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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning and ending

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

C Name of organization: Cape Counseling Services Inc.

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address): 1129 Rt 9 South — Room/suite: 1

City or town, state or country, and ZIP + 4: Cape May CourtHouse, NJ 08210

F Name and address of principal officer: Greg Speed
same as C above

D Employer identification number: 22-2226231

E Telephone number: 609-465-4066

G Gross receipts $: 14264828.

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)

H(c) Group exemption number ▶

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

J Website: ▶ www.capecounseling.org

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1978 **M** State of legal domicile: NJ

Part I Summary

1	Briefly describe the organization's mission or most significant activities: To promote and provide superior behavioral healthcare in the community.		
2	Check this box ▶ ☐ 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	9
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	313
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	4749.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	3749.

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	8035050.	7932936.
9	Program service revenue (Part VIII, line 2g)	6251154.	6198202.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10135.	7074.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4708.	68743.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	14301047.	14206955.
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)	10325340.	10459285.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	3727015.	3610031.
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	14052355.	14069316.
19	Revenue less expenses. Subtract line 18 from line 12	248692.	137639.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	8242084.	7932674.
21	Total liabilities (Part X, line 26)	7118959.	6671910.
22	Net assets or fund balances Subtract line 21 from line 20	1123125.	1260764.

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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: Greg Speed — Date: 10/28/11

▶ Greg Speed, CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: Donna H. Buzby	Preparer's signature	Date: 10/27/11	Check ☐ if self-employed	PTIN
Firm's name ▶ Capaldi Reynolds & Pelosi, PA				Firm's EIN ▶
Firm's address ▶ 332 Tilton Road Northfield, NJ 08225				Phone no. (609) 641-4000

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 [X]

1 Briefly describe the organization's mission:
To promote and provide superior behavioral health care in the community with the hope of assisting our consumers to reach their fullest potential.

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 [X] 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 [X] No
If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts 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 $ 7400829. including grants of $) (Revenue $ 3391862.)
Consolidated Funding Grant - provides outpatient, adult partialcare, emergency, residential, case management, screening, supportive housing, homeless/PATH, and intensive family support services.

4b (Code) (Expenses $ 1324270. including grants of $) (Revenue $ 1685377.)
Rainbow of Hope Program - a psychiatric community residence providing the full continuum of behavioral health services in a residential setting.

4c (Code) (Expenses $ 338805. including grants of $) (Revenue $ 221160.)
Alcohol Outpatient Program - provides counseling and educational services.

4d Other program services. (Describe in Schedule O)
(Expenses $ 3385806. including grants of $) (Revenue $ 899803.)

4e Total program service expenses ▶ 12449710.

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)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
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? *If "Yes," complete Schedule C, Part II*	4		X
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? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
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? *If "Yes," complete Schedule D, Part VI*	11a	X	
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? *If "Yes," complete Schedule D, Part VII*	11b		X
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? *If "Yes," complete Schedule D, Part VIII*	11c		X
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? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		X
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)? *If "Yes," complete Schedule D, Part X*	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
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? *If "Yes," complete Schedule F, Parts II and IV*	15		X
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? *If "Yes," complete Schedule F, Parts III and IV*	16		X
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? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
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? *If "Yes," complete Schedule I, Parts I and III*	22		X
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? *If "Yes," complete Schedule J*	23	X	
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? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No", go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
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?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
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? *If "Yes," complete Schedule L, Part I*	25a		X
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? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X
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? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
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? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
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? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		X
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☐ Yes ☒ No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
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? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

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	52		
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	X	
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	313		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file*. (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	X	
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		X
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		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
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?		6a		X
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		X
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		X
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?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O				
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		X
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 [X]

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	1a 9		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 9		
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?	2		X
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?	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Does the organization have members or stockholders?	6		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
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? *If "Yes," provide the names and addresses in Schedule O*	9		X

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
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?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions.)			
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?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ NJ

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply.

[ ] Own website [X] Another's website [X] Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization. ▶

Steven B. Marchiano - 609-465-4066
1129 Rt. 9 South, Cape May Court House, NJ 08210

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 (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(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			
Linda J. Williams Vice President	2.00	X		X				0.	0.	0.
Bill Dembin Treasurer	2.00	X		X				0.	0.	0.
Sandra F. Meadowcroft Director	2.00	X						0.	0.	0.
Odilia Sexto Director	2.00	X						0.	0.	0.
Tina Wagner President	2.00	X		X				0.	0.	0.
Angel Daniels Director	2.00	X						0.	0.	0.
James Farell Director	2.00	X						0.	0.	0.
Betty Welsh Director	2.00	X						0.	0.	0.
Robert Matthew Jr. Director	2.00	X						0.	0.	0.
Greg Speed CEO	37.50			X				125191.	0.	15508.
Steven Marchiano VP of Finance and Admin	37.50			X				109340.	0.	22083.
Dr. Charles Dick Psychiatrist	40.00				X			185717.	0.	0.
Dr. Saka Salami Psychiatrist	40.00				X			180581.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(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			
1b Sub-total ▶								600829.	0.	37591.
c Total from continuation sheets to Part VII, Section A ▶								0.	0.	0.
d Total (add lines 1b and 1c) ▶								600829.	0.	37591.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 4

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
University of Medicine & Dentistry 2250 Chapel Rd., Cherry Hill, NJ 08002	Provides contracted psychiatrist	413454.
Sal Orapallo 3 Jenny Lynn Dr, Northfield, NJ 08225	General Contractor	198263.
Shore Behavioral Health 333 Tilton Road, Northfield, NJ 08225	Behavioral Health Services	173718.
Anasazi Software 9831 South 51st Street, Phoenix, AZ 85044	Behavioral Health Software	140589.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 4

Part VIII Statement of Revenue

				(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					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	7929850.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	3086.				
	g Noncash contributions included in lines 1a-1f $						
	h Total. Add lines 1a-1f			7932936.			
Program Service Revenue		Business Code					
	2a Medicare/Medicaid	621400		5166539.			5166539.
	b Client Fees	621400		834499.			834499.
	c Rent	623990		197164.			197164.
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			6198202.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			7074.			7074.
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
		(i) Real	(ii) Personal				
	6a Gross Rents	62622.					
	b Less. rental expenses	57873.					
	c Rental income or (loss)	4749.					
	d Net rental income or (loss)			4749.		4749.	
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory						
	b Less. cost or other basis and sales expenses						
	c Gain or (loss)						
	d Net gain or (loss)						
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a					
	b Less. direct expenses	b					
	c Net income or (loss) from fundraising events						
	9a Gross income from gaming activities. See Part IV, line 19	a					
	b Less direct expenses	b					
	c Net income or (loss) from gaming activities						
	10a Gross sales of inventory, less returns and allowances	a					
	b Less cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
	Miscellaneous Revenue	Business Code					
	11a Miscellaneous	621400		63994.			63994.
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d			63994.			
	12 Total revenue. See instructions.			14206955.	0.	4749.	6269270.

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) but are not required to complete columns (B), (C), and (D)

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 U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	661392.	491489.	169903.	
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	7402475.	6579979.	822496.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	290036.	284890.	5146.	
9 Other employee benefits	1360239.	1233612.	126627.	
10 Payroll taxes	745143.	655832.	89311.	
11 Fees for services (non-employees):				
a Management				
b Legal	4900.		4900.	
c Accounting	64430.		64430.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	690029.	651061.	38968.	
12 Advertising and promotion	20725.	18465.	2260.	
13 Office expenses	127874.	106373.	21501.	
14 Information technology	48967.	1401.	47566.	
15 Royalties				
16 Occupancy	504885.	455190.	49695.	
17 Travel	205807.	188020.	17787.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	85083.	66056.	19027.	
20 Interest	58646.	43178.	15468.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	235394.	213832.	21562.	
23 Insurance	183371.	149413.	33958.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a Consumer supplies	427814.	397197.	30617.	
b Small equipment/supplie	331816.	331816.	0.	
c Bad debt	208848.	208848.	0.	
d Client activities	201369.	201369.	0.	
e Rent assistance	105100.	105100.	0.	
f All other expenses	104973.	66589.	38384.	
25 **Total functional expenses** Add lines 1 through 24f	14069316.	12449710.	1619606.	0.
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	1796129.	1	1947588.
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net	509965.	3	232700.
	4	Accounts receivable, net	504671.	4	415061.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6	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)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	216976.	9	173272.
	10a	Land, buildings, and equipment: cost or other basis Complete Part VI of Schedule D — 10a: 6525327.			
	b	Less accumulated depreciation — 10b: 1489672.	5037694.	10c	5035655.
	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	176649.	15	128398.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	8242084.	16	7932674.
Liabilities	17	Accounts payable and accrued expenses	488747.	17	480547.
	18	Grants payable	718000.	18	476574.
	19	Deferred revenue	742327.	19	556188.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	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	5169885.	23	5158601.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D		25	
	26	**Total liabilities.** Add lines 17 through 25	7118959.	26	6671910.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	1118125.	27	1255764.
	28	Temporarily restricted net assets	5000.	28	5000.
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ [ ] 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	1123125.	33	1260764.
	34	Total liabilities and net assets/fund balances	8242084.	34	7932674.

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	14206955.
2	Total expenses (must equal Part IX, column (A), line 25)	2	14069316.
3	Revenue less expenses Subtract line 2 from line 1	3	137639.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1123125.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0.
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	1260764.

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. ☐ Cash ☒ Accrual ☐ 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?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
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.	2c	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis			
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?	3a	X	
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.	3b	X	

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

2010

Open to Public Inspection

Name of the organization	Employer identification number
Cape Counseling Services Inc.	22-2226231

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 - Other

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?

		Yes	No
(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?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	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 support
			Yes	No	Yes	No	Yes	No	
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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	6512064.	7259854.	7748583.	8035050.	7932936.	37488487.
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	6512064.	7259854.	7748583.	8035050.	7932936.	37488487.
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						37488487.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4	6512064.	7259854.	7748583.	8035050.	7932936.	37488487.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	28394.	33812.	21820.	10135.	7074.	101235.
9 Net income from unrelated business activities, whether or not the business is regularly carried on					4749.	4749.
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	133816.	342244.	374637.	4908.	63994.	919599.
11 **Total support.** Add lines 7 through 10						38514070.

12 Gross receipts from related activities, etc. (see instructions)	12	27518780.

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** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14	97.34 %
15 Public support percentage from 2009 Schedule A, Part II, line 14	15	97.07 %

16a **33 1/3% support test - 2010.** 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 ▶ ☒

b **33 1/3% support test - 2009.** 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 ▶ ☐

17a **10% -facts-and-circumstances test - 2010.** 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 ▶ ☐

b **10% -facts-and-circumstances test - 2009.** 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 ▶ ☐

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 ▶ ☐

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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2010** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2009** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2010.** 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 ▶ ☐

b **33 1/3% support tests - 2009.** 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 ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Cape Counseling Services Inc.

Employer identification number
22-2226231

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.

	(a) Donor advised funds	(b) Funds and other accounts
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? ☐ Yes ☐ No

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? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e g., recreation or education)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

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

		Held at the End of the Tax Year
a Total number of conservation easements	2a	
b Total acreage restricted by conservation easements	2b	
c Number of conservation easements on a certified historic structure included in (a)	2c	
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

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? ☐ Yes ☐ No

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)? ☐ Yes ☐ No

9 In Part XIV, 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

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 XIV, the text of the footnote to its financial statements that describes these items.

b 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 XIV.

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 XIV 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 XIV

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 year end balance held as:

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Term endowment ▶ _____ %

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 XIV the intended uses of the organization's endowment funds

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	792586.			792586.
b Buildings	5556716.		1489672.	4067044.
c Leasehold improvements				
d Equipment	61375.			61375.
e Other	114650.			114650.
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				5035655.

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. (Col (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. (Col (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) Amount
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶	

2. FIN 48 (ASC 740) Footnote In Part XIV, 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)

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4; Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, line 8; Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

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

2010

Open to Public Inspection

Name of the organization

Cape Counseling Services Inc.

Employer identification number

22-2226231

Part I Questions Regarding Compensation

			Yes	No
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.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
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	1b		
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?	2		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☐ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
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			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		X
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
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			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
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:			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III			
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	7		X
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	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	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) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(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 in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 Dr. Charles Dick	(i)	185717.	0.	0.	0.	0.	185717.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 Dr. Saka Salami	(i)	180581.	0.	0.	0.	0.	180581.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3	(i)							
	(ii)							
4	(i)							
	(ii)							
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)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

Cape Counseling Services Inc.

Employer identification number

22-2226231

Form 990, Part III, Line 4d, Other Program Services:

School Based Youth Service Program - provides assessment, referral, recreation and mentoring services in a school setting.

Expenses $ 724223. including grants of $ 0. Revenue $ 5297.

Alcohol Outpatient Program - provides counseling and educational services.

Intoxicated Driver and Resource Center - a state mandated program of counseling, education and referrals.

Expenses $ 47524. including grants of $ 0. Revenue $ 77042.

Family Adolescent Alchohol Program - provides counseling and educational services.

Expenses $ 0. including grants of $ 0. Revenue $ 138741.

Peer Grouping Case Management Program - provides case management and referral services.

Peer Grouping Liason Program - provides case management services.

Expenses $ 34398. including grants of $ 0. Revenue $ 0.

Adolescent Aftercare Program - provides counseling and education.

Expenses $ 29842. including grants of $ 0. Revenue $ 0.

Traumatic Loss - provides supportive services.

Name of the organization: Cape Counseling Services Inc.

Employer identification number: 22-2226231

Expenses $ 1161. including grants of $ 0. Revenue $ 0.

Crisis Companion - provides mentoring and counseling for adjudicated youth.

Expenses $ 20736. including grants of $ 0. Revenue $ 0.

SSBG Respite- provides recreational and community-based activities.

Expenses $ 17162. including grants of $ 0. Revenue $ 3515.

Miscellaneous programs

Expenses $ 742147. including grants of $ 0. Revenue $ 250067.

Youth Case Mgmt - provides support, linkage, advocacy and referral to seriously emotionally disturbed children, ages 5-21 and their families residing in Cape May County.

Expenses $ 312998. including grants of $ 0. Revenue $ 131061.

Partnership for Children - provides in-home assessment, therapy and counseling to children.

Expenses $ 80383. including grants of $ 0. Revenue $ 103569.

Women's Intensive Outpatient - provides intensive drug and alcohol treatment services, case management and support.

Drug Abuse Program - provides counseling, education, treatment and case management.

Expenses $ 357060. including grants of $ 0. Revenue $ 43228.

Name of the organization: Cape Counseling Services Inc.

Employer identification number: 22-2226231

Family Preservation Program - provides counseling and education services.

Expenses $ 407902. including grants of $ 0. Revenue $ 0.

Residential Liaison Screener - provides drug and alcohol assessment, placement and case management.

Youth Supportive Housing - provides independent living to aging-out youth.

Expenses $ 111627. including grants of $ 0. Revenue $ 0.

Multicultural - provides culturally sensitive therapy and education services.

Nugent Foundation - provides for family support through education and counseling.

Expenses $ 79921. including grants of $ 0. Revenue $ 0.

Lillie Mae - provides independent living for adults.

Expenses $ 86886. including grants of $ 0. Revenue $ 0.

Geriatric Outreach - provides in-home psychiatric evaluation and medication monitoring.

Functional Family Therapy - provides in-home therapy and case management.

Expenses $ 331836. including grants of $ 0. Revenue $ 147283.

Name of the organization: Cape Counseling Services Inc.

Employer identification number: 22-2226231

Form 990, Part VI, Section B, line 11: The audited financial statements and Form 990 are discussed and approved during a board meeting prior to issuance.

Form 990, Part VI, Section B, Line 12c: Each year the policy is reviewed with the board. They sign acknowledgements that they reviewed it.

Form 990, Part VI, Section B, Line 15: Reviewed comparable national data from MHCA compensation survey and conducted state and local market surveys of similar organizations.

Form 990, Part VI, Section C, Line 19: Governing documents, financial statements and conflict of interest policy are available for examination in the business office upon request.

The Board assumes responsibility for oversight of the audit and for selection of independent auditors in lieu of a formal committee.

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
2010
Open to Public Inspection

Name of the organization
Cape Counseling Services Inc.

Employer identification number
22-2226231

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

(a) Name, address, and EIN 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

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	(g) Section 512(b)(13) controlled entity? No
Cape Housing I - 74-3046723 217 N Main St., No. 202 Cape May Court House, NJ 08210	Subsidized housing for low income and disabled individuals	New Jersey	501 C (3)	170(b)(1)(A)	None		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2010

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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? Yes	(h) Disproportionate allocations? No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) General or managing partner? No	(k) Percentage ownership

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

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, 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	1a		X
b Gift, grant, or capital contribution to other organization(s)	1b		X
c Gift, grant, or capital contribution from other organization(s)	1c		X
d Loans or loan guarantees to or for other organization(s)	1d		X
e Loans or loan guarantees by other organization(s)	1e		X
f Sale of assets to other organization(s)	1f		X
g Purchase of assets from other organization(s)	1g		X
h Exchange of assets	1h		X
i Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j Lease of facilities, equipment, or other assets from other organization(s)	1j		X
k Performance of services or membership or fundraising solicitations for other organization(s)	1k	X	
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n Sharing of paid employees	1n		X
o Reimbursement paid to other organization for expenses	1o		X
p Reimbursement paid by other organization for expenses	1p		X
q Other transfer of cash or property to other organization(s)	1q		X
r Other transfer of cash or property from other organization(s)	1r		X

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-r)	(c) Amount involved	(d) Method of determining amount involved
(1) Cape Housing I	K	0.	
(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) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

CAPE COUNSELING SERVICES, INC. AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2010

CAPE COUNSELING SERVICES, INC. AND AFFILIATE

TABLE OF CONTENTS

CAPALDI REYNOLDS & PELOSI
Certified Public Accountants P.A

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cape Counseling Services, Inc. and Affiliate
Cape May Court House, New Jersey

332 Tilton Road
Northfield, NJ 08225-1214
Phone 609-641-4000
Fax 609-641-7333

www.CapaldiReynolds.com

We have audited the accompanying consolidated statement of financial position of Cape Counseling Services, Inc. and Affiliate, (a nonprofit agency) as of December 31, 2010, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Agency's 2009 financial statements and, in our report dated March 29, 2010, we expressed a qualified opinion on those financial statements.

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

As discussed in Note A to the consolidated financial statements, when equipment is purchased and is authorized by and chargeable to a grant or contract, the Agency considers it as an expense of the year and it is not capitalized and depreciated. In our opinion, property and equipment should be recorded at cost, if purchased, or at fair value, if donated or contributed, to conform with accounting principles generally accepted in the United States of America, and the amounts so recorded should be depreciated over estimated useful lives. The effects on the consolidated financial statements of the preceding practice are not reasonably determinable.

As discussed in Note A to the consolidated financial statements, the Agency has excluded its obligation for accrued compensated absences from liabilities in the

accompanying consolidated statement of financial position. In our opinion, accounting principles generally accepted in the United States of America require that such obligations be included in the consolidated statement of financial position. If the consolidated financial statements were corrected for that departure from U.S. generally accepted accounting principles, beginning retained earnings as of December 31, 2009 would be decreased by $108,155, current liabilities would have been increased by $119,590, and retained earnings would have been decreased by $119,590 as of December 31, 2010, and net income would be decreased by $11,435 for the year then ended.

In our opinion, except for the effects of the matters discussed in the preceding paragraphs, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Cape Counseling Services, Inc. and Affiliate as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated March 31, 2011, on our consideration of Cape Counseling Services, Inc. and Affiliate's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidated schedules of expenditures of federal awards and state awards for the year ended December 31, 2010, are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid,* and are not a required part of the consolidated financial statements. The consolidated schedules of operating expenses and changes in net assets for the years ended December 31, 2010 and 2009 are also presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Capaldi Reynolds & Pelosi

CAPALDI REYNOLDS & PELOSI, P.A.

Northfield, New Jersey
March 31, 2011

CAPE COUNSELING SERVICES, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)

	2010	2009
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,998,978	$ 1,899,231
Grants and contracts receivable	232,700	509,965
Accounts receivable	416,135	507,370
Refundable deposit	5,030	4,213
Prepaid expenses	173,342	216,976
Total current assets	2,826,185	3,137,755
Property and Equipment (net)	5,220,968	5,231,308
Restricted cash	182,644	172,454
Total assets	$ 8,229,797	$ 8,541,517
LIABILITIES AND NET ASSETS		
Current Liabilities		
Due to State of New Jersey	$ 468,973	$ 600,031
Due to Medicaid	7,601	118,281
Accounts payable and accrued expenses	481,807	488,747
Notes payable - current portion	55,307	92,914
Deferred revenue	556,188	742,642
Total current liabilities	1,569,876	2,042,615
Long-Term Liabilities		
Notes payable	5,103,294	5,076,971
Total liabilities	6,673,170	7,119,586
Net Assets		
Unrestricted:		
Board designated		
Other reserves	169,073	165,016
Building reserve	(220,154)	(198,859)
State and County designated	312,334	342,385
Undesignated	1,039,011	861,288
Temporarily restricted	256,363	252,101
Total net assets	1,556,627	1,421,931
Total liabilities and net assets	$ 8,229,797	$ 8,541,517

The accompanying notes are an integral part of these financial statements

CAPE COUNSELING SERVICES, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)

	2010			2009
	Unrestricted	Temporarily Restricted	Total	Total
REVENUES, GAINS AND OTHER SUPPORT				
Grants and contracts	$ 7,758,618	$ 171,232	$ 7,929,850	$ 8,027,842
Program service fees	6,015,781		6,015,781	6,066,327
Interest income	7,339		7,339	10,470
Other income	598,651		598,651	523,608
Satisfaction of program restrictions	179,530	(179,530)	-	-
Total revenues, gains and other support	14,559,919	(8,298)	14,551,621	14,628,247
EXPENSES				
Program Expenses				
Consolidated Funding Grant	7,400,829		7,400,829	7,523,894
Partnership for Children	80,383		80,383	120,456
Drug Abuse Program	357,060		357,060	382,391
SSBG Respite	17,162		17,162	13,068
			-	
Alcohol Outpatient Program	338,805		338,805	293,796
Residential Liaison Screener			-	
Intoxicated Driver Resource Center	47,524		47,524	57,966
Family Preservation Program	407,902		407,902	369,387
School Based Youth Services Program	724,223		724,223	727,910
Family Adolescent Alcohol Program	138,741		138,741	126,161
Peer Grouping Case Management	-		-	8,417
Peer Grouping Liaison Program	34,398		34,398	32,910
Adolescent Aftercare Program	29,842		29,842	24,496
Traumatic Loss	1,161		1,161	10,038
Crisis Companion	20,736		20,736	27,848
Strengthening Families	-		-	-
Youth Case Management	312,998		312,998	325,057
Rainbow of Hope	1,324,270		1,324,270	1,201,273
Child Partial Care	581,747		581,747	597,423
Youth Supportive Housing	111,627		111,627	97,272
Multicultural	-		-	3,219
Nugent	79,921		79,921	91,466
Lily Mae	86,886		86,886	78,811
Geriatric Outreach	-		-	11,870
Functional Family Therapy	331,836		331,836	292,424
Other program expenses	344,304		344,304	270,982
Cape Housing I	17,949		17,949	20,603
General and administrative expenses	1,626,621		1,626,621	1,677,580
Total expenses	14,416,925	-	14,416,925	14,386,718
Change in net assets	142,994	(8,298)	134,696	241,529
Transfer to replacement reserve	(12,560)	12,560	-	
NET ASSETS - Beginning of year	1,169,830	252,101	1,421,931	1,180,402
NET ASSETS - End of year	$ 1,300,264	$ 256,363	$ 1,556,627	$ 1,421,931

The accompanying notes are an integral part of these financial statements

CAPE COUNSELING SERVICES, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 134,696	$ 241,529
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	263,630	217,849
(Increase)/decrease in:		
Grants and contracts receivable	277,265	79,489
Accounts receivable	91,235	282,718
Refundable deposits	(817)	8,835
Prepaid expenses	43,634	(70,265)
Restricted cash	(10,190)	293
Increase/(decrease) in:		
Due to State of New Jersey	(131,058)	(245,957)
Due to Medicaid	(110,680)	108,384
Accounts payable and accrued expenses	(6,940)	(70,701)
Deferred revenue	(186,454)	397,192
Net cash provided by operating activities	364,321	949,366
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(253,290)	(2,344,298)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	95,000	1,660,500
Note payable adjustments	(106,284)	(27,617)
Net cash provided by financing activities	(11,284)	1,632,883
Net increase in cash	99,747	237,951
CASH AND CASH EQUIVALENTS - beginning of year	1,899,231	1,661,280
CASH AND CASH EQUIVALENTS - end of year	$ 1,998,978	$ 1,899,231

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Cape Counseling Services, Inc. is a private, nonprofit human services agency. Its mission is the promotion and maintenance of psychological and family well being, through the provision of therapeutic services, consultation and education. Services are available to any individual and/or family in Cape May County who requests and needs mental health or drug and alcohol abuse intervention, as well as to other human service organizations requesting such services for those in their care. The Agency's primary source of revenue is the State of New Jersey Department of Human Services, Division of Mental Health Services. Cape Housing I, Inc., incorporated on April 5, 2003 is an affiliate of Cape Counseling Services, Inc. This affiliate operates an approved HUD housing project for low-income tenants located in Cape May Court House, NJ.

Consolidation

The accompanying consolidated financial statements include the accounts of Cape Counseling Services, Inc. and its affiliate Cape Housing I, Inc. Intercompany transactions and balances have been eliminated in consolidation.

Revenue Recognition

Cape Counseling Services, Inc. and affiliate maintains its books on the accrual basis of accounting whereby income is recognized when earned and expenses are recorded when incurred.

Support and Revenue

The Agency receives its grant and contract support primarily from the State of New Jersey Department of Human Services, Division of Mental Health Services and other state agencies. Support received from most of those grants and contracts is recognized on a "net funded" basis whereby the funding is recognized on a last-dollar-in basis. Program expenses incurred are "netted" by client fees, Medicaid income, Medicare income, and other miscellaneous fees in determining grant funds to be recognized. The client fees, Medicaid income, Medicare income and other fees for billable client services are recognized as income when earned.

Financial Statement Presentation

These financial statements have been prepared to focus on the Agency as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions in accordance with SFAS 117. Net assets and changes therein are classified as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets- Net assets subject to donor-imposed stipulations that may or will be met by actions of the Agency and/or the passage of time. When a restriction expires,

temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets- Net assets subject to donor-imposed stipulations that they be maintained permanently by the Agency.

Resources received in which the Agency is acting as a trustee, agent, or intermediary are not included in the statement of activities, as they are not considered revenues or expenses of the Agency. These transactions are reported as increases or decreases in assets and liabilities, and are included on the consolidated statement of financial position and cash flows.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Agency, the accounts of the Agency are reported internally in accordance with the principles of fund accounting. The procedure of fund accounting is one by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities, programs, or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying consolidated financial statements, funds that have similar characteristics have been combined into fund groups.

The accounts of the Agency are maintained in three self-balancing fund groups as follows:

Operating Funds - which include unrestricted and grantor restricted resources, represent the portion of expendable funds that are available for support of agency operations.

Fixed Assets Funds - represents resources restricted for property acquisitions and funds expended for property and equipment.

Reserve Funds - represents funds that have been designated by the Board of Directors for specific purposes.

Comparative Information

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

The Agency maintains cash balances with a local bank, which at times throughout the year may exceed the FDIC insured limit. At December 31, 2010 and 2009, cash exceeded insured balances by $1,484,919 and $1,587,774, respectively.

Accounts Receivable

The Agency extends credit to its customers, the majority of which are located in southern New Jersey. The Agency does not accrue interest on outstanding accounts receivable. Accounts are charged to bad debt expense as they are deemed uncollectible based upon a periodic review of the accounts. At December 31, 2010 and 2009, no allowance was deemed necessary.

Property and Equipment

When equipment is purchased and is authorized by and chargeable to a grant or contract, it is considered as an expense of the year when purchased and is not capitalized and depreciated. In addition, donated materials are recorded at cost. These accounting methods are not considered generally accepted accounting policies.

Property and equipment purchases not chargeable to a specific grant or contract are accounted for as transfers to the Fixed Assets Fund. Depreciation of these buildings and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

Property and equipment acquired by Cape Counseling Services, Inc. and Affiliate are considered to be owned by the Agency. However, State funding sources may retain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets.

Functional Allocation of Expenses

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

Compensated Absences

Employees of the Agency are entitled to paid vacation depending on length of service. Grantors do not permit an accrual for the cost of unpaid compensated absences, and accordingly, no liability has been recorded in the accompanying consolidated financial statements. The Agency's policy is to recognize the costs of compensated absences when actually paid to employees. This is not considered a generally accepted accounting principle.

Contributed Materials, Facilities and Services

Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended December 31, 2010 and 2009, the amount of contributed materials, facilities and services for the School Based Youth Services Program included in income consisted of the following:

	2010	2009
Services	$ 149,169	$ 183,987
Facilities and materials	92,120	90,557
Total	$ 241,289	$ 274,544

Income Taxes

Cape Counseling Services, Inc. and Affiliate has been granted exemption from income taxation by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal and state income taxes in the accompanying consolidated financial statements. In addition, the Agency has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the years ended December 31, 2010 and 2009.

Management has evaluated uncertain tax positions taken by the Company. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the Internal Revenue Service or other taxing authority. The Company has recognized no interest or penalties related to uncertain tax positions. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2008.

Advertising

The Agency expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place. Advertising expense for the years ended December 31, 2010 and 2009 was $20,725 and $32,106, respectively.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Date of Management's Review of Subsequent Events

Management has evaluated subsequent events through March 31, 2011, the date which the financial statements were available to be issued.

NOTE B - PROPERTY AND EQUIPMENT

Property and equipment at year-end consists of the following:

	Estimated Useful Lives	2010	2009
Buildings	20-25 years	5,764,175	5,949,668
Office equipment	5 years	8,022	8,022
Automotive equipment	5 years	17,828	17,828
Furniture and fixtures	3-5 years	14,145	14,145
Computer equipment	5 years	23,285	23,285
Software		114,650	-
Vending machines	10 years	3,725	3,725
Land	-	835,873	43,287
Construction in progress	-	-	468,452
Total		6,781,703	6,528,412
Less: accumulated depreciation		1,560,735	1,297,104
Net property and equipment		$ 5,220,968	$ 5,231,308

Depreciation expense for the years ended December 31, 2010 and 2009 was $263,631 and $217,849, respectively.

NOTE C - NOTES PAYABLE

	2010	2009
Note payable to NJ EDA and Crest Savings Bank, dated June 16, 2009 and maturing on June 16, 2029, secured by the facility at 1129 Route 9 South, Cape May Court House, NJ.	$ 1,230,708	$ 1,273,660
Note payable to the Sellers dated June 16, 2009 and maturing on June 16, 2010, secured by the facility at 1129 Route 9 South, Cape May Court House, NJ.	-	50,000
Note payable to Bank of America dated October 5, 2009 and maturing on October 5, 2014, secured by the facility at 1046 Route 47, Unit B, Rio Grande, NJ.	393,764	305,000

	2010	2009
Note payable to NJ DCA dated July 3, 2006 and maturing on June 30, 2036, secured by the facility at 148 W. Spicer Road, Wildwood, NJ.	684,473	690,055
Note payable to NJ HMFA dated April 4, 2007 and maturing on April 1, 2037, secured by the facility at 148 W. Spicer Road, Wildwood, NJ.	1,183,753	1,185,267
Total long-term liabilities	3,492,698	3,503,982
Less: current portion	55,307	92,914
Net long-term liabilities	$ 3,437,391	$ 3,411,068

Notes Payable - NJ EDA and Crest Savings Bank

The note payable represents notes payable for the purchase of 1129 Rt 9 South, Cape May Court House, NJ. The note was executed in favor of the NJ EDA. In order to finance the loan, the NJ EDA issued and Crest Savings Bank purchased the Economic Development Bonds, (Cape Counseling Services Project), Series 2009 of the NJ EDA in the principle amount of $1,300,000. The note has a 20 year amortization schedule and a 4.25% interest rate that is in effect until July 1, 2019. On July 1, 2019 (the "Interest Rate Adjustment Date") the interest rate shall be adjusted to an interest rate equal to the tax free equivalent to the Bank of the Federal Home Loan Bank (NY) 10 year advance rate then in effect on the Interest Rate Adjustment Date plus two hundred twenty-five (225) basis points, rounded to the nearest .125%, the outstanding balance, with a ten year amortization schedule.

Notes Payable - Sellers

The note payable to the sellers of 1129 Route 9 South, Cape May Court House, NJ is a purchase money note secured as a second lien upon the above property. The note in the amount of $50,000 has a term of one year and an interest rate of 6%. The note has no principal amortization during the year. Interest is paid monthly. The note can be paid off any time during the year, but must be paid in full by June 16, 2010.

Notes Payable - Bank of America

The notes payable to Bank of America represent a revolver to term loan used to purchase and complete construction on the Nugent Family Center. Initially, the bank advanced funds for the purchase of the unfinished property. Additionally, proceeds are available for the completion of the interior of the building. Once the interior of the building is complete, and a certificate of occupancy issued, the note will convert to an amortizing loan. The loan will be amortized over 30 years, have an interest rate equal to the BBA LIBOR daily floating rate plus 3.75 percentage points, and mature on October 5, 2014.

Notes Payable – DCA

The notes payable to NJ DCA represent notes payable to partially fund the construction of the Lily Mae Supportive Housing. The mortgage bears interest at a rate of 0% during construction and at a rate of 1% after receipt of the Certificate of Occupancy. The monthly repayment agreement requires the Agency to remit 50% of the monthly net cash flows from the program after they have received the Certificate of Occupancy. All proceeds from this mortgage are to be kept in an interest bearing account in which all interest earned on the account is to be remitted back to DCA.

Notes Payable – HMFA

The notes payable to NJ HMFA represent notes payable to partially fund the construction of the Lily Mae Supportive Housing. The loan bears interest at a rate of 0% during the construction period of ten (10) months and 0% interest rate per annum, during the permanent mortgage term of thirty (30) years. The repayment agreement requires the Agency to remit 25% of the project's available cash flow after the payment of operating expenses and the funding of all escrows, but prior to the distribution of Return on Equity, if applicable.

	2010	2009
Liability to DMHS dated May 10, 2006, and maturing on March 31, 2024, secured by the facility at 469B Delsea Drive, Cape May Court House, NJ.	$ 131,645	$ 131,645
Liability to DMHS dated November 30, 1994 and maturing on November 10, 2013, secured by the facility at 819 Route 9 North, Cape May Court House, NJ.	294,172	294,172
Liability to DMHS dated May 30, 1995 and maturing on December 9, 2013, secured by the facility at 128 Crest Haven, Middle Township, NJ.	351,124	351,124
Liability to DMHS dated July 13, 1999 and maturing on April 30, 2019, secured by the facility at 801 Sumner Avenue, Woodbine, NJ.	497,963	497,963
Liablity to DMHS dated January 18, 2001 and maturing on February 27, 2021, secured by the facility at 150 Sumner Avenue, Woodbine, NJ.	197,144	197,144
Liability to DMHS dated May 25, 2007 and maturing on March 29, 2028, secured by the facility at 148 Spicer Avenue, Wildwood, NJ.	193,855	193,855
Total other liabilities to DMHS	$ 1,665,903	$ 1,665,903

The other liabilities represent liabilities to DMHS for facilities that were purchased with state funds under capital funding agreements. No payments of principal or interest are required under these notes, which are due on demand in the event of a default under the capital funding agreements.

Maturities of long-term debt for the next five years are as follows:

Year ended December 31, 2012	$ 58,754
Year ended December 31, 2013	61,686
Year ended December 31, 2014	64,614
Year ended December 31, 2015	67,685
Year ended December 31, 2016 and thereafter	4,850,555

The amount of interest cost for the years ended December 31, 2010 and 2009 was $72,948 and $34,019 respectively, all of which was charged to operations.

In addition, as further discussed in Note I, various grantors maintain non-repayable mortgages on property they have given to the Organization directly or on property that the Organization has constructed with capital grant funds provided by them. Since management believes that the possibility of repayment under these notes is remote, they have classified the mortgages as restricted net assets rather than debt.

NOTE D - DUE TO STATE OF NEW JERSEY

The Agency has unexpended funds received from the State of New Jersey Department of Human Services as follows:

	2010	2009
School Based Youth Services	$ 63,427	$ 7,957
Consolidated Funding Grant	271,474	117,850
Drug Abuse Program	10,208	15,370
Family Preservation Program	-	14,521
Division of Youth and Family Services	41,806	77,147
Division of Mental Health Services - Lily Mae		
Department of Community Affairs - Lily Mae	-	77,000
Division of Child Behavioral Health Programs	80,609	288,737
Other	1,449	1,449
	$ 468,973	$ 600,031

These unexpended funds are due and payable back to the grantor.

NOTE E - TEMPORARILY RESTRICTED NET ASSETS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2010	2009
Grants and contracts	$ 179,530	$ 11,771

Temporarily restricted net assets at December 31, 2010 and 2009 consisted of the following:

	2010	2009
Reserve for Lily Mae	$ 5,000	$ 5,000
Reserve for Repairs and Replacements - Lily Mae	11,265	
Cape Housing I - undepreciated fixed assets - grant funded	236,213	244,511
Cape Housing I replacement reserve	3,885	2,590
	$ 256,363	$ 252,101

NOTE F - RETIREMENT PLAN

The Agency sponsors a defined contribution retirement plan for their employees. Contributions to the Plan, which are based on employee compensation, totaled $327,627 and $284,196 for the years ended December 31, 2010 and 2009, respectively.

NOTE G - OPERATING LEASES

The Agency leases equipment under various operating leases with terms from one to five years. At December 31, 2010, the Agency has committed to the following lease payment schedule:

December 31, 2011	$ 63,960
December 31, 2012	34,728
December 31, 2013	24,876
December 31, 2014	22,973
December 31, 2015	510

Rent expense for the years ended December 31, 2010 and 2009 was $207,603 and $288,471, respectively, which includes month-to-month rentals and in kind contributions of $256,529 and $290,025, respectively.

NOTE H - SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Interest paid for the years ended December 31, 2010 and 2009 was $72,916 and $31,719, respectively.

NOTE I - CONTINGENCIES

The Organization has obtained capital advances and loans from HUD funds to acquire and improve the facilities in which a group home is operated. As a provision of this grant, the Organization signed a mortgage on this property with HUD for the full amount of the capital grant or loan received. This mortgage is payable only at such time as the property ceases to be operated as specified in the regulatory agreement. The Organization cannot encumber this property by borrowing and must relinquish ownership to HUD in the event that they do not continue to meet the terms of their regulatory agreement. Provided that the housing remains available as specified under the operating agreement, the note will be considered to be paid in full and discharged at the end of the term. Management believes that the possibility that repayment will be required under the notes are remote, and accordingly has recorded the notes and advances as temporarily restricted net assets that will be fully released from restrictions at the end of the loan period. At December 31, 2010 and 2009, the balance of the mortgage remaining in temporarily restricted net assets was $236,213 and $244,511, respectively.

Form **8868**
(Rev. January 2011)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Type or print	Name of exempt organization	Employer identification number
File by the due date for filing your return See instructions	Cape Counseling Services Inc.	22-2226231
	Number, street, and room or suite no. If a P.O. box, see instructions. 1129 Rt 9 South, No. 1	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions Cape May CourtHouse, NJ 08210	

COPY

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ Steven B. Marchiano 1129 Rt. 9 South - Cape May Court House, NJ 08210
  Telephone No ▶ 609-465-4066 FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ▶ [ ]. If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until August 15, 2011, to file the exempt organization return for the organization named above The extension is for the organization's return for:
▶ [X] calendar year 2010 or
▶ [ ] tax year beginning _____, and ending _____.

2 If the tax year entered in line 1 is for less than 12 months, check reason: [ ] Initial return [ ] Final return
[ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	$ 0.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	$ 0.
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions.	3c	$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

LHA **For Paperwork Reduction Act Notice, see Instructions.** Form **8868** (Rev 1-2011)

023841
01-03-11

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed)

Type or print	Name of exempt organization	Employer identification number
File by the extended due date for filing your return See instructions	Cape Counseling Services Inc.	22-2226231
	Number, street, and room or suite no. If a P.O. box, see instructions. 1129 Rt 9 South, No. 1	
	City, town or post office, state, and ZIP code For a foreign address, see instructions. Cape May CourtHouse, NJ 08210	

Enter the Return code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ Steven B. Marchiano 1129 Rt. 9 South - Cape May Court House, NJ 08210
  Telephone No ▶ 609-465-4066 FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box . . ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ▶ ☐. If it is for part of the group, check this box ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until November 15, 2011.

5 For calendar year 2010, or other tax year beginning _____, and ending _____.

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension
Need additional time to gather information for filing accurate return

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$	0.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$	0.
c	**Balance due.** Subtract line 8b from line 8a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	8c	$	0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ [signature] Title ▶ CPA Date ▶ 8/12/11

Form **8868** (Rev. 1-2011)

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01-24-11