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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047 2010 Open to Public Inspection
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A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011		
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization LAKESIDE BEHAVIORAL HEALTHCARE INC Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite 1800 MERCY DRIVE SUITE 302 City or town, state or country, and ZIP + 4 ORLANDO, FL 32808	D Employer identification number 59-2301233 E Telephone number (407) 875-3700 G Gross receipts \$ 54,464,434
	F Name and address of principal officer JOHN G KASSAB 1800 MERCY DRIVE SUITE 302 ORLANDO, FL 32808	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶
	I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀(Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
	J Website: ▶ WWW.LAKESIDECARES.ORG	
	K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	
L Year of formation 1983		
M State of legal domicile FL		

Part I		Summary	
Activities & Governance	1 Briefly describe the organization's mission or most significant activities THE ORGANIZATION'S MISSION IS TO PROVIDE THE PEOPLE OF CENTRAL FLORIDA COMPASSIONATE, COMPREHENSIVE, AND COST EFFECTIVE BEHAVIORAL HEALTH CARE SERVICES THAT FOCUS ON INDIVIDUALIZED RECOVERY		
	2 Check this box <input checked="" 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	14
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	14
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	909
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	350,234	18,078,542
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	44,689,758	26,654,575
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	430,606	607,700
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	543,606	565,834
		46,014,204	45,906,651
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	12,200	11,400
	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)	24,820,461	26,851,517
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) <input checked="" type="checkbox"/> 94,950		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	15,423,124	16,183,611
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	40,255,785	43,046,528
	19 Revenue less expenses Subtract line 18 from line 12	5,758,419	2,860,123
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	38,906,311	41,963,816
	21 Total liabilities (Part X, line 26)	20,655,832	20,156,832
	22 Net assets or fund balances Subtract line 21 from line 20	18,250,479	21,806,984

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			2012-03-01 Date	
	CARLA CAPONI CHIEF FINANCIAL OFFICER Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	KURT A ALTER CPA	Preparer's signature	KURT A ALTER CPA	Date
	Firm's name ▶ MOORE STEPHENS LOVELACE PA				Firm's EIN ▶
	Firm's address ▶ 1201 S ORLANDO AVENUE SUITE 400 WINTER PARK, FL 327897192				Phone no ▶ (407) 740-5400
May the IRS discuss this return with the preparer shown above? (see instructions)					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III ☐ Yes ☒ No

1

Briefly describe the organization's mission

THE ORGANIZATION'S MISSION IS TO PROVIDE THE PEOPLE OF CENTRAL FLORIDA COMPASSIONATE, COMPREHENSIVE, AND COST EFFECTIVE BEHAVIORAL HEALTH CARE SERVICES THAT FOCUS ON INDIVIDUALIZED RECOVERY

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 \$ 19,014,044 including grants of \$) (Revenue \$ 13,924,873)

INPATIENT PSYCHIATRIC SERVICES - 196 BEDS FOR ADULTS AND CHILDREN PROVIDING SHORT-TERM INPATIENT CRISIS EMPHASIZES STABILIZATION & PROVIDES A WIDE RANGE OF STRUCTURED ACTIVITIES DESIGNED TO ENHANCE SKILLS IN DAILY LIVING FOR MORE THAN 8,000 CLIENTS

4b

(Code) (Expenses \$ 4,092,503 including grants of \$) (Revenue \$ 1,937,553)

CRISIS SUPPORT / EMERGENCY - VOLUNTARY WALK-IN ASSESSMENT CENTER AND A CENTRAL INVOLUNTARY BAKER ACT RECEIVING FACILITY FOR ORANGE COUNTY THE CENTER ASSISTED 13,000 CLIENTS

4c

(Code) (Expenses \$ 13,441,439 including grants of \$) (Revenue \$ 9,174,828)

OUTPATIENT SERVICES - SERVING BOTH ADULTS AND CHILDREN THROUGH CASE MANAGEMENT, MEDICATION CLINICS, INTERVENTION AND OUTREACH THERAPY, AND TWO COMMUNITY PHARMACIES

4d

Other program services (Describe in Schedule O) **See also Additional Data for Description**

















(Expenses \$ 3,517,556 including grants of \$) (Revenue \$ 1,617,321)

4e

Total program service expenses \$ 40,065,542

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> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2	Yes
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>	3	No
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>	4	No
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>	5	
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> 	6	No
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> 	7	No
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> 	8	No
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> 	9	No
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> 	10	No
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> 	11a	Yes
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> 	11b	Yes
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> 	11c	No
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> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	Yes
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> 	11f	No
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> 	12a	No
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> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
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>	14b	No
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 U S? <i>If "Yes," complete Schedule F, Parts II and IV.</i>	15	No
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 U S? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions).</i>	17	No
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>	18	No
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>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	20a	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions).	20b	Yes

Part IV

Checklist of Required Schedules (continued)

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>	21	Yes	
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>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 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>	23	Yes	
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–24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
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>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
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>	26		No
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>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
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>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
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>	32		No
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>	33		No
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>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		No
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>			
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>	36		No
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>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.		
	1a70		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
	1b0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
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.		
	2a909		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	Yes	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		
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)?		No
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
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?		No
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?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
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	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
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?			
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	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 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	1a	14	
b	Enter the number of voting members included in line 1a, above, who are independent	1b	14	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 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. <input type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ CARLA CAPONI CFO 1800 MERCY DRIVE SUITE 302 ORLANDO, FL 32808 (407) 875-3700

Part VII

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. 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			
(1) ANDREW DAVIS CHAIRMAN	2.00	X		X				0	0	0
(2) STEPHEN T. BALL, ESQ. DIRECTOR	2.00	X						0	0	0
(3) TANIA HOOD BECKEL, GRI SECRETARY	2.00	X		X				0	0	0
(4) J. MICHAEL BONE, PH.D. TREASURER	2.00	X		X				0	0	0
(5) LYN W. CAPRAUN DIRECTOR	2.00	X						0	0	0
(6) SERENA E. FRANK VICE CHAIR/AS	2.00	X		X				0	0	0
(7) MARK CADY DIRECTOR	2.00	X						0	0	0
(8) DR. MIMI HULL DIRECTOR	2.00	X						0	0	0
(9) DAVID R. HEFFERNAN DIRECTOR	2.00	X						0	0	0
(10) HORTENSE C. JONES DIRECTOR	2.00	X						0	0	0
(11) ANNE MILLER DIRECTOR	2.00	X						0	0	0
(12) CARLOS MORELL DIRECTOR	2.00	X						0	0	0
(13) LIN WILENSKY DIRECTOR	2.00	X						0	0	0
(14) JOE GALLAGHER DIRECTOR	2.00	X						0	0	0
(15) JOHN G. KASSAB, CPA PRESIDENT/CEO	40.00			X				207,343	0	26,953
(16) VICKI M. GARNER EXEC. VP / OPERATIONS	40.00			X				129,925	0	25,205

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			
(17) CARLA D CAPONI EXEC VP / CFO	40 00			X				121,420	0	24,145
(18) FLORO PORCIUNCULA PHYSICIAN	40 00					X		263,815	0	9,673
(19) BAO DUONG PHYSICIAN	40 00					X		219,049	0	8,762
(20) RIFFAT QURESHI PHYSICIAN	40 00					X		233,044	0	22,741
(21) SANTIAGO DE LOS ANGELES PHYSICIAN	40 00					X		277,882	0	23,921
(22) JESSE TAN PHYSICIAN	40 00					X		345,018	0	26,500
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,797,496	0	167,900

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▶10

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
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? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		No

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
MOHAMMAD Y BHAGHANI 8936 SOUTHERN BREEZE DRIVE ORLANDO, FL 32836	PHYSICIAN	450,300
CENTER FOR DRUG FREE LIVING 5029 NORTH LANE ORLANDO, FL 32808	SUBSTANCE ABUSE ASSESSMENT TEAM	419,854
RC STEVENS CONSTRUCTION 3333 LAWRENCE STREET ORLANDO, FL 32805	CONSTRUCTION	419,854
SANJEEV SINGH MD 7512 DR PHILLIPS BLVD SUITE 50 ORLANDO, FL 32819	PHYSICIAN	416,370
LUIS ALLEN PO BOX 940578 MAITLAND, FL 32794	PHYSICIAN	253,594
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 ▶14		

Part VIII

Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a			
	b	Membership dues	1b			
	c	Fundraising events	1c			
	d	Related organizations	1d			
	e	Government grants (contributions)	1e	18,043,101		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	35,441		
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f		18,078,542		
Program Service Revenue	2a	Business Code				
		CLIENT SERVICE FEES	621400	23,876,632	23,876,632	
	b	HOSPITAL BED FEES	621400	2,384,287	2,384,287	
	c	TRANSPORTATION	621400	393,656	393,656	
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		26,654,575		
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		370,244		370,244
	4	Income from investment of tax-exempt bond proceeds . .				
	5	Royalties				
	6a	Gross Rents	(i) Real 427,070	(ii) Personal		
	b	Less rental expenses				
	c	Rental income or (loss)	427,070			
	d	Net rental income or (loss)		427,070		427,070
	7a	Gross amount from sales of assets other than inventory	(i) Securities 8,792,239	(ii) Other 3,000		
	b	Less cost or other basis and sales expenses	8,557,783			
	c	Gain or (loss)	234,456	3,000		
	d	Net gain or (loss)		237,456		237,456
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from fundraising events . .				
	9a	Gross income from gaming activities See Part IV, line 19 . .	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from gaming activities . .				
	10a	Gross sales of inventory, less returns and allowances	a			
	b	Less cost of goods sold	b			
	c	Net income or (loss) from sales of inventory . .				
	Miscellaneous Revenue	Business Code				
11a	MISCELLEANOUS	900099	119,731		119,731	
b	MANAGEMENT FEES	900099	19,033		19,033	
c						
d	All other revenue					
e	Total. Add lines 11a-11d		138,764			
12	Total revenue. See Instructions		45,906,651	26,654,575	0	1,173,534

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	11,400	11,400		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	497,067		497,067	
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	20,966,144	19,715,805	1,172,287	78,052
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	541,439	474,713	63,604	3,122
9	Other employee benefits	3,199,635	3,007,540	184,290	7,805
10	Payroll taxes	1,647,232	1,519,433	121,828	5,971
a	Fees for services (non-employees)				
	Management				
b	Legal	95,111	5,515	89,596	
c	Accounting	63,501		63,501	
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other	3,776,254	3,642,479	133,775	
12	Advertising and promotion	12,897		12,897	
13	Office expenses				
14	Information technology				
15	Royalties				
16	Occupancy	2,665,545	2,628,886	36,659	
17	Travel	115,796	115,498	298	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	47,743	37,296	10,447	
20	Interest	640,953	640,953		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	1,228,136	1,228,136		
23	Insurance	489,832	489,832		
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	MEDICAL & PHARMACY EXPE	4,130,086	4,129,865	221	
b	FOOD SERVICES	1,292,017	1,281,411	10,606	
c	SUPPLIES	1,174,447	919,404	255,043	
d	DUES, LICENSE, AND TAXE	271,812	213,716	58,096	
e	EMPLOYEE EXPENSE	179,481	3,660	175,821	
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	43,046,528	40,065,542	2,886,036	94,950
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)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			4,590,286	1	4,157,076
	2	Savings and temporary cash investments			8,086,411	2	9,123,481
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			1,878,121	4	4,638,082
	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). Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			311,600	8	308,480
	9	Prepaid expenses and deferred charges			558,458	9	274,242
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	31,649,937	16,313,383	10c	16,269,690
	b	Less: accumulated depreciation	10b	15,380,247			
	11	Investments—publicly traded securities				11	
	12	Investments—other securities. See Part IV, line 11			5,141,252	12	6,020,106
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			2,026,800	15	1,172,659
	16	Total assets. Add lines 1 through 15 (must equal line 34)			38,906,311	16	41,963,816
Liabilities	17	Accounts payable and accrued expenses			2,565,232	17	3,120,180
	18	Grants payable				18	
	19	Deferred revenue			693,724	19	524,358
	20	Tax-exempt bond liabilities			14,955,000	20	14,340,000
	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			632,876	23	597,294
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			1,809,000	25	1,575,000
	26	Total liabilities. Add lines 17 through 25			20,655,832	26	20,156,832
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			18,068,689	27	21,637,313
	28	Temporarily restricted net assets			181,790	28	169,671
	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			18,250,479	33	21,806,984
	34	Total liabilities and net assets/fund balances			38,906,311	34	41,963,816

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	45,906,651
2	Total expenses (must equal Part IX, column (A), line 25)	2	43,046,528
3	Revenue less expenses Subtract line 2 from line 1	3	2,860,123
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	18,250,479
5	Other changes in net assets or fund balances (explain in Schedule O)	5	696,382
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	21,806,984

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated 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?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization LAKESIDE BEHAVIORAL HEALTHCARE INC	Employer identification number 59-2301233
--	--

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 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)		

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

Part II

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

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
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						
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						

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						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶		

Part IIISupport 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.")	491,554	172,059	177,468	350,234	18,078,542	19,269,857
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	36,270,420	39,108,592	41,334,478	44,689,758	26,654,575	188,057,823
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	36,761,974	39,280,651	41,511,946	45,039,992	44,733,117	207,327,680
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
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						0
c Add lines 7a and 7b						0
8 Public Support (Subtract line 7c from line 6)						207,327,680

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	36,761,974	39,280,651	41,511,946	45,039,992	44,733,117	207,327,680
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	864,488	428,896	-1,585,468	860,005	1,034,770	1,602,691
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	864,488	428,896	-1,585,468	860,005	1,034,770	1,602,691
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)	293,280	256,890	994,739	84,584	138,764	1,768,257
13 Total support (Add lines 9, 10c, 11 and 12)	37,919,742	39,966,437	40,921,217	45,984,581	45,906,651	210,698,628
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage			
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	98 400 %	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	98 540 %	

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	0 760 %	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	0 650 %	
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 <input checked="" type="checkbox"/>			
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 <input type="checkbox"/>			
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions <input type="checkbox"/>			

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

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
LAKESIDE BEHAVIORAL HEALTHCARE INC

Employer identification number
59-2301233

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? <div>YesNo</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may 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? <div>YesNo</div>	

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a–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 Year
2a	Total number of conservation easements
2b	Total acreage restricted by conservation easements
2c	Number of conservation easements on a certified historic structure included in (a)
2d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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?

YesNo

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 170(h)(4)(B)(ii)?

YesNo

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, 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, 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 relating to these items

a

Revenues included in Form 990, Part VIII, line 1

► \$

b

Assets included in Form 990, Part X

► \$

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

Part III

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

3

Using the organization's 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	Investment earnings or 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

b

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

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

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Investments—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		2,969,585		2,969,585
b Buildings		21,661,619	9,713,262	11,948,357
c Leasehold improvements				
d Equipment		5,945,761	5,666,985	278,776
e Other		1,072,972		1,072,972
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				16,269,690

Part XI

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

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, 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.

Identifier	Return Reference	Explanation
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SCHEDULE H
(Form 990)

Hospitals

OMB No 1545-0047

2010

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Name of the organization
LAKESIDE BEHAVIORAL HEALTHCARE INC

Employer identification number
59-2301233

Part IFinancial Assistance and Certain Other Community Benefits at Cost

1aDid the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .

1bIf "Yes," is it a written policy?

2If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year

☐ Applied uniformly to all hospitals

☐ Applied uniformly to most hospitals

☐ Generally tailored to individual hospitals

3Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year

aDoes the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care

☐ 100%

☒ 150%

☐ 200%

☐ Other _____%

bDoes the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care

☐ 200%

☐ 250%

☒ 300%

☐ 350%

☐ 400%

☐ Other _____%

cIf the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care

4Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?

5aDid the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?

bIf "Yes," did the organization's financial assistance expenses exceed the budgeted amount?

cIf "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?

6aDoes the organization prepare a community benefit report during the tax year?

6bIf "Yes," did the organization make it available to the public?

Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H

Yes

No

Yes

Yes

Yes

Yes

Yes

No

No

7Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			17,508,057	15,125,999	2,382,058	5 530 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			1,390,381	1,150,218	240,163	0 560 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			18,898,438	16,276,217	2,622,221	6 090 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j Total Other Benefits						
k Total. Add lines 7d and 7j			18,898,438	16,276,217	2,622,221	6 090 %

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

Cat No 50192T

Schedule H (Form 990) 2010

Part IICommunity Building Activities

during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total						

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	No
2	Enter the amount of the organization's bad debt expense (at cost)	2	9,762,047
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	9,762,047
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	4,354,542
6	Enter Medicare allowable costs of care relating to payments on line 5	6	3,244,456
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	1,110,086
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input checked="" type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	No

Part IVManagement Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1 1 NA				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 1

1	LAKESIDE BEHAVIORAL HEALTHCARE INC 1800 MERCY DRIVE SUITE 302 ORLANDO, FL 32808
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PSYCHIATRIC CARE
HOSPITAL

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (Describe)
1	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g, open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART II ANNUALLY, THE ORGANIZATION, THROUGH ITS AFFILIATE, LAKESIDE ALTERNATIVES FOUNDATION, INC , HOLDS A NUMBER OF COMMUNITY EVENTS AND FUNDRAISERS TO RAISE AWARENESS AND MONEY FOR MENTAL HEALTH PROGRAMS

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE ORGANIZATION, BY POLICY, PROVIDES CARE TO ALL PERSONS IN NEED REGARDLESS OF ABILITY TO PAY GENERALLY, WHEN A CLIENT HAS NO THIRD-PARTY PAYOR SOURCE, THE FEES FOR SERVICES PROVIDED ULTIMATELY PROVE TO BE UNCOLLECTIBLE HOWEVER, IT IS DIFFICULT TO ESTABLISH ON CLIENT INTAKE WHETHER THE SERVICES PROVIDED WILL ULTIMATELY PROVE TO BE CHARITY CARE ACCORDINGLY, AN ALLOWANCE FOR DOUBTFUL ACCOUNTS/ CHARITY CARE IS ESTABLISHED WITH THE CORRESPONDING CHARGE RECORDED TO NET CLIENT SERVICE REVENUE PART III, LINE 4 (CONTINUED) THE RESERVE METHOD OF ACCOUNTING IS USED TO COMPUTE THE COST OF BAD DEBT EXPENSE AS EXPLAINED ABOVE AND IN THE FINANCIAL STATEMENTS FOOTNOTES

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE SOURCE USED TO DETERMINE THE AMOUNT ON PART III LINE 6 WAS THE MEDICARE COST REPORTS

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 THE ORGANIZATION IS INVOLVED IN A VARIETY OF COLLABORATIONS WITH OTHER COMMUNITY PROVIDERS AND ORGANIZATIONS AS WELL AS THE STATE AND LOCAL GOVERNMENTS WITH THE GOAL OF ENHANCING, INCREASING AND IMPROVING THE BEHAVIORAL HEALTH SERVICES AVAILABLE TO OUR COMMUNITY

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 INFORMATION ON SLIDING FEE SCHEDULES AND ENTITLEMENT SERVICES IS AVAILABLE TO ALL CLIENTS UPON ADMISSION TO THE ORGANIZATION'S SERVICES CLIENT FINANCIAL REPRESENTATIVES ARE AVAILABLE ON SITE TO MEET WITH AND DETERMINE A CLIENT'S ELIGIBILITY FOR VARIOUS GOVERNMENT ENTITLEMENTS AND LAKESIDE DISCOUNTS ALL CLIENTS RECEIVING INVOICES FOR SERVICES ARE ALSO PROVIDED THIS INFORMATION WITH THEIR INVOICE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 THE ORGANIZATION PROVIDES COMMUNITY BASED BEHAVIORAL HEALTHCARE TO THE RESIDENTS OF ORANGE COUNTY, FLORIDA A LARGE MAJORITY OF THE CLIENTS SERVED HAVE SEVERE AND PERSISTENT MENTAL ILLNESS AND ARE BELOW THE FEDERAL POVERTY GUIDELINES

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 THE ORGANIZATION HAS A COMMUNITY BOARD THAT IS COMMITTED TO EXPANDING THE ORGANZITION'S MENTAL HEALTH PROGRAMS AND CONTINUING IT'S MISSION BOARD MEMBERS ARE EXTREMELY ACTIVE IN THEIR INVOLVMENT AND ARE CONSTANTLY LOOKING FOR WAYS TO IMPROVE THE ORGANIZATION

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
LAKESIDE BEHAVIORAL HEALTHCARE INC

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

Employer identification number

59-2301233

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 Code 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

▶

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.
Use Schedule I-1 (Form 990) 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

Part IV

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

Identifier	Return Reference	Explanation
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Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization LAKESIDE BEHAVIORAL HEALTHCARE INC	Employer identification number 59-2301233
--	--

Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
<input type="checkbox"/> First-class or charter travel		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax idemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)		
1b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all 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 type="checkbox"/> Independent compensation consultant		
<input checked="" type="checkbox"/> Form 990 of other organizations		
<input type="checkbox"/> Written employment contract		
<input checked="" type="checkbox"/> Compensation survey or study		
<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?		No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?		No
c Participate in, or receive payment from, an equity-based compensation arrangement?		No
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
Only 501(c)(3) and 501(c)(4) organizations only 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?		No
b Any related organization?		No
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?		No
b Any related organization?		No
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		No
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 Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

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) JOHN G KASSAB CPA	(i)	207,343	0	0	7,414	19,539	234,296	0
	(ii)	0	0	0	0	0	0	0
(2) VICKI M GARNER	(i)	129,925	0	0	5,184	20,021	155,130	0
	(ii)	0	0	0	0	0	0	0
(3) FLORO PORCIUNCULA	(i)	263,815	0	0	9,673	0	273,488	0
	(ii)	0	0	0	0	0	0	0
(4) BAO DUONG	(i)	219,049	0	0	8,762	0	227,811	0
	(ii)	0	0	0	0	0	0	0
(5) RIFFAT QURESHI	(i)	233,044	0	0	9,322	13,419	255,785	0
	(ii)	0	0	0	0	0	0	0
(6) SANTIAGO DE LOS ANGELES	(i)	277,882	0	0	10,502	13,419	301,803	0
	(ii)	0	0	0	0	0	0	0
(7) JESSE TAN	(i)	345,018	0	0	13,081	13,419	371,518	0
	(ii)	0	0	0	0	0	0	0
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

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.

Identifier	Return Reference	Explanation
------------	------------------	-------------

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
LAKE SIDE BEHAVIORAL HEALTHCARE INC

Employer identification number
59-2301233

Part I Bond Issues											
(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A ORANGE COUNTY HEALTH FACILITIES AUTHORITY	52-1378595	6845035V3	07-15-2008	16,220,000	SEE SUPPLEMENTAL INFORMATION	X			X		X

Part II Proceeds									
		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased	8,944,131							
3	Total proceeds of issue	16,220,000							
4	Gross proceeds in reserve funds	926,541							
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	260,989							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds	544,000							
10	Capital expenditures from proceeds	5,544,339							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2008							
		Yes	No						
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use											
				A		B		C		D	
				Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?				X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?				X						

Part IIIPrivate Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	Are there any research agreements that may result in private business use of bond-financed property?		X						
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X						
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IVArbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?	X							
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider	NA							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider	NA							
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part VSupplemental Information

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

Identifier	Return Reference	Explanation

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 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 LAKESIDE BEHAVIORAL HEALTHCARE INC	Employer identification number 59-2301233
---	---

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		THE MEMBERS OF LAKESIDE BEHAVIORAL HEALTHCARE, INC SHALL BE THE PEOPLE SELECTED TO SERVE ON THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		THE MEMBERS OF LAKESIDE BEHAVIORAL HEALTHCARE, INC HAVE THE AUTHORITY TO ELECT MEMBERS OF THE BOARD OF DIRECTORS SPECIFIED BY THE CORPORATE BY LAWS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE FINANCE COMMITTEE WILL CONDUCT A COMPREHENSIVE REVIEW OF THE FORM 990 WITH THE CFO AND EXTERNAL CFO'S PRIOR TO FILING THE RETURN WITH THE IRS. A COPY OF THE RETURN, AS ULTIMATELY FILED, IS PROVIDED TO EACH VOTING MEMBER OF THE BOARD OF DIRECTORS BEFORE IT IS FILED WITH THE IRS.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION'S CONFLICT-OF-INTEREST POLICY COVERS ALL MEMBERS OF THE BOARD OF DIRECTORS, OFFICERS, ALL LEVELS OF STAFF, CONTRACT AND SUB-CONTRACT EMPLOYEES AND PRACTITIONERS, INTERNS AND VOLUNTEERS, AND ANY OTHER INDIVIDUAL WITH FIDUCIARY RESPONSIBILITY TO THE ORGANIZATION. MEMBERS OF THE GOVERNING BOARD ARE REQUIRED TO COMPLETE AND SIGN A CONFLICT OF INTEREST AND RELATED PARTY STATEMENT UPON APPOINTMENT AND EVERY YEAR THEREAFTER. STAFF MEMBERS, CONTRACT AND SUB-CONTRACT EMPLOYEES AND PRACTITIONERS, INTERNS AND VOLUNTEERS, AND VENDORS AND SUPPLIERS WILL COMPLETE AND SIGN REQUIRED STATEMENTS UPON EMPLOYMENT. THE BOARD CHAIRMAN, PRESIDENT/CEO, AND THOSE IN SUPERVISORY CAPACITIES WILL REVIEW THE DECISION MAKING PROCESS AND ASSURE IMPARTIALITY. THE FULL BOARD WILL MAINTAIN FINAL AUTHORITY ON EXCLUDING BOARD MEMBERS FROM THE DECISION MAKING PROCESS AND ASSURE IMPARTIALITY. THE PRESIDENT/CEO WILL MAINTAIN FINAL AUTHORITY ON EXCLUDING ALL OTHERS COVERED BY THE POLICY FROM THE DECISION MAKING PROCESS DUE TO REAL OR POTENTIAL CONFLICTS OF INTEREST. WHENEVER A CONFLICT IS NOTED, THE INDIVIDUAL, THEIR SUPERVISOR OR THE COMPANY DESIGNEE MUST NOTIFY THE PRESIDENT/CEO. ANY INDIVIDUAL INVOLVED IN A REAL OR POTENTIAL CONFLICT OF INTEREST WILL AVOID INVOLVEMENT IN THE DECISION MAKING PROCESS, HOWEVER, THE INDIVIDUAL MAY DISCLOSE ANY KNOWN FACTS INDICATING WHY THE PROPOSED TRANSACTION IS NOT IN THE BEST INTEREST OF THE CORPORATION.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15A	THE ORGANIZATION UTILIZES A COMPENSATION COMMITTEE ALL MEMBERS OF THE COMMITTEE ARE INDEPENDENT WITH REGARD TO COMPENSATION DECISIONS THE COMMITTEE REVIEWS 990'S OF OTHER COMPARABLE ORGANIZATIONS, CONDUCTS A MENTAL HEALTH CORPORATIONS OF AMERICA SALARY SURVEY , AND REQUIRES APPROVAL BY THE BOARD OF DIRECTORS FOR ALL COMPENSATION DECISIONS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY , AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST AT THEIR LOCATION OF BUSINESS OR THROUGH E-MAIL CORRESPONDENCE

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 708,501 NET ASSETS RELEASED FROM RESTRICTIONS -12,119 TOTAL TO FORM 990, PART XI, LINE 5 696,382

Identifier	Return Reference	Explanation
OVERSIGHT OF AUDIT AND SELECTION OF INDEPENDENT ACCOUNTANT	FORM 990, PART XII, LINE 2C	THE FINANCE COMMITTEE IS RESPONSIBLE FOR THE SELECTION, MONITORING AND EVALUATION OF AN INDEPENDENT AUDIT FIRM AND OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS THERE WAS NO CHANGE IN THIS PROCESS FROM THE PRIOR YEAR

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
LAKESIDE BEHAVIORAL HEALTHCARE INC

Employer identification number
59-2301233

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) LAKESIDE BEHAVIORAL HEALTHCARE FOUNDATION INC 1800 MERCY DRIVE SUITE 302 ORLANDO, FL 32808 59-3425984	PROMOTE DEVELOPMENT AND ADVANCEMENT OF LAKESIDE BEHAVIORAL HEALTHCARE, INC	FL	501(C)(3)	TYPE 1	N/A		No
(2) LAKESIDE PLACE INC 1800 MERCY DRIVE SUITE 302 ORLANDO, FL 32808 59-3627035	PROVIDE HOUSING TO LOW-INCOME, HANDICAPPED PERSONS IN ORLANDO, FLORIDA	FL	501(C)(3)	LINE 7	N/A		No

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V

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

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

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

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

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

Schedule R (Form 990) 2010

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

[illegible]

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation
------------	------------------	-------------

Additional Data

Software ID:
Software Version:
EIN: 59-2301233
Name: LAKESIDE BEHAVIORAL HEALTHCARE INC

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services			
(Code) (Expenses \$	3,517,556 including grants of \$) (Revenue \$ 1,617,321)
RESIDENTIAL SERVICES - LEVEL TWO AND THREE FACILITIES PROVIDING AN 18 BED GROUP HOME AND SUPERVISED APARTMENT FOR UP TO 52 RESIDENTS THE FACILITY OFFERS A FULL RANGE OF THERAPEUTIC & PSYCHO-EDUCATIONAL ACTIVITIES			

**LAKESIDE BEHAVIORAL HEALTHCARE, INC.
AND AFFILIATES**

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

Years Ended June 30, 2011 and 2010

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LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Lakeside Behavioral Healthcare, Inc. and Affiliates
Orlando, Florida

We have audited the accompanying combined balance sheets of Lakeside Behavioral Healthcare, Inc. and Affiliates (the "Organization") as of June 30, 2011 and 2010, and the related combined statements of operations and changes in net assets, and cash flows for the years then ended. These combined financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2011 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
October 24, 2011

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

COMBINED BALANCE SHEETS

June 30, 2011 and 2010

ASSETS		
	2011	2010
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,208,144	\$ 4,722,400
Short-term investments	1,762,780	2,697,822
Current portion of assets whose use is limited	5,095	969,887
Accounts receivable, net	4,641,436	1,882,123
Pharmacy inventory	308,480	311,600
Other current assets	377,274	645,115
TOTAL CURRENT ASSETS	11,303,209	11,228,947
INVESTMENTS - DESIGNATED FOR CAPITAL REPLACEMENT	14,124,314	11,079,178
ASSETS WHOSE USE IS LIMITED	33,216	37,874
PROPERTY, BUILDINGS AND EQUIPMENT, NET	17,381,426	17,457,780
DEFERRED FINANCING COSTS, NET	172,552	183,337
OTHER ASSETS	64,818	64,405
TOTAL ASSETS	<u>\$ 43,079,535</u>	<u>\$ 40,051,521</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 650,000	\$ 650,000
Accounts payable and accrued expenses	1,204,185	1,237,419
Accrued salaries and benefits	1,119,320	577,813
Accrued compensated absences	796,675	750,000
Resident security deposits	3,306	3,321
Deferred revenue	524,358	693,724
TOTAL CURRENT LIABILITIES	4,297,844	3,912,277
INTEREST RATE SWAP LIABILITY	825,000	1,059,000
RESERVE FOR REGULATORY SETTLEMENTS	750,000	750,000
LONG-TERM DEBT, NET OF CURRENT PORTION AND UNAMORTIZED DISCOUNT	14,287,294	14,937,876
TOTAL LIABILITIES	20,160,138	20,659,153
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted	21,387,426	17,848,278
Temporarily restricted	1,531,971	1,544,090
TOTAL NET ASSETS	22,919,397	19,392,368
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 43,079,535</u>	<u>\$ 40,051,521</u>

The accompanying notes are an integral part of the combined financial statements.

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
UNRESTRICTED REVENUES AND SUPPORT		
Net client service revenue	\$ 23,876,632	\$ 24,653,745
Grant and contract revenues	20,427,388	19,791,801
Rental and other income	1,006,560	949,057
Contributions and donations	73,561	139,255
Investment income	626,679	447,513
Net assets released from restriction	12,119	-
	<u>46,022,939</u>	<u>45,981,371</u>
TOTAL UNRESTRICTED REVENUES AND SUPPORT	46,022,939	45,981,371
EXPENSES		
Salaries	21,463,211	20,380,284
Employee benefits	5,388,307	4,440,177
Professional fees	3,945,406	3,905,126
Medical and pharmacy	4,324,924	3,904,452
Building occupancy	2,686,974	2,592,597
Food services	1,292,017	1,280,886
Depreciation and amortization	1,263,526	1,229,867
Operating supplies	900,976	848,258
Other	862,896	752,153
Interest	642,061	613,488
Insurance	497,932	494,483
	<u>43,268,230</u>	<u>40,441,771</u>
TOTAL EXPENSES	43,268,230	40,441,771
INCOME FROM OPERATIONS	2,754,709	5,539,600
OTHER GAINS (LOSSES)		
Change in fair value of interest rate swaps	234,000	(583,000)
Change in unrealized gain on investments	550,439	175,152
	<u>784,439</u>	<u>(407,848)</u>
TOTAL OTHER LOSSES	784,439	(407,848)
INCREASE IN UNRESTRICTED NET ASSETS	3,539,148	5,131,752
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	-	181,790
Net assets released from restrictions	(12,119)	-
	<u>3,527,029</u>	<u>5,313,542</u>
INCREASE IN NET ASSETS	3,527,029	5,313,542
NET ASSETS - BEGINNING OF YEAR	19,392,368	14,078,826
NET ASSETS - END OF YEAR	<u>\$ 22,919,397</u>	<u>\$ 19,392,368</u>

The accompanying notes are an integral part of the combined financial statements.

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

COMBINED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 3,527,029	\$ 5,313,542
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,263,526	1,229,867
Change in fair value of interest rate swaps	(234,000)	583,000
Change in unrealized gains on investments	(550,439)	(175,152)
Changes in operating assets and liabilities:		
Accounts receivable	(2,759,312)	888,743
Resident security deposits, net	(15)	-
Pharmacy inventory	3,120	(99,007)
Other assets	267,428	(443,955)
Accounts payable and accrued expenses	(33,234)	290,342
Accrued salaries and benefits	541,507	117,510
Accrued compensated absences	46,675	(6,981)
Deferred revenue	(169,366)	25,610
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,902,919	7,723,519
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in investments, net	(1,559,655)	(4,240,331)
Change in assets whose use is limited, net	969,450	1,386,032
Acquisition of property, buildings and equipment	(1,171,914)	(2,796,875)
NET CASH USED IN INVESTING ACTIVITIES	(1,762,119)	(5,651,174)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	22,400
Repayments on borrowings	(655,056)	(664,592)
NET CASH USED IN FINANCING ACTIVITIES	(655,056)	(642,192)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(514,256)	1,430,153
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,722,400	3,292,247
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 4,208,144</u>	<u>\$ 4,722,400</u>

The accompanying notes are an integral part of the combined financial statements.

**LAKESIDE BEHAVIORAL HEALTHCARE, INC.
AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2011 and 2010

NOTE 1 - NATURE OF ORGANIZATION AND BASIS OF PRESENTATION

These combined financial statements include Lakeside Behavioral Healthcare, Inc. ("LBH"), Lakeside Behavioral Healthcare Foundation, Inc. (the "Foundation"), and Lakeside Place, Inc. ("Lakeside Place"). The three entities are governed by Boards of Directors which include common, overlapping members. Collectively, LBH, the Foundation, and Lakeside Place are referred to herein as the Organization.

The Organization is a nonprofit behavioral healthcare system providing clinical, rehabilitative, and residential services. Its mission is to provide to the people of Central Florida compassionate, comprehensive, and cost-effective behavioral health-care services that focus on individualized recovery. The Organization operated the following services in furtherance of its mission during the years ended June 30, 2011 and 2010:

- Assessment and screening services
- Medicare-certified specialty hospital unit
- Adult and children's crisis stabilization units (CSU)
- Short-term residential units
- Multilevel residential treatment facilities
- Medication clinic and community pharmacy
- Adult and children's outpatient therapeutic and case management services
- Lakeside Place, an independent living facility for persons with disabilities

In addition to the programs it provides, LBH also leases facilities to other organizations engaged in providing healthcare and social services.

Lakeside Place was incorporated to develop an 18-unit, independent living facility for persons with disabilities. Financing for the construction of the apartments was obtained from the U.S. Department of Housing and Urban Development ("HUD"). LBH is the sole member of Lakeside Place.

The Foundation is a charitable foundation established for the purpose of providing financial support to LBH.

All significant inter-organization accounts and transactions have been eliminated.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates

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

In the presentation of functional expenses (see Note 9), the Organization allocates its costs based on hours worked, square footage, specific identification, and other rational methods.

Cash and Cash Equivalents

The Organization considers all unrestricted, highly liquid investments with a maturity of three months or less when purchased, except those classified as assets whose use is limited and investments, to be cash equivalents.

Accounts Receivable

The Organization records accounts receivable at the estimated amounts receivable from clients, residents, third-party payors, and others at the time services or occupancy rights are provided. The Organization provides an allowance for doubtful accounts based upon the age of the receivable, historical collection experience, and client-specific credit evaluations. The Organization, by policy, provides care to all persons in need regardless of ability to pay. Generally, when a client has no third-party payor source, the fees for services provided ultimately prove to be uncollectible. However, it is difficult to establish on client intake whether the services provided will ultimately prove to be charity care. Accordingly, an allowance for doubtful accounts/charity care is established, with the corresponding charge recorded to net client service revenue. The allowance for doubtful accounts/charity care at June 30, 2011 and 2010 was approximately \$6,455,000 and \$4,891,000, respectively.

Pharmaceutical Inventory

Purchased pharmacy drugs are recorded in inventory at the lower of cost, determined using the first-in, first-out method, or market value. LBH is the recipient of significant quantities of pharmacy drugs from donors who specify that they be dispensed only to specific clients. LBH has no discretion to dispense these drugs to other than the specified beneficiary clients. LBH does not record contribution income or related expenses for these transactions where it operates only as an agent between the donor and the specified beneficiary. LBH received pharmaceuticals valued at approximately \$1,328,000 and \$1,161,000 from these donors during the fiscal years ended June 30, 2011 and 2010, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Investments

Investments are reported on the combined balance sheets at fair value. Fair value is determined using the quoted closing or latest bid prices. Realized gains and losses are calculated based on proceeds received less carrying value. The carrying value of securities sold is based on the specific-identification method. Changes in net unrealized gains and losses are reported in the combined statements of operations and changes in net assets and represent the change in the fair value of investments during the year.

Property, Buildings and Equipment

Property, buildings and equipment with an acquisition value in excess of \$1,000 are recorded at cost or, if donated, at fair market value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method using estimated lives ranging from 3-40 years.

Assets Whose Use Is Limited

Assets whose use is limited includes amounts set aside under provisions of borrowing and contractual arrangements. A detail of the amounts comprising assets whose use is limited is presented in Note 3 of these combined financial statements.

Deferred Financing Costs

Deferred financing costs of approximately \$205,000 in the combined balance sheets are presented net of accumulated amortization of approximately \$33,000 and \$22,000 at June 30, 2011 and 2010, respectively. Amortization expense relating to deferred financing costs amounted to approximately \$11,000 for each of the years ended June 30, 2011 and 2010.

Client Service Revenue

LBH has agreements with third-party payors that provide for payments to LBH at amounts different from established rates. Payment arrangements include reimbursed costs, discounted charges, and per diem payments. Client service revenue is reported at the estimated net realizable amounts from residents, clients, third-party payors, and others for services rendered. Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are included in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

By policy, LBH provides care to all clients regardless of payor source or ability of the client to pay for services. The difference between LBH's standard rates for units of service and amounts expected to be received for those services was approximately \$4,219,000 and \$5,456,000 for the years ended June 30, 2011 and 2010, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Donations

Contributions are recorded at their estimated fair values on the date of receipt.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Gifts of cash and other assets received with donor stipulations that limit the use of the donated assets are reported as a restricted contribution. When a restriction ends, or the purpose of the restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and are reported in the statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted contributions in that period.

LBH was the beneficiary of two houses with a fair value of approximately \$182,000 during the year ended June 30, 2010. These houses were recorded as temporarily restricted contributions due to donor-imposed stipulations and must be used pursuant to the Organization's mission for a minimum of 15 years. LBH will recognize 1/15th or approximately \$12,000 per year as temporarily restricted net assets released from restriction subsequent to the year ended June 30, 2010 to account for the passage of time in accordance with the contribution agreements.

Individuals volunteer their time and effort in support of the Organization and its mission. When the Organization would ordinarily have had to pay for these services and there is an objectively determinable basis for measuring the cost that would have been paid, the Organization records the value of the volunteered services as support and expense in the period the services were provided. Otherwise, the volunteered services are not recorded. There were no volunteer services recorded during the fiscal years ended June 30, 2011 and 2010.

Fundraising costs amounted to approximately \$22,000 and \$24,000 for the fiscal years ended June 30, 2011 and 2010, respectively.

Grant and Contract Revenues

Revenues under grants and contracts are recognized as expenditures are incurred or services are provided, as defined in the contract or grant agreement.

Deferred Revenue

Funding received in advance of the services being rendered is classified as deferred revenue. These amounts were approximately \$524,000 and \$694,000 at June 30, 2011 and 2010, respectively.

Income Taxes

LBH, Lakeside Place, and the Foundation have each been recognized by the Internal Revenue Service as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income earned in furtherance of their tax-exempt purposes is exempt from federal and state income taxes. Income from certain of LBH's rental activities may be deemed unrelated to its tax-exempt purpose and, therefore, may be taxable. As of June 30, 2011, with certain exceptions, the Organization is no longer subject to income tax examinations by the U.S. federal taxing authorities for any tax years prior to the most recent three years.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Net Assets**

Unrestricted net assets of the Organization include funds designated by the Board of Directors for a future program. Furthermore, unrestricted net assets include amounts designated for capital replacement. The composition of unrestricted net assets at June 30, 2011 and 2010, is as follows:

<u>Designation Classification</u>	<u>2011</u>	<u>2010</u>
Unrestricted net assets – undesignated	\$ 7,778,992	\$ 7,124,230
Unrestricted net assets – designated for capital replacement	13,468,305	10,616,176
Unrestricted net assets – board designated	140,129	107,872
	<u>\$ 21,387,426</u>	<u>\$ 17,848,278</u>

Temporarily restricted net assets are subject to donor-imposed restrictions that expire upon the passage of time or once specific actions are undertaken by the organization. These net assets are released and reclassified to unrestricted net assets from which they are expended.

Reclassifications

Certain reclassifications have been made to the 2010 financial statements to conform to the 2011 presentation. Such reclassifications had no effect on the change in net assets for the year ended June 30, 2010.

Subsequent Events

In preparing the combined financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 24, 2011, the date the combined financial statements were issued.

NOTE 3 - ASSETS WHOSE USE IS LIMITED

The composition of assets limited as to use at June 30, 2011 and 2010 is presented in the following table:

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents		
Restricted for construction projects under Series 2008		
Bonds (see Note 6)	\$ -	\$ 926,541
Health insurance imprest reserve	1,787	40,025
Resident security deposits	3,308	3,321
HUD replacement reserves	33,216	37,874
Total assets whose use is limited	<u>\$ 38,311</u>	<u>\$ 1,007,761</u>

Market value approximates cost for these assets.

NOTE 4 - INVESTMENTS

The composition of investments at June 30, 2011 and 2010 is as follows:

	2011	
	Market	Cost
Cash and cash equivalents	\$ 3,014,762	\$ 3,004,010
Equities	3,339,990	2,740,422
Fixed income	9,157,020	9,053,088
Real estate	130,794	113,700
Tangible assets	244,528	225,600
	15,887,094	\$ 15,136,820
Less current portion	(1,762,780)	
Total long-term portion	\$ 14,124,314	

	2010	
	Market	Cost
Cash and cash equivalents	\$ 3,593,359	\$ 3,585,709
Equities	2,475,337	2,434,648
Fixed income	7,708,304	7,556,872
	13,777,000	\$ 13,577,229
Less current portion	(2,697,822)	
Total long-term portion	\$ 11,079,178	

The fair value of financial instruments is based upon three levels of valuation techniques. The highest valuation technique is Level 1, which utilizes unadjusted quoted prices in active markets for identical assets or liabilities. The Level 2 valuation technique is used for quoted prices of similar assets or liabilities or when quoted prices are in markets that are not active. Level 3 is utilized when no observable data or little market activity is available.

As of June 30, 2011 and 2010, equity and fixed income securities are valued at the closing price reported on the most active market on which the individual securities are traded (Level 1).

The interest rate swaps are valued based on quoted data from the counterparty or swap consultant, derived with mathematical approximations of indirectly observable market data (Level 2). It is impracticable to determine the fair value of the Organization's variable rate debt because of the credit enhancement.

The following summarizes investment income for the years ended June 30, 2011 and 2010:

	2011	2010
Interest income	\$ 391,063	\$ 364,763
Net realized gains/losses	235,616	82,750
	\$ 626,679	\$ 447,513

NOTE 5 - PROPERTY, BUILDINGS AND EQUIPMENT

Property, buildings and equipment are comprised of the following at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Land	\$ 3,069,559	\$ 3,069,559
Buildings and improvements	22,749,084	21,691,375
Furniture and equipment	5,989,373	5,207,965
Vehicles	1,072,972	960,217
	<u>32,880,988</u>	<u>30,929,116</u>
Accumulated depreciation	(15,659,391)	(14,411,121)
	<u>17,221,597</u>	<u>16,517,995</u>
Construction in progress	159,829	939,785
	<u>17,381,426</u>	<u>17,457,780</u>
Net property and equipment		

Depreciation expense was approximately \$1,248,000 and \$1,215,000 for the years ended June 30, 2011 and 2010, respectively. Construction in progress consists primarily of costs associated with various unit renovations and other improvements (see Note 8). At June 30, 2011 and 2010, LBH had construction payables, including retainage, of approximately \$126,000 and \$342,000, respectively, included in accounts payable and accrued expenses in the combined balance sheets.

NOTE 6 - BORROWING ARRANGEMENTS

Bonds

In July 2008, LBH issued Orange County Health Facilities Authority, Health Facility Variable Revenue and Refunding Bonds ("Series 2008 Bonds"), in the amount of \$16,220,000. Proceeds of the issuance were used for the defeasance of bonds, to pay off financial institution term loans, the funding of certain capital projects, and to pay certain costs of issuance.

The Series 2008 Bonds are due annually on July 1 through July 2027 and accrue interest at a variable rate determined weekly by the remarketing agent. The Indenture of Trust includes provisions for periodically adjusting the interest rate on the Series 2008 Bonds.

The Series 2008 Bonds are collateralized by an irrevocable letter of credit issued by a financial institution. The letter of credit expires on July 15, 2014 and is collateralized by net revenues and certain property. The letter of credit has certain financial and nonfinancial covenants, which include, among other things, that LBH maintain minimum debt service coverage and liquid assets to funded debt ratios. As of June 30, 2011, LBH is in compliance with its debt service coverage ratio and liquid assets to funded debt ratios.

NOTE 6 - BORROWING ARRANGEMENTS (Continued)**Capital Advance**

The Organization entered into a capital advance agreement under the HUD Section 811 program to finance the construction of the Lakeside Place apartment building. The capital advance bears no interest and is not required to be repaid so long as the housing remains available to eligible, low-to-moderate income households for a period of 40 years. The capital advance is secured by a mortgage, which is collateralized by real property and equipment. The capital advance has been recorded at its original value of \$1,362,300. Because management intends to maintain Lakeside Place in accordance with the capital advance agreement, the capital advance is presented in the financial statements as a temporarily restricted net asset. The capital advance will be released from restriction upon completion of the 40-year period.

LBH's borrowing arrangements consisted of the following at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Series 2008 Bonds, variable rate (.55% and .43% at June 30, 2011, and 2010, respectively) with interest payable monthly, plus annual principal payments beginning in July 2009.	\$ 14,990,000	\$ 15,605,000
Vehicle and equipment loans	<u>18,873</u>	<u>58,929</u>
	15,008,873	15,663,929
Less current portion of long-term debt	(650,000)	(650,000)
Less unamortized bond discount	<u>(71,579)</u>	<u>(76,053)</u>
Total long-term debt	<u>\$ 14,287,294</u>	<u>\$ 14,937,876</u>

Aggregate maturities of long-term debt in each of the next five years and thereafter are approximately as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 650,000
2013	679,000
2014	700,000
2015	730,000
2016	765,000
Thereafter	<u>11,485,000</u>
Total	<u>\$ 15,009,000</u>

Cash paid for interest for the years ended June 30, 2011 and 2010, was approximately \$643,000 and \$715,000, respectively. Interest of approximately \$-0- and \$59,000 was capitalized in connection with construction projects during the years ended June 30, 2011 and 2010, respectively.

NOTE 7 - INTEREST RATE SWAP AGREEMENTS

LBH entered into a swap agreement effective August 2008 (“August Swap”) to hedge against increases in short-term interest rates. The August Swap fixes the rate of interest that LBH pays on its Series 2008 Bonds at 3.49% and receives interest at 67% of LIBOR. The August Swap has certain cancellation options and will expire in July 2027. The notional amounts on the August Swap were \$7,468,000 and \$7,820,000 at June 30, 2011 and 2010, respectively. The fair value of the August Swap resulted in liabilities of approximately \$787,000 and \$939,000 at June 30, 2011 and 2010, respectively.

LBH also entered into a swap agreement, effective December 2008 (“December Swap”), to hedge against increases in short-term interest rates. The December Swap fixes the rate of interest that LBH pays on its Series 2008 Bonds at 2.18% and receives interest at 67% of LIBOR. The December Swap has certain cancellation options and will expire in July 2027. The notional amount on the December Swap was \$7,523,000 and \$7,785,000 at June 30, 2011 and 2010. The fair value of the December Swap resulted in liabilities of approximately \$38,000 and \$120,000 at June 30, 2011 and 2010, respectively.

LBH recorded liabilities of \$825,000 and \$1,059,000, representing the amount it would have to pay to terminate the swap agreements at June 30, 2011 and 2010, respectively. Any payments made or received under the swap agreements are reflected as a decrease or increase in interest expense. The change in fair value of the swap agreements is reflected in the combined statements of operations and changes in net assets as an increase (decrease) in net assets of approximately \$234,000 and (\$583,000) for the years ended June 30, 2011 and 2010, respectively. As of June 30, 2011, the Organization is exposed to the risk of counterparty nonperformance in the amount of the Swap Agreement’s fair value, however, counterparty nonperformance is not anticipated.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Concentrations and Credit Risk

LBH receives most of its revenues from the Medicaid and Medicare programs, the Substance Abuse and Mental Health (“SAMH”) program administered by the Florida Department of Children and Families, and from various contracts with Orange County. Governmental funding for healthcare programs is subject to statutory and regulatory changes, administrative rulings, interpretations of policy, intermediary determinations, and governmental funding restrictions, all of which may materially affect program reimbursement to service providers like LBH. Changes in the reimbursement policies of the programs, as a result of legislative and regulatory actions, could adversely affect LBH’s revenues.

The following tables provide a detail of LBH’s revenues for the years ended June 30, 2011 and 2010 by payor source.

NOTE 8 - COMMITMENTS AND CONTINGENCIES (Continued)**Concentrations and Credit Risk (Continued)**

Net client service revenue for the years ended June 30, 2011 and 2010 was comprised of the following:

	<u>2011</u>	<u>2010</u>
Medicaid	\$ 1,929,167	\$ 1,987,944
Medicare	6,713,433	5,752,789
Managed care	14,320,731	16,148,797
Clients and other third-party payors	913,301	764,215
	<u>\$ 23,876,632</u>	<u>\$ 24,653,745</u>

Grant and contract revenues for the years ended June 30, 2011 and 2010 were comprised of the following:

	<u>2011</u>	<u>2010</u>
Florida Department of Children and Families	\$ 11,465,885	\$ 11,571,449
Orange County	5,716,162	5,905,344
Others	3,245,341	2,315,008
	<u>\$ 20,427,388</u>	<u>\$ 19,791,801</u>

Financial instruments which potentially subject LBH to concentrations of credit risk consist principally of cash and cash equivalents, investments deposited in financial institutions in excess of federally insured limits, assets whose use is limited, interest rate swaps and accounts receivable. No credit-related losses have been incurred, or are expected, related to deposits in financial institutions. Management believes that the concentrations of credit risk with respect to accounts receivable from the Medicaid and Medicare programs is mitigated by the taxing authority of the governmental entities funding the programs.

Professional Liability Claims

LBH has purchased a commercial general and professional liability policy based on occurrence. LBH is subject to various general liability and medical malpractice claims arising in the course of its operations. These claims are in various stages of litigation and the outcomes are not predictable with certainty. These matters are subject to many uncertainties and it is possible that ultimate losses could exceed insurance coverage amounts. Management has included a provision for possible claims in excess of insurance coverage limits in these combined financial statements. Possible losses, in the event of an unfavorable outcome in these matters, could result in a material adverse effect on LBH's financial position.

Construction Commitments

LBH entered into a construction contract in May 2011 for an improvement for approximately \$656,000, of which \$7,727 has been paid as of June 30, 2011.

NOTE 8 - COMMITMENTS AND CONTINGENCIES (Continued)**Employee Benefit Plan**

LBH has a 403(b) defined-contribution pension plan (the “Plan”), which covers substantially all of its employees. The Plan includes vesting provisions on employer contributions, which require participants hired to be employed for two years to achieve 25% vesting, three years for 50% vesting, four years for 75% vesting, and five years for full vesting. Employer contributions are made at the discretion of management, subject to the approval of the Board of Directors, and net of non-vested forfeitures, and amounted to approximately \$541,000 and \$258,000 for the years ended June 30, 2011 and 2010, respectively.

Regulatory Reviews and Settlements

LBH maintains various licenses and accreditations issued by regulatory agencies and other bodies. The regulatory agencies and certain third-party payors make periodic reviews of LBH’s compliance with laws and regulations resulting from its licensure and participation in various Substance Abuse and Mental Health, Medicaid, Medicare, Agency for Health Care Administration and other programs. Management has recorded a provision for estimated regulatory settlements related to these reviews. The laws and regulations governing these programs are complex and are subject to interpretation, and noncompliance can result in significant regulatory action, including fines, penalties, and exclusion from the programs.

NOTE 9 - FUNCTIONAL EXPENSES

Operating expenses for the years ended June 30, 2011 and 2010 are summarized on a functional basis, as follows:

	<u>2011</u>	<u>2010</u>
Program services		
Inpatient services	\$ 15,677,090	\$ 14,977,776
Outpatient services	7,488,476	6,961,148
Pharmacy	3,403,933	3,152,903
Crisis support emergency	3,508,779	3,349,652
Residential services	1,271,367	1,182,236
FACT	987,023	938,906
Other	853,995	374,259
Transportation	743,190	680,837
Total program services	<u>33,933,853</u>	<u>31,617,717</u>
Supporting services	6,128,689	5,933,030
Administrative services	2,980,986	2,703,767
Total LBH expenses	<u>43,043,528</u>	<u>40,254,514</u>
Foundation and Lakeside Place expenses	131,433	132,100
Eliminations	93,269	55,157
Total expenses	<u>\$ 43,268,230</u>	<u>\$ 40,441,771</u>

SUPPLEMENTAL INFORMATION



LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTAL INFORMATION

To the Board of Directors of
Lakeside Behavioral Healthcare, Inc. and Affiliates
Orlando, Florida

We have audited the combined financial statements of Lakeside Behavioral Healthcare, Inc. and Affiliates as of and for the years ended June 30, 2011 and 2010, and have issued our report thereon dated October 24, 2011, which contained an unqualified opinion on those combined financial statements. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental combining information appearing on pages 17 through 22, the program/cost center's actual revenues and expenses schedule appearing on pages 23 and 24, and the schedule of state earnings appearing on page 25, are presented for the purpose of additional analysis, as required by the Department of Children and Families, and are not a required part of the combined financial statements. The schedule of expenditures of federal awards and state financial assistance for the year ended June 30, 2010, appearing on pages 28 and 29 is presented for the purpose of additional analysis, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650, Rules of the Auditor General, and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

A handwritten signature in cursive script, appearing to read 'Moore Stephens Lovelace, P.A.', is written over a horizontal line.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
October 24, 2011

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

COMBINING BALANCE SHEETS

June 30, 2011

	Lakeside Behavioral Healthcare, Inc	Lakeside Behavioral Healthcare Foundation, Inc	Lakeside Place, Inc	Eliminations	Combined
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 4,157,076	\$ 50,771	\$ 297	\$ -	\$ 4,208,144
Short-term investments	1,675,282	87,498	-	-	1,762,780
Current portion of assets whose use is limited	1,787	-	3,308	-	5,095
Accounts receivable, net	4,638,082	3,187	167	-	4,641,436
Pharmacy inventory	308,480	-	-	-	308,480
Other current assets	377,274	-	-	-	377,274
TOTAL CURRENT ASSETS	11,157,981	141,456	3,772	-	11,303,209
INVESTMENTS - DESIGNATED FOR CAPITAL REPLACEMENT	13,468,305	656,009	-	-	14,124,314
ASSETS WHOSE USE IS LIMITED	-	-	33,216	-	33,216
DUE FROM AFFILIATES	34,822	-	-	(34,822)	-
INTEREST IN NET ASSETS OF FOUNDATION	796,648	-	-	(796,648)	-
PROPERTY, BUILDINGS AND EQUIPMENT, NET	16,269,690	-	1,111,736	-	17,381,426
DEFERRED FINANCING COSTS, NET	172,552	-	-	-	172,552
OTHER ASSETS	63,818	-	1,000	-	64,818
TOTAL ASSETS	<u>\$41,963,816</u>	<u>\$ 797,465</u>	<u>\$1,149,724</u>	<u>\$ (831,470)</u>	<u>\$43,079,535</u>
LIABILITIES AND NET ASSETS (DEFICIT)					
CURRENT LIABILITIES					
Current portion of long-term debt	\$ 650,000	\$ -	\$ -	\$ -	\$ 650,000
Accounts payable and accrued expenses	1,204,185	-	-	-	1,204,185
Accrued salaries and benefits	1,119,320	-	-	-	1,119,320
Accrued compensated absences	796,675	-	-	-	796,675
Resident security deposits	-	-	3,306	-	3,306
Deferred revenue	524,358	-	-	-	524,358
TOTAL CURRENT LIABILITIES	4,294,538	-	3,306	-	4,297,844
INTEREST RATE SWAP LIABILITY	825,000	-	-	-	825,000
RESERVE FOR REGULATORY SETTLEMENTS	750,000	-	-	-	750,000
DUE TO AFFILIATES	-	817	34,005	(34,822)	-
LONG-TERM DEBT, NET OF CURRENT PORTION AND UNAMORTIZED DISCOUNT	14,287,294	-	-	-	14,287,294
TOTAL LIABILITIES	20,156,832	817	37,311	(34,822)	20,160,138
COMMITMENTS AND CONTINGENCIES					
NET ASSETS (DEFICIT)					
Unrestricted	21,637,313	796,648	(249,887)	(796,648)	21,387,426
Temporarily restricted	169,671	-	1,362,300	-	1,531,971
TOTAL NET ASSETS (DEFICIT)	21,806,984	796,648	1,112,413	(796,648)	22,919,397
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$41,963,816</u>	<u>\$ 797,465</u>	<u>\$1,149,724</u>	<u>\$ (831,470)</u>	<u>\$43,079,535</u>

See Report of Independent Certified Public Accountants
on Supplemental Information.

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

COMBINING BALANCE SHEETS *(Continued)*

June 30, 2010

ASSETS	Lakeside Behavioral Healthcare, Inc	Lakeside Behavioral Healthcare Foundation, Inc	Lakeside Place, Inc	Eliminations	Combined
CURRENT ASSETS					
Cash and cash equivalents	\$ 4,590,286	\$ 131,288	\$ 826	\$ -	\$ 4,722,400
Short-term investments	2,611,488	86,334	-	-	2,697,822
Current portion of assets whose use is limited	966,566	-	3,321	-	969,887
Accounts receivable, net	1,878,121	4,000	2	-	1,882,123
Pharmacy inventory	311,600	-	-	-	311,600
Other current assets	645,115	-	-	-	645,115
TOTAL CURRENT ASSETS	11,003,176	221,622	4,149	-	11,228,947
INVESTMENTS - DESIGNATED FOR CAPITAL REPLACEMENT	10,616,176	463,002	-	-	11,079,178
ASSETS WHOSE USE IS LIMITED	-	-	37,874	-	37,874
DUE FROM AFFILIATES	42,488	-	-	(42,488)	-
INTEREST IN NET ASSETS OF FOUNDATION	684,346	-	-	(684,346)	-
PROPERTY, BUILDINGS AND EQUIPMENT, NET	16,313,383	-	1,144,397	-	17,457,780
DEFERRED FINANCING COSTS, NET	183,337	-	-	-	183,337
OTHER ASSETS	63,405	-	1,000	-	64,405
TOTAL ASSETS	<u>\$ 38,906,311</u>	<u>\$ 684,624</u>	<u>\$ 1,187,420</u>	<u>\$ (726,834)</u>	<u>\$ 40,051,521</u>
LIABILITIES AND NET ASSETS (DEFICIT)					
CURRENT LIABILITIES					
Current portion of long-term debt	\$ 650,000	\$ -	\$ -	\$ -	\$ 650,000
Accounts payable and accrued expenses	1,237,419	-	-	-	1,237,419
Accrued salaries and benefits	577,813	-	-	-	577,813
Accrued compensated absences	750,000	-	-	-	750,000
Resident security deposits	-	-	3,321	-	3,321
Deferred revenue	693,724	-	-	-	693,724
TOTAL CURRENT LIABILITIES	3,908,956	-	3,321	-	3,912,277
INTEREST RATE SWAP LIABILITY	1,059,000	-	-	-	1,059,000
RESERVE FOR REGULATORY SETTLEMENTS	750,000	-	-	-	750,000
DUE TO AFFILIATES	-	278	42,210	(42,488)	-
LONG-TERM DEBT, NET OF CURRENT PORTION AND UNAMORTIZED DISCOUNT	14,937,876	-	-	-	14,937,876
TOTAL LIABILITIES	20,655,832	278	45,531	(42,488)	20,659,153
COMMITMENTS AND CONTINGENCIES					
NET ASSETS (DEFICIT)					
Unrestricted	18,068,689	684,346	(220,411)	(684,346)	17,848,278
Temporarily restricted	181,790	-	1,362,300	-	1,544,090
TOTAL NET ASSETS (DEFICIT)	18,250,479	684,346	1,141,889	(684,346)	19,392,368
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$ 38,906,311</u>	<u>\$ 684,624</u>	<u>\$ 1,187,420</u>	<u>\$ (726,834)</u>	<u>\$ 40,051,521</u>

See Report of Independent Certified Public Accountants
on Supplemental Information.

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES
COMBINING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Year Ended June 30, 2011

	Lakeside Behavioral Healthcare, Inc	Lakeside Behavioral Healthcare Foundation, Inc	Lakeside Place, Inc	Eliminations	Combined
UNRESTRICTED REVENUES AND SUPPORT					
Net client service revenue	\$ 23,876,632	\$ -	\$ -	\$ -	\$ 23,876,632
Grant and contract revenues	20,427,388	-	-	-	20,427,388
Rental and other income	959,490	-	66,103	(19,033)	1,006,560
Contributions and donations	35,441	50,239	-	-	85,680
Investment income	604,700	21,962	17	-	626,679
	<u>45,903,651</u>	<u>72,201</u>	<u>66,120</u>	<u>(19,033)</u>	<u>46,022,939</u>
TOTAL UNRESTRICTED REVENUES AND SUPPORT					
EXPENSES					
Salaries	21,463,211	-	-	-	21,463,211
Employee benefits	5,388,307	-	-	-	5,388,307
Professional fees	3,934,865	1,210	20,364	(11,033)	3,945,406
Medical and pharmacy	4,324,924	-	-	-	4,324,924
Building occupancy	2,665,545	-	29,429	(8,000)	2,686,974
Food services	1,292,017	-	-	-	1,292,017
Depreciation and amortization	1,228,136	-	35,390	-	1,263,526
Operating supplies	900,888	-	88	-	900,976
Other	827,152	34,627	1,117	-	862,896
Interest	640,953	-	1,108	-	642,061
Insurance	489,832	-	8,100	-	497,932
Change in net assets of Foundation	(112,302)	-	-	112,302	-
	<u>43,043,528</u>	<u>35,837</u>	<u>95,596</u>	<u>93,269</u>	<u>43,268,230</u>
TOTAL EXPENSES					
NET INCOME (LOSS) FROM OPERATIONS	2,860,123	36,364	(29,476)	(112,302)	2,754,709
OTHER GAINS (LOSSES)					
Change in fair value of interest rate swaps	234,000	-	-	-	234,000
Change in unrealized gain on investments	474,501	75,938	-	-	550,439
	<u>708,501</u>	<u>75,938</u>	<u>-</u>	<u>-</u>	<u>784,439</u>
TOTAL OTHER GAINS (LOSSES)					
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	3,568,624	112,302	(29,476)	(112,302)	3,539,148
NET ASSETS RELEASED FROM RESTRICTIONS	(12,119)	-	-	-	(12,119)
INCREASE (DECREASE) IN NET ASSETS	3,556,505	112,302	(29,476)	(112,302)	3,527,029
NET ASSETS - BEGINNING OF YEAR	18,250,479	684,346	1,141,889	(684,346)	19,392,368
NET ASSETS - END OF YEAR	<u>\$ 21,806,984</u>	<u>\$ 796,648</u>	<u>\$ 1,112,413</u>	<u>\$ (796,648)</u>	<u>\$ 22,919,397</u>

See Report of Independent Certified Public Accountants
on Supplemental Information.

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

COMBINING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS *(Continued)*

Year Ended June 30, 2010

	Lakeside Behavioral Healthcare, Inc	Lakeside Behavioral Healthcare, Foundation, Inc	Lakeside Place, Inc	Eliminations	Combined
UNRESTRICTED REVENUES AND SUPPORT					
Net client service revenue	\$ 24,653,745	\$ -	\$ -	\$ -	\$ 24,653,745
Grant and contract revenues	19,791,801	-	-	-	19,791,801
Rental and other income	901,453	-	66,773	(19,169)	949,057
Contributions and donations	54,809	84,446	-	-	139,255
Investment income	429,335	18,156	22	-	447,513
TOTAL UNRESTRICTED REVENUES AND SUPPORT	45,831,143	102,602	66,795	(19,169)	45,981,371
EXPENSES					
Salaries	20,380,284	-	-	-	20,380,284
Employee benefits	4,440,177	-	-	-	4,440,177
Professional fees	3,892,985	2,451	20,859	(11,169)	3,905,126
Medical and pharmacy	3,904,452	-	-	-	3,904,452
Building occupancy	2,563,932	-	36,665	(8,000)	2,592,597
Food services	1,280,886	-	-	-	1,280,886
Depreciation and amortization	1,196,218	-	33,649	-	1,229,867
Operating supplies	848,017	-	241	-	848,258
Other	722,426	27,843	1,884	-	752,153
Interest	612,380	-	1,108	-	613,488
Insurance	487,083	-	7,400	-	494,483
Change in net assets of Foundation	(74,326)	-	-	74,326	-
TOTAL EXPENSES	40,254,514	30,294	101,806	55,157	40,441,771
NET INCOME (LOSS) FROM OPERATIONS	5,576,629	72,308	(35,011)	(74,326)	5,539,600
OTHER GAINS (LOSSES)					
Change in fair value of interest rate swap	(583,000)	-	-	-	(583,000)
Change in unrealized gain on investments	173,134	2,018	-	-	175,152
TOTAL OTHER GAINS (LOSSES)	(409,866)	2,018	-	-	(407,848)
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	5,166,763	74,326	(35,011)	(74,326)	5,131,752
TEMPORARILY RESTRICTED CONTRIBUTIONS	181,790	-	-	-	181,790
INCREASE (DECREASE) IN NET ASSETS	5,348,553	74,326	(35,011)	(74,326)	5,313,542
NET ASSETS - BEGINNING OF YEAR	12,901,926	610,020	1,176,900	(610,020)	14,078,826
NET ASSETS - END OF YEAR	<u>\$ 18,250,479</u>	<u>\$ 684,346</u>	<u>\$ 1,141,889</u>	<u>\$ (684,346)</u>	<u>\$ 19,392,368</u>

See Report of Independent Certified Public Accountants
on Supplemental Information.

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

COMBINING STATEMENTS OF CASH FLOWS

Year Ended June 30, 2011

	Lakeside Behavioral Healthcare, Inc	Lakeside Behavioral Healthcare Foundation, Inc	Lakeside Place, Inc	Eliminations	Combined
CASH FLOWS FROM OPERATING ACTIVITIES					
Increase (decrease) in net assets	\$ 3,556,505	\$ 112,302	\$ (29,476)	\$ (112,302)	\$ 3,527,029
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities					
Depreciation and amortization	1,228,136	-	35,390	-	1,263,526
Change in fair value of interest rate swaps	(234,000)	-	-	-	(234,000)
Change in unrealized gains on investments	(474,501)	(75,938)	-	-	(550,439)
Changes in operating assets and liabilities					
Accounts receivable	(2,759,960)	813	(165)	-	(2,759,312)
Resident security deposits, net	-	-	(15)	-	(15)
Pharmacy inventory	3,120	-	-	-	3,120
Amounts due from (to) affiliates	7,666	539	(8,205)	-	-
Other assets	267,428	-	-	-	267,428
Accounts payable and accrued expenses	(33,234)	-	-	-	(33,234)
Accrued salaries and benefits	541,507	-	-	-	541,507
Accrued compensated absences	46,675	-	-	-	46,675
Deferred revenues	(169,366)	-	-	-	(169,366)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,979,976	37,716	(2,471)	(112,302)	1,902,919
CASH FLOWS FROM INVESTING ACTIVITIES					
Change in investments, net	(1,553,724)	(118,233)	-	112,302	(1,559,655)
Change in assets whose use is limited, net	964,779	-	4,671	-	969,450
Acquisition of property, buildings and equipment	(1,169,185)	-	(2,729)	-	(1,171,914)
NET CASH USED IN INVESTING ACTIVITIES	(1,758,130)	(118,233)	1,942	112,302	(1,762,119)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments on borrowings	(655,056)	-	-	-	(655,056)
NET CASH USED IN FINANCING ACTIVITIES	(655,056)	-	-	-	(655,056)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(433,210)	(80,517)	(529)	-	(514,256)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,590,286	131,288	826	-	4,722,400
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,157,076</u>	<u>\$ 50,771</u>	<u>\$ 297</u>	<u>\$ -</u>	<u>\$ 4,208,144</u>

See Report of Independent Certified Public Accountants
on Supplemental Information.

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

COMBINING STATEMENTS OF CASH FLOWS *(Continued)*

Year Ended June 30, 2010

	Lakeside Behavioral Healthcare, Inc	Lakeside Behavioral Healthcare, Foundation, Inc	Lakeside Place, Inc	Eliminations	Combined
CASH FLOWS FROM OPERATING ACTIVITIES					
Increase (decrease) in net assets	\$ 5,348,553	\$ 74,326	\$ (35,011)	\$ (74,326)	\$ 5,313,542
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities					
Depreciation and amortization	1,196,218	-	33,649	-	1,229,867
Loss on disposal of equipment	-	-	-	-	-
Change in fair value of interest rate swaps	583,000	-	-	-	583,000
Change in unrealized gains on investments	(173,134)	(2,018)	-	-	(175,152)
Changes in operating assets and liabilities					
Accounts receivable	892,577	(4,000)	166	-	888,743
Resident security deposits, net	-	-	-	-	-
Pharmacy inventory	(99,007)	-	-	-	(99,007)
Amounts due from (to) affiliates	(10,080)	(246)	10,326	-	-
Other assets	(485,980)	41,500	525	-	(443,955)
Accounts payable and accrued expenses	369,663	(79,321)	-	-	290,342
Accrued salaries and benefits	117,510	-	-	-	117,510
Accrued compensated absences	(6,981)	-	-	-	(6,981)
Deferred revenues	25,610	-	-	-	25,610
NET CASH PROVIDED BY OPERATING ACTIVITIES	7,757,949	30,241	9,655	(74,326)	7,723,519
CASH FLOWS FROM INVESTING ACTIVITIES					
Change in investments, net	(4,113,657)	(201,000)	-	74,326	(4,240,331)
Change in assets whose use is limited, net	1,390,549	-	(4,517)	-	1,386,032
Acquisition of property, buildings and equipment	(2,790,204)	-	(6,671)	-	(2,796,875)
Proceeds from sale of equipment	-	-	-	-	-
NET CASH USED IN INVESTING ACTIVITIES	(5,513,312)	(201,000)	(11,188)	74,326	(5,651,174)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings	22,400	-	-	-	22,400
Repayments on borrowings	(664,592)	-	-	-	(664,592)
NET CASH USED IN FINANCING ACTIVITIES	(642,192)	-	-	-	(642,192)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,602,445	(170,759)	(1,533)	-	1,430,153
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,987,841	302,047	2,359	-	3,292,247
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,590,286</u>	<u>\$ 131,288</u>	<u>\$ 826</u>	<u>\$ -</u>	<u>\$ 4,722,400</u>

See Report of Independent Certified Public Accountants
on Supplemental Information.

ACTUAL COST CENTER REVENUE AND EXPENSES

CONTRACT # GHJ21

PART I: ACTUAL FUNDING SOURCES & REVENUES

STATE-DESIGNATED SAMH COST CENTERS																
STATE SAMH-FUNDED COST CENTERS																
FUNDING SOURCES & REVENUES	Crisis Support / Emer.	CSU	CCSU	FACT	FACT Incidental Funds	CCST	Medical Svs	Short Term Residential	Room & Board Level II	Room & Board Level III	Total for State-SAMH-Funded Cost Centers (C1+...C11)	Total for Non-State-Funded SAMH Cost Centers (E)	Tot for All State-Designated SAMH Cost Centers (D+E)	Admin-istration	Non-SAMH Cost Center	Total Funding (F+G)
IA. TOTAL STATE SAMH FUNDING																
(1) From the District funding this contract	\$ 1,216,552	\$ 2,178,696	\$ 684,274	\$ 945,600	\$ 76,301	\$ 1,232,753	\$ 1,076,992	\$ 2,649,988	\$ 407,000	\$ 599,575	\$ 11,061,111	\$ -	\$ 11,061,111	\$ -	\$ -	\$ 11,061,111
Other District Contract Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2) IDP - Line of Credit	-	-	-	-	-	-	404,774	-	-	-	404,774	-	404,774	-	-	404,774
IB. OTHER GOVT FUNDING																
(1) Other State Agency Funding	-	-	16,671	-	-	-	-	-	-	-	16,671	29,203	45,874	-	-	45,874
(2) Medicaid	13,499	-	100	-	906	102,300	146,193	-	-	-	262,998	1,656,020	1,929,018	149	-	1,929,167
(3) Local Government	1,978,785	1,163,040	66,446	-	-	6,388	1,988,273	14,160	-	-	5,219,092	285,992	5,505,084	381,263	-	5,886,347
(4) Federal Grants and Contracts	-	-	-	-	-	5,394	-	-	-	-	5,394	174,583	179,977	494,220	-	674,197
(5) In-kind from local govt only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT. OTHER GOVT FUNDING =	1,992,284	1,163,040	85,217	-	906	107,694	152,591	1,988,273	14,160	-	5,504,155	2,155,798	7,659,953	875,632	-	8,535,585
IC. ALL OTHER REVENUES																
(1) 1st & 2nd Party Payments	-	-	-	(1,919)	-	29,403	-	-	44,602	136,076	208,162	171,717	379,879	5,525	-	385,404
(2) 3rd Party Payments (except Medicare)	40,291	839,961	1,305,808	736	-	284,091	830,453	701,342	-	10	3,982,692	6,579,733	10,562,425	4,684,071	-	15,246,496
(3) Medicare	-	300	-	426	-	-	127,253	(42,210)	-	-	85,769	1,868,707	1,974,476	4,738,957	-	6,713,433
(4) Contributions and Donations	-	-	-	-	8,600	9	-	-	-	-	6,609	9,000	14,609	-	-	23,322
(5) Other	-	2,323,787	-	-	-	-	-	60,500	-	-	2,364,287	750	2,365,037	1,148,468	-	3,533,526
(6) In-kind	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT. ALL OTHER REVENUES =	40,291	3,164,048	1,305,808	(757)	-	272,691	987,118	719,632	44,602	136,086	6,669,519	8,646,907	15,316,426	10,585,755	-	25,902,181
TOTAL PROJECTED FUNDING = \$ 3,248,127 \$ 6,505,784 \$ 3,075,299 \$ 944,643 \$ 77,207 \$ 1,613,138 \$ 2,620,965 \$ 5,357,873 \$ 459,762 \$ 735,661 \$ 23,639,559 \$ 10,802,705 \$ 34,442,264 \$ 11,461,387 \$ 45,903,651																

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
ACTUAL COST CENTER REVENUE AND EXPENSES (Continued)

AGENCY: Lakeside Behavioral Healthcare, Inc.

CONTRACT # GHJ21 PERIOD FROM: 7/1/2009 TO: 6/30/2010

PART II: ACTUAL EXPENSES

STATE-DESIGNATED SAMH COST CENTERS																	*except IIC & IID					
STATE SAMH-FUNDED COST CENTERS																						
EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS																Total Expenses					
	A	B ₁₋₄	B ₅₋₈	B ₉₋₁₁	B ₁₂₋₁₄	B ₁₅₋₁₇	B ₁₈₋₂₀	B ₂₁₋₂₃	B ₂₄₋₂₆	B ₂₇₋₂₉	B ₃₀₋₃₂	D	(C ₁ + +C ₂)	E	F	(D+E)		G	H	I	J	
IIA PERSONNEL EXPENSES																						
(1) Salaries	\$ 1,967,875	\$ 2,438,128	\$ 872,115	\$ 668,615	\$ 860,388	\$ 1,146,266	\$ 2,331,946	\$ 201,191	\$ 178,842	\$ 10,685,366	\$ 2,029,130	\$ 12,694,496	\$ 2,939,872	\$ 4,081,437	\$ 1,747,406	\$ 21,463,211						
(2) Fringe Benefits	534,910	596,608	206,061	138,602	241,008	194,012	550,282	61,968	64,133	2,587,784	514,090	3,101,874	717,216	1,182,597	385,520	5,388,307						
TOTAL PERSONNEL EXPENSES =																						
	2,502,785	3,034,736	1,078,176	807,217	1,101,396	1,340,278	2,882,228	263,159	242,975	13,253,150	2,543,220	15,796,370	3,657,088	5,264,034	2,134,026	26,851,518						
IIIB. OTHER EXPENSES																						
(1) Building Occupancy	245,068	429,512	198,500	54,565	109,112	92,892	402,814	126,303	298,311	1,956,877	374,168	2,331,045	979,167	546,811	36,659	3,893,662						
(2) Professional Services	448,937	81,574	23,354		26,106	31,126	118,390			729,487	1,981,448	2,710,935	912,543	24,514	286,873	3,934,865						
(3) Travel																						
(4) Equipment																						
(5) Food Services	83,304	346,951	67,584	1,973	1,981	135	395,191	37,844	1,677	936,640	6,200	942,840	378,648	(40,077)	10,608	1,292,017						
(6) Medical and Pharmacy	49,179	336,757	58,008		2,475	467,544	396,771	1,194	4,836	1,327,875	2,507,321	3,835,196	485,659	3,848	221	4,324,924						
(7) Subcontracted Services																						
(8) Insurance	55,494	67,457	21,676	16,353	21,169	32,511	66,993	6,957	6,301	294,811	81,501	376,312	113,520			489,832						
(9) Interest Paid	48,406	97,372	46,614	5,079	22,096	17,778	91,749	12,902	48,762	390,758	74,159	464,917	176,036			640,953						
(10) Operating Supplies & Expenses	63,610	35,090	12,298	20,619	7,538	18,079	30,473	14,669	3,861	206,237	45,194	251,431	159,781	252,014	237,862	900,888						
(11) Other	11,996	27,247	5,996		65,154	1,131	21,744	6,011	12,935	222,320	52,809	275,129	87,237	77,545	274,939	714,850						
(12) Donated Items																						
TOTAL OTHER EXPENSES =																						
	1,055,924	1,421,950	434,030	98,589	81,217	255,631	661,196	1,523,925	205,780	376,683	6,065,005	5,122,800	11,187,805	3,282,591	864,655	846,960	16,192,011					
TOT PERSONNEL & OTH EXP =																						
	3,508,779	4,456,686	1,512,206	905,806	81,217	1,387,027	2,001,474	4,406,153	468,939	619,658	19,318,155	7,668,020	26,984,175	6,949,679	6,128,689	2,980,986	43,043,529					
IIC DISTRIBUTED INDIRECT COSTS																						
(a) Other Support Costs (Optional)	583,724	934,040	362,125	142,563	234,306	323,951	906,985	94,316	205,007	3,787,017	883,016	4,670,033	1,458,656	(6,128,689)								
(b) Administration	280,272	377,545	151,534	85,538	117,153	185,245	383,601	35,865	32,959	1,639,712	523,093	2,162,805	818,181		(2,980,986)							
TOT. DIST'D INDIRECT COSTS =																						
	873,996	1,311,585	513,659	228,101	351,459	509,196	1,270,586	130,181	237,966	5,426,729	1,406,109	6,832,838	2,276,837	(6,128,689)	(2,980,986)							
TOTAL PROJECTED OTHER EXPENSES =																						
	\$ 4,382,775	\$ 5,768,481	\$ 2,025,865	\$ 1,133,907	\$ 81,217	\$ 1,708,486	\$ 2,510,670	\$ 5,676,739	\$ 599,120	\$ 857,624	\$ 24,744,884	\$ 9,072,129	\$ 33,817,013	\$ 9,226,516	\$	\$	\$	\$	\$	\$	\$	\$

LAKE SIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

SCHEDULE OF STATE EARNINGS

Year Ended June 30, 2011

1	Total Expenditures	\$ 43,043,528
2	Less Other State and Federal Funds	(2,804,381)
3	Less Non-Match SAMH Funds	(4,767,485)
4	Less Unallowable Costs (65E-14, F A C)	(9,501,000)
5	Less Unallowable Patient Fees	<u>-</u>
6	Net Allowable Expenditures (Sum of lines 1, 2, 3, 4, and 5)	<u><u>\$ 25,970,662</u></u>
7	Maximum Available Earnings (Line 6 times 75%)	\$ 19,477,997
8	Amount of State Funds Requiring Match	<u>(6,307,725)</u>
9	Excess Match	<u><u>\$ 13,170,272</u></u>

See Report of Independent Certified Public Accountants
on Supplemental Information.

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS

Fiscal Year Ended June 30, 2011

Program	Cost Center	State Contracted Rate	Total Units of Service Provided	Total Units of Service Paid for by 3rd Party Contracts, Local Govt or Other State Agencies	Maximum # of Units Eligible for Payment by Department	Amounts Paid for Services by the Department	Maximum \$ Value of Units in Column F	Amount Owed to Department (G-H or \$0, whichever is greater)
A	B	C	D	E	(D-E) F	G	(F x C) H	I
Children's MH	Crisis Stabilization Unit	\$ 309.64	7,296	2,744	4,552	\$ 685,118	\$ 1,409,481	\$ -
Adult MH	Crisis Stabilization Unit	\$ 293.74	20,808	13,694	7,114	\$ 2,066,348	\$ 2,089,666	\$ -
Adult MH	Short-Term Residential Treatment	\$ 253.33	21,540	9,188	12,352	\$ 2,806,897	\$ 3,129,132	\$ -
Total Amount Owed to Department=								\$ -

Note: All cost centers are paid based upon "Bed-Day Availability"

See Report of Independent Certified Public Accountants on Supplemental Information.

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

SCHEDULE OF RELATED-PARTY TRANSACTION ADJUSTMENTS

Fiscal Year Ended June 30, 2010

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

Note: Related-party transactions appear to be at or below current market cost.

See Report of Independent Certified Public Accountants
on Supplemental Information.

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Contract / Pass-Through Award Number	Federal Expenditures Recognized
FEDERAL AWARDS			
U.S. Department of Agriculture Food and Nutrition Services			
Pass-through			
Florida Department of Education, Division of Food and Nutrition			
Cluster Program			
School Breakfast Program	10 553	01-0278	\$ 6,520
National School Lunch Program	10.555	01-0278	10,151
Total U.S. Department of Agriculture Food & Nutrition Services			<u>16,671</u>
U.S. Department of Housing and Urban Development			
Supportive Housing for Persons with Disabilities	14.181	N/A	1,362,300
Section 8 Housing Assistance Payments Program -			
Special Allocations	14.195	FL29-Q991-004	31,873
Pass-through:			
City of Orlando - CDBG	14.218	B-10-MC-12-0015	14,160
Total U.S. Department of Housing and Urban Development			<u>1,408,333</u>
U.S. Department of Justice			
Pass-through:			
Orange County, Florida			
DJMH Collaboration	16 745	2010 MO BX 0025	47,595
U.S. Department of Education Rehabilitation Services Administration			
Pass-through:			
Florida Department of Labor and Employment Security			
ARRA - Division of Vocational Rehabilitation	84.390	VJ468	5,394
U.S. Department of Health and Human Services			
Substance Abuse and Mental Health Services Administration (SAMHSA)			
Pass-through:			
Orange County, Florida			
Wraparound	93 104	5U79SM059038-02	22,327
Florida Department of Children and Families			
Projects for Assistance in Transition from Homelessness	93 150	GHJ21	452,227
Lakeside Primary and Behavioral Healthcare Integration	93.243	5H79SM059716-02	195,265
Pass-through:			
Homeless Services Network of Central Florida, Inc.			
Project Hope	93.243	1593213827A1	106,700
SHP Grant	93.243	FL0083B4H070800	152,256
SHP Grant Permanent Housing	93.243	FL0330B4H070900	40,097
Grand Avenue Economic Community Development Corp.			
Project Pathlight	93.243	1HM795M059094-01	76,771
Florida Department of Children and Families			
Block Grant for Community Mental Health Services	93.958	GHJ21	103,112
Block Grant for Community Mental Health Services	93.958	GHJ22	399,457
Orange County Healthy Start	93.994	COSDR	93,415
Total U.S. Department of Health and Human Services			<u>1,641,627</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 3,119,620</u></u>

See Report of Independent Certified Public Accountants
on Supplemental Information.

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE *(Continued)*

Year Ended June 30, 2011

State Grantor/Pass-Through Grantor Program or Cluster Title	State CSFA Number	Contract / Pass-Through Award Number	State Expenditures Recognized	Subrecipient Payments
STATE PROJECTS				
Florida Department of Children and Families				
Children's Baker Act Services	60.001	GHJ21	\$ 950,313	\$ -
Baker Act	60.006	GHJ21	3,112,259	-
Indigent Psychiatric Outpatient Services	60.039	GHJ21	32,212	-
Adult Community Mental Health Community Support Services	60.053	GHJ21	5,210,371	25,000
Adult Community Mental Health Community Support Services	60 053	GHJ22	616,501	-
Children's Mental Health Emergency Stabilization	60 057	GHJ21	21,924	-
Community Forensic Beds	60.114	GHJ21	160,495	-
Total Florida Department of Children and Families			10,104,075	25,000
Pass-through:				
The Center for Drug Free Living - Anchor Program CRC Phase II	60.115	LHZ17	104,563	-
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 10,208,638</u>	
TOTAL SUBRECIPIENT PAYMENTS				<u>\$ 25,000</u>

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity of Lakeside Behavioral Healthcare, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and Chapter 10.650, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 2 - SUBRECIPIENTS

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes payments to subrecipients from federal or state programs during the year

See Report of Independent Certified Public Accountants
on Supplemental Information.



LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
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
Lakeside Behavioral Healthcare, Inc. and Affiliates
Orlando, Florida

We have audited the combined financial statements of Lakeside Behavioral Healthcare, Inc. and Affiliates (the "Organization") as of and for the year ended June 30, 2011, and have issued our report thereon dated October 24, 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 the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's combined 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 would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Board of Directors of
Lakeside Behavioral Healthcare, Inc. and Affiliates

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's combined 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 combined 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*.

This report is intended solely for the information and use of the Organization's Board of Directors, others within the entity, 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, reading "Moore Stephens Lovelace, P.A.", written in a cursive style.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
October 24, 2011



LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
DEPARTMENT OF FINANCIAL SERVICES STATE PROJECTS
COMPLIANCE SUPPLEMENT**

To the Board of Directors of
Lakeside Behavioral Healthcare, Inc. and Affiliates
Orlando, Florida

Compliance

We have audited Lakeside Behavioral Healthcare, Inc. and Affiliates' (the "Organization") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and the requirements described in the Department of Financial Services State Projects Compliance Supplement for the year ended June 30, 2011. The Organization's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, OMB Circular A-133, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2011.

To the Board of Directors of
Lakeside Behavioral Healthcare, Inc. and Affiliates

Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, 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.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
October 24, 2011

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2011

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified			
Internal control over financial reporting:				
Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	_____	Yes	<u> X </u>	None Reported
Noncompliance material to financial statements noted	_____	Yes	<u> X </u>	No

Federal Awards and State Projects

Internal control over major federal awards programs and state projects.				
Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	_____	Yes	<u> X </u>	None Reported
Type of auditor's report issued on compliance for major federal awards programs and state projects	Unqualified			
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a), or Chapter 10.650, Rules of the Auditor General	_____	Yes	<u> X </u>	No

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Year Ended June 30, 2011

SECTION I - SUMMARY OF AUDITOR'S RESULTS *(Continued)*

Federal Awards and State Projects *(Continued)*

Identification of major federal programs and major state projects:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Supportive Housing for Persons with Disabilities	14.181
Lakeside Primary and Behavioral Healthcare Integration, Project Hope, SHP Grant	93.243

State Projects

Children's Baker Act Services	60.001
Adult Community Mental Health Community Support Services	60.053

Dollar threshold used to distinguish between Type A and Type B programs for federal awards:	\$ 300,000
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Dollar threshold used to distinguish between Type A and Type B programs for state projects:	\$ 300,000
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Auditee qualified as low-risk auditee pursuant to OMB Circular A-133	<u> X </u> Yes	<u> </u> No
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SECTION II - FINANCIAL STATEMENT FINDINGS

Prior Year Comments: No findings were reported.

Current Year Comments: No findings were reported.

SECTION III - FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

Prior Year Comments: No findings were reported.

Current Year Comments: No findings were reported.