

Solicitation 06273-12
Services, Outpatient Substance Abuse
Collin County, Texas

Provider Name:

Collin County Mental Health Mental Retardation dba LifePath Systems

Service Locations/Addresses:

Avenues	Alma Center
201 W. Louisiana Street	3920 Alma Drive
McKinney, TX 75069	Plano, TX 75023
972-562-9647	972-422-5939

Contact Person:

Hank Wich, Program Administrator

Contact Email:

hwich@lifepathsystems.org

Contact Phone Number:

972-562-9647, ext. 2503

Table of Contents

Section	Title	Page
Section 6.2.1	Provider Organization	3
Section 6.2.2	Treatment Facility	3
Section 6.2.3	Program History	5
Section 6.2.4	Contact Information	7
Section 6.2.5	Intake	7
Section 6.2.6	Assessment & Treatment Planning	7
Section 6.2.7	Service Description	68
Section 6.2.8	Medication Assisted Treatment	9
Section 6.2.9	Co-Occurring Disorders	9
Section 6.2.10	Random Drug Testing	9
Section 6.2.11	Progress Reporting	10
Section 6.2.12	Discharge Planning	10
Section 6.2.13	Aftercare Program	11
Section 6.2.14	Professional References	11
Section 6.2.15	Appendix A <ul style="list-style-type: none"> • Copies of Certifications • Organizational Chart • Weekly Services Schedule • List of Board Members • 2011 Financial Audit • Non-Standardized Assessments & Treatment Plans 	11
Attachment A	Cost Form	

6.2.1: Provider Organization

Briefly describe the history, mission and vision of the provider organization. Include the date the program first received Texas Department of State Health Services (DSHS) addiction program certification. Describe any lapses in state certification from initial certification date to the present. Describe any findings and corrective actions for most recent DSHS certification site survey.

LifePath Systems' mission is to "Build Stronger Communities.....Person by Person". We are able to do this:

- *By creating a system of unparalleled care;*
- *By serving clients of all ages and their families with individualized treatment and supports;*
- *By partnering with employers, schools, churches and other providers; and*
- *By continuously improving our business and services.*

Our agency was created as the Collin County Mental Health and Mental Retardation Center in 1986. The Collin County Commissioners Court established the center in response to recommendations from a blue ribbon task force on residents' unmet needs for mental health and mental retardation care. The Center's Board of Trustees adopted the LifePath Systems dba (doing business as) in 1999 to reduce the stigma associated with seeking mental health care or public assistance. LifePath Systems has three divisions:

- *Early Childhood Intervention Services*
- *Intellectual and Developmental Disability Services*
- *Behavioral Health Services*

The services under this proposal will be delivered through our Behavioral Health Division with two service sites:

- *201 W. Louisiana St, McKinney*
- *and 3920 Alma Drive, Plano*

This division provides mental health services to children, adolescents and adults and substance abuse services to adults. Avenues Counseling Center, which began in 1986 to serve adolescents who were having problems with drugs and later expanded services to provide mental health and substance abuse services to adults as well, merged their services with LifePath Systems in August of 2009. Avenues was first licensed by the State of Texas to provide adolescent and adult substance abuse treatment services in 1999 and has maintained this license in good standing to date, now under LifePath Systems.

Our agency was surveyed by DSHS in October 2011, no significant issues were found during the survey. However there were minor findings and corrective actions which are included in Attachment A.

6.2.2: Treatment Facility

Briefly describe the treatment facility; the number of patients currently treated daily and annually; nature of patient populations treated in terms of ages, gender, drugs of abuse, other characteristics; primary referral sources; and dollar amount and payer for all current contracts or per diem rates established with governments, insurers, and other payors. List the full per diem amount approved by DSHS and the date approved, if applicable. List the full fee amount charged to private payers. Describe the program's staffing

pattern and certification levels and/or licenses held by each staff member. Include an organizational chart in Appendix A (see item 6.2.15).

LifePath Systems is the only outpatient treatment facility in Collin County serving both mental health and substance abuse clients within the same facility. For the convenience of our clients, we have two service sites, as mentioned above, one in McKinney and one in Plano. Our professional staff reflects the breadth of our services:

- *5 licensed Psychiatrists (MDs),*
- *1.5 Registered Psychiatric Nurses (RNs),*
- *10 licensed professional counselors (LPCs),*
- *1 licensed clinical social worker (LCSW),*
- *14 Qualified Mental Health Professionals (QMHP-CS),*
- *1 Licensed Chemical Dependency Counselor (LCDC),*
- *and 8 office support staff*

The clinical staff who will be directly serving the population identified under this grant includes:

- 1) *counselor with a professional counselor supervisor license (LPC-S), a marriage and family therapist associate license (LMFTA), and a chemical dependency counselor license (LCDC) with over 30 years of experience in the chemical dependency field and,*
- 2) *a licensed chemical dependency counselor (LCDC) with over 12 years of chemical dependency treatment experience.*

Last year LifePath Systems' served 3467 clients within our mental health and substance abuse services. Of those, 232 individuals received substance abuse services. Our average daily census for substance abuse clients is 18 with a capacity to serve 32 with the current staffing pattern. Staffing pattern and capacity can easily be increased in response to an increase in demand.

Our substance abuse population ranges from the age of 18 to 65+, with the following age distribution:

- *18-20 years of age = 4%*
- *21-30 years of age = 37.5%*
- *31-40 years of age = 31.5%*
- *41-50 years of age = 21%*
- *51+ years of age = 6%*

The gender of our clients is slightly higher for men than women, 57% vs. 43%. Due to the depth of our agency's service capacity and specialized mental health experience, a high percentage of our substance abuse clients are dually diagnosed (MH/CD) and are receiving psychiatric medication management and other mental health services in addition to the substance abuse services.

The majority of our clients abuse multiple drugs, including:

- *alcohol*
- *opiates*
- *stimulants*
- *marijuana*

They also have multiple psychosocial problems including:

- *relationship conflicts*
- *occupational*
- *social problems*
- *criminal behaviors*

The referral sources for the majority of our clients are:

- *self or family*
- *the criminal justice system*
- *health care system*
- *or local social service agencies*

Current Substance Abuse Fee Schedule:

<i>Description</i>	<i>Procedure Code</i>	<i>Unit of Measure</i>	<i>Self-Pay Rate</i>	<i>NorthSTAR Contracted Rate</i>	<i>State Medicaid Rate</i>
<i>Intake Assessment</i>	<i>H0001</i>	<i>Per Session</i>	<i>105.00</i>	<i>39.00</i>	<i>41.35</i>
<i>Supportive Outpatient Treatment (SOP)</i>	<i>H0047 HB</i>	<i>Per Diem</i>	<i>55.00</i>	<i>39.00*</i>	<i>25.00*</i>
<i>Intensive Outpatient Treatment (IOP)</i>	<i>H0047 TF HB</i>	<i>Per Diem</i>	<i>70.00</i>	<i>65.00*</i>	<i>N/A</i>
<i>Individual Counseling Session</i>	<i>90806</i>	<i>Per Session</i>	<i>100.00</i>	<i>N/A</i>	<i>65.22</i>
<i>Consultation with Collaterals/Court</i>	<i>H0023</i>	<i>Per 15 min.</i>	<i>21.00</i>	<i>21.00</i>	<i>N/A</i>

**NorthSTAR& Medicaid services do not include the cost of weekly progress reporting or court consultations.*

See Behavioral Health Division, organizational chart Appendix A.

6.2.3: Program History

Describe the program’s history of treating people referred by the criminal justice system including the approximate number of months/years program has treated criminal justice patients, approximate number of criminal justice patients treated over time, nature of addiction and other problems presented by criminal justice clients, and evidence-based treatments used at the program. Briefly describe any services specifically used to address criminality and associated behaviors. List the names of criminal justice agencies/programs that refer patients to your program.

The primary referral source for Avenues substance abuse treatment program since 1999, has been Collin County Juvenile Probation Services and Collin County Community Supervision and Corrections Department. In 2009, LifePath Systems began working closely with the DWI/Drug Court of Collin County serving our mutual clients and participating in the weekly coordinating meetings. We have over 12 years of experience in working with criminal justice clients including specific experience working with individuals from the DWI/Drug Court.

Additionally, we offer a specialized Substance Abuse Education Program for adult probationer, coordinated with Collin County Community Supervision and Corrections Department officer, Mark Gross.

Our staff are experienced with the special challenges presented by this population. Clients coming through the criminal justice system often display:

- *a long history of immersion in a drug culture*
- *external motivation (coercion)*
- *patterns of maladaptive coping skills*
- *problems dealing with anger and hostility*
- *guilt and shame*
- *criminal values and beliefs*
- *resistance and denial*
- *need for socialization skills*

The key to our success with the criminal justice population stems from the level of accountability they must have with us, the close coordination with probation and the courts, the integrated care for mental health and substance abuse issues and the integration into a “normalized” population which helps their adjustments to daily living in the community without drugs and/or alcohol and without further criminal activity. One of the key challenges for the criminal justice client is to move beyond coercion as the external motivating factor for change to other internal and voluntary motivations. To do this, we focus on:

- *interventions associated with the current stage of change*
- *developing and improving life management, problem solving, and self-control skills*
- *developing associations or relationships and bonding with pro-social and anti-criminal peers and positive role models*
- *enhancing closer family feelings and communications*
- *improving positive family structures to promote closer monitoring*
- *and, managing and changing antisocial thoughts, attitudes and feelings*

The overriding characteristic of this population, which is often over-looked, is the fact that many of them have co-occurring mental health disorders. According to the Substance Abuse and Mental Health Services Administration (SAMHSA) within the U.S. Department of Health and Human Services, 60% of patients diagnosed with an addictive disorder also suffer from some form of mental illness. SAMHSA also points out that “a growing number of persons with co-occurring mental and substance use disorders appear before the court”.

Our model of treatment is based on an evidence based “psycho-educational, cognitive-behavioral, group structured programming framework”, where there is ample education regarding the disease of chemical dependency and recovery as well as prevention of relapse. Our program is unique from all other providers in the area, in that, we not only address the needs of the chemically dependent, the needs of this special population within the criminal justice system; but we also address the mental health issues of our clients. Within our treatment program, we include information on managing mental health issues and the importance of proper compliance with a medication regimen when medications are necessary. We offer an integrated behavioral health treatment option. SAMHSA states that “treatment for people with dual disorders is more effective if the same clinician or clinical team helps the individual with both substance abuse and mental illness; that way the individual gets one consistent, integrated message about treatment

and recovery”. SAMHSA also points out that “dual-diagnosed patients are often rejected in addiction settings because they are difficult to manage or because they require pharmacological interventions”. They go on to state, “Patients become confused and frustrated as they are passed back and forth between the two service delivery systems, (separate mental health and substance abuse providers) and they may drop out of treatment”.

The service delivery system, which our agency possesses, is the preferred service delivery system for this population.

As mentioned above, Collin County Community Supervision and Corrections Department, Plano and McKinney, and the DWI/Drug court of Collin County have referred to our program. Our program is well known by the courts and probation.

6.2.4: Contact Information

Identify the person(s)/departments and contact information for staff responsible for receiving referrals. Specify the times and days of the week when referrals will be accepted, and the times and days of the week when patient admissions may occur. List the eligibility criteria for patients admitted into your program.

Hank Wich, Program Administrator, will receive and respond to each and every referral from the court, 972-562-9647, ext. 2503; hwich@lifepathsystems.org. Referrals can be made Monday thru Friday, 8:00 am – 5:00 pm. Clients will be offered an appointment within three business days, often earlier, and can be immediately admitted into the program.

Eligibility Criteria Includes:

- *must be 18 years of age or older*
- *must meet the criteria for substance abuse or dependency, and*
- *must not need detoxification and/or inpatient stabilization*

6.2.5: Intake

Indicate provider’s agreement to establish intake appointments within 10 working days of the referral. Briefly describe the intake process. Indicate provider’s agreement to admit patients on the same day as intake appointments. Describe any transportation services offered by provider.

As mentioned above, intakes can be scheduled within 3 business days of the referral and admission is immediate. If the client is indigent or meets eligibility criteria for the State insurance program (NorthSTAR), our office, at the time of the intake, will assist the client in filling out and processing the NorthSTAR enrollment application. We do not have transportation resources available.

6.2.6: Assessment & Treatment Planning

Briefly describe assessment and treatment planning procedures. List the standardized and non-standardized assessment and treatment planning instruments used by the program. Include copies of non-standardized assessment and treatment in Appendix A (see item 6.2.15). Do not include copies of standardized instruments such as ASI, TAP, ASAM PPC, etc.

At the intake interview, the client will meet with a qualified clinician serving this contract for a structured clinical assessment. During this assessment, there is a detailed drug/alcohol use history and treatment history taken. Other areas assessed include: mental health issues, past treatment and medications, medical history, legal/criminality history, current family situation and family background, living situation, employment situation and motivation for change as well as goals for treatment. A SASSI, Substance Abuse Subtle Screening Inventory, is given and scored when there is some question regarding client's dependency. If there are mental health issues, a supplemental mental health assessment and psychiatric evaluation is performed.

From the problem areas identified in the assessment process, a treatment planning session is arranged early in the treatment process where the client and counselor, together, develop a treatment plan addressing all of the areas of concern. This treatment plan is reviewed and adjusted during the treatment process.

See assessment form, Appendix A.

6.2.7: Service Description

Provide substance abuse education; individual and group counseling; relapse prevention; family/collateral interventions; and other treatment services. Briefly describe all services that will be offered to clients referred under this RFP, including any on-site medication services and mental health treatment. Identify all evidence-based treatments or interventions used. Provide a weekly schedule of services in Appendix A (see item 6.2.15).

Our program specializes in difficult and complex client conditions, including co-occurring mental health disorders, chronic relapse syndrome, and problematic living situations. Active substance abuse treatment may span from 10 weeks to 16 weeks, depending on the severity of the substance use and the entry level of care. Active treatment is followed by up to 6 months of aftercare services.

- Level II (Intensive Outpatient Program):

- *6 weeks*
- *three hour group sessions, three times per week*
- *one individual counseling session each week*

-Level I (Supportive Outpatient Program):

- *May be a step-down from Level II care or an entry level of care, depending on assessed need*
- *10 weeks*
- *three hour group sessions, two times per week*
- *one individual session every other week*

-Aftercare:

- *up to 6 months (free & voluntary participation)*
- *Three hour group session, once weekly*

Our clinicians provide education on the disease process and the necessary elements of successful recovery. Participation in a sober support system, as well as obtaining a sponsor, is required throughout our program:

- *Alcoholics Anonymous (AA)*
- *Narcotics Anonymous (NA)*

- *Celebrate Recovery (CR)*

LifePath Systems' Substance Abuse Program focuses on exploring causes and issues related to relapses and their prevention. We pay special attention to the family situation, engaging families in the treatment process as well as assisting the client and family members in addressing relationship issues.

Concurrently, if the client has mental health issues, they will have a mental health assessment and may be evaluated by a psychiatrist for medication management of mental health disorders. If clients are placed on psychiatric medications, they are monitored closely for effectiveness of the medication regimen.

On a case by case basis, clients who have a history of chronic relapses on alcohol or opiates, can also be evaluated for the use of medications designed to assist in managing the urges and cravings, such as vivitrol, naltrexone, campral and suboxone. Our facility has the capacity to administer and monitor these medications.

See weekly schedule in Appendix A.

6.2.8: Medication Assisted Treatment

Indicate provider's agreement to accept patients who are receiving medication-assisted treatment, including but not limited to antabuse and naltrexone.

Our agency does support the use of these medications which often are essential in supporting the recovery efforts of our clients. As mentioned above, our facility has the capacity to administer and monitor these medications. We will also treat clients who are being monitored and maintained on methadone.

6.2.9: Co-Occurring Disorders

Indicate provider's agreement to accept patients who have co-occurring mental health disorders and are stable and receiving mental health treatment and medication.

As mentioned above, we not only accept co-occurring mental health disorders, our agency is unique to all the other providers in the area, in that we provide mental health services in conjunction with our substance abuse services. This true integration of services results in a seamless, well coordinated treatment process. No other agency in the area provides this capability.

6.2.10: Random Drug Testing

Provide random drug testing. List the panel of illicit drugs for which testing is done, and describe the method and frequency of testing. Costs for drug testing must be included in the daily treatment rate proposed by the applicant.

LifePath Systems conducts random drug/alcohol testing on average every other week or at any time for cause during the treatment program. Our tests use a urine or saliva sample and test for:

- *alcohol*

- *cocaine*
- *amphetamines*
- *methamphetamines*
- *marijuana*
- *opiates*
- *benzodiazepines*

The cost for this drug/alcohol testing is included in our stated fees. However, if a client disputes the results of the test, the client has the option of requesting that the sample be sent to a qualified laboratory for further testing/confirmation, at their own expense.

6.2.11: Progress Reporting

Indicate provider's agreement to provide weekly progress reports on each patient to the DWI Court Program and to have a counselor attend court sessions to discuss the progress of patients seen by the provider. In addition, indicate provider's agreement to provide financial data to Collin County as requested.

Our agency is accustomed to, has a history of, and agrees to attend the twice weekly coordination/court sessions and provide the appropriate progress reports, verbally and/or in writing, to the court personnel. Our agency is also accustomed to a consultative, collaborative relationship with the court team in our efforts to provide the most positive and successful experience that can be achieved for each individual.

6.2.12: Discharge Planning

Provide individualized discharge planning for patients. Briefly describe discharge planning procedures. Describe aftercare services including types of aftercare services, location of services, frequency of contacts with program graduates, and the existence of patient alumni groups. List all memorandums of understandings and/or other linkages with medical, mental health, housing, employment, and other ancillary support service providers in the Dallas-Ft. Worth area to which patients may be referred upon discharge.

Discharge planning is initiated during the assessment process in the treatment program and culminates at the discharge planning session conducted between the client and counselor toward the end of their substance abuse treatment episode. The discharge planning session includes a review of client's relapse prevention plan, their plans to return for aftercare sessions, plans for continued mental health services, referrals to community resources, such as DARS, sober living houses, medical clinics and any other supportive services needed by the client.

LifePath Systems Memorandum of Understanding &/or Linkages include:

- *Collin County Adult Clinic*
- *Children and Community Health Center of McKinney*
- *PrimaCare Clinics in Collin County*
- *Samaritan Inn*
- *God's Food Pantry & other local food pantries*
- *Social Security Administration (for filing of disability claims)*
- *Assistance Center of Collin County*

- *Allen Community Outreach*
- *Community Lifeline Center*
- *Texas Department of Human Services (food stamps)*
- *Baylor Dental College*
- *Community Dental*

6.2.13: Afercare Program

Indicate provider's agreement to participate in any aftercare program established by the DWI Court Program.

Our agency is committed to close coordination and collaboration with the court throughout the client's stay in the court system and during the aftercare process. As previously stated, an Aftercare group is offered once a week for 6 months. Even after the treatment episode has concluded within our program, our agency is willing to provide ongoing review and evaluations of client's progress, quality of recovery program and other needs the client may have until successfully completing the court program. Again, due to the breadth of clinical expertise within our agency, we are uniquely qualified to address an array of problematic issues the client may be facing.

6.2.14: Professional References

Furnish the name and contact information for at least three professional references that have purchased similar services from the applicant.

- *Shirlette Best, CDBG Administrator, City of McKinney, CDBG Grant (Community Development Block Grant) 972-547-7577*
- *Holly Brock, Provider Relations, ValueOptions NorthSTAR, 972-906-2576*
- *Ronald Dickens, Contract Manager, Collin County Child Protective Services, 817-792-5220*
- *Christina Day, Community Services Manager, City of Plano, Planning Department, Buffington Community Services Grant, 972-941-7151*
- *Connie Benson, Sportsmanship Chair, McKinney Ice Hockey Club, 214-632-3529, contract to provide drug screens*

6.2.15: Appendix A

Supply the following documents in Appendix A:

- *Copies of Texas DSHS program certifications for proposed levels of care and other relevant program accreditations and licenses.*
- *Organizational Chart*
- *Weekly treatment services schedule*
- *List of Board Members (names and affiliations)*
- *Most recent independent financial audit, if applicable, or most recent financial statement.*
- *Non-standardized assessment and treatment planning instruments, if applicable.*

ATTACHMENT A - COST FORM

FOR SERVICES BEING PROPOSED BY APPLICANT: Indicate the level(s) of care, patients to be treated, cost per counseling session, and total cost. This form is required and offeror(s) will not be considered if not included in the proposal.

ASAM Level of Care	Name of Program (as described in 6.2.7)	Average Number of Sessions	Maximum number of counseling sessions	Approximate number of patients to be served annually
Level I	Supportive Outpatient Program	20	24	100
Level II	Intensive Outpatient Program	18	24	50
Total				

ted during the contract period,
his form is not completed and

Cost per session	Total cost
\$48	96,000
\$71	63,900
	159,900

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

**ANNUAL FINANCIAL AND COMPLIANCE REPORT
FOR THE YEAR ENDED AUGUST 31, 2011**

**Scott, Singleton, Fincher and Company, PC
Certified Public Accountants**

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Annual Financial and Compliance Report
For The Year Ended August 31, 2011**

Table of Contents

	<u>Page</u>
Certificate of Board.....	3
List of Principal Officials.....	4
FINANCIAL SECTION	
Independent Auditor's Report.....	6-7
<u>Required Supplementary Information:</u>	
Management's Discussion and Analysis.....	9-16
<u>Basic Financial Statements:</u>	
<u>Government-Wide Financial Statements</u>	
Statement of Net Assets.....	18
Statement of Activities.....	19
<u>Fund Financial Statements</u>	
Fund Balance Sheet - Governmental Fund.....	20
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund.....	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities.....	22
Statement of Net Assets - Proprietary Fund	23
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Fund	24
Statement of Cash Flows - Proprietary Fund	25
Statement of Fiduciary Net Assets - Agency Fund.....	26
Notes to Basic Financial Statements.....	27-40

	<u>Page</u>
<u>Required Supplementary Information:</u>	
Budgetary Comparison Schedule - General Fund.....	42-43
<u>Supplementary Schedules (Unaudited):</u>	
Schedule of Revenues and Expenditures by Source of Funds-General Fund.....	45
Schedule of Indirect and Administrative Cost Schedule.....	46
Schedule of Leases in Effect.....	47
Schedule of Insurance in Force.....	48-49
Schedule of Bond Coverage.....	50
Schedule of Space Occupied in a State-Owned Facility.....	51
Schedule of Professional and Consulting Fees.....	52
Schedule of Legal Services.....	53

COMPLIANCE AND INTERNAL CONTROLS SECTION

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>	55-56
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and the <i>State of Texas Single Audit Circular</i>	57-59
Schedule of Findings and Questioned Costs.....	60-64

FEDERAL AND STATE EXPENDITURES SECTION

Schedule of Expenditures of Federal and State Awards.....	66-67
Notes to Schedule of Expenditures of Federal and State Awards.....	68

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
List of Principal Officials**

August 31, 2011

Board of Trustees

Mary Dell Green	Board Chair
Dee Roessler	Vice Chair
Ernest Myers, Jr.	Secretary
Ronald F. Crawford, Jr.	Member
Matt Duncan	Member
Catherine Gibb	Member
Eric Hogue	Member
Dona Watson	Member
Doug Kowalski	Member

Administrative Staff

J. Randy Routon, Ph.D.	Chief Executive Officer
Robert Murphy	Chief Financial Officer
Suresh Sureddi, M.D.	Medical Director
Diane Kazlow	ECI Director
Tammy Mahan	Behavioral Health Director
Fern Gimenez	IDD Director

FINANCIAL SECTION

SCOTT, SINGLETON, FINCHER AND COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

4815-A KING STREET
TELEPHONE 903-455-4765
FAX 903-455-5312
GREENVILLE, TEXAS 75401

Kelley D. Fincher, CPA
Tommy L. Nelson, CPA

Members of:
American Institute of
Certified Public Accountants

Texas Society of
Certified Public Accountants

Independent Auditor's Report

The Board of Trustees
Collin County Mental Health
Mental Retardation Center
dba LifePath Systems

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Collin County Mental Health Mental Retardation Center dba LifePath Systems ("Center"), as of and for the year ended August 31, 2011, which collectively comprise the Center's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Center's management. Our responsibility is to express opinions on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Collin County Mental Health Mental Retardation Center dba LifePath Systems, as of August 31, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2012, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9 through 16 and 42 through 43, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's financial statements as a whole. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State of Texas Single Audit Circular*, and is also not a required part of the financial statements. The schedule of expenditures of federal and state awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Respectfully submitted,

Scott, Singleton, Fincher and Company, PC

Scott, Singleton, Fincher and Company, PC
Certified Public Accountants

January 20, 2012

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

Our discussion and analysis of the Collin County Mental Health Mental Retardation Center d.b.a. LifePath Systems (the Center) financial performance provides an overview of the Center's financial activities for the fiscal year ended August 31, 2011. We encourage readers to consider the information presented here in conjunction with the financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- The assets of LifePath Systems exceeded its liabilities at the close of the most recent fiscal year by \$4,725,717 (net assets). Of this amount, \$2,474,487 (unrestricted net assets) may be used to meet the Center's ongoing obligations.
- The Center's total net assets (government-wide) increased by \$829,599.
- As of the close of the current fiscal year, the Center's general fund reported ending fund balance of \$1,822,666 an increase of \$410,399 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,745,149 or 11 percent of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to LifePath System's basic financial statements. The Center's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The Statement of Net Assets presents information on all of the Center's assets and liabilities. Increases or decreases in net assets serve as a useful indicator of whether the financial position of LifePath Systems is improving or deteriorating.

The Statement of Activities includes all the revenue and expenses generated by the Center's operations during the year. The accrual basis of accounting is used, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are reported regardless of when cash is received or paid.

In the Statement of Net Assets and the Statement of Activities, the Center is divided into two types of activities:

- *Governmental activities* – The Center’s basic services are reported in this section, including the Intellectual and Developmental Disabilities Division, Early Childhood Intervention, Behavioral Health Division and General Administration.
- *Business-type activity* – The Center has no activities that would be classified in the business-type activities category.

The government-wide financial statements can be found on pages 18 – 19 of this report.

REPORTING THE CENTER’S MOST SIGNIFICANT FUNDS

The fund financial statements begin on page 20 and provide detailed information about the Center’s funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. LifePath Systems, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Center are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- **Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how dollars flow into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting that measures cash and all other financial assets that can be readily converted to cash.

The governmental fund statements provide a *detailed short-term view* of the Center’s general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Center’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation of the fund financial statements at the bottom of the fund financial statements.

The Center adopts an annual budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. This schedule can be found on pages 42-43 of this report.

Proprietary funds – When the Center charges customers for the services it provides – whether to outside customers or to other programs of the Center – these services are generally reported in proprietary funds. The Center maintains one type of proprietary fund. The *internal service fund* is an accounting device used to accumulate and allocate costs internally among the Center’s various functions. The Center uses an *internal service fund* to account for acquisition of capital assets as well as for the future replacement of existing capital assets.

Fiduciary fund – Fiduciary funds are used to account for resources held for the benefit of parties outside of the Center. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Center’s own programs. Funds held on behalf of consumers are considered fiduciary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 – 40 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* that is required by the Texas Health and Human Services Commission’s *Guidelines for Annual and Compliance Audits of Community MHMR Centers*, OMB Circular A-133 and the *State of Texas Single Audit Circular*. This supplementary information can be found on pages 45 – 68 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of LifePath Systems, assets exceeded liabilities by \$4,725,717 at the close of the most recent fiscal year.

A portion of the Center’s net assets (\$2,190,280 or 46%) reflect its investment in capital assets; land, buildings, vehicles and furniture and equipment, less any related debt used to acquire the assets that is still outstanding. The Center uses these assets to provide services to the consumers it serves; consequently, these assets are not available for future spending.

Collin County Mental Health Mental Retardation Center
 dba LifePath Systems
 Comparative
 Statement of Net Assets

	2011	2010
Current and other assets	\$ 3,579,178	\$ 3,187,417
Capital assets, net	2,378,604	2,277,461
Total assets	5,957,782	5,464,878
Long-term debt outstanding	188,324	453,634
Other liabilities	1,043,741	1,115,126
Total liabilities	1,232,065	1,568,760
Net assets:		
Invested in capital assets, net of related debt	2,190,280	1,823,827
Restricted for debt service	60,950	62,333
Unrestricted	2,474,487	2,009,958
Total net assets	\$ 4,725,717	\$ 3,896,118

A portion of the Center's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* for the most current fiscal year of \$2,474,487 or approximately 52% may be used to meet the Center's ongoing obligations to consumers and creditors.

Collin County Mental Health Mental Retardation Center
 dba LifePath Systems
 Comparative
 Statement of Activities

	2011	2010
Revenues		
Program revenues		
Charges for services	\$ 8,354,446	\$ 7,600,567
Operating grants/contributions	7,569,838	7,748,434
General revenues	9,924	13,326
Total revenues	15,934,208	15,362,327
Expenses		
Behavioral Health	2,922,091	3,260,072
Intellectual & Developmental Disabilities	5,510,134	5,243,192
Early Childhood Intervention	6,649,498	6,419,358
Interest on Long-term Debt	22,886	30,730
Total expenses	15,104,609	14,953,352
Change in net assets	829,599	408,975
Net assets – beginning of year	3,896,118	3,487,143
Net assets – end of year	\$ 4,725,717	\$ 3,896,118

GOVERNMENTAL ACTIVITIES

Revenues for the Center’s governmental activities were \$15,934,208 while the total expenses were \$15,104,609. The change in net assets was an increase of \$829,599. LifePath’s NorthStar program ended the year with a increase in net assets of \$124,421, while the remaining governmental activities contribution to net assets was an increase of \$695,254.

BUSINESS-TYPE ACTIVITIES

The Center had no activities that would be classified in the business-type activities category.

FINANCIAL ANALYSIS OF THE CENTER'S FUNDS

Governmental funds. As the Center completed the year, its governmental fund (as presented in the balance sheet on page 20) reported a fund balance of \$1,822,666, which is an increase of \$410,399 from last year's total of \$1,412,267.

The focus of the Center's governmental fund is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Center's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Center. At the end of the current fiscal year, unassigned fund balance in the general fund was \$1,745,149, while total fund balance reached \$1,822,666. As a measure of general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 11 percent of the total general fund expenditures.

Proprietary funds. The Center's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Center had no budget amendments for the fiscal year.

Actual revenue was over the final budget by \$359,971 primarily due to increases in Medicaid earned revenue. Actual expenditures were under the final budget by \$47,799 primarily due to decreases in employee benefits due to forfeitures utilized to fund employer retirement contributions and dividends received from Texas Mutual Insurance Company related to the Center's workers compensation policy which were primarily used to offset current year costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The Center's investment in capital assets for its governmental activities as August 31, 2011, was \$2,378,604 (net of accumulated depreciation). The investment in capital assets includes facilities, vehicles, and furniture and equipment.

Major capital asset additions during the current fiscal year include:

- New roofing at two Center facilities.
- New copiers for various Center facilities.
- Two vehicles for the Center's program personnel.
- HVAC units for several Center facilities.
- Computers and related equipment for the Center's program personnel.

Collin County Mental Health Mental Retardation Center
 dba LifePath Systems
 Capital Assets (net of depreciation)

Governmental Activities

	FY 2011	FY 2010
Land	\$ 199,478	\$ 199,478
Buildings	3,034,095	2,893,496
Furniture and Equipment	1,695,718	1,567,744
Vehicles	445,964	500,026
Less Accumulated Depreciation	(2,996,651)	(2,883,283)
 Total Capital Assets	 \$ 2,378,604	 \$ 2,277,461

Note 4 on Page 36 of the financial statements provide detailed information of the Center’s capital assets.

Long-term debt. At the end of the current fiscal year, the Center had total bonded debt outstanding of \$170,000 and capital leases related to the purchase of equipment of \$18,324. Interest expense was \$22,886 for the fiscal year. Additional information on the Center’s long-term debt can be found in note 5 on pages 37 –38 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The LifePath Systems’ Board of Trustees and Management staff are facing significant challenges in the coming year. Some of those are ongoing from previous years and some are new. Extremely low reimbursement rates and numerous unreimbursed but required activities from the state’s managed care administrator for behavioral health services remains the most troubling. Addressing the unmet need with a high rate of population growth in Collin County is a significant challenge as well. Center management strive to balance the low available funds with the competing demands of quality and quantity, while maintaining critical infrastructure and retaining the highly qualified group of professional staff employed at LifePath. Specific issues include:

- Behavioral Health Services are currently in a discounted “case rate” contract with the managed care company. The managed care company (Value Options) has publicly stated that this change was intended to reduce millions of dollars from the NorthSTAR outpatient provider system and that services to indigent adults will be reduced. The rising costs of doing business and the additional unreimbursed services required by Value Options make it increasingly difficult to provide services and almost guarantee an increase in the number of costly crisis interventions.

- Delayed facility and technology improvements: as the Center has struggled to remain in a positive financial position over the past few years, delays in facility improvements and technology replacements and upgrades (e.g., voice mail system, computers) have mounted. The Center began addressing these long standing issues on a priority basis in FY 2009 through 2011 but will need to continue in 2012. There are significant investments required as all health care providers move toward utilizing an Electronic Health Record.
- Increased demand for services in all three divisions and the continuing growth of Collin County continues to tax the Center's resources. In particular, the increasing number of children and adults with autism and other Pervasive Developmental Disabilities served by ECI and IDD programs require more comprehensive and expensive services, including behavior management, specialized respite providers, etc. further taxing the system.
- Moving a large part of the Early Childhood Intervention program funding into managed care is already creating conflicts and problems. Although ValueOptions contract with the state specifically requires them to provide ECI services, they simply refuse to contract with providers. The current ECI program philosophy of providing services in the child's home or natural environment may not be financially viable in the new funding method used by the state.

Our plan is to continue to educate and collaborate with community partners such as criminal justice, law enforcement, the county, cities and private organizations who want to help us build stronger communities. Management will continue to monitor the financial health of all programs as we go into this year of change.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of LifePath Systems finances and the Center's accountability for the funds it receives. If you have questions about this report or need additional information, contact LifePath Systems Finance Department P.O. Box 828 McKinney, TX 75070-0828.

**BASIC
FINANCIAL STATEMENTS**

**COLLIN COUNTY MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS
STATEMENT OF NET ASSETS
August 31, 2011**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 847,498
Investments	1,514,403
Accounts receivable, net	1,139,760
Deposits and prepaid expenses	16,567
Restricted investments	60,950
Land	199,478
Capital assets, net	<u>2,179,126</u>
Total Assets	<u>5,957,782</u>
LIABILITIES	
Accounts payable	242,796
Accrued salaries and benefits	593,281
Other accrued expenses	49,185
Deferred revenue	153,209
Payable from restricted investments:	
Accrued interest	5,270
Noncurrent liabilities:	
Bonds due within one year	20,000
Capital leases due within one year	4,475
Bonds due in more than one year	150,000
Capital leases due in more than one year	<u>13,849</u>
Total Liabilities	<u>1,232,065</u>
NET ASSETS	
Invested in capital assets, net of related debt	2,190,280
Restricted for debt service	60,950
Unrestricted	<u>2,474,487</u>
Total Net Assets	<u>\$ 4,725,717</u>

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

COLLIN COUNTY MENTAL HEALTH MENTAL RETARDATION CENTER
 DBA LIFEPAATH SYSTEMS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDING AUGUST 31, 2011

Functions/Programs	Expenses		Expenses After Allocation of Administration	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Administration Allocation		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:							
Intellectual and Developmental Disabilities programs	\$ 4,859,492	\$ 650,642	\$ 5,510,134	\$ 4,079,103	\$ 2,065,421	\$ -	\$ 634,390
Early Childhood Intervention program	5,930,366	719,132	6,649,498	1,684,952	5,048,296		83,750
Behavioral health programs	2,579,647	342,444	2,922,091	2,590,391	456,121		124,421
Administration	1,712,218	(1,712,218)	-				-
Interest on long-term debt	22,886		22,886				(22,886)
Total governmental activities	\$ 15,104,609	\$ -	\$ 15,104,609	\$ 8,354,446	\$ 7,569,838	\$ -	\$ 819,675
General revenues:							
Unrestricted investment earnings							3,094
Other revenues							6,830
Total general revenues							9,924
Change in net assets							829,599
Net assets - beginning of year							3,896,118
Net assets - end of year							\$ 4,725,717

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

**COLLIN COUNTY MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPATH SYSTEMS
BALANCE SHEET
GOVERNMENTAL FUND
August 31, 2011**

	General Fund	Total Governmental Fund
ASSETS		
Cash and cash equivalents	\$ 340,948	\$ 340,948
Accounts receivable, net	1,058,647	1,058,647
Investments	1,514,403	1,514,403
Restricted investments	60,950	60,950
Deposits and prepaid expenses	16,567	16,567
Total Assets	\$ 2,991,515	\$ 2,991,515
LIABILITIES		
Accounts payable	242,796	242,796
Accrued salaries and benefits	593,281	593,281
Other accrued expenses	49,185	49,185
Advance from internal service fund	130,378	130,378
Deferred revenue	153,209	153,209
Total Liabilities	1,168,849	1,168,849
FUND BALANCES		
Non-spendable:		
Deposits and prepaid expenses	16,567	16,567
Restricted for:		
Debt service	60,950	60,950
Unassigned	1,745,149	1,745,149
Total Fund Balances	1,822,666	1,822,666
Total Liabilities and Fund Balances	\$ 2,991,515	

**Amounts presented for governmental activities in the Statement of
Net Assets are different because:**

Capital assets used in governmental activities are not financial resources, and, therefore are not reported in the funds. 824,021

The Internal Service Fund is used by management to charge the costs of certain capital assets to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the statement of net assets. 2,191,511

Interest due on long-term debt is recorded as accrued interest payable in the Statement of Net Assets but does not become a liability on the fund statements until the date due. (5,270)

Long-term liabilities are reported in the Statement of Net Assets but they are not due and payable in the current period and therefore are not reported as liabilities in the fund balance sheet. (188,324)

Long-term receivables are not available to pay current-period expenditures and, therefore, are deferred in the fund balance sheet. 81,113

Net Assets of Governmental Activities **\$ 4,725,717**

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

**COLLIN COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED AUGUST 31, 2011**

	General Fund	Total Governmental Fund
	<u> </u>	<u> </u>
REVENUES:		
Local and earned sources	\$ 8,952,694	\$ 8,952,694
State programs	3,706,774	3,706,774
Federal programs	3,298,234	3,298,234
Investment income	3,094	3,094
Total revenues	<u>15,960,796</u>	<u>15,960,796</u>
EXPENDITURES:		
Current:		
Intellectual and Developmental Disabilities	4,889,391	4,889,391
Behavioral Health	2,589,070	2,589,070
Early Childhood Intervention	5,920,297	5,920,297
Administration	1,688,333	1,688,333
Capital Outlay	176,356	176,356
Debt service:		
Principal	265,310	265,310
Interest	23,506	23,506
Trustee fees	763	763
Total expenditures	<u>15,553,026</u>	<u>15,553,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>407,770</u>	<u>407,770</u>
OTHER FINANCING SOURCES (USES):		
Proceeds from the disposal of capital assets	2,629	2,629
Total other financing sources (uses)	<u>2,629</u>	<u>2,629</u>
Net Change in Fund Balance	410,399	410,399
Fund balance - beginning of year	<u>1,412,267</u>	<u>1,412,267</u>
Fund balance - end of year	<u>\$ 1,822,666</u>	<u>\$ 1,822,666</u>

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

**COLLIN COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED AUGUST 31, 2011

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds (see previous page) \$ 410,399

Governmental funds report capital outlay as expenditures. However in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$176,356) exceeded depreciation (\$110,206) in the current period. 66,150

Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The results of the internal service fund are reported with governmental activities. 113,708

The issuance of long-term debt (e.g., bonds, notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This is the amount by which the repayment of long-term debt (\$265,310) exceeded the issuance of long-term debt (\$0) in the current period. 265,310

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental activities. These include the change in accrued interest payable (\$620). 620

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. This includes the decrease of (\$26,588) in Medicaid administrative claiming revenues. (26,588)

Change in net assets of governmental activities as reported in the Statement of Activities: \$ 829,599

**COLLIN COUNTY MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS
STATEMENT OF NET ASSETS
PROPRIETARY FUND
August 31, 2011**

	Governmental Activities Internal Service Fund
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 506,550
Total Current Assets	506,550
Capital Assets	
Buildings	2,710,123
Vehicles	377,648
Computers and Equipment	302,381
Less accumulated depreciation	(1,835,569)
Capital Assets, net	1,554,583
Advance to General Fund	130,378
Total Assets	\$ 2,191,511
LIABILITIES	
Current Liabilities	
Accounts payable	
Total Current Liabilities	-
Noncurrent Liabilities	
None	
Total Liabilities	-
NET ASSETS	
Invested in capital assets	1,554,583
Unrestricted	636,928
Total Net Assets	\$ 2,191,511

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

**COLLIN COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER
DBA LIFEPATH SYSTEMS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED AUGUST 31, 2011**

	Governmental Activities Internal Service Fund
Operating Revenues:	
Internal charges for services/uses	\$ 274,456
Total operating revenues	<u>274,456</u>
Operating Expenses:	
Maintenance, repairs & vehicle expense	15,976
Depreciation	179,608
Total operating expenses	<u>195,584</u>
Operating income (loss)	<u>78,872</u>
Nonoperating Revenues (Expenses)	
Gain on sale of capital assets	19,215
Interest income	621
Total nonoperating revenues (expenses)	<u>19,836</u>
Net income (loss) before contributions	<u>98,708</u>
Capital contribution from McKinney EDC	15,000
Change in net assets	113,708
Net assets - beginning of year	<u>2,077,803</u>
Net assets - end of year	<u><u>\$ 2,191,511</u></u>

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

**COLLIN COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER
DBA LIFEPATH SYSTEMS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED AUGUST 31, 2011**

	Governmental Activities Internal Service Fund
Cash Flows From Operating Activities:	
Receipts for services/internal charges	\$ 274,456
Payments to suppliers	(15,976)
Net Cash Provided (Used) by Operating Activities	258,480
Cash Flows from Noncapital Financing Activities:	
Operating transfers	-
Net Cash Provided (Used) by Noncapital Financing Activities	-
Cash Flows From Capital and Related Financing Activities:	
Change in amount due from/to General Fund	422,006
Purchases of capital assets	(214,882)
Capital contribution from McKinney EDC	15,000
Proceeds from sale of capital assets	19,496
Net Cash Provided (Used) by Capital and Related Financing Activities	241,620
Cash Flows From Investing Activities:	
Interest and investment earnings	621
Net Cash Provided (Used) by Investing Activities	621
Net Increase (Decrease) in Cash and Cash Equivalents	500,721
Cash and Cash Equivalents-Beginning of Year	5,829
Cash and Cash Equivalents-End of Year	\$ 506,550
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating income (loss)	78,872
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	179,608
Changes in net assets and liabilities:	
Receivables, net	
Accounts payable	
Net Cash Provided (Used) by Operating Activities	\$ 258,480

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

COLLIN COUNTY MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
August 31, 2011

	Consumer Agency Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 29,027
Total Current Assets	<u>29,027</u>
Noncurrent assets:	
None	<u>-</u>
Total Assets	<u><u>\$ 29,027</u></u>
LIABILITIES	
Current liabilities:	
Due to consumers	\$ 29,027
Total Current Liabilities	<u>29,027</u>
Noncurrent liabilities:	
None	<u>-</u>
Total Liabilities	<u><u>\$ 29,027</u></u>

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

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Notes to Basic Financial Statements
August 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Introduction

The accounting and reporting framework and the more significant accounting principles and practices of Collin County Mental Health Mental Retardation Center dba LifePath Systems (LifePath) are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures, of the LifePath's financial activities for the fiscal year ended August 31, 2011.

(b) Financial Reporting Entity - Basis of Presentation

LifePath is a public entity which was established under the Texas Mental Health and Mental Retardation Act of 1965 and organized under Chapter 534, Title 7 of the Texas Health and Safety Code. This act provided for the creation of local boards of trustees. LifePath's current board of trustees was appointed by the Commissioner's Court of Collin County, Texas; to develop and implement community-based behavioral health and intellectual and developmental disabilities services. LifePath is governed by an independent board; has the authority to make decisions; appoint administrators and managers; significantly influence operations; and has the primary accountability for fiscal matters. LifePath is not included in any other governmental "reporting entity" as defined in Section 2100, codification of Governmental Accounting and Financial Reporting Standards.

In evaluating how to define LifePath, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GASB Statements No. 14 and 39. These statements define the reporting entity as the primary government and those component units for which the primary government is financially accountable. In addition, component units may be included in the reporting entity based on the nature and significance of the relationship with the primary government. Based on these criteria LifePath has the following component unit:

LifePath Systems Foundation (Foundation) is a charitable organization established to provide support for the programs and services of LifePath Systems in order to serve the community in the areas of early childhood intervention, behavioral health, intellectual and developmental disabilities, and substance abuse needs. The Foundation has applied for and is pending final approval for tax-exempt status at August 31, 2011. The Foundation was formed in 2011 and its level of activity does not presently have a material impact on LifePath's financial statements. Accordingly, no financial information is presented for the Foundation in LifePath's financial statements. Financial information of the Foundation may be obtained at the office of 1416 N. Church Street, McKinney, Texas 75069.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(c) Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for LifePath as a whole excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by charges for services and operating grants, from business-type activities, generally financed in whole or in part with fees charged to external customers. Lifepath does not have any business-type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of LifePath's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Contributions from local governments and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The major individual governmental fund (General Fund) is reported as a separate column in the fund financial statements.

(d) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of LifePath are prepared in accordance with generally accepted accounting principles (GAAP). LifePath applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements, as well as the proprietary fund financial statements, are reported using the economic resources measurement focus and the accrual basis of accounting. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Charges for services are recognized in the year for which they are provided while grants are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(d) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of LifePath's internal service fund are internal charges to the general fund for management of capital assets and the principal operating expenses are the costs of maintaining those assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. LifePath considers revenues to be available if they are collected within 120 days of the end of the fiscal year. Expenditures generally are recorded when the related fund liability is incurred, except for debt service expenditures, and long-term compensated absences, which are reported as expenditures in the year due.

Major revenues susceptible to accrual include billings on reimbursable type grants and awards where revenues are recognized when services are rendered or when reimbursable expenditures are incurred. Client fees are recorded at the net realizable amounts. Deferred revenues arise when resources are received before there is a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when there is a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Allocation of Indirect Expenses

LifePath allocates indirect expenses primarily comprised of administrative services to operating functions and programs benefiting from those services. Administrative services include overall management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocation methodologies.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

(e) **Fund Types and Major Funds**

LifePath reports the following major governmental fund:

Governmental Fund

General Fund - reports as the primary operating fund of LifePath. This fund is used to account for all financial resources of the entity, except for those required to be accounted for in another fund.

Other Non Major Fund Types

Proprietary Fund

Internal Service Fund - reports the activities of management to charge the costs of capital assets such as buildings and vehicles to the General Fund.

Fiduciary Fund

Agency Fund - This fund is used to account for the personal funds of LifePath's clients. This fund is purely custodial (assets equal liabilities) and does not involve the measurement of the results of operations.

(f) **Budget and Budgetary Accounting**

LifePath's annual budget for the General Fund is prepared based on estimated expenditures provided on a unit basis summarized by program category. The budget is submitted to the Chief Executive Officer and the Board of Trustees. The budget must have the Board of Trustees' approval and that of the Texas Department of Aging and Disability Services (DADS) for services related to intellectual and developmental disabilities. The final budget is approved by DADS, generally before the beginning of the new fiscal year.

The budget for the General Fund is prepared using the current financial resources measurement focus and the modified accrual basis of accounting which is consistent with generally accepted accounting principles for a governmental fund.

(g) **Cash and Investments**

Outstanding cash and cash equivalents at August 31, 2011 consists principally of interest bearing bank accounts and certificates of deposit with original maturities of three months or less from the date of acquisition.

Investments at August 31, 2011 consist of investments in a money market mutual fund investing in U.S. Treasury securities and Texas Local Government Pool ("TexPool"). Authorized investments of TexPool include obligations of the United States of America or its agents, direct obligations of the State of Texas or its agencies, certificates of deposit and repurchase agreements. Interest revenue on investments is recorded in the applicable operating fund. Investments are stated at fair value.

Unrestricted and restricted cash and investments purchased by LifePath within three months of maturity are considered to be cash equivalents for purposes of the statement of cash flows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(h) Prepaid Items

Prepays record payments to vendors that benefit future reporting periods and are reported on the consumption basis. Prepays are similarly reported in government-wide and fund financial statements. Prepaid items are reflected as non-spendable fund balance in the governmental fund balance sheet, because these assets do not constitute available spendable resources even though they are components of net current assets.

(i) Capital Assets, Depreciation, and Amortization

LifePath's property, plant, equipment, and vehicles with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and related improvements	15-40
Computer equipment	5
Vehicles	5
Furniture and fixtures	5-12

No interest has been capitalized in the cost of capital assets.

(j) Long-Term Liabilities

In the government-wide financial statements and proprietary fund statements, outstanding long-term liabilities, if any are reported as liabilities.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

(k) Leave Policies

Effective September 1, 2006 LifePath amended its compensated absences policy where upon termination of employment all accrued vacation and extended illness leave hours are forfeited by the employee. Therefore, there is no balance of compensated absences reported in the government-wide financial statements.

Full-time employees earn vacation leave for each month of work performed. Progressive accrual of vacation leave is based on the number of years the individual is employed by LifePath. Accrued vacation leave is forfeited upon termination of employment.

Full-time employees accumulate approximately 4 hours of extended illness leave per month. An individual's extended illness leave may be accumulated but may never exceed 440 hours. Unused extended illness leave is not paid upon termination of employment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(k) Leave Policies (continued)

Compensated absences are reported as accrued when incurred in the government-wide and proprietary fund financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees and these are included in accrued salaries and benefits payable.

(l) Net Assets/Fund Balances

LifePath implemented GASB Statement 54 standards for the classification of fund balances in governmental funds. The fund balances of governmental funds are defined as follows:

Non-spendable – amounts that cannot be spent either because they are in non-spendable form, such as inventory or prepaid items or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees of LifePath. The Board of Trustees is the highest level of decision making authority for LifePath. Commitments may be established, modified, or rescinded only through a formal resolution of the Board of Trustees.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes that have been established by the Board of Trustees. Per LifePath's fund balance policy assignments may be established, modified, or rescinded only through a formal resolution of the Board of Trustees.

Unassigned – all other spendable amounts in the general fund.

When expenditures are incurred for which both restricted and unrestricted fund balance is available LifePath considers restricted funds to have been spent first. Similarly committed funds are considered to have been spent first when there is a choice for the use of less restricted funds, then assigned and then unassigned funds.

(m) Risk Management

LifePath is exposed to various risks of loss related to general liability; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; doctors' malpractice; and natural disasters. During fiscal 2011, LifePath was covered by insurance for these various risks at a cost it considered to be economically justifiable.

LifePath maintains workers compensation, general and auto liability, director's and officer's liability, and property insurance coverage through commercial insurance carriers. There was no significant reduction in insurance coverage from the prior year. The amount of settlements has not exceeded insurance coverage for any of the past three years. LifePath does not anticipate any additional assessments for insurance premiums as a result of activities in the year ending August 31, 2011.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(n) Restricted Investments

Certain investments set aside for the repayment of tax exempt bonds are classified as restricted investments as their use is limited by applicable bond covenants.

(o) Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

(p) Tax-exempt Status

The Internal Revenue Service has issued a determination letter dated January 15, 2002, stating that LifePath qualifies as an organization described in Section 501(c)(3) of the Internal Revenue Code and accordingly, is exempt from federal income taxes. This determination letter further specifies that LifePath is not considered to be a private foundation as specified by Section 509(a)(1).

(q) Due To/From Other Funds

Generally, outstanding balances between funds reported as “due to/from funds” include outstanding charges by one fund to another for services or other miscellaneous receivables/payables between funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are described as “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans).

The government-wide statement of activities eliminates receivables and payables reported within the governmental activities.

Interfund balances as of August 31, 2011 was as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$	\$ 130,378
Internal Service Fund	<u>130,378</u>	<u> </u>
Total	<u>\$ 130,378</u>	<u>\$ 130,378</u>

These amounts exist primarily due to the acquisition and maintenance of capital assets and are not expected to be repaid within one year.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS:

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, LifePath's deposits may not be returned or LifePath will not be able to recover collateral securities in the possession of an outside party. LifePath's policy requires deposits to be fully secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation (FDIC) insurance. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health. Collateral agreements must be approved prior to deposit of funds. The Board of Trustees approves authorized depository institutions based on the recommendations of LifePath's management. Custodial credit risk for deposits is not formally addressed by bond indentures.

At August 31, 2011 LifePath maintained deposits at Independent Bank in the amount of \$712 which were not fully insured or collateralized with securities held by LifePath, its agent, or by the pledging financial institution's trust department or agent in the name of LifePath Systems.

Included in cash and cash equivalents at August 31, 2011, are interest bearing certificates of deposit totaling \$250,000 with original maturities of thirty days or less when purchased.

Investments

As of August 31, 2011, LifePath's reporting entity has the following investments:

<u>Type of Investments</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Credit Rating(1)</u>	<u>Range of Days to Maturity</u>
Unrestricted Investments:				
Texas Local Government Investment Pool (TexPool)	\$1,514,403	\$1,514,403	AAA	83 days
Restricted Investments:				
Bank of America Treasury Reserves 4531	<u>60,950</u>	<u>60,950</u>	Exempt	Not available
Total investments	<u>\$1,575,353</u>	<u>\$1,575,353</u>		

(1) Ratings are provided where applicable to indicate associated **credit risk**.

During the year ended August 31, 2011 LifePath invested in Texas Local Government Investment Pool ("TexPool"). TexPool, a public funds investment pool created by the Treasurer of the State of Texas acting by and through the Texas Treasury Safekeeping Trust Company, is empowered to invest funds and act as custodian of investments purchased with local investment funds. Authorized investments of TexPool include obligations of the United States of America or its agencies, direct obligations of the State of Texas or its agencies, certificates of deposit, and repurchase agreements.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued):

Investment Policies

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, LifePath's investing activities are managed under the custody of the Chief Financial Officer. Investing is performed in accordance with investment policies adopted by the Board of Trustees complying with state statutes. LifePath's investment policy and state statute generally permit LifePath to invest in certificates of deposit, fully collateralized repurchase agreements, public funds investment pools, obligations of the United States of America or its agencies, direct obligations of the State of Texas or its agencies, prime domestic bankers acceptances, commercial paper, SEC registered no-load money market mutual funds, other obligations which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, and obligations of states, agencies, countries, cities and other political subdivisions having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent. During the year ended August 31, 2011, LifePath did not own any types of securities other than those permitted by statute or its investment policy.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. LifePath's policy requires management to determine the appropriate average weighted value maturity of the portfolio based on anticipated cash flows. Maximum maturities of investments are limited to five years unless specific authority is granted by the Board.

Concentration of credit risk is the risk of loss attributed to the magnitude of LifePath's investment in a single issuer. LifePath's policy requires that investments be diversified by security type and institution. Following is a list of investments that represent more than 5% of total LifePath investments at year-end:

<u>Description</u>	<u>Carrying Amount</u>	<u>Percentage of Portfolio</u>
Texas Local Government Investment Pool (TexPool)	\$1,514,403	96.13%

For investments, **custodial credit risk** is the risk that, in the event of the failure of the counterparty, LifePath will not be able to recover the value of its investments or collateral securities in the possession of an outside party. LifePath's policy provides that investment securities are held by a third party custodian in an account in LifePath's name. Custodial credit risk for investments is not formally addressed by bond indentures.

3. ACCOUNTS RECEIVABLE:

Accounts receivable are for reimbursement of expenditures and fees for services provided under various programs and grants. All amounts are expected to be collected within the next year. A summary of these receivables follows:

	Governmental Activities
Local funds and earned sources:	
Medicaid administrative claiming	\$ 234,511
Medicaid and Medicare	187,209
Home and Community Based Services	55,852
ICF/MR	50,752
Insurance and private pay	121,569
Value Options	20,737
Other	30,763
State and Federal funds:	
U.S. Department of Housing and Urban Development:	
Supportive Housing Program	9,059
Early Childhood Intervention	<u>429,308</u>
	1,139,760
Less: Allowance for doubtful accounts	(-0-)
Accounts Receivable, net of allowance	<u><u>\$1,139,760</u></u>

4. CAPITAL ASSETS:

The following table provides a summary of changes in capital assets:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES:				
Capital assets not being depreciated:				
Land	\$ 199,478	\$ _____	\$ _____	\$ 199,478
Total capital assets not being depreciated	<u>199,478</u>	<u>-0-</u>	<u>-0-</u>	<u>199,478</u>
Other capital assets:				
Buildings	2,893,496	140,599		3,034,095
Furniture and Equipment	1,567,744	191,814	63,840	1,695,718
Vehicles	<u>500,026</u>	<u>58,826</u>	<u>112,888</u>	<u>445,964</u>
Total capital assets at historical costs	<u>5,160,744</u>	<u>391,239</u>	<u>176,728</u>	<u>5,375,255</u>
Less accumulated depreciation	<u>2,883,283</u>	<u>289,814</u>	<u>176,446</u>	<u>2,996,651</u>
Governmental Activities				
Capital Assets, net	<u>\$2,277,461</u>	<u>\$ 101,425</u>	<u>\$ 282</u>	<u>\$2,378,604</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Intellectual and developmental disabilities programs	\$ 122,335
Behavioral health programs	43,220
Early Childhood Intervention program	100,373
Administration	<u>23,886</u>
Total depreciation expense	<u>\$ 289,814</u>

5. LONG-TERM DEBT:

Bonded indebtedness outstanding at August 31, 2011, is comprised of the following issue:

Public Property Finance Corporation of Texas Revenue Bonds, Series 1996
 \$355,000 original issue dated November 1, 1996 due in annual principal
 installments ranging from \$10,000 through \$60,000 through
 September 1, 2016; interest rate is 6.20%.

At August 31, 2011 the bonds payable balance was as follows:

Series 1996 Revenue Bonds	<u>\$ 170,000</u>
Total Bonds Outstanding	<u>\$ 170,000</u>

Terms of the contractual obligation bond agreement require LifePath to establish Reserve Funds in an amount equal to approximately 10% of the principal amount of the bonds or \$35,350. At August 31, 2011 LifePath maintained \$35,350 in Reserve Funds which was an amount that was sufficient to meet this requirement. This sinking fund requirement is \$35,350 until maturity of the 1996 bond issue in FY2017.

In addition to the Reserve Fund, the contractual obligation agreements require LifePath to establish Finance Payment Funds. LifePath is required to deposit approximately equal monthly amounts into this fund sufficient to pay principal and interest installments on the bonds as they come due. At August 31, 2011, LifePath maintained \$25,600 in Finance Payment Funds which was an amount sufficient to meet this requirement.

As of August 31, 2011 a total of \$60,950 is available in accounts held by the bond trustee to service the contractual obligation bonds. Contractual obligation bonds are secured by LifePath's contract rights, receivables, revenues, property acquired with bond proceeds, and restricted investments maintained in the Finance Payment Fund and Reserve Fund.

The following is a summary of changes in long-term liabilities for the year ended August 31, 2011:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
GOVERNMENTAL ACTIVITIES:					
Revenue bonds payable	\$ 190,000	\$ -0-	\$ 20,000	\$ 170,000	\$ 20,000
Note payable	221,370	-0-	221,370	-0-	-0-
Capital leases payable	<u>42,264</u>	<u>-0-</u>	<u>23,940</u>	<u>18,324</u>	<u>4,475</u>
Governmental activities long-term liabilities	<u>\$ 453,634</u>	<u>\$ -0-</u>	<u>\$265,310</u>	<u>\$ 188,324</u>	<u>\$ 24,475</u>

5. LONG-TERM DEBT (continued):

Legacy Bank of Texas note payable in the original amount of \$233,401 related to the acquisition of the Avenues Counseling property. This note was paid off in full by LifePath on May 6, 2011. The note was collateralized by the real estate acquired. The note was originally dated August 1, 2009 and monthly payments were \$2,195.40 over 162 months. The interest rate was a variable rate scheduled to adjust every five years at 3 percentage points above the standard rate published by the Federal Home Loan Bank of Dallas, Texas. During 2011 the interest rate was 6.719%.

The annual debt service requirements to maturity for revenue bonds payable are as follows at year-end:

Year Ending August 31,	Bonds Payable		Total Required
	Principal	Interest	
2012	20,000	9,920	29,920
2013	20,000	8,680	28,680
2014	20,000	7,440	27,440
2015	25,000	6,045	31,045
2016	25,000	4,495	29,495
2017	<u>60,000</u>	<u>1,860</u>	<u>61,860</u>
Totals	<u>\$ 170,000</u>	<u>\$ 38,440</u>	<u>\$ 208,440</u>

Total interest expense recorded in governmental activities was \$22,886.

6. LEASES:

Capital Leases

LifePath is obligated under certain leases accounted for as capital leases. Assets under capital lease are recorded as equipment with a total cost of \$23,293 and accumulated depreciation of \$6,988 at August 31, 2011. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of August 31, 2011:

Year Ending August 31,	Governmental Activities
2012	\$ 5,238
2013	5,239
2014	5,240
2015	4,369
2016	<u>-0-</u>
Total minimum lease payments	20,086
Less: Interest	<u>(1,762)</u>
Present value of net minimum lease payments	<u>\$ 18,324</u>

Interest rate on capital leases is 4.581%. Total interest expense paid on capital leases was \$2,312 for the fiscal year. Capital leases are secured by equipment purchased.

6. LEASES (continued):

Capital Leases (continued)

The annual debt service requirements to maturity for capital leases are as follows at year-end:

Year Ending <u>August 31.</u>	<u>Capital Leases</u>		Total <u>Required</u>
	<u>Principal</u>	<u>Interest</u>	
2012	4,475	763	5,238
2013	4,684	555	5,239
2014	4,904	336	5,240
2015	4,261	108	4,369
2016	-0-	-0-	-0-
Totals	<u>\$ 18,324</u>	<u>\$ 1,762</u>	<u>\$ 20,086</u>

Operating Leases

LifePath has entered into various non-cancelable lease agreements for facilities and equipment. These agreements provide for future minimum rental payments for the next five fiscal years as follows:

<u>Year Ending August 31.</u>	<u>Rental Commitments</u>
2012	\$ 97,441
2013	6,948
Subsequent	<u>-0-</u>
Total Minimum Rentals	<u>\$ 104,389</u>

Rental expenditures in the fiscal year ending August 31, 2011 were \$158,384.

7. RETIREMENT PLAN:

LifePath maintains a 401(a) defined contribution pretax retirement plan for the benefit of eligible employees and their beneficiaries. The name of the plan is the Collin County Mental Health Mental Retardation Center Retirement Plan. LifePath contributes to the plan 5% of each covered employee's compensation each year. These contributions are used to purchase mutual funds and/or annuity contracts on behalf of eligible LifePath employees. Eligible employees are full-time employees of LifePath.

Employees vest in LifePath's contributions to the plan on their behalf over a three year period as follows:

<u>Years of Service</u>	<u>Vesting Schedule</u>	<u>Percentage</u>
1		25%
2		60%
3		100%

The required contribution by LifePath for the fiscal year ending August 31, 2011 was \$369,586 and the actual LifePath contribution was \$369,586 of which \$171,671 was funded by employee forfeitures of non-vested amounts.

8. DEFERRED COMPENSATION PLAN:

LifePath offers its employees a deferred Compensation Plan (the "Plan") consistent with Internal Revenue Code Section 457(a). Vesting in the Plan is immediate with plan assets held in trust until the employee terminates employment, retires or experiences an unforeseeable emergency. Employees may contribute voluntarily to the Plan in amounts not to exceed limits established by the Internal Revenue Service. Employee contributions were \$234,959.

9. COMMITMENTS AND CONTINGENCIES:

LifePath has participated in a number of State and Federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives and regulatory authorities. The purpose of the audits is to ensure compliance with conditions relating to the granting of funds and other reimbursement regulations. LifePath's management believes that any liability for reimbursement which may arise as the result of these audits is not believed to be material to the financial position of LifePath.

LifePath is involved in litigation arising in the ordinary course of business. It is management's belief that any liability resulting from such litigation would not be material in relation to LifePath's financial position.

10. ECONOMIC DEPENDENCE:

LifePath receives a substantial portion of its revenues in the form of annual performance contracts with the Texas Department of Aging and Disability Services (DADS) for services related to intellectual and developmental disabilities, and the Texas Department of Assistive and Rehabilitative Services Division for Early Childhood Intervention (ECI) for services related to ECI. LifePath is economically dependent on the continuation of these contracts. At August 31, 2011, these contracts have been continued through August 31, 2012.

**REQUIRED SUPPLEMENTARY
INFORMATION**

**COLLIN COUNTY MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
LOCAL REVENUES AND EARNED SOURCES:				
City and County funds	\$ 696,030	\$ 696,030	\$ 759,120	\$ 63,090
Patient fees, net	697,992	697,992	928,749	230,757
Medicaid and Medicare	1,637,592	1,637,592	2,131,570	493,978
Medicaid administrative claiming	434,280	434,280	394,622	(39,658)
Title XIX - HCS	1,819,992	1,819,992	1,831,382	11,390
Title XIX - ICF/MR	581,748	581,748	639,185	57,437
Value Options	2,333,808	2,333,808	2,162,541	(171,267)
Substance Abuse	-	-	5,623	5,623
City of Plano Buffington Community Services	-	-	2,638	2,638
Rental Income	7,200	7,200	6,600	(600)
Miscellaneous	81,132	81,132	90,664	9,532
Total local revenues and earned sources	<u>8,289,774</u>	<u>8,289,774</u>	<u>8,952,694</u>	<u>662,920</u>
STATE PROGRAM REVENUES:				
General revenue	1,608,303	1,608,303	1,560,123	(48,180)
Early Childhood Intervention	1,951,062	1,951,062	1,846,168	(104,894)
OBRA	-	-	516	516
In Home and Family Support	91,056	91,056	91,056	0
DARS Texas Rehabilitation Commission	155,042	155,042	208,911	53,869
Total state program revenues	<u>3,805,463</u>	<u>3,805,463</u>	<u>3,706,774</u>	<u>(98,689)</u>
FEDERAL PROGRAM REVENUES:				
Early Childhood Intervention	3,336,340	3,336,340	3,168,295	(168,045)
HUD Supportive Housing Program	169,248	169,248	124,039	(45,209)
HUD Community Development Block Grant	-	-	5,900	5,900
Total federal program revenues	<u>3,505,588</u>	<u>3,505,588</u>	<u>3,298,234</u>	<u>(207,354)</u>
Interest income	-	-	3,094	3,094
TOTAL REVENUES	<u>\$ 15,600,825</u>	<u>\$ 15,600,825</u>	<u>\$ 15,960,796</u>	<u>\$ 359,971</u>

(Continued)

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

**COLLIN COUNTY MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPATH SYSTEMS
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Salaries	\$ 9,776,462	\$ 9,776,462	\$ 9,675,055	\$ 101,407
Employee benefits	2,007,237	2,007,237	1,679,649	327,588
Contracted services	1,653,994	1,653,994	1,634,580	19,414
Legal and professional services	29,264	29,264	27,884	1,380
Building and equipment rents	119,136	119,136	110,059	9,077
Maintenance	157,692	157,692	173,120	(15,428)
Insurance	73,474	73,474	65,685	7,789
Vehicle fuel and maintenance	75,000	75,000	84,551	(9,551)
Utilities and telephone	386,944	386,944	327,269	59,675
In home and family support program	160,170	160,170	101,259	58,911
Quality assurance fees	39,984	39,984	37,923	2,061
Consumer related costs	164,472	164,472	173,639	(9,167)
Staff travel and training	388,220	388,220	423,672	(35,452)
Other costs	465,882	465,882	572,746	(106,864)
Total current	15,497,931	15,497,931	15,087,091	410,840
Capital outlay	35,700	35,700	176,356	(140,656)
Debt service:				
Principal	34,032	34,032	265,310	(231,278)
Interest	33,162	33,162	23,506	9,656
Trustee fees	-	-	763	(763)
Total expenditures	15,600,825	15,600,825	15,553,026	47,799
Excess (deficiency) of revenues over (under) expenditures	-	-	407,770	407,770
OTHER FINANCING SOURCES (USES):				
Proceeds from the disposal of capital assets	-	-	2,629	2,629
Proceeds from capital leases	-	-	-	-
Total other financing sources (uses)	-	-	2,629	2,629
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	410,399	410,399
Fund balance - Beginning of Year	1,412,267	1,412,267	1,412,267	-
Fund balance - End of Year	\$ 1,412,267	\$ 1,412,267	\$ 1,822,666	\$ 410,399

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

SUPPLEMENTARY SCHEDULES
(UNAUDITED)

COLLIN COUNTY MENTAL HEALTH MENTAL RETARDATION CENTER
 DBA LIFEPAATH SYSTEMS
 SCHEDULE OF REVENUES AND EXPENDITURES BY SOURCE OF FUNDS
 GENERAL FUND
 YEAR ENDED AUGUST 31, 2011
 (UNAUDITED)

Objects of Expense	Fund Sources	Total Revenue	Total Mental Health Adult Expenditures	Total Mental Health Children Expenditures	Total Mental Retardation Expenditures	Total Other Services Expenditures	Total Center Expenditures	Excess Revenue Over Expenditures
Salaries		\$ 8,594,484			\$ 2,441,921	\$ 6,152,563	\$ 8,594,484	\$ -
Employee Benefits		1,499,877			480,974	1,018,903	1,499,877	-
Professional and Consulting Services		1,524,526			1,096,695	427,831	1,524,526	-
Training and Travel		369,622			95,180	274,442	369,622	-
Debt Service		34,933			24,898	10,035	34,933	-
Capital Outlay		336,224			147,752	188,472	336,224	-
Non-Capitalized Equipment		20,637			10,602	10,035	20,637	-
Pharmaceutical Expense - Medications		-			-	-	-	-
Other Operating Expense		1,067,938			500,042	567,896	1,067,938	-
Allocation of General Administration		1,690,850			595,010	1,095,840	1,690,850	-
Allocation of Authority Administration		187,612			187,612	-	187,612	-
Total Expenditures		\$ 15,326,703	\$ -	\$ -	\$ 5,580,686	\$ 9,746,017	\$ 15,326,703	\$ -
Method of Finance:								
General Revenue - DADS		1,530,115			1,530,115	-	1,530,115	-
Permanency Planning - DADS		13,393			13,393	-	13,393	-
Community Living Options Information Procedure		-			-	-	-	-
In-Home & Family Support - DADS		91,056			91,056	-	91,056	-
OBRA Funds		516			516	-	516	-
HCS		1,800,588			1,800,588	-	1,800,588	-
ICF-MR		639,185			639,185	-	639,185	-
TxHML Waiver		-			-	-	-	-
Consumer Directed Services		-			-	-	-	-
Other Federal Funds		905,885			905,885	-	905,885	-
Other General Revenue - DADS		16,615			16,615	-	16,615	-
Other State Agencies		198,821			198,821	-	198,821	-
Required Local Match		209,101			209,101	-	209,101	-
Additional Local Funds		175,411			175,411	-	175,411	-
Other Services Revenue - DARS ECI and Behavioral Health		9,746,017			-	9,746,017	9,746,017	-
Total Expended Sources		\$ 15,326,703	\$ -	\$ -	\$ 5,580,686	\$ 9,746,017	\$ 15,326,703	\$ -

	Revenues	Expenditures
Per Care Report III		
Unallowable costs	\$ 15,326,703	\$ 15,326,703
Note payoff		16,808
Remove ECI copier		221,370
Earned income	415,859	(11,855)
Interest income	3,094	
Other local funds	217,769	
Reconciled to Revenues/Expenditures reported in the General Fund	\$ 15,963,425	\$ 15,553,026

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPATH SYSTEMS**

INDIRECT AND ADMINISTRATIVE COST SCHEDULE

**YEAR ENDED AUGUST 31, 2011
(UNAUDITED)**

The first presentation (below) is in accordance with DADS methodology and THSC 21st revision of the Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers (including Authority Administration in Indirect Costs):

	Total Costs	Adjustments	Depreciation	Total Adjusted Costs	Direct Costs	With Authority Admin. Indirect Costs
Salaries	\$ 9,675,055			\$ 9,675,055	\$ 8,594,484	\$ 1,080,571
Employee benefits	1,679,649			1,679,649	1,499,876	179,773
Capital outlay	176,356	(176,356)		-	-	-
Depreciation	-		289,814	289,814	265,928	23,886
Other operating expenditures	3,733,150	(21,836)		3,711,314	3,053,214	658,100
Debt service expenditures	288,816	(265,310)	-	23,506	1,472	22,034
Total Expenditures	\$ 15,553,026	\$(463,502)	\$ 289,814	\$ 15,379,338	\$ 13,414,974	\$ 1,964,364
Indirect costs						\$ 1,964,364
Direct costs						\$ 13,414,974
Indirect cost rate						14.64%

The second presentation (below) is in accordance with DARS - ECI methodology (excluding Authority Administration from Indirect Costs):

	Total Costs	Adjustments	Depreciation	Total Adjusted Costs	Direct Costs	Without Authority Admin. Indirect Costs
Salaries	\$ 9,675,055			\$ 9,675,055	\$ 8,712,503	\$ 962,552
Employee benefits	1,679,649			1,679,649	1,516,621	163,028
Capital outlay	176,356	(176,356)		-	-	-
Depreciation	-		289,814	289,814	265,928	23,886
Other operating expenditures	3,733,150	(21,836)		3,711,314	3,085,107	626,207
Debt service expenditures	288,816	(265,310)	-	23,506	1,472	22,034
Total Expenditures	\$ 15,553,026	\$(463,502)	\$ 289,814	\$ 15,379,338	\$ 13,581,631	\$ 1,797,707
Indirect costs						\$ 1,797,707
Direct costs						\$ 13,581,631
Indirect cost rate						13.24%

See accompanying independent auditor's report.

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

SCHEDULE OF LEASES IN EFFECT

**YEAR ENDED AUGUST 31, 2011
(UNAUDITED)**

Lessor	Leased Property Location	Period of Lease	Monthly Rental
Hall Office Park	ECI - Frisco 2611 Internet Suite 107 Frisco, TX 75034	03/01/09 to 03/31/2012 Plus Electric	\$4,054.92
Walter David Toler	HCS Program 733 Leading Lane Allen, Texas 75002	Ends 9/30/2011	\$984.00
Benbrooke Ridge Partners	Early Childhood Intervention 1149A Ridge Road Rockwall, Texas 75087	10/1/2009 to 9/30/2012	\$3,201.00
Hise Real Estate Investment	Storage Building 1442 N. Church St. McKinney, TX 75069	Month to Month	\$600.00
Cedar Creek Village #1714	HUD Program 600 S. Graves McKinney, TX 75069	10/18/2010 to 10/18/2011	\$529.00
Mission Collin Creek #626	HUD Program 2301 Pebble Vale Plano, Tx 75075	Month to Month	\$680.00
Cornerstone Ranch #1210	HUD Program 1717 Independence Pkwy Plano, Texas 75075	Ends 11/28/2011	\$699.00
Cornerstone Ranch #114	HUD Program 1717 Independence Pkwy Plano, Texas 75075	Ends 4/30/2012	\$625.00
Walter David Toler	HCS Program 3448 Tarkio Rd. Plano, Texas 75074	Ends 11/30/2011	\$962.00
Hunter's Glen #3906	HUD Program 6400 Independence Pkwy Plano, Texas 75023	Ends 4/30/2012	\$599.00
Windsor Court Apts #510	HUD Program 301 S Jupiter Rd Allen, Texas 75002	Ends 9/30/2012	\$546.00
Fairway #1046	HUD Program 1705 Coit Rd Plano, Texas 75075	Ends 2/28/2012	\$615.00
Credit Union Services 2007 Honda Accord	Vehicle Lease 8131 LBJ Fwy St. 400 Dallas, Texas 75251	Month to Month	\$356.48
Joseph H. Mojarrad	Parking Lot Lease 712 S. Tennessee McKinney, TX 75069	10/15/10 to 10/14/10	\$250.00 or \$3,000 annually

See accompanying independent auditor's report.

**COLLIN COUNTY
 MENTAL HEALTH MENTAL RETARDATION CENTER
 DBA LIFEPAATH SYSTEMS**

SCHEDULE OF INSURANCE IN FORCE

**YEAR ENDED AUGUST 31, 2011
 (UNAUDITED)**

Insurer	Policy Period	Coverage	Limits or Amounts
Arch Insurance Company	10/01/10 to 10/01/11	Commercial Package:	
		Blanket Building, BPP, PPO, Improvement	\$5,688,488
		Blanket Business Interruption	165,000
		General Liability:	
		General Aggregate	3,000,000
		Products completed operations	3,000,000
		Personal and advertising injury	1,000,000
		Each occurrence limit	1,000,000
		Fire damage limit any one fire	1,000,000
		Medical expense limit any one person	20,000
		Commercial Crime	
		Employee Dishonesty:	
		\$5,000 deductible	500,000
		Professional Liability:	
		Aggregate limit	3,000,000
Each professional incident	1,000,000		
Employee Benefits Coverage:			
Aggregate limit	1,000,000		
Each coverage incident	1,000,000		
Arch Insurance Company	10/01/10 to 10/01/11	Commercial Auto Coverage:	
		Liability Single Limit	1,000,000
		Personal injury protection	2,500
		Uninsured/underinsured motorists	1,000,000

(Continued)

See accompanying independent auditor's report.

**COLLIN COUNTY
 MENTAL HEALTH MENTAL RETARDATION CENTER
 DBA LIFEPAATH SYSTEMS**

SCHEDULE OF INSURANCE IN FORCE

**YEAR ENDED AUGUST 31, 2011
 (UNAUDITED)**

Insurer	Policy Period	Coverage	Limits or Amounts
Arch Insurance Company	10/01/10 to 10/01/11	Comprehensive Coverage: Lessor of ACV or cost of repair \$500 deductible Collision Coverage: Lessor of ACV or cost of repair \$1,000 deductible	
Arch Insurance Company	10/01/10 to 10/01/11	Commercial Umbrella Liability: General Aggregate Limit Each occurrence limit	\$ 1,000,000 1,000,000
Philadelphia Insurance Company	10/01/10 to 10/01/11	Directors and Officers Liability: Aggregate limit of liability Employment Practices Limit	1,000,000 1,000,000
Texas Mutual Insurance	10/01/10 to 10/01/11	Workers Compensation and Employers' Liability: Bodily injury by accident/ each accident Bodily injury by disease/ each accident Policy limit each employee	1,000,000 1,000,000 1,000,000

See accompanying independent auditor's report.

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

SCHEDULE OF BOND COVERAGE

**YEAR ENDED AUGUST 31, 2011
(UNAUDITED)**

<u>Name</u>	<u>Title</u>	<u>Surety Company</u>	<u>Bond Amount</u>
Arch Insurance Col. NCPKG0093700	N/A	Commercial Crime Employee Dishonesty: \$5,000 deductible	\$ 500,000

See accompanying independent auditor's report.

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

SCHEDULE OF SPACE OCCUPIED IN A STATE-OWNED FACILITY

**YEAR ENDED AUGUST 31, 2011
(UNAUDITED)**

NONE

See accompanying independent auditor's report.

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPATH SYSTEMS**

SCHEDULE OF PROFESSIONAL AND CONSULTING FEES

**YEAR ENDED AUGUST 31, 2011
(UNAUDITED)**

<u>Name</u>	<u>City</u>	<u>Type of Service</u>	<u>Amount</u>
Anasazi Software	Phoenix, AZ	Fiscal and Billing Software, Client Data	\$ 70,882
Ross, Kerby & Associates, Inc. PC	McKinney, TX	Financial and Accounting Services	750
Scott, Singleton, Fincher & Company, PC	Greenville, TX	CPA, Accounting/Auditing Services	27,516

See accompanying independent auditor's report.

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

SCHEDULE OF LEGAL SERVICES

**YEAR ENDED AUGUST 31, 2011
(UNAUDITED)**

<u>Name</u>	<u>City</u>	<u>Type of Service</u>	<u>Amount</u>
Taylor, Olson, Adkins, Sralla & Elam, LLP	Ft. Worth, TX	Legal Services	\$ 420

See accompanying independent auditor's report.

**COMPLIANCE AND
INTERNAL CONTROLS SECTION**

SCOTT, SINGLETON, FINCHER AND COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

4815-A KING STREET
TELEPHONE 903-455-4765
FAX 903-455-5312
GREENVILLE, TEXAS 75401

Kelley D. Fincher, CPA
Tommy L. Nelson, CPA

Members of:
American Institute of
Certified Public Accountants

Texas Society of
Certified Public Accountants

Independent Auditor's Report

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

The Board of Trustees
Collin County Mental Health
Mental Retardation Center
dba LifePath Systems

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Collin County Mental Health Mental Retardation Center dba LifePath Systems (“Center”), as of and for the year ended August 31, 2011, which collectively comprise the Center’s basic financial statements and have issued our report thereon dated January 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Collin County Mental Health Mental Retardation Center dba LifePath Systems is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Center’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center’s 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Center’s financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Center, in a separate letter dated January 20, 2012.

This report is intended solely for the information and use of the Board of Trustees, management, the Texas Department of Aging and Disability Services, the Texas Department of Assistive and Rehabilitative Services, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Scott, Singleton, Fincher and Company, PC

Scott, Singleton, Fincher and Company, PC
Certified Public Accountants

January 20, 2012

SCOTT, SINGLETON, FINCHER AND COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

4815-A KING STREET
TELEPHONE 903-455-4765
FAX 903-455-5312
GREENVILLE, TEXAS 75401

Kelley D. Fincher, CPA
Tommy L. Nelson, CPA

Members of:
American Institute of
Certified Public Accountants

Texas Society of
Certified Public Accountants

Independent Auditor's Report

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

The Board of Trustees
Collin County Mental Health
Mental Retardation Center
dba LifePath Systems

Compliance

We have audited Collin County Mental Health Mental Retardation Center dba LifePath Systems' ("Center") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement*; the *State of Texas Single Audit Circular*, and the Texas Health and Human Services Commission's *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*, that could have a direct and material effect on each of the Center's major federal and state programs for the year ended August 31, 2011. The Center's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's compliance based on our audit.

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

In our opinion, Collin County Mental Health Mental Retardation Center dba LifePath Systems complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and the *State of Texas Single Audit Circular* and which is described in the accompanying schedule of findings and questioned costs as item 2011-1.

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2011-2 to be significant deficiencies.

Collin County Mental Health Mental Retardation Center dba LifePath Systems' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Center's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Board of Trustees, management, the Texas Department of Aging and Disability Services, the Texas Department of Assistive and Rehabilitative Services, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Scott, Singleton, Fincher and Company, PC

Scott, Singleton, Fincher and Company, PC
Certified Public Accountants

January 20, 2012

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Schedule of Findings and Questioned Costs
For the Fiscal Year Ending August 31, 2011**

Summary of Auditor's Results

1. An unqualified opinion was issued on the basic financial statements.
2. We reported no material weaknesses or significant deficiencies in internal control related to the financial statements in the report required by *Government Auditing Standards*.
3. We reported no instances of noncompliance with laws, regulations, contracts, and grant agreements that would be material to the financial statements of the Center.
4. We reported no material weaknesses and one significant deficiency in internal control over compliance with major state and federal programs.
5. An unqualified opinion was issued on compliance with major federal and state programs.
6. Our audit procedures disclosed one audit finding required to be reported under OMB Circular A-133, paragraph .510(a) or the *State of Texas Single Audit Circular*.
7. The following programs were audited as major programs:

State General Revenue - Intellectual and Developmental Disabilities (Mental Retardation) passed through the Texas Department of Aging and Disability Services (DADS) (CFDA number does not apply).

Early Childhood Intervention Program originating with the U.S. Department of Education and U.S. Department of Health and Human Services - CFDA 84.027, CFDA 84.181, ARRA CFDA 84.393, CFDA 93.558, CFDA 93.778, and ARRA CFDA 93.778, and state general revenue passed through the Texas Department of Assistive and Rehabilitative Services Division for Early Childhood Intervention Services (DARS ECI).
8. The dollar amount used to distinguish between Type A and Type B federal and state programs - \$300,000.
9. The auditee was considered as a low-risk auditee under OMB Circular A-133 and the *State of Texas Single Audit Circular*.

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Schedule of Findings and Questioned Costs
For the Fiscal Year Ending August 31, 2011**

Findings and Questioned Costs
Relating to the Financial Statements which are
Required to be Reported in Accordance with
Government Auditing Standards

Current Year Findings:

NONE

Follow-up on Prior Year Findings:

Item 2010-1: Significant Deficiency Relating to Controls over Accounts Receivable

Status of prior year finding:

During our audit procedures we noted LifePath had implemented procedures to evaluate receivables and related revenues on a periodic basis and record adjustments as necessary to reflect receivables at their net realizable values. Although audit adjustments were required for some accounts receivable balances at year-end the aggregate effect of these audit adjustments was not material to the financial statements and the required adjustments had improved significantly from the prior year. Therefore, we consider this prior year finding to be resolved.

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Schedule of Findings and Questioned Costs
For the Fiscal Year Ending August 31, 2011**

Findings and Questioned Costs
Relating to Federal and State Awards
Required to be Reported in Accordance with
OMB Circular A-133 and the *State of Texas Single Audit Circular*

Current Year Findings:

Item 2011-1: Identification of Federal and State Awards

Federal Program - Community Development Block Grant originating with U.S. Department of Housing and Urban Development - CFDA 14.218 passed through the City of McKinney, Texas

Criteria:

Management is responsible for identifying all federal and state expenditures for the fiscal year so they may be presented in the Schedule of Federal and State Awards.

Condition:

The Center recorded \$5,900 of federal funding passed through the City of McKinney, Texas as deferred revenue on the trial balance. As expenditures were incurred for the program the Center did not record the expenditures and recognize the revenue on the general ledger. This amount could have been inadvertently overlooked and omitted from the schedule of expenditures of federal and state awards.

Questioned Costs:

None - The Center recorded a journal entry to reclassify the amount of \$5,900 from deferred revenue to McKinney Community Development Block Grant federal revenue on the Center trial balance.

Effect:

The Center trial balance did not readily identify \$5,900 of federal awards as required by OMB A-133.

Cause:

This was a result of an oversight by the Center staff.

Recommendation:

The Center trial balance should be maintained so that federal awards are readily identifiable.

Management's Response and Corrective Action Plan:

Management concurs. Copies of all local grants awarded will be requested from funding agencies, regardless of the amount of dollars funded. The grants will be reviewed to determine the origination of funds and will be reported appropriately.

Contact: Robert Murphy, Chief Financial Officer
Phone: (972) 562-0190 Ext 1145

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Schedule of Findings and Questioned Costs
For the Fiscal Year Ending August 31, 2011**

Findings and Questioned Costs
Relating to Federal and State Awards
Required to be Reported in Accordance with
OMB Circular A-133 and the *State of Texas Single Audit Circular*

Item 2011-2: Significant Deficiency Relating to Controls over Early Childhood Intervention (ECI) Reporting

Federal/State Program - Early Childhood Intervention Program originating with the U.S. Department of Education and the U.S. Department of Health and Human Services - CFDA 84.027, CFDA 84.181, ARRA CFDA 84.393, CFDA 93.558, CFDA 93.778, ARRA CFDA 93.778, and state general revenue passed through the Texas Department of Assistive and Rehabilitative Services Division for Early Childhood Intervention (DARS - ECI)

Criteria:

The Department of Assistive and Rehabilitative Services Early Childhood Intervention (DARS - ECI) contract requires that all program income be reported cumulatively by source on quarterly and annual financial reports. The Contractor must disburse program income before requesting additional funds from the DARS - ECI contract. In addition, the contract requires that to be eligible for reimbursement a cost must have been incurred within the contract term prior to requesting reimbursement from DARS.

Condition:

LifePath's final DARS - ECI form 269(a) report filed for fiscal year 2011 incorrectly included ARRA funds received from the DARS ECI contract in the amount of \$42,157 in program income. In addition, the report overstated ECI salaries and benefits expenditures by \$35,017. This in turn overstated indirect costs charged to the program in the amount of \$3,707.

Questioned Costs:

None - The Center recorded a journal entry to reduce ECI salaries and benefits in the amount of \$35,017.

Effect:

LifePath was required to file a revised DARS - ECI form 269(a) report in order to remove the ARRA funds from program income and reduce ECI salaries, benefits, and related indirect costs charged to the program. This resulted in a supplemental voucher billed to DARS - ECI in the net amount of \$3,433.

Cause:

The overstatement of program income was a result of an oversight by the Center staff. The overstatement of ECI salaries and benefits was due to an error in the payroll accrual calculation which caused ECI salaries and benefits to be overstated.

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Schedule of Findings and Questioned Costs
For the Fiscal Year Ending August 31, 2011**

Findings and Questioned Costs
Relating to Federal and State Awards
Required to be Reported in Accordance with
OMB Circular A-133 and the *State of Texas Single Audit Circular*

Recommendation:

LifePath should implement procedures to assure DARS - ECI reports accurately reflect all program income (maintenance of effort) collections and that reports are filed accurately for future contract periods. LifePath should implement procedures to review the year-end payroll accrual calculation to assure it is accurate.

Management Response and Corrective Action Plan:

Management concurs. The tail end payment of ARRA funds was inadvertently recorded on the 269(a) report as income and has been corrected and filed.

The over accrual of unpaid payroll and benefits was due to a programming error which has been corrected. Incentive has been excluded from the calculation. Also, the calculation in the program for Texas Workers Unemployment Compensation has also been adjusted to reflect the current TWC rate in effect for each month. A manual accounting adjustment will be made in the future to account for any lag in the rate correction.

Contact: Robert Murphy, Chief Financial Officer
Phone: (972) 562-0190 Ext 1145

Follow-up on Prior Year Findings:

Item 2010-2: Significant Deficiency Relating to Controls over Early Childhood Intervention (ECI) Reporting

Status of prior year finding:

This item is addressed in the current year findings section at Item 2011-2.

**FEDERAL AND STATE
EXPENDITURES SECTION**

**COLLIN COUNTY MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2011**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	TOTAL EXPENDITURES
FEDERAL AWARDS			
U.S. Department of Health and Human Services:			
Passed Through:			
Texas Department of Assistive and Rehabilitative Services Division for Early Childhood Intervention			
Temporary Assistance for Needy Families (TANF)	93.558	53802C7033	\$ 636,502
Medical Assistance Program (Medicaid; Title XIX)	93.778	53802C7033	447,002
ARRA - Medical Assistance Program, Recovery Act (Medicaid; Title XIX)	93.778	53802C7033	<u>41,912</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>1,125,416</u>
U.S. Department of Education:			
Passed Through:			
Texas Department of Assistive and Rehabilitative Services Division for Early Childhood Intervention			
Special Education - Grants for Infants and Families with Disabilities (IDEA, Part C)	84.181	53802C7033	\$ 1,715,868
ARRA - Special Education - Grants for Infants and Families with Disabilities, Recovery Act (IDEA, Part C)	84.393	53802C7033	142,691
Special Education - Grants to States (IDEA, Part B)	84.027	53802C7033	<u>184,320</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>2,042,879</u>
U.S. Department of Housing and Urban Development:			
Direct Award:			
Supportive Housing Program	14.235	TX0065B6T000802 TX0065B6T001003	\$ 124,039
Passed Through:			
City of McKinney, Texas			
Community Development Block Grant	14.218	N/A	<u>5,900</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>129,939</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,298,234</u>

See accompanying notes to schedule of expenditures of federal and state awards
and accompanying independent auditor's report.

COLLIN COUNTY MENTAL HEALTH MENTAL RETARDATION CENTER
 DBA LIFEPAATH SYSTEMS
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2011

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANTOR'S NUMBER	TOTAL EXPENDITURES
STATE AWARDS		
Texas Department of Aging and Disability Services:		
General Revenue-Intellectual and Developmental Disabilities	N/A	\$ 1,546,730 *
Permanency Planning - Intellectual and Developmental Disabilities	N/A	13,393
OBRA Funding - Intellectual and Developmental Disabilities	N/A	516
In Home and Family Support	N/A	<u>91,056</u>
TOTAL TEXAS DEPARTMENT OF AGING AND DISABILITY SERVICES		<u>1,651,695</u>
Texas Department of Assistive and Rehabilitative Services Division for Early Childhood Intervention:		
Early Childhood Intervention	53802C7033	1,832,895
Early Childhood Intervention Respite	53802C7033	<u>13,273</u>
TOTAL TEXAS DEPARTMENT OF STATE HEALTH SERVICES		<u>1,846,168</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u>\$ 3,497,863</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS		<u>\$ 6,796,097</u>

*DADS General revenue excludes \$138,241 of Medicaid State Match dollars withheld from DADS contract payments during the fiscal year.

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Notes to Schedule of Expenditures of Federal and State Awards
August 31, 2011**

1. GENERAL

The Schedule of Expenditures of Federal and State Awards presents the activity of all applicable federal and state awards of Collin County Mental Health Mental Retardation Center dba LifePath Systems ("LifePath"). The LifePath reporting entity is defined in Note 1 of the basic financial statements. Federal and State awards received directly from federal and state agencies as well as awards passed through other governmental agencies are included on the schedule.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal and State Awards is prepared on the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 of the basic financial statements.

The format for the accompanying schedule has been prescribed by the Texas Health and Human Services Commission's *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*. Such format includes revenue recognized in LifePath's basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal and state awards are reported in LifePath's basic financial statements in the General Fund. One state program has been excluded from the Schedule of Expenditures of Federal and State Awards by specific request of the funding agency. The state program excluded from the schedule is the DARS - Texas Rehabilitation Commission program in the amount of \$208,911. This state program excluded from the accompanying schedule is not considered financial assistance as defined in the *State of Texas Single Audit Circular*. Throughout the basic financial statements mental retardation is referred to as intellectual and developmental disabilities and mental health is referred to as behavioral health.

4. STATE AWARD GUIDELINES

State awards are subject to HHSC's *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*. Such guidelines are consistent with those required under the Single Audit Act of 1996; OMB Circular A-133; the *State of Texas Single Audit Circular* and *Government Auditing Standards*, issued by the Comptroller General of the United States.

ATTACHMENT A - COST FORM

FOR SERVICES BEING PROPOSED BY APPLICANT: Indicate the level(s) of care, patients to be treated, cost per counseling session, and total cost. This form is required and offeror(s) will not be considered if it is not included in the proposal.

ASAM Level of Care	Name of Program (as described in 6.2.7)	Average Number of Sessions	Maximum number of counseling sessions	Approximate number of patients to be served annually
Level I	Supportive Outpatient Program	20	24	100
Level II	Intensive Outpatient Program	18	24	50
Total				

ted during the contract period,
his form is not completed and

Cost per session	Total cost
\$48	96,000
\$71	63,900
	159,900

**SIGNATURE FORM
COLLIN COUNTY, TEXAS**

DELIVERY WILL BE F.O.B. INSIDE DELIVERY AT COLLIN COUNTY DESIGNATED LOCATIONS AND ALL TRANSPORTATION CHARGES PAID BY THE SUPPLIER TO DESTINATION.

DELIVERY TO BE SPECIFIED IN CALENDAR DAYS FROM DATE OF ORDER. **30**

WE **DO NOT** TAKE EXCEPTION TO THE BID SPECIFICATIONS.

WE **TAKE** EXCEPTION TO THE BID SPECIFICATIONS (EXPLAIN):

N/A

COMPANY INFORMATION/PROFILE/REFERENCES

Preferential Requirement: The County of Collin, as a governmental agency of the State of Texas, may not award a contract to a nonresident bidder unless the nonresident's bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the same amount that a Texas resident bidder would be required to underbid a nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located (Government Code, Title 10, V.T.C.A., Chapter 2252, Subchapter A). Bidder shall make answer to the following questions by selecting the appropriate radio button or inserting information in the box provided:

Is your principal place of business in the State of Texas? Yes No

If the answer to question is "yes", no further information is necessary; if "no", please indicate:

in which state is your principal place of business is located: **TX**

if that state favors resident bidders (bidders in your state) by some dollar increment or percentage: Yes No

if "yes", what is that dollar increment or percentage? **0**

Company Profile: IS YOUR FIRM?

Sole Proprietorship Yes No

General Partnership Yes No

Limited Partnership Yes No

Corporation Yes No

Other **Governmental Entity** Yes No

List Legal Names in
Company:

**Collin County Mental Health Mental Retardation Center
d.b.a. LifePath Systems**

List at least three (3) companies or governmental agencies where these same/like products/services, as stated herein, have been provided. Include company name, address, contact name and telephone number.

- **Shirlette Best, CDBG Administrator, City of McKinney, CDBG Grant (Community Development Block Grant) 972-547-7577**
- **Holly Brock, Provider Relations, ValueOptions NorthSTAR, 972-906-2576**
- **Ronald Dickens, Contract Manager, Collin County Child Protective Services, 817-792-5220**
- **Christina Day, Community Services Manager, City of Plano, Planning Department, Buffington Community Services Grant, 972-941-7151**

AS PERMITTED UNDER TITLE 8, CHAPTER 271, SUBCHAPTER F, SECTION 271.101 AND 271.102 V.T.C.A. AND TITLE 7, CHAPTER 791, SUBCHAPTER C, SECTION 791.025, V.T.C.A., OTHER LOCAL GOVERNMENTAL ENTITIES MAY WISH TO ALSO PARTICIPATE UNDER THE SAME TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT. EACH ENTITY WISHING TO PARTICIPATE MUST ENTER INTO AN INTERLOCAL AGREEMENT WITH COLLIN COUNTY AND HAVE PRIOR AUTHORIZATION FROM VENDOR. IF SUCH PARTICIPATION IS AUTHORIZED, ALL PURCHASE ORDERS WILL BE ISSUED DIRECTLY FROM AND SHIPPED DIRECTLY TO THE LOCAL GOVERNMENTAL ENTITY REQUIRING SUPPLIES/SERVICES. COLLIN COUNTY SHALL NOT BE HELD RESPONSIBLE FOR ANY ORDERS PLACED, DELIVERIES MADE OR PAYMENT FOR SUPPLIES/SERVICES ORDERED BY THESE ENTITIES. EACH ENTITY RESERVES THE RIGHT TO DETERMINE THEIR PARTICIPATION IN THIS CONTRACT. WOULD BIDDER BE WILLING TO ALLOW OTHER LOCAL GOVERNMENTAL ENTITIES TO PARTICIPATE IN THIS CONTRACT, IF AWARDED, UNDER THE SAME TERMS AND CONDITIONS? Yes No

By signing and submitting this Bid/Proposal, Bidder/Offeror acknowledges, understands the specifications, any and all addenda, and agrees to the bid/proposal terms and conditions and can provide the minimum requirements stated herein. Bidder/Offeror acknowledges they have read the document in its entirety, visited the site, performed investigations and verifications as deemed necessary, is familiar with local conditions under which work is to be performed and will be responsible for any and all errors in Bid/Proposal submittal resulting from Bidder/Offeror's failure to do so. Bidder/Offeror acknowledges the prices submitted in this Bid/Proposal have been carefully reviewed and are submitted as correct and final. If Bid/Proposal is accepted, vendor further certifies and agrees to furnish any and all products/services upon which prices are extended at the price submitted, and upon conditions in the specifications of the Invitation for Bid/Request for Proposal.

THE UNDERSIGNED HEREBY CERTIFIES THE FOREGOING BID/PROPOSAL SUBMITTED BY THE COMPANY LISTED BELOW HEREINAFTER CALLED "BIDDER/OFFEROR" IS THE DULY AUTHORIZED AGENT OF SAID COMPANY AND THE PERSON SIGNING SAID BID/PROPOSAL HAS BEEN DULY AUTHORIZED TO EXECUTE SAME. BIDDER/OFFEROR AFFIRMS THAT THEY ARE DULY AUTHORIZED TO EXECUTE THIS CONTRACT; THIS COMPANY; CORPORATION, FIRM, PARTNERSHIP OR INDIVIDUAL HAS NOT PREPARED THIS BID/PROPOSAL IN COLLUSION WITH ANY OTHER BIDDER/OFFEROR OR OTHER PERSON OR PERSONS ENGAGED IN THE SAME LINE OF BUSINESS; AND THAT THE CONTENTS OF THIS BID/PROPOSAL AS TO PRICES, TERMS AND CONDITIONS OF SAID BID/PROPOSAL HAVE NOT BEEN COMMUNICATED BY THE UNDERSIGNED NOR BY ANY EMPLOYEE OR AGENT TO ANY OTHER PERSON ENGAGED IN THIS TYPE OF BUSINESS PRIOR TO THE OFFICIAL OPENING OF THIS BID/PROPOSAL.

Company Name	Collin County Mental Health Mental Retardation Center d.b.a. LifePath Systems
Street Address of Principal Place of Business	1416 N. Church Street
City, State, Zip	McKinney, TX 75069
Phone of Principal Place of Business	972-562-0190
Fax of Principal Place of Business	972-562-3647
E-mail Address of Representative	hwich@lifepathsystems.org
Federal Identification Number	75-1761911
Date	08/06/2012
Acknowledgement of Addenda	#1 <input checked="" type="checkbox"/> #2 <input checked="" type="checkbox"/> #3 <input checked="" type="checkbox"/> #4 <input checked="" type="checkbox"/> #5 <input checked="" type="checkbox"/> #6 <input checked="" type="checkbox"/>
Authorized Representative Name	Randy Routon
Authorized Representative Title	CEO
Signature (Required for paper bid submission)	Randy Routon