

Form **990**

**Return of Organization Exempt From Income Tax**

OMB No. 1545-0047

**2006**

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 2006 calendar year, or tax year beginning **JUL 1, 2006** and ending **JUN 30, 2007**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>MOUNTAIN STATES GROUP, INC.</b>	<b>D</b> Employer identification number <b>81-6035382</b>
	Please use IRS label or print or type. See Specific Instructions. Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>1607 W. JEFFERSON STREET</b>	<b>E</b> Telephone number <b>(208) 336-5533</b>
	City or town, state or country, and ZIP + 4 <b>BOISE, ID 83702</b>	<b>F</b> Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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

**G** Website: ▶ **WWW.MTNSTATESGROUP.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**

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

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **10,924,998.**

**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	590,685.	
	c	Indirect public support (not included on line 1a)	1c		
	d	Government contributions (grants) (not included on line 1a)	1d	6,249,927.	
	e	Total (add lines 1a through 1d) (cash \$ 6,751,920. noncash \$ 88,692.)	1e		6,840,612.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		4,020,274.
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4		4,260.
	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			
8a	Gross amount from sales of assets other than inventory	(A) Securities	8a		
		(B) Other	8b		
		Less: cost or other basis and sales expenses	8c		
		Net gain or (loss). Combine line 8c, columns (A) and (B)	8d		
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ 1,048. of contributions reported on line 1b)	9a	12,490.		
b	Less: direct expenses other than fundraising expenses	9b	3,320.		
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c	SEE STATEMENT 1	9,170.	
10a	Gross sales of inventory, less returns and allowances	10a			
		Less: cost of goods sold	10b		
		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		47,362.	
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		10,921,678.	
Expenses	13	Program services (from line 44, column (B))	13		9,987,350.
	14	Management and general (from line 44, column (C))	14		756,839.
	15	Fundraising (from line 44, column (D))	15		70,038.
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses. Add lines 16 and 44, column (A)	17		10,814,227.
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		107,451.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		883,767.
	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		991,218.

623001 01-18-07

LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2006)

**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 \$ 0 • noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule) STATEMENT 3	728,733.	728,733.		
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	234,535.	55,867.	178,668.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
c 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	3,334,686.	3,020,713.	259,699.	54,274.
27 Pension plan contributions not included on lines 25a, b, and c	200,053.	179,190.	17,236.	3,627.
28 Employee benefits not included on lines 25a - 27	530,209.	455,752.	62,887.	11,570.
29 Payroll taxes				
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies	267,962.	243,644.	23,751.	567.
34 Telephone				
35 Postage and shipping	21,934.	18,431.	3,503.	
36 Occupancy	316,865.	285,300.	31,565.	
37 Equipment rental and maintenance				
38 Printing and publications	73,349.	59,153.	14,196.	
39 Travel	257,044.	237,833.	19,211.	
40 Conferences, conventions, and meetings	125,026.	121,158.	3,868.	
41 Interest	28,600.	27,506.	1,094.	
42 Depreciation, depletion, etc. (attach schedule)	59,755.	45,518.	14,237.	
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 2	4,635,476.	4,508,552.	126,924.	
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	10,814,227.	9,987,350.	756,839.	70,038.

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 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 .....	278,522.	4,882.
	46 Savings and temporary cash investments .....	118,187.	185,292.
	47 a Accounts receivable .....	311,002.	
	b Less: allowance for doubtful accounts .....		
	48 a Pledges receivable .....		
	b Less: allowance for doubtful accounts .....		
	49 Grants receivable .....	1,181,677.	1,296,713.
	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 STMT 5 .....	143,533.	
	b Less: allowance for doubtful accounts .....	12,918.	
	52 Inventories for sale or use .....		
	53 Prepaid expenses and deferred charges .....	27,816.	23,787.
	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 .....	SEE STATEMENT 6	100.	100.
57 a Land, buildings, and equipment: basis .....	1,545,590.		
b Less: accumulated depreciation STMT 7 .....	574,612.		
58 Other assets, including program-related investments (describe ► SEE STATEMENT 8 ) .....	36,734.	22,813.	
59 <b>Total assets</b> (must equal line 74). Add lines 45 through 58 .....	2,966,180.	2,946,182.	
Liabilities	60 Accounts payable and accrued expenses .....	1,308,531.	1,178,119.
	61 Grants payable .....		
	62 Deferred revenue .....	114,968.	148,287.
	63 Loans from officers, directors, trustees, and key employees .....		
	64 a Tax-exempt bond liabilities .....		
	b Mortgages and other notes payable STMT 9 .....	560,557.	537,609.
	65 Other liabilities (describe ► SEE STATEMENT 10 ) .....	98,357.	90,949.
66 <b>Total liabilities.</b> Add lines 60 through 65 .....	2,082,413.	1,954,964.	
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 .....	883,767.	991,218.
	68 Temporarily restricted .....		
	69 Permanently restricted .....		
	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 .....		
	71 Paid-in or capital surplus, or land, building, and equipment fund .....		
	72 Retained earnings, endowment, accumulated income, or other funds .....		
73 <b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21) .....	883,767.	991,218.	
74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73 .....	2,966,180.	2,946,182.	





Part VI Other Information (continued)

Form with multiple rows (82a-89g) and columns (Yes, No) containing tax-related questions and answers.

**Part VI Other Information** (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c    
 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.)

	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 FEES & EXP					
b REIMBURSEMENTS					1,324,351.
c INTEREST ON PROGRAM					
d RELATED INVESTMENTS					15,950.
e					
f Medicare/Medicaid payments					1,096,092.
g Fees and contracts from government agencies					1,583,881.
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	4,260.	
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					
101 Net income or (loss) from special events			01	9,170.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a MANAGEMENT FEES	624200	43,926.			
b INTERCOMPANY INTEREST	624200	3,436.			
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		47,362.		13,430.	4,020,274.
105 Total (add line 104, columns (B), (D), and (E))					4,081,066.

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).
93B	REVENUE DERIVED FROM VARIOUS PROGRAM SERVICES-SEE ATTACHED DESCRIPTION
93D	SAME AS 93B
93F	SAME AS 93B
93G	SAME AS 93B

**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
SEE STATEMENT 13	%			
	%			
	%			
	%			

**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.

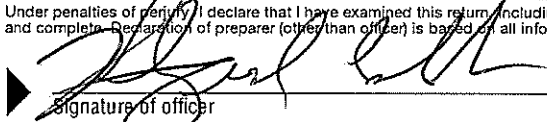
				Yes	No
(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer		
a ----- -----					
b ----- -----					
c ----- -----					
<b>Totals</b>					

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

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:  Date: 12/13/08

EXECUTIVE DIRECTOR  
Type or print name and title

Paid Preparer's Use Only: Preparer's signature: LEANN M. SANNES Date: 02/12/08 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: EIDE BAILLY LLP, 877 W. MAIN ST., STE. 800, BOISE, ID 83702

EIN: Phone no.: 208-344-7150

PUBLIC DISCLOSURE COPY

**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

**2006**

Name of the organization **MOUNTAIN STATES GROUP, INC.** Employer identification number **81 6035382**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 2 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
SEE ATTACHED STATEMENT	40.00	438,316.	25,714.	0.
-----				
-----				
-----				
-----				
-----				
-----				
Total number of other employees paid over \$50,000 ▶	5			

**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
NONE		
-----		
-----		
-----		
-----		
-----		
-----		
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
NONE		
-----		
-----		
-----		
-----		
-----		
-----		
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 .....	N/A	
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 .....		0.
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year .....		0.

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 7 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 7 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 7 of the instructions.)

<b>Part IV-A Support Schedule</b> (Complete only if you checked a box on line 10, 11, or 12.) <b>Use cash method of accounting.</b> <b>Note:</b> You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.		(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
<b>15</b>	Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	6,829,992.	7,635,653.	7,433,568.	8,030,617.	29,929,830.
<b>16</b>	Membership fees received					
<b>17</b>	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	4,118,244.	3,407,257.	3,415,955.	1,973,840.	12,915,296.
<b>18</b>	Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	1,955.	4,064.	1,276.	518.	7,813.
<b>19</b>	Net income from unrelated business activities not included in line 18					
<b>20</b>	Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b>	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					
<b>22</b>	Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
<b>23</b>	Total of lines 15 through 22	10,950,191.	11,046,974.	10,850,799.	10,004,975.	42,852,939.
<b>24</b>	Line 23 minus line 17	6,831,947.	7,639,717.	7,434,844.	8,031,135.	29,937,643.
<b>25</b>	Enter 1% of line 23	109,502.	110,470.	108,508.	100,050.	
<b>26</b>	<b>a</b> Organizations described on lines 10 or 11: Enter 2% of amount in column (e), line 24					598,753.
	<b>b</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 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					0.
	<b>c</b> Total support for section 509(a)(1) test: Enter line 24, column (e)					29,937,643.
	<b>d</b> Add: Amounts from column (e) for lines: 18 <u>7,813.</u> 19 _____ 22 _____ 26b _____					7,813.
	<b>e</b> Public support (line 26c minus line 26d total)					29,929,830.
	<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))					99.9739%
<b>27</b>	<b>a</b> Organizations described on line 12: 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 (2005) _____ (2004) _____ (2003) _____ (2002) _____					
	<b>b</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 (2005) _____ (2004) _____ (2003) _____ (2002) _____					
	<b>c</b> Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					N/A
	<b>d</b> Add: Line 27a total _____ and line 27b total _____					N/A
	<b>e</b> Public support (line 27c total minus line 27d total)					N/A
	<b>f</b> Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					N/A
	<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))					N/A %
	<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					N/A %
<b>28</b>	<b>Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, 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 .....		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 10 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	
<p><b>Caution:</b> If there is an amount on either line 43 or line 44, you must file Form 4720.</p>			

**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 (e) Total
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	
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 13 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.



**MOUNTAIN STATES GROUP, INC.**  
**DEPRECIATION SCHEDULE AS OF JUNE 30, 2007**

<u>Purch Year</u>	<u>Description</u>	<u>Equip Cost</u>	<u>Accum Depr @ 6/30/06</u>	<u>Depr &amp; Amort for FY07</u>	<u>Net Equip @ 6/30/07</u>	<u>Method</u>	<u>Useful Life</u>
Jun-82	TYPEWRITER, SELECTRIC III	981	981	-	-	S/L	5
Jun-82	TYPEWRITER, SELECTRIC III	981	981	-	-	S/L	5
Jun-84	PROJECTOR, OVERHEAD, 3M, CASE	504	504	-	-	S/L	5
Apr-92	DISPLAY, SKYLINE	1,287	1,287	-	-	S/L	5
Mar-93	TELEPHONE - M7310	218	218	-	-	S/L	5
Mar-93	TELEPHONE - M7310	218	218	-	-	S/L	5
Mar-93	TELEPHONE - M7310	218	218	-	-	S/L	5
Mar-93	TELEPHONE - M7310	218	218	-	-	S/L	5
Mar-93	TELEPHONE - M7310	218	218	-	-	S/L	5
Mar-93	TELEPHONE - M7310	218	218	-	-	S/L	5
Mar-93	TELEPHONE - M7310	218	218	-	-	S/L	5
Mar-93	TELEPHONE - M7310	218	218	-	-	S/L	5
Mar-93	TELEPHONE - M7310	218	218	-	-	S/L	5
Mar-93	TELEPHONE - M7310	218	218	-	-	S/L	5
Mar-93	TELEPHONE - M7310	218	218	-	-	S/L	5
Mar-93	TELEPHONE - M7310	218	218	-	-	S/L	5
Mar-93	TELEPHONE - M7310	218	218	-	-	S/L	5
Mar-93	STARTALK MINI - VOICE MAIL	3,145	3,145	-	-	S/L	5
Mar-93	MERIDIAN - NORTHERN TELECOM	5,357	5,357	-	-	S/L	5
Dec-93	UPGRADE STAR TALK VOICE MAIL	5,500	5,500	-	-	S/L	5
Sep-94	PRINTER, HP LASER IV PLUS	1,465	1,465	-	-	S/L	5
Sep-94	PRINTER, HP LASER IV PLUS	1,465	1,465	-	-	S/L	5
Nov-95	PRINTER, HP LASER JET 4+	1,561	1,561	-	-	S/L	5
Mar-96	TABLE, CONFERENCE	500	500	-	-	S/L	5
Mar-96	PRINTER, LASER JET 4+	1,458	1,458	-	-	S/L	5
May-96	TELEPHONE	218	218	-	-	S/L	5
Sep-96	PRINTER, HP LASERJET 5MP	1,139	1,139	-	-	S/L	5
May-98	TV/VCR, 25" COMBO, SHARP	525	525	-	-	S/L	5
May-98	TV/VCR, 25" COMBO, SHARP	525	525	-	-	S/L	5
May-98	WASHER & DRYER, WHIRLPOOL	776	776	-	-	S/L	5
Jun-98	CHAIR, AFM OLD WORLD ROCKER	519	519	-	-	S/L	5
Jun-98	COUCH, J REMMINGTON, PITSTOP HORIZON	566	566	-	-	S/L	5
Jun-98	CHAIR, ENGLAND CORSAIR CLUB /OTTAMAN	698	698	-	-	S/L	5
Jun-98	PRINTER, HP LASERJET 6PXI	807	807	-	-	S/L	5
Jun-98	LAMINATOR, EZ-LAM 27" ROLL	1,022	1,022	-	-	S/L	5
Jun-98	TABLE & CHAIRS, '8 PIECE CALDWELL DINING SET	1,038	1,038	-	-	S/L	5
Jun-98	LOFT, TODDLER	1,200	1,200	-	-	S/L	5
Jun-98	TABLE & CHAIRS, RICHARDSON DINING	1,890	1,890	-	-	S/L	5
Sep-98	COMPUTER, AMS CELERON	1,176	1,176	-	-	S/L	5
Oct-98	STOVE, FRIGIDAIRE	575	575	-	-	S/L	5
Oct-98	WASHER/DRYER, WHIRLPOOL	776	776	-	-	S/L	5
Oct-98	COMPUTER, COMPAQ CPU 2256	892	892	-	-	S/L	5
Oct-98	COMPUTER, COMPAQ CPU 2256	892	892	-	-	S/L	5
Dec-98	COMPUTER, CPU COMPAQ	1,486	1,486	-	-	S/L	5
Dec-98	COMPUTER, MILLENNIA MICRO	2,555	2,555	-	-	S/L	5
Feb-99	COMPUTER, COMTEQ/IRS NT WORKSTATION	1,733	1,733	-	-	S/L	5
Mar-99	COMPUTER, MICRO.ATX	1,533	1,533	-	-	S/L	5
Apr-99	COMPUTER, HP E50 NETSERVER	2,496	2,496	-	-	S/L	5
Jun-99	FILE, 42" 4 DRAWER WIDE	598	598	-	-	S/L	5
Jun-99	FILE, 42" 4 DRAWER WIDE	598	598	-	-	S/L	5
Jun-99	LAPTOP	1,945	1,945	-	-	S/L	5
Jun-99	LAPTOP, WIN 98 BOOT DISC	2,021	2,021	-	-	S/L	5
Sep-99	COMPUTER, AMD K6-2 450	1,346	1,346	-	-	S/L	5
Oct-99	EARLY HEAD START SIGN	625	625	-	-	S/L	5
Oct-99	TRAILER	951	951	-	-	S/L	5
Oct-99	STARTALK MINI CALL PROCESSOR	1,248	1,248	-	-	S/L	5
Dec-99	PRINTER, HP DESKJET 2000 CXI	603	603	-	-	S/L	5
Dec-99	COMPUTER, 466 IMS E-MACHINE	709	709	-	-	S/L	5
Dec-99	COMPUTER, 466 IMS E-MACHINE	709	709	-	-	S/L	5
Dec-99	CDA PHONE SYSTEM	7,517	7,517	-	-	S/L	5
Jan-00	FILE, TURTLE 4-DR FIRE PROOF	630	630	-	-	S/L	5
Jan-00	COMPUTER, MILLENNIA W/PENTIUM III/WIN	1,601	1,601	-	-	S/L	5
Feb-00	COMPUTER, NEC AMD K6500	735	735	-	-	S/L	5
Feb-00	COMPUTER, E-MACHINE	814	814	-	-	S/L	5
Feb-00	COMPUTER, AMS PENTIUM III 500 MHZ	1,201	1,201	-	-	S/L	5
Feb-00	COMPUTER, MICRON	1,313	1,313	-	-	S/L	5
Feb-00	COMPUTER, COMPAQ	1,888	1,888	-	-	S/L	5
Jun-00	PLAYHOUSE	890	890	-	-	S/L	5
Jun-00	Network Install - 1607/1614 W. Jefferson	30,148	30,148	-	-	S/L	5
Aug-00	PRINTER, HP LJ210	696	696	-	-	S/L	5
Aug-00	COMPUTER, PRESARIO 7000T PENTIUM III	1,245	1,245	-	-	S/L	5
Aug-00	COMPUTER, PRESARIO 7000T PENTIUM III	1,245	1,245	-	-	S/L	5
Aug-00	COMPUTER, PRESARIO 7000T PENTIUM III	1,245	1,245	-	-	S/L	5
Sep-00	SHELF, TEXWOOD MAGAZINE	542	542	-	-	S/L	5
Oct-00	COMPUTER, MICRON MILLENNIA 566 MHZ W/MON	1,042	1,042	-	-	S/L	5
Nov-00	COMPUTER, MICRON 566 MHZ W/MON	1,042	1,042	-	-	S/L	5

MOUNTAIN STATES GROUP, INC.  
DEPRECIATION SCHEDULE AS OF JUNE 30, 2007

Purch Year	Description	Equip Cost	Accum Depr @ 6/30/06	Depr & Amort for FY07	Net Equip @ 6/30/07	Method	Useful Life
Dec-00	GAZEBO, BRIDGE	850	850	-	-	S/L	5
Jan-01	COMPUTER, MICRON	381	381	-	-	S/L	5
Jan-01	COPIER, HP FROM NNU	22,083	22,083	-	-	S/L	5
Mar-01	CAMERA, KODAK DC3400 ZOOM DIGITAL	591	591	-	-	S/L	5
Apr-01	PROJECTOR, EPSON EMP-50C	2,211	2,211	-	-	S/L	5
Apr-01	PROJECTOR, EPSON EMP-50C	2,211	2,211	-	-	S/L	5
Apr-01	COMPUTER, INSPIRON 40000 PENTIUM III	2,376	2,376	-	-	S/L	5
May-01	COMPUTER, COMPAQ 5012 PENTIUM III	1,562	1,562	-	-	S/L	5
Jun-01	LAPTOP, MICRON	1,154	1,154	-	-	S/L	5
Apr-02	COMPUTER, SERVER & WIRELESS BRIDGE, ANA	8,452	7,607	845	-	S/L	5
Jun-06	IOR DATA BASE (POWER ENGINEERS)	19,584	1,960	3,917	13,707	S/L	5
Dec-06	Fiscal Workspaces (Cubicles & Desks)	8,079	-	808	7,271	S/L	5
Apr-07	EHS TELEPHONE SYSTEM	15,290	-	1,531	13,759	S/L	5
Jun-07	PHOTOSCREENER	5,000	-	500	4,500	S/L	5
Jun-07	PHOTOSCREENER	5,000	-	500	4,500	S/L	5
	COMPUTER SOFTWARE - FISCAL	15,625	15,625	-	-	S/L	5
	PRINTER, HP 4+	160	160	-	-	S/L	5
	COMPUTER, MICRON	833	833	-	-	S/L	5
	VOICEMAIL INSTALLATION	15,731	15,731	-	-	S/L	5
	MSG Items Disposed at various dates through year	(17,574)	(17,574)	-	-	S/L	5
	<b>Furn/Fixtures/Office Equip Subtotal:</b>	<b>226,574</b>	<b>174,736</b>	<b>8,101</b>	<b>43,737</b>		
Dec-95	OFFICE BUILDING @ 1607 W. JEFFERSON	949,822	301,434	28,500	619,888	S/L	30
Mar-99	OFFICE BUILDING @ 1614 W. JEFFERSON	83,985	16,392	2,630	64,963	S/L	30
MISC	BUILDING IMPROVEMENTS @ 1607 W. JEFFERSON	59,101	19,434	2,410	37,257	S/L	30
MISC	BUILDING IMPROVEMENTS @ 1614 W. JEFFERSON	1,359	1,359	-	0	S/L	30
Jun-00	CREAMER - HEATING / COOLING UNIT	7,505	4,454	751	2,300	S/L	30
May-05	PARAMOUNT - HEATING / COOLING UNIT	10,009	1,084	1,001	7,924	S/L	10
Nov-06	FISCAL OFFICE REMODEL	6,261	-	417	5,843	S/L	10
Jan-97	BUILDING IMPROVEMENTS	42,173	8,046	1,265	32,861	S/L	5
Jan-04	NEW ROOF @ 1614 W. JEFFERSON	7,608	1,839	761	5,009	S/L	10
	<b>Building &amp; Improvements Subtotal</b>	<b>1,167,823</b>	<b>354,042</b>	<b>37,734</b>	<b>776,046</b>		
Dec-95	Land	151,193	-	-	151,193		
<b>Property &amp; Equipment Balances prior to Capital Lease Activity</b>		<b>1,545,590</b>	<b>528,777</b>	<b>45,835</b>	<b>970,976</b>		
Jul-03	Equipment Under Capital Leases	67,147	38,436 A	13,430 B	15,281	S/L	5
<b>Total June 30, 2007 Property &amp; Equipment Balances</b>		<b>1,612,737</b>	<b>567,213 C</b>	<b>59,265</b>	<b>986,259</b>		
Oct-02	Building Loan Fees	-	-	491.00 D	-	S/L	20
<b>June 30, 2007 Depreciation &amp; Amort Expense</b>				<b>59,755 E</b>			

Mountain States Group, Inc.

EIN 81-6035382

Form 990 Information for the fiscal year ended June 30, 2007

**Schedule A - Compensation of the Five Highest Paid Employees Other Than Officers**

<b>Name and Address:</b>	<b>Title and Average hours per week</b>	<b>Total Compensation</b>	<b>EmployER Contribution to 403(b) Plan</b>	<b>Expense Account / Other</b>
Dellairo, Deme Boise, Idaho	Program Director, Mental Health Services 40 hours/week	\$ 97,398	\$ -	\$ -
Powell, Linda Boise, Idaho	Program Director, AHEC 40 hours/week	96,277	9,023	-
Reeves, Jan Boise, Idaho	Program Director, Idaho Office for Refugees 40 hours/week	84,775	8,477	-
Crosser, Christy Lyons, Colorado	Program Director, Rural Hospital Improvement 32 hours/week	82,132	8,213	-
Nakao, Cathy Boise, Idaho	Mental Health Case Worker 40 hours/week	77,735	-	-
<b>TOTALS</b>		<b>\$ 438,316</b>	<b>\$ 25,714</b>	<b>\$ -</b>

Grouping	Expense	Project	G/L Description	Line 22	Line 23	Other Description of Support
<u>Foster Grandparent Program</u>						
DC	00-6000	3000	Volunteer Stipends	-	192,803.42	- Small stipend (\$2.65/hr) paid to grandparents for their time spent in the classroom. The grandparents must meet a low income eligibility requirement, so considering this participant support
Tran	00-6020	3000	Volunteer Travel	-	18,186.86	Fostergrandparents are also paid a small travel stipend (less the IRS mileage rate) to assist them with their travel costs while volunteering. Considered direct cash assistance. Per A-122, these travel allowances are appropriately categorized as participant support costs.
Tran	00-6030	3000	Volunteer Transportation	-	965.12	- Consistent with explanation above (just used 2 different g/l expense codes).
<u>Retired Senior Volunteer Program</u>						
Tran	00-6020	3102	Volunteer Travel	-	7,807.76	- The RSVP volunteers are paid a small travel stipend (less the IRS mileage rate) to assist them with their travel costs while volunteering. Considered direct cash assistance. Per A-122, these travel allowances are appropriately categorized as participant support costs.
Tran	00-6020	3112	Volunteer Travel	-	3,969.85	- Consistent with explanation above.
Tran	00-6030	3102	Volunteer Transportation	-	72.00	- Consistent with explanation above.
Other	00-5650	3112	Adopt-A-Senior	-	2,794.88	- RSVP coordinates contributions/purchase/distribution of food for elderly persons.
<u>Early Head Start</u>						
Other	00-5630	4700	Support Services	-	2,818.62	- Services for enrolled pregnant women and enrolled children not covered by other providers in the areas of health, dental, childbirth education, education, birth certificates or other approved support funds.
<u>Agency for New Americans</u>						
DC	00-5630	7300	Support Services	-	4,486.90	- Additional support provided to refugees beyond the budgeted amount for resettlement. Provided on a case-by-case basis
Tran	00-5640	7300	Client Transportation	-	6,638.05	- Transportation support provided to refugees to attend program activities, such as classes/training or to make appointments, such as doctor/dentists. Support is usually in the form of bus passes.
DC	00-5660	7300	Resettlement	-	23,653.97	- Resettlement - Direct Cash
Other	00-5661	7300	Resettlement - Food	-	1,809.46	- Resettlement - Food
Other	00-5662	7300	Resettlement - Clothing	-	2,136.41	- Resettlement - Clothing
Tran	00-5663	7300	Resettlement - Transportation	-	820.88	- Resettlement - Transportation
DC	00-5664	7300	Resettlement - Direct Cash	-	7,422.32	- Resettlement - Direct Cash
Other	00-5665	7300	Resettlement - Housing	-	27,512.55	- Resettlement - Housing
Other	00-5666	7300	Resettlement - Other	-	1,729.50	- Resettlement - Other
<u>Microenterprise and Technical Assistance Program</u>						
NA	00-5680	7390	Client Loan/Match Funds	-	-	63,000.00 Represents the revolving loan fund received for the META program used for loans to refugees. Amounts are paid back and the program earns interest on loans. Not considered scholarships or direct cash assistance.

Mountain States Group, Inc.  
 Form 990 Information for the year ending June 30, 2007  
 Line 23 - Specific Assistance to Individuals

Grouping	Expense	Project	G/L Description	Line 22	Line 23	Other Description of Support	
<u>Idaho Office for Refugees</u>							
DC	00-5600	7420	Cash Assistance	-	195,317.50	Resettlement - Direct Cash	
Other	00-5600	7420	Cash Assistance	-	207,123.50	Resettlement - Housing	
DC	00-5620	7480	Scholarships/Participant Support	-	8,036.50	***Vouchers/cash assistance is given to refugees who have resettled in Idaho through our Idaho Office for Refugee support program. Assistance is for refugees to attend vocational training or other courses to assist in resettlement process.	
Tran	00-5640	7300	Client Transportation	-	139.97	Transportation support provided to refugees to attend program activities, such as classes/training or to make appointments, such as doctor/dentists. Support is usually in the form of bus passes.	
<u>English Language Center</u>							
Tran	00-5640	7500	Client Transportation	-	4,105.45	Transportation support provided to refugees to attend program activities, such as classes/training or field trips. Support is usually in the form of bus passes.	
<u>Quentin R. Burdick Rural Interdisciplinary Training</u>							
DC	00-5620	8300	Scholarships/Participant Support	-	1,394.25	Stipends/Direct Cash Assistance paid to students working in the health mobiles	
<u>Idaho Hispanic Health Partnership</u>							
DC	00-5620	8450	Scholarships/Participant Support	-	5,650.00	Stipends paid to those participating in the ID Hispanic Health Partnership surveys.	
<u>RITP Training &amp; Technical Assistance</u>							
Other	00-5630	8510	Support Services	-	1,327.00	Medical expenses paid for a client.	
<b>Total - Agrees to Stipends/Scholarships/Assistance per audited financial statement.</b>				-	728,732.72	63,000.00	791,732.72



## Notes to Consolidated Financial Statements June 30, 2007 and 2006

### **Note 1. ORGANIZATION AND PROGRAM SERVICES**

**Organization:** Mountain States Group, Inc. and its subsidiary (hereinafter referred to collectively as MSG) is a 501(c) 3 nonprofit corporation, incorporated under the laws of the State of Idaho for the purpose of improving the delivery, accessibility, and quality of health care and social services. Offices are located in Boise, Nampa, Coeur d'Alene and Sandpoint, Idaho.

**Mission:** MSG works locally, nationally, and internationally to promote citizen and community leadership in improving health and human services; and provides high quality direct services for diverse populations. All of our programs work toward the common mission of people shaping their own lives and sharing in their communities. MSG operates in the following program areas: Mental Health, Rural Health, Public Health, Children & Families, Refugee Resettlement and Seniors.

#### ***Mental Health:***

- ***Mental Health Services*** – operates under Medicaid provider agreements on a fee-for-service basis, through the Idaho Department of Health and Welfare (IDH&W) for targeted case management, psychosocial and vocational rehabilitation and individual counseling and clinic services in Boise, Idaho.
- ***Office of Consumer Affairs and Technical Assistance*** - funded by the IDH&W to coordinate, support and focus the consumer advocacy efforts of statewide and local mental health consumer groups across the state. In April, 2007, the program coordinated a Statewide Mental Health Recovery Conference bringing in national speakers and breakout session facilitators that served over 88 mental health consumers across the state of Idaho.

#### ***Public Health:***

- ***Idaho HIV Community Planning Coordination*** – funded through Idaho Department of Health and Welfare, to assist the department in planning the state's HIV/AIDS care and prevention services that includes convening a statewide planning group; compiling applicable information for decision making and then preparing Idaho's plans for HIV/AIDS care and prevention services in order to assist the state in securing federal funding.
- ***Boise Women's Prison Project*** - reaches incarcerated women who are at-risk for HIV infection. Through group sessions, incarcerated women learn about HIV infection, how to reduce risky behaviors and gain confidence in keeping themselves safe from contracting HIV or other sexually transmitted diseases.

#### ***Children & Families:***

- ***Mountain States Early Head Start*** – (MSEHS) provides comprehensive health,



social and educational services for infants, toddlers, and their families through family-centered and community-based efforts in Kootenai and Bonner Counties in north Idaho through a grant from the USDHHS. Funded to serve a minimum of 113 children, services include home visits, parent/child educational playgroups and classes, preventative health information and services and assistance linking families to needed community resources. Several parents' goals were met during the year including successful completion of high school or GED tests, enrollment into college and application and acceptance for a Habitat for Humanity house.

- **Nutrition Works** - provides reimbursement to Idaho family child care homes and centers to help provide nutritious meals to low-income children and assists the homes and centers in offering quality child care. Funded through the U.S. Department of Agriculture as a pass through from the State of Idaho's Child and Adult Care Food Program. The program supports meals to over 3,000 children per month; helps to ensure children receive well-balanced meals that do not contribute to the childhood obesity epidemic and has developed self-study programs for child care providers on nutrition and food safety.
- **Idaho KIDS COUNT** – collects the best available data on child well-being, uses that information to educate policy makers and citizens and mobilizes community efforts to secure a better future for all children. The Program is funded by the Annie E. Casey Foundation. During the past year, Kids Count has co-sponsored two policy forums providing education on children's issues; produced two policy briefs and updated database with over 100 indicators of child well-being.
- **Healthy Tomorrows for Children** – is a U.S. Department of Health and Human Services (USDHHS) grant that adds the partnership of SERVE Idaho and builds on the success of the Covering Kids and Families in Idaho project to improve the health status and access to health care for uninsured youth in five rural and frontier counties in Idaho. The program has enlisted the support of K-12 schools, hospitals and rural youth coalitions to reach families.
- **Idaho Voices for Children Policy Institute Project "Building Advocacy Capacity for School Readiness in Idaho"** – is funded by the Paul G. Allen Foundation to improve the educational and social readiness of young children entering elementary school. Idaho Voices for Children (IVC) will partner with Idaho Kids Count and the Idaho Department of Education.
- **Idaho Covering Kids and Families Initiative (CKFI)** – was a Robert Wood Johnson Foundation initiative working at the state and community levels to promote the identification and enrollment of uninsured low-income Idaho children in health coverage programs like the State of Idaho Children's Health Insurance Program. This program ended October 31, 2006.
- **Covering Kids and Families in Idaho: Reaching Uninsured Idaho Children through the Free/Reduced School Lunch Application** - funded by the Paul G. Allen Foundation to continue promote identification of and enrollment of uninsured low-income Idaho children in the State of Idaho Children's Health Insurance Program with program partners including the Idaho Department of Education-Nutrition Programs, participating school districts and 211 Idaho Careline.



### ***Refugee Resettlement:***

- ***Idaho Office for Refugees (IOR)*** – responsibility for administration of the State of Idaho’s refugee resettlement program, overseeing the resettlement of 573 new refugees in Idaho during the fiscal year primarily from Africa, the Former Soviet Union, Asia and Colombia. IOR receives USDHHS funds from the Office of Refugee Resettlement (ORR). IOR supports the provision of interim financial assistance, English language training, employment services, case management and social adjustment services in the communities where refugees are resettled in Idaho.
- ***Agency for New Americans (ANA)*** - provides initial reception and placement services to approximately 116 refugees in the Boise area a year representing different nationalities and ethnicities from nearly every region of the world. ANA provides case management, employment, tutoring, immigration, ethnic community building and volunteer services to newly arrived and more established refugee clients. ANA is funded through a variety of sources including: U.S. Department of State, Bureau for Population, Refugees and Migration, through a Cooperative Agreement with Episcopal Migration Ministries (EMM), State of Idaho, direct grants from ORR and as a subrecipient from IOR.
- ***Microenterprise Lending and Technical Assistance (META)*** – offers business development training and microenterprise loans to refugees interested in starting or expanding a small business. META is substantially funded through ORR with some supporting coming from local financial institutions.
- ***English Language Center (ELC)*** – funded through IOR, ELC uses classroom and computer lab settings to conduct English language instruction for newly arrived refugees and English classes for refugees 60 years and older to help meet the cultural and linguistic need of older refugees.

### ***Rural Health:***

- ***Idaho Area Health Education Center (IAHEC)*** - is affiliated with the University of Washington, School of Medicine Area Health Education Center Program. The mission is to improve the supply, distribution, and quality of health professionals throughout Idaho. IAHEC programs also include the Idaho Rural Technical Assistance program, a partnership with the Idaho Health Facilities Authority providing subsidies for needed technical assistance to rural health care entities within Idaho and the Bioterrorism Training and Curriculum Development program, a USDHHS pass-through grant from Idaho State University, which works to disseminate bio-defense and emerging infectious disease information to primary care practitioners in Wyoming, Washington, Alaska, Montana, Idaho and Oregon.
- ***Delta States Rural Hospital Performance Improvement*** – funded through the USDHHS Health Resources and Services Administration, this contract offers intensive technical assistance, training, performance assessments and strategic planning tools to rural hospitals in eight Mississippi Delta States, in collaboration with rural communities and state rural health organizations.
- ***Idaho Hispanic Wellness*** – funded through the USDHHS Health Resources and



- Services Administration to provide health and wellness services to three Hispanic communities in southwestern Idaho. This program ended December 31, 2005.
- **Idaho Partnership for Hispanic Health** – funded through the National Institutes of Health, this three year grant researches interventions to reduce health disparities experienced by the Hispanic population in Idaho, particularly those identified as Mexican-American. Interviews, focus groups and public meetings were held last year to identify significant health issues, the results of which led the program to select metabolic syndrome as the focus of the intervention phase of the project, which will occur in the third year of this project.
  - **Community Gardens of Boise** - funds a garden coordinator to seek opportunities to create community gardens that are physically, financially, and socially accessible and welcoming to low income and other underserved populations.
  - **Technical Assistance Service Center for the Rural Hospital Flexibility Program (TASC)** - supports the work of State Offices of Rural Health and other healthcare organizations with the federal Rural Health Flexibility Program. Technical assistance, information, and process tools are offered through a web site, library, conference calls, newsletter, and consultant referral. TASC, funded through the USDHHS Health Resources and Services Administration, is a contract of MSG's wholly owned subsidiary, Rural Health Strategies, Inc.
  - **Rural Health Strategies, Inc. (RHSI)** – is a wholly owned, for-profit subsidiary of MSG, incorporated under the laws of the state of Idaho, focusing on the health of rural communities, including, among other functions: education, consultation and technical assistance, resource development and performance improvement.

#### **Seniors:**

- **Foster Grandparents of Treasure Valley (FGP)**- a federally funded intergenerational mentorship program through the Corporation for National Service (CNS). FGP is funded for up to 67 seniors, of limited income, into volunteer positions at non-profit educational centers for children who need extra attention, nurturing or help with academics.
- **Retired and Senior Volunteer Program (RSVP)** - serves ten counties in Southwestern Idaho providing persons 55 years and older opportunities to address critical community needs and enhance their lives through volunteer service. Primarily supported with federal funds through CNS, RSVP obtains about 30 percent of its funding from a variety of community sources. During this fiscal year 1,143 volunteers provided 209,701 volunteer hours to their service communities.
- **Rural Interdisciplinary Training in Geriatrics** – was a partnership project with Idaho State University (ISU), Kasiska College of Health Professions and Area V Agency on Aging, known as the ISU Senior Health Mobile, providing health and wellness services to rural seniors in eastern Idaho through the use of students and faculty from ISU. This program was funded through the USDHHS Health Resources and Services Administration and ended December 31, 2006.
- **Services to Elderly Refugees** – funded through IOR, this program links refugees 60 years and older to mainstream senior services and promotes development of capacity



Mountain States Group Inc.  
*"international community resource development"*

within local aging networks to meet the cultural and linguistic need of older refugees.

Mountain States Group, Inc.  
 EIN 81-6035382  
 Form 990 Information for the fiscal year ended June 30, 2007  
**Part V - List of Officers, Directors, Trustees and Key Employees**

Name and Address:	Title and Average hours per week	Compensation	Employer Contribution to 403(b) Plan	Expense Account / Other
Hartzell Cobbs Boise, Idaho	Executive Director 40 hours/week	\$ 127,520	\$ 11,828	\$ -
Karan E. Tucker Boise, Idaho	Chief Financial Officer 40 hours/week	86,533	8,653	-
Benson R. Daitz, M.D. Albuquerque, NM	Board President <1	-	-	-
Daniel J. Kunz Boise, Idaho	Board Vice President <1	-	-	-
Louise Haney Boise, Idaho	Board Secretary <1	-	-	-
Allen Derr Boise, Idaho	Board Member <1	-	-	-
Margaret Henbest Boise, Idaho	Board Member < 1	-	-	-
Ann D. Morse Washington, DC	Board Member <1	-	-	-
Kermit Scarborough Boise, Idaho	Board Member <1	-	-	-
Marion Sokol, PH.D. San Antonio, Texas	Board Member <1	-	-	-
Myron E. Jones Melbourne, Florida	Board Member Emeritus <1	-	-	-
Judy Muller Pacific Palisades, CA	Ex-Officio <1	-	-	-
<b>TOTALS</b>		<b>\$ 214,053</b>	<b>\$ 20,482</b>	<b>\$ -</b>



**BYLAWS  
OF  
MOUNTAIN STATES GROUP, INC.**  
(Amended April 20, 2007)

**101.1 ARTICLE I – NAME**

The name of this corporation is Mountain States Group, Inc.

Mountain States Group, Inc. was formed for the purpose of improving the delivery, accessibility, and quality of health care and social services.

**101.2 ARTICLE II – OFFICES**

The registered office of this corporation is 1607 W. Jefferson St., Boise, Ada County, ID 83702.

**101.3 ARTICLE III – MEMBERSHIP**

The members of this corporation shall be limited from four (4) to the seven (7) directors and any successor or additional directors selected by a majority thereof.

**101.4 ARTICLE IV – DIRECTORS**

**101.4.1 Board of Directors**

The business and property of the corporation shall be managed and controlled by a Board of Directors as provided for in the Articles of Incorporation.

With the concurrence of a majority of the directors, the number of directors may be increased temporarily to a maximum of nine (9), until such time as a vacancy or vacancies occur by reason of resignation, death or expiration of a term of office to which the existing director is not eligible for re-election.

No director shall receive any compensation for his/her services as a director, except that directors may be reimbursed for bona fide expenses incurred incident to the business of the corporation.

**101.4.2 Term of Office**

Terms of office shall be for three years expiring at the time of the annual meeting. Directors may be reelected to serve additional three year terms.



Directors elected to fill unexpired terms are eligible for additional three-year terms.

Directors elected to the expanded board at other than an annual meeting will serve a term of three years measured from the semi-annual meeting following their election.

#### 101.4.3 Election of Directors

Nominations of directors shall be made by the Nominating Committee and shall be voted upon by the current directors. A simple majority vote of the current directors shall be required for affirmative action. Directors shall be elected to fill vacancies at semi-annual or special meetings.

Any vacancy occurring in the Board of Directors caused by resignation, whether voluntary or involuntary, or death, may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

#### 101.4.4 Inactive Directors

After a director has missed two (2) consecutive directors' meetings without a satisfactory written excuse, the President shall have a letter sent to the director reminding him/her that any director who misses three (3) consecutive meetings without a satisfactory excuse shall be considered to have automatically resigned.

Written excuses from a director who plans to be absent shall be forwarded to the President. A satisfactory excuse shall include, but not be limited to, personal illness or disability, illness or death of a family member or transportation failure beyond the control of the member. Determination of whether an excuse is satisfactory is the responsibility of the directors.

#### 101.4.5 Voluntary Resignations

Voluntary resignations shall be made in writing to the President.

### 101.5 ARTICLE V – MEETINGS

#### 101.5.1 Scheduling of Meetings

- a. The semi-annual meetings of the corporation shall be held in the spring and fall at times and places designated by the Board of Directors.



- b. Regular meetings may be called by the President. Notice must be given to the directors in writing and delivered either personally or mailed not less than fifteen (15) days prior to the meeting.
- c. Special meetings of the directors may be called by the President. Notice of special meetings must, in addition to setting forth the place, date and hour of the meeting, set forth the purpose or purposes of the special meeting and shall be delivered either personally or mailed no less than fifteen (15) days prior to the meeting.

#### 101.5.2 Voting

A director may vote in person or by proxy at any meeting. Proxies, if utilized, must be designated to another director. If the designated director is unable to attend, the proxy may be transferred to an attending director by telephone and then confirmed in writing.

Sturgis Code of Parliamentary Procedures shall govern the conduct of meetings.

#### 101.5.3 Quorum

A simple majority of the directors shall be present to constitute a quorum at all meetings.

At any meeting of the directors of the corporation, a majority of the directors shall constitute a quorum for the transaction of business.

### 101.6 ARTICLE VI – OFFICERS

#### 101.6.1 Slate of Officers

The officers of this corporation shall consist of a President, Vice President, Secretary and Treasurer. All officers shall be elected annually by the directors at the annual meeting from nominations made by the directors. Officers shall hold office until they are removed or their successors are elected. No one shall be eligible to hold office who is not a director.

#### 101.6.2 President

The President shall preside at all meetings of the corporation. He/she shall have general supervision of the affairs of the corporation and over the other officers.



101.6.3 Vice President

In case of the absence or disability of the President, the duties shall be performed by the Vice President.

101.6.4 Secretary

The Secretary shall keep minutes of all meetings of the corporation; shall have charge of all corporate books, records and papers; shall attest by signature and with the corporate seal all written contracts of the corporation. The Secretary may delegate these responsibilities to administrative staff as approved by the directors.

101.6.5 Treasurer

The Treasurer shall have custody of all money and securities of the corporation and shall give bond, in such sum and with such assurances as the directors may require. The Treasurer shall keep regular books of account and shall submit them, together with all vouchers, receipts, records and other papers to the directors for their examination and approval as often as the directors may require it. The Treasurer shall perform all other such duties as are incident to this office. The Treasurer may delegate these responsibilities to administrative staff as approved by the directors.

101.6.6 Replacement of Officers

In the event that the office of President, Vice President, Secretary or Treasurer becomes vacant or incumbents are unable to serve, the directors shall elect a successor to fill the vacancy.

101.6.7 Staff

The President, with the advice and consent of the directors, may engage such staff as may be required to carry out the business of the corporation. Such staff shall include an executive director, not a director of the corporation, who shall possess such powers in administration of the corporate interests as are delegated by the directors to the executive director. The Board shall be responsible for appointing and evaluating the executive director. The executive director will have the same responsibilities for all other staff.

**101.7 ARTICLE VII – REMOVAL OF OFFICERS OR DIRECTORS**

Any officer or director may be removed from a directorship by a majority vote of the directors whenever, in their judgment, the best interest of the corporation will be served thereby.



## 101.8 ARTICLE VIII – COMMITTEES

### 101.8.1 Nominating Committee

The President shall appoint a Nominating Committee at the semi-annual meetings, one of whom shall be appointed chairman of the Nominating Committee by the President.

The Nominating Committee shall make nominations for vacancies on the Board of Directors and when temporarily expanding the number of directors, nominating president, vice president and secretary/treasurer.

### 101.8.2 Audit Committee

The President shall appoint an Audit Committee. The Audit Committee shall be composed of directors that are independent from management and shall include at least one financial expert. Audit Committee members may not receive compensation as consultants for other services.

The Audit Committee shall oversee the appointment, compensation, performance and reporting of the independent auditors and see to it that the books of the corporation are audited annually or as requested by a majority vote of the directors at any time.

The Audit Committee shall ensure the corporation has appropriate accounting policies and procedures in place, shall periodically review corporation financial statements and tax returns and shall ensure appropriate procedures are in place for handling complaints about accounting and internal control matters.

### 101.8.3 Other Committees

The President may establish such standing and ad hoc committees and subcommittees as are deemed necessary. The President shall be an ex-officio member of all committees except the Nominating Committee.

## 101.9 ARTICLE IV – WAIVER OF NOTICE

Any director may waive in writing any notice required to be given in connection with the affairs of this corporation, either before or after the time stated therein.



Mountain States Group Inc.  
"international community resource development"

#### **101.10 ARTICLE X – FINANCE**

The funds of this corporation shall be deposited in such bank or trust company as the directors shall designate and shall be withdrawn by the administrative staff on the specific delegation of the directors with appropriate signing and/or countersigning procedures.

#### **101.11 ARTICLE XI – AMENDMENTS TO THE BYLAWS**

New bylaws may be adopted or these bylaws may be amended or repealed by majority vote of the directors. Proposals for new bylaws and proposals to alter, modify, change, repeal or amend any of the bylaws of this corporation must be delivered in writing personally or mailed to each director at least thirty (30) days prior to the date of the meeting at which the proposed new bylaws or proposed change in the bylaws is to be considered.

The foregoing Amended and Restated Bylaws of Mountain States Group, Inc., an Idaho nonprofit corporation, were duly adopted by the Board of Directors on the 20th day of April, 2007.

FORM 990	SPECIAL EVENTS AND ACTIVITIES				STATEMENT	1
DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME	
ANA'S 10TH ANNIVERSARY CELEBRATION	2,085.		2,085.	1,176.	909.	
ANA'S INTERNATIONAL WOMEN'S DAY	11,453.	1,048.	10,405.	2,144.	8,261.	
TO FM 990, PART I, LINE 9	13,538.	1,048.	12,490.	3,320.	9,170.	

FORM 990	OTHER EXPENSES				STATEMENT	2
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING		
CONTRACTS & CONSULTING	2,387,269.	2,387,269.				
FOOD PROGRAM						
PROVIDER PAYMENTS	1,146,905.	1,146,905.				
STIPENDS & SCHOLARSHIPS - META						
LOAN POOL	63,000.	63,000.				
INDIRECT / ADMINISTRATIVE FEES	735,777.	735,777.				
IN-KIND / MATCH	88,692.	47,787.	40,905.			
TELEPHONE & UTILITIES	80,791.	72,537.	8,254.			
STAFF AND VOLUNTEER TRAINING	54,544.	42,033.	12,511.			
LEGAL & ACCOUNTING	42,726.	2,000.	40,726.			
INSURANCE	32,406.	7,878.	24,528.			
BAD DEBT EXPENSE	3,366.	3,366.				
TOTAL TO FM 990, LN 43	4,635,476.	4,508,552.	126,924.			



FORM 990 OTHER NOTES AND LOANS REPORTED SEPARATELY STATEMENT 5

BORROWER'S NAME		TERMS OF REPAYMENT		
MICROENTERPRISE LENDING AND TECHNICAL ASSISTANCE		6 MONTHS TO 3 YEARS		
DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE	FMV OF CONSIDERATION
VARIOUS	VARIOUS	0.	.00%	0.
SECURITY PROVIDED BY BORROWER		PURPOSE OF LOAN		
BUSINESS RELATED VEHICLES AND EQUIPMENT		REFUGEES LOANS ASSIST IN BUILDING CREDIT AND STARTING/ACQUIRING A BUSINESS.		
RELATIONSHIP OF BORROWER	DESCRIPTION OF CONSIDERATION	DOUBTFUL ACCT ALLOWANCE	BALANCE DUE	
REFUGEE APPLICANTS		12,918.	143,533.	
TOTALS INCLUDED ON FORM 990, PART IV, LINE 51		12,918.	143,533.	

FORM 990 OTHER INVESTMENTS STATEMENT 6

DESCRIPTION	VALUATION METHOD	AMOUNT
RURAL HEALTH STRATEGIES	COST	100.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		100.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 7

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
SEE ATTACHED SCHEDULE	1,545,590.	574,612.	970,978.
TOTAL TO FORM 990, PART IV, LN 57	1,545,590.	574,612.	970,978.

FORM 990	OTHER ASSETS	STATEMENT	8
DESCRIPTION		AMOUNT	
LOAN FEES, NET OF AMORTIZATION		7,532.	
CAPITAL LEASE, NET OF AMORTIZATION		15,281.	
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B		22,813.	

FORM 990	MORTGAGES PAYABLE	STATEMENT	9
DESCRIPTION		BALANCE DUE	
IDAHO HEALTH FACILITIES AUTH.		537,609.	
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64B, COLUMN B		537,609.	

FORM 990	OTHER LIABILITIES	STATEMENT	10
DESCRIPTION		AMOUNT	
FIDUCIARY PAYABLE		75,141.	
CAPITAL LEASE PAYABLE		15,808.	
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B		90,949.	

FORM 990	OTHER REVENUE INCLUDED ON FORM 990	STATEMENT	11
DESCRIPTION		AMOUNT	
CONSOLIDATING ELIMINATIONS		3,436.	
SPECIAL EVENTS		<3,320.>	
TOTAL TO FORM 990, PART IV-A		116.	

FORM 990	OTHER EXPENSES INCLUDED ON FORM 990	STATEMENT 12
DESCRIPTION		AMOUNT
CONSOLIDATING ELIMINATIONS		3,436.
SPECIAL EVENTS		<3,320.>
TOTAL TO FORM 990, PART IV-B		116.

FORM 990

PART IX - INFORMATION REGARDING TAXABLE  
SUBSIDIARIES AND DISREGARDED ENTITIES

STATEMENT 13

## NAME OF CORPORATION, PARTNERSHIP OR DISREGARDED ENTITY

RURAL HEALTH STRATEGIES, INC.

## ADDRESS

1607 W. JEFFERSON STREET, BOISE, ID 83702

EMPLOYER ID NUMBER	PERCENT OWNED	NATURE OF ACTIVITIES	TOTAL INCOME	END-OF-YEAR ASSETS
73-1641817	100.00%	RURAL HOSPITAL TECHNICAL CONSULTING	<4,370.>	390,498.

PUBLIC DISCLOSURE COPY

Form **990-T**

**Exempt Organization Business Income Tax Return**  
(and proxy tax under section 6033(e))

OMB No. 1545-0087

**2006**

Department of the Treasury  
Internal Revenue Service

For calendar year 2006 or other tax year beginning **JUL 1, 2006**, and ending **JUN 30, 2007**

Open to Public Inspection for 501(c)(3) Organizations Only

**A**  Check box if address changed

**B** Exempt under section  
 501(C)(3)  408(e)  220(e)  
 408A  530(a)  
 529(a)

**C** Book value of all assets at end of year: **2,946,178.**

**D** Employer identification number (Employees' trust, see instructions for Block D on page 9): **81-6035382**

**E** Unrelated business activity codes (See instructions for Block E on page 9): **624200**

Name of organization (  Check box if name changed and see instructions.): **MOUNTAIN STATES GROUP, INC.**

Number, street, and room or suite no. If a P.O. box, see page 9 of instructions: **1607 W. JEFFERSON STREET**

City or town, state, and ZIP code: **BOISE, ID 83702**

**F** Group exemption number (see instructions for Block F):

**G** Check organization type:  501(c) corporation  501(c) trust  401(a) trust  Other trust

**H** Describe the organization's primary unrelated business activity: **MANAGEMENT FEES**

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?  Yes  No  
 If "Yes," enter the name and identifying number of the parent corporation:

**J** The books are in care of: **KARAN TUCKER** Telephone number: **(208) 336-5533**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales			
b	Less returns and allowances			
c	Balance			
2	Cost of goods sold (Schedule A, line 7)			
3	Gross profit. Subtract line 2 from line 1c			
4 a	Capital gain net income (attach Schedule D)			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
c	Capital loss deduction for trusts			
5	Income (loss) from partnerships and S corporations (attach statement)			
6	Rent income (Schedule C)			
7	Unrelated debt-financed income (Schedule E)			
8	Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	3,436.	3,585.	<149.>
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10	Exploited exempt activity income (Schedule I)			
11	Advertising income (Schedule J)			
12	Other income (See instructions; attach schedule.) <b>STATEMENT 14</b>	43,926.		43,926.
13	<b>Total.</b> Combine lines 3 through 12	47,362.	3,585.	43,777.

**Part II Deductions Not Taken Elsewhere** (See instructions for limitations on deductions.)  
 (Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)			
15	Salaries and wages			34,383.
16	Repairs and maintenance			
17	Bad debts			
18	Interest (attach schedule)			
19	Taxes and licenses			
20	Charitable contributions (See instructions for limitation rules.)			
21	Depreciation (attach Form 4562)	21		
22	Less depreciation claimed on Schedule A and elsewhere on return	22a		22b
23	Depletion			
24	Contributions to deferred compensation plans			
25	Employee benefit programs			
26	Excess exempt expenses (Schedule I)			
27	Excess readership costs (Schedule J)			
28	Other deductions (attach schedule) <b>SEE STATEMENT 15</b>			9,852.
29	<b>Total deductions.</b> Add lines 14 through 28			44,235.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			<458.>
31	Net operating loss deduction (limited to the amount on line 30)			0.
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			<458.>
33	Specific deduction (Generally \$1,000, but see instructions for exceptions)			1,000.
34	<b>Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			<458.>

**Part III Tax Computation**

**35 Organizations Taxable as Corporations.** See instructions for tax computation.  
 Controlled group members (sections 1561 and 1563) check here  See instructions and:  
 a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):  
 (1) \$ \_\_\_\_\_ (2) \$ \_\_\_\_\_ (3) \$ \_\_\_\_\_  
 b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ \_\_\_\_\_  
 (2) Additional 3% tax (not more than \$100,000) \$ \_\_\_\_\_  
 c Income tax on the amount on line 34 **35c** 0.

**36 Trusts Taxable at Trust Rates.** See instructions for tax computation. Income tax on the amount on line 34 from:  
 Tax rate schedule or  Schedule D (Form 1041) **36**

**37 Proxy tax.** See instructions **37**

**38 Alternative minimum tax** **38**

**39 Total.** Add lines 37 and 38 to line 35c or 36, whichever applies **39** 0.

**Part IV Tax and Payments**

**40a Foreign tax credit** (corporations attach Form 1118; trusts attach Form 1116) **40a**

**40b Other credits** (see instructions) **40b**

**40c General business credit.** Check here and indicate which forms are attached:  
 Form 3800  Form(s) (specify) **40c**

**40d Credit for prior year minimum tax** (attach Form 8801 or 8827) **40d**

**40e Total credits.** Add lines 40a through 40d **40e**

**41 Subtract line 40e from line 39** **41** 0.

**42 Other taxes.** Check if from:  Form 4255  Form 8611  Form 8697  Form 8866  Other (attach schedule) **42**

**43 Total tax.** Add lines 41 and 42 **43** 0.

**44a Payments: A 2005 overpayment credited to 2006** **44a**

**44b 2006 estimated tax payments** **44b**

**44c Tax deposited with Form 8868** **44c**

**44d Foreign organizations: Tax paid or withheld at source** (see instructions) **44d**

**44e Backup withholding** (see instructions) **44e**

**44f Credit for federal telephone excise tax paid** (attach Form 8913) **44f** 777.

**44g Other credits and payments:**  Form 2439  Form 4136  Other Total **44g**

**45 Total payments.** Add lines 44a through 44g **45** 777.

**46 Estimated tax penalty** (see instructions). Check if Form 2220 is attached  **46**

**47 Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed **47**

**48 Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid **48** 777.

**49 Enter the amount of line 48 you want:** Credited to 2007 estimated tax **49** 777. Refunded

**Part V Statements Regarding Certain Activities and Other Information** (See instructions on page 18)

**1** At any time during the 2006 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1. If YES, enter the name of the foreign country here **Yes** **No**  
 X

**2** During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file. **Yes** **No**  
 X

**3** Enter the amount of tax-exempt interest received or accrued during the tax year **\$**

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation **N/A**

<b>1</b> Inventory at beginning of year	<b>1</b>	<b>6</b> Inventory at end of year	<b>6</b>
<b>2</b> Purchases	<b>2</b>	<b>7</b> Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	<b>7</b>
<b>3</b> Cost of labor	<b>3</b>	<b>8</b> Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	<b>Yes</b> <b>No</b> X
<b>4a</b> Additional section 263A costs	<b>4a</b>		
<b>b</b> Other costs (attach schedule)	<b>4b</b>		
<b>5</b> Total. Add lines 1 through 4b	<b>5</b>		

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 taxpayer) is based on all information of which preparer has any knowledge.

**Sign Here**  
 Signature of officer: *[Signature]* Date: 12/13/08 Title: EXECUTIVE DIRECTOR  
 May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

**Paid Preparer's Use Only**  
 Preparer's signature: LEANN M. SANNES Date: 02/12/08 Check if self-employed  Preparer's SSN or PTIN: P00116781  
 Firm's name (or yours if self-employed), address, and ZIP code: EIDE BAILLY LLP, 877 W. MAIN ST., STE. 800, BOISE, ID 83702  
 EIN: 45-0250958 Phone no.: 208-344-7150

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)** (see instr. on pg 20)

**1** Description of property

(1)
(2)
(3)
(4)

2 Rent received or accrued		3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.** Total deductions. Enter here and on page 1, Part I, line 6, column (B) **0.**

**Schedule E - Unrelated Debt-Financed Income** (See instructions on page 20)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
		(a) Straight-line depreciation (attach schedule)	(b) Other deductions (attach schedule)		
(1)					
(2)					
(3)					
(4)					
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5			
(1)		%			
(2)		%			
(3)		%			
(4)		%			
Totals				0.	0.
Total dividends-received deductions included in column 8					0.

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations** (See instructions on page 21)

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column (5)
(1) RHSI, INC.	73-1641817				
(2)					
(3)					
(4)					

**Nonexempt Controlled Organizations**

7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
(1) 3,436.	3,436.	3,436.	3,436.	3,585.
(2)				
(3)				
(4)				
Totals			3,436.	3,585.

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization**  
(see instructions on page 22)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b>	0.			0.

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income**  
(see instructions on page 22)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b>	0.	0.				0.

**Schedule J - Advertising Income** (see instructions on page 23)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals (carry to Part II, line (5))</b>	0.	0.				0.

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) <b>Totals from Part I</b>	0.	0.				0.
<b>Totals, Part II (lines 1-5)</b>	0.	0.				0.

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions on page 23)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
<b>Total. Enter here and on page 1, Part II, line 14</b>			0.

FORM 990-T	OTHER INCOME	STATEMENT	14
DESCRIPTION		AMOUNT	
MANAGEMENT FEES		43,926.	
TOTAL TO FORM 990-T, PAGE 1, LINE 12		43,926.	

FORM 990-T	OTHER DEDUCTIONS	STATEMENT	15
DESCRIPTION		AMOUNT	
SUPPLIES		1,446.	
RENT & MAINTENANCE		1,782.	
ALLOCATED DEPRECIATION		867.	
PRINTING		864.	
TELEPHONE & UTILITIES		502.	
LEGAL & ACCOUNTING		2,479.	
POSTAGE		213.	
INSURANCE		1,493.	
PROPERTY TAX		139.	
INTEREST		67.	
TOTAL TO FORM 990-T, PAGE 1, LINE 28		9,852.	

FORM 990-T SCHEDULE F - DEDUCTIONS OF CONTROLLED ORGANIZATIONS STATEMENT 16  
DIRECTLY CONNECTED WITH COLUMN 10 INCOME

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
ALLOCATED EXPENSES		3,585.	
- SUBTOTAL -	1		3,585.
TOTAL OF FORM 990-T, SCHEDULE F, COLUMN 11			3,585.

Department of the Treasury  
Internal Revenue Service

▶ **Attach to your income tax return.**

Name(s) as shown on your income tax return  <b>MOUNTAIN STATES GROUP, INC.</b>	Identifying number  <b>81-6035382</b>
--	---

Enter the federal telephone excise tax billed during each period as listed in column (a) of lines 1-14 below. By filing this form, you are certifying that you (1) have not received from your service provider a credit or refund of the tax paid on long distance service or bundled service billed after February 28, 2003, and before August 1, 2006, and (2) will not ask your provider for a credit or refund or have withdrawn any request submitted to the provider for a credit or refund.

**Caution.** See the instructions for explanations of the services that qualify for a credit or refund of the federal telephone excise tax.

**Amount of federal excise tax on long distance or bundled service only**

(a) Bills dated during:	(b) Long distance service	(c) Bundled service	(d) Tax credit or refund (add columns (b) and (c))	(e) Interest (see instructions)
1 March, April, and May 2003	\$	\$	\$ 50.	\$ 14.
2 June, July, and August 2003			55.	15.
3 September, October, and November 2003			53.	14.
4 December 2003; January and February 2004			50.	13.
5 March, April, and May 2004			43.	10.
6 June, July, and August 2004			40.	9.
7 September, October, and November 2004			45.	10.
8 December 2004; January and February 2005			41.	8.
9 March, April, and May 2005			42.	8.
10 June, July, and August 2005			42.	7.
11 September, October, and November 2005			44.	7.
12 December 2005; January and February 2006			45.	6.
13 March, April, and May 2006			65.	8.
14 June and July 2006			30.	3.
15 Add lines 1 - 14 in columns (d) and (e) .....			\$ 645.	\$ 132.
16 Total credit or refund requested. Add columns (d) and (e) on line 15. Enter here and on Form 1040, line 71; Form 1040A, line 42; Form 1040EZ, line 9; Form 1040EZ-T, line 1a; Form 1040NR, line 69; Form 1040NR-EZ, line 21; Form 1120, line 32g; Form 1120-A, line 28g; Form 1120S, line 23d; Form 1041, line 24f; Form 1041-N, line 17; Form 1065, line 23; Form 990-T, line 44f; or the proper line of other returns .....			\$	\$ 777.

LHA For Paperwork Reduction Act Notice, see the instructions.

Form **8913** (2006)