STATE OF ARIZONA
CORPORATION COMMISSION
CORPORATION ANNUAL REPORT
& CERTIFICATE OF DISCLOSURE

AZ Corp. Commission
01969554

DUE ON OR BEFORE 01/30/2007 **FY06-07** **FILING FEE $10.00**

The following information is required by A.R.S. §§10-1622 & 10-11622 for all corporations organized pursuant to Arizona Revised Statutes, Title 10. The Commission's authority to prescribe this form is A.R.S. §§10-121.A. & 10-3121.A. YOUR REPORT MUST BE SUBMITTED ON THIS ORIGINAL FORM. Make changes or corrections where necessary. Information for the report should reflect the current status of the corporation. See instructions on page 4 for proper format.

1. -0187071-1
MINGUS MOUNTAIN ESTATE RESIDENTIAL CENTER, INC.
PO BOX 26485
PRESCOTT VLY, AZ 86312

RECEIVED
JAN 25 2007
ARIZONA CORP. COMMISSION
CORPORATIONS DIVISION

Business Phone: 928-772-6394 (Business phone is optional.)

State of Domicile: ARIZONA **Type of Corporation:** NON-PROFIT

2. Statutory Agent: DONALD L CROSS
Mailing Address: 2001 W CAMELBACK RD #270
City, State, Zip: PHOENIX, AZ 85013

Physical Address, If Different.
Physical Address:
City, State, Zip:

ACC USE ONLY

Fee $_____

Penalty $_____

Reinstate $_____

Expedite $_____

Resubmit $_____

Use this box only if appointing a new Statutory Agent

If appointing a new statutory agent, the new agent MUST consent to that appointment by signing below.

I, (individual) or We, (corporation or limited liability company) having been designated the new Statutory Agent, do hereby consent to this appointment until my removal or resignation pursuant to law.

_____
Signature of *new* Statutory Agent

_____
Printed Name of *new* Statutory Agent

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APR 11 2007
ARIZONA CORP COMMISSION
CORPORATIONS DIVISION

3. **Secondary Address:**

(Foreign Corporations are **REQUIRED** to complete this section).

4. Check the one category below which best describes the CHARACTER OF BUSINESS of your corporation.

BUSINESS CORPORATIONS

__ 1. Accounting
__ 2. Advertising
__ 3. Aerospace
__ 4. Agriculture
__ 5. Architecture
__ 6. Banking/Finance
__ 7. Barbers/Cosmetology
__ 8. Construction
__ 9. Contractor
__ 10. Credit/Collection
__ 11. Education
__ 12. Engineering
__ 13. Entertainment
__ 14. General Consulting
__ 15. Health Care
__ 16. Hotel/Motel
__ 17. Import/Export
__ 18. Insurance
__ 19. Legal Services
__ 20. Manufacturing
__ 21. Mining
__ 22. News Media
__ 23. Pharmaceutical
__ 24. Publishing/Printing
__ 25. Ranching/Livestock
__ 26. Real Estate
__ 27. Restaurant/Bar
__ 28. Retail Sales
__ 29. Science/Research
__ 30. Sports/Sporting Events
__ 31. Technology(Computers)
__ 32. Technology(General)
__ 33. Television/Radio
__ 34. Tourism/Convention Services
__ 35. Transportation
__ 36. Utilities
__ 37. Veterinary Medicine/Animal Care
__ 38. Other _____

NON-PROFIT CORPORATIONS

1. __ Charitable
2. __ Benevolent
3. __ Educational
4. __ Civic
5. __ Political
6. __ Religious
7. __ Social
8. __ Literary
9. __ Cultural
10. __ Athletic
11. __ Science/Research
12. X Hospital/Health Care
13. __ Agricultural
14. __ Animal Husbandry
15. __ Homeowner's Association
16. __ Professional, commercial industrial or trade association
17. __ Other_____

5. CAPITALIZATION: (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate. **Please Print or Type Clearly.**

0187071-1

5a. Please examine the corporation's original Articles of Incorporation for the amount of **shares authorized.**

Number of Shares/Certificates **Authorized**	Class	Series Within Class (if any)
None		

5b. Review all corporation amendments to determine if the original number of shares has changed. Examine the corporation's minutes for the number of **shares issued.**

Number of Shares/Certificates **Issued**	Class	Series Within Class (if any)
None		

6. SHAREHOLDERS: (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation. **Please Type or Print Clearly.**

Name: _____ **Name:** _____

NONE ☒

Name: _____ **Name:** _____

7. OFFICERS **Please Type or Print Clearly. You Must List at Least One.**

Name: Timothy Peterson
Title: President
Address: 2449 E. Chamber Street
Phoenix AZ. 85040
Date taking office: 12/6/95

Name: Mary Sue Larkin
Title: Secretary
Address: 6973 W. Firebird Drive
Glendale, AZ. 85308
Date taking office: 12/6/95

Name: Don Cross
Title: Treasurer/Vice President
Address: 77 E. Missouri #1
Phoenix, AZ. 85012
Date taking office: 11/8/05

Name: _____
Title: _____
Address: _____
_____
Date taking office: _____

8. DIRECTORS **Please Type or Print Clearly. You Must List at Least One.** See attached

Name: _____
Address: _____
_____
Date taking office: _____

Name: _____
Address: _____
_____
Date taking office: _____

Name: _____
Address: _____
_____
Date taking office: _____

Name: _____
Address: _____
_____
Date taking office: _____

MMERCI BOARD OF DIRECTORS
AS OF OCTOBER 15, 2006

Don Cross
Home: 77 E. Missouri #1
Phoenix Arizona 85012
(602) 266-2406 (phone)
(602) 266-2405 (fax)
Jancross1@cox.net

Business: Cross & Lieberman
(602) 650-2858 (phone)
(602) 650-2857 (fax)
Cross@crosslieb.com

Marilynn Czerny and Tim Peterson
Home: 3844 E. Vineyard Rd.
Phoenix AZ 85042
(602) 437-9005 (phone)
(602) 739-5195 (cell)
Mocean66@aol.com
(for Board use only)

Tim's Business
American Filter & Equipment Corp
2449 E. Chambers St.
Phoenix AZ 85040
(602) 323-9110 (phone)
(602) 323-9116 (fax)
(602) 768-2355 (cell)
PhxFilters@aol.com

Christine (Goodson) Forakis
Business: Goodson, Manley,
Forakis & Deloughery, P.L.C.
340 E Palm Lane Suite 300
Phoenix AZ 85004
(602) 252-5110 office Cell:(602)-317-7283
cforakis@gmdlaw.com

Mike Forakis
Business: Coca-Cola Enterprises
7130 E. Saddleback Rd. Ste. 2
Mesa AZ 85207
Office: (480) 503-8262
Cell: (602) 418-6199
mforakis@na.cokecce.com

Don and Sue Larkin
Home: 6973 W. Firebird Dr.
Glendale AZ 85308
(623) 362-8976

Business: Larkin & Associates
14997 W. Bell Rd. Suite 100
Surprise AZ 85373
(623) 972-6155 (ph)
(623) 972-6123 (fax)
larkind@financialnetwork.com
larkins@financialnetwork.com

Chris Maple
4356 W. Kimberly Way
Glendale AZ 85308
(623) 581-2390
clmaple@cox.net

Business:
(602) 797-6354
Cell: (602) 525-3807
christine.maple@acs-inc.com
(Use this email)

MMERCI
Balance Sheet
January 31, 2007

ASSETS

CURRENT ASSETS:		
Cash		$ 203,842
Student Funds		7,760
Petty Cash		1,100
Accounts Receivable		1,307,014
Allowance for Bad Debts		(12,136)
Accounts Receivable Other		94,340
Current Assets		1,601,920
PROPERTY & EQUIPMENT:		
Property & Equipment		4,248,246
Accumulated Depreciation		(1,551,878)
Property and Equipment, net		2,696,368
OTHER ASSETS:		
Deposits		10,944
Endowment Funds		29,403
Total Other Assets		40,347
TOTAL ASSETS		**$ 4,338,635**

LIABILITIES AND CAPITAL

CURRENT LIABILITIES		
Due to Sequel		$ 684,868
DES Payable		126,562
Annuity Payable		27,484
Student Deposits		7,760
Current Portion of Long Term Debt		77,547
Total Other Current Liabilities		924,221
LONG TERM LIABILITIES		
Wells Fargo Bank	2,532,670	
Current Portion	(59,419)	
Long Term Portion of Wells Fargo Bank		2,473,251
GMAC Loans	10,928	
Current Portion	(10,928)	
Long Term Portion of GMAC Loans		-
Settlement Agreement	8,100	
Current Portion	(7,200)	
Long Term Portion of Settlement Agreement		900
Total Long Term Liabilities		2,474,151
Total Liabilities		3,398,372
NET ASSETS:		
Net Assets		825,851
Net Earning for the Period		114,412
Total Equity & Retained Earnings		940,263
TOTAL LIABILITIES & NET ASSETS		**$ 4,338,635**

MMERCI
Income Statement
Month Ended January 31, 2007

	July	August	September	October	November	December	January	Year to Date
REVENUES:								
Arizona Level 1	$ 393,130	$ 417,783	$ 439,747	$ 508,231	$ 483,185	$ 496,294	$ 463,152	$ 3,201,521
Arizona Level 2	40,757	40,028	40,995	48,386	49,401	53,517	43,085	316,169
Michigan	96,569	98,725	107,485	104,080	91,005	94,628	89,569	682,061
Indiana	4,440	555	5,550	5,735	5,550	5,765	5,735	33,330
Minnesota	0	0	0	0	0	0	1,750	1,750
North Dakota	5,000	5,500	0	0	(914)	11,250	15,500	36,336
South Dakota	23,250	23,250	7,500	7,750	8,380	7,220	0	77,350
Virgin Islands	22,035	24,180	23,400	24,180	23,400	22,230	18,135	157,560
Private	15,900	0	0	0	0	0	0	15,900
Sub Total	**601,081**	**610,021**	**624,677**	**698,362**	**660,007**	**690,903**	**636,926**	**4,521,977**
Arizona Education	39,919	50,698	58,161	50,801	50,189	48,784	48,995	347,547
Outside State Education	2,640	5,160	555	920	880	720	(720)	10,155
Food & Nutrition	8,816	9,871	9,949	10,290	11,607	10,316	13,853	74,702
Pennywise	12,469	19,879	17,541	20,742	24,150	21,784	21,155	137,720
Medical Billing	4,557	4,028	2,267	5,063	2,156	2,691	2,067	22,829
Bequeathes	76,218	231	4,802	0	0	0	30,518	111,769
Other Income	150	198	30	19,217	14,010	20,788	(35,804)	18,589
Sub Total	**144,769**	**90,065**	**93,305**	**107,033**	**102,993**	**105,083**	**80,064**	**723,312**
Total Revenue	**745,850**	**700,086**	**717,982**	**805,395**	**763,000**	**795,986**	**716,990**	**5,245,289**
PROGRAM EXPENSES:								
Administration:								
Board Expenses	0	0	0	481	0	0	0	481
Provider Service Agreement	638,283	660,574	645,934	730,940	751,635	761,993	660,124	4,849,483
Professional Fees	0	0	8,325	5,183	10,719	240	0	24,467
Other Administration Costs	24	181	40	789	145	2,447	45	3,670
Total Administration Costs	**638,307**	**660,755**	**654,299**	**737,393**	**762,498**	**764,680**	**660,169**	**4,878,101**
	85.6%	94.4%	91.1%	91.6%	99.9%	96.1%	92.1%	93.0%
Total Program Expenses	**638,307**	**660,755**	**654,299**	**737,393**	**762,498**	**764,680**	**660,169**	**4,878,101**
	85.6%	94.4%	91.1%	91.6%	99.9%	96.1%	92.1%	93.0%
Program Profit Contribution	**107,543**	**39,331**	**63,683**	**68,002**	**501**	**31,306**	**56,821**	**367,188**
	14.4%	5.6%	8.9%	8.4%	0.1%	3.9%	7.9%	7.0%
Other Non Program Income (Expense)								
Depreciation	19,872	19,872	19,872	19,872	19,872	19,872	19,872	139,104
Interest	8,307	16,849	16,720	16,061	17,892	25,375	12,467	113,672
Total Other Income(Expense)	**28,179**	**36,721**	**36,592**	**35,933**	**37,764**	**45,247**	**32,339**	**252,776**
	3.8%	5.2%	5.1%	4.5%	4.9%	5.7%	4.5%	4.8%
Net Income(Loss)	**79,364**	**2,610**	**27,091**	**32,069**	**(37,263)**	**(13,941)**	**24,482**	**114,412**
	10.6%	0.4%	3.8%	4.0%	-4.9%	-1.8%	3.4%	2.2%



MINGUS MOUNTAIN ACADEMY
Education and Treatment Center

April 10, 2007

Arizona Corporation Commission
Corporations Division
1300 W. Washington
Phoenix, AZ 85007

RE: File No: -0187071-1

Enclosed is the Balance Sheet and Income Statement prepared for the Corporation's Members, as requested in your letter of 4/4/07. Please forgive the oversight in our original submission of our Annual Report. Thank you.

Sincerely,

MINGUS MOUNTAIN ESTATES RESIDENTIAL CENTER, INC.

Jill A. Molnar
Support Services Director

P.O. Box 26485, Prescott Valley, AZ 86312
(928) 772-6394 (602) 335-2000 Fax (602) 249-1311
www.mmaaz.com

0187071-1

9. FINANCIAL DISCLOSURE (A.R.S. §10-11622.A.9)

Nonprofit corporations **must attach** a financial statement (e.g. income/expense statement, balance sheet including assets, liabilities). All other forms of corporations are exempt from filing a financial disclosure.

9A. MEMBERS (A.R.S. § 10-11622.A.6)

Only Nonprofit Corporations must answer this question.

This corporation **DOES** ☑ **DOES NOT** ☐ have members.

10. CERTIFICATE OF DISCLOSURE (A.R.S. §§10-1622.A.8 & 10-11622.A.7)

Has ANY person serving either by election or appointment as an officer, director, trustee, incorporator and/or person controlling or holding more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation been: **[Underlined portion pertains to business corporations only]**

1. Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven year period immediately preceding the execution of this certificate?
2. Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trade or monopoly in any state or federal jurisdiction within the seven year period immediately preceding execution of this certificate?
3. Or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven year period immediately preceding execution of this certificate where such injunction, judgment, decree or permanent order involved the violation of:
   (a) fraud or registration provisions of the securities laws of that jurisdiction, or
   (b) the consumer fraud laws of that jurisdiction, or
   (c) the antitrust or restraint of trade laws of that jurisdiction?

One box **must** be marked: **YES** ☐ **NO** ☒

If "YES", the following information must be submitted as an attachment to this report for each person subject to one or more of the actions stated in items 1. through 3. above.

1. Full name and prior names used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7 year period).
5. Date and location of birth.
6. Social Security Number
7. The nature and description of each conviction or judicial action; the date and location; the court and public agency involved, and the file or cause number of the case.

11. STATEMENT OF BANKRUPTCY, RECEIVERSHIP or CHARTER REVOCATION (A.R.S. §§10-202.D.2, 10-3202.D.2, 10-1623 & 10-11623)

A) Has the corporation filed a petition for bankruptcy or appointed a receiver? One box **must** be marked: **YES** ☐ **NO** ☒

B) Has any person serving as an officer, director, trustee or incorporator of the corporation served in any such capacity OR held or controlled over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in any other corporation which has been placed in bankruptcy, receivership or had its charter revoked, or administratively or judicially dissolved by any state or jurisdiction?

[Underlined portion pertains to business corporations only] One box **must** be marked: **YES** ☐ **NO** ☒

If "YES" to A and/or B, the following information must be submitted as an attachment to this report for each person subject to the statement above.

1. The names and addresses of each corporation and the person or persons involved. (e.g. officer, director, trustee or major stockholder)
2. The state in which each corporation was a) incorporated b) transacted business.
3. The dates of corporate operation.
4. If any involved person (listed in #1) has been involved in any other bankruptcy proceeding within the past year, the name and address of each corporation.
5. Date, Case number and Court where the bankruptcy was filed or receiver appointed.
6. Name and address of court appointed receiver.

12. SIGNATURES: Annual Reports must be signed and dated by at least one duly authorized officer or they will be rejected.

I declare, under penalty of law that all corporate income tax returns required by Title 43 of the Arizona Revised Statutes have been filed with the Arizona Department of Revenue. I further declare under penalty of law that I (we) have examined this report and the certificate, including any attachments, and to the best of my (our) knowledge and belief they are true, correct and complete.

Name MARY SUE LARKIN **Date** 1-16-07 **Name** _____ **Date** _____

Signature Mary Sue Larkin **Signature** _____

Title Secretary **Title** _____

(Signator(s) must be duly authorized corporate officer(s) listed in section 7 of this report.)