



**MOORE STEPHENS
LOVELACE, P.A.**
CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the combined financial statements of **Lakeside Behavioral Healthcare, Inc. and Affiliates** as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated October 24, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters, Report of Independent Certified Public Accountants on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated October 24, 2011, 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, which requires disclosure in the management letter of violations of provisions of contracts or grant agreements, or abuse, that have an effect on the combined financial statements or State project amounts that is less than material but more than inconsequential. In addition, for matters that have an inconsequential effect on the combined financial statements or State project amounts, considering both quantitative and qualitative factors, the following may be reported based on professional judgment: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, that have occurred, or are likely to have occurred, (2) Deficiencies in internal control that are not significant deficiencies.

The Organization has a system of procedures and processes to ensure that all significant federal awards are included in the Organization's schedule of expenditures of federal awards and state financial assistance (the "Schedule"). During the year ended June 30, 2011, the Organization determined that a federal award, insignificant in amount, was omitted from the schedule in prior years.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information of the Organization and management, and the Florida Auditor General and is not intended to be, and should not be, used by anyone other than these specified parties.

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

MOORE STEPHENS LOVELACE, P.A.

Orlando, Florida
October 24, 2011