

**IRS e-file Signature Authorization
for an Exempt Organization**

For calendar year 2007, or fiscal year beginning JUL 1, 2007, and ending JUN 30, 2008

2007

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**
▶ **See instructions.**

Return ID (20-digit number) ▶

N/A

Name of exempt organization COMPASS HEALTH CARE, INC
D/B/A COMPASS BEHAVIORAL HEALTH CARE, INC Employer identification number 95-3280475

Name and title of officer STEPHANIE O'NEILL
CFO

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount from the return if any. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return for which you are filing this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, line 12)	1b <u>12282929</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax Based on Investment Income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2007 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize REGIER CARR & MONROE, L.L.P. to enter my PIN 85745
ERO firm name do not enter all zeros
as my signature on the organization's tax year 2007 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2007 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 86412585711
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2007 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers.

ERO's signature ▶ Mark A Powell CPA Date ▶ 12/14/08

ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So

Return of Organization Exempt From Income Tax

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

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:
 Address change
 Name change
 Initial return
 Termination
 Amended return
 Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
COMPASS HEALTH CARE, INC
D/B/A COMPASS BEHAVIORAL HEALTH CARE, INC

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
2475 N. JACKRABBIT

City or town, state or country, and ZIP + 4
TUCSON, AZ 85745-1208

D Employer identification number
95-3280475

E Telephone number
520-882-5608

F Accounting method: Cash Accrual
 Other (specify) _____

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and **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

I Group Exemption Number **N/A**

G Website: **N/A**

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.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **12,754,659.**

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

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Contributions to donor advised funds	1a		
	b	Direct public support (not included on line 1a)	1b	948,964.	
	c	Indirect public support (not included on line 1a)	1c	44,759.	
	d	Government contributions (grants) (not included on line 1a)	1d	10,624,701.	
	e	Total (add lines 1a through 1d) (cash \$ 11,618,424. noncash \$)	1e	11,618,424.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	277,140.	
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4	7,581.	
	5	Dividends and interest from securities	5		
	6a	Gross rents	6a		
	b	Less: rental expenses	6b		
c	Net rental income or (loss). Subtract line 6b from line 6a	6c			
7	Other investment income (describe)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities	8a	737,712.	
		(B) Other	8b	471,730.	
			8c	265,982.	
			8d	265,982.	
b	Less: cost or other basis and sales expenses				
c	Gain or (loss) (attach schedule)				
d	Net gain or (loss). Combine line 8c, columns (A) and (B)		STMT 1		
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ of contributions reported on line 1b)	9a			
b	Less: direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c			
10a	Gross sales of inventory, less returns and allowances	10a			
		b	Less: cost of goods sold	10b	
		c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c	
11	Other revenue (from Part VII, line 103)	11	113,802.		
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	12,282,929.		
Expenses	13	Program services (from line 44, column (B))	13	9,797,995.	
	14	Management and general (from line 44, column (C))	14	1,819,462.	
	15	Fundraising (from line 44, column (D))	15	36,490.	
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses. Add lines 16 and 44, column (A)	17	11,653,947.	
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	628,982.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	2,117,244.	
	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	2,746,226.	

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.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part 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 \$ 750,000, noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	750,000.	750,000.	STATEMENT 3	
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	177,013.	141,610.	35,403.	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	5,870,127.	4,873,780.	978,625.	17,722.
27 Pension plan contributions not included on lines 25a, b, and c				
28 Employee benefits not included on lines 25a - 27	389,188.	317,795.	70,313.	1,080.
29 Payroll taxes	550,826.	467,627.	81,676.	1,523.
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies	65,521.	45,457.	19,990.	74.
34 Telephone	100,006.	58,588.	41,383.	35.
35 Postage and shipping	8,759.	2,912.	5,037.	810.
36 Occupancy	1,110,482.	1,070,112.	40,370.	
37 Equipment rental and maintenance	277,956.	239,179.	38,777.	
38 Printing and publications	34,991.	23,019.	1,299.	10,673.
39 Travel	122,132.	102,580.	19,408.	144.
40 Conferences, conventions, and meetings				
41 Interest	158,833.	131,597.	27,236.	
42 Depreciation, depletion, etc. (attach schedule)	268,110.	163,197.	104,913.	
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 2	1,770,003.	1,410,542.	355,032.	4,429.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	11,653,947.	9,797,995.	1,819,462.	36,490.

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? SEE STATEMENT 4

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 DETOXIFICATION PROGRAM, RESIDENTIAL PROGRAM, OUTPATIENT PROGRAM, AND OTHER MISCELLANEOUS PROGRAMS.

(Grants and allocations \$) If this amount includes foreign grants, check here

9,797,995.

b

(Grants and allocations \$) If this amount includes foreign grants, check here

c

(Grants and allocations \$) If this amount includes foreign grants, check here

d

(Grants and allocations \$) If this amount includes foreign grants, check here

e Other program services (attach schedule)

(Grants and allocations \$) If this amount includes foreign grants, check here

f Total of Program Service Expenses (should equal line 44, column (B), Program services)

9,797,995.

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	571,567.	45	293,284.
	46 Savings and temporary cash investments	183,942.	46	206,191.
	47 a Accounts receivable	94,782.		
	b Less: allowance for doubtful accounts		8,573.	94,782.
	48 a Pledges receivable	657,897.		
	b Less: allowance for doubtful accounts		371,747.	657,897.
	49 Grants receivable			750,000.
	50 a Receivables from current and former officers, directors, trustees, and key employees			
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)			
	51 a Other notes and loans receivable			
	b Less: allowance for doubtful accounts			
	52 Inventories for sale or use			
	53 Prepaid expenses and deferred charges	271,705.	53	828,998.
	54 a Investments - publicly-traded securities			
	b Investments - other securities			
55 a Investments - land, buildings, and equipment: basis				
b Less: accumulated depreciation				
56 Investments - other				
57 a Land, buildings, and equipment: basis	5,604,289.			
b Less: accumulated depreciation STMT 5	2,573,212.	3,622,545.	57c	3,031,077.
58 Other assets, including program-related investments (describe ► SEE STATEMENT 6)	9,703.	58	17,525.	
59 Total assets (must equal line 74). Add lines 45 through 58	5,039,782.	59	5,879,754.	
Liabilities	60 Accounts payable and accrued expenses	616,465.	60	648,033.
	61 Grants payable		61	750,000.
	62 Deferred revenue	67,152.	62	69,991.
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable	2,198,214.	64b	1,665,504.
	65 Other liabilities (describe ► DUES TO COMPASS FOUNDATION)	40,707.	65	0.
66 Total liabilities. Add lines 60 through 65	2,922,538.	66	3,133,528.	
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	2,099,011.	67	2,579,339.
	68 Temporarily restricted	18,233.	68	166,887.
	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)	2,117,244.	73	2,746,226.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	5,039,782.	74	5,879,754.	

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?	X	
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.)		
	82b 76,110.		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	N/A		
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		
	N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
	N/A		
	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.		
c	Dues, assessments, and similar amounts from members		
	85c N/A		
d	Section 162(e) lobbying and political expenditures		
	85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	N/A		
85g			
h	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?		
	N/A		
85h			
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12		
	86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders		
	87a N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	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
b	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
88b			
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			
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
	0.		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
	0.		
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		
	AZ		
b	Number of employees employed in the pay period that includes March 12, 2007	90b	183
91 a	The books are in care of THE CORPORATION Telephone no. 520-882-5608 Located at 2475 N. JACKRABBIT, TUCSON, AZ ZIP + 4 85745-1208		
b	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		
	N/A		
91b			X

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 FEE FOR SERVICE					277,140.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	7,581.	
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	265,982.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a OTHER INCOME					113,802.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		273,563.	390,942.
105 Total (add line 104, columns (B), (D), and (E))					664,505.

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).
93A	INCOME GENERATED FROM CLIENTS SERVICE FEES IS USED TO ASSIST WITH FUNDING THE DRUG TREATMENT PROGRAMS.
103A	INCOME GENERATED FROM CLIENTS LIVING IN SUBSIDIZED HOUSING AND OTHER INCOME USED TO ASSIST IN THE DRUG TREATMENT PROGRAMS.

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). **N/A**

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

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
(A)	(B)	(C)	(D)		
Name, address, of each controlled entity	Employer Identification Number	Description of transfer	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?

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: *Stephanie O'Neill, CFO* Signature of officer | 12/4/08 Date

STEPHANIE O'NEILL, CFO Type or print name and title

Paid Preparer's Use Only: Preparer's signature *Mark J. Cowley CPA* | Date 12/4/08 | Check if self-employed | Preparer's SSN or PTIN (See Gen. Inst. X)

Firm's name (or yours if self-employed), address, and ZIP + 4: **REGIER CARR & MONROE, L.L.P.**
4801 E BROADWAY BLVD, SUITE 501
TUCSON, ARIZONA 85711-3609

EIN: _____
 Phone no. **(520) 624-8229**

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

2007

Name of the organization **COMPASS HEALTH CARE, INC**
D/B/A COMPASS BEHAVIORAL HEALTH CARE, INC Employer identification number **95 3280475**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<u>IVY SCHWARTZ</u> <u>2475 N JACKRABBIT, TUCSON, AZ 85745-1</u>	<u>MEDICAL DIRECTOR</u> 40.00	143,515.	3,600.	
<u>MARSHALL REYES</u> <u>2475 N JACKRABBIT, TUCSON, AZ 85745-1</u>	<u>RN</u> 54.00	96,578.	3,600.	
<u>JAMES CASTILLO</u> <u>2475 N JACKRABBIT, TUCSON, AZ 85745-1</u>	<u>RN</u> 48.00	76,722.	3,600.	
<u>MOYER TENA</u> <u>2475 N JACKRABBIT, TUCSON, AZ 85745-1</u>	<u>PSYCHIATRIST</u> 30.00	76,040.		
<u>DAVID RIAL</u> <u>2475 N JACKRABBIT, TUCSON, AZ 85745-1</u>	<u>RN</u> 42.00	75,316.	3,600.	
Total number of other employees paid over \$50,000	20			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>THE ARCHITECTURE CO</u> <u>2625 N SILVERBELL RD., TUCSON, AZ 85745</u>	<u>ARCHITECT</u>	<u>344,611.</u>
<u>BVH DEVELOPMENT</u> <u>13113 GASPARILLA RD., PLACIDA, FL 33946-2658</u>	<u>CONSULTING</u>	<u>55,237.</u>

Total number of others receiving over \$50,000 for professional services	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>NONE</u>		

Total number of other contractors receiving over \$50,000 for other services	0	

Part III Statements About Activities (See page 2 of the instructions.)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990	X	
e	Transfer of any part of its income or assets?		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
b	Did the organization have a section 403(b) annuity plan for its employees?		X
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966?	N/A	
c	Did the organization make a distribution to a donor, donor advisor, or related person?	N/A	
d	Enter the total number of donor advised funds owned at the end of the tax year		
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year		N/A
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts		N/A
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year		0.
			0.

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

COMPASS HEALTH CARE, INC

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	9,710,576.	9,303,304.	8,969,865.	9,361,553.	37,345,298.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	226,923.	342,614.	249,318.	170,038.	988,893.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	8,445.	8,302.	3,308.	3,754.	23,809.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	141,177.	71,899.	SEE STATEMENT 8 203,714.	165,878.	582,668.
23 Total of lines 15 through 22	10,087,121.	9,726,119.	9,426,205.	9,701,223.	38,940,668.
24 Line 23 minus line 17	9,860,198.	9,383,505.	9,176,887.	9,531,185.	37,951,775.
25 Enter 1% of line 23	100,871.	97,261.	94,262.	97,012.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					759,036.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					0.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					37,951,775.
d Add: Amounts from column (e) for lines: 18 23,809. 19 _____ 22 582,668. 26b _____					606,477.
e Public support (line 26c minus line 26d total)					37,345,298.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					98.4020%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					N/A
d Add: Line 27a total _____ and line 27b total _____					N/A
e Public support (line 27c total minus line 27d total)					N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

NONE

Part V Private School Questionnaire (See page 9 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		

32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		

33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		

34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended?		
	If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

COMPASS HEALTH CARE, INC

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.) N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

	(a) Affiliated group totals	(b) To be completed for all electing organizations
	N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount. Enter the amount from the following table -		
If the amount on line 40 is -		
The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
Over \$17,000,000	\$1,000,000	
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service**Schedule of Contributors**Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2007

Name of organization

COMPASS HEALTH CARE, INC
D/B/A COMPASS BEHAVIORAL HEALTH CARE, INC

Employer identification number

95-3280475

Organization type(check one):

Filers of:

Section:

Form 990 or 990-EZ

 501(c)(3) (enter number) organization 4947(a)(1) nonexempt charitable trust not treated as a private foundation 527 political organization

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)**General Rule-** For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)**Special Rules-** For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.) For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.) For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ► \$ _____**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).LHA For Paperwork Reduction Act Notice, see the Instructions
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2007)

Name of organization COMPASS HEALTH CARE, INC D/B/A COMPASS BEHAVIORAL HEALTH CARE, INC	Employer identification number 95-3280475
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Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	CPSA 200 INDEPENDENCE AVE. S.W. WASHINGTON, D.C. 20201	\$ 7,746,915.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	CITY OF TUCSON 310 N. COMMERCE PARK LOOP TUCSON, AZ 85701	\$ 255,087.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	CODAC 127 S. FIFTH AVE. TUCSON, AZ 85701	\$ 795,808.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

2007 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 2

990

Asset No.	Description	Date Acquired	Method	Life	C o p y	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
11	LAND	VARIOUS	L		HY		436,688.				436,688.			0.	
12	BUILDING	VARIOUS	SL	39.00	MM16		3,259,554.				3,259,554.	1,068,741.		96,144.	1,164,885.
13	BUILDING IMPROVEMENT	VARIOUS	SL	10.00	HY16		329,544.				329,544.	51,235.		31,528.	82,763.
14	LEASEHOLD IMPROVEMENT	VARIOUS	SL	5.00	HY16		37,171.				37,171.	4,455.		599.	5,054.
15	FURNITURE AND EQUIPMENT	VARIOUS	SL	5.00	HY16		1,351,762.				1,351,762.	1,013,977.		127,335.	1,141,312.
16	VEHICLES AND TRAILERS	VARIOUS	SL	5.00	HY16		189,570.				189,570.	166,694.		12,504.	179,198.
	* TOTAL 990 PAGE 2 DEPR						5,604,289.				5,604,289.	2,305,102.		268,110.	2,573,212.

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

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
SALES OF GRANT ROAD PROPERTY	04/01/04	03/31/08	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
VOCATIONAL TRAINING INSTITUTES, INC.	737,712.	471,730.	0.	0.	265,982.
TOTAL TO FM 990, PART I, LN 8	737,712.	471,730.	0.	0.	265,982.

FORM 990 OTHER EXPENSES STATEMENT 2

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
INSURANCE	145,356.	57,737.	87,619.	
PROFESSIONAL FEE	267,245.	129,953.	134,285.	3,007.
RECRUITMENT AND TRAINING	34,779.	10,576.	24,203.	
MEDICAL	474,729.	471,860.	2,869.	
FOOD	546,227.	538,906.	6,899.	422.
DUES AND SUBSCRIPTIONS	33,039.	8,233.	24,806.	
BAD DEBT	103,607.	103,607.		
OTHER	159,878.	86,539.	72,339.	1,000.
AMORTIZATION	5,143.	3,131.	2,012.	
TOTAL TO FM 990, LN 43	1,770,003.	1,410,542.	355,032.	4,429.

FORM 990 CASH GRANTS AND ALLOCATIONS TO OTHERS STATEMENT 3

CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	AMOUNT
COMPASS AFFORDABLE HOUSING 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	750,000.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22B	750,000.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III STATEMENT 4

EXPLANATION
 TO PROVIDE ALCOHOL AND OTHER DRUG TREATMENT AND EDUCATION SERVICES TO MEMBERS OF THE COMMUNITY, REGARDLESS OF THEIR ABILITY TO PAY.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 5

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND	436,688.	0.	436,688.
BUILDING	3,259,554.	1,164,885.	2,094,669.
BUILDING IMPROVEMENT	329,544.	82,763.	246,781.
LEASEHOLD IMPROVEMENT	37,171.	5,054.	32,117.
FURNITURE AND EQUIPMENT	1,351,762.	1,141,312.	210,450.
VEHICLES AND TRAILERS	189,570.	179,198.	10,372.
TOTAL TO FORM 990, PART IV, LN 57	5,604,289.	2,573,212.	3,031,077.

FORM 990 OTHER ASSETS STATEMENT 6

DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
NET INTANGIBLE ASSETS	9,703.	5,118.
DEPOSIT		12,407.
TOTAL TO FORM 990, PART IV, LINE 58	9,703.	17,525.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 7

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN CONTRIB	PLAN EXPENSE	ACCOUNT
WAUGHN PYLE 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	PRESIDENT 1.00	0.	0.	0.	0.
BAIL SHULTZ, MD 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	VICE PRESIDENT 1.00	0.	0.	0.	0.
RICHARD RICKETTS 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	TREASURER 1.00	0.	0.	0.	0.
ELAINE GALLARDO 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	SECRETARY 1.00	0.	0.	0.	0.
MARY BROWN, PHD 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	MEMBER 1.00	0.	0.	0.	0.
ARLENE COREY 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	MEMBER 1.00	0.	0.	0.	0.
KATHLEEN E KEIL 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	MEMBER 1.00	0.	0.	0.	0.

PETER KELLER 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	MEMBER 1.00	0.	0.	0.
JOSEPH RODRIGUEZ 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	MEMBER 1.00	0.	0.	0.
SAM WOODS 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	PRESIDENT-ELECT 1.00	0.	0.	0.
WILLIAM SCHLESINGER 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	MEMBER 1.00	0.	0.	0.
MICHAEL DUES, PHD 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	PAST PRESIDENT 1.00	0.	0.	0.
MARK TIMPF 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	EX-OFFICIO 1.00	0.	0.	0.
STEPHANIA O'NEILL 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	CEO 1.00	100,966.	4,999.	0.
STEPHANIE O'NEILL 2475 N. JACKRABBIT TUCSON, AZ 85745-1208	CFO 1.00	67,448.	3,600.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		168,414.	8,599.	0.

SCHEDULE A		OTHER INCOME			STATEMENT	8
DESCRIPTION	2006 AMOUNT	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT		
TOTAL TO SCHEDULE A, LINE 22	141,177.	71,899.	203,714.	165,878.		

Depreciation and Amortization 990 (Including Information on Listed Property)

See separate instructions. Attach to your tax return.

Department of the Treasury Internal Revenue Service

COMPASS HEALTH CARE, INC

Business or activity to which this form relates

Identifying number

COMPASS BEHAVIORAL HEALTH CARE, INC FORM 990 PAGE 2

95-3280475

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

Table with 13 rows for Section 179 election. Line 1: 125,000. Line 3: 500,000. Line 13: 13.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

Table with 3 rows for Part II. Line 16: 268,110.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

Table with 1 row for Section A. Line 17.

Section B - Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows 19a-i.

Section C - Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

Table with 5 columns: (a) Class life, (b) Recovery period, (c) Convention, (d) Method, (e) Depreciation deduction. Rows 20a-c.

Part IV Summary (see instructions)

Table with 3 rows for Part IV. Line 22: 268,110. Line 23.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%			S/L -			
		%			S/L -			
		%			S/L -			
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2007 tax year:					
43 Amortization of costs that began before your 2007 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44