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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

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ 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)1800 MERCY DRIVE NO 302

Room/suite

City or town, state or country, and ZIP + 4
ORLANDO, FL 32808

F Name and address of principal officer
JOHN G KASSAB
1800 MERCY DRIVE NO 302
ORLANDO,FL 32808

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

D Employer identification number

59-2301233

E Telephone number

(407) 875-3700

G Gross receipts \$ 49,704,525

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ◀(insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.LAKESIDECARES.ORG

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ 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	16
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	16
Revenue	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	899
	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
	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	18,078,542	12,284
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	26,654,575	48,509,479
Expenses	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	607,700	503,205
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	565,834	629,319
	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	45,906,651	49,654,287
	14	Benefits paid to or for members (Part IX, column (A), line 4)	11,400	5,000
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	26,851,517	28,365,429
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶104,731	0	0
Net Assets or Fund Balances	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	16,183,611	17,023,346
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	43,046,528	45,393,775
	19	Revenue less expenses Subtract line 18 from line 12	2,860,123	4,260,512
			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	41,963,816	44,376,233
	21	Total liabilities (Part X, line 26)	20,156,832	19,694,466
	22	Net assets or fund balances Subtract line 21 from line 20	21,806,984	24,681,767

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

2013-03-15

Date

CARLA CAPONI CHIEF FINANCIAL OFFICER

Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ MELANIE A MCPEAK

Date

Check if self-employed ▶ ☐

Preparer's taxpayer identification number (see instructions)
P01346034

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ MOORE STEPHENS LOVELACE PA
1201 S ORLANDO AVENUE SUITE 400
WINTER PARK, FL 327897192

EIN ▶ 59-3070669
Phone no ▶ (407) 740-5400

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization's mission

THE 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 organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations 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 \$ 19,182,694 including grants of \$) (Revenue \$ 17,034,028)

INPATIENT PSYCHIATRIC SERVICES - 196 BEDS FOR ADULTS AND CHILDREN PROVIDING SHORT-TERM INPATIENT CRISIS. THE ADULT CRISIS STABILIZATION UNITS SEEK TO REDUCE THE NEED FOR PSYCHIATRIC HOSPITALIZATION AMONG THOSE PEOPLE EXHIBITING ACUTE MENTAL HEALTH DISORDERS BY PROVIDING INTENSIVE CHEMOTHERAPEUTIC STABILIZATION WITH ONGOING MEDICAL ASSESSMENT AND CARE, EDUCATION, TRAINING AND SOCIAL INTERACTIONS FOR MORE THAN 8,000 CLIENTS

4b

(Code) (Expenses \$ 4,302,162 including grants of \$) (Revenue \$ 60,013)

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 \$ 14,456,071 including grants of \$) (Revenue \$ 12,116,750)

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

(Code) (Expenses \$ 4,050,377 including grants of \$) (Revenue \$ 19,298,688)

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

4d

Other program services (Describe in Schedule O)

(Expenses \$ 4,050,377 including grants of \$) (Revenue \$ 19,298,688)

4e

















Total program service expenses

\$ 41,991,304

Form 990 (2011)

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> 	Yes	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? . . .		No
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> . . .		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> . . .		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> . . .		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> 		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> 		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> 		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> 		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 		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> 	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> 	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> 		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> 		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> 	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> 		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> 		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> 	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
14a	Did the organization maintain an office, employees, or agents outside of the United States? . . .		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i> . . .		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, Part II and IV.</i> . . .		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, Part III and IV.</i> . . .		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.</i>		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> . . .		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> . . .		No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements. 	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		No
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 questions 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 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	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	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>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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 <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a	69
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	899
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4a	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?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	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?	6a	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?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	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?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	13a	
b	Enter the aggregate 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 aggregate 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	16		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	16
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	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	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	Did the organization have local chapters, branches, or affiliates?	10a	No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete 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 the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did 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	15b	No
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	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 made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. 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, or 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ANDREW DAVIS CHAIRMAN	2.00	X		X				0	0	0
(2) J MICHAEL BONE PHD TREASURER	2.00	X		X				0	0	0
(3) TANIA HOOD BECKEL GRI SECRETARY	2.00	X		X				0	0	0
(4) SERENA E FRANK VICE CHAIR/ASST. SECRETARY	2.00	X		X				0	0	0
(5) STEPHEN T BALL ESQ DIRECTOR	2.00	X						0	0	0
(6) MARK CADY DIRECTOR	2.00	X						0	0	0
(7) LYN W CAPRAUN DIRECTOR	2.00	X						0	0	0
(8) DAVID CHRISTNER DIRECTOR	2.00	X						0	0	0
(9) JOE GALLAGHER DIRECTOR	2.00	X						0	0	0
(10) DAVID R HEFFERNAN DIRECTOR	2.00	X						0	0	0
(11) DR MIMI HULL DIRECTOR	2.00	X						0	0	0
(12) HORTENSE C JONES DIRECTOR	2.00	X						0	0	0
(13) ANNE MILLER DIRECTOR	2.00	X						0	0	0
(14) CARLOS MORELL DIRECTOR	2.00	X						0	0	0
(15) MARY PEREZ DIRECTOR	2.00	X						0	0	0
(16) MICHELLE WARD DIRECTOR	2.00	X						0	0	0
(17) LIN WILENSKY DIRECTOR	2.00	X						0	0	0

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) VICKI GARNER COO	36 00			X				132,484	0	25,320
(19) CARLA CAPONI CFO	36 00			X				104,951	0	24,111
(20) JOHN G KASSAB PRESIDENT/CEO	36 00			X				187,035	0	27,020
(21) JESSE TAN PHYSICIAN	40 00					X		327,195	0	26,507
(22) SANTIAGO DE LOS ANGELES PHYSICIAN	40 00					X		253,964	0	23,578
(23) FLORO PORCIUNCULA PHYSICIAN	40 00					X		250,400	0	10,016
(24) BAO DUONG PHYSICIAN	40 00					X		238,419	0	9,537
(25) RIFFAT QURESHI PHYSICIAN	40 00					X		235,557	0	9,422
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,730,005	0	155,511

2

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

8

		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 Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
CENTER FOR DRUG FREE LIVING 5029 NORTH LANE ORLANDO, FL 32808	SUBSTANCE ABUSE ASSESSMENT TEAM	436,574
MOHAMMAD Y BHAGHANI 8936 SOUTHERN BREEZE DRIVE ORLANDO, FL 32836	PHYSICIAN	427,050
SANJEEV SINGH MD 7512 DR PHILLIPS BLVD SUITE 50 ORLANDO, FL 32819	PHYSICIAN	409,080
CENTRAL FLORIDA GERIATRIC PO BOX 940578 MAITLAND, FL 32794	PHYSICIANS GROUP	218,470
TRI-COUNTY PSYCHIATRIC ASSOCIATES PO BOX 940578 MAITLAND, FL 32794	PHYSICIANS GROUP	212,090
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization		9

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 . . .	1a2,270					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f10,014					
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f						12,284
Program Service Revenue			Business Code					
	2a	CLIENT SERVICE FEES	62140045,731,286	45,731,286				
	b	HOSPITAL BED FEES	6214002,397,029	2,397,029				
	c	TRANSPORTATION	621400381,164	381,164				
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		48,509,479				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)						
				353,153			353,153	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties						
	6a	(i) Real		(ii) Personal				
		436,616						
		0						
		436,616						
	d	Net rental income or (loss)		436,616			436,616	
	7a	(i) Securities		(ii) Other				
		200,290						
		0		50,238				
		200,290		-50,238				
	d	Net gain or (loss)		150,052			150,052	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18						
	a							
	b	Less direct expenses						
	c	Net income or (loss) from fundraising events . .						
	9a	Gross income from gaming activities See Part IV, line 19						
	a							
	b	Less direct expenses						
	c	Net income or (loss) from gaming activities . .						
	10a	Gross sales of inventory, less returns and allowances						
	a							
	b	Less cost of goods sold						
	c	Net income or (loss) from sales of inventory . .						
Miscellaneous Revenue			Business Code					
11a	MISCELLEANOUS		900099141,702	141,702				
b	MANAGEMENT FEES		90009934,099			34,099		
c	AFFILIATE PASS-THROUGH		90009916,902			16,902		
d	All other revenue							
e	Total. Add lines 11a-11d		192,703					
12	Total revenue. See Instructions		49,654,287	48,651,181	0	990,822		

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	5,000	5,000		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	519,563	204,397	292,801	22,365
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	22,141,477	20,708,499	1,370,882	62,096
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	667,510	596,031	68,101	3,378
9	Other employee benefits	3,347,806	3,093,794	243,032	10,980
10	Payroll taxes	1,689,073	1,560,821	122,340	5,912
11	Fees for services (non-employees)				
a	Management				
b	Legal	103,806	10,036	93,770	
c	Accounting	74,881		74,881	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	3,748,100	3,642,107	105,993	
12	Advertising and promotion	18,237		18,237	
13	Office expenses	971,734	790,066	181,668	
14	Information technology				
15	Royalties				
16	Occupancy	2,705,939	2,484,014	221,925	
17	Travel	129,050	126,958	2,092	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	63,626	51,392	12,234	
20	Interest	568,992	533,829	35,163	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	1,230,349	1,154,244	76,105	
23	Insurance	544,202	493,607	50,595	
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 EXP	4,541,701	4,541,627	74	
b	FOOD SERVICES	1,335,490	1,324,456	11,034	
c	SUPPLIES	634,171	505,556	128,615	
d	EMPLOYEE EXPENSE	182,296	2,312	179,984	
e					
f	All other expenses	170,772	162,558	8,214	
25	Total functional expenses. Add lines 1 through 24f	45,393,775	41,991,304	3,297,740	104,731
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			4,157,076	1	1,976,623
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			4,638,082	4	5,543,519
	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)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			308,480	8	350,502
	9	Prepaid expenses and deferred charges			274,242	9	625,333
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	28,447,275			
	b	Less: accumulated depreciation	10b	12,738,868	16,269,690	10c	15,708,407
	11	Investments—publicly traded securities				11	
	12	Investments—other securities. See Part IV, line 11			15,143,587	12	18,978,328
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			1,172,659	15	1,193,521
16	Total assets. Add lines 1 through 15 (must equal line 34)			41,963,816	16	44,376,233	
Liabilities	17	Accounts payable and accrued expenses			3,120,180	17	2,944,612
	18	Grants payable				18	
	19	Deferred revenue			524,358	19	14,851
	20	Tax-exempt bond liabilities			14,340,000	20	13,680,000
	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			597,294	23	602,895
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D			1,575,000	25	2,452,108
	26	Total liabilities. Add lines 17 through 25			20,156,832	26	19,694,466
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			21,637,313	27	24,524,215
	28	Temporarily restricted net assets			169,671	28	157,552
	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			21,806,984	33	24,681,767
	34	Total liabilities and net assets/fund balances			41,963,816	34	44,376,233

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	49,654,287
2	Total expenses (must equal Part IX, column (A), line 25)	2	45,393,775
3	Revenue less expenses Subtract line 2 from line 1	3	4,260,512
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	21,806,984
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-1,385,729
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	24,681,767

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?	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

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

2011

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 **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 IRC 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	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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 2011 (line 6 column (f) divided by line 11 column (f))		14				
15 Public Support Percentage for 2010 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2011. 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—2010. 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—2011. 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—2010. 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 IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	172,058	177,468	350,234	35,441	12,284	747,485
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	39,108,622	41,334,478	44,689,758	44,697,676	48,509,479	218,340,013
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total. Add lines 1 through 5	39,280,680	41,511,946	45,039,992	44,733,117	48,521,763	219,087,498
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						0
bAmounts 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
cAdd lines 7a and 7b						0
8Public Support (Subtract line 7c from line 6)						219,087,498

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9Amounts from line 6	39,280,680	41,511,946	45,039,992	44,733,117	48,521,763	219,087,498
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	893,208	642,911	775,984	797,314	789,769	3,899,186
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
cAdd lines 10a and 10b	893,208	642,911	775,984	797,314	789,769	3,899,186
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)	229,817	74,948	114,207	138,764	192,703	750,439
13Total support (Add lines 9, 10c, 11 and 12)	40,403,705	42,229,805	45,930,183	45,669,195	49,504,235	223,737,123
14First 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						<input checked="" type="checkbox"/>

Section C. Computation of Public Support Percentage

15Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	97.920 %
16Public support percentage from 2010 Schedule A, Part III, line 15	16	97.710 %

Section D. Computation of Investment Income Percentage

17Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	1.740 %
18Investment income percentage from 2010 Schedule A, Part III, line 17	18	1.740 %

- 19a33 1/3% support tests—2011. 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.
- b33 1/3% support tests—2010. 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.
- 20Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions.

Part IV

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

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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?	
	<input type="checkbox"/> Yes <input type="checkbox"/> No	
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	
	<input type="checkbox"/> Yes <input type="checkbox"/> No	

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

1

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

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
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	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?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, 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

▶ \$ _____

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

	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

3a(i)

Yes

No

(ii)

related organizations

3a(ii)

b

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

3b

4

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

Part VI

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

Description of property	(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		22,211,330	10,585,088	11,626,242
c Leasehold improvements				
d Equipment		3,266,360	2,153,780	1,112,580
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				15,708,407

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	49,654,287
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	45,393,775
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	4,260,512
4	Net unrealized gains (losses) on investments	4	-357,729
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-1,028,000
9	Total adjustments (net) Add lines 4 - 8	9	-1,385,729
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	2,874,783

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	48,301,894
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-357,729
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	-1,028,000
e	Add lines 2a through 2d	2e	-1,385,729
3	Subtract line 2e from line 1	3	49,687,623
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	-33,336
c	Add lines 4a and 4b	4c	-33,336
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	49,654,287

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	45,427,111
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	33,336
e	Add lines 2a through 2d	2e	33,336
3	Subtract line 2e from line 1	3	45,393,775
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	45,393,775

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
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN FV OF INTEREST RATE SWAPS -1,028,000
PART XII, LINE 2D - OTHER ADJUSTMENTS		CHANGE IN FV OF INTEREST RATE SWAPS -1,028,000
PART XII, LINE 4B - OTHER ADJUSTMENTS		LOSS ON DISPOSAL OF ASSETS -50,238 AFFILIATE PASS-THROUGH INCOME 16,902
PART XIII, LINE 2D - OTHER ADJUSTMENTS		LOSS ON DISPOSAL OF ASSETS 50,238 AFFILIATE PASS-THOUGH INCOME -16,902

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
LAKESIDE BEHAVIORAL HEALTHCARE INC

Employer identification number
59-2301233

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual hospitals</div>			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____%</div> b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____%</div> c If the organization did 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 4 Did the organization's policy provide free or discounted care to the "medically indigent"?	3a	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	3b	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	4	Yes	
c	If "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?	5a		No
6a	Did the organization prepare a community benefit report during the tax year?	5b		
6b	If "Yes," did the organization make it available to the public?	5c		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	6a	Yes	
		6b	Yes	

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care 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 Charity care at cost (from Worksheet 1)			17,121,724	15,097,539	2,024,185	4 460 %
b Medicaid (from Worksheet 3, column a)			1,627,396	1,513,735	113,661	0 250 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			18,749,120	16,611,274	2,137,846	4 710 %
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 for community benefit (from Worksheet 8)						
j Total Other Benefits						
k Total. Add lines 7d and 7j			18,749,120	16,611,274	2,137,846	4 710 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(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
1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1		No
2Enter the amount of the organization's bad debt expense	2	9,944,499	
3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	9,944,499	
4Provide 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

5Enter total revenue received from Medicare (including DSH and IME)	5	4,023,700	
6Enter Medicare allowable costs of care relating to payments on line 5	6	3,366,221	
7Subtract line 6 from line 5. This is the surplus or (shortfall)	7	657,479	
8Describe 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

9aDid the organization have a written debt collection policy during the tax year?	9a	Yes	
9bIf "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	9b		No

Part IVManagement Companies and Joint Ventures (see instructions)

(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 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

Name and address

[illegible]

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

LAKESIDE BEHAVIORAL HEALTHCARE INC

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A):1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	No
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 150 0000000000000000% If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14		No
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input checked="" type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20	No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

Part V

Facility Information (continued)

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

(list in order of size 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		
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 descriptions 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, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health 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 5 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 J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

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
<div>1a</div> <div>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</div> <div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div>		
<div>1b</div> <div>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</div>		
<div>2</div> <div>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?</div>		
<div>3</div> <div>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</div> <div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div>		
<div>4</div> <div>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</div>		
<div>4a</div> <div>Receive a severance payment or change-of-control payment?</div>		No
<div>4b</div> <div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div>		No
<div>4c</div> <div>Participate in, or receive payment from, an equity-based compensation arrangement?</div>		No
<div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>		
<div></div> <div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div>		
<div>5</div> <div>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</div>		
<div>5a</div> <div>The organization?</div>		No
<div>5b</div> <div>Any related organization?</div>		No
<div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>		
<div>6</div> <div>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</div>		
<div>6a</div> <div>The organization?</div>		No
<div>6b</div> <div>Any related organization?</div>		No
<div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>		
<div>7</div> <div>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</div>		No
<div>8</div> <div>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</div>		No
<div>9</div> <div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div>		

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

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

[illegible]

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
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<div>Schedule K (Form 990)</div> <div>Department of the Treasury Internal Revenue Service</div>	<div>Supplemental Information on Tax Exempt Bonds</div> <div>▶ 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.</div>						OMB No 1545-0047					
							<div>2011</div>					
	Name of the organization LAKESIDE 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

1		Amount of bonds retired	A		B		C		D	
2		Amount of bonds 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	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
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?		X						
e	Was a hedge terminated?		X						
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?		X						
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 VProcedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations ☐ Yes ☒ No

Part VISupplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE K, PART I(F)	PURPOSE OF SERIES 2008 BONDS	PROCEEDS OF THE ISSUANCE WERE USED FOR THE DEFEASANCE OF 1995 BONDS, TO PAY OFF FINANCIAL INSTITUTION TERM LOANS, THE FUNDING OF CERTAIN CAPITAL PROJECTS, AND TO PAY CERTAIN COSTS OF ISSUANCE

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

2011

Open to Public Inspection

Name of the organization LAKESIDE BEHAVIORAL HEALTHCARE INC	Employer identification number 59-2301233
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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.
	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.
	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, PARTICIPATES IN AND UTILIZES A MENTAL HEALTH CORPORATIONS OF AMERICA SALARY SURVEY, AND REQUIRES APPROVAL BY THE BOARD OF DIRECTORS FOR ALL COMPENSATION DECISIONS.
	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.
AVERAGE HOURS PER WEEK	FORM 990, PART VII, COLUMN (B)	THE PRESIDENT/CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, AND EXECUTIVE VICE PRESIDENT OF OPERATIONS PROVIDE SERVICE FOR ALL RELATED ORGANIZATIONS. IN TOTAL, THEY WORK AN AVERAGE OF 40 HOURS PER WEEK FOR THEIR RESPECTIVE POSITIONS.
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -357,729. CHANGE IN FV OF INTEREST RATE SWAPS -1,028,000. TOTAL TO FORM 990, PART XI, LINE 5 -1,385,729.
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

2011

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)	LINE 11A, I	LAKESIDE BEHAVIORAL HEALTHCARE INC	Yes	
(2) LAKESIDE PLACE INC 1800 MERCY DRIVE SUITE 302 ORLANDO, FL 32808 59-3627035	PROVIDE HOUSING AND SERVICES TO LOW-INCOME PERSONS WITH DISABILITIES	FL	501(C)(3)	LINE 9	LAKESIDE BEHAVIORAL HEALTHCARE INC	Yes	

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

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 related organization(s)

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

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

j

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

k

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

l

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

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

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

r

Other transfer of cash or property from related 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

Yes

No

No

No

No

No

No

Yes

No

No

No

No

No

Yes

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) 2011

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

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

Years Ended June 30, 2012 and 2011

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MOORE STEPHENS
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, 2012 and 2011, 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, 2012 and 2011, 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 November 8, 2012 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
November 8, 2012

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

COMBINED BALANCE SHEETS

June 30, 2012 and 2011

ASSETS		2012	2011
CURRENT ASSETS			
Cash and cash equivalents	\$	2,037,320	\$ 4,208,144
Short-term investments		3,362,187	1,762,780
Current portion of assets whose use is limited		18,087	5,095
Accounts receivable, net		5,543,978	4,641,436
Pharmacy inventory		350,502	308,480
Other current assets		718,722	377,274
TOTAL CURRENT ASSETS		12,030,796	11,303,209
INVESTMENTS - DESIGNATED FOR CAPITAL REPLACEMENT		16,369,335	14,124,314
ASSETS WHOSE USE IS LIMITED		37,751	33,216
PROPERTY, BUILDINGS AND EQUIPMENT, NET		16,786,674	17,381,426
DEFERRED FINANCING COSTS, NET		161,768	172,552
OTHER ASSETS		65,063	64,818
TOTAL ASSETS	\$	45,451,387	\$ 43,079,535
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Current portion of long-term debt	\$	670,000	\$ 650,000
Accounts payable and accrued expenses		886,062	1,204,185
Accrued salaries and benefits		1,156,586	1,119,320
Accrued compensated absences		901,964	796,675
Resident security deposits		3,394	3,306
Deferred revenue		14,851	524,358
TOTAL CURRENT LIABILITIES		3,632,857	4,297,844
INTEREST RATE SWAP LIABILITY		1,853,000	825,000
RESERVE FOR THIRD-PARTY PAYOR SETTLEMENTS		599,108	750,000
LONG-TERM DEBT, NET OF CURRENT PORTION AND UNAMORTIZED DISCOUNT		13,612,895	14,287,294
TOTAL LIABILITIES		19,697,860	20,160,138
COMMITMENTS AND CONTINGENCIES			
NET ASSETS			
Unrestricted		24,233,675	21,387,426
Temporarily restricted		1,519,852	1,531,971
TOTAL NET ASSETS		25,753,527	22,919,397
TOTAL LIABILITIES AND NET ASSETS	\$	45,451,387	\$ 43,079,535

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, 2012 and 2011

	2012	2011
UNRESTRICTED REVENUES AND SUPPORT		
Net client service revenue	\$ 27,441,659	\$ 23,876,632
Grant and contract revenues	20,686,656	20,427,388
Rental and other income	1,029,736	1,006,560
Investment income	601,808	626,679
Contributions and donations	53,246	73,561
Net assets released from restriction	12,119	12,119
	<hr/>	<hr/>
TOTAL UNRESTRICTED REVENUES AND SUPPORT	49,825,224	46,022,939
EXPENSES		
Salaries	22,661,039	21,463,211
Employee benefits	5,704,389	5,388,307
Professional fees	3,932,846	3,945,406
Medical and pharmacy	4,758,058	4,324,924
Building occupancy	2,843,861	2,686,974
Food services	1,335,490	1,292,017
Depreciation and amortization	1,266,087	1,263,526
Operating supplies	1,048,283	900,976
Other	886,964	862,896
Interest	570,100	642,061
Insurance	551,612	497,932
	<hr/>	<hr/>
TOTAL EXPENSES	45,558,729	43,268,230
INCOME FROM OPERATIONS	4,266,495	2,754,709
OTHER GAINS (LOSSES)		
Change in fair value of interest rate swaps	(1,028,000)	234,000
Change in unrealized gain on investments	(392,246)	550,439
	<hr/>	<hr/>
TOTAL OTHER LOSSES	(1,420,246)	784,439
INCREASE IN UNRESTRICTED NET ASSETS	2,846,249	3,539,148
TEMPORARILY RESTRICTED NET ASSETS		
Net assets released from restrictions	(12,119)	(12,119)
	<hr/>	<hr/>
INCREASE IN NET ASSETS	2,834,130	3,527,029
NET ASSETS - BEGINNING OF YEAR	22,919,397	19,392,368
	<hr/>	<hr/>
NET ASSETS - END OF YEAR	\$ 25,753,527	\$ 22,919,397
	<hr/>	<hr/>

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, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 2,834,130	\$ 3,527,029
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,266,087	1,263,526
Change in fair value of interest rate swaps	1,028,000	(234,000)
Change in unrealized (gains) losses on investments	392,246	(550,439)
Loss on disposal of fixed assets	46,675	-
Changes in operating assets and liabilities:		
Accounts receivable	(902,542)	(2,759,312)
Resident security deposits, net	-	(15)
Pharmacy inventory	(42,022)	3,120
Other assets	(341,691)	267,428
Accounts payable and accrued expenses	(318,123)	(33,234)
Accrued salaries and benefits	37,266	541,507
Accrued compensated absences	105,289	46,675
Reserve for third-party payor settlements	(150,892)	-
Deferred revenue	(509,507)	(169,366)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,444,916	1,902,919
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in investments, net	(4,236,674)	(1,559,655)
Change in assets whose use is limited, net	(17,441)	969,450
Acquisition of property, buildings and equipment	(702,752)	(1,171,914)
NET CASH USED IN INVESTING ACTIVITIES	(4,956,867)	(1,762,119)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowings	(658,873)	(655,056)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,170,824)	(514,256)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,208,144	4,722,400
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,037,320</u>	<u>\$ 4,208,144</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, 2012 and 2011

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 separate Boards of Directors which include certain common 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 healthcare services that focus on individualized recovery. The Organization operated the following services in furtherance of its mission during the years ended June 30, 2012 and 2011:

- Assessment and screening services
- Medicare-certified specialty hospital unit
- Adult and children's crisis stabilization units (CSU)
- Short-term residential units
- Multi-level 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 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 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, 2012 and 2011 was approximately \$6,795,000 and \$6,455,000, 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 \$2,126,000 and \$1,328,000 from these donors during the fiscal years ended June 30, 2012 and 2011, 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 \$43,000 and \$32,000 at June 30, 2012 and 2011, respectively. Amortization expense relating to deferred financing costs amounted to approximately \$11,000 for each of the years ended June 30, 2012 and 2011.

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 \$4,324,000 and \$4,219,000 for the years ended June 30, 2012 and 2011, 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, 2012 and 2011.

Fundraising costs amounted to approximately \$23,000 and \$22,000 for the fiscal years ended June 30, 2012 and 2011, 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 \$15,000 and \$524,000 at June 30, 2012 and 2011, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**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, 2012, 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.

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, 2012 and 2011, is as follows:

<u>Designation Classification</u>	<u>2012</u>	<u>2011</u>
Unrestricted net assets – undesignated	\$ 7,731,667	\$ 7,139,583
Unrestricted net assets – designated for capital replacement	16,369,335	14,124,314
Unrestricted net assets – board designated	132,673	123,529
	<u>\$ 24,233,675</u>	<u>\$ 21,387,426</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 2011 financial statements to conform to the 2012 presentation. Such reclassifications had no effect on the change in net assets for the year ended June 30, 2011.

Subsequent Events

In preparing the combined financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 8, 2012, 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, 2012 and 2011 is presented in the following table:

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents		
Health insurance imprest reserve	\$ 14,693	\$ 1,787
Resident security deposits	3,394	3,308
HUD replacement reserves	<u>37,751</u>	<u>33,216</u>
Total assets whose use is limited	<u>\$ 55,838</u>	<u>\$ 38,311</u>

Market value approximates cost for these assets.

NOTE 4 - INVESTMENTS

The composition of investments at June 30, 2012 and 2011 is as follows:

	<u>2012</u>	
	<u>Fair Value</u>	<u>Cost</u>
Money market mutual funds	\$ 5,257,722	\$ 5,257,722
Certificates of deposit	1,563,257	1,561,972
Equities	3,250,505	2,904,227
Fixed income	9,320,144	9,297,596
Real estate	160,276	126,377
Tangible assets	<u>179,618</u>	<u>225,600</u>
	<u>19,731,522</u>	<u>\$ 19,373,494</u>
Less current portion	<u>(3,362,187)</u>	
Total long-term portion	<u>\$ 16,369,335</u>	

	<u>2011</u>	
	<u>Fair Value</u>	<u>Cost</u>
Money market mutual funds	\$ 1,842,063	\$ 1,842,063
Certificates of deposit	1,172,699	1,161,947
Equities	3,339,990	2,740,422
Fixed income	9,157,020	9,053,088
Real estate	130,794	113,700
Tangible assets	<u>244,528</u>	<u>225,600</u>
	<u>15,887,094</u>	<u>\$ 15,136,820</u>
Less current portion	<u>(1,762,780)</u>	
Total long-term portion	<u>\$ 14,124,314</u>	

The fair value of financial instruments is based upon three levels of valuation techniques. Level 1 valuation techniques use 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.

NOTE 4 - INVESTMENTS (Continued)

As of June 30, 2012 and 2011, equity and fixed income securities, exchange-traded certificates of deposit, and real estate and tangible asset mutual funds 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, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Interest income	\$ 375,604	\$ 391,063
Net realized gains/losses	<u>226,204</u>	<u>235,616</u>
	<u>\$ 601,808</u>	<u>\$ 626,679</u>

NOTE 5 - PROPERTY, BUILDINGS AND EQUIPMENT

Property, buildings and equipment are comprised of the following at June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Land	\$ 3,069,559	\$ 3,069,559
Buildings and improvements	23,458,624	22,749,084
Furniture and equipment	2,510,177	5,989,373
Vehicles	<u>799,994</u>	<u>1,072,972</u>
	29,838,354	32,880,988
Accumulated depreciation	<u>(13,051,680)</u>	<u>(15,659,391)</u>
	16,786,674	17,221,597
Construction in progress	<u>-</u>	<u>159,829</u>
Net property and equipment	<u>\$ 16,786,674</u>	<u>\$ 17,381,426</u>

Depreciation expense was approximately \$1,251,000 and \$1,248,000 for the years ended June 30, 2012 and 2011, respectively. Construction in progress consists primarily of costs associated with various unit renovations and other improvements (see Note 8). At June 30, 2012 and 2011, LBH had construction payables, including retainage, of approximately \$-0- and \$126,000, respectively, included in accounts payable and accrued expenses in the combined balance sheets.

During 2012, the Organization disposed of assets with a combined cost of approximately \$3,913,000 and accumulated depreciation of approximately \$3,866,000, resulting in a loss on disposal of approximately \$47,000, which is recorded in other expense in the combined statement of operations and changes in net assets. There were no disposals in the year ended June 30, 2011.

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 non-financial covenants, which include, among other things, that LBH maintain minimum debt service coverage and liquid assets to funded debt ratios. As of June 30, 2012, LBH is in compliance with its debt service coverage ratio and liquid assets to funded debt ratios.

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, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Series 2008 Bonds, variable rate (.70% and .55% at June 30, 2012, and 2011, respectively), with interest payable monthly, plus annual principal payments beginning in July 2009.	\$ 14,350,000	\$ 14,990,000
Vehicle and equipment loans	-	18,873
	<u>14,350,000</u>	<u>15,008,873</u>
Less current portion of long-term debt	(670,000)	(650,000)
Less unamortized bond discount	<u>(67,105)</u>	<u>(71,579)</u>
Total long-term debt	<u>\$ 13,612,895</u>	<u>\$ 14,287,294</u>

NOTE 6 - BORROWING ARRANGEMENTS (Continued)

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>
2013	\$ 670,000
2014	700,000
2015	730,000
2016	765,000
2017	795,000
Thereafter	10,690,000
Total	<u>\$ 14,350,000</u>

Cash paid for interest for the years ended June 30, 2012 and 2011, was approximately \$570,000 and \$643,000, respectively. There was no interest capitalized in connection with construction projects during the years ended June 30, 2012 and 2011.

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 \$7,102,500 and \$7,468,000 at June 30, 2012 and 2011, respectively. The fair value of the August Swap resulted in liabilities of approximately \$1,240,000 and \$787,000 at June 30, 2012 and 2011, 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 \$7,247,500 and \$7,523,000 at June 30, 2012 and 2011, respectively. The fair value of the December Swap resulted in liabilities of approximately \$613,000 and \$38,000 at June 30, 2012 and 2011, respectively.

LBH recorded liabilities of \$1,853,000 and \$825,000, representing the amount it would have to pay to terminate the swap agreements at June 30, 2012 and 2011, 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 (\$1,028,000) and \$234,000 for the years ended June 30, 2012 and 2011, respectively. As of June 30, 2012, the Organization is exposed to the risk of counterparty nonperformance in the amount of the Swap Agreements' 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, 2012 and 2011 by payor source.

Net client service revenue for the years ended June 30, 2012 and 2011 was comprised of the following:

	<u>2012</u>	<u>2011</u>
Medicaid	\$ 2,098,384	\$ 1,929,167
Medicare	7,442,026	6,713,433
Managed care	17,091,349	14,320,731
Clients and other third-party payors	809,900	913,301
	<u>\$ 27,441,659</u>	<u>\$ 23,876,632</u>

Grant and contract revenues for the years ended June 30, 2012 and 2011 were comprised of the following:

	<u>2012</u>	<u>2011</u>
Florida Department of Children and Families	\$ 11,483,842	\$ 11,465,885
Orange County	5,756,650	5,716,162
Others	3,446,164	3,245,341
	<u>\$ 20,686,656</u>	<u>\$ 20,427,388</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.

NOTE 8 - COMMITMENTS AND CONTINGENCIES *(Continued)*

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. Such 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 had been paid as of June 30, 2011. The improvement was completed during the year ended June 30, 2012 and no amounts remain payable as of June 30, 2012.

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 \$668,000 and \$541,000 for the years ended June 30, 2012 and 2011, 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.

Leases

The Organization has entered into a leasing arrangement with a third party to lease approximately 19,000 square feet of its facility at Mercy Drive. The lease was entered into in July 2008 and expires in June 2013. The lease calls for the payment of base rent, which increases 4% on each anniversary date. Base rent at inception was \$255,180, and the Organization recognized approximately \$287,000 and \$276,000 in rental income for the years ended June 30, 2012 and 2011, respectively.

NOTE 8 - COMMITMENTS AND CONTINGENCIES (Continued)**Leases (Continued)**

The Organization also has entered into a leasing arrangement with another third party to lease its facilities on West Kennedy Boulevard. The lease was entered into in September 2007 and expires in September 2017. The lease calls for the payment of base rent of \$114,491, which increases 3% on each anniversary date. In addition, an amendment calls for the payment of \$500 a month for parking. During the years ended June 30, 2012 and 2011, the Organization recorded approximately \$135,000 and \$130,000, respectively.

Minimum rents expected to be received during the next five years and thereafter are approximately:

Year Ending June 30,	Amount
2013	\$ 436,000
2014	142,000
2015	147,000
2016	152,000
2017	155,000
Thereafter	39,000
Total	\$ 1,071,000

NOTE 9 - FUNCTIONAL EXPENSES

Operating expenses for the years ended June 30, 2012 and 2011 are summarized on a functional basis, as follows:

	2012	2011
Program services		
Inpatient services	\$ 15,945,388	\$ 15,677,090
Outpatient services	8,041,899	7,488,476
Pharmacy	3,756,335	3,403,933
Crisis support emergency	3,720,861	3,508,779
Residential services	1,390,174	1,271,367
FACT	1,037,484	987,023
Other	1,197,818	853,995
Transportation	753,224	743,190
Total program services	35,843,183	33,933,853
Supporting services	6,148,124	6,128,689
Administrative services	3,435,804	2,980,986
Total LBH expenses	45,427,111	43,043,528
Foundation and Lakeside Place expenses	148,815	131,433
Eliminations	(17,197)	93,269
Total expenses	\$ 45,558,729	\$ 43,268,230



MOORE STEPHENS
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, 2012 and 2011, and have issued our report thereon dated November 8, 2012, 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 18 through 23, the program/cost center's actual revenues and expenses schedule appearing on pages 24 and 25, and the schedule of state earnings appearing on page 26, 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, 2012, appearing on pages 29 and 30 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.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
November 8, 2012

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

COMBINING BALANCE SHEETS

June 30, 2012

	Lakeside Behavioral Healthcare, Inc	Lakeside Behavioral Healthcare Foundation, Inc	Lakeside Place, Inc	Eliminations	Combined
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,976,623	\$ 60,497	\$ 200	\$ -	\$ 2,037,320
Short-term investments	3,274,689	87,498	-	-	3,362,187
Current portion of assets whose use is limited	14,693	-	3,394	-	18,087
Accounts receivable, net	5,543,519	-	459	-	5,543,978
Pharmacy inventory	350,502	-	-	-	350,502
Other current assets	<u>718,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>718,722</u>
TOTAL CURRENT ASSETS	11,878,748	147,995	4,053	-	12,030,796
INVESTMENTS - DESIGNATED FOR CAPITAL REPLACEMENT	15,703,639	665,696	-	-	16,369,335
ASSETS WHOSE USE IS LIMITED	-	-	37,751	-	37,751
DUE FROM AFFILIATES	46,058	-	-	(46,058)	-
INTEREST IN NET ASSETS OF FOUNDATION	813,550	-	-	(813,550)	-
PROPERTY, BUILDINGS AND EQUIPMENT, NET	15,708,407	-	1,078,267	-	16,786,674
DEFERRED FINANCING COSTS, NET	161,768	-	-	-	161,768
OTHER ASSETS	<u>64,063</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>65,063</u>
TOTAL ASSETS	<u>\$44,376,233</u>	<u>\$ 813,691</u>	<u>\$ 1,121,071</u>	<u>\$ (859,608)</u>	<u>\$45,451,387</u>
LIABILITIES AND NET ASSETS (DEFICIT)					
CURRENT LIABILITIES					
Current portion of long-term debt	\$ 670,000	\$ -	\$ -	\$ -	\$ 670,000
Accounts payable and accrued expenses	886,062	-	-	-	886,062
Accrued salaries and benefits	1,156,586	-	-	-	1,156,586
Accrued compensated absences	901,964	-	-	-	901,964
Resident security deposits	-	-	3,394	-	3,394
Deferred revenue	<u>14,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,851</u>
TOTAL CURRENT LIABILITIES	3,629,463	-	3,394	-	3,632,857
INTEREST RATE SWAP LIABILITY	1,853,000	-	-	-	1,853,000
RESERVE FOR THIRD-PARTY PAYOR SETTLEMENTS	599,108	-	-	-	599,108
DUE TO AFFILIATES	-	141	45,917	(46,058)	-
LONG-TERM DEBT, NET OF CURRENT PORTION AND UNAMORTIZED DISCOUNT	<u>13,612,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,612,895</u>
TOTAL LIABILITIES	19,694,466	141	49,311	(46,058)	19,697,860
COMMITMENTS AND CONTINGENCIES					
NET ASSETS (DEFICIT)					
Unrestricted	24,524,215	813,550	(290,540)	(813,550)	24,233,675
Temporarily restricted	<u>157,552</u>	<u>-</u>	<u>1,362,300</u>	<u>-</u>	<u>1,519,852</u>
TOTAL NET ASSETS (DEFICIT)	<u>24,681,767</u>	<u>813,550</u>	<u>1,071,760</u>	<u>(813,550)</u>	<u>25,753,527</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$44,376,233</u>	<u>\$ 813,691</u>	<u>\$ 1,121,071</u>	<u>\$ (859,608)</u>	<u>\$45,451,387</u>

See Report of Independent Certified Public Accountants
on Supplemental Information.

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

COMBINING BALANCE SHEETS (Continued)

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	\$ 41,963,816	\$ 797,465	\$ 1,149,724	\$ (831,470)	\$ 43,079,535
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 THIRD-PARTY PAYOR 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)	\$ 41,963,816	\$ 797,465	\$ 1,149,724	\$ (831,470)	\$ 43,079,535

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, 2012

	Lakeside Behavioral Healthcare, Inc.	Lakeside Behavioral Healthcare Foundation, Inc.	Lakeside Place, Inc	Eliminations	Combined
UNRESTRICTED REVENUES AND SUPPORT					
Net client service revenue	\$ 27,441,659	\$ -	\$ -	\$ -	\$ 27,441,659
Grant and contract revenues	20,686,656	-	-	-	20,686,656
Rental and other income	993,581	-	70,254	(34,099)	1,029,736
Investment income	553,443	48,349	16	-	601,808
Contributions and donations	24,403	40,962	-	-	65,365
TOTAL UNRESTRICTED REVENUES AND SUPPORT	49,699,742	89,311	70,270	(34,099)	49,825,224
EXPENSES					
Salaries	22,661,039	-	-	-	22,661,039
Employee benefits	5,704,389	-	-	-	5,704,389
Professional fees	3,926,788	-	17,221	(11,163)	3,932,846
Medical and pharmacy	4,758,058	-	-	-	4,758,058
Building occupancy	2,818,803	-	47,994	(22,936)	2,843,861
Food services	1,335,490	-	-	-	1,335,490
Depreciation and amortization	1,230,349	-	35,738	-	1,266,087
Operating supplies	1,048,283	-	-	-	1,048,283
Other	847,620	37,892	1,452	-	886,964
Interest	568,992	-	1,108	-	570,100
Insurance	544,202	-	7,410	-	551,612
Change in net assets of Foundation	(16,902)	-	-	16,902	-
TOTAL EXPENSES	45,427,111	37,892	110,923	(17,197)	45,558,729
NET INCOME (LOSS) FROM OPERATIONS	4,272,631	51,419	(40,653)	(16,902)	4,266,495
OTHER GAINS (LOSSES)					
Change in fair value of interest rate swaps	(1,028,000)	-	-	-	(1,028,000)
Change in unrealized gain on investments	(357,729)	(34,517)	-	-	(392,246)
TOTAL OTHER GAINS (LOSSES)	(1,385,729)	(34,517)	-	-	(1,420,246)
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	2,886,902	16,902	(40,653)	(16,902)	2,846,249
NET ASSETS RELEASED FROM RESTRICTIONS	(12,119)	-	-	-	(12,119)
INCREASE (DECREASE) IN NET ASSETS	2,874,783	16,902	(40,653)	(16,902)	2,834,130
NET ASSETS - BEGINNING OF YEAR	21,806,984	796,648	1,112,413	(796,648)	22,919,397
NET ASSETS - END OF YEAR	\$ 24,681,767	\$ 813,550	\$ 1,071,760	\$ (813,550)	\$ 25,753,527

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, 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
Investment income	604,700	21,962	17,000	-	626,679
Contributions and donations	35,441	50,239	-	-	85,680
TOTAL UNRESTRICTED REVENUES AND SUPPORT	45,903,651	72,201	66,120	(19,033)	46,022,939
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	-
TOTAL EXPENSES	43,043,528	35,837	95,596	93,269	43,268,230
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 swap	234,000	-	-	-	234,000
Change in unrealized gain on investments	474,501	75,938	-	-	550,439
TOTAL OTHER GAINS (LOSSES)	708,501	75,938	-	-	784,439
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	3,568,624	112,302	(29,476)	(112,302)	3,539,148
TEMPORARILY RESTRICTED CONTRIBUTIONS	(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	\$ 21,806,984	\$ 796,648	\$ 1,112,413	\$ (796,648)	\$ 22,919,397

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, 2012

	Lakeside Behavioral Healthcare, Inc	Lakeside Behavioral Healthcare Foundation, Inc	Lakeside Place, Inc	Eliminations	Combined
CASH FLOWS FROM OPERATING ACTIVITIES					
Increase (decrease) in net assets	\$ 2,874,783	\$ 16,902	\$ (40,653)	\$ (16,902)	\$ 2,834,130
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities					
Depreciation and amortization	1,230,349	-	35,738	-	1,266,087
Change in fair value of interest rate swaps	1,028,000	-	-	-	1,028,000
Change in unrealized (gains) losses on investments	357,729	34,517	-	-	392,246
Loss on disposal of fixed assets	46,675	-	-	-	46,675
Changes in operating assets and liabilities:					
Accounts receivable	(905,437)	3,187	(292)	-	(902,542)
Pharmacy inventory	(42,022)	-	-	-	(42,022)
Amounts due from (to) affiliates	(11,236)	(676)	11,912	-	-
Other assets	(341,693)	-	2	-	(341,691)
Accounts payable and accrued expenses	(318,123)	-	-	-	(318,123)
Accrued salaries and benefits	37,266	-	-	-	37,266
Accrued compensated absences	105,289	-	-	-	105,289
Reserve for third-party payor settlements	(150,892)	-	-	-	(150,892)
Deferred revenues	(509,507)	-	-	-	(509,507)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,401,181	53,930	6,707	(16,902)	3,444,916
CASH FLOWS FROM INVESTING ACTIVITIES					
Change in investments, net	(4,209,372)	(44,204)	-	16,902	(4,236,674)
Change in assets whose use is limited, net	(12,906)	-	(4,535)	-	(17,441)
Acquisition of property, buildings and equipment	(700,483)	-	(2,269)	-	(702,752)
NET CASH USED IN INVESTING ACTIVITIES	(4,922,761)	(44,204)	(6,804)	16,902	(4,956,867)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments of borrowings	(658,873)	-	-	-	(658,873)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,180,453)	9,726	(97)	-	(2,170,824)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	4,157,076	50,771	297	-	4,208,144
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,976,623	\$ 60,497	\$ 200	\$ -	\$ 2,037,320

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, 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 (used in) 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) losses 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 (USED IN) 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) PROVIDED BY INVESTING ACTIVITIES	(1,758,130)	(118,233)	1,942	112,302	(1,762,119)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments of borrowings	(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	4,590,286	131,288	826	-	4,722,400
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,157,076	\$ 50,771	\$ 297	\$ -	\$ 4,208,144

See Report of Independent Certified Public Accountants
on Supplemental Information.

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

AGENCY: Lakeview Behavioral Healthcare, Inc

CONTRACT # GHJ21 and GHJ22 PERIOD FROM: 07/01/11 TO: 06/30/12

PART I: ACTUAL FUNDING SOURCES & REVENUES

FUNDING SOURCES & REVENUES	STATE-DESIGNATED SAMH COST CENTERS															Total Funding (F+G)
	STATE SAMH-FUNDED COST CENTERS															
	STATE-DESIGNATED SAMH COST CENTERS															
	A	B ₁₋₃	B ₃₋₅	B ₅₋₆	FACT Incidental Funds	CCST	Medical Svs.	Short Term Residential	Room & Board Level II	Room & Board Level III	Total for State SAMH-Funded Cost Centers (C ₁₋₁₁ +C ₁₂)	E	F	G	H	
IA. TOTAL STATE SAMH FUNDING																
(1) From the District Funding this contract	\$ 1,217,396	\$ 2,197,652	\$ 984,275	\$ 945,600	\$ 76,901	\$ 1,209,260	\$ 1,076,392	\$ 2,655,780	\$ 415,884	\$ 599,575	\$ 11,079,955	\$ -	\$ 11,079,955	\$ -	-	\$ 11,079,955
Other District Contract Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2) IDP - Line of Credit	-	-	-	-	-	-	404,747	-	-	-	404,747	-	404,747	-	-	404,747
IB. OTHER GOVT. FUNDING																
(1) Other State Agency Funding	-	-	-	-	-	-	-	-	-	-	-	16,277	16,277	-	-	16,277
(2) Medicaid	5,972	-	100	-	600	142,362	112,208	-	-	-	261,242	1,728,357	1,989,599	(311)	-	1,989,288
(3) Local Government	1,978,765	1,163,040	-	-	-	-	6,988	1,988,273	-	-	5,135,486	342,134	5,478,620	148,294	-	5,626,914
(4) Federal Grants and Contracts	-	-	-	-	-	13,341	-	-	-	5,159	21,500	454,455	485,955	605,398	-	1,082,393
(5) In-kind from local govt only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT. OTHER GOVT. FUNDING =	1,984,757	1,163,040	100	-	600	155,703	119,596	1,988,273	-	8,159	5,419,229	2,551,263	7,970,491	754,381	-	8,724,872
IC. ALL OTHER REVENUES																
(1) 1st & 2nd Party Payments	4,675	4,452	4,525	-	-	12,359	53,458	19,300	52,745	133,252	284,784	223,565	308,349	-	-	508,349
(2) 3rd Party Payments (except Medicare)	49,331	937,985	1,487,286	2,783	-	259,029	903,571	799,321	-	-	4,439,356	7,275,134	11,714,450	6,211,868	-	17,926,358
(3) Medicare	(15)	-	-	6	-	-	57,234	-	-	-	57,225	2,016,841	2,073,866	4,559,363	-	7,030,259
(4) Contributions and Donations	-	-	-	-	-	1,000	-	-	-	3,774	4,774	3,240	8,014	16,369	-	24,403
(5) Other	-	2,145,423	-	-	-	-	-	248,600	-	29	2,397,058	17,261	2,414,319	1,587,340	-	4,001,659
(6) In-kind	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT. ALL OTHER REVENUES =	54,041	3,090,876	1,491,812	2,789	-	272,395	1,014,263	1,067,221	52,745	137,055	7,183,197	9,535,841	16,719,038	12,771,960	-	29,491,023
TOTAL PROJECTED FUNDING = \$ 3,255,194 \$ 8,451,568 \$ 2,178,187 \$ 845,389 \$ 76,901 \$ 1,637,655 \$ 2,613,998 \$ 5,712,274 \$ 468,609 \$ 744,789 \$ 24,085,267 \$ 12,037,104 \$ 36,173,371 \$ 13,528,371 \$ - \$ 48,699,742																

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

AGENCY: Lakeside Behavioral Healthcare, Inc.

CONTRACT # GH121 and GH122

PERIOD FROM: 7/1/2011 TO: 6/30/2012

PART II: ACTUAL EXPENSES

STATE-DESIGNATED SAMH COST CENTERS																		
STATE SAMH-FUNDED COST CENTERS																		
EXPENSE CATEGORIES	STATE-DESIGNATED SAMH COST CENTERS																	
	A	B _{1,1}	B _{1,2}	B _{1,3}	B _{1,4}	B _{1,5}	B _{1,6}	B _{1,7}	B _{1,8}	B _{1,9}	B _{1,10}	B _{1,11}	B _{1,12}	B _{1,13}	B _{1,14}	B _{1,15}	B _{1,16}	
	Crisis Support / Emer.	CSU	CCSU	FACT	FACT	Incidental Funds	CCST	Medical Sys	Short Term Residential	Room & Board Level II	Room & Board Level III	Total for State SAMH-Funded Cost Centers	Total for Non-State-Funded SAMH Cost Centers	Tot. for All State-Designated SAMH Cost Centers	Non-SAMH Cost Center	Other Support Costs (Optional)	Admini- stration	Total Expenses
*except IIC & IID																		
IIA. PERSONNEL EXPENSES																		
(1) Salaries	\$ 2,231,266	\$ 2,428,491	\$ 887,272	\$ 706,988	\$ -	\$ 903,706	\$ 1,285,255	\$ 2,480,534	\$ 237,718	\$ 189,698	\$ 11,910,978	\$ 2,350,702	\$ 13,661,680	\$ 3,132,205	\$ 4,090,113	\$ 1,777,041	\$ 22,061,039	
(2) Fringe Benefits	587,225	559,224	203,896	135,872	-	257,274	218,381	582,168	72,821	58,158	2,708,019	595,576	3,302,595	821,315	1,175,025	405,454	5,704,389	
TOTAL PERSONNEL EXPENSES =	2,818,521	3,017,715	1,071,168	842,870	-	1,160,980	1,503,646	3,062,702	310,539	228,656	14,619,997	2,947,278	16,964,275	3,953,520	5,265,138	2,182,485	28,365,425	
IIB. OTHER EXPENSES																		
(1) Building Occupancy	212,534	470,206	144,441	65,480	-	208,017	113,323	364,803	161,810	332,177	2,102,591	355,720	2,450,311	780,500	588,916	221,925	4,046,152	
(2) Professional Services	2,535	96,129	27,679	90	-	25,000	44,800	111,510	-	255	207,798	1,937,482	2,245,290	879,164	74,516	274,845	3,573,615	
(3) Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(4) Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(5) Food Services	83,196	357,001	67,304	914	-	1,399	173	414,945	25,588	57	951,417	52,087	1,003,484	385,061	(44,089)	11,034	1,335,490	
(6) Medical and Pharmacy	52,515	354,180	46,615	-	-	15,808	1,621	442,403	484,868	1,028	1,391,010	2,033,718	4,224,728	528,855	4,361	74	4,758,058	
(7) Subcontracted Services	353,173	-	-	-	-	-	-	-	-	-	353,173	-	-	-	-	-	353,173	
(8) Insurance	57,421	65,084	20,431	16,050	-	21,080	33,559	68,374	7,524	5,819	295,342	84,988	380,340	113,267	-	50,595	544,202	
(9) Interest Paid	36,156	86,724	28,930	9,114	-	40,905	22,557	75,523	14,417	47,822	384,178	61,651	425,829	108,900	-	35,163	568,982	
(10) Operating Supplies & Expenses	82,151	44,581	10,867	21,954	-	15,760	25,043	36,004	17,190	5,158	258,718	56,514	315,232	175,951	306,578	250,622	1,048,283	
(11) Other	12,717	18,881	3,101	4,112	61,093	50,823	1,714	13,177	4,620	6,532	174,755	53,906	228,081	240,101	82,326	280,230	830,718	
(12) Donated Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL OTHER EXPENSES =	902,338	1,492,776	346,388	117,714	76,901	384,810	683,372	1,578,904	232,977	389,982	6,198,822	5,435,488	11,634,448	3,290,939	1,072,008	1,124,288	17,061,853	
TOT. PERSONNEL & OTX. EXP. =	3,720,859	4,510,491	1,420,556	960,584	76,901	1,525,590	2,189,018	4,641,606	543,516	528,848	20,215,979	8,382,744	28,598,723	7,244,459	5,277,146	3,306,783	45,427,111	
IIC. DISTRIBUTED INDIRECT COSTS																		
(a) Other Support Costs (Optional)	581,301	932,980	315,899	156,842	-	314,795	368,046	505,420	111,690	220,933	3,899,688	903,399	4,803,287	1,344,437	(5,277,146)	129,022.00	-	
(b) Administration	340,808	415,411	168,519	95,203	-	132,672	217,119	421,245	44,033	34,515	1,887,928	619,186	2,487,114	949,691	-	(3,435,805)	-	
TOT. DISTRICT INDIRECT COSTS =	921,509	1,348,371	482,418	254,045	-	447,467	575,167	1,326,665	155,723	255,448	5,787,616	1,522,585	7,290,401	2,293,528	(5,277,146)	(3,306,783)	-	
TOTAL PROJECTED OPER. EXPENSES =	\$ 4,842,768	\$ 5,858,862	\$ 1,902,984	\$ 1,214,629	\$ 76,901	\$ 1,973,057	\$ 2,764,185	\$ 5,969,274	\$ 699,539	\$ 562,296	\$ 25,993,765	\$ 9,905,929	\$ 35,889,124	\$ 9,537,987	\$ -	\$ -	\$ 45,427,111	
IIE. TOTAL SAMH LINES OF CREDIT EQUIVALENT =																		
TOT. ALLOWABLE PROJECT OPERATING EXP.																		
Excluding SAMH Credit Equivalent = \$ 4,842,768 \$ 5,858,862 \$ 1,902,984 \$ 1,214,629 \$ 76,901 \$ 1,973,057 \$ 2,764,185 \$ 5,969,274 \$ 699,539 \$ 562,296 \$ 25,993,765 \$ 9,905,329 \$ 35,889,124 \$ 9,537,987 \$ - \$ - \$ 45,427,111																		

See Report of Independent Certified Public Accountants
on Supplemental Information

LAKE SIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

SCHEDULE OF STATE EARNINGS

Year Ended June 30, 2012

1	Total Expenditures	\$ 45,427,111
2	Less Other State and Federal Funds	(3,502,705)
3	Less Non-Match SAMH Funds	(4,831,750)
4	Less Unallowable Costs (65E-14, F.A.C.)	(9,833,317)
5	Less Unallowable Patient Fees	<u>-</u>
6	Net Allowable Expenditures (Sum of lines 1, 2, 3, 4, and 5)	<u>\$ 27,259,339</u>
7	Maximum Available Earnings (Line 6 times 75%)	\$ 20,444,504
8	Amount of State Funds Requiring Match	<u>(6,289,202)</u>
9	Excess Match	<u>\$ 14,155,302</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, 2012

Program	Cost Center	State Contracted Rate	Total Units of Service Provided	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	2,628	4,668	\$ 684,278	\$ 1,445,400	\$ -
Adult MH	Crisis Stabilization Unit	\$ 293.74	20,808	13,583	7,225	\$ 1,832,065	\$ 2,122,272	\$ -
Adult MH	Short-Term Residential Treatment	\$ 253.33	21,540	9,831	11,709	\$ 2,604,129	\$ 2,966,241	\$ -
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, 2012

	Related Party	Allocation of Related-Party Transactions Adjustment State-Designated Cost Centers			
		1	2	3	TOTAL
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, 2012

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Contract / Grant Number	Federal Expenditures Recognized
FEDERAL AWARDS			
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	32,373
Pass-through, City of Orlando			
Community development block grant - CDBG	14.218	B-10-MC-12-0015	8,159
Homeless Services Network of Central Florida, Inc.			
SHP Grant	14.235	FL0083B411070800	147,894
SHP Grant Permanent Housing	14.235	FL0330B4H070900	18,996
Subtotal			<u>166,890</u>
Total U.S. Department of Housing and Urban Development			1,569,722
U.S. Department of Justice			
Pass-through, Orange County, Florida			
DJMH Collaboration	16.745	2010 MO BX 0025	86,185
STOP Violence Against Women Formula Program	16.588	N/A	21,698
Total U.S. Department of Justice			<u>107,883</u>
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	13,341
Total U.S. Department of Education Rehabilitation Services Administration			<u>13,341</u>
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	99,880
Florida Department of Children and Families			
Projects for Assistance in Transition from Homelessness	93.150	GHJ21	452,226
Lakeside Primary and Behavioral Healthcare Integration	93.243	5H79SM059716-02	480,587
Pass-through: Homeless Services Network of Central Florida, Inc.			
Project Hope	93.243	1593213827A1	20,630
Grand Avenue Economic Community Development Corp.			
Project Pathlight	93.243	1HM795M059094-01	81,490
Subtotal			<u>582,707</u>
Florida Department of Children and Families			
Orange County Healthy Start	93.994	COSDR	113,534
Block Grants For Community Mental Health	93.958	GHJ21/GHJ22	492,957
Total U.S. Department of Health and Human Services			<u>1,741,304</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 3,432,250</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, 2012

State Grantor/Pass-Through Grantor Program or Cluster Title	State CSFA Number	Contract / Grant Number	State Expenditures Recognized	Transfer To Subrecipient
STATE PROJECTS				
Florida Department of Children and Families				
Children's Baker Act Services	60.001	GHJ21	\$ 950,310	\$ -
Baker Act	60.006	GHJ21	3,112,260	-
Indigent Psychiatric Outpatient Services	60.039	GHJ21	32,212	-
Community Forensic Beds	60.114	GHJ21	139,813	-
Total Florida Department of Children and Families			<u>4,234,595</u>	<u>-</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 4,234,595</u>	<u>\$ -</u>

NOTE - 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.

See Report of Independent Certified Public Accountants
on Supplemental Information.



MOORE STEPHENS
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, 2012, and have issued our report thereon dated November 8, 2012. 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.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
November 8, 2012



MOORE STEPHENS
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
CHAPTER 10.650 RULES OF THE AUDITOR GENERAL**

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

Compliance

We have audited the compliance of Lakeside Behavioral Healthcare, Inc. and Affiliates (the "Organization") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2012. 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*; and Chapter 10.650, Rules of the Auditor General. 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, 2012.

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
November 8, 2012

LAKESIDE BEHAVIORAL HEALTHCARE, INC. AND AFFILIATES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2012

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 Financial Assistance

Internal control over major federal 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 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 10.656, 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, 2012

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/CSFA Number(s)</u>
Supportive Housing for Persons with Disabilities	14.181
Projects for Assistance in Transition from Homelessness	93.150

State Projects

Baker Act	60.006
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Dollar threshold used to distinguish between Type A and
Type B programs for federal awards:

\$ 300,000

Dollar threshold used to distinguish between Type A and
Type B programs for state projects.

\$ 300,000

Auditee qualified as low-risk auditee pursuant to
OMB Circular A-133?

 X Yes No

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.

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 \$	4,050,377	including grants of \$) (Revenue \$	19,298,688)
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					