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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

2010Open to Public
Inspection**A** For the 2010 calendar year, or tax year beginning **JUL 1, 2010** and ending **JUN 30, 2011****B** Check if applicable

- ☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization**CREATIVE HEALTH SERVICES, INC.**

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

11 ROBINSON STREET

Room/suite

City or town, state or country, and ZIP + 4

POTTSTOWN, PA 19464**F** Name and address of principal officer **ANDY TRENTACOSTE**
SAME AS C ABOVE**D** Employer identification number**23-1522060****E** Telephone number**(484) 941-0500****G** Gross receipts \$ **10,224,838.****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: ▶ **CREATIVEHS.ORG****K** Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation **1957** **M** State of legal domicile **PA****Part I Summary**

1 Briefly describe the organization's mission or most significant activities: THE ORGANIZATION PROVIDES CARING AND PROFESSIONAL BEHAVIORAL HEALTHCARE TO INDIVIDUALS IN NEED OF	
2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets	
3 Number of voting members of the governing body (Part VI, line 1a)	3 12
4 Number of independent voting members of the governing body (Part VI, line 1b)	4 12
5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5 138
6 Total number of volunteers (estimate if necessary)	6 12
7a Total unrelated business revenue from Part VIII, column (A), line 12	7a 0.
7b Net unrelated business taxable income from Form 990-E, line 34	7b 0.
8 Contributions and grants (Part VIII, line 15)	Prior Year 408,331. Current Year 299,602.
9 Program service revenue (Part VIII, line 2g)	9,228,562. 9,374,343.
10 Investment income (Part VIII, column (A), lines 3-4 and 7-9)	10,833. <197,005.>
11 Other revenue (Part VIII, column (A), lines 5-6d, 8c, 9c, 10c, and 11e)	156,020. 156,020.
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	9,803,746. 9,632,960.
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	101,153. 91,384.
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)	4,675,273. 5,036,984.
16a Professional fundraising fees (Part IX, column (A), line 11e)	0. 0.
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 13,199.	
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	4,333,312. 4,207,316.
18 Total expenses - Add lines 13-17 (must equal Part IX, column (A), line 25)	9,109,738. 9,335,684.
19 Revenue less expenses. Subtract line 18 from line 12	694,008. 297,276.
20 Total assets (Part X, line 16)	Beginning of Current Year 9,933,885. End of Year 9,961,861.
21 Total liabilities (Part X, line 26)	5,459,258. 5,189,958.
22 Net assets or fund balances - Subtract line 21 from line 20	4,474,627. 4,771,903.

Part II Signature Block

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

Sign Here

Signature of officer

Date

1-10-12**RANDY REBER, CHIEF FINANCIAL OFFICER**

Type or print name and title

Paid

Print/Type preparer's name

Preparer's signature

Date

Check if self-employed

PTIN

BARBARA AKINS-REIGNER CPAFirm's name ▶ **REINHART & CO, CPA'S**

Firm's EIN ▶

Firm's address ▶ **109 EAST PHILADELPHIA AVE**
BOYERTOWN, PA 19512Phone no **(610) 367-2028**

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

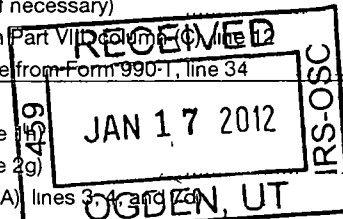
SCANNED JAN 24 2012

Activities & Governance

Revenue

Expenses

Net Assets or Fund Balances



12 GLE

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 PROVIDE QUALITY BEHAVIORAL HEALTHCARE DESIGNED TO EMPOWER AND PROMOTE WELLNESS FOR INDIVIDUALS, FAMILIES AND COMMUNITIES.
-
- 2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
 If "Yes," describe these new services on Schedule O
- 3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
 If "Yes," describe these changes on Schedule O.
- 4 Describe the 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 \$ 1,593,623. including grants of \$ 1,029.) (Revenue \$ 1,777,776.)
MENTAL HEALTH OUTPATIENT: THIS PROGRAM IS COMPRISED OF ADULT SERVICES, CHILDREN'S SERVICES AND STUDENT ASSISTANCE PROGRAMS. THE MISSION OF THE ADULT AND CHILDREN'S PROGRAMS IS TO HELP CLIENTS DEAL WITH THE STRESS AND DEMANDS OF LIVING IN TODAY'S SOCIETY. THE STUDENT ASSISTANCE COMPONENT FOCUSES ON HELPING "AT RISK" CHILDREN FROM AREA SCHOOL DISTRICTS.
-
- 4b (Code:) (Expenses \$ 2,158,306. including grants of \$ 471.) (Revenue \$ 2,691,553.)
CHILDREN'S SERVICES (DAY TREATMENT): THE STUDENT ASSISTANCE PROGRAM PROVIDES SERVICES THROUGHOUT THE SCHOOL YEAR TO SEVEN SCHOOL DISTRICTS AND ONE LOCAL PRIVATE SCHOOL. SERVICES INCLUDE OUTPATIENT COUNSELING, WRAP-AROUND SERVICES AND OTHER APPROPRIATE INTERVENTIONS. THE WRAP-AROUND PROGRAM IS OFFERED TO CHILDREN AGE 21 YEARS AND YOUNGER. CHILDREN REFERRED TO THIS PROGRAM RECEIVE AN INITIAL SCREENING BY A MENTAL HEALTH CASE MANAGER, AND TYPICALLY REQUIRE THE INTENSIVE INVOLVEMENT OF A BEHAVIOR SPECIALIST, A MOBILE THERAPIST AND THE THERAPEUTIC SUPPORT STAFF.
-
- 4c (Code:) (Expenses \$ 800,799. including grants of \$ 4,222.) (Revenue \$ 963,500.)
ADULT RECOVERY SUPPORT TEAM: RECOVERY COACHING BLENDS INTENSIVE CASE MANAGEMENT AND RESOURCE COORDINATION. SERVICES ARE DELIVERED THROUGH A TEAM-BASED APPROACH AND MOVE THE FOCUS TO RECOVERY SUPPORT. COACHES ARE TRAINED AND SKILLED IN ENGAGEMENT, RELATIONSHIP BUILDING SKILLS, DECISION MAKING SKILLS AND IN WELLNESS MANAGEMENT PRACTICES. WHILE FUNCTIONS OF LINKING AND ACCESSING ARE RETAINED, RELATIONSHIP AND SKILL BUILDING FUNCTION ARE PRIMARY. TEAMS WILL SUPPORT CONSUMERS WHO ARE IN EARLY STAGES OF RECOVERY AND CONSUMERS WHO HAVE GAINED SUBSTANTIAL ABILITIES TO MANAGE THEIR ILLNESS AND THEIR RECOVERY. SERVICES ARE DELIVERED WITH AN UNDERSTANDING THAT SERVICE AND TREATMENT ARE A MEANS TO AN END, THAT END IS RECOVERY AND WELLNESS.
-
- 4d Other program services (Describe in Schedule O)
 (Expenses \$ 3,425,522. including grants of \$ 85,662.) (Revenue \$ 3,941,514.)
- 4e Total program service expenses **7,978,250.**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		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? <i>If "Yes," complete Schedule C, Part II</i>		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? <i>If "Yes," complete Schedule C, Part III</i>		
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? <i>If "Yes," complete Schedule D, Part I</i>		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? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		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? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		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? <i>If "Yes," complete Schedule D, Part VI</i>	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? <i>If "Yes," complete Schedule D, Part VII</i>		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? <i>If "Yes," complete Schedule D, Part VIII</i>		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? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	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)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		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? <i>If "Yes," complete Schedule G, Part I</i>		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? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		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)		

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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? <i>If "Yes," complete Schedule I, Parts I and II</i>		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? <i>If "Yes," complete Schedule I, Parts I and III</i>	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? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		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? <i>If "Yes," complete Schedule L, Part II</i>		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? <i>If "Yes," complete Schedule L, Part III</i>		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):		
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		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? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?		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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		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? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

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Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck 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 143		
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 138		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	X	
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		
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: <u>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts</u>			
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? Note. See the instructions for additional information the organization must report on Schedule O	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b		

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

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

☒**Section A. Governing Body and Management**

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	12	
1b Enter the number of voting members included in line 1a, above, who are independent	12	
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?		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?		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6 Does the organization have members or stockholders?		X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?		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		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?	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?	X	
11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	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	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	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	X	
13 Does the organization have a written whistleblower policy?		X
14 Does the organization have a written document retention and destruction policy?	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	X	
b Other officers or key employees of the organization	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?		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?		

Section C. Disclosure

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

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 ☒ Another's website ☒ 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 **▶**
RANDY REBER, CHIEF FINANCIAL OFFICE - (484) 941-0500
11 ROBINSON STREET, POTTSTOWN, PA 19464

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck 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			
HENRY POLLAK MEMBER RES. 1/23/11	0.50	X						0.	0.	0.
WALTER F GADZICKI, JR VICE PRESIDENT	1.00	X		X				0.	0.	0.
SYLVIA LANDIS MEMBER	0.50	X						0.	0.	0.
ANTHONY BRASACCHIO PRESIDENT	2.00	X		X				0.	0.	0.
KAREN BALDWIN SECRETARY/TREASURER	1.00	X		X				0.	0.	0.
CHARLES DANIELS MEMBER	0.50	X						0.	0.	0.
JOAN ROBIN ROBB 2ND VICE PRESIDENT	0.50	X		X				0.	0.	0.
JOHN J DURKIN MEMBER	0.50	X						0.	0.	0.
CHRIS MUDRICK ASST. TREAS. RES. 10/31/10	1.00	X		X				0.	0.	0.
APRIL LONGAKER MEMBER RES. 2/21/11	0.50	X						0.	0.	0.
PETER HAMMOND MEMBER	0.50	X						0.	0.	0.
BARBARA STUTZMAN MEMBER	0.50	X						0.	0.	0.
ANDREW P. TRENTACOSTE EXECUTIVE DIRECTOR	37.50				X			203,255.	0.	29,912.
SYED VIQAR, MD DOCTOR	37.50					X		183,605.	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								386,860.	0.	29,912.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								386,860.	0.	29,912.

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 **2**

- 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
- 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
- 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

	Yes	No
3		X
4	X	
5		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
FORMCRAFT INTERIORS 712 HENDERSON BLVD, FOLCROFT, PA 19032	RENOVATIONS	313,898.

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 **1**

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	1 a	Federated campaigns	1a	129,889.			
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	169,713.			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f			299,602.		
Program Service Revenue	2 a	FEES FOR SERVICE	Business Code 624100	9,358,678.	9,358,678.		
	b	MISCELLANEOUS FEES	624100	15,665.	15,665.		
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f			9,374,343.		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		4,873.			4,873.
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross Rents	(i) Real 156,020.				
	b	Less. rental expenses					
	c	Rental income or (loss)	156,020.				
	d	Net rental income or (loss)		156,020.		156,020.	
	7 a	Gross amount from sales of assets other than inventory	(i) Securities 390,000.				
	b	Less cost or other basis and sales expenses	591,878.				
	c	Gain or (loss)	<201,878.>				
	d	Net gain or (loss)		<201,878.>		<201,878.>	
	8 a	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					
	9 a	Gross income from gaming activities. See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
10 a	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				
11 a							
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d						
12	Total revenue See instructions			9,632,960.	9,374,343.	0.	<40,985.>

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	91,384.	91,384.		
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	203,255.	101,627.	91,465.	10,163.
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	3,844,371.	3,142,032.	702,339.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	32,033.	25,576.	6,363.	94.
9 Other employee benefits	668,542.	511,163.	156,507.	872.
10 Payroll taxes	288,783.	235,160.	52,912.	711.
11 Fees for services (non-employees):				
a Management				
b Legal	10,202.		10,202.	
c Accounting	18,000.		18,000.	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees	8,040.		8,040.	
g Other	2,686,676.	2,561,522.	125,154.	
12 Advertising and promotion	20,633.	11,481.	9,152.	
13 Office expenses	559,927.	441,009.	117,729.	1,189.
14 Information technology	10,460.	10,460.		
15 Royalties				
16 Occupancy	267,921.	250,922.	16,829.	170.
17 Travel	101,522.	96,275.	5,247.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	15,056.	14,062.	994.	
20 Interest	181,777.	181,777.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	301,102.	301,102.		
23 Insurance				
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 SUBSCRIPTIONS	20,293.	2,572.	17,721.	
b MISCELLANEOUS EXPENSES	5,707.	126.	5,581.	
c				
d				
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	9,335,684.	7,978,250.	1,344,235.	13,199.
26 Joint costs. Check here <input type="checkbox"/> 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	307,891.	1	488,230.
	2 Savings and temporary cash investments	919,864.	2	1,162,568.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	1,525,173.	4	1,320,666.
	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		9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 7,852,390.		
	b Less accumulated depreciation	10b 925,914.	7,080,526.	10c 6,926,476.
	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	100,431.	15	63,921.
16 Total assets. Add lines 1 through 15 (must equal line 34)	9,933,885.	16	9,961,861.	
Liabilities	17 Accounts payable and accrued expenses	632,847.	17	622,361.
	18 Grants payable		18	
	19 Deferred revenue		19	11,667.
	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	4,016,411.	23	3,745,930.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	810,000.	25	810,000.
	26 Total liabilities. Add lines 17 through 25	5,459,258.	26	5,189,958.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	4,474,627.	27	4,771,903.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	4,474,627.	33	4,771,903.
	34 Total liabilities and net assets/fund balances	9,933,885.	34	9,961,861.

Form 990 (2010)

Part XI Reconciliation of Net AssetsCheck 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	9,632,960.
2	Total expenses (must equal Part IX, column (A), line 25)	2	9,335,684.
3	Revenue less expenses Subtract line 2 from line 1	3	297,276.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	4,474,627.
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	4,771,903.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII ☐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?

b Were the organization's financial statements audited by an independent accountant?

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?

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?

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

Yes No

2a X

2b X

2c X

3a X

3b

Form 990 (2010)

Department of the Treasury
Internal Revenue Service

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

CREATIVE HEALTH SERVICES, INC.

Employer identification number

23-1522060

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?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) A family member of a person described in (i) above?

(iii) A 35% controlled entity of a person described in (i) or (ii) above?

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

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

[illegible]

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2010

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.")	117,713.	322,125.	388,186.	408,331.	299,602.	1535957.
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	117,713.	322,125.	388,186.	408,331.	299,602.	1535957.
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						1535957.

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	117,713.	322,125.	388,186.	408,331.	299,602.	1535957.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	35,275.	50,022.	157,482.	166,853.	160,893.	570,525.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)	10,280.					10,280.
11 Total support. Add lines 7 through 10						2116762.
12 Gross receipts from related activities, etc. (see instructions)					12	41,939,334.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14	72.56	%
15 Public support percentage from 2009 Schedule A, Part II, line 14	15	77.92	%
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 ► <input checked="" type="checkbox"/>			
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 ► <input type="checkbox"/>			
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 ► <input type="checkbox"/>			
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 ► <input type="checkbox"/>			
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► <input type="checkbox"/>			

Schedule A (Form 990 or 990-EZ) 2010

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

CREATIVE HEALTH SERVICES, INC.

Employer identification number

23-1522060

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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

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

- c Beginning balance
 d Additions during the year
 e Distributions during the year
 f Ending balance

	Amount
1c	
1d	
1e	
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

- (i) unrelated organizations
 (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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		530,750.		530,750.
b Buildings		6,367,930.	516,473.	5,851,457.
c Leasehold improvements		168,111.	62,150.	105,961.
d Equipment		609,043.	246,242.	362,801.
e Other		176,556.	101,049.	75,507.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				6,926,476.

Schedule D (Form 990) 2010

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) REFUNDABLE ADVANCE	810,000.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	

Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶

810,000.

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	9,632,960.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	9,335,684.
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	297,276.
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	0.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	297,276.

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	9,632,960.
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	0.
3	Subtract line 2e from line 1	3	9,632,960.
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	0.
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	9,632,960.

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

1	Total expenses and losses per audited financial statements	1	9,335,684.
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	0.
3	Subtract line 2e from line 1	3	9,335,684.
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	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	9,335,684.

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.

OTHER ASSETS INCLUDE VEHICLES OWNED BY THE ORGANIZATION.

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.

OMB No 1545-0047

2010

Open to Public
inspection

Name of the organization

CREATIVE HEALTH SERVICES, INC.

Employer identification number
23-1522060

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed. ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2 Enter total number of section 501(c)(3) and government organizations

3 Enter total number of other organizations

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

Schedule I (Form 990) (2010)

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
LIVING EXPENSES INCLUDING BUT NOT LIMITED TO: RENT; HEAT; ELECTRIC; UTILITIES; GROCERIES; FURNISHINGS AND RECREATIONAL ACTIVITIES.	80	91,384.	0.		

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHEDULE I, PART I, LINE 2: INDIVIDUALS RECEIVING ASSISTANCE ARE CLIENTS RECEIVING SERVICES UNDER THE VARIOUS PROGRAMS OFFERED BY CREATIVE HEALTH SERVICES, SPECIFICALLY COMMUNITY RESIDENTIAL REHABILITATION AND FAMILY BASED. CASE MANAGERS EVALUATE THE SPECIFIC NEEDS OF THE INDIVIDUALS AND FAMILIES.

**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

CREATIVE HEALTH SERVICES, INC.

Employer identification number
23-1522060

Part I Questions Regarding Compensation

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.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

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

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?

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.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> 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?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- 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?
- b** Any related organization?

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?
- b** Any related organization?

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

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

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

X

X

X

X

X

X

X

X

X

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

Schedule J (Form 990) 2010

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 ANDREW P. TRENTACOSTE	(i) 155,005.	48,250.	0.	10,600.	19,312.	233,167.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
2 SYED VIQAR, MD	(i) 183,605.	0.	0.	0.	0.	183,605.	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 J (Form 990) 2010

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

PART I, LINE 4B: CEO, ANDY TRENTACOSTE - \$10,600 NONQUALIFIED DEFERRED

COMPENSATION PLAN.

Blank lines for supplemental information.

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

CREATIVE HEALTH SERVICES, INC.

Employer identification number

23-1522060

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

RECOVERY AND PERSONAL WELLNESS. THE ORGANIZATION PROVIDES OUTPATIENT COUNSELING AND MEDICATION MANAGEMENT TO LOW-INCOME MEMBERS OF THE COMMUNITY, INCLUDING MONTGOMERY, CHESTER, BERKS AND OTHER SURROUNDING COUNTIES IN SOUTHEAST PENNSYLVANIA. THE ORGANIZATION SERVES OVER 5,000 ADULTS, CHILDREN AND FAMILIES EACH YEAR. IN ADDITION, THEY MAINTAIN ACTIVE COLLABORATIONS WITH TEN AREA SCHOOL DISTRICTS, THE JUDICIARY SYSTEM, SEVERAL UNITED WAYS, THE TRI-COUNTY COMMUNITY NETWORK AND OTHER HUMAN SERVICE AGENCIES. THE ORGANIZATIONS MISSION IS TO PROVIDE QUALITY BEHAVIORIAL HEALTHCARE DESIGNED TO EMPOWER AND PROMOTE WELLNESS FOR INDIVIDUALS, FAMILILIES AND COMMUNITIES.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

FAMILY BASED: THIS PROGRAM OFFERS INTENSIVE, IN-HOME, TEAM DELIVERED SERVICE TO FAMILIES IN WHICH THERE IS A CHILD OR AN ADOLESCENT WITH A MENTAL HEALTH DIAGNOSIS OR A SEVERE EMOTIONAL DISTURBANCE. THE PRIMARY GOAL IS TO ENABLE AND EMPOWER PARENTS TO CARE FOR THEIR CHILD/ADOLESCENT IN THE HOME AS WELL AS REDUCE OR ELIMINATE THE NEED FOR OUT-OF-HOME PLACEMENT.

EXPENSES \$ 622,224. INCLUDING GRANTS OF \$ 51,597. REVENUE \$ 947,778.

DRUG & ALCOHOL OUTPATIENT: THIS PROGRAM PROVIDES PRIMARY COUNSELING FOR SUBSTANCE ABUSE AND RELATED PROBLEMS FOR RESIDENTS OF POTTSTOWN, SPRING CITY, AND ROYERSFORD AREAS. PREVENTION AND EDUCATION ACTIVITIES ARE ALSO OFFERED.

EXPENSES \$ 404,717. INCLUDING GRANTS OF \$ 218. REVENUE \$ 439,221.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2010)

032211
01-24-11

Name of the organization

CREATIVE HEALTH SERVICES, INC.

Employer identification number

23-1522060

COMMUNITY RESIDENTIAL REHABILITATION (CHIPP'S): THIS PROGRAM IS A MAXIMUM CARE, TWO-YEAR TRANSITIONAL PROGRAM THAT PROVIDES INTENSIVE, STRUCTURED LIVING ARRANGEMENTS FOR ADULTS WHO ARE CHRONICALLY MENTALLY ILL. IT IS DESIGNED TO INCREASE EACH RESIDENT'S ABILITY TO LIVE INDEPENDENTLY IN THE COMMUNITY.

EXPENSES \$ 373,806. INCLUDING GRANTS OF \$ 24,154. REVENUE \$ 383,145.

SUPPORTIVE HOUSING: THIS PROGRAM PROVIDES SUITABLE CLIENTS WITH HOUSING IN AN ENVIRONMENT THAT ENABLES THE ORGANIZATION TO BETTER MONITOR OTHER PROGRAM SERVICES BEING RECEIVED BY THESE SAME CLIENTS.

EXPENSES \$ 201,013. INCLUDING GRANTS OF \$ 12. REVENUE \$ 200,194.

DRUG & ALCOHOL PREVENTION: THIS IS AN EDUCATIONAL PROGRAM FOR SCHOOL AGE CHILDREN PRESENTED AT LOCAL SCHOOLS BY COUNSELORS AIMED AT MAKING CHILDREN AWARE OF DRUG AND ALCOHOL ABUSE ISSUES.

EXPENSES \$ 31,418. INCLUDING GRANTS OF \$ 0. REVENUE \$ 27,288.

CHILDREN'S PARTIAL: THIS IS AN ALL DAY SCHOOL ENCOMPASSED PARTIAL HOSPITALIZATION PROGRAM THAT OFFERS A VARIETY OF ACTIVITIES FOR SCHOOL AGE CHILDREN, AND A SUMMER PROGRAM THAT RUNS FOUR DAYS A WEEK.

EXPENSES \$ 606,007. INCLUDING GRANTS OF \$ 2,042. REVENUE \$ 638,979.

INTENSIVE OUTPATIENT: THIS PROGRAM IS DESIGNED TO ENHANCE AND SUSTAIN EMPOWERMENT AND GREATER SELF-SUFFICIENCY AT MORE INDEPENDENT/INTERDEPENDENT LEVEL OF FUNCTIONING THROUGH GROUP AND INDIVIDUAL THERAPIES.

EXPENSES \$ 555,877. INCLUDING GRANTS OF \$ 7,613. REVENUE \$ 607,514.

Name of the organization

CREATIVE HEALTH SERVICES, INC.

Employer identification number

23-1522060

MENTAL HEALTH SERVICE CASE MANAGEMENT: THIS IS A COLLECTION OF COORDINATION, BROKERING, ADVOCACY, ASSESSMENT AND ADMINISTRATION ACTIVITIES, WHICH CONNECTS THE PERSON, CHILD AND/OR FAMILY WITH THE TREATMENT AND SUPPORT THEY NEED.

EXPENSES \$ 404,284. INCLUDING GRANTS OF \$ 12. REVENUE \$ 274,820.

DRUG & ALCOHOL CASE MANAGEMENT

EXPENSES \$ 128,347. INCLUDING GRANTS OF \$ 14. REVENUE \$ 133,981.

HEALTH CHOICES/HEALTH CONNECTIONS: THIS PROGRAM IS TO IMPROVE THE PHYSICAL AND BEHAVIORIAL HEALTH STATUS OF PERSONS WITH SERIOUS MENTAL ILLNESS (SMI), SUBSTANCE USE DISORDERS AND CO-MORBID PHYSICAL HEALTH CONDITIONS.

EXPENSES \$ 97,829. INCLUDING GRANTS OF \$ 0. REVENUE \$ 288,594.

FORM 990, PART VI, SECTION A, LINE 8B: MINUTES ARE KEPT FOR THE BOARD OF DIRECTOR MEETINGS HELD, HOWEVER, THERE ARE NO WRITTEN DOCUMENTS FOR ACTIONS UNDERTAKEN AT THE FINANCE COMMITTEE MEETINGS THAT ARE HELD THROUGHOUT THE YEAR. ANY ACTIONS/RECOMMENDATIONS MADE BY THE FINANCE COMMITTEE IS BROUGHT TO THE BOARD OF DIRECTORS MEETINGS.

FORM 990, PART VI, SECTION B, LINE 11: THE CHIEF EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER OF CREATIVE HEALTH SERVICES, INC. ALONG WITH THE FINANCE COMMITTEE REVIEW THE FORM 990 BEFORE SENDING IT TO THE INTERNAL REVENUE SERVICE.

FORM 990, PART VI, SECTION B, LINE 12C: THE CHIEF OPERATING OFFICER OF

Name of the organization

CREATIVE HEALTH SERVICES, INC.

Employer identification number

23-1522060

CREATIVE HEALTH SERVICES, INC. SENDS A LETTER TO EACH BOARD OF DIRECTOR DURING THE FIRST WEEK OF JULY REQUESTING THAT THE CONFLICT OF INTEREST STATEMENT AND DISCLOSURE STATEMENT BE COMPLETED, SIGNED AND RETURNED AS SOON AS POSSIBLE. IF THE COMPLETED FORMS ARE NOT RECEIVED BY THE SEPTEMBER BOARD MEETING, THEN THE CFO FOLLOWS UP WITH THE BOARD OF DIRECTOR PERSONALLY TO HAVE THE FORMS COMPLETED BEFORE THE END OF THE SEPTEMBER BOARD MEETING.

FORM 990, PART VI, SECTION B, LINE 15: THE PERSONNEL COMMITTEE MEETS WITH THE CEO AND CFO ANNUALLY. THEIR PERFORMANCE IS REVIEWED AND GOALS FOR THE UPCOMING NEXT YEAR ARE DETERMINED. BOTH THE FINANCE AND PERSONNEL COMMITTEES MAKE RECOMENDATIONS TO THE BAORD OF DIRECTORS BASED ON THE ABOVE REVIEWS AND COMPARISONS MADE TO OTHER COMPARABLE AGENCIES.

FORM 990, PART VI, SECTION C, LINE 18: FORM 990 IS ALSO AVAILABLE FOR PUBLIC INSPECTION ON WWW.GUIDESTAR.ORG. FORM 990 AND FORM 1023 IS ALSO AVAILABLE TO THE PUBLIC UPON REQUEST. THE REQUEST SHOULD BE IN WRITING AND ADDRESSED TO THE BOARD OF DIRECTORS OF CREATIVE HEALTH SERVICES, INC. INFORMATION WILL THEN BE PROVIDED.

FORM 990, PART VI, SECTION C, LINE 19: GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST. THE REQUEST SHOULD BE IN WRITING AND ADDRESSED TO THE BOARD OF DIRECTORS OF CREATIVE HEALTH SERVICES, INC. INFORMATION WILL THEN BE PROVIDED.

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

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

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- 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 File by the due date for filing your return. See instructions	Name of exempt organization CREATIVE HEALTH SERVICES, INC.	Employer identification number 23-1522060
	Number, street, and room or suite no. If a P.O. box, see instructions 11 ROBINSON STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. POTTSTOWN, PA 19464	

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-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

RANDY REBER, CHIEF FINANCIAL OFFICE

- The books are in the care of ► **11 ROBINSON STREET - POTTSTOWN, PA 19464**
Telephone No. ► **(484) 941-0500** FAX No. ► **(484) 941-0515**

- 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 **FEBRUARY 15, 2012**, to file the exempt organization return for the organization named above. The extension is for the organization's return for.
- ☐ calendar year or
- ☒ tax year beginning **JUL 1, 2010**, and ending **JUN 30, 2011**

- 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)

CREATIVE HEALTH SERVICES, INC.

**FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION**

June 30, 2011

CREATIVE HEALTH SERVICES, INC.

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**REINHART
and COMPANY**

certified public accountants

109 EAST PHILADELPHIA AVENUE
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MEMBER OF AMERICAN INSTITUTE OF CPA'S
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Robert D. Reinhart, CPA

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Barbara A. Akins, CPA

Tracey L. Yergey, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Creative Health Services, Inc.

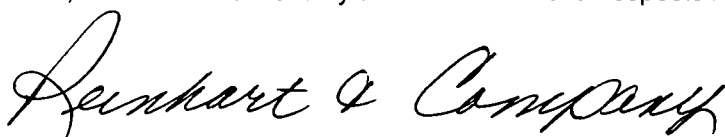
We have audited the accompanying statements of financial position of Creative Health Services, Inc. (a nonprofit organization) as of June 30, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Creative Health Services, Inc. June 30, 2010 financial statements and, in our report dated November 17, 2010, we expressed an unqualified opinion on those financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2011 on our consideration of Creative Health Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The additional information on pages 21 to 27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Boyertown, Pennsylvania
December 7, 2011

**CREATIVE HEALTH SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION**

	J U N E 3 0,	
	2 0 1 1	2 0 1 0
ASSETS		
Current Assets		
Cash - Note #4	\$ 1,645,048	\$ 1,222,345
Petty Cash	5,750	5,410
Accounts Receivable (Net of Allowance of \$ 50,000) - Note #5	1,320,666	1,525,173
Other Receivables	<u>0</u>	<u>27,764</u>
Total Current Assets	<u>2,971,464</u>	<u>2,780,692</u>
Property And Equipment - Note #6		
Land	530,750	443,750
Building And Improvements	6,367,930	6,828,378
Building And Improvements - Rentals	168,111	160,361
Furniture And Equipment	609,043	605,895
Vehicles	176,556	127,416
Construction In Progress	<u>0</u>	<u>252,713</u>
Total	7,852,390	8,418,513
Less: Depreciation Taken To Date	<u>(925,914)</u>	<u>(1,337,987)</u>
Net Property And Equipment	<u>6,926,476</u>	<u>7,080,526</u>
Other Assets		
Security Deposits	3,431	3,431
Debt Issuance Costs (Net of Accumulated Amortization of \$ 31,339) - Note #2	<u>60,490</u>	<u>69,236</u>
Total Other Assets	<u>63,921</u>	<u>72,667</u>
Total Assets	<u><u>\$ 9,961,861</u></u>	<u><u>\$ 9,933,885</u></u>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

JUNE 30,
2011 2010

LIABILITIES

Current Liabilities

Current Portion Long-Term Liabilities - Note #8	\$ 108,519	\$ 109,068
Accounts Payable	10,182	5,580
Accrued Employee Benefits - Note #9	240,906	280,768
Accrued Expenses	166,412	197,085
Accrued Payroll Taxes	4,645	6,182
Accrued Pension - Note #10	32,033	31,898
Accrued Wages	140,221	83,824
Employees' Benefits Withheld	27,962	20,809
Employee Taxes Withheld	0	6,701
Deferred Revenue - Note #2	11,667	0
	<u>742,547</u>	<u>741,915</u>
Total Current Liabilities		

Long-Term Liabilities

Notes Payable - Note #8	3,637,411	3,907,343
Refundable Advance - Note #11	810,000	810,000
	<u>4,447,411</u>	<u>4,717,343</u>
Total Long-Term Liabilities		
	<u>5,189,958</u>	<u>5,459,258</u>
Total Liabilities		

NET ASSETS

Unrestricted	<u>4,771,903</u>	<u>4,474,627</u>
Total Liabilities And Net Assets	<u>\$ 9,961,861</u>	<u>\$ 9,933,885</u>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

CREATIVE HEALTH SERVICES, INC.
STATEMENTS OF ACTIVITIES
Year Ended June 30, 2011

	2 0 1 1	2 0 1 0 (Comparative)
Public Support, Revenue, Gains And Other Support		
Montgomery County	\$ 1,533,016	\$ 1,849,511
Chester County	30,811	214,297
Other Counties	9,113	17,410
Pennsylvania Medical Assistance	6,855,517	6,248,605
Other Third-Party Contracted Service Fees	677,107	619,662
Program Service Fees	253,114	264,620
United Way	129,889	143,958
Contributions	9,713	14,373
Gifts-In-Kind	0	90,000
Grant - Note #12	160,000	160,000
Interest Income	4,873	10,833
Miscellaneous Income	15,665	14,457
Rental Income - Note #13	156,020	156,020
(Loss) On Disposition Of Asset - Note #14	<u>(201,878)</u>	<u>0</u>
Total Public Support, Revenue, Gains And Other Support	<u>9,632,960</u>	<u>9,803,746</u>
Expenses		
Program Services		
Mental Health Outpatient	1,593,623	1,791,235
Service Case Management	404,284	389,188
Adult Recovery Support Teams	800,799	771,936
Community Residential Rehabilitation	373,806	361,811
Supportive Housing	201,013	222,266
Children's Services	2,158,306	1,917,754
Children's Partial	606,007	571,712
Family Based	622,224	666,790
Intensive Outpatient	555,877	551,762
Health Choices/Health Connections	97,829	0
Drug And Alcohol Outpatient	404,717	350,649
Drug And Alcohol Case Management	128,347	124,451
Drug And Alcohol Prevention	<u>31,418</u>	<u>32,500</u>
Total Program Services	7,978,250	7,752,054
Supporting Services		
Management And General	<u>1,357,434</u>	<u>1,357,684</u>
Total Expenses	<u>9,335,684</u>	<u>9,109,738</u>
Changes In Net Assets	297,276	694,008
Net Assets, Beginning Of Year	<u>4,474,627</u>	<u>3,780,619</u>
Net Assets, End Of Year	<u><u>\$ 4,771,903</u></u>	<u><u>\$ 4,474,627</u></u>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

CREATIVE HEALTH SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2011

	TOTAL MENTAL HEALTH	TOTAL DRUG AND ALCOHOL	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	TOTAL
Salaries	\$ 2,941,496	\$ 302,163	\$ 3,243,659	\$ 803,967	\$ 4,047,626
Payroll Taxes And Employees' Benefits	706,222	65,677	771,899	217,459	989,358
Total Salaries And Related Expense	3,647,718	367,840	4,015,558	1,021,426	5,036,984
Professional Fees	2,463,663	108,319	2,571,982	161,396	2,733,378
Supplies	99,714	4,110	103,824	56,385	160,209
Telephone	99,254	7,874	107,128	15,108	122,236
Postage And Shipping	7,589	479	8,068	6,870	14,938
Occupancy	235,529	15,393	250,922	16,999	267,921
Subscriptions	2,225	347	2,572	17,721	20,293
Advertising	10,396	1,085	11,481	9,152	20,633
Transportation	95,500	775	96,275	5,247	101,522
Conferences, Conventions And Meetings	13,672	390	14,062	994	15,056
Specific Assistance To Individuals	91,152	232	91,384	0	91,384
Interest	168,179	13,598	181,777	0	181,777
Equipment Rental And Maintenance	207,344	14,645	221,989	40,555	262,544
Miscellaneous	126	0	126	5,581	5,707
Total Functional Expenses Before Depreciation And Amortization	7,142,061	535,087	7,677,148	1,357,434	9,034,582
Depreciation And Amortization	271,707	29,395	301,102	0	301,102
Total Functional Expenses	7,413,768	564,482	7,978,250	1,357,434	9,335,684
Reallocation Of Management And General	1,255,626	101,808	1,357,434	(1,357,434)	0
Total Expenses	<u>\$ 8,669,394</u>	<u>\$ 666,290</u>	<u>\$ 9,335,684</u>	<u>\$ 0</u>	<u>\$ 9,335,684</u>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

CREATIVE HEALTH SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MENTAL HEALTH
Year Ended June 30, 2011

	OUTPATIENT	SERVICE CASE MANAGEMENT	ADULT RECOVERY SUPPORT TEAM	COMMUNITY RESIDENTIAL REHABILITATION
Salaries	\$ 601,873	\$ 307,068	\$ 439,297	\$ 197,801
Payroll Taxes And Employees' Benefits	<u>142,499</u>	<u>28,195</u>	<u>152,416</u>	<u>60,503</u>
Total Salaries And Related Expenses	744,372	335,263	591,713	258,304
Professional Fees	624,992	200	3,157	0
Supplies	24,822	1,631	19,929	6,907
Telephone	22,623	6,260	19,689	5,137
Postage And Shipping	924	455	735	9
Occupancy	43,298	15,882	24,875	45,049
Subscriptions	622	101	315	103
Advertising	2,617	960	1,589	375
Transportation	1,273	5,103	34,494	3,299
Conferences, Conventions And Meetings	154	740	1,180	0
Specific Assistance To Individuals	1,029	12	4,222	24,154
Interest	39,887	9,057	18,115	9,065
Equipment Rental And Maintenance	23,571	11,918	48,929	16,855
Miscellaneous	<u>(135)</u>	<u>0</u>	<u>35</u>	<u>0</u>
Total Functional Expenses Before Depreciation And Amortization	1,530,049	387,582	768,977	369,257
Depreciation And Amortization	<u>63,574</u>	<u>16,702</u>	<u>31,822</u>	<u>4,549</u>
Total Functional Expenses	1,593,623	404,284	800,799	373,806
Reallocation Of Management And General	<u>298,635</u>	<u>67,872</u>	<u>135,744</u>	<u>67,872</u>
Total Expenses	<u>\$ 1,892,258</u>	<u>\$ 472,156</u>	<u>\$ 936,543</u>	<u>\$ 441,678</u>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

SUPPORTIVE HOUSING	CHILDREN'S SERVICES	CHILDREN'S PARTIAL	FAMILY BASED	INTENSIVE OUTPATIENT	HEALTH CHOICES/ HEALTH CONNECTIONS	TOTAL MENTAL HEALTH
\$ 115,236 35,251	\$ 464,030 123,583	\$ 333,309 78,404	\$ 82,508 16,623	\$ 309,969 63,799	\$ 90,405 4,949	\$ 2,941,496 706,222
150,487	587,613	411,713	99,131	373,768	95,354	3,647,718
0	1,370,206	22,596	423,995	18,517	0	2,463,663
1,348	12,068	23,818	640	6,787	1,764	99,714
2,126	23,854	4,684	1,398	13,483	0	99,254
0	3,937	0	400	1,129	0	7,589
15,238	48,971	12,868	3,635	25,713	0	235,529
0	574	179	63	205	63	2,225
225	2,395	775	675	785	0	10,396
1,061	12,184	5,289	3,736	28,413	648	95,500
0	0	2,033	9,390	175	0	13,672
12	471	2,042	51,597	7,613	0	91,152
5,979	46,231	12,650	16,317	10,878	0	168,179
8,080	26,553	50,188	2,948	18,302	0	207,344
0	49	0	110	67	0	126
184,556	2,135,106	548,835	614,035	505,835	97,829	7,142,061
16,457	23,200	57,172	8,189	50,042	0	271,707
201,013	2,158,306	606,007	622,224	555,877	97,829	7,413,768
40,723	346,145	95,020	122,169	81,446	0	1,255,626
<u>\$ 241,736</u>	<u>\$ 2,504,451</u>	<u>\$ 701,027</u>	<u>\$ 744,393</u>	<u>\$ 637,323</u>	<u>\$ 97,829</u>	<u>\$ 8,669,394</u>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

CREATIVE HEALTH SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES - DRUG AND ALCOHOL
Year Ended June 30, 2011

	OUTPATIENT	CASE MANAGEMENT	PREVENTION	TOTAL DRUG AND ALCOHOL
Salaries	\$ 220,926	\$ 69,672	\$ 11,565	\$ 302,163
Payroll Taxes And Employees' Benefits	<u>56,967</u>	<u>7,717</u>	<u>993</u>	<u>65,677</u>
Total Salaries And Related Expenses	277,893	77,389	12,558	367,840
Professional Fees	70,110	27,950	10,259	108,319
Supplies	3,718	392	0	4,110
Telephone	5,948	1,926	0	7,874
Postage And Shipping	339	140	0	479
Occupancy	10,625	4,719	49	15,393
Subscriptions	336	11	0	347
Advertising	703	307	75	1,085
Transportation	263	342	170	775
Conferences, Conventions And Meetings	390	0	0	390
Specific Assistance To Individuals	218	14	0	232
Interest	9,065	3,626	907	13,598
Equipment Rental And Maintenance	<u>11,879</u>	<u>2,766</u>	<u>0</u>	<u>14,645</u>
Total Functional Expenses Before Depreciation And Amortization	391,487	119,582	24,018	535,087
Depreciation And Amortization	<u>13,230</u>	<u>8,765</u>	<u>7,400</u>	<u>29,395</u>
Total Functional Expenses	404,717	128,347	31,418	564,482
Reallocation Of Management And General	<u>67,872</u>	<u>27,149</u>	<u>6,787</u>	<u>101,808</u>
Total Expenses	<u>\$ 472,589</u>	<u>\$ 155,496</u>	<u>\$ 38,205</u>	<u>\$ 666,290</u>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

CREATIVE HEALTH SERVICES, INC.
STATEMENTS OF CASH FLOWS

	YEAR ENDED JUNE 30,	
	2011	2010
Cash Flows From Operating Activities		
Changes In Net Assets	\$ 297,276	\$ 694,008
Non-Cash Items		
Depreciation And Amortization	301,102	254,228
Loss On Disposition Of Asset	201,878	0
Changes In		
(Increase) Decrease In Accounts Receivable	204,507	(439,748)
(Increase) Decrease In Other Receivables	27,764	(16,097)
Increase (Decrease) In Accounts Payable	4,602	(22,201)
Increase (Decrease) In Accrued Wages And Payroll Taxes	54,860	21,186
Increase (Decrease) In Other Current Liabilities	(58,281)	53,569
Net Assets Provided (Used) By Operating Activities	<u>1,033,708</u>	<u>544,945</u>
Cash Flows From Investing Activities		
Purchase Of Land	(125,000)	0
Purchase Of Building And Improvements	(545,146)	(13,407)
Purchase Of Building And Improvements - Rentals	(7,750)	0
Purchase Of Furniture And Equipment	(3,148)	(18,361)
Purchase Of Vehicles	(49,140)	(13,135)
Purchase Of Construction In Progress	0	(252,713)
Proceeds From Sale Of 361 High Street, Pottstown	<u>390,000</u>	<u>0</u>
Net Cash Provided (Used) By Investing Activities	<u>(340,184)</u>	<u>(297,616)</u>
Cash Flows From Financing Activities		
Net Borrowing (Repayment) Of Long-Term Debt	<u>(270,481)</u>	<u>(105,297)</u>
Net Assets Provided (Used) By Financing Activities	<u>(270,481)</u>	<u>(105,297)</u>
Net Increase (Decrease) In Cash	423,043	142,032
Cash And Cash Equivalents At Beginning Of Year	<u>1,227,755</u>	<u>1,085,723</u>
Cash And Cash Equivalents At End Of Year	<u>\$ 1,650,798</u>	<u>\$ 1,227,755</u>

Supplemental Disclosures Of Cash Flow Information

Cash Payments For:

Interest	<u>\$ 181,777</u>	<u>\$ 195,839</u>
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"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

CREATIVE HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note #1 - Organization And Nature Of Activities

Founded in 1957, Creative Health Services, Inc. ("entity") is a nonprofit agency, which provides caring, and professional behavioral healthcare to individuals in need of recovery and personal wellness. They provide outpatient counseling and medication management to low-income members of the community, including Montgomery, Chester, Berks and other surrounding counties.

Over the past 50 years, the entity has grown into a multi-service, multi-site organization serving over 5,000 adults, children and families each year. In addition, they maintain active collaborations with ten area school districts, the judiciary system, several United Ways, the Tri-County Community Network and other human service agencies. Creative Health Services, Inc.'s mission is to provide quality behavioral healthcare designed to empower and promote wellness for individuals, families and communities.

The entity receives fee-for-service and program funded support from various funding sources. Continued funding and revenues are dependent upon the availability of federal, state and local government funds, and fees, contributions and grants from the public sector.

Note #2 - Summary Of Significant Accounting Policies

Method Of Accounting

The financial statements of the entity have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation

As required by the Balance Sheet Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, the entity reports information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted

Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors. As of June 30, 2011, the Board designated \$ 2,628 to be used for future fundraising expenses and grants to various programs conducted by the entity.

Temporarily Restricted

Net assets whose use by the entity is subject to donor-imposed restrictions that can be fulfilled by actions of the entity pursuant to those restrictions or that expire by the passage of time. As of June 30, 2011, there were no temporarily restricted net assets.

Permanently Restricted

Net assets subject to donor-imposed restrictions that they be maintained permanently by the entity. Generally, the donors of these assets permit the entity to use all or part of the income on these assets. At June 30, 2011, none of the entity's net assets were permanently restricted.

Expenses are reported as decreases in unrestricted net assets as required by the Income Statement Topic of the FASB Accounting Standards Codification. Expirations of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets. Donor-restricted contributions are reported as unrestricted operating revenue when the restriction is satisfied.

CREATIVE HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011
(Continued)

Note #2 - Summary Of Significant Accounting Policies (Continued)

Income Tax Status

The entity is exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the entity qualifies for the charitable contributions deduction under Section 170(b)(1)(a).

Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

As required by the Financial Instruments Topic of the FASB Accounting Standards Codification the entity discloses the fair value of certain financial instruments including cash, accounts receivable, and debt. The estimated fair value amounts have been determined by the entity using available market information and appropriate valuation methodologies. The carrying values of these financial instruments approximate their fair value.

Contributions

Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of donor restrictions as required by the Revenue Recognition Topic of the FASB Accounting Standards Codification. Contributions are required to be reported as permanently restricted support or as temporarily restricted and then reclassified to unrestricted net assets upon expiration of time restrictions.

Contributed Services

The entity's Board of Directors and volunteers donate significant amounts of time to the various programs and operations of the entity. Contributed services that (a) create or improve long-lived assets or (b) require specialized skills provided by individuals possessing those skills that would typically need to be purchased if not provided by donation meet the requirement for recognition in the financial statements. The value of services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Gifts-In-Kind

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the entity reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The entity reclassifies temporarily restricted net assets to unrestricted net assets at that time. There were no gifts-in-kind for the year ending June 30, 2011.

CREATIVE HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011
(Continued)

Note #2 - Summary Of Significant Accounting Policies (Continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among programs and supporting services based on employee time estimates, program utilization, square footage or other appropriate usage factors.

Management and general expenses are allocated among programs generally in the ratio of program operating expenses to total operating expenses.

As part of the audit, we reviewed the functional allocation of management and general expenses and indirect costs. In our opinion, the cost allocation methods used by the entity are reasonable and consistent and reflect the entity's activities for the year.

Advertising

The entity follows the policy of charging the costs of advertising to expenses as incurred.

Cash And Cash Equivalents

For purposes of the statements of cash flows, the entity considers all cash on hand, checking and money market accounts to be cash equivalents.

Property And Depreciation

The entity has a capitalization policy that acquisitions of building, equipment and vehicles and all expenditures for repairs, maintenance, renewals and betterments over \$ 2,000 that materially prolong the useful lives of assets are capitalized. Building, equipment and vehicles are carried at cost. Depreciation is provided over the estimated lives of the respective assets on a straight-line basis as follows:

Vehicles	5 Years
Furniture and Equipment	5-7 Years
Building and Improvements	5-39 Years

Debt Issuance Costs

Debt issuance costs consist of direct costs incurred in connection with the entity's financing. These costs are being amortized on the straight-line method over the terms of the related debt instrument. Amortization expense is \$ 8,746 for the year ended June 30, 2011.

Deferred Revenue

The entity received July 2011's rent, \$ 11,667, in June 2011 (See Note #13). This will be recognized as revenue on the statements of activities for the year ending June 30, 2012.

Date Of Management's Review

Management has evaluated subsequent events through December 7, 2011 the date on which the financial statements were available to be issued.

CREATIVE HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011
(Continued)

Note #3 - Components Of Program Services

Mental Health Outpatient

This program is comprised of adult services, children's services and student assistance programs. The mission of the adult and children's programs is to help clients deal with the stress and demands of living in today's society. The student assistance component focuses on helping "at risk" children from area school districts.

Case Management

Case management is a collection of coordination, brokering, advocacy, assessment and administration activities, which connects the person, child and/or family with the treatment and support they need.

Adult Recovery Support Teams

Recovery Coaching is a new service approach that blends Intensive Case Management and Resource Coordination. Services are delivered through a team-based approach and move the focus to recovery support. Coaches are trained and skilled in engagement, relationship building skills, decision-making skills and in wellness management practices. While functions of linking and accessing are retained, relationship and skill building functions are primary. Teams will support consumers who are in early stages of recovery and consumers who have gained substantial abilities to manage their illness and their recovery. Services are delivered with an understanding that service and treatment are a means to an end, that end is recovery and wellness.

Community Residential Rehabilitation (CHIPP's)

This program is a maximum care, two-year transitional program that provides intensive, structured living arrangements for adults who are chronically mentally ill. It is designed to increase each resident's ability to live independently in the community.

Supportive Housing

The purpose of this program is to provide suitable clients with housing in an environment that enables the entity to better monitor other program services being received by these same clients.

Children's Services (Day Treatment)

The student assistance program provides services throughout the school year to seven school districts and one local private school. Services include outpatient counseling, wrap-around services and other appropriate interventions. The wrap-around program is offered to children age 21 years and younger. Children referred to this program receive an initial screening by a mental health case manager, and typically require the intensive involvement of a behavior specialist, a mobile therapist and the therapeutic support staff.

Children's Partial

This is an all day school encompassed partial hospitalization program that offers a variety of activities for school age children, and a summer program that runs four days a week.

Family Based

The family based mental health services program offers an intensive, in-home, team delivered service to families in which there is a child or an adolescent with a mental health diagnosis or a severe emotional disturbance. The primary goal of the program is to enable and empower parents to care for their child/adolescent in the home as well as to reduce or eliminate the need for out-of-home placement.

Intensive Outpatient

The intensive outpatient program is designed to enhance and sustain empowerment and greater self-sufficiency at a more independent/interdependent level of functioning through group and individual therapies.

CREATIVE HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011
(Continued)

Note #3 - Components Of Program Services (Continued)

Health Choices/Health Connections

The overall purpose of the Health Choices/Health Connections is to improve the physical and behavioral health status of persons with Serious Mental Illness (SMI), substance use disorders and co-morbid physical health conditions.

Drug And Alcohol Outpatient

This program provides primary counseling for substance abuse and related problems for residents of Pottstown, Spring City, and Royersford areas. Prevention and education activities are also offered.

Prevention

Prevention is an educational program for school age children presented at local schools by counselors aimed at making children aware of drug and alcohol abuse issues.

Note #4 - Cash

At June 30, 2011, cash totaling \$ 1,645,048 is unrestricted and includes \$ 482,480 in non-interest checking accounts and \$ 1,162,568 in a money market account.

The entity had cash balances in excess of the federally insured limit of \$ 250,000 on deposit at one local bank during 2011.

Note #5 - Accounts Receivable

Accounts receivable are stated at the amount of principal outstanding. Balances are written off through charges to revenues only after management has exhausted reasonable collection efforts. Prior year amounts written off and charged to the allowance are \$ 0 for the year ended June 30, 2011. The allowance for uncollectible accounts at June 30, 2011 is \$ 50,000. Bad debt expense is \$ 0 for the year ended June 30, 2011.

Note #6 - Property And Equipment

	COST	DEPRECIATION TAKEN TO DATE	NET BOOK VALUE	CURRENT YEAR DEPRECIATION
Land	\$ 530,750	\$ 0	\$ 530,750	\$ 0
Building And Improvements	6,367,930	516,473	5,851,457	172,845
Bldg. & Improvements - Rentals	168,111	62,150	105,961	9,158
Furniture And Equipment	609,043	246,242	362,801	88,422
Vehicles	<u>176,556</u>	<u>101,049</u>	<u>75,507</u>	<u>21,931</u>
Total	<u>\$ 7,852,390</u>	<u>\$ 925,914</u>	<u>\$ 6,926,476</u>	<u>\$ 292,356</u>

Net book value includes the building and improvements totaling \$ 810,000 for the CHIPP's Program. The entity has elected to delay recognition of depreciation expense until year 2013. See Note #11.

CREATIVE HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011
(Continued)

Note #7 - Note Payable, Line-Of-Credit

A line-of-credit is available with a maximum borrowing limit of \$ 300,000. Advances under the line-of-credit bear interest at 1% below prime. The note is secured by all of the assets of the entity and is subject to review annually. There were no borrowings against the note at June 30, 2011.

Note #8 - Long-Term Debt

OUTSTANDING
BALANCES

Long-term debt consists of the following:

Revenue Note Payable, Wachovia Bank N.A., (through the Pottstown Borough Authority) in monthly payments of \$ 22,723, including interest at 4.65% through April 2018, with a final payment of all remaining principal on April 30, 2018. The note is secured by real estate at 11 Robinson Street, Pottstown.

\$ 3,713,526

Note Payable, Nissan Motor Acceptance Corporation, in monthly payments of \$ 425, including interest at 3.90% through October 2013. The note is secured by a 2009 Nissan Quest.

10,960

Note Payable, Nissan Motor Acceptance Corporation, in monthly payments of \$ 376, including interest at 0% through March 2016. The note is secured by a 2011 Nissan Altima.

21,444

Total Notes Payable

3,745,930

Less: Installments Due Within One Year

(108,519)

Long-Term Portion

\$ 3,637,411

Maturities of long-term debts are as follows:

2012	\$ 108,519
2013	113,967
2014	115,327
2015	119,338
2016	123,322
2017 And Thereafter	<u>3,165,457</u>
	<u>\$ 3,745,930</u>

Note #9 - Accrued Employee Benefits

Accrued Employee Benefits at June 30, 2011 consist of the following:

Accrued Vacation/Personal Pay	\$ 134,172
Accrued Sick Leave Pay	<u>106,734</u>
	<u>\$ 240,906</u>

Effective January 1, 2005 vacation, sick and personal days must be used by the entity's employees during the current calendar year. They are not permitted to be carried from year to year.

CREATIVE HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011
(Continued)

Note #9 - Accrued Employee Benefits (Continued)

Employees hired prior to January 1, 2005 that have unused vacation, sick and personal days as of December 31, 2004 are considered banked days that can be used upon the depletion of the current year's earned time. These employees may request that the entity redeem accumulated sick days at the rate of 30% of the employee's current rate of pay. Redemption of sick days will only be made for those in excess of twenty days. The accumulated sick leave pay eligible for redemption at June 30, 2011 totals \$ 6,708.

Note #10 - Pension Plan

The Board of Directors approved a pension plan for substantially all of its employees. The annual contribution is based on the decision of the Board of Directors as to the amount they wish to put into the Plan. The Board approved \$ 32,033 in contributions to the plan for the year ended June 30, 2011.

Note #11 - Refundable Advance

In 1998, the entity received approval from Montgomery County and the Pennsylvania Department of Public Welfare to purchase and renovate a property for the CHIPP's Program. The total cost of \$ 810,000 to purchase and renovate the property was reimbursed by Montgomery County. Under the provisions of Regulation 4300, the County retains an equity ownership interest in the property. The property must be used by the program for a minimum of 15 years; sale or conversion to any other use requires county and state approval. If the entity becomes insolvent, ownership reverts to the County. The entity has elected to delay recognition of any revenue and depreciation expense until the 15-years-use requirement is met. Accordingly, the revenue has been recorded as a long-term refundable advance. The cost of the property and the renovations has been recorded as non-depreciating fixed assets.

Note #12 - Grant

The entity received an \$ 800,000 commitment from the Pottstown Area Health and Wellness Foundation for a period of five years at \$ 160,000 per year. The grant is for operational support for co-location of the entity. There is one year remaining on the grant.

Note #13 - Rental Income

Office space located at 11 Robinson Street, Pottstown is rented to other tax-exempt entities that are substantially related to the entity's mission to empower and promote wellness for individuals, families and communities. For the year, ended June 30, 2011 rental income includes the following:

Approximately 376 square feet leased to The United Way of Southeastern Pennsylvania for \$ 501 per month effective July 2008. The lease continues on a year-to-year basis, with three months written notice to terminate. \$ 6,016

Approximately 10,000 square feet leased to Community Health and Dental Care, Inc. for \$ 11,667 per month effective August 2008. The lease expires July 2018 and includes an operating expense charge. The tenant shall have the option to renew the lease for an additional five-year term. \$ 140,004

CREATIVE HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011
(Continued)

Note #13 - Rental Income (Continued)

Approximately 340 square feet leased to QoL Meds for \$ 623 per month effective September 2008. The lease expires August 2012 and is renegotiable yearly. \$ 7,480

Approximately 180 square feet leased to NAMI PA Montgomery County for \$ 210 per month effective January 2009. The lease continues on a year-to-year basis. 2,520

\$ 156,020

No security deposits were required in the above leases.

Note #14 - Disposition Of Asset

On July 2, 2010, the entity sold the building located at 361 High Street, Pottstown for \$ 390,000. The entity stopped using this facility when it moved to 11 Robinson Street, Pottstown. The building was purchased in 1984 for \$ 217,053. Improvements made to the building over the years totaled \$ 1,079,254. The remaining basis (cost less depreciation taken) at July 2, 2010 was \$ 591,878 resulting in a loss of (\$ 201,878) for the year ending June 30, 2011.

Note #15 - Commitments And Contingencies

Leases

The entity has entered into several operating lease agreements. These leases are for real estate, certain office equipment and autos. The real estate lease expense was \$ 84,332 for the year ended June 30, 2011. The entity's auto and equipment leases range from 36 to 60 months and expire at various times. Total rent expense under these leases was \$ 101,502.

Future minimum lease payments are:

2012	\$ 121,136
2013	\$ 87,382
2014	\$ 78,059
2015	\$ 64,360
2016	\$ 43,688

Contingent Liability

The entity is self-insured for purposes of Pennsylvania's unemployment insurance. Therefore, any claims are paid directly by the entity.

Note #16 - Risk Management

The entity is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions and injuries to employees. Significant losses are covered by commercial insurance for all areas for which the entity retains risk of loss.

**REINHART
and COMPANY**

certified public accountants

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Creative Health Services, Inc.

We have audited the financial statements of Creative Health Services, Inc. (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 7, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Creative Health Services, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Creative Health Services, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

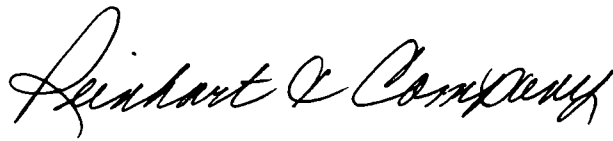
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Creative Health Services, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Creative Health Services, Inc. in a separate letter dated December 7, 2011.

This report is intended solely for the information and use of management, the finance committee, others within the entity, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Lindhart & Company". The script is cursive and fluid, with the first name "Lindhart" being more prominent than the "& Company" part.

Boyertown, Pennsylvania
December 7, 2011

SUPPLEMENTAL INFORMATION

CREATIVE HEALTH SERVICES, INC.
SCHEDULE OF REVENUES AND EXPENSES
MONTGOMERY COUNTY MENTAL HEALTH CONTRACTS
Year Ended June 30, 2011

	ADMINISTRATIVE MANAGEMENT	HOUSING SUPPORT SERVICES	COMMUNITY SERVICES
Public Support, Revenue, Gains And Other Support			
Montgomery County	\$ 336,293	\$ 134,709	\$ 55,793
Chester County	0	0	0
Other Counties	0	0	0
Pennsylvania Medical Assistance	838,561	0	0
Other Third-Party Contracted Service Fees	(747)	0	0
Program Service Fees	0	65,386	(25)
United Way	0	0	0
Contributions	0	0	0
Miscellaneous Income	25	100	0
Total Public Support, Revenue, Gains And Other Support	<u>1,174,132</u>	<u>200,195</u>	<u>55,768</u>
Expenses			
Personnel			
Wages And Salaries	681,384	115,236	47,471
Employees' Benefits	164,970	35,251	13,842
Total Personnel	<u>846,354</u>	<u>150,487</u>	<u>61,313</u>
Operating			
Occupancy	39,707	15,238	97
Telephone	25,949	2,126	0
Administrative Supplies	17,297	292	188
Treatment Supplies	8,278	1,068	0
Transportation	38,575	1,061	626
Purchased Treatment Services	3,158	0	200
Administrative	190,041	40,723	13,574
Miscellaneous	35	0	0
Conferences, Conventions And Meetings	1,180	0	740
Advertising	2,400	225	75
Subscriptions	351	0	65
Postage And Shipping	1,191	0	0
Interest	25,360	5,979	1,813
Total Operating	<u>353,522</u>	<u>66,712</u>	<u>17,378</u>
Equipment Rental And Maintenance	<u>59,976</u>	<u>8,080</u>	<u>298</u>
Total Expenses	<u>1,259,852</u>	<u>225,279</u>	<u>78,989</u>
Excess (Deficiency) Of Revenues Over Expenses	<u>\$ (85,720)</u>	<u>\$ (25,084)</u>	<u>\$ (23,221)</u>

(A) Includes \$ 38,974 Health Choices Reinvestment.

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

COMMUNITY RESIDENTIAL SERVICES	DAY TREATMENT	OUTPATIENT	TOTAL
\$ 334,907	\$ 6,000	\$ 384,275 (A)	\$ 1,251,977
0	0	19,811	19,811
0	0	(1,374)	(1,374)
0	556,104	1,625,465	3,020,130
0	20,310	244,348	263,911
48,238	530	72,594	186,723
0	0	100,289	100,289
0	800	2,685	3,485
0	445	12,890	13,460
<u>383,145</u>	<u>584,189</u>	<u>2,460,983</u>	<u>4,858,412</u>
197,801	292,819	932,191	2,266,902
<u>60,247</u>	<u>75,834</u>	<u>234,829</u>	<u>584,973</u>
<u>258,048</u>	<u>368,653</u>	<u>1,167,020</u>	<u>2,851,875</u>
45,048	12,868	75,682	188,640
5,137	3,740	35,585	72,537
2,443	5,784	27,951	53,955
28,619	19,892	13,630	71,487
3,278	5,289	30,487	79,316
0	22,596	643,591	669,545
67,872	95,019	407,230	814,459
0	0	(68)	(33)
0	2,033	329	4,282
375	775	3,627	7,477
103	179	917	1,615
9	0	3,041	4,241
<u>9,065</u>	<u>12,650</u>	<u>54,391</u>	<u>109,258</u>
<u>161,949</u>	<u>180,825</u>	<u>1,296,393</u>	<u>2,076,779</u>
<u>16,855</u>	<u>50,188</u>	<u>42,397</u>	<u>177,794</u>
<u>436,852</u>	<u>599,666</u>	<u>2,505,810</u>	<u>5,106,448</u>
<u>\$ (53,707)</u>	<u>\$ (15,477)</u>	<u>\$ (44,827)</u>	<u>\$ (248,036)</u>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

CREATIVE HEALTH SERVICES, INC.
SCHEDULE OF REVENUES AND EXPENSES
MONTGOMERY COUNTY DRUG AND ALCOHOL FEE-FOR-SERVICE CONTRACTS
Year Ended June 30, 2011

	OUTPATIENT	PREVENTION	TOTAL
Public Support, Revenue, Gains And Other Support			
Montgomery County	\$ 119,770	\$ 27,288	\$ 147,058
Pennsylvania Medical Assistance	249,297	0	249,297
Other Third-Party Contracted Service Fees	1,689	0	1,689
Program Service Fees	68,350	0	68,350
United Way	10,600	0	10,600
Miscellaneous Income	115	0	115
	<u>449,821</u>	<u>27,288</u>	<u>477,109</u>
Total Public Support, Revenue, Gains And Other Support			
Expenses			
Personnel			
Wages And Salaries	220,926	11,565	232,491
Employees' Benefits	56,967	993	57,960
	<u>277,893</u>	<u>12,558</u>	<u>290,451</u>
Total Personnel			
Operating			
Occupancy	10,625	49	10,674
Telephone	5,948	0	5,948
Administrative Supplies	3,386	0	3,386
Treatment Supplies	550	0	550
Transportation	263	170	433
Purchased Treatment Services	70,110	10,259	80,369
Administrative	67,872	6,787	74,659
Conferences, Conventions And Meetings	390	0	390
Advertising	703	75	778
Subscriptions	336	0	336
Postage And Shipping	339	0	339
Interest	9,065	907	9,972
	<u>169,587</u>	<u>18,247</u>	<u>187,834</u>
Total Operating			
Equipment Rental And Maintenance	11,879	0	11,879
	<u>459,359</u>	<u>30,805</u>	<u>490,164</u>
Total Expenses			
Excess (Deficiency) Of Revenues Over Expenses	\$ (9,538)	\$ (3,517)	\$ (13,055)

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

CREATIVE HEALTH SERVICES, INC.
SCHEDULE OF REVENUES AND EXPENSES
MONTGOMERY COUNTY DRUG AND ALCOHOL PROGRAM FUNDED CONTRACT
Year Ended June 30, 2011

CASE
MANAGEMENT
ACT 152

Revenues And Support Montgomery County	<u>\$ 133,981</u>
Expenses	
Personnel	
Administrative Salaries	16,079
Administrative Benefits	4,349
Client Oriented Services Salaries	53,593
Client Oriented Services Benefits	<u>3,368</u>
Total Personnel	<u>77,389</u>
Operating	
Utilities	4,363
Insurance	356
Communication	2,066
Office Supplies	316
Purchased Client Oriented Services	27,950
Interest	3,626
Building Maintenance	2,766
Other Operating Expenses	<u>36,664</u>
Total Operating	<u>78,107</u>
Total Expenses	<u>155,496</u>
Excess (Deficiency) Of Revenues Over Expenses	<u><u>\$ (21,515)</u></u>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

CREATIVE HEALTH SERVICES, INC.
SCHEDULE OF REVENUES AND EXPENSES
CHESTER COUNTY MENTAL HEALTH CONTRACTS
Year Ended June 30, 2011

	ADMINISTRATIVE MANAGEMENT	PEER SUPPORT	TOTAL
Revenues And Support			
Chester County	\$ 6,000	\$ 5,000	\$ 11,000 (A)
Pennsylvania Medical Assistance	0	114,860	114,860
Total Revenues And Support	6,000	119,860	125,860
Expenses			
Personnel			
Wages And Salaries	17,509	47,526	65,035
Employees' Benefits	1,798	2,533	4,331
Total Personnel	19,307	50,059	69,366
Operating			
Rent	938	0	938
Insurance	15	0	15
Communication	0	1,746	1,746
Office Supplies	31	67	98
Staff Travel	396	1,652	2,048
Other Operating Supplies	0	1,085	1,085
Advertising	75	0	75
Total Operating	1,455	4,550	6,005
Equipment Rental	573	3,891	4,464
Total Expenses	21,335	58,500	79,835
Excess (Deficiency) Of Revenues Over Expenses	\$ (15,335)	\$ 61,360	\$ 46,025

(A) \$ 19,811 of contract revenues received from Chester County are shown as Outpatient on page 22 of the financial statement.

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

CREATIVE HEALTH SERVICES, INC.
SCHEDULE OF COUNTY REVENUES
Year Ended June 30, 2011

MONTGOMERY COUNTY

Mental Health/Retardation	\$ 1,251,977
(Includes \$ 38,974 Health Choices Reinvestment)	
Drug And Alcohol	<u>281,039</u>
Total Received From Montgomery County	1,533,016

CHESTER COUNTY

Mental Health/Retardation	30,811
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OTHER COUNTIES	<u>9,113</u>
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Total County Revenues	<u><u>\$ 1,572,940</u></u>
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"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"

CREATIVE HEALTH SERVICES, INC.
SCHEDULE OF UNITS OF SERVICE
Year Ended June 30, 2011

	TOTAL UNITS OF SERVICE
MONTGOMERY COUNTY	
Mental Health	
Community Residential Rehabilitation	3,657
Intensive Case Management (Adult Recovery Support Team)	6,522
Children's Partial	704
Intensive Outpatient	26,812
Outpatient	3,769
Drug And Alcohol	
Outpatient	6,270
CHESTER COUNTY	
Mental Health	
Outpatient	545
MAGELLAN	
Mental Health	
Outpatient	26,849
Intensive Case Management (Adult Recovery Support Team)	41,521
Children's Partial	38,915
Intensive Outpatient	70,163
Family Based	17,208
Children's Services	95,241
Drug And Alcohol	
Outpatient	7,512
CCBH	
Mental Health	
Outpatient	
Berks County	5,099
Chester County	2,370
Family Based	11,182
Children's Services	67,240
Drug And Alcohol	
Outpatient	
Berks County	879
Chester County	669

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS"