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidating financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidating financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidating 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 consolidating 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 consolidating 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 consolidating financial statements referred to above present fairly, in all material respects, the financial position of Addiction Research and Treatment Corporation and Subsidiary as of December 31, 2012 and 2011, and the results of its operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidating financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the 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 consolidating 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 consolidating financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidating financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the consolidating financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2013 on our consideration of Addiction Research and Treatment Corporation and Subsidiary'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* and should be considered in assessing the results of our audit.

A handwritten signature in cursive script that reads "Withum Smith & Brown, PC".

April 2, 2013

**Addiction Research and Treatment Corporation and Subsidiary
Consolidating Statements of Financial Position
December 31, 2012**

	<u>Addiction Research and Treatment Corporation</u>	<u>Affiliated Services and Resources Corporation</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 7,717,179	\$ 201,923	\$ --	\$ 7,919,102
Due from funding agencies	501,090	--	--	501,090
Medicaid Title XIX receivable, net of allowance for doubtful accounts of \$-0-	1,812,547	--	--	1,812,547
Other current assets	38,997	--	--	38,997
Total current assets	<u>10,069,813</u>	<u>201,923</u>	<u>--</u>	<u>10,271,736</u>
Property and equipment				
Construction in progress	1,853,107	--	--	1,853,107
Land	392,208	148,382	--	540,590
Building	1,811,912	505,380	--	2,317,292
Renovations and building improvements	10,859,276	--	--	10,859,276
Furniture, fixtures and equipment	6,254,616	8,099	--	6,262,715
Automotive equipment	220,643	41,107	--	261,750
	<u>21,391,762</u>	<u>702,968</u>	<u>--</u>	<u>22,094,730</u>
Less: Accumulated depreciation	<u>13,835,512</u>	<u>445,246</u>	<u>--</u>	<u>14,280,758</u>
Property and equipment, net	<u>7,556,250</u>	<u>257,722</u>	<u>--</u>	<u>7,813,972</u>
Other assets				
Due from affiliates	154,911	--	(154,911)	--
Other assets	5,540	--	--	5,540
Total other assets	<u>160,451</u>	<u>--</u>	<u>(154,911)</u>	<u>5,540</u>
	<u>\$ 17,786,514</u>	<u>\$ 459,645</u>	<u>\$ (154,911)</u>	<u>\$ 18,091,248</u>
Liabilities and Net Assets				
Current liabilities				
Due to funding agencies	\$ 3,588,499	\$ --	\$ --	\$ 3,588,499
Accounts payable and accrued expenses	2,546,032	--	--	2,546,032
Other current liabilities	86,590	5,200	--	91,790
Total current liabilities	<u>6,221,121</u>	<u>5,200</u>	<u>--</u>	<u>6,226,321</u>
Due to affiliates	<u>--</u>	<u>197,126</u>	<u>(154,911)</u>	<u>42,215</u>
Total liabilities	<u>6,221,121</u>	<u>202,326</u>	<u>(154,911)</u>	<u>6,268,536</u>
Unrestricted net assets				
Operating	4,009,143	257,319	--	4,266,462
Property and equipment	7,556,250	--	--	7,556,250
Total unrestricted net assets	<u>11,565,393</u>	<u>257,319</u>	<u>--</u>	<u>11,822,712</u>
	<u>\$ 17,786,514</u>	<u>\$ 459,645</u>	<u>\$ (154,911)</u>	<u>\$ 18,091,248</u>

The Notes to Consolidating Financial Statements are an integral part of this statement.

Addiction Research and Treatment Corporation and Subsidiary
Consolidating Statements of Financial Position
December 31, 2011

	Addiction Research and Treatment Corporation (Restated)	Affiliated Services and Resources Corporation	Eliminations (Restated)	Total (Restated)
Assets				
Current assets				
Cash and cash equivalents	\$ 1,485,091	\$ 187,883	\$ --	\$ 1,672,974
Due from funding agencies, net	629,075	--	--	629,075
Medicaid Title XIX receivable, net of allowance for doubtful accounts of \$3,731,657	4,394,730	--	--	4,394,730
Other current assets	18,338	--	--	18,338
Total current assets	6,527,234	187,883	--	6,715,117
Property and equipment				
Construction in progress	514,014	--	--	514,014
Land	113,000	202,482	--	315,482
Building	1,610,282	932,117	--	2,542,399
Renovations and building improvements	10,828,322	--	--	10,828,322
Furniture, fixtures and equipment	6,138,076	75,499	--	6,213,575
Automotive equipment	458,817	316,707	--	775,524
	19,662,511	1,526,805	--	21,189,316
Less: Accumulated depreciation	13,308,956	974,226	--	14,283,182
Property and equipment, net	6,353,555	552,579	--	6,906,134
Other assets				
Due from affiliates	704,292	--	(434,168)	270,124
Other assets	5,540	--	--	5,540
Total other assets	709,832	--	(434,168)	275,664
	\$13,590,621	\$ 740,462	\$ (434,168)	\$ 13,896,915
Liabilities and Net Assets				
Current liabilities				
Due to funding agencies	\$ 156,791	\$ --	\$ --	\$ 156,791
Accounts payable and accrued expenses	3,453,368	--	--	3,453,368
Other current liabilities	181,654	5,201	--	186,855
Total current liabilities	3,791,813	5,201	--	3,797,014
Due to affiliates	144,846	472,861	(434,168)	183,539
Total liabilities	3,936,659	478,062	(434,168)	3,980,553
Unrestricted net assets				
Operating	3,300,407	262,400	--	3,562,807
Property and equipment	6,353,555	--	--	6,353,555
Total unrestricted net assets	9,653,962	262,400	--	9,916,362
	\$13,590,621	\$ 740,462	\$ (434,168)	\$ 13,896,915

The Notes to Consolidating Financial Statements are an integral part of this statement.

Addiction Research and Treatment Corporation and Subsidiary
Consolidating Statements of Activities
Year Ended December 31, 2012 (With Comparative Totals for 2011)

	Addiction Research and Treatment Corporation	Affiliated Services and Resources Corporation	Eliminations	Total	2011 Total (Restated)
Changes in unrestricted net assets					
Revenues					
New York State Department of Health, Office of Alcoholism and Substance Abuse Services	\$ 2,418,505	\$ --	\$ --	\$ 2,418,505	\$ 1,234,936
Medicaid Title XIX	17,104,798	--	--	17,104,798	18,118,092
Patient fees	323,648	--	--	323,648	265,751
Contract/grant revenue	2,597,906	--	--	2,597,906	1,538,504
Rental revenue	106,512	--	--	106,512	122,621
Vending machine revenue	--	1,216	--	1,216	19,571
Interest and dividends	13,963	152	--	14,115	12,659
Food revenue	262,699	--	--	262,699	548,197
Fundraising	61,600	--	--	61,600	--
Other	62,928	228	--	63,156	387,260
	<u>22,952,559</u>	<u>1,596</u>	<u>--</u>	<u>22,954,155</u>	<u>22,247,591</u>
Expenses and losses					
Program services					
Clinic operations	15,138,496	--	--	15,138,496	16,587,522
Research activities	91,817	--	--	91,817	88,508
Other programs	2,195,633	--	--	2,195,633	2,635,454
Total program services	<u>17,425,946</u>	<u>--</u>	<u>--</u>	<u>17,425,946</u>	<u>19,311,484</u>
Supporting services					
Administration	3,587,966	--	--	3,587,966	3,058,417
Fundraising	27,216	--	--	27,216	--
Facility	--	6,677	--	6,677	41,860
	<u>3,615,182</u>	<u>6,677</u>	<u>--</u>	<u>3,621,859</u>	<u>3,100,277</u>
	<u>21,041,128</u>	<u>6,677</u>	<u>--</u>	<u>21,047,805</u>	<u>22,411,761</u>
Changes in unrestricted net assets	<u>\$ 1,911,431</u>	<u>\$ (5,081)</u>	<u>\$ --</u>	<u>\$ 1,906,350</u>	<u>\$ (164,170)</u>

The Notes to Consolidating Financial Statements are an integral part of this statement.

Addiction Research and Treatment Corporation and Subsidiary
Consolidating Statements of Activities
Year Ended December 31, 2011

	Addiction Research and Treatment Corporation (Restated)	Affiliated Services and Resources Corporation	Eliminations	Total (Restated)
Changes in unrestricted net assets				
Revenues				
New York State Department of Health, Office of Alcoholism and Substance Abuse Services	\$ 1,234,936	\$ --	\$ --	\$ 1,234,936
Medicaid Title XIX	18,118,092	--	--	18,118,092
Patient fees	265,751	--	--	265,751
Contract/grant revenue	1,538,504	--	--	1,538,504
Rental revenue	100,590	22,031	--	122,621
Vending machine revenue	--	19,571	--	19,571
Interest and dividends	12,401	258	--	12,659
Food revenue	548,197	--	--	548,197
Other	387,260	--	--	387,260
	<u>22,205,731</u>	<u>41,860</u>	<u>--</u>	<u>22,247,591</u>
Expenses and losses				
Program services				
Clinic operations	16,587,522	--	--	16,587,522
Research activities	88,508	--	--	88,508
Other programs	2,635,454	--	--	2,635,454
Total program services	<u>19,311,484</u>	<u>--</u>	<u>--</u>	<u>19,311,484</u>
Supporting services				
Administration	3,058,417	--	--	3,058,417
Facility	--	41,860	--	41,860
	<u>3,058,417</u>	<u>41,860</u>	<u>--</u>	<u>3,100,277</u>
	<u>22,369,901</u>	<u>41,860</u>	<u>--</u>	<u>22,411,761</u>
Changes in unrestricted net assets	<u>\$ (164,170)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (164,170)</u>

The Notes to Consolidating Financial Statements are an integral part of this statement.

**Addiction Research and Treatment Corporation and Subsidiary
Consolidating Statements of Changes in Net Assets
Years Ended December 31, 2012 and 2011**

	<u>Addiction Research and Treatment Corporation</u>	<u>Property and Equipment Fund</u>	<u>Affiliated Services and Resources Corporation Operating</u>	<u>Total</u>
	<u>Operating</u>	<u>Fund</u>	<u>Operating</u>	<u>Total</u>
Unrestricted net assets December 31, 2010	\$ 3,084,094	\$ 6,734,038	\$ 262,400	\$ 10,080,532
Changes in unrestricted net assets (restated)	<u>216,313</u>	<u>(380,483)</u>	<u>--</u>	<u>(164,170)</u>
Unrestricted net assets December 31, 2011 (restated)	3,300,407	6,353,555	262,400	9,916,362
Changes in unrestricted net assets	<u>708,736</u>	<u>1,202,695</u>	<u>(5,081)</u>	<u>1,906,350</u>
Unrestricted net assets December 31, 2012	<u>\$ 4,009,143</u>	<u>\$ 7,556,250</u>	<u>\$ 257,319</u>	<u>\$ 11,822,712</u>

The Notes to Consolidating Financial Statements are an integral part of these statements.

1

Addiction Research and Treatment Corporation and Subsidiary
Consolidating Statements of Cash Flows
Year Ended December 31, 2012

	Addiction Research and Treatment Corporation	Affiliated Services and Resources Corporation	Eliminations	Total
Cash flows from operating activities				
Changes in unrestricted net assets	\$ 1,911,431	\$ (5,081)	\$ --	\$ 1,906,350
Adjustments to reconcile changes in unrestricted net assets to net cash (used) provided by operating activities				
Depreciation	561,556	6,677	--	568,233
Changes in assets and liabilities				
Due from funding agencies	127,985	--	--	127,985
Medicaid Title XIX receivable	2,582,183	--	--	2,582,183
Other current assets	(20,659)	--	--	(20,659)
Other assets	--	--	--	--
Due to funding agencies	3,431,708	--	--	3,431,708
Accounts payable and accrued expenses	(907,336)	--	--	(907,336)
Other current liabilities	(95,064)	(1)	--	(95,065)
Due from/to affiliates	404,535	12,445	--	416,980
Net cash provided by operating activities	<u>7,996,339</u>	<u>14,040</u>	<u>--</u>	<u>8,010,379</u>
Cash flows from investing activities				
Property and equipment additions	<u>(1,764,251)</u>	<u>--</u>	<u>--</u>	<u>(1,764,251)</u>
Net cash used by investing activities	<u>(1,764,251)</u>	<u>--</u>	<u>--</u>	<u>(1,764,251)</u>
Net changes in cash and cash equivalents	6,232,088	14,040	--	6,246,128
Cash and cash equivalents				
Beginning of year	<u>1,485,091</u>	<u>187,883</u>	<u>--</u>	<u>1,672,974</u>
End of year	<u>\$ 7,717,179</u>	<u>\$ 201,923</u>	<u>\$ --</u>	<u>\$ 7,919,102</u>

The Notes to Consolidating Financial Statements are an integral part of this statement.

Addiction Research and Treatment Corporation and Subsidiary
Consolidating Statements of Cash Flows
Year Ended December 31, 2011

	Addiction Research and Treatment Corporation (Restated)	Affiliated Services and Resources Corporation	Eliminations	Total (Restated)
Cash flows from operating activities				
Changes in unrestricted net assets	\$ (164,170)	\$ --	\$ --	\$ (164,170)
Adjustments to reconcile changes in unrestricted net assets to net cash (used) provided by operating activities				
Depreciation	595,300	15,623	--	610,923
Bad debts	835,036	--	--	835,036
Changes in assets and liabilities				
Due from funding agencies	(500,981)	--	--	(500,981)
Medicaid Title XIX receivable	(4,185,652)	--	--	(4,185,652)
Other current assets	41,787	--	--	41,787
Deferred income	(1,390)	--	--	(1,390)
Due to funding agencies	(235,017)	--	--	(235,017)
Accounts payable and accrued expenses	1,252,822	--	--	1,252,822
Other current liabilities	121,672	1	--	121,673
Due to affiliates	(1,470,405)	15,917	--	(1,454,488)
Net cash (used) provided by operating activities	<u>(3,710,998)</u>	<u>31,541</u>	<u>--</u>	<u>(3,679,457)</u>
Cash flows from investing activities				
Property and equipment additions	<u>(214,817)</u>	<u>--</u>	<u>--</u>	<u>(214,817)</u>
Net cash used by investing activities	<u>(214,817)</u>	<u>--</u>	<u>--</u>	<u>(214,817)</u>
Net changes in cash and cash equivalents	(3,925,815)	31,541	--	(3,894,274)
Cash and cash equivalents				
Beginning of year	<u>5,410,906</u>	<u>156,342</u>	<u>--</u>	<u>5,567,248</u>
End of year	<u>\$ 1,485,091</u>	<u>\$ 187,883</u>	<u>\$ --</u>	<u>\$ 1,672,974</u>

The Notes to Consolidating Financial Statements are an integral part of this statement.

Addiction Research and Treatment Corporation and Subsidiary
Consolidating Statements of Functional Expenses
Year Ended December 31, 2012

	Addiction Research and Treatment Corporation					Affiliated Services and Resources Corporation	Total
	Clinic Operations	Research Activities	Other Programs	Administration	Fundraising	Facility	
	Personnel costs	\$ 11,911,305	\$ 46,907	\$ 1,570,016	\$ 2,708,834	\$ --	
Patient costs	322,915	37,831	1,450	--	--	--	362,196
Medical supplies and prescription drugs	727,053	--	--	1,558	--	--	728,611
Consumable supplies	71,771	--	162,447	31,918	7,104	--	273,240
Rent	164,282	--	18,000	--	--	--	182,282
Utilities	456,838	--	19,077	200,007	--	--	675,922
Telephone services	209,702	--	6,130	122,028	--	--	337,860
Outside security services	65,454	--	--	2,852	--	--	68,306
Repairs and maintenance	265,866	--	3,403	55,441	--	--	324,710
Equipment rental	79,192	--	--	64,558	--	--	143,750
Janitorial and maintenance supplies	201,377	--	10,242	102,733	--	--	314,352
Legal and accounting	--	--	9,000	175,706	--	--	184,706
Consulting	11,000	--	22,932	78,275	15,000	--	127,207
Data processing	--	--	3,145	22,082	--	--	25,227
Conference and meetings	27,694	6,150	4,104	18,299	4,959	--	61,206
Staff travel	1,063	--	24,941	32,929	28	--	58,961
Staff recruitment	--	--	49	37,745	--	--	37,794
Insurance	138,863	--	14,530	93,439	--	--	246,832
Indirect costs	93,708	--	229,600	(323,308)	--	--	--
Depreciation	365,531	897	95,135	99,993	--	6,677	568,233
Other	24,882	32	1,432	62,877	125	--	89,348
	<u>\$ 15,138,496</u>	<u>\$ 91,817</u>	<u>\$ 2,195,633</u>	<u>\$ 3,587,966</u>	<u>\$ 27,216</u>	<u>\$ 6,677</u>	<u>\$ 21,047,805</u>

The Notes to Consolidating Financial Statements are an integral part of this statement.

Addiction Research and Treatment Corporation and Subsidiary
Consolidating Statements of Functional Expenses
Year Ended December 31, 2011

	Addiction Research and Treatment Corporation				Affiliated Services and Resource Corporation	Total
	Clinic Operations	Research Activities	Other Programs	Administration	Facility	
Personnel costs	\$ 12,596,517	\$ 68,540	\$ 1,581,166	\$ 2,143,214	\$ --	\$ 16,389,437
Patient costs	292,050	5,290	3,505	--	--	300,845
Medical supplies and prescription drugs	696,568	21	7,049	2,064	--	705,702
Consumable supplies	85,248	133	485,053	33,939	14,016	618,389
Rent	147,014	--	600	--	--	147,614
Utilities	479,764	--	49,177	168,204	--	697,145
Telephone services	217,953	--	10,643	86,839	--	315,435
Outside security services	65,300	--	--	9,702	--	75,002
Repairs and maintenance	273,487	--	4,904	110,926	12,221	401,538
Equipment rental	81,264	--	--	65,068	--	146,332
Janitorial and maintenance supplies	173,050	--	32,248	66,783	--	272,081
Legal and accounting	--	--	358	172,651	--	173,009
Consulting	11,408	--	37,733	101,748	--	150,889
Data processing	--	--	18	41,794	--	41,812
Conference and meetings	22,401	4,998	433	20,297	--	48,129
Staff travel	979	--	45,292	29,131	--	75,402
Staff recruitment	192	--	60	34,172	--	34,424
Insurance	98,121	--	14,167	115,864	--	228,152
Indirect costs	90,677	7,120	213,235	(311,032)	--	--
Depreciation	401,311	2,406	97,150	94,433	15,623	610,923
Bad debts expense	786,432	--	48,604	--	--	835,036
Other	67,786	--	4,059	72,620	--	144,465
	<u>\$ 16,587,522</u>	<u>\$ 88,508</u>	<u>\$ 2,635,454</u>	<u>\$ 3,058,417</u>	<u>\$ 41,860</u>	<u>\$ 22,411,761</u>

The Notes to Consolidating Financial Statements are an integral part of this statement.

Addiction Research and Treatment Corporation and Subsidiary
Notes to Consolidating Financial Statements
December 31, 2012 and 2011

1. Organization and Purpose

Addiction Research and Treatment Corporation ("ARTC") is a private, nonprofit corporation established in 1969. ARTC primarily offers substance abuse treatment and rehabilitation services in the boroughs of Brooklyn and Manhattan of New York City. In addition, ARTC performs research in several areas related to substance abuse.

Affiliated Services and Resources Corporation ("ASRC") is a private, nonprofit corporation and wholly owned Subsidiary of ARTC which owns and manages facilities rented to nonprofit corporations.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidating financial statements include Addiction Research and Treatment Corporation and Affiliated Services and Resources Corporation (the "Corporation") with all significant intercompany transactions eliminated.

Financial reporting by nonprofit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. The Corporation had accounting transactions only in the unrestricted net asset category. This category represents net assets that are not subject to donor imposed restrictions.

Cash and Cash Equivalents

For purposes of the consolidating statements of cash flows, the Corporation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment is stated at cost. Depreciation is provided over the estimated useful lives of the assets by the straight-line-method.

The estimated useful lives of assets by major asset category are as follows:

Description	Estimated Life (Years)
Building	25
Renovations and leasehold improvements	10
Furniture, fixtures and equipment	5-10
Automotive equipment	5

When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts and from the applicable net asset category. Maintenance, repairs and minor renewals are charged to operations as incurred. Depreciation expense amounted to \$568,233 and \$610,923 for the years ended December 31, 2012 and 2011, respectively.

Revenue Recognition

The Corporation recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as unrestricted or restricted support, according to donor stipulations that limit the use of these assets due to time or purpose restrictions. For the years ended December 31, 2012 and 2011, all transactions were in the unrestricted category.

The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidating statements of activities as net assets released from restrictions.

Addiction Research and Treatment Corporation and Subsidiary
Notes to Consolidating Financial Statements
December 31, 2012 and 2011

The Corporation is primarily funded through billings to the State of New York - Department of Health for patient services provided under Title XIX of the Social Security Act of 1985 (Medicaid) and by the New York State Department of Health - Office of Alcoholism and Substance Abuse Service ("OASAS"). In addition, the Corporation receives a significant amount of funding under grants and contracts from Federal, State and City agencies to both expand services to its clients and to perform research activities.

Revenue from billings to Medicaid is recorded at the time service is provided, net of an allowance for uncollectible amounts. Program revenue under the Corporation's OASAS contracts and its Federal and State contracts/grants is recognized in an amount sufficient to absorb allowable expenditures including capital items and excluding depreciation, net of all applicable third party reimbursements, up to the maximum allowable amount under the terms of the contracts/grants. A receivable from the funding agency is recognized to the extent expenses have been incurred but not reimbursed. A liability is recorded when contract advances exceed expenses.

Impairment

On a periodic basis, management assesses whether there are any indicators that the value of the property may be impaired. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted) to be generated by the property are less than the carrying value of the property. No such impairment has been recorded in the years ended December 31, 2012 and 2011.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidating statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

3. Income Taxes

The Corporation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes under applicable state provisions.

The Corporation had no unrecognized tax benefits at December 31, 2012 and 2011. In addition the Corporation has no income tax related penalties or interest for the periods presented in these consolidating financial statements. The Corporation has no open tax years prior to 2009. In addition the Corporation has no income tax related penalties or interest for the periods reported in these consolidating financial statements.

4. Due From/To Funding Agencies

Amounts due from funding agencies are as follows:

	2012	2011
NY State Department of Health	\$ 404,973	\$ 131,521
New York University School of Medicine - NIDA	29,998	30,222
New York State Department of Health –Office of Alcoholism and Substance Abuse Services	--	363,608
New York State AIDS Institute	26,917	26,917
Other	39,202	76,807
	<u>\$ 501,090</u>	<u>\$ 629,075</u>

Addiction Research and Treatment Corporation and Subsidiary
Notes to Consolidating Financial Statements
December 31, 2012 and 2011

	2012	2011
Amounts due to funding agencies are as follows:		
New York State Department of Health	\$ 14,569	\$ 14,569
New York State Department of Health –Office of Alcoholism and Substance Abuse Services	3,402,375	--
New York University School of Medicine - NIDA	28,556	--
Other	142,999	142,222
	<u>\$ 3,588,499</u>	<u>\$ 156,791</u>

5. Pension Plan

Substantially all of the Corporation's full time employees are covered under a noncontributory, defined contribution pension plan. The pension plan is funded by annual contributions equal to 7.5 percent of eligible employees' current salaries. Pension expense for the years ended December 31, 2012 and 2011 was \$933,736 and \$870,812, respectively. It is the Corporation's policy to fund the plan currently.

6. Related Party Transactions

Through June 30, 2011, the Corporation retained Urban Resource Institute ("URI"), an organization affiliated through common management and similar Trustees, to provide all management services. The agreement required the Corporation to reimburse URI for estimated costs incurred in providing the management services. There was no cost reimbursement to URI for 2012 and total costs reimbursed to URI during 2011 and included in administration were \$471,707. For the period July 1, 2011 through May 6, 2012, no management services were billed or paid by agreement of the entities. Effective May 7, 2012, the entities signed an agreement calling for the Corporation to provide transitional services to URI until June 30, 2012 for a fixed fee of \$300,000.

The Corporation earned rental income from URI for facilities and equipment totaling \$106,512 and \$122,621 for the years ending December 31, 2012 and 2011, respectively. Amounts due to URI at December 31, 2012 and 2011 were \$49 and \$145,742, respectively. These amounts are unsecured, non-interest bearing cash advances.

7. Lease Commitments

Rent expense for clinic space under non-cancellable and cancellable month-to-month operating leases amounted to \$182,282 and \$147,614 for the years ended December 31, 2012 and 2011, respectively. The future annual payments under non-cancelable operating leases as of December 31, 2012 are as follows:

Year Ending December 31,	Amount
2013	\$ 138,716
2014	<u>142,878</u>
	<u>\$ 281,594</u>

8. Concentrations and Use of Estimates

The Corporation routinely maintains cash balances at financial institutions in excess of federally insured limits. Management monitors the soundness of the institutions on a regular basis and deems the credit risk related to these cash balances to be minimal.

Addiction Research and Treatment Corporation and Subsidiary
Notes to Consolidating Financial Statements
December 31, 2012 and 2011

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

9. Contingencies and Other Matters

The Corporation entered into a state aid grant lien agreement with the New York State Office of Alcoholism and Substance Abuse Services to fund renovations at two of its facilities. The maximum funding amounts are \$6,100,000 and \$7,410,000, respectively. As long as the facilities are used for program purposes, the liens will not be exercised.

As of December 31, 2012 and 2011, \$2,000,000 and \$402,443, respectively, had been advanced and \$1,438,059 and \$348,975, respectively, had been expended in project costs for the first project. As of December 31, 2012 \$2,321,500 had been advanced and there was no advance for 2011 and \$292,049 and \$165,039, respectively, had been expended in project costs for the second project.

10. Supplemental Disclosures of Cash Flow Information

Non-Cash Investing and Financing Activities

During the year ended December 31, 2012, ASRC transferred title to property and equipment to ARTC totaling \$823,837 along with accumulated depreciation of \$535,657.

11. Prior-Period Adjustment

In its previously issued consolidating financial statements for the year ended December 31, 2011, the Corporation did not include revenue of \$270,124 and the associated \$270,124 balance due from affiliates. The net effect of this adjustment is an increase to revenue of \$270,124 for the year ended December 31, 2011 and an increase to assets of \$270,124 as of December 31, 2011.

12. Subsequent Events

The Corporation has evaluated subsequent events occurring after the consolidating statement of financial position date through the date of April 2, 2013. Based on this evaluation, the Corporation has determined that no subsequent events have occurred, which require disclosure in the consolidating financial statements.

SUPPLEMENTARY INFORMATION

**Addiction Research and Treatment Corporation and Subsidiary
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	C-003656	\$ 557,496

See Independent Auditors' Report.
See accompanying Notes to Schedule of Expenditures of Federal Awards.

Addiction Research and Treatment Corporation and Subsidiary
Notes to Schedule of Expenditures of Federal Awards
December 31, 2012

1. General Information

The accompanying schedule of expenditures of Federal awards presents the activities in all the Federal programs of Addiction Research and Treatment Corporation. All Federal awards received directly from Federal agencies as well as Federal awards passed through other governmental agencies or nonprofit organizations are included on the schedule.

2. Basis of Accounting

The accompanying schedule of expenditures of Federal awards is presented using the accrual basis of accounting. The amounts reported in this schedule as expenditures may differ from certain financial reports submitted to Federal funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.

3. Relationship to Basic Consolidating Financial Statements

Federal program expenditures are reported on the consolidating statements of activities. In certain programs, the expenditures reported in the basic consolidating financial statements may differ from the expenditures reported in the schedule of expenditures of Federal awards due to program expenditures exceeding grant or contract budget limitations, company matching or in-kind contributions which are not included as Federal awards.



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**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 Trustees,
Addiction Research and Treatment Corporation:

We have audited, 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, the consolidating financial statements of Addiction Research and Treatment Corporation and Subsidiary, which comprise the consolidating statement of financial position as of and for the year ended December 31, 2012, and the related consolidating statements of activities, changes in net assets and cash flows for the year then ended, and the related notes to the consolidating financial statements, and have issued our report thereon dated April 2, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidating financial statements, we considered Addiction Research and Treatment Corporation and Subsidiary's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidating financial statements, but not for the purpose of expressing an opinion on the effectiveness of Addiction Research and Treatment Corporation and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Addiction Research and Treatment Corporation and Subsidiary'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 combination of deficiencies, in internal control, such that there is more than a reasonable possibility that a misstatement of the entity's consolidating 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 over financial reporting 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 Addiction Research and Treatment Corporation and Subsidiary's consolidating 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 consolidating 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 other matters that we reported to management of Addiction Research and Treatment Corporation in a separate letter dated April 2, 2013.

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 Addiction Research and Treatment Corporation and Subsidiary'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 Addiction Research and Treatment Corporation and Subsidiary's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Withum Smith & Brown, PC".

April 2, 2013



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Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on the Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board of Trustees,
Addiction Research and Treatment Corporation:

Compliance

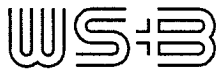
We have audited Addiction Research and Treatment Corporation and Subsidiary's compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect of Addiction Research and Treatment Corporation and Subsidiary's major federal program for the year ended December 31, 2012. Addiction Research and Treatment Corporation and Subsidiary's major federal program is identified in the summary of auditors' 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 Addiction Research and Treatment Corporation and Subsidiary's management. Our responsibility is to express an opinion on Addiction Research and Treatment Corporation and Subsidiary's compliance based on our audit.

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 of Addiction Research and Treatment Corporation and Subsidiary's major federal program 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*. 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 Addiction Research and Treatment Corporation and Subsidiary's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Addiction Research and Treatment Corporation and Subsidiary's compliance.

Opinion on Major Federal Program

In our opinion, Addiction Research and Treatment Corporation and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of Addiction Research and Treatment Corporation and Subsidiary is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Addiction Research and Treatment Corporation and Subsidiary's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Addiction Research and Treatment Corporation and Subsidiary'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. Accordingly, this report is not suitable for any other purpose.

Withum Smith & Brown, PC

April 2, 2013

**Addiction Research and Treatment Corporation and Subsidiary
Schedule of Findings and Questioned Costs
Year Ended December 31, 2012**

Section 1 – Summary of Auditors’ Results

Consolidating Financial Statements

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to consolidating financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors’ report issued on compliance for major programs.	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	No

The following Federal program was designated as a major program:

Federal CFDA Number	Federal Agency
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
Auditee qualified as a low-risk auditee?	Yes

Section 2 – Summary of Findings Related to Government Auditing Standards

None.

Section 3 – Summary of Findings or Questioned Costs Related to OMB Circular A-133

None.

Section 4 – Follow-Up of Prior Audit Findings

There were no prior year audit findings or questioned costs.

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