

MAGELLAN
STATEMENT OF FINANCIAL POSITION
AS OF: June 30, 2009

ASSETS

CURRENT ASSETS

101 Cash (Disclose on Schedule A)	\$51,418,955
102 Current Investments	\$39,350,940
103 Accounts Receivable (net) (Disclose on Schedule A)	\$4,497,041
104 Notes Receivable (current portion)	
105 Prepaid Expenses	1,520,614
106 Other Current Assets (Disclose on Schedule A)	\$4,887,236
107 Total Current Assets	<u>\$101,674,786</u>

NON-CURRENT ASSETS

108 Land	-
109 Building	-
110 Leasehold Improvements	2,688,402
111 Furniture and Equipment	5,340,228
112 Vehicles	-
113 Total Property and Equipment	<u>\$8,028,630</u>
114 Less: Accumulated Depreciation	<u>6,229,315</u>
115 Net Property and Equipment	<u>\$1,799,315</u>
116 Notes Receivable (net of current portion)	-
117 Performance Bond (Disclose on Schedule A)	-
118 Long Term Investments	11,731,397
119 Deposits	-
120 Other Noncurrent Assets (Disclose on Schedule A)	\$2,551,343
121 Total Noncurrent Assets	<u>\$16,082,055</u>
122 TOTAL ASSETS	<u><u>\$117,756,841</u></u>

LIABILITIES AND NET ASSETS/EQUITY

CURRENT LIABILITIES

201 Incurred But Not Reported Claims (Disclose on Sch. A)	\$19,546,802
202 Reported But Unpaid Claims	2,116,286
203 Payable to ADHS (Disclose on Schedule A)	\$17,024,087
204 Other Amounts Payable to Providers	1,915,604
205 Trade Accounts Payable	2,158,803
206 Accrued Salaries and Benefits	-
207 Long-term Debt (current portion)	4,977
208 Deferred Revenue (Disclose on Schedule A)	\$0
209 Risk Pool Payable	-
210 Other Current Liabilities (Disclose on Schedule A)	\$12,181,466
211 Total Current Liabilities	<u>\$54,948,026</u>

NON-CURRENT LIABILITIES

212 Long-term debt (net of current portion)	9,369
213 Loss Contingencies (Disclosed on Schedule A)	\$0
214 Other Noncurrent Liabilities (Disclose on Schedule A)	\$865,720
215 Total Noncurrent Liabilities	<u>\$875,089</u>
216 TOTAL LIABILITIES	<u>\$55,823,115</u>
217 NET ASSETS/EQUITY	
Unrestricted Net Assets	61,933,726
Restricted Net Assets (Disclose on Schedule A)	\$0

218 TOTAL LIABILITIES AND NET ASSETS/EQUITY	<u><u>\$117,756,841</u></u>
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**MAGELLAN
STATEMENT OF FINANCIAL POSITION
AS OF:
Schedule A Disclosures**

June 30, 2009

ASSETS:

Cash

Unrestricted	50,729,495
Restricted	689,460

Total Cash

\$51,418,955

Accounts Receivable

ADHS

Current Year	Program ID	Category ID	
	NTXIX/XXI SMI	SMI Services/Tobacco Tax	788,443
	NTXIX/XXI SMI	MHBG	(2,564)
	NTXIX/XXI SMI	Arnold v Sarn	177,531
	Substance Abuse	City of Phoenix - LARC 08	106,458
	Prevention Intervention	PASARR	3,900
	Substance Abuse	CER-ACRA	529

Prior Year

Non-ADHS &/or Unrelated Business

Current Year	Interest Receivable on Investments	809,946
	Hope Housing Receivable	35,015
	ABC Housing Receivable	4,759
	MCRN Receivable	239,275
	Receivable From FFS providers Due to Overpayment of Claims	826,355
	Southwest Network - Post-Transition Clinic Expenses	100,721
	CHOICES - Post-Transition Clinic Expenses	96,945
	People of Color Network - Post-Transition Clinic Expenses	10,070
	Rx America - Risk Share Receivable (Mar-Jun)	1,216,056

Prior Year

Identify Program	Identify Category	385
ABC Housing Receivable		83,216
Hope Housing Receivable from Comcare Trust		

Allowance for Doubtful Accounts

Total Accounts Receivable

4,497,041

Other Current Assets (Detail of Line 106)

Set-aside funds for clinics that are scheduled to transition.	291,872
Current Deferred Tax Asset	5,190,030
Current Valuation Allowance	(594,666)

Total Other Current Assets

\$4,887,236

Other Noncurrent Assets (Detail of Line 120)

Clinic Security Deposits	355,653
Utility Security Deposits	103,561
Non-Current Deferred Tax Asset	2,382,344
Non-Current Valuation Allowance	(290,215)

Total Other Noncurrent Assets

\$2,551,343

PERFORMANCE BOND:

LIABILITIES:

IBNR Claims Estimate

Current Year	18,620,262
Prior Year(s)	926,540

Total IBNR

\$19,546,802

Payable to ADHS (Detail of Line 203)

Current Year	Program ID	Category ID	
	TXIX Child	Profit/Risk Corridor	3,241,314
	TXIX CMDP	Profit/Risk Corridor	1,360,101
	HIFA II SMI	Profit/Risk Corridor	3,086
	ADHS DOC	Profit/Risk Corridor	22,548
	TXIX Child	Withhold	1,984,281
	TXIX CMDP	Withhold	1,034,690
	TXIX DD Child	Withhold	137,182
	TXIX SMI	Withhold	5,149,112
	TXIX DD Adult	Withhold	118,931
	TXIX GMHSA	Withhold	1,833,133
	TXXI Child	Withhold	139,801
	HIFA II SMI	Withhold	11,995
	TXXI Adult	Withhold	6,477
	HIFA II GMH	Withhold	12,986

Admin & Mgmt Gen Sanctions 216,069

Prior Year

TXIX Child	Withhold	249,045
TXIX SMI	Withhold	1,216,455
TXXI Child	Withhold	14,627
TXXI Adult	Withhold	14,988
HIFA II GMH	Withhold	4,886
Admin & Mgmt Gen	Sanctions	252,381

Total Payable to ADHS

17,024,087

Deferred Revenue from: (Detail of Line 208)

Current Year	Program ID	Category ID	
			-
Prior Year	Identify Program	Identify Category	\$0

Current Year	Program ID	Category ID	
			-
Prior Year	Identify Program	Identify Category	-

Total Deferred Revenue

\$0

Other Current Liabilities (Detail of Line 210)

Sales & Use Tax	5,323
Accrued Property & Other Taxes	72,039
Consulting Expenses	193,445
LOC Interest Expense	14,408
Telephone Expenses	74,133
Self Insurance Retention	706,207
Unclaimed Property	50,164
Sublease Security Deposits (Current Portion)	150,430
Maricopa Tail Ins Accrual	4,400,000
PASARR Accrual	4,200
CEDA Food Boxes	-
Housing Accrual	89,502
ABC Management Fee	80,800
NAMI Event Sponsorship	10,000
Southwest Network - Sale of 3 Clinics	44,233
People of Color Network (Sale of 4 Clinics)	381,439
Prepaid July Rents from PNOs	244,285
Arnold vs Sarn	273,836
FY08 Valuation Allowance on Investments	(347,516)
Intercompany Magellan Health Services	2,482,016
Community Reinvestment	419,241
Tax Benefit Payable - Current Year	2,983,825
Tax Benefit Payable - Prior Year	(150,544)

12,181,466

Type of Security & Amount -

Safeco Insurance Company of America	Bond	36,000,000
Fidelity & Deposit Company of Maryland	Bond	9,605,403

Total Other Current Liabilities

Identify Loss Contingencies	-
	\$0

Loss Contingencies (Detail of Line 213)

Total Loss Contingencies

Other Noncurrent Liabilities (Detail of Line 214)

Maricopa Comcare Trust	689,460
Sublease Security Deposits (Non-Current Portion)	176,260

Total Other Noncurrent Liabilities

\$865,720

Restricted Net Assets (Detail of Line 217)

Identify Restricted Net Assets	-
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Total Restricted Net Assets

\$0

Adjustments:

Disclose and describe any adjustments made to previously submitted financial statements, including those that affect the current period financial statements.

Payables to ADHS - Other* Category

Disclose items recorded as "Other" in the category for Payable to ADHS Section

Explain ≥10% fluctuation in account from prior period

Describe fluctuation in each account greater than 10%

Cash	Sale of current investments (\$18.8M); Funding accrued in prior months received the quarter (\$7.0M); NT funding reductions recovered from providers (\$1.0M); increase in block funding due to payable to providers increased (\$1.0M).
Current Investments	Sale of current investments (\$18.8M).
Accounts Receivable	Revenue accrued in excess of cash received for NT SMI Services (\$970.7K); NT Child (\$372.4K) NT Mental Health Services (\$58.5K). Cash received in excess of accrued for NT Substance Abuse (\$5,064K); Prevention Services (\$1,611K). Correction of FY08 NT Tobacco Tax receivable (\$1.3M). Non-ADHS receivables increased: Rx Risk Share (\$312K); MCRN related to assets purchased from Magellan (\$205K); Prior claims receivable increased (\$826.4K); offset by reductions for: Hope Housing (\$80K); Clinic expense chargebacks due from PNOs (\$54.4K); Provider funding recoupments related to Tobacco tax funding reductions (\$777.5K). Income tax receivable reclassified to payable (\$907K).
Prepaid Expenses	Prepaid insurance expensed in the quarter (\$602K).
Furniture and Equipment	Reduction due to disposal of fixed assets related to clinics that have been transitioned.
Accumulated Depreciation	Reduction due to disposal of fixed assets related to clinics that have been transitioned.
Incurred But Not Reported Claims	Increase in claims incurred but not reported - based on an actuarial estimate of the claims incurred.
Payable to ADHS	FY08 encounter withhold accrual deducted (\$6M); FY09 encounter withhold accrual increased (\$2.8M) performance sanction accrual increased (\$99.9K).
Other Amounts Payable to Providers	March block funding accruals eliminated as a result of FY09 contracts being signed and paid in the quarter (\$654K); additional funding accruals not paid at June 30: QCN (\$890K); PCN June block funding (\$63.4k); PNO Rehab Specialists (\$96.9K); CHOICES attrition funding (\$571K).
Trade Accounts Payable	Increase in vendor invoices entered but not yet paid.
Long-term Debt (current portion)	Write off copier leases for clinic that have transitioned to PNOs.
Other Current Liabilities	Self Insurance Retention increased (\$321.0K); Sublease Security Deposits increased (\$121.7K); ABC management fee decreased (\$79.2K); PNO clinic transitions increased (\$444.8K); FY09 Community Reinvestment (419.2K); Intercompany payable decreased (\$5.8M); income tax payable increased - previously receivable (\$2.8M).
Long-term Debt (net of current portion)	Write off copier leases for clinic that have transitioned to PNOs.
Other Noncurrent Liabilities	Housing payments paid from Comcare Trust.

MAGELLAN

STATEMENT OF CHANGES IN NET ASSETS / EQUITY

AS OF : June 30, 2009

	Initial Capital	Additional Capital	Net Assets / Retained Earnings	Unrealized Gains (Losses) on Securities	Total
Beginning Balance: July 1, 2008	-	56,000,100	(4,817,459)		51,182,641
* Net Surplus / Net Earning for the period ended: June 30, 2009	-	6,000,000	5,850,126		11,850,126
Other Comprehensive Income:					
Unrealized Gains (Losses) on Securities				164,347	164,347
Dividends Declared		-	-		-
** Prior Period Adjustments	-	-	(1,263,388)		(1,263,388)
Ending Balance: June 30, 2009					
	\$ -	\$ 62,000,100	\$ (230,721)	\$ 164,347	\$ 61,933,726

* Net of dividends declared

** Disclosure of Prior Period Adjustments

FY08 net income increased for excess profit settlement
 FY08 net income reduced for correction of Tobacco Tax revenue

40,083
(1,303,471)
(1,263,388)

STATEMENT OF ACTIVITIES
YEAR TO DATE AS OF: June 30, 2009

*DISCLOSE ON SCHEDULE A

	TXIX CHILD	TXIX CMPD	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	SSDI - TMC	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMTGEN	TOTAL
REVENUES																							
401	Revenue Under ADHS Contract																						
a	104,975,318	54,971,171	7,415,257	7,481,697	7,556,830	-	278,330,382	6,428,712	76,644,950	646,201	350,108	-	99,088,261	701,944	2,150,075	21,332,864	5,490,228	42,900	1,062,518	-	674,669,414	-	674,669,414
b	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
402	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
403	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
404	Third Party Recoveries																						
a	-	-	-	-	-	-	230,356	-	188,473	-	-	-	-	-	-	-	-	-	-	-	418,829	-	418,829
b	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
405	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,652,981	2,652,981
406	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
407	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
408	104,975,318	54,971,171	7,415,257	7,481,697	7,556,830	-	278,560,738	6,428,712	76,833,423	646,201	350,108	-	99,088,261	701,944	2,150,075	21,332,864	5,490,228	42,900	1,062,518	-	675,088,243	2,652,981	677,741,224
EXPENSES																							
Service Expenses:																							
501	Treatment Services																						
a	Counseling																						
1	3,302,459	1,643,494	143,591	253,931	316,802	-	4,697,884	257,616	2,177,083	9,877	56,199	-	3,705,192	43,084	85,384	559,407	-	-	-	-	17,252,004	-	17,252,004
2	4,928,514	1,277,617	400,889	353,305	483,762	-	222,869	18,417	102,565	2,394	13,365	-	187,413	4,316	5,441	34,950	-	-	-	-	8,035,816	-	8,035,816
3	824,306	166,925	55,228	59,799	97,799	-	1,924,229	10,437	565,197	578	20,735	-	6,510,244	17,423	273,686	1,747,232	-	-	-	-	12,233,643	-	12,233,643
b	5,048,757	1,297,521	457,351	358,752	467,799	-	2,408,115	197,751	1,018,378	12,487	75,015	-	6,135,841	56,805	256,925	1,733,797	-	-	-	-	19,727,218	-	19,727,218
c	64,506	9,465	9,756	613	2,121	-	67,119	-	32,078	-	-	-	66,496	-	5,063	32,047	-	-	-	-	287,143	-	287,143
d	14,168,542	4,395,021	1,031,212	1,021,828	1,568,086	-	9,320,216	484,221	3,895,300	26,336	165,314	-	16,605,186	121,628	626,500	4,107,433	-	-	-	-	57,535,824	-	57,535,824
502	Rehabilitation Services																						
a	12,386,455	3,226,708	1,066,956	653,710	1,091,843	-	12,625,776	193,896	2,306,884	6,092	7,631	-	786,466	166	12,866	81,435	-	-	-	-	34,446,885	-	34,446,885
b	-	31	-	-	-	-	173	-	26	-	-	-	-	-	-	-	-	-	-	-	229	-	229
c	304,203	66,751	15,017	11,276	17,294	-	1,148,405	776	263,479	266	-	-	139,197	17	1,597	10,108	-	-	-	-	1,978,387	-	1,978,387
d	50,018	3,031	8,173	2,121	12,225	-	8,323,514	215,874	2,650,575	2,593	-	-	775,093	-	12,908	83,875	-	-	-	-	12,140,001	-	12,140,001
e	12,740,676	3,296,521	1,090,146	667,107	1,121,362	-	22,097,869	410,545	5,220,964	8,951	7,631	-	1,700,756	183	27,371	175,419	-	-	-	-	48,565,502	-	48,565,502
503	Medical Services																						
a	153	-	-	-	-	-	532,449	970	44,860	12,438	-	-	3,002,184	4,829	83,509	528,587	-	-	-	-	4,209,879	-	4,209,879
b	2,667,093	381,150	402,065	119,618	254,943	-	7,060,668	336,155	2,701,873	55,142	44,413	-	3,066,099	47,379	74,037	470,139	-	-	-	-	17,680,773	-	17,680,773
c	115,255	23,090	19,533	12,871	11,801	-	559,564	59,219	525,253	1,022	25	-	352,534	1,083	6,455	52,904	-	-	-	-	1,740,606	-	1,740,606
d	-	-	-	-	-	-	458,614	-	209,865	-	-	-	193,970	-	1,970	19,543	-	-	-	-	883,962	-	883,962
e	2,782,501	404,239	421,598	132,488	266,744	-	8,611,295	396,344	3,481,851	68,602	44,438	-	6,614,788	53,290	165,970	1,071,173	-	-	-	-	24,515,320	-	24,515,320
504	Support Services																						
a	19,340,956	7,658,109	1,699,931	1,164,369	1,546,806	-	46,797,425	607,236	15,701,625	238,839	79,161	-	7,381,074	30,762	279,499	1,886,037	-	-	-	-	104,411,830	-	104,411,830
b	465,010	133,207	207,003	125,151	19,592	-	26,891,835	62,717	5,079,351	-	-	-	1,082,042	-	6,887	43,593	-	-	-	-	34,116,390	-	34,116,390
c	4,665,042	840,650	435,123	212,147	232,870	-	152,792	2,199	45,047	-	-	-	86,582	613	3,118	19,734	-	-	-	-	6,695,913	-	6,695,913
d	88,272	37,941	4,935	7,823	6,364	-	4,962,929	55,534	1,225,505	22,428	-	-	688,359	246	33,803	213,961	-	-	-	-	7,348,099	-	7,348,099
e	1,950,106	7,172,597	229,868	721,405	44,302	-	1,282,275	-	134,839	-	-	-	49,627	-	3,329	33,026	-	-	-	-	11,621,473	-	11,621,473
f	1,696,181	237,500	45,303	78,536	65,518	-	432	-	8	-	-	-	18	-	-	-	-	-	-	-	2,123,496	-	2,123,496
g	-	-	-	-	-	-	-	-	6,982,220	-	-	-	-	-	-	-	-	-	-	-	6,982,220	-	6,982,220
h	1,775,673	74,552	156,667	134,897	234,629	-	1,936,013	16,405	462,369	-	-	-	497,624	11,760	18,855	119,900	-	-	-	-	5,439,345	-	5,439,345
i	319	-	-	-	-	-	-	-	394,985	-	-	-	-	-	-	-	-	-	-	-	395,304	-	395,304
j	1,930,474	390,128	85,889	94,797	123,845	-	14,611,484	118,616	7,274,294	2,178	19,202	-	3,514,059	1,578	160,392	1,184,649	-	-	-	-	29,511,586	-	29,511,586
k	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
l	31,912,033	16,544,685	2,864,819	2,539,124	2,273,925	-	96,635,185	862,707	37,300,243	263,444	98,363	-	13,299,385	44,958	505,882	3,500,901	-	-	-	-	208,645,656	-	208,645,656
505	Crisis Intervention Services																						
a	1,442,164	1,553,786	204,527	493,408	195,344	-	6,127,073	600,971	1,424,217	30,034	13,136	-	1,685,404	3,880	132,535	1,312,729	-	-	-	-	15,219,206	-	15,219,206
b	655,040	162,566	82,102	26,397	91,785	-	9,125,393	139,925	82,102	13,926	-	-	5,339,333	4,912	181,654	1,795,708	-	-	-	-	19,449,785	-	19,449,785
c	516,508	430,965	72,108	53,756	21,905	-	2,586,061	126,962	1,180,260	5,678	3,494	-	300,000	76,548	8,767	86,989	-	-	-	-	5,470,001	-	5,470,001
d	2,613,712	2,147,317	358,737	573,562	309,034	-	17,838,526	867,858	4,422,314	49,638	30,555	-	7,324,737	84,620	322,956	3,195,425	-	-	-	-	40,138,992	-	40,138,992
506	Inpatient Services																						
a	Hospital																						
1	3,081,312	1,053,643	293,815	252,400	189,411	-	27,719,011	518,771	10,116,687	1,085	616	-	14,371,529	17,392	537,564	3,890,625	-	-	-	-	62,043,860	-	62,043,860
2	12,366	6,874	-	-	-	-	162,915	-	55,062	-	-	-	379,599	369	2,831	28,087	-	-	-	-	648,102	-	648,102
b	Sub acute Facility																						
1	-	-	-	-	-	-	4,632,497	6,577	2,618,791	-	-	-	1,271,055	-	42,553	269,342	-	-	-	-	8,840,815	-	8,840,815
2	-	-	-	-	-	-	108,832	-	9,822	-	-	-	1,140,021	2,982	90,759	574,467	-	-	-	-	1,926,882	-	1,926,882
c	Residential Treatment Center (RTC)																						
1	5,663,811	9,864,041	204,963	538,598	260,894	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,532,309	-	16,532,309
2	338	3,376	-	-	-	-	13,797	-	-	-	-	-	1,820	-	-	-	-	-	-	-	19,331	-	19,331
d	80,570	29,443	4,673	9,730	4,426	-	576,627	3,950	167,754	131	-	-	335,305	169	6,788	54,712	-	-	-	-	1,274,278	-	1,274,278
e	8,838,398	10,957,377	503,451	800,729	454,730	-	33,213,680	529,298	12,968,115	1,216	616	-											

*DISCLOSE ON SCHEDULE A

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	SSDI - TMC	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
Administrative Expenses:																							
601 Salaries	2,513,120	1,294,898	209,481	204,470	208,390	-	6,907,051	109,500	2,620,296	13,296	11,099	-	2,605,951	15,111	41,425	657,823	126,677	-	18,433	-	17,557,021	-	17,557,021
602 Employee Benefits	831,571	428,472	69,316	67,658	68,955	-	2,285,489	36,233	867,035	4,400	3,673	-	862,288	5,000	13,707	217,669	41,916	-	6,099	-	5,809,480	-	5,809,480
603 Professional & Outside Services	122,118	62,922	10,179	9,936	10,126	-	335,628	5,321	127,326	646	539	-	126,628	734	2,013	31,965	6,155	-	896	-	853,131	-	853,131
604 Travel	39,435	20,319	3,287	3,208	3,270	-	108,382	1,718	41,116	209	174	-	40,891	237	650	10,322	1,988	-	289	-	275,496	-	275,496
605 Occupancy	194,190	100,058	16,187	15,800	16,102	-	533,712	8,461	202,472	1,027	858	-	201,363	1,168	3,201	50,830	9,788	-	1,424	-	1,356,642	-	1,356,642
606 Depreciation	158,618	81,729	13,222	12,905	13,153	-	435,946	6,911	165,383	839	701	-	164,477	954	2,615	41,519	7,995	-	1,163	-	1,108,129	-	1,108,129
607 All Other Operating*	2,907,694	1,490,420	240,969	235,002	242,565	-	8,210,269	129,065	3,032,556	16,441	12,825	-	3,008,599	17,795	47,457	757,188	145,121	-	21,116	-	20,515,082	-	20,515,082
608 Subtotal ADHS Administrative Expenses	6,766,746	3,478,817	562,640	548,979	562,561	-	18,816,476	297,210	7,056,184	36,858	29,868	-	7,010,198	40,999	111,068	1,767,317	339,641	-	49,421	-	47,474,981	-	47,474,981
650 Encounter Withhold Expenses*	698,068	364,003	48,261	-	29,979	-	2,701,424	62,396	-	2,053	1,109	-	509,791	(1,903)	-	-	-	-	-	-	4,415,181	-	4,415,181
651 Non ADHS and/or Unrelated Admin. Expense*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
652 Subtotal Administrative Expense	7,464,814	3,842,820	610,901	548,979	592,540	-	21,517,900	359,606	7,056,184	38,911	30,977	-	7,519,989	39,096	111,068	1,767,317	339,641	-	49,421	-	51,890,162	-	51,890,162
701 Unrelated Business Expenses*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
790 Income Tax Provisions																							
a ADHS Income Tax Provision	3,973,689	2,419,109	(224,273)	(96,728)	(141,111)	-	6,227,111	937,138	(9,320,286)	59,381	(29,256)	-	114,993	56,008	(317,433)	(896,373)	299,112	-	56,427	-	3,117,508	(175,947)	2,941,561
b Non ADHS Income Tax Provision	-	-	-	-	-	-	96,676	-	79,098	-	-	-	-	-	-	-	-	-	-	-	175,774	1,113,403	1,289,177
799 Subtotal Income Tax Provision	3,973,689	2,419,109	(224,273)	(96,728)	(141,111)	-	6,323,787	937,138	(9,241,188)	59,381	(29,256)	-	114,993	56,008	(317,433)	(896,373)	299,112	-	56,427	-	3,293,282	937,456	4,230,738
800 TOTAL EXPENSES	99,480,628	51,626,104	7,725,375	7,615,450	7,751,954	-	269,816,409	5,132,867	89,611,840	564,091	390,563	-	98,929,252	624,497	2,589,012	22,572,340	5,076,625	42,900	984,492	-	670,534,401	1,356,697	671,891,098
801 INC(DEC) IN NET ASSETS/EQUITY	5,494,690	3,345,067	(310,118)	(133,759)	(195,124)	-	8,744,329	1,295,845	(12,778,417)	82,110	(40,455)	-	159,009	77,447	(438,937)	(1,239,476)	413,603	-	78,026	-	4,553,842	1,296,284	5,850,126

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	SSDI - TMC	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN/MGMT/ GEN	TOTAL
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ADJUSTMENTS

(Disclose and describe any adjustments to previously submitted financial statements including those that affect the current financial statements)

Analysis:

**MAGELLAN
STATEMENT OF CASH FLOWS
YEAR TO DATE FOR PERIOD ENDED:**

June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in Net Assets	5,850,126
Adjustments to Reconcile Excess of Revenue Over/(Under) Expenses to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	422,107
Changes in Operating Assets and Liabilities	
(Increases)/Decreases in Assets:	
Receivables	(323,647)
Interest Receivable	(680,991)
Tax Benefit Receivable	150,544
Inventory & Prepaid Expenses	(185,888)
Deposits	(32,969)
Other Assets	228,236
Increases/(Decreases) in Liabilities:	
IBNR	7,966,185
RBUK	(3,356,747)
Accounts Payable to ADHS	8,672,944
Accounts Payable to Providers	1,608,357
Interest Payable	-
Trade Accounts Payable	(136,209)
Accrued Salaries & Benefits	-
Tax Benefit Payable	2,833,281
Other Liabilities	(8,748,210)

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES 14,267,119

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Property & Equipment	-
Purchases of Property & Equipment	4,665,374
Proceeds from Sales of Investments	-
Purchase of Investments	(36,678,386)

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES (32,013,012)

CASH FLOWS FROM FINANCING ACTIVITIES:

Acquisition of Debt (Describe on Schedule A)	-
Payment of Lease Obligations	-
Payment of Other Debts (Describe on Schedule A)	-
Additional Paid-In Capital from Parent Company Common Stock	6,000,000

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES 6,000,000

NET INCREASE/(DECREASE) IN CASH (11,745,893)

BEGINNING CASH 63,164,848

ENDING CASH BALANCE * 51,418,955

***NOTE: ENDING CASH BALANCE MUST AGREE WITH TOTAL CASH BALANCE ON BALANCE SHEET**

MAGELLAN
STATEMENT OF CASH FLOWS
YEAR TO DATE FOR PERIOD ENDED: June 30, 2009
Schedule A Disclosure

Describe:

1. Sources and amounts of cash received for other grants.

2. Underlying transactions for acquisition of debt.
(Debtor, amount, purpose of loan, term, interest rate of debt acquired during the quarter.)

-

3. Underlying transactions for retirement of debt.
(Debtor, amount paid off.)

4. Cash Flows From Financing Activities - Payment of Other Debt

-

5. Supplemental data or non-cash investing and financing activities, gifts, etc.