

**LIFESTREAM BEHAVIORAL CENTER, INC.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
JUNE 30, 2010

TABLE OF CONTENTS

	Page
Audited Financial Statements:	
Independent Auditor's Report.....	1
Consolidated Statements of Financial Position.....	3
Consolidated Statements of Activities	5
Consolidated Statements of Changes in Net Assets	7
Consolidated Statements of Cash Flows.....	8
Notes To Consolidated Financial Statements	9
 Supplementary Information:	
Program/Cost Center Actual Expenses and Revenues Schedule.....	25
Consolidating Statement of Activities - Hospital Only and all Other Cost Centers.....	35
Consolidated Schedule of State Earnings for Alcohol, Drug Abuse and Mental Health Services.....	37
Schedule of Bed-Day Availability Payments	38
Schedule of School Readiness and VPK Expenditures	39
Schedule of Related Party Transaction Adjustments.....	40
 Other Reports and Schedules:	
Schedule of Expenditures of Federal Awards and State Financial Assistance - LifeStream Behavioral Center, Inc.....	41

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
JUNE 30, 2010

TABLE OF CONTENTS

Other Reports and Schedules (Continued):

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance - LifeStream Behavioral Center, Inc.	43
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i> - LifeStream Behavioral Center, Inc.	44
Independent Auditor’s Report on Compliance With Requirements Applicable to Each Major Federal Program and State Project and on Internal Control Over Compliance in Accordance With OMB Circular A-133 - LifeStream Behavioral Center, Inc.	46
Schedule of Findings and Questioned Costs - LifeStream Behavioral Center, Inc.	48
Management Letter - LifeStream Behavioral Center, Inc.	50

CLERMONT OFFICE

Jerry D. Brown, C.P.A.

Herbert John Greenlee, Jr. C.P.A.

Suzanne M. Brownlee, C.P.A.

GREENLEE
KURRAS
RICE &
BROWN, PA
CERTIFIED PUBLIC
ACCOUNTANTS

MOUNT DORA OFFICE

John S. Rice, C.P.A.

Patricia A. Sykes-Amos, C.P.A.

C. L. (Chip) Garner, C.P.A.

Dorothy A. Kurras, C.P.A.

Keire Rice Hosley, C.P.A.

David A. Donoffio, C.P.A.

Deborah R. Mullins, C.P.A.

Allan L. Silbernagel, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
LifeStream Behavioral Center, Inc.
Leesburg, Florida

We have audited the accompanying consolidated statements of financial position of LifeStream Behavioral Center, Inc. and Subsidiaries, (the Center) as of June 30, 2010 and 2009, and the related statements of activities, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of LifeStream Behavioral Center, Inc. and Subsidiaries, as of June 30, 2010 and 2009, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2010, on our consideration of LifeStream Behavioral Center, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with

Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic consolidated financial statements of LifeStream Behavioral Center, Inc. and Subsidiaries, taken as a whole. The supplementary information, schedule of federal and state awards, and other schedules as listed in the table of contents are presented for purposes of additional analysis or as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, or the State of Florida Department of Children and Families, and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Greenlee, Kurras, Rice & Brown, P.A.

Mount Dora, Florida
October 26, 2010

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

ASSETS	2010	2009
Current Assets:		
Cash and cash equivalents	\$ 5,099,169	\$ 4,739,667
Investments	2,040,009	1,684,237
Accounts receivable from patients, less contractual allowances and allowances for uncollectible accounts of approximately \$5,383,419 in 2010 and \$5,499,512 in 2009	2,217,004	1,881,811
Public support receivables	1,413,756	1,726,329
Estimated third-party settlement receivable	240,829	372,706
Prepaid expenses and other current assets	356,022	416,050
Total current assets	11,366,789	10,820,800
Restricted Deposits:		
Restricted deposits - HUD project	58,607	46,832
Property and Equipment, net	17,120,169	16,935,025
Other Assets:		
Intangible assets, net	218,637	234,873
Total other assets	218,637	234,873
Total Assets	\$ 28,764,202	\$ 28,037,530

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

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

LIABILITIES AND NET ASSETS

	<u>2010</u>	<u>2009</u>
Current Liabilities:		
Current maturities of long-term debt	\$ 494,291	\$ 476,349
Accounts payable	2,044,189	2,159,197
Accrued salaries and other current liabilities	1,451,377	1,845,482
Total current liabilities	<u>3,989,857</u>	<u>4,481,028</u>
Other Liabilities:		
Long-term debt, less current maturities	9,086,594	9,579,861
Deferred payment loan	106,000	120,000
Interest rate swap liability	1,187,463	930,682
Total other liabilities	<u>10,380,057</u>	<u>10,630,543</u>
Total liabilities	<u>14,369,914</u>	<u>15,111,571</u>
Net Assets:		
Unrestricted	14,030,068	12,770,214
Temporarily restricted	32,287	52,571
Permanently restricted	331,933	103,174
Total net assets	<u>14,394,288</u>	<u>12,925,959</u>
Total Liabilities and Net Assets	<u><u>\$ 28,764,202</u></u>	<u><u>\$ 28,037,530</u></u>

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

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Public Support and Revenue:		
Public Support:		
Federal Grants	\$ 11,326,310	\$ 10,301,701
State grants	10,821,087	12,532,330
Local grants	5,580,404	10,033,069
	<u>27,727,801</u>	<u>32,867,100</u>
Other public contributions and in-kind support	4,781,166	3,905,567
Total public support	<u>32,508,967</u>	<u>36,772,667</u>
Revenue:		
Net patient service revenue	16,564,882	14,628,243
Rent revenue - HUD project	44,114	46,804
Interest	79,229	102,913
Other revenue	306,113	393,166
Total revenue	<u>16,994,338</u>	<u>15,171,126</u>
	<u>49,503,305</u>	<u>51,943,793</u>
Expenses:		
Direct Program Services:		
Assessment	73,403	117,222
Case management	1,490,735	1,385,811
Crisis stabilization	1,511,563	1,818,981
Day programs	889,697	1,080,712
Residential detox	965,493	981,805
Crisis support/emergency	865,545	593,078
FACT	1,187,840	1,205,627
Inpatient	6,484,465	7,136,894
Intervention	176,437	186,728
In-home and on-site	1,215,033	1,267,244
Medical services	3,402,141	2,834,527
Outpatient treatment	1,409,998	1,322,210
Prevention	178,453	85,055

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

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Expenses (Continued):		
Direct Program Services (Continued):		
Residential level 2	\$ 3,139,199	\$ 2,741,815
Residential level 3	201,356	230,626
Residential level 4	115,228	97,215
Short term residential	192	263,749
SIPP	6,144	675,082
Supported housing	66,179	42,447
TASC	368,975	364,280
Therapeutic group home	808,657	912,890
Lake Academy	3,432,687	3,477,893
KCI programs	2,011,464	3,681,868
Youth & family recovery	177,738	163,307
School Readiness	12,274,050	12,221,479
Other Non ADM Program	...	340,495
Anthony House	19,227	...
Lake Region Homes	109,896	134,108
Total direct program services	<u>42,581,795</u>	<u>45,363,148</u>
Support Services:		
Administrative and general	2,724,938	3,955,805
Hospital administrative	1,090,615	1,088,256
Other support services	1,577,754	26,557
Total support services	<u>5,393,307</u>	<u>5,070,618</u>
Fund Raising:		
Foundation events and awards	<u>73,611</u>	<u>134,836</u>
Total Expenses	<u>48,048,713</u>	<u>50,568,602</u>
Change in Unrestricted Net Assets	<u>\$ 1,454,592</u>	<u>\$ 1,375,191</u>

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

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Unrestricted Net Assets, Beginning of Year	\$ 12,770,214	\$ 11,791,120
Change in Unrestricted Net Assets	1,454,592	1,375,191
Other:		
Change in fair value of interest rate swap liability	(256,781)	(415,787)
Reclassifications	<u>62,043</u>	<u>19,690</u>
Unrestricted Net Assets, End of Year	<u>\$ 14,030,068</u>	<u>\$ 12,770,214</u>
Temporarily Restricted Net Assets		
Beginning of year	\$ 52,571	\$ 57,978
Contributions	41,759	...
Reclassifications	<u>(62,043)</u>	<u>(5,407)</u>
Temporarily Restricted Net Assets, End of Year	<u>\$ 32,287</u>	<u>\$ 52,571</u>
Permanently Restricted Net Assets:		
Beginning of year	\$ 103,174	\$ 117,457
Contributions	228,759	...
Reclassifications	<u>...</u>	<u>(14,283)</u>
Permanently Restricted Net Assets, End of Year	<u>\$ 331,933</u>	<u>\$ 103,174</u>

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

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Cash Flows From Operating Activities:		
Change in net assets	\$ 1,454,592	\$ 1,375,191
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,145,664	1,166,620
Provision for bad debts	(116,093)	(350,491)
Forgiveness of deferred payment loan	(14,000)	(14,000)
Changes in:		
Accounts receivable from patients	(219,100)	(423,363)
Public support receivables	312,573	(389,226)
Prepaid expenses and other current assets	106,905	368,092
Accounts payable	(104,638)	7,758
Estimated third-party settlement payable	...	(20,778)
Accrued salaries and other current liabilities	(393,575)	95,181
Net cash provided by operating activities	<u>2,172,328</u>	<u>1,814,984</u>
Cash Flows From Investing Activities:		
Purchases of property and equipment	(1,047,171)	(1,522,493)
Disposal of property and equipment	3,112	6,043
Decrease in assets whose use is limited for debt service	...	62,156
Restricted deposits - HUD project	(11,775)	(25,974)
Net investment sale (purchase)	(270,772)	692,395
Net cash (used) in investing activities	<u>(1,326,606)</u>	<u>(787,873)</u>
Cash Flows From Financing Activities:		
Repayment of debt	(486,220)	(467,282)
Net cash (used) in financing activities	<u>(486,220)</u>	<u>(467,282)</u>
Net Increase in Cash and Cash Equivalents	359,502	559,829
Cash and Cash Equivalents at Beginning of Year	<u>4,739,667</u>	<u>4,179,838</u>
Cash and Cash Equivalents at End of Year	<u>\$ 5,099,169</u>	<u>\$ 4,739,667</u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ 557,758</u>	<u>\$ 592,464</u>

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

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

1. Reporting Entity and Related Organizations

Organization and Purpose - Lake/Sumter Community Mental Health Center, Inc. was formed to provide comprehensive alcohol, drug abuse and mental health services to the residents of Lake and Sumter Counties. Effective November 1, 1993, the name was changed to LifeStream Behavioral Center, Inc. (the Center). The Center provides acute inpatient psychiatric and substance abuse care in its hospital facilities and a comprehensive array of residential, case management, psychiatric and therapy services throughout Lake and Sumter Counties. It also provides Child Welfare/Protective Services case management and crisis response services in Lake County, as well as administrative services for subsidized voluntary Pre-K and Early Learning/Children's Day Care services in Lake County. The Center is a not-for-profit corporation licensed by the State of Florida and has accreditation through CARF.

The accompanying consolidated financial statements include the assets, liabilities, net assets and financial activities of three related entities: Lake Region Homes, Inc. (LRH), LifeStream Behavioral Center Foundation, Inc., and Anthony House, Inc.

LRH, a nonprofit corporation, was established for the purpose of constructing and operating a living facility used exclusively for clients of the Center. The facility was constructed from the proceeds of a Department of Housing and Urban Development (HUD) Section 202 mortgage and is subsidized from HUD Section 8 housing allowances.

LifeStream Behavioral Center Foundation, Inc. (the Foundation) was established in 1989. The Foundation is a not-for-profit corporation and was formed for the purpose of providing additional funds for the Center's facilities and services. Certain members of the Board of Directors of the Center also serve on the Board of the Foundation.

Anthony House, Inc. is a not-for-profit corporation and was formed for the purpose of providing shelter and rehabilitative services for the homeless. Anthony House, Inc. was acquired by Lifestream Behavioral Center, Inc. on June 9, 2010.

Basis of Accounting - These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The combined financial statements present the financial position, activities, and cash flows of the Center, Foundation, LRH, and Anthony House. Significant interorganizational transactions and balances between the entities have been eliminated.

In June 2009, the Financial Accounting Standards Board (FASB) issued an accounting standard that established the Accounting Standards Codification (ASC) to become the single source of

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

authoritative accounting principles. Lifestream has adopted this standard (ASC 105) as of fiscal year-end June 30, 2010. The standard had no impact on Lifestream's results of operations, financial position, or liquidity.

The costs related to the administration of the Center's programs are summarized in the consolidated statements of activities. Personnel and operating expenses that are associated with a specific program are charged directly to that program. Personnel and operating expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided. Administrative expenses and depreciation represent indirect costs of administering these programs.

Financial Statement Presentation - The Center presents its financial statements under Accounting Standards Codification (ASC) 958-205. The Center is required to report information regarding its financial position and activities according to three classes of net assets as follows:

- *Unrestricted Net Assets*: Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.
- *Temporarily Restricted Net Assets*: Net assets whose use by the Center is subject to donor imposed stipulations that can be fulfilled by actions of the Center pursuant to those stipulations or that expire by the passage of time.
- *Permanently Restricted Net Assets*: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Center. Generally, the donors of these assets permit the Center to use all or part of the investment return on these assets. Such assets primarily include the Foundation's permanent endowment funds and Anthony House's restricted land.

Revenues are reported as increases in unrestricted net assets unless they are restricted by donor-imposed stipulations. Expenses are generally reported as decreases in unrestricted net assets. Satisfaction of donor-imposed stipulations that simultaneously increase unrestricted net assets and decrease temporarily restricted assets are reported as reclassifications. Temporarily restricted revenue received and expended during the same fiscal year is recorded as unrestricted revenue and expense in the statement of activities.

2. Summary of Significant Accounting Policies

Use of Estimates - The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents include all investments purchased with an original maturity of ninety days or less which have virtually no risk of loss of value of the principal amount of the investments.

Investments - Investments include U.S. Treasury securities and brokerage money market carried at fair value of \$2,040,009 and \$1,684,237 at June 30, 2010 and 2009. Gains and losses on such investments are recognized as increases or decreases in unrestricted net assets when earned.

Restricted Deposits - Under regulatory agreement, LRH is required to set aside amounts for the replacement of property and other LRH expenditures approved by HUD. HUD-restricted deposits, which were \$27,893 and \$23,455 at June 30, 2010 and 2009, respectively, are held in separate accounts and generally are not available for operating purposes. The Center and LRH also hold restricted security deposits of \$29,426 and \$21,297, respectively.

Intangible Assets - Intangible assets consist of costs associated with obtaining certificates of need and loan costs that have been capitalized and are being amortized by the straight-line method over the terms of either 10 to 40 years or the related notes payable. Accumulated amortization amounted to \$164,066 and \$144,714 at June 30, 2010 and 2009, respectively.

Property and Equipment - Property and equipment are recorded at cost. Donated property and equipment are recorded at their estimated market value on the date of contribution. Expenditures which equal or exceed \$500 that materially increase values, change capacities, or extend useful lives are capitalized, as are interest costs during the period of construction for such expenditures.

Interest Rate Swap - The Center has adopted ASC 815-10, Derivatives and Hedging. This codification establishes accounting and reporting standards requiring that derivative instruments be recorded at fair value and included in the statement of financial position as assets or liabilities. The Center uses interest rate swaps to manage risks related to interest rate movements. Interest rate swap contracts are reported at fair value.

Public Support - Public support revenue from government grants is recorded based upon the terms of the grantor allotment, which generally provides that revenue is earned when the allowable costs of the specific grant provisions have been incurred or the performance of services rendered. Such revenue is subject to audit by the grantor and, if the examination results in a deficiency of allowable expenses, the Center will be required to refund any deficiencies. Management is of the opinion that all monies recognized as public support have been earned as of June 30, 2010 and 2009. These amounts are reflected as unrestricted as the amounts are received and expended in the same year.

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

Net Patient Service Revenue - Net patient service revenue is reported at the net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Patient service revenue for private pay services is recorded on a sliding fee scale. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

In-Kind Contributions - Revenues from in-kind contributions (primarily donated facilities and donated prescription drugs) are recognized as received based on the fair market value of the contribution. When a specified value is not stated in a lease agreement, the office rental rate schedule published by the State of Florida Department of General Services is used. The fair market value of donated facilities was \$88,400 and \$88,400, for the years ended June 30, 2010 and 2009, respectively. The fair market value of donated prescription drugs was \$4,287,282 and \$3,738,238 for the years ended June 30, 2010 and 2009, respectively.

Charity Care - The Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Center does not pursue collection of amounts determined to qualify as charity care, it is not reported as revenue. Unreimbursed charity care provided is excluded from gross patient service revenue. Such unreimbursed charges amounted to \$2,537,002 and \$2,223,718 for the years ended June 30, 2010 and 2009, respectively.

Income Taxes - The Center, The Foundation, LRH, and Anthony House were organized as not-for-profit organizations described under Section 501(c)(3) of the Internal Revenue Code and are exempt from Federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements.

Advertising Costs - Advertising costs are expensed when incurred.

Subsequent Events - The Center has evaluated subsequent events through October 26, 2010, the date the financial statements were issued.

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 JUNE 30, 2010

3. Property and Equipment

Property and equipment consist of the following:

	<u>2010</u>	<u>2009</u>
Land and improvements	\$ 1,518,308	\$ 1,299,667
Building and improvements	20,367,460	19,088,235
Furniture and equipment	<u>6,559,312</u>	<u>6,739,980</u>
	28,445,080	27,127,882
Less accumulated depreciation	<u>(11,324,911)</u>	<u>(10,192,857)</u>
Net property and equipment	<u>\$ 17,120,169</u>	<u>\$ 16,935,025</u>

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Depreciation expense, including depreciation of assets under capital leases, was \$1,145,664 and \$1,166,620 for the years ended June 30, 2010 and 2009, respectively. Estimated useful lives of property and equipment range as follows:

Building and improvements	3 - 40 years
Furniture and equipment	3 - 20 years

Certain fixed assets of the Center were purchased with Federal, state and local government support. As a result, if such assets are disposed, the granting agency that participated in the funding of the purchase has a contractual right to participate in the proceeds from the disposition. The historical cost and net book value of all such assets are recorded at June 30, 2010 as \$839,453 and \$327,740 respectively and the historical cost and net book value of all such assets recorded at June 30, 2009 was \$1,293,975 and \$548,630, respectively.

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

4. Investments

The investments are presented in the financial statements at fair value using level 1 fair value measures (quoted prices in active markets). At June 30, 2010 and 2009, investments consisted of the following:

	<u>2010</u>	<u>2009</u>
Money Markets	\$ 498,377	\$ 31,324
Mutual Funds	197,808	94,788
U.S. Treasury Obligations	1,343,824	1,558,125
Total	<u>\$ 2,040,009</u>	<u>\$ 1,684,237</u>

Investment return consisted of the following:

Interest & dividends	\$ 49,727	\$ 123,613
Realized & unrealized gains (losses)	44,451	157,957
Total	<u>\$ 94,178</u>	<u>\$ 281,570</u>

5. Endowment Funds

The Foundation's endowment consists of 5 donor-restricted funds, all but one of which are permanently restricted. As required by GAAP (ASC 958-10), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions, considering the laws of the state for endowment management.

Changes in Endowment Net Assets for the year ended June 30, 2010

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted net Assets</u>	<u>Total</u>
Endowment on July 1, 2009	76,209	52,571	103,174	231,954
Interest Income	...	...	5,679	5,679

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

Net gains (losses) on investments	...	...	13,040	13,040
Contributions	30,290	41,759	...	72,049
Expenditures	(11,568)	(62,043)	...	(73,611)
Endowment on June 30, 2010	94,931	32,287	121,893	249,111

Changes in Endowment Net Assets
For the year ended June 30, 2009

	Unrestricted Net <u>Assets</u>	Temporarily Restricted Net <u>Assets</u>	Permanently Restricted net <u>Assets</u>	<u>Total</u>
Endowment on July 1, 2008	65,245	94,953	117,457	277,655
Interest Income	...	...	3,906	3,906
Net gains (losses) on investments	...	...	(18,189)	(18,189)
Contributions	78,240	25,178	...	103,418
Expenditures	(67,276)	(67,560)	...	(134,836)
Endowment on June 30, 2009	76,209	52,571	103,174	231,954

6. Accounts Receivable

Accounts receivable consisted of the following:

	<u>2010</u>	<u>2009</u>
Patient Accounts Receivable	\$ 7,600,423	\$ 7,381,323
Allowance for Bad Debt	<u>(5,383,419)</u>	<u>(5,499,512)</u>
Net	<u>\$ 2,217,004</u>	<u>\$ 1,881,811</u>

Allowance for bad debt is estimated using the historical average of uncollectible accounts by program and prior knowledge and experience.

7. Long-term Debt

Long-term debt consists of the following:

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

	<u>2010</u>	<u>2009</u>
Mortgage note payable collateralized by property, payable in monthly installments of \$3,477, including interest at a fixed rate of 5.65%, through August 2009	\$. . .	\$ 6,717
Mortgage note payable, collateralized by hospital and administrative buildings and equipment, payable in varying monthly installments, including interest at 63.7% of 30-day LIBOR plus 1.335%, through December 2010	1,691,377	1,850,813
Mortgage note payable, collateralized by various properties and equipment, payable in monthly installments of \$5,654, including interest at a fixed rate of 7.125%, through May 2012	120,988	177,848
Mortgage note payable to HUD, collateralized by property and equipment with a net book value of approximately \$210,653, payable in monthly installments of \$2,824, including interest at a fixed rate of 9.25%, through May 2030	307,921	313,041
Mortgage note payable, collateralized by hospital and administrative buildings and equipment, payable in varying monthly installments, including interest at 63.7% of 30-day LIBOR plus 1.355%, through July 2028	6,585,880	6,806,999
Mortgage note payable, collateralized by Main Street property, payable in monthly installments of \$6,871, including interest at a fixed rate of 6.25%, through February 2014	<u>874,679</u>	<u>900,792</u>
Total long-term debt	9,580,845	10,056,210
Less current portion	<u>494,251</u>	<u>476,349</u>
Long-term portion	<u>\$ 9,086,594</u>	<u>\$ 9,579,861</u>

Scheduled maturities on long-term debt are as follows:

2011	494,251
2012	513,503

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

2013	477,131
2014	500,889
Thereafter	<u>7,595,071</u>
	<u>\$ 9,580,845</u>

Interest expense for the years ended June 30, 2010 and 2009 was \$557,758 and \$592,464, respectively.

Debt Covenants - The loan agreements relating to the variable rate, 7% and 7.125% mortgages payable to a bank, contain various restrictive covenants related to maintenance of minimum tangible net worth, incurring additional debt, fixed charge ratios, and filing of required documents with the bank.

8. Interest Rate Swap Agreement

The Center used variable-rate debt to finance the construction of the Hospital. The debt obligations expose the Center to variability in interest payments due to changes in interest rates. Management believes it is prudent to limit the variability of its interest payments. To meet this objective, management entered into interest rate swap agreements to manage fluctuation in cash flows resulting from interest rate risk. These swaps changed the variable-rate cash flows exposure on the debt obligations to fixed-cash flows. Under the terms of the interest rate swaps, the Center receives variable interest rate payments and makes fixed interest payments, thereby creating the equivalent of fixed-rate debt.

By using a derivative financial instrument to hedge its exposure to changes in interest rates, the Center exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Center, which creates credit risk for the Center. When the fair value of a derivative contract is negative, the Center owes the counterparty and, therefore, it does not possess credit risk. The Center minimizes the credit risk in derivative instruments by entering into transactions with high-quality counterparties.

Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest-rate contracts is managed by establishing the monitoring parameters that limit the types and degree of market risk that may be undertaken.

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

On August 20, 2007, the Center entered into a \$7,000,000 U.S. Dollar Rate Swap Transaction with an effective date of January 1, 2008, and a termination date of July 1, 2028. The swap was executed with the purpose of fixing the rate on the bonds issued by the City of Tavares, FL (See Note 6). Under the terms of the agreement, the Center pays a fixed rate of 4.84% to Bank of America on a monthly basis and, in return, Bank of America pays the Center 63.7% of the monthly LIBOR rate plus 1.15%. At June 30, 2010 and 2009, the swap contract had a notional amount of \$6,585,880 and \$6,806,999, respectively. The difference between interest earned and the interest obligation accrued is received or paid the first day of each month and is recorded as interest expense.

On December 29, 2003, the Center entered into a \$2,600,000 U.S. Dollar Rate Swap Transaction with an effective date of December 29, 2003, and a termination date of December 29, 2010. Under the terms of the agreement, the Center pays a fixed rate of 3.185% to Bank of America on a monthly basis and, in return, Bank of America pays the Center 63.7% of the monthly LIBOR rate plus 1.335%. At June 30, 2010 and 2009, the swap contract had a notional amount of \$1,677,852 and \$1,837,288, respectively. The difference between interest earned and the interest obligation accrued is received or paid the first day of each month and is recorded as interest expense.

9. Deferred Payment Loan

In December 2001, the Center entered into an agreement with the Sumter County Board of County Commissioners (the County) under the County's "Sumter County State Housing Initiative Partnership (SHIP) Program." Under the SHIP Program, the Center received \$200,000 through a deferred payment loan. This loan has no required principal payments and does not accrue interest, as long as the Center continues to comply with the conditions set by the County, which primarily state that the property purchased with the loan continues to be used in accordance with the SHIP Program requirements. In addition, the principal of the loan will be forgiven at the rate of 7% each year beginning in 2004, provided the aforementioned conditions continue to be met. At June 30, 2010, in compliance with program requirements, the Center reduced outstanding principal by \$14,000, which reduces the deferred payment loan to an outstanding balance of \$106,000.

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

10. Net Patient Service Revenue

Revenue and Deductions - Gross patient service revenue is recorded on the accrual basis in the period in which services are provided, at the Center's established rates, except for patient service revenue for private pay patients, which is recorded on a sliding fee scale. Contractual adjustments are recorded as deductions from gross patient service revenue to determine net patient service revenue. Net patient service revenue for the years ended June 30, 2010 and 2009 consist of the following:

	<u>2010</u>	<u>2009</u>
Gross patient service revenue	\$ 47,595,263	\$ 46,030,837
Less provisions for contractual	<u>(31,030,381)</u>	<u>(31,402,594)</u>
Net patient service revenue	<u>\$ 16,564,882</u>	<u>\$ 14,628,243</u>

The Center contracts with the Department of Children and Families (DCF) for the provision of mental health and substance abuse services for children and adults on an availability basis and on a per unit basis, as defined in the contract. The gross patient service revenue for patients who receive program benefits under this DCF grant is reflected as gross revenue with corresponding deductions/write-offs necessary to adjust this amount to net realizable value.

Medicare and Medicaid - The Medicare program pays the Center for inpatient services on the "Prospective Payment System," subject to certain limitations. The Medicare and Medicaid programs reimburse the Center on a per visit basis for outpatient and certain inpatient services (SIPP). Medicare and Medicaid patient service revenue as a percentage of gross patient service revenue approximates 18% and 20% for the years ended June 30, 2010 and 2009, respectively.

Final determination of amounts earned pursuant to the Medicare and Medicaid programs is subject to review by appropriate governmental authorities or their agents. Cost reports through the year ended June 30, 2007, have been audited and final settlement has been determined. The cost reports for the year ended 2008 have not been audited. The provisions for cost report settlements for 2008 are based on management's estimates of allowable costs and fee schedules. In the opinion of management, adequate provision has been made for any adjustments that may result from such reviews. Cost reports for 2009 are submitted to fiscal intermediaries for informational purposes only.

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

11. Retirement Plan

The Center sponsors a defined contribution retirement plan covering substantially all employees, which is based on attainment of age 21 and the completion of one year of service. The Center's contribution to the Plan is at the Board's sole discretion and was approximately \$649,853 and \$650,137 for the years ended June 30, 2010 and 2009, respectively.

12. Compensated Absences

Each permanent full time employee earns paid time off based on tenure. Benefit amounts are as follows:

<u>Time of Service</u>	<u>PTO Hrs. Earned/ Pay Period</u>	<u>Equivalent Hours/Year</u>
0-36 months	7.21 hours	187.46 hours
37-72 months	8.65 hours	224.90 hours
73-120 months	10.10 hours	262.60 hours
121 - up months	11.92 hours	309.92 hours

13. Related Party Balances and Transactions

The Center purchased supplies from a vendor with a relationship to a board member. The transactions were consummated at arm's length. The Center purchased \$172,959 worth of supplies and furniture and as of year-end owed \$18,853 to the vendor.

14. Commitments and Contingencies

Litigation - Management is aware of litigation claims or actions pending against the Center arising out of the ordinary course of business; however, these claims are within the professional liability policy limits. Therefore, no accrual for possible losses attributable to these incidents has been made.

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

15. Concentration of Credit Risk

The Center grants credit without collateral to its patients. Most are local residents and are insured under third-party payor agreements. The Center has not experienced significant losses related to receivables from individual payors or groups of payors. Due to these factors, management believes no additional credit risk beyond amounts provided for collection losses is inherent in the Center's patient accounts receivable.

The Center maintains cash balances with various financial institutions. Demand deposit and money market accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2010, the Center's uninsured cash balances totaled \$3,276,514.

16. Leases

The Center leases outpatient facilities and parking space under operating leases. Rental expense for the years ended June 30, 2010 and 2009 was \$295,790 and \$358,439, respectively. Future minimum lease payments under these leases are provided below:

Schedule of Minimum Lease Payments
Years Ended June 30

2011	234,381
2012	66,688
2013	66,688
2014	66,688
2015	38,182

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

17. Summary Information Relating to Financially Interrelated Entities

Summary financial information of Lake Region Homes, Inc. and LifeStream Behavioral Foundation, Inc., which has been included in these consolidated financial statements, is shown below. Inter-entity transactions have not been eliminated from this summary data.

	<u>2010</u>	<u>2009</u>
Lake Region Homes, Inc.		
Total assets	\$ <u>206,828</u>	\$ <u>189,546</u>
Total liabilities	856,758	821,481
Unrestricted net assets (deficit)	<u>(649,930)</u>	<u>(631,935)</u>
Total liabilities and net assets	\$ <u>206,828</u>	\$ <u>189,546</u>
Total revenue	\$ 91,901	\$ 80,220
Total expenses	<u>109,896</u>	<u>134,109</u>
Changes in net assets	<u>\$ (17,995)</u>	<u>\$ (53,889)</u>
	<u>2010</u>	<u>2009</u>
LifeStream Behavioral Foundation, Inc.		
Total assets	\$ <u>249,111</u>	\$ <u>231,955</u>
Unrestricted net assets	94,931	76,210
Temporarily restricted net assets	32,287	52,571
Permanently restricted net assets	<u>121,893</u>	<u>103,174</u>
Total net assets	\$ <u>249,111</u>	\$ <u>231,955</u>
Total revenue	\$ 90,767	\$ 117,705
Total expenses	<u>73,611</u>	<u>134,836</u>
Changes in net assets	<u>\$ 17,156</u>	<u>\$ (17,131)</u>

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

	<u>2010</u>
Anthony House, Inc.	
Total assets	<u>\$ 547,254</u>
Total liabilities	163,972
Unrestricted net assets	173,212
Permanently restricted net assets	<u>210,070</u>
Total liabilities and net assets	<u>\$ 547,253</u>
Total revenue	\$ (4,587)
Total expenses	<u>19,227</u>
Change in net assets	<u>\$ (23,814)</u>

18. Dependency on Government Support

The Center receives a substantial amount of support from Federal, state and local government agencies. A reduction in the level of future Federal, state or local support could have a substantial effect on the Center's programs and activities. The Center is aware of two large grants that they will not be receiving in the future, Kids Central and Early Learning.

19. Contingencies

In 1997, the Agency for Health Care Administration (AHCA) began an initiative to provide mental health services for Medicaid recipients in a managed care environment. In order to assure that the providers of the services were appropriately licensed, AHCA and the Florida Legislature settled on a prepaid limited health services model. After obtaining a federal waiver, AHCA entered into a prepaid capitated contract with North Florida Behavioral Health Partners (NFBHP) for AHCA Area 3, effective January 1, 2007. NFBHP is owned in part by North Florida Behavioral Health Network, of which LifeStream Behavioral Health Center, Inc. and by Value Options, Inc. LifeStream concurrently entered into a contract with NFBHP to provide these mental health services in the Lake and Sumter County service area.

LIFESTREAM BEHAVIORAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010

The contracts AHCA has signed with NFBHP provide the rates paid, which are determined by the appropriate AHCA actuaries, and those rates include all costs incurred in administering and delivering the services required.

In August 2010, the Florida Department of Revenue (FDOR) indicated to NFBHP that it owed 1.75% premium tax on all premiums by AHCA to NFBHP for the period January 1, 2007 to June 30, 2010. That total liability was \$1,846,294, of which Lifestream's portion would be \$332,235. Effective July 2, 2010, AHCA started paying the 1.75% tax to NFBHP and NFBHP is holding this amount, pending clarification of whether the tax is, in fact, owed.

When the Legislation passed enabling AHCA to contract with agencies such as NFBHP, it did not focus on the statute that required the premium tax be paid since the State is not required to pay taxes. AHCA never included the costs associated with the premium tax as part of the rate calculation. Had they done so, the money would have been appropriated to AHCA to include this tax in the rate calculations, which in turn would have been paid to the NFBHP and then paid back to the State.

We believe when this issue is presented to the Legislature, the appropriate amendment will be enacted and this situation will be corrected at no cost to the NFBHP. If the Legislature fails to do so, AHCA will have to honor its prior contracts and pay the back taxes to NFBHP who will forward them to the FDOR. Management believes at this time this is a contingent liability, which will not become a liability of the Center.

LIFESTREAM BEHAVIORAL CENTER, INC.
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
YEAR ENDED JUNE 30, 2010

	<u>Comp Assessment</u>	<u>Case Management</u>	<u>Crisis Stabilization</u>	<u>Emergency Services</u>	<u>Day Treatment</u>	<u>Inpatient</u>	<u>Intervention</u>	<u>Youth and Family Recovery</u>	<u>In Home and On Site</u>
<u>FUNDING SOURCES AND REVENUES:</u>									
STATE ADM FUNDING									
Adult Mental Health	\$...	\$ 219,062	\$ 937,807	\$ 691,546	\$ 155,412	\$...	\$...	\$...	\$...
Adult Mental Health - IDP	...	...	65,677	...	...	...	...	...	...
Adult Mental Health - TANF	...	...	...	...	...	...	...	...	...
Adult Mental Health - FACT	...	...	...	...	...	...	...	...	...
Adult Mental Health - FACT Med & Housing	...	...	...	...	...	...	...	...	...
Adult Mental Health - Haitian Relief	...	3,223	...	...	...	...	695	...	4,982
Adult Substance Abuse	...	106,245	...	47,168	...	...	...	...	...
Adult Substance Abuse - TANF	...	...	...	...	...	...	...	...	...
Children's Mental Health	...	...	331,302	1,000	...	...	...	...	34,378
Children's Mental Health - TANF	...	...	...	...	...	...	...	...	...
Children's Mental Health - KCI - Protective Services	...	...	...	...	...	...	...	...	...
Children's Substance Abuse	...	...	...	208,792	...	...	209,868	247,432	...
CBMAC	...	...	...	...	...	...	...	...	...
TOTAL STATE ADM FUNDING	...	328,530	1,334,786	948,506	155,412	...	210,563	247,432	39,360
OTHER GOVERNMENT FUNDING									
Other State Funding	...	...	...	...	14,212	...	...	...	...
Medicaid	62,418	310,539	...	5,904	754,727	...	...	...	38,065
Local Government	5,460	35,460	...	...	...	767,232	5,000	...	61,065
Federal Grants and Contracts	...	...	...	...	39,477	...	...	...	...
In-Kind Local Government	...	...	...	...	...	...	...	...	...
TOTAL OTHER GOVERNMENT FUNDING	67,878	345,999	...	5,904	808,416	767,232	5,000	...	99,130
NON GOVERNMENT FUNDING AND REVENUES									
First and Third Party Fees	31,622	1,261,080	947,556	151,522	1,078,409	5,034,330	1,305	...	1,326,940
Contributions and Donations	...	...	...	...	900	...	...	...	...
Other	...	...	...	...	4,537	...	...	...	300
In-Kind	...	...	...	...	1,672	2,322,559	...	...	...
TOTAL NON GOVERNMENT FUNDING AND REVENUES	31,622	1,261,080	947,556	151,522	1,085,518	7,356,889	1,305	...	1,327,240
TOTAL ALL FUNDING AND REVENUES	99,500	1,935,609	2,282,342	1,105,932	2,049,346	8,124,121	216,868	247,432	1,465,730

LIFESTREAM BEHAVIORAL CENTER, INC.
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
YEAR ENDED JUNE 30, 2010

	<u>Comp Assessment</u>	<u>Case Management</u>	<u>Crisis Stabilization</u>	<u>Emergency Services</u>	<u>Day Treatment</u>	<u>Inpatient</u>	<u>Intervention</u>	<u>Youth and Family Recovery</u>	<u>In Home and On Site</u>
<u>EXPENSE CATEGORIES:</u>									
Personnel Expenses									
Salaries	1,258	921,091	604,404	450,526	509,061	1,769,474	124,280	118,770	880,005
Fringe Benefits	(411)	159,871	111,560	96,183	83,083	323,198	31,137	25,721	148,470
Total Personnel Costs	<u>847</u>	<u>1,080,962</u>	<u>715,964</u>	<u>546,709</u>	<u>592,144</u>	<u>2,092,672</u>	<u>155,417</u>	<u>144,491</u>	<u>1,028,475</u>
Other Expenses									
Building Occupancy	1,085	60,753	158,603	45,092	110,540	408,791	3,922	311	22,857
Professional Services	...	767	150,983	81,192	400	417,172	...	...	150
Travel	...	109,954	2,947	1,504	2,341	8,498	3,824	15,607	45,251
Equipment Costs	...	1,058	587	1,331	4,595	1,164	...	...	581
Food Services	...	76	69,364	810	33,691	168,550	...	1,117	92
Medical & Pharmacy	...	72	111,230	7,604	305	127,050	...	185	...
Subcontracted Services	68,690	...	16,804	...	...	47,235	...	...	6,127
Insurance	1,629	44,110	55,651	19,264	37,118	150,280	6,334	6,320	25,727
Interest	...	28,986	14,745	2,847	7,234	58,013	850	2,253	2,089
Operating Supplies & Expense	70	28,604	33,929	10,073	17,275	179,908	809	2,117	19,938
Depreciation	1,082	38,060	41,170	101,850	38,629	93,705	3,855	5,337	13,809
Bad Debt Expense	...	97,295	139,586	47,269	45,425	408,868	...	...	49,937
Donated Items	...	38	...	...	...	2,322,559	1,426	...	...
Foundation Events and Awards	...	...	...	...	...	...	...	...	...
Total Other Direct Expenses	<u>72,556</u>	<u>409,773</u>	<u>795,599</u>	<u>318,836</u>	<u>297,553</u>	<u>4,391,793</u>	<u>21,020</u>	<u>33,247</u>	<u>186,558</u>
Total Direct Expenses	<u>73,403</u>	<u>1,490,735</u>	<u>1,511,563</u>	<u>865,545</u>	<u>889,697</u>	<u>6,484,465</u>	<u>176,437</u>	<u>177,738</u>	<u>1,215,033</u>
Distributed Indirect Costs									
Support Services	2,224	190,052	93,389	42,201	83,238	160,978	661	11,698	94,614
Hospital Administration Overhead	...	...	236,837	148,060	...	680,987	...	...	...
Center Administration Overhead	6,156	134,827	75,027	77,428	85,895	511,487	15,795	18,101	99,864
Total Indirect Expenses	<u>8,380</u>	<u>324,879</u>	<u>405,253</u>	<u>267,689</u>	<u>169,133</u>	<u>1,353,452</u>	<u>16,456</u>	<u>29,799</u>	<u>194,478</u>
Total Operating Expenses	<u>81,783</u>	<u>1,815,614</u>	<u>1,916,816</u>	<u>1,133,234</u>	<u>1,058,830</u>	<u>7,837,917</u>	<u>192,893</u>	<u>207,537</u>	<u>1,409,511</u>
Unallowable Cost	<u>\$...</u>	<u>\$ 100,061</u>	<u>\$ 143,555</u>	<u>\$ 48,613</u>	<u>\$ 46,716</u>	<u>\$ 420,492</u>	<u>\$...</u>	<u>\$...</u>	<u>\$ 51,357</u>

LIFESTREAM BEHAVIORAL CENTER, INC.
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
YEAR ENDED JUNE 30, 2010

	<u>Medical Services</u>	<u>Outpatient Services</u>	<u>Prevention</u>	<u>Residential Level 2</u>	<u>Residential Level 3</u>	<u>Safe Haven</u>	<u>Residential Detox</u>	<u>SRT</u>	<u>Supported Housing</u>	<u>TASC</u>
<u>FUNDING SOURCES AND REVENUES:</u>										
STATE ADM FUNDING										
Adult Mental Health	\$ 310,950	\$ 50,791	\$...	\$ 993,448	\$ 86,321	\$...	\$...	\$...	\$ 9,289	\$...
Adult Mental Health - IDP	...	...	...	...	...	...	...	...	...	...
Adult Mental Health - TANF	...	869	...	...	...	...	...	...	...	...
Adult Mental Health - FACT	...	...	...	...	...	...	...	...	...	...
Adult Mental Health - FACT Med & Housing	...	...	...	...	...	...	...	...	...	...
Adult Mental Health - Haitian Relief	...	...	...	555	...	...	...	...	...	...
Adult Substance Abuse	...	547,150	94,089	490,325	...	...	301,526	...	...	120,323
Adult Substance Abuse - TANF	...	33,937	...	142,596	...	...	...	...	...	...
Children's Mental Health	32,977	28,932	...	...	...	...	...	...	...	...
Children's Mental Health - TANF	...	...	...	...	...	...	...	...	...	...
Children's Mental Health - KCI - Protective Services	...	...	...	...	...	...	...	...	...	...
Children's Substance Abuse	...	28,385	...	...	...	...	...	...	...	2,627
CBMAC	...	...	...	...	...	...	...	...	...	...
TOTAL STATE ADM FUNDING	<u>343,927</u>	<u>690,064</u>	<u>94,089</u>	<u>1,626,924</u>	<u>86,321</u>	<u>...</u>	<u>301,526</u>	<u>...</u>	<u>9,289</u>	<u>122,950</u>
OTHER GOVERNMENT FUNDING										
Other State Funding	...	...	122,618	19,319	...	...	...	...	...	...
Medicaid	184,772	143,228	...	...	...	...	...	...	10,019	...
Local Government	104,764	58,440	9,000	320,942	97,490	...	282,135	...	5,234	75,024
Federal Grants and Contracts	...	...	...	...	...	...	...	...	...	...
In-Kind Local Government	...	...	...	51,920	...	...	...	...	...	...
TOTAL OTHER GOVERNMENT FUNDING	<u>289,536</u>	<u>201,668</u>	<u>131,618</u>	<u>392,181</u>	<u>97,490</u>	<u>...</u>	<u>282,135</u>	<u>...</u>	<u>15,253</u>	<u>75,024</u>
NON GOVERNMENT FUNDING AND REVENUES										
First and Third Party Fees	1,457,544	868,193	...	1,427,681	...	43,866	310,481	1,173	27,378	143,158
Contributions and Donations	...	285	...	200	...	...	...	...	...	...
Other	22,960	...	...	14,004	...	60	...	...	...	...
In-Kind	1,964,723	...	...	...	...	...	...	...	...	49,677
TOTAL NON GOVERNMENT FUNDING AND REVENUES	<u>3,445,227</u>	<u>868,478</u>	<u>...</u>	<u>1,441,885</u>	<u>...</u>	<u>43,926</u>	<u>310,481</u>	<u>1,173</u>	<u>27,378</u>	<u>192,835</u>
TOTAL ALL FUNDING AND REVENUES	<u>4,078,690</u>	<u>1,760,210</u>	<u>225,707</u>	<u>3,460,990</u>	<u>183,811</u>	<u>43,926</u>	<u>894,142</u>	<u>1,173</u>	<u>51,920</u>	<u>390,809</u>

LIFESTREAM BEHAVIORAL CENTER, INC.
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
YEAR ENDED JUNE 30, 2010

	<u>Medical Services</u>	<u>Outpatient Services</u>	<u>Prevention</u>	<u>Residential Level 2</u>	<u>Residential Level 3</u>	<u>Safe Haven</u>	<u>Residential Detox</u>	<u>SRT</u>	<u>Supported Housing</u>	<u>TASC</u>
<u>EXPENSE CATEGORIES:</u>										
Personnel Expenses										
Salaries	757,416	687,024	85,522	829,010	116,194	26,165	357,148	...	49,657	152,979
Fringe Benefits	109,514	112,806	16,450	177,543	22,546	183	66,038	...	7,012	33,077
Total Personnel Costs	<u>866,930</u>	<u>799,830</u>	<u>101,972</u>	<u>1,006,553</u>	<u>138,740</u>	<u>26,348</u>	<u>423,186</u>	<u>...</u>	<u>56,669</u>	<u>186,056</u>
Other Expenses										
Building Occupancy	68,178	112,760	7,171	243,775	8,629	16,934	68,550	...	1,101	24,273
Professional Services	210,451	37,431	3,496	4,393	65	40	58,118	...	...	...
Travel	5,889	19,889	18,471	1,382	217	...	364	...	6,445	6,103
Equipment Costs	87	986	256	12,608	3,482	272	76	...	...	174
Food Services	...	3,303	4,679	313,567	117	14,852	46,587	...	...	50
Medical & Pharmacy	1,966,177	354	...	21,095	33	59	22,163	...	...	56,961
Subcontracted Services	...	28,745	4,260	...	...	...	3,226	...	...	...
Insurance	20,587	42,832	4,537	121,034	21,938	6,802	28,508	...	745	13,618
Interest	3,832	33,512	2,678	119,727	10,926	...	50,197	...	...	11,214
Operating Supplies & Expense	16,420	31,492	23,721	76,714	11,271	4,633	20,133	...	1,219	15,509
Depreciation	25,221	71,366	6,076	139,375	5,938	7,028	48,388	...	...	22,936
Bad Debt Expense	218,369	191,410	...	1,014,929	...	38,260	195,997	192	...	32,081
Donated Items	...	36,088	1,136	64,047	...	...	...	...	...	...
Foundation Events and Awards	...	...	...	...	...	...	...	...	...	...
Total Other Direct Expenses	<u>2,535,211</u>	<u>610,168</u>	<u>76,481</u>	<u>2,132,646</u>	<u>62,616</u>	<u>88,880</u>	<u>542,307</u>	<u>192</u>	<u>9,510</u>	<u>182,919</u>
Total Direct Expenses	<u>3,402,141</u>	<u>1,409,998</u>	<u>178,453</u>	<u>3,139,199</u>	<u>201,356</u>	<u>115,228</u>	<u>965,493</u>	<u>192</u>	<u>66,179</u>	<u>368,975</u>
Distributed Indirect Costs										
Support Services	413,327	153,072	2,816	8,187	3,372	3,372	8,937	...	5,429	51,789
Hospital Administration Overhead	...	...	...	...	...	...	...	...	...	...
Center Administration Overhead	242,701	116,437	18,635	242,545	25,116	12,436	66,021	...	6,100	28,535
Total Indirect Expenses	<u>656,028</u>	<u>269,509</u>	<u>21,451</u>	<u>250,732</u>	<u>28,488</u>	<u>15,808</u>	<u>74,958</u>	<u>...</u>	<u>11,529</u>	<u>80,324</u>
Total Operating Expenses	<u>4,058,169</u>	<u>1,679,507</u>	<u>199,904</u>	<u>3,389,931</u>	<u>229,844</u>	<u>131,036</u>	<u>1,040,451</u>	<u>192</u>	<u>77,708</u>	<u>449,299</u>
Unallowable Cost	<u>\$ 224,577</u>	<u>\$ 196,851</u>	<u>\$...</u>	<u>\$ 1,043,783</u>	<u>\$...</u>	<u>\$ 39,348</u>	<u>\$ 201,569</u>	<u>\$ 198</u>	<u>\$...</u>	<u>\$ 32,993</u>

LIFESTREAM BEHAVIORAL CENTER, INC.
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
YEAR ENDED JUNE 30, 2010

	<u>TOTAL</u> <u>ADM</u>	<u>Lake</u> <u>Academy</u>	<u>KCI</u> <u>Programs</u>	<u>SIPP</u> <u>Unit</u>	<u>Estes</u> <u>House</u>	<u>OTPR</u>	<u>FACT</u>	<u>Early</u> <u>Learning</u> <u>Services</u>
<u>FUNDING SOURCES AND REVENUES:</u>								
STATE ADM FUNDING								
Adult Mental Health	\$ 3,454,626	\$...	\$...	\$...	\$...	\$...	\$...	\$...
Adult Mental Health - IDP	65,677	...	...	...	...	...	...	...
Adult Mental Health - TANF	869	...	...	...	...	...	...	...
Adult Mental Health - FACT	...	...	...	...	...	...	999,986	...
Adult Mental Health - FACT Med & Housing	...	...	...	...	...	...	252,492	...
Adult Mental Health - Haitian Relief	9,455	...	1,771	...	442	129	...	...
Adult Substance Abuse	1,706,826	...	...	...	...	...	...	...
Adult Substance Abuse - TANF	176,533	...	...	...	...	...	...	...
Children's Mental Health	428,589	...	...	...	8,256	13,622	...	...
Children's Mental Health - TANF	...	...	...	...	...	...	...	...
Children's Mental Health - KCI - Protective Services	...	...	1,919,565	...	27,390	...	...	...
Children's Substance Abuse	697,104	...	...	...	...	...	...	...
CBMAC	...	...	...	...	...	...	...	...
TOTAL STATE ADM FUNDING	<u>6,539,679</u>	<u>...</u>	<u>1,921,336</u>	<u>...</u>	<u>36,088</u>	<u>13,751</u>	<u>1,252,478</u>	<u>...</u>
OTHER GOVERNMENT FUNDING								
Other State Funding	156,149	...	...	...	...	...	...	...
Medicaid	1,509,672	27,464	2,661	...	107,820	230,610	...	...
Local Government	1,827,246	3,570,406	...	...	54,372	71,988	...	6,827,237
Federal Grants and Contracts	39,477	...	...	...	...	...	...	...
In-Kind Local Government	51,920	...	...	...	...	36,480	...	...
TOTAL OTHER GOVERNMENT FUNDING	<u>3,584,464</u>	<u>3,597,870</u>	<u>2,661</u>	<u>...</u>	<u>162,192</u>	<u>339,078</u>	<u>...</u>	<u>6,827,237</u>
NON GOVERNMENT FUNDING AND REVENUES								
First and Third Party Fees	14,112,238	423,204	28,527	8,932	86,025	14,840	443	689
Contributions and Donations	1,385	73	15,000	...	...	300	...	...
Other	41,861	2,629	13,439	...	600	532	...	...
In-Kind	4,338,631	...	...	...	...	...	...	...
TOTAL NON GOVERNMENT FUNDING AND REVENUES	<u>18,494,115</u>	<u>425,906</u>	<u>56,966</u>	<u>8,932</u>	<u>86,625</u>	<u>15,672</u>	<u>443</u>	<u>689</u>
TOTAL ALL FUNDING AND REVENUES	<u>28,618,258</u>	<u>4,023,776</u>	<u>1,980,963</u>	<u>8,932</u>	<u>284,905</u>	<u>368,501</u>	<u>1,252,921</u>	<u>6,827,926</u>

LIFESTREAM BEHAVIORAL CENTER, INC.
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
YEAR ENDED JUNE 30, 2010

	<u>TOTAL ADM</u>	<u>Lake Academy</u>	<u>KCI Programs</u>	<u>SIPP Unit</u>	<u>Estes House</u>	<u>OTPR</u>	<u>FACT</u>	<u>Early Learning Services</u>
<u>EXPENSE CATEGORIES:</u>								
Personnel Expenses								
Salaries	8,439,984	1,695,068	1,191,195	...	204,210	250,106	634,866	305,720
Fringe Benefits	1,523,981	322,397	277,333	(3,734)	42,724	50,626	99,185	85,252
Total Personnel Costs	<u>9,963,965</u>	<u>2,017,465</u>	<u>1,468,528</u>	<u>(3,734)</u>	<u>246,934</u>	<u>300,732</u>	<u>734,051</u>	<u>390,972</u>
Other Expenses								
Building Occupancy	1,363,325	380,693	96,855	...	19,842	23,817	25,702	50,844
Professional Services	964,658	33,828	28,982	...	100	120	125	2,910
Travel	248,686	4,776	119,449	...	214	441	1,916	10,417
Equipment Costs	27,257	568,052	15,189	...	1,503	2,103	35,161	29
Food Services	656,855	1,733	768	...	25,421	30,379	268	...
Medical & Pharmacy	2,313,288	1,424	...	...	221	153	423	24
Subcontracted Services	175,087	5,021	315	...	1,203	5,107	...	6,210,323
Insurance	607,034	120,333	167,038	9,878	9,991	23,777	46,562	30,224
Interest	349,103	30,208	...	...	5,420	...	...	57,760
Operating Supplies & Expense	493,835	102,890	80,345	...	8,859	11,914	278,570	53,004
Depreciation	663,825	117,289	23,807	...	8,004	10,762	65,062	50,628
Bad Debt Expense	2,479,618	48,975	10,188	...	28,764	6,396	...	...
Donated Items	2,425,294	...	...	...	...	36,480	...	...
Foundation Events and Awards	...	...	...	...	...	...	...	...
Total Other Direct Expenses	<u>12,767,865</u>	<u>1,415,222</u>	<u>542,936</u>	<u>9,878</u>	<u>109,542</u>	<u>151,449</u>	<u>453,789</u>	<u>6,466,163</u>
Total Direct Expenses	<u>22,731,830</u>	<u>3,432,687</u>	<u>2,011,464</u>	<u>6,144</u>	<u>356,476</u>	<u>452,181</u>	<u>1,187,840</u>	<u>6,857,135</u>
Distributed Indirect Costs								
Support Services	1,329,356	119,909	...	...	10,554	8,867	31,259	48,205
Hospital Administration Overhead	1,065,884	...	...	...	...	...	...	...
Center Administration Overhead	1,783,106	324,090	167,028	...	41,875	43,157	103,278	71,792
Total Indirect Expenses	<u>4,178,346</u>	<u>443,999</u>	<u>167,028</u>	<u>...</u>	<u>52,429</u>	<u>52,024</u>	<u>134,537</u>	<u>119,997</u>
Total Operating Expenses	<u>26,910,176</u>	<u>3,876,686</u>	<u>2,178,492</u>	<u>6,144</u>	<u>408,905</u>	<u>504,205</u>	<u>1,322,377</u>	<u>6,977,132</u>
Unallowable Cost	<u>\$ 2,550,113</u>	<u>\$ 50,367</u>	<u>\$ 10,478</u>	<u>\$...</u>	<u>\$ 29,582</u>	<u>\$ 6,577</u>	<u>\$...</u>	<u>\$...</u>

LIFESTREAM BEHAVIORAL CENTER, INC.
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
YEAR ENDED JUNE 30, 2010

	<u>VPK</u>	<u>TOTAL NON ADM PROGRAM</u>	<u>Support Services</u>	<u>Central Administration</u>	<u>Hospital Administration</u>	<u>Total Other Support & Administration</u>	<u>Total Lifestream Behavioral Center</u>
<u>FUNDING SOURCES AND REVENUES:</u>							
STATE ADM FUNDING							
Adult Mental Health	\$	...	\$	...	\$	...	\$ 3,454,626
Adult Mental Health - IDP		...	...	...	...	...	65,677
Adult Mental Health - TANF		...	...	...	...	...	869
Adult Mental Health - FACT		999,986	...	...	...	...	999,986
Adult Mental Health - FACT Med & Housing		252,492	...	...	...	...	252,492
Adult Mental Health - Haitian Relief		2,342	...	4,257	...	4,257	16,054
Adult Substance Abuse		...	...	...	...	...	1,706,826
Adult Substance Abuse - TANF		...	...	...	...	...	176,533
Children's Mental Health		21,878	...	...	...	...	450,467
Children's Mental Health - TANF		...	...	...	...	...	...
Children's Mental Health - KCI - Protective Services		1,946,955	...	...	...	...	1,946,955
Children's Substance Abuse		...	...	...	...	...	697,104
CBMAC		...	...	...	...	...	...
TOTAL STATE ADM FUNDING		<u>3,223,653</u>	<u>...</u>	<u>4,257</u>	<u>...</u>	<u>4,257</u>	<u>9,767,589</u>
OTHER GOVERNMENT FUNDING							
Other State Funding		...	...	10,482	...	10,482	166,631
Medicaid		368,555	...	...	...	...	1,878,227
Local Government	5,413,829	15,937,832	...	...	...	...	17,765,078
Federal Grants and Contracts		...	...	...	...	...	39,477
In-Kind Local Government		36,480	...	...	...	...	88,400
TOTAL OTHER GOVERNMENT FUNDING	<u>5,413,829</u>	<u>16,342,867</u>	<u>...</u>	<u>10,482</u>	<u>...</u>	<u>10,482</u>	<u>19,937,813</u>
NON GOVERNMENT FUNDING AND REVENUES							
First and Third Party Fees		562,660	...	...	...	...	14,674,898
Contributions and Donations		15,373	...	8,348	...	8,348	25,106
Other		17,200	26,652	741,259	24,733	792,644	851,705
In-Kind		...	...	...	...	...	4,338,631
TOTAL NON GOVERNMENT FUNDING AND REVENUES		<u>595,233</u>	<u>26,652</u>	<u>749,607</u>	<u>24,733</u>	<u>800,992</u>	<u>19,890,340</u>
TOTAL ALL FUNDING AND REVENUES	<u>5,413,829</u>	<u>20,161,753</u>	<u>26,652</u>	<u>764,346</u>	<u>24,733</u>	<u>815,731</u>	<u>49,595,742</u>

LIFESTREAM BEHAVIORAL CENTER, INC.
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
YEAR ENDED JUNE 30, 2010

	<u>VPK</u>	<u>TOTAL NON ADM PROGRAM</u>	<u>Support Services</u>	<u>Central Administration</u>	<u>Hospital Administration</u>	<u>Total Other Support & Administration</u>	<u>Total Lifestream Behavioral Center</u>
<u>EXPENSE CATEGORIES:</u>							
Personnel Expenses							
Salaries	58,270	4,339,435	1,746,165	1,405,205	774,443	3,925,813	16,705,232
Fringe Benefits	10,253	884,036	517,933	317,026	123,373	958,332	3,366,349
Total Personnel Costs	<u>68,523</u>	<u>5,223,471</u>	<u>2,264,098</u>	<u>1,722,231</u>	<u>897,816</u>	<u>4,884,145</u>	<u>20,071,581</u>
Other Expenses							
Building Occupancy	6,998	604,751	(799,047)	202,896	55,333	(540,818)	1,427,258
Professional Services	1,394	67,459	2,843	164,396	715	167,954	1,200,071
Travel	88	137,301	47,076	59,206	12,520	118,802	504,789
Equipment Costs	5	622,042	37,463	19,490	6,024	62,977	712,276
Food Services	...	58,569	(194,471)	5,447	7,135	(181,889)	533,535
Medical & Pharmacy	...	2,245	168	2,260	21	2,449	2,317,982
Subcontracted Services	5,315,596	11,537,565	4,500	210	...	4,710	11,717,362
Insurance	2,574	410,377	75,662	63,648	29,224	168,534	1,185,945
Interest	9,963	103,351	11,733	25,107	27,518	64,358	516,812
Operating Supplies & Expense	8,860	544,442	97,509	313,753	46,875	458,137	1,496,414
Depreciation	2,914	278,466	30,220	145,758	7,434	183,412	1,125,703
Bad Debt Expense	...	94,323	...	...	...	...	2,573,941
Donated Items	...	36,480	...	536	...	536	2,462,310
Foundation Events and Awards	...	...	...	...	...	...	...
Total Other Direct Expenses	<u>5,348,392</u>	<u>14,497,371</u>	<u>(686,344)</u>	<u>1,002,707</u>	<u>192,799</u>	<u>509,162</u>	<u>27,774,398</u>
Total Direct Expenses	<u>5,416,915</u>	<u>19,720,842</u>	<u>1,577,754</u>	<u>2,724,938</u>	<u>1,090,615</u>	<u>5,393,307</u>	<u>47,845,979</u>
Distributed Indirect Costs							
Support Services	...	218,794	(1,548,150)	...	...	(1,548,150)	...
Hospital Administration Overhead	...	...	...	...	(1,065,884)	(1,065,884)	...
Center Administration Overhead	9,673	760,893	...	(2,543,999)	...	(2,543,999)	...
Total Indirect Expenses	<u>9,673</u>	<u>979,687</u>	<u>(1,548,150)</u>	<u>(2,543,999)</u>	<u>(1,065,884)</u>	<u>(5,158,033)</u>	<u>...</u>
Total Operating Expenses	<u>5,426,588</u>	<u>20,700,529</u>	<u>29,604</u>	<u>180,939</u>	<u>24,731</u>	<u>235,274</u>	<u>47,845,979</u>
Unallowable Cost	<u>\$...</u>	<u>\$ 97,004</u>	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>	<u>\$ 2,647,117</u>

LIFESTREAM BEHAVIORAL CENTER, INC.
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
YEAR ENDED JUNE 30, 2010

	<u>Lake Region Homes</u>	<u>Lifestream Behavioral Center Foundation</u>	<u>Anthony House</u>	<u>2010</u>	<u>2009</u>
<u>FUNDING SOURCES AND REVENUES:</u>					
STATE ADM FUNDING					
Adult Mental Health	\$...	\$...	\$...	\$ 3,454,626	\$ 3,467,341
Adult Mental Health - IDP	...	...	...	65,677	65,677
Adult Mental Health - TANF	...	...	...	869	...
Adult Mental Health - FACT	...	...	...	999,986	999,996
Adult Mental Health - FACT Med & Housing	...	...	...	252,492	254,188
Adult Mental Health - Haitian Relief	...	...	...	16,054	...
Adult Substance Abuse	...	...	...	1,706,826	1,593,140
Adult Substance Abuse - TANF	...	...	...	176,533	104,419
Children's Mental Health	...	...	...	450,467	440,749
Children's Mental Health - TANF	...	...	...	...	...
Children's Mental Health - KCI - Protective Services	...	...	...	1,946,955	42,396
Children's Substance Abuse	...	...	...	697,104	812,804
CBMAC	...	...	...	...	334,303
TOTAL STATE ADM FUNDING	<u>...</u>	<u>...</u>	<u>...</u>	<u>9,767,589</u>	<u>8,115,013</u>
OTHER GOVERNMENT FUNDING					
Other State Funding	...	...	...	166,631	3,915,003
Medicaid	...	...	...	1,878,227	2,360,117
Local Government	...	...	...	17,765,078	18,123,635
Federal Grants and Contracts	47,764	...	...	87,241	92,690
In-Kind Local Government	...	...	2,340	90,740	102,400
TOTAL OTHER GOVERNMENT FUNDING	<u>47,764</u>	<u>...</u>	<u>2,340</u>	<u>19,987,917</u>	<u>24,593,845</u>
NON GOVERNMENT FUNDING AND REVENUES					
First and Third Party Fees	44,114	...	...	14,719,012	14,804,279
Contributions and Donations	...	57,318	...	82,424	57,226
Other	23	33,449	(6,927)	878,250	586,941
In-Kind	...	...	...	4,338,631	3,786,489
TOTAL NON GOVERNMENT FUNDING AND REVENUES	<u>44,137</u>	<u>90,767</u>	<u>(6,927)</u>	<u>20,018,317</u>	<u>19,234,935</u>
TOTAL ALL FUNDING AND REVENUES	<u>91,901</u>	<u>90,767</u>	<u>(4,587)</u>	<u>49,773,823</u>	<u>51,943,793</u>

LIFESTREAM BEHAVIORAL CENTER, INC.
PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE
YEAR ENDED JUNE 30, 2010

	<u>Lake Region Homes</u>	<u>Lifestream Behavioral Center Foundation</u>	<u>Anthony House</u>	<u>2010</u>	<u>2009</u>
<u>EXPENSE CATEGORIES:</u>					
Personnel Expenses					
Salaries	...	...	...	16,705,232	18,690,245
Fringe Benefits	...	...	...	3,366,349	4,030,503
Total Personnel Costs	<u>...</u>	<u>...</u>	<u>...</u>	<u>20,071,581</u>	<u>22,720,748</u>
Other Expenses					
Building Occupancy	43,668	...	7,108	1,478,034	1,538,556
Professional Services	5,100	2,100	(2,900)	1,204,371	1,288,337
Travel	...	...	...	504,789	603,201
Equipment Costs	...	...	...	712,276	657,266
Food Services	...	...	...	533,535	571,583
Medical & Pharmacy	...	...	...	2,317,982	1,597,818
Subcontracted Services	...	...	...	11,717,362	11,852,737
Insurance	...	...	...	1,185,945	1,120,181
Interest	40,946	...	...	557,758	592,464
Operating Supplies & Expense	221	...	15,019	1,511,654	1,614,556
Depreciation	19,961	...	...	1,145,664	1,166,620
Bad Debt Expense	...	...	...	2,573,941	2,501,353
Donated Items	...	...	...	2,462,310	2,611,330
Foundation Events and Awards	...	71,511	...	71,511	131,852
Total Other Direct Expenses	<u>109,896</u>	<u>73,611</u>	<u>19,227</u>	<u>27,977,132</u>	<u>27,847,854</u>
Total Direct Expenses	<u>109,896</u>	<u>73,611</u>	<u>19,227</u>	<u>48,048,713</u>	<u>50,568,602</u>
Distributed Indirect Costs					
Support Services	...	...	...	...	...
Hospital Administration Overhead	...	...	...	...	...
Center Administration Overhead	...	...	...	...	...
Total Indirect Expenses	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>
Total Operating Expenses	<u>109,896</u>	<u>73,611</u>	<u>19,227</u>	<u>48,048,713</u>	<u>50,568,602</u>
Unallowable Cost	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>	<u>\$ 2,647,117</u>	<u>\$ 2,842,344</u>

LIFESTREAM BEHAVIORAL CENTER, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES - HOSPITAL ONLY AND ALL OTHER COST CENTERS
YEAR ENDED JUNE 30, 2010

	<u>Hospital Cost Centers</u>			<u>Total Hospital Only</u>	<u>All Other Cost Centers</u>	<u>Consolidated Totals</u>
	<u>Inpatient</u>	<u>Crisis Stabilization</u>	<u>Emergency Services</u>			
Public Support	\$ 3,089,790	\$ 1,334,786	\$ 948,506	\$ 5,373,082	\$ 26,777,868	\$ 32,150,950
Revenue:						
Gross Patient Revenue	8,425,054	4,550,874	269,756	13,245,684	31,801,353	45,047,037
Contractual allowance	(3,390,724)	(3,603,318)	(112,330)	(7,106,372)	(20,899,444)	(28,005,816)
Net Patient Revenue	<u>5,034,330</u>	<u>947,556</u>	<u>157,426</u>	<u>6,139,312</u>	<u>10,901,909</u>	<u>17,041,221</u>
Total Public Support and Revenue	<u>8,124,120</u>	<u>2,282,342</u>	<u>1,105,932</u>	<u>11,512,394</u>	<u>37,679,777</u>	<u>49,192,171</u>
Personnel Expenses:						
Salaries	1,769,474	604,404	450,526	2,824,404	13,880,828	16,705,232
Fringe Benefits	323,198	111,560	96,183	530,941	2,835,408	3,366,349
Total Personnel Costs	<u>2,092,672</u>	<u>715,964</u>	<u>546,709</u>	<u>3,355,345</u>	<u>16,716,236</u>	<u>20,071,581</u>
Other Direct Expenses:						
Building Occupancy	408,791	158,603	45,092	612,486	865,548	1,478,034
Professional Services	417,172	150,983	81,192	649,347	555,024	1,204,371
Travel	8,498	2,947	1,504	12,949	491,840	504,789
Equipment Costs	1,164	587	1,331	3,082	709,194	712,276
Food Services	168,550	69,364	810	238,724	294,811	533,535
Medical & Pharmacy	127,050	111,230	7,604	245,884	2,072,098	2,317,982
Subcontracted Services	47,235	16,804	. . .	64,039	11,653,323	11,717,362
Insurance	150,280	55,651	19,264	225,195	960,750	1,185,945
Interest	58,013	14,745	2,847	75,605	482,153	557,758

LIFESTREAM BEHAVIORAL CENTER, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES - HOSPITAL ONLY AND ALL OTHER COST CENTERS
YEAR ENDED JUNE 30, 2010

	<u>Hospital Cost Centers</u>			<u>Total Hospital Only</u>	<u>All Other Cost Centers</u>	<u>Consolidated Totals</u>
	<u>Inpatient</u>	<u>Crisis Stabilization</u>	<u>Emergency Services</u>			
Operating Supplies & Expense	179,908	33,929	10,073	223,910	1,272,504	1,496,414
Depreciation	93,705	41,170	101,850	236,725	888,978	1,125,703
Bad Debt Expense	408,868	139,586	47,269	595,723	1,978,218	2,573,941
Donated Items	2,322,559	...	...	2,322,559	139,751	2,462,310
	<u>4,391,793</u>	<u>795,599</u>	<u>318,836</u>	<u>5,506,228</u>	<u>22,268,170</u>	<u>27,774,398</u>
Total Other Direct Expenses						
Total Direct Expenses	<u>6,484,465</u>	<u>1,511,563</u>	<u>865,545</u>	<u>8,861,573</u>	<u>38,984,406</u>	<u>47,845,979</u>
Indirect Expenses:						
Support Services	160,978	93,389	42,201	296,568	(296,568)	...
Hospital Administration	680,987	236,837	148,060	1,065,884	(1,065,884)	...
Center Administration	511,487	75,027	77,428	663,942	(663,942)	...
	<u>1,353,452</u>	<u>405,253</u>	<u>267,689</u>	<u>2,026,394</u>	<u>(2,026,394)</u>	<u>...</u>
Total Indirect Expenses						
Total Expenses	<u>7,837,917</u>	<u>1,916,816</u>	<u>1,133,234</u>	<u>10,887,967</u>	<u>36,958,012</u>	<u>47,845,979</u>
Changes in Unrestricted Net Assets	<u>\$ 286,203</u>	<u>\$ 365,526</u>	<u>\$ (27,302)</u>	<u>\$ 624,427</u>	<u>\$ 721,765</u>	<u>\$ 1,346,192</u>

LIFESTREAM BEHAVIORAL CENTER, INC.
CONSOLIDATED SCHEDULE OF STATE EARNINGS FOR ALCOHOL, DRUG ABUSE AND
MENTAL HEALTH SERVICES
YEAR ENDED JUNE 30, 2010

1	Total SAMH Expenditures	\$ 26,910,176
2	Less Other State and Federal Funds	(195,626)
3	Less Non-Match SAMH Funds	...
4a	Less Unallowable Costs Per 65E-14, F.A.C.	(2,550,114)
4b	Less Unallowable Patient Fees	<u>(1,509,673)</u>
5	Total Allowable Expenditures (Sum of lines 1, 2, 3 and 4)	<u>\$ 22,654,763</u>
6	Maximum Available Earnings (Line 5 times 75%)	\$ 16,991,072
7	Amount of State Funds Requiring Match (Total of Invoices Paid by Department, less line 3)	<u>6,309,024</u>
8	Excess of Available Earnings Over Amount of State Funds Received (Subtract line 7 from line 6. If negative, the amount of the difference is due the State up to the amount of line 7.)	<u>\$ 10,682,048</u>
	Amount Due Department	\$...

LIFESTREAM BEHAVIORAL CENTER, INC.
 SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2010

Program	Cost Center	State Contracted Rate	Units of Service	Services Paid by Other Sources	Units Eligible for Payment	Amount Paid By DCF	Value of Eligible Units	Amount Owed to DCF
Children's MH	CSU	\$ 291.24	2,190.00	1,036.00	1,154.00	\$331,302	\$336,090.96	\$...
Adult MH	CSU	\$ 291.24	3,650.00	227.00	3,423.00	\$937,807	\$996,914.52	\$...
Adult SA	Detox	\$ 204.94	5,475.00	426.00	5,049.00	\$301,526	\$1,034,742.06	\$...

LIFESTREAM BEHAVIORAL CENTER, INC.
SCHEDULE OF SCHOOL READINESS AND VPK EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2010

	<u>School Readiness</u>	<u>VPK</u>	<u>Total</u>
Personnel Expenses:			
Salaries	\$ 305,720	\$ 58,270	\$ 363,990
Fringe Benefits	85,252	10,253	95,505
	<u>390,972</u>	<u>68,523</u>	<u>459,495</u>
Total Personnel Costs			
Other Direct Expenses:			
Building Occupancy	50,844	6,998	57,842
Professional Services	2,910	1,394	4,304
Travel	10,417	88	10,505
Equipment Costs	29	5	34
Medical & Pharmacy	24	. . .	24
Subcontracted Services	6,210,323	5,315,596	11,525,919
Insurance	30,224	2,574	32,798
Interest	57,760	9,963	67,723
Operating Supplies & Expense	53,004	8,860	61,864
Depreciation	50,628	2,914	53,542
	<u>6,466,163</u>	<u>5,348,392</u>	<u>11,814,555</u>
Total Other Direct Expenses			
Total Direct Expenses	<u>6,857,135</u>	<u>5,416,915</u>	<u>12,274,050</u>
Indirect Expenses:			
Administrative Overhead	119,997	9,673	129,670
	<u>119,997</u>	<u>9,673</u>	<u>129,670</u>
Total Indirect Expenses			
Total Expenses	<u>\$ 6,977,132</u>	<u>\$ 5,426,588</u>	<u>\$12,403,720</u>

LIFESTREAM BEHAVIORAL CENTER, INC.
SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS
FOR THE FISCAL YEAR ENDING JUNE 30, 2010

NONE

This schedule was prepared in accordance with 65E-14.016 Florida Administrative code labeled Transactions Resulting in Additional Cost to the Program.

OTHER REPORTS AND SCHEDULES

LIFESTREAM BEHAVIORAL CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2010

Federal / State Agency, Pass-through Entity Federal Program/State Project	CFDA / CSFA Number	Contract Grant Number	Reimbursable Expenditures
United States Department of Labor			
WIA Adult Program	17.258	458	\$ 8,275
United States Department of Education			
Passed through Early Learning Coalition of Lake County State Fiscal Stabilization Fund	84.397	SV289	565,879
United States Department of Health and Human Services			
Passed through the State of Florida Department of Children and Families			
Block Grants for Community Mental Health Services:			
Safe families	93.556	C08M-LS004	7,785
Safe families	93.556	C08C-LS004	29,956
Mental Health	93.958	C08M-LS004	77,945
Mental Health	93.958	PHJ09	281,297
Mental Health FACT	93.958	PHJ10 FACT	437,576
Temporary Assistance to Needy Families	93.558	PHJ09	176,533
Temporary Assistance to Needy Families	93.558	ASA TANF	169,302
Temporary Assistance to Needy Families	93.558	C08M-LS004	402,698
Temporary Assistance to Needy Families	93.558	C08C-LS004	286,316
Temporary Assistance to Needy Families	93.558	458	2,207
US Repatriation	93.579	MKH03	20,000
Child Welfare Services	93.645	C08M-LS004	51,154
Foster Care	93.658	C08M-LS004	428,010
Foster Care	93.658	R0910R-D004-3	9,381
Adoption Assistance	93.659	C08M-LS004	156,495
Social Service Block Grant	93.667	R0910R-D004-3	7,469
Child Abuse and Neglect State Grants	93.669	C08C-LS004	22,917
Medical Assistance Program	93.778	PHJ10 FACT	562,410
Block Grants for Prevention and Treatment of Substance Abuse	93.959	PHJ09	899,513
Total passed through the State of Florida Department of Children and Families			4,028,964
Passed through Early Learning Coalition of Lake County			
Temporary Assistance to Needy Families	93.558	SR 289	2,544,264
Child Care and Development Block Grant	93.575	SR 289	1,744,064
Child Care Mandatory and Matching Funds	93.596	SR 289	1,960,077
Social Service Block Grant	93.667	SR 289	9,023
ARRA - Child Care & Development Block Grant	93.713	SR 289	426,287
Total passed through the Early Learning Coalition of Lake County			6,683,715
Total United States Department of Health and Human Services			10,712,679
United States Department of Agriculture			
Passed through the State of Florida Department of Elder Affairs			
Adult Day Care Food Programs	10.558	Y9019	39,477
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 11,326,310

Federal / State Agency, Pass-through Entity Federal Program/State Project	CFDA / CSFA Number	Contract Grant Number	Reimbursable Expenditures
State of Florida Department of Children and Families			
Children's Mental Health Community Support	60.055	PHJ09	\$ 45,196
Children's Baker Act Services	60.001	PHJ09	24,200
Adult Mental Health Community Support	60.053	PHJ09	1,615,909
Indigent Psychiatric Medication	60.039	PHJ09	19,936
Adult Mental Health Stabilization	60.054	PHF09	178,252
Baker Act	60.006	PHF09	1,024,483
Substance Abuse Treatment and Aftercare Services for Children	60.030	PHJ09	696,754
Substance Abuse Treatment and Aftercare Services for Children	60.030	PHZK1	122,618
Substance Abuse Detoxification Services for Adults	60.031	PHJ09	108,614
Substance Abuse Treatment and Aftercare Services for Adults	60.033	PHJ09	699,049
Children's Mental Health SIPP RTC Non-Medicaid Eligible	60.048	PHJ09	21,878
Community Forensic Beds	60.114	PHJ09	23,943
Children's Mental Health	60.059	PHJ09	270,000
Adult Mental Health	60.061	PHJ09	400,000
Adult Community Mental Health	60.042	PHJ10 FACT	254,400
Community-Based Care Support	60.094	C08M-LS004	379,914
Community-Based Care Support	60.094	C08C-LS004	77,452
Community-Based Care Support	60.094	R0910R-D004-3	10,539
Passed through Early Learning Coalition of Lake County			
Voluntary Pre-K	75.007	SV 289	4,847,950
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 10,821,087

LIFESTREAM BEHAVIORAL CENTER, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - LIFESTREAM BEHAVIORAL CENTER, INC.
YEAR ENDED JUNE 30, 2010

1. Basis of Accounting

Federal and State assisted programs administered by LifeStream Behavioral Center, Inc. (LBC) are accounted for within LBC's operating funds. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance have been prepared on the same basis of accrual accounting as the financial statements of LBC.

CLERMONT OFFICE

Jerry D. Brown, C.P.A.

Herbert John Greenlee, Jr. C.P.A.

Suzanne M. Brownlee, C.P.A.

**GREENLEE
KURRAS
RICE &
BROWN, PA**
CERTIFIED PUBLIC
ACCOUNTANTS

MOUNT DORA OFFICE

John S. Rice, C.P.A.

Patricia A. Sykes-Amos, C.P.A.

C. L. (Chip) Garner, C.P.A.

Dorothy A. Kurras, C.P.A.

Keire Rice Hosley, C.P.A.

David A. Donofrio, C.P.A.

Deborah R. Mullins, C.P.A.

Allan L. Silbernagel, C.P.A.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Directors
LifeStream Behavioral Center, Inc.
Leesburg, Florida

We have audited the financial statements of LifeStream Behavioral Center (a nonprofit organization) as of and for the year ended June 30, 2010 and have issued our report thereon dated October 26, 2010. 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 LifeStream Behavioral Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of LifeStream Behavioral Center's (the Center) internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Center's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Center's financial statements that is more than inconsequential will not be prevented or detected by the Center's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Center's internal control.

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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended for the information of the Board of Trustees and management. However, this report is a matter of public records and its distribution is not limited.

Greenlee, Kurras, Rice & Brown, P. A.

Mount Dora, Florida
October 26, 2010

CLERMONT OFFICE

Jerry D. Brown, C.P.A.

Herbert John Greenlee, Jr. C.P.A.

Suzanne M. Brownlee, C.P.A.

GREENLEE
KURRAS
RICE &
BROWN, PA
CERTIFIED PUBLIC
ACCOUNTANTS

MOUNT DORA OFFICE

John S. Rice, C.P.A.

Patricia A. Sykes-Amos, C.P.A.

C. L. (Chip) Garner, C.P.A.

Dorothy A. Kurras, C.P.A.

Keire Rice Hosley, C.P.A.

David A. Donofrio, C.P.A.

Deborah R. Mullins, C.P.A.

Allan L. Silbernagel, C.P.A.

INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
LIFESTREAM BEHAVIORAL CENTER, INC.

Board of Directors
LifeStream Behavioral Center, Inc.
Leesburg, Florida

Compliance

We have audited the compliance of LifeStream Behavioral Center, Inc. (LBC) 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 Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to its major Federal program and state project for the year ended June 30, 2010. LBC's major Federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major Federal programs and state projects is the responsibility of LBC's management. Our responsibility is to express an opinion on LBC's compliance based on our audit.

We conducted our audit 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 a 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 LBC'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 on LBC's compliance with those requirements.

In our opinion, LBC complied, in all material respects, with the requirements referred to above that are applicable to its major Federal programs and state projects for the year ended June 30, 2010.

Internal Control Over Compliance

The management of LBC is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Federal programs and state projects. In planning and performing our audit, we considered LBC'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 our 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 and Chapter 10.650, Rules of the Auditor General.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major Federal program or state project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, and specific legislative or regulatory bodies and is not intended to be, and should not be, used by anyone other than these specified parties.

Greenlee, Kurras, Rice & Brown, P.A.

Mount Dora, Florida
October 26, 2010

LIFESTREAM BEHAVIORAL CENTER, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2010

A. Summary of Audit Results:

1. The auditor's report expresses an unqualified opinion on the financial statements of LifeStream Behavioral Center, Inc.
2. No significant deficiencies were disclosed in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
3. No instances of noncompliance material to the financial statements of LifeStream Behavioral Center, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No reportable conditions disclosed during the audit of the major Federal programs and state projects are reported in the Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Program and State Project.
5. The auditor's report on compliance for the major Federal program and state project for LifeStream Behavioral Center, Inc., expresses an unqualified opinion.
6. There are no audit findings relative to the major Federal program and state project for LifeStream Behavioral Center, Inc.
7. The programs/projects tested as major programs/projects included the following:

Programs	CFDA No.	CSDA No.
Temporary Assistance to Needy Families	93.558	
ARRA - State Fiscal Stabilization Fund	84.397	
Child Care & Development Block Grant	93.575	
Child Care Mandatory & Matching Funds	93.596	
Foster Care	93.658	
Medical Assistance Program	93.778	
Block Grants for Community Mental Health	93.958	
Block Grants for Prevention & Treatment	93.959	
ARRA – Child Care & Development Block Grant	93.713	

LIFESTREAM BEHAVIORAL CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

Baker Act	60.006
Substance Abuse Treatment & Aftercare Services For Children	60.030
Substance Abuse Treatment & Aftercare Services For Adults	60.033
Adult Community Mental Health – Community Support	60.053
Adult Community Mental Health – Special Projects	60.061
Community-Based Care Support	60.094
Voluntary Pre-K	75.007

8. The threshold for distinguishing Types A and B program/project was \$339,789 for major Federal programs and \$324,633 for major state projects.
9. LifeStream Behavioral Center, Inc., was determined to be a low-risk auditee pursuant to OMB Circular A-133.

B. Financial Statement Findings

There were no findings or questioned costs relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

C. Findings and Questioned Costs - Major Federal Programs

There were no findings or questioned costs relating to the major Federal programs which are required to be reported in accordance with OMB Circular A-133.

D. Findings and Questioned Costs - Major State Projects

There were no findings or questioned costs relating to the major state projects which are required to be reported in accordance with Chapter 10.650, Rules of the Auditor General.

CLERMONT OFFICE*Jerry D. Brown, C.P.A.**Herbert John Greenlee, Jr. C.P.A.**Suzanne M. Brownlee, C.P.A.*

**GREENLEE
KURRAS
RICE &
BROWN, PA**
CERTIFIED PUBLIC
ACCOUNTANTS

MOUNT DORA OFFICE*John S. Rice, C.P.A.**Patricia A. Sykes-Amos, C.P.A.**C. L. (Chip) Garner, C.P.A.**Dorothy A. Kurras, C.P.A.**Keire Rice Hosley, C.P.A.**David A. Donofrio, C.P.A.**Deborah R. Mullins, C.P.A.**Allan L. Silbernagel, C.P.A.*

**MANAGEMENT LETTER -
LIFESTREAM BEHAVIORAL CENTER, INC.**

Board of Directors
LifeStream Behavioral Center, Inc.
Leesburg, Florida

We have audited the financial statements of LifeStream Behavioral Center, Inc., as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated October 26, 2010.

We conducted our audit 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*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Program and State Project, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated October 26, 2010, should be considered in conjunction with this management letter. Additionally, our audit was conducted in accordance with Chapter 10.650, Rules of the Auditor General.

The Rules of the Auditor General (Section 10.654(1)(e)) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. We noted no matters involving the internal control over compliance and its operation that require disclosure.

This management letter is intended solely for the information of LifeStream Behavioral Center's Board of Directors and management, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Greenlee, Kurras, Rice & Brown, P.A.

Mount Dora, Florida

October 26, 2010