

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2007 calendar year, or tax year beginning **JUL 1, 2007** and ending **JUN 30, 2008**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization MENTAL HEALTH CENTER OF DENVER Number and street (or P.O. box if mail is not delivered to street address) Room/suite 4141 E DICKENSON PLACE City or town, state or country, and ZIP + 4 DENVER, CO 80222	D Employer identification number 74-2499946 E Telephone number (303) 504-6500 F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶
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• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

Hand I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates ▶ **N/A**

H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Website: ▶ **WWW.MHCD.ORG**

J Organization type (check only one) 501(c) (**3**) (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

I Group Exemption Number ▶ **N/A**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **50,549,365.**

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

	1	Contributions, gifts, grants, and similar amounts received:		
Revenue	a	Contributions to donor advised funds	1a	
	b	Direct public support (not included on line 1a)	1b	267,144.
	c	Indirect public support (not included on line 1a)	1c	17,677,452.
	d	Government contributions (grants) (not included on line 1a)	1d	
	e	Total (add lines 1a through 1d) (cash \$ 17,944,596. noncash \$)	1e	17,944,596.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	32,408,929.
	3	Membership dues and assessments	3	
	4	Interest on savings and temporary cash investments	4	185,695.
	5	Dividends and interest from securities	5	
	6a	Gross rents	6a	
6b	Less: rental expenses	6b		
6c	Net rental income or (loss). Subtract line 6b from line 6a	6c		
7	Other investment income (describe)	7		
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other
		8a	10,145.	
		8b	11,457.	
		8c	-1,312.	
8d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8d	STMT 1 -1,312.	
Revenue	9a	Gross revenue (not including \$ of contributions reported on line 1b)	9a	
		9b		
		9c		
Revenue	10a	Gross sales of inventory, less returns and allowances	10a	
		10b		
		10c		
11	Other revenue (from Part VII, line 103)	11		
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	50,537,908.	
Expenses	13	Program services (from line 44, column (B))	13	42,938,321.
	14	Management and general (from line 44, column (C))	14	5,247,834.
	15	Fundraising (from line 44, column (D))	15	241,474.
	16	Payments to affiliates (attach schedule)	16	
	17	Total expenses. Add lines 16 and 44, column (A)	17	48,427,629.
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	2,110,279.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	8,312,611.
	20	Other changes in net assets or fund balances (attach explanation)	20	0.
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21	10,422,890.

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	637,090.	0.	637,090.	0.
25b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
25c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	21,000,957.	18,537,682.	2,326,329.	136,946.
27 Pension plan contributions not included on lines 25a, b, and c				
28 Employee benefits not included on lines 25a - 27	6,160,251.	5,341,270.	792,626.	26,355.
29 Payroll taxes				
30 Professional fundraising fees				
31 Accounting fees	120,375.		120,375.	
32 Legal fees	43,305.	380.	42,925.	
33 Supplies	153,662.	122,946.	28,888.	1,828.
34 Telephone	339,719.	309,247.	29,529.	943.
35 Postage and shipping	66,752.	42,102.	15,527.	9,123.
36 Occupancy	2,081,233.	1,987,989.	90,582.	2,662.
37 Equipment rental and maintenance	70,176.	56,235.	13,781.	160.
38 Printing and publications				
39 Travel	327,994.	303,742.	21,039.	3,213.
40 Conferences, conventions, and meetings				
41 Interest	393,097.	344,066.	47,238.	1,793.
42 Depreciation, depletion, etc. (attach schedule)	1,842,182.	1,589,151.	246,387.	6,644.
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 2	15,190,836.	14,303,511.	835,518.	51,807.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	48,427,629.	42,938,321.	5,247,834.	241,474.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A; (ii) the amount allocated to Program services \$ N/A;

(iii) the amount allocated to Management and general \$ N/A; and (iv) the amount allocated to Fundraising \$ N/A

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? MENTAL HEALTH SERVICES		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)		
a CASE MANAGEMENT		
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>		14,742,892.
b RESIDENTIAL		
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>		6,216,562.
c OTHER MENTAL HEALTH PROGRAMS		
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>		8,915,891.
d BRIEF		
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>		3,719,078.
e Other program services (attach schedule) SEE STATEMENT 3		
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>		9,343,898.
f Total of Program Service Expenses (should equal line 44, column (B), Program services)		42,938,321.

Form 990 (2007)

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year	
Assets	45 Cash - non-interest-bearing	386,115.	45 467,600.	
	46 Savings and temporary cash investments	4,367,812.	46 8,384,060.	
	47 a Accounts receivable	47a 2,347,843.	4,695,814.	47c 2,240,047.
	b Less: allowance for doubtful accounts	47b 107,796.		
	48 a Pledges receivable	48a	48c	
	b Less: allowance for doubtful accounts	48b		
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a Other notes and loans receivable	51a 527,456.	527,456.	51c 527,456.
	b Less: allowance for doubtful accounts	51b		
	52 Inventories for sale or use		237,536.	52 352,143.
	53 Prepaid expenses and deferred charges		117,573.	53 158,845.
	54 a Investments - publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a
	b Investments - other securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b
	55 a Investments - land, buildings, and equipment: basis	55a		55c
	b Less: accumulated depreciation	55b		
56 Investments - other		56		
57 a Land, buildings, and equipment: basis	57a 21,243,168.	9,722,787.	57c 9,700,835.	
b Less: accumulated depreciation STMT 4	57b 11,542,333.			
58 Other assets, including program-related investments (describe SEE STATEMENT 5)		1,219,148.	58 1,613,653.	
59 Total assets (must equal line 74). Add lines 45 through 58		21,274,241.	59 23,444,639.	
Liabilities	60 Accounts payable and accrued expenses	4,015,636.	60 4,585,033.	
	61 Grants payable		61	
	62 Deferred revenue	224,361.	62 387,502.	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable STMT 6	5,955,000.	64b 5,520,000.	
	65 Other liabilities (describe SEE STATEMENT 7)	2,766,633.	65 2,529,214.	
66 Total liabilities. Add lines 60 through 65		12,961,630.	66 13,021,749.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	8,312,611.	67 10,422,890.	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)		8,312,611.	73 10,422,890.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		21,274,241.	74 23,444,639.	

Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	X	
82b	70,943.		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible? b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
84b	N/A		
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members? b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
85a	N/A		
85b	N/A		
85c	Dues, assessments, and similar amounts from members		
85d	Section 162(e) lobbying and political expenditures		
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
85h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 b Gross receipts, included on line 12, for public use of club facilities		
86a	N/A		
86b	N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
87a	N/A		
87b	N/A		
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
88b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	X	
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0.; section 4912 0.; section 4955 0. b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
89b			
89c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
89d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
89e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
90 a	List the states with which a copy of this return is filed		
90b	NONE		
91 a	Number of employees employed in the pay period that includes March 12, 2007		581
91 a	The books are in care of		
	MENTAL HEALTH CENTER OF DENVER Telephone no.		(303) 504-6500
	Located at		4141 E DICKENSON PLACE, DENVER, CO ZIP + 4 80219
91b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country		X
	N/A		
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No
 If "Yes," enter the name of the foreign country N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a CLIENT SERVICE REVENUES					662,527.
b CLIENT RENTS					608,055.
c CLIENT SERVICES					173,373.
d OTHER SERVICES					270,483.
e					
f Medicare/Medicaid payments					30,694,491.
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	185,695.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	-1,312.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		184,383.	32,408,929.
105 Total (add line 104, columns (B), (D), and (E))					32,593,312.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93	MENTAL HEALTH SERVICES TO INDIGENT AND NON-INDIGENT CLIENTS AND HOUSING PROVIDED TO CLIENTS WHOM PAY A PRORATED RENT

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

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

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	THE SABIN GROUP 4141 E. DICKENSON PLACE DENVER, CO 80222	74-2510947	SEE STATEMENT 11	1055562.
b	----- ----- -----			
c	----- ----- -----			
Totals				1055562.

107 Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

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

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- ----- -----			
b	----- ----- -----			
c	----- ----- -----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

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

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here	Signature of officer _____ FORREST CASON, CFO Type or print name and title	Date _____
Paid Preparer's Use Only	Preparer's signature _____ Firm's name (or yours if self-employed), address, and ZIP + 4 CLIFTON GUNDERSON LLP 370 INTERLOCKEN BLVD., SUITE 500 BROOMFIELD, CO 80021	Date _____ Check if self-employed <input type="checkbox"/> Preparer's SSN or PTIN (See Gen. Inst. X) _____ EIN _____ Phone no. 303-466-8822

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 1

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
EQUIPMENTS DISPOSITION	01/01/03	12/31/07	PURCHASED		
				GROSS SALES PRICE	COST OR OTHER BASIS
					EXPENSE OF SALE
				DEPREC	NET GAIN OR (LOSS)
ABANDONED				10,145.	1,880,986.
					0.
				1,869,529.	-1,312.
TO FM 990, PART I, LN 8				10,145.	1,880,986.
					0.
				1,869,529.	-1,312.

FORM 990 OTHER EXPENSES STATEMENT 2

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
CONTRACT SERVICES	1,395,672.	1,322,241.	72,212.	1,219.
CONSULTING	102,597.	20,770.	73,467.	8,360.
HOSPITAL COSTS	773,352.	773,352.		
PURCHASED SERVICES	1,835,263.	1,835,263.		
MEDICAL & LAB	867,057.	865,472.	1,585.	
FOOD	512,448.	512,448.		
CLIENT EXPENSES	315,384.	313,403.	1,981.	
INSURANCE	297,483.	227,184.	69,423.	876.
DUES & SUBSCRIPTIONS	108,591.	15,115.	91,102.	2,374.
RECRUITMENT	80,885.	34,700.	46,059.	126.
OTHER COSTS	1,295,094.	776,553.	479,689.	38,852.
PHARMACEUTICAL COSTS	7,607,010.	7,607,010.		
TOTAL TO FM 990, LN 43	15,190,836.	14,303,511.	835,518.	51,807.

FORM 990 OTHER PROGRAM SERVICES STATEMENT 3

DESCRIPTION OF OTHER PROGRAM SERVICES	GRANTS AND ALLOCATIONS	EXPENSES
INPATIENT	0.	773,352.
VOCATIONAL	0.	955,322.
INDIVIDUAL	0.	3,606,817.

GROUP	0.	3,040,347.
NON-MENTAL HEALTH	0.	103,989.
MONTHLY HOUSING	0.	864,071.
TOTAL TO FORM 990, PART III, LINE E		<u>9,343,898.</u>

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 4

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND	1,599,691.	0.	1,599,691.
BUILDINGS	5,206,364.	3,879,845.	1,326,519.
BUILDING IMPROVEMENTS	8,780,721.	4,149,932.	4,630,789.
FURNITURE	637,509.	409,517.	227,992.
EQUIPMENT	1,073,765.	481,341.	592,424.
VEHICLES	523,396.	387,194.	136,202.
LEASEHOLD IMPROVEMENTS	299,549.	122,412.	177,137.
COMPUTERS	3,122,173.	2,310,254.	811,919.
TOTAL TO FORM 990, PART IV, LN 57	<u>21,243,168.</u>	<u>11,740,495.</u>	<u>9,502,673.</u>

FORM 990 OTHER ASSETS STATEMENT 5

DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
DEPOSITS	83,348.	76,103.
CUSTODIAL FUNDS	767,089.	588,686.
BOND FUNDS HELD BY TRUSTEE	75,888.	687,695.
NET DEFERRED DEBT ISSUANCE COSTS	292,823.	261,169.
TOTAL TO FORM 990, PART IV, LINE 58	<u>1,219,148.</u>	<u>1,613,653.</u>

FORM 990 OTHER NOTES AND LOANS PAYABLE STATEMENT 6

LENDER'S NAME TERMS OF REPAYMENT

AMERICAN NATIONAL BANK VARIOUS

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
12/01/01	07/15/17	7,670,000.	.00%

SECURITY PROVIDED BY BORROWER PURPOSE OF LOAN

LAND, BUILDINGS, & EQUIPMENT BUSINESS ACQUISITION

RELATIONSHIP OF LENDER

NONE

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
CASH	0.	5,520,000.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B		5,520,000.

FORM 990 OTHER LIABILITIES STATEMENT 7

DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
CAPITALIZED LEASES	1,998,083.	1,938,492.
CLIENT TRUST PAYABLE	768,550.	590,722.
TOTAL TO FORM 990, PART IV, LINE 65	2,766,633.	2,529,214.

FORM 990 OTHER REVENUE NOT INCLUDED ON FORM 990 STATEMENT 8

DESCRIPTION	AMOUNT
AMOUNTS REPORTED BY OTHER ENTITY ON CONSOLIDATED FINANCIAL STATEMENTS	56,466.
TOTAL TO FORM 990, PART IV-A	56,466.

FORM 990	DESCRIPTION OF TRANSFER PART XI, LINE 106	STATEMENT 11
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NAME OF CONTROLLED ENTITY	EMPLOYER ID
THE SABIN GROUP	74-2510947

DESCRIPTION OF TRANSFER
INTERCOMPANY LOANS.

SCHEDULE A	STATEMENT OF LOBBYING ACTIVITIES - PART VI-B	STATEMENT 12
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LOBBYING EXPENSES WERE PAID TO AN OUTSIDE PARTY TO KEEP MHCD INFORMED OF STATE LEGISLATION THAT AFFECTS MENTAL HEALTH.