

Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

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

2007

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2007 calendar year, or tax year beginning 01-01-2007 and ending 12-31-2007

- B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

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

C Name of organization: Minnesota Teen Challenge Inc. Number and street (or P O box if mail is not delivered to street address): 1619 Portland Ave S. Room/suite: City or town, state or country, and ZIP + 4: Minneapolis, MN 55404

D Employer identification number: 41-1517351. E Telephone number: (612) 373-3366. F Accounting method: Cash, Accrual, Other (specify)

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

G Web site: WWW.MNTC.ORG

J Organization type (check only one): 501(c)(3)

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

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 15,283,730

H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? H(b) If "Yes" enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number. M Check if the organization is not required to attach Sch B

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with columns for Revenue, Expenses, and Net Assets. Rows include Contributions, Program service revenue, Membership dues, Interest on savings, Dividends, Gross rents, Other investment income, Gross amount from sales of assets, Special events and activities, Gross sales of inventory, Other revenue, Total revenue, Program services, Management and general, Fundraising, Payments to affiliates, Total expenses, Excess or (deficit) for the year, Net assets or fund balances at beginning of year, Other changes in net assets, Net assets or fund balances at end of year.

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. (See the instructions.)

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 \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (attach schedule) (cash \$ 52,846 noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b	52,846	52,846	
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees etc. Listed in Part V-A (attach schedule)	25a	262,713	95,828	34,860
b Compensation of former officers, directors, key employees etc. listed in Part V-B (attach schedule)	25b			
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) (attach schedule)	25c			
26 Salaries and wages of employees not included on lines 25a, b and c	26	5,884,233	5,319,730	410,545
27 Pension plan contributions not included on lines 25a, b and c	27			
28 Employee benefits not included on lines 25a - 27	28			
29 Payroll taxes	29	429,128	374,401	39,238
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33	265,855	212,218	33,748
34 Telephone	34	103,028	70,688	19,894
35 Postage and shipping	35	48,589	34,163	3,707
36 Occupancy	36	545,591	465,451	80,047
37 Equipment rental and maintenance	37	193,897	157,388	27,538
38 Printing and publications	38	53,069	29,712	4,710
39 Travel	39			
40 Conferences, conventions, and meetings	40	11,344	9,872	1,472
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule)	42	456,759	345,530	60,756
43 Other expenses not covered above (itemize)				
a See Additional Data Table	43a			
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g	43g			
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	10,391,778	8,909,761	918,304

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 \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

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

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

<p>What is the organization's primary exempt purpose? Rehabilitation</p> <p>All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)</p>	<p>Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others.)</p>
<p>a Minnesota Teen Challenge, Inc provides faith-based residential chemical dependency recovery services for teens and adults through three distinct programs: 1) A 12-15 month chemical dependency and life skills development program, 2) A 60-day rule 31-licensed extended care chemical dependency program, and 3) A 12-24 month training center focusing on education and vocational skills.</p> <p>(Grants and allocations \$ 52,846) If this amount includes foreign grants, check here <input type="checkbox"/></p>	<p>8,909,761</p>
<p>b</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>c</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>d</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>e Other program services (attach schedule)</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) <input type="checkbox"/></p>	<p>8,909,761</p>

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)		(B)		
		Beginning of year		End of year		
Assets	45 Cash—non-interest-bearing		1,002,295	45	896,654	
	46 Savings and temporary cash investments		1,182,059	46	1,411,478	
	47a Accounts receivable	47a	555,330			
	b Less allowance for doubtful accounts	47b		441,932	47c	555,330
	48a Pledges receivable	48a	1,881,570			
	b Less allowance for doubtful accounts	48b			48c	1,881,570
	49 Grants receivable		17,432	49		
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a		
	b Receivables from other disqualified persons (as defined under section 4958(c)(3)(B) (attach schedule)			50b		
	51a Other notes and loans receivable (attach schedule)	51a	5,913,000			
	b Less allowance for doubtful accounts	51b		4,915,000	51c	5,913,000
	52 Inventories for sale or use			52		
	53 Prepaid expenses and deferred charges		64,524	53	51,634	
	54a Investments—publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54a		
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		32,365	54b	34,750	
55a Investments—land, buildings, and equipment basis	55a					
b Less accumulated depreciation (attach schedule)	55b			55c		
56 Investments—other (attach schedule)			56			
57a Land, buildings, and equipment basis	57a	11,877,854				
b Less accumulated depreciation (attach schedule)	57b	2,425,789	7,440,398	57c	9,452,065	
58 Other assets, including program-related investments (describe <input type="checkbox"/> _____)			126,114	58	176,284	
59 Total assets (must equal line 74) Add lines 45 through 58			15,222,119	59	20,372,765	
Liabilities	60 Accounts payable and accrued expenses		674,367	60	1,282,334	
	61 Grants payable			61		
	62 Deferred revenue			62	9,878	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)			63		
	64a Tax-exempt bond liabilities (attach schedule)			64a		
	b Mortgages and other notes payable (attach schedule)			64b		
	65 Other liabilities (describe <input type="checkbox"/> _____)		603,680	65	537,982	
66 Total liabilities Add lines 60 through 65			1,278,047	66	1,830,194	
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		13,761,156	67	16,357,246	
	68 Temporarily restricted		182,916	68	2,185,325	
	69 Permanently restricted			69		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
	70 Capital stock, trust principal, or current funds			70		
	71 Paid-in or capital surplus, or land, building, and equipment fund			71		
	72 Retained earnings, endowment, accumulated income, or other funds			72		
	73 Total net assets or fund balances Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)			13,944,072	73	18,542,571
	74 Total liabilities and net assets / fund balances Add lines 66 and 73			15,222,119	74	20,372,765

Part VI Other Information (continued)

Yes No

82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?
82b If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)
83a Did the organization comply with the public inspection requirements for returns and exemption applications?
83b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84a Did the organization solicit any contributions or gifts that were not tax deductible?
84b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
85b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85c Dues assessments, and similar amounts from members
85d Section 162(e) lobbying and political expenditures
85e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?
86 501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12
86b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) orgs. Enter a Gross income from members or shareholders
87b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)
88a At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX
88b At any time during the year, did the organization directly or indirectly own a controlled entity within the meaning of section 512(b)(13)? If yes complete Part XI
89a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 0, section 4912 0, section 4955 0
89b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction
89c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0
89d Enter Amount of tax on line 89c, above, reimbursed by the organization
89e All organizations. At any time during the tax year was the organization a party to a prohibited tax shelter transaction?
89f All organizations. Did the organization acquire direct or indirect interest in any applicable insurance contract?
89g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?

90a List the states with which a copy of this return is filed MN
90b Number of employees employed in the pay period that includes March 12, 2007 (See instructions) 209

91a The books are in care of Ron Goodman Telephone no (612) 373-3366
1619 PORTLAND AVE S
Located at Minneapolis, MN ZIP + 4 55404

91b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?
If "Yes," enter the name of the foreign country
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91c** Yes No

If "Yes," enter the name of the foreign country _____

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**

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a EXTENDED CARE REVENUE					976,245
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					4,127,269
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	1,008,595	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b non debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	1,352	
101 Net income or (loss) from special events			01	-82,382	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a MISCELLANEOUS			01	32,554	
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				960,119	5,103,514
105 Total (add line 104, columns (B), (D), and (E))					6,063,633

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)
93g	Board and Lodging from hennepin County
93A	Provides treatment and counseling for people with chemical dependancies

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
	%			
	%			
	%			
	%			

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)

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

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

		Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006 covering the interests, rents, royalties and annuities described in question 107 above?			

Please Sign Here	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.		
	***** Signature of officer		2008-06-20 Date
	Ron Goodman, Finance Director Type or print name and title		

Paid Preparer's Use Only	Preparer's signature	Jennifer Thienes	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen Inst W)
	Firm's name (or yours if self-employed), address, and ZIP + 4	Kern DeWenter Viere Ltd 7100 Northland Circle North Suite 1 Minneapolis, MN 55428			EIN

SCHEDULE A (Form 990 or 990EZ)

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information—(See separate instructions.)

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

OMB No 1545-0047

2007

Department of the Treasury Internal Revenue Service

Name of the organization Minnesota Teen Challenge Inc

Employer identification number

41-1517351

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

Table with 5 columns: (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. Rows include Eric Vagle, Ronald Goodman, Terry Francis, Kevin Brooks, and Debbie Jonnes.

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

Table with 3 columns: (a) Name and address of each independent contractor paid more than \$50,000; (b) Type of service; (c) Compensation. Content is 'None'.

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 individual or firms. If there are none, enter "None". See page 2 for instructions.)

Table with 3 columns: (a) Name and address of each independent contractor paid more than \$50,000; (b) Type of service; (c) Compensation. Content is 'None'.

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

Yes No

<p>1 During the year, has the organization attempted to influence national, state, or local legislation, include 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 1 of Part VI-B)</p> <p>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</p>	1		No
<p>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.) 🗨</p> <p>a Sale, exchange, or leasing property?</p>	2a		No
<p>b Lending of money or other extension of credit?</p>	2b		No
<p>c Furnishing of goods, services, or facilities?</p>	2c		No
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>	2d	Yes	
<p>e Transfer of any part of its income or assets?</p>	2e		No
<p>3a 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)</p>	3a		No
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3b		No
<p>c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment , historic land areas or structures? If "Yes" attach a detailed statement</p>	3c		No
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	3d		No
<p>4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g</p>	4a		No
<p>b Did the organization make any taxable distributions under section 4966?</p>	4b		
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	4c		
<p>d Enter the total number of donor advised funds owned at the end of the tax year</p>			
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year</p>			
<p>f Enter the total number of separate funds or accounts owned at the end of the tax 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</p>			
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year</p>			

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	(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)

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

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	4,748,852	4,599,823	3,455,198	2,041,130	14,845,003
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc , purpose	5,088,723	3,788,706	4,911,826	4,099,731	17,888,986
18 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	919,097	737,416	95,269	100,964	1,852,746
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets	10,867	19,067	25,517	4,617	60,068
23 Total of lines 15 through 22	10,767,539	9,145,012	8,487,810	6,246,442	34,646,803
24 Line 23 minus line 17	5,678,816	5,356,306	3,575,984	2,146,711	16,757,817
25 Enter 1% of line 23	107,675	91,450	84,878	62,464	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					335,156
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					2,765,613
c Total support for section 509(a)(1) test Enter line 24, column (e)					16,757,817
d Add Amounts from column (e) for lines 18 1,852,746 19 0					
22 26 b 2,765,613					4,678,427
e Public support (line 26c minus line 26d total)					12,079,390
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					72.08 21 %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person " Do not file this list with your return. Enter the sum of such amounts for each year (2006) (2005) (2004) (2003)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year (2006) (2005) (2004) (2003)					
c Add Amounts from column (e) for lines 15 16 17 20 21					27c
d Add Line 27a total and line 27b total					27d
e Public support (line 27c total minus line 27d total)					27e
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h
28 Unusual Grants: 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					

Part V Private School Questionnaire (See page 7 of the instructions.)**(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 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)		
34a	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 9 of the instructions.)

(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

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	41		
42	Grassroots nontaxable amount (enter 25% of line 41)	42		
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43		
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44		

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50 on page 11 of the instructions)

Lobbying Expenditures During 4-Year Averaging Period

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

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

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

- 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**.)

Yes	No	Amount

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

Form 4562

Depreciation and Amortization (Including Information on Listed Property)

OMB No 1545-0172

2007

Department of the Treasury Internal Revenue Service

See separate instructions. Attach to your tax return.

Attachment Sequence No 67

Table with 3 columns: Name(s) shown on return, Business or activity to which this form relates, Identifying number

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

Table with 5 rows for Part I calculations: 1 Maximum amount, 2 Total cost, 3 Threshold cost, 4 Reduction in limitation, 5 Dollar limitation

Table with 13 rows for Part II calculations: 6-13 (a) Description of property, (b) Cost, (c) Elected cost, 7-13

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

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

Table with 4 rows for Part II calculations: 14-16

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

Section A

Table with 2 rows for Section A: 17 MACRS deductions, 18 Grouping assets

Table with 7 columns: (a) Classification, (b) Month/year, (c) Basis, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction

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

Table with 3 rows for Section C: 20a Class life, 20b 12-year, 20c 40-year

Part IV Summary (see instructions)

Table with 3 rows for Part IV: 21 Listed property, 22 Total, 23 Basis for section 263A costs

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

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

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

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

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation/deduction, (i) Elected section 179 cost. Includes rows 25-29.

Section B-Information on Use of Vehicles

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

Table with 7 main columns: (a) Vehicle 1, (b) Vehicle 2, (c) Vehicle 3, (d) Vehicle 4, (e) Vehicle 5, (f) Vehicle 6. Rows 30-36 covering miles driven and personal use availability.

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

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

Table with 2 columns: Yes, No. Rows 37-41 covering policy statements and requirements for vehicle use by employees.

Part VI Amortization

Table with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Includes rows 42-44.

Additional Data

Software ID:
Software Version:
EIN: 41-1517351
Name: Minnesota Teen Challenge Inc

Form 990, Part II, Line 43 - Other expenses not covered above (itemize):

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
a INSURANCE	43a	677,136	548,308	82,529	46,299
b VEHICLE GAS AND MILEAGE	43b	137,712	106,294	15,936	15,482
c Office Expenses	43c	42,722	28,294	2,693	11,735
d KITCHEN AND FOOD	43d	547,607	547,055	276	276
e ADVERTISING	43e	201,680	153,825	6,402	41,453
f MISCELLANEOUS	43f	122,993	78,299	36,698	7,996
g DUES AND LICENSES	43g	63,923	47,838	6,058	10,027
h Professional Services	43h	114,330	63,505	47,994	2,831
i Property Taxes	43i	24,231	19,590	2,942	1,699
j academy and school	43j	135,060	135,060		
k Bad Debts	43k	17,332	13,866	1,733	1,733

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
RICHARD SCHERBER 1619 Portland Avenue South Minneapolis, MN 55404	Executive Direc 34 00	101,549	14,651	0
Barry Haglund 1619 Portland Avenue South minneapolis, MN 55404	Director of Donor Relation 34 00	68,419	5,506	0
Jeffrey Dye 1619 Portland Avenue South Minneapolis, MN 55404	Director of Programs 34 00	66,280	6,308	0
Darrel A miot 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Chuck Beske 1619 Portland Avenue South minneapolis, MN 55404	Board Member 1 00	0	0	0
Carol DeO tis 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Paul W Flower 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Jan Hawkins 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Dale Holmgren 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Jim Huseby 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Vicki Jefferis 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Joe Miller 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Peter Murlowski 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Daniel Mus 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Terry Plath 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Steve Poppen 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
John Roise 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Rev Michael D Smith 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Rev Clarence St John 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Craig Sulentic 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Lonnie Titus 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Frank Vennes 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0
Mark Wolbert 1619 Portland Avenue South Minneapolis, MN 55404	Board Member 1 00	0	0	0

TY 2007 Cash Grants Paid Schedule

Name: Minnesota Teen Challenge Inc

EIN: 41-1517351

Class of Activity	Recipient's name	Address	Amount	Relationship
Christmas Party Honorarium	Bob Stromberg	1619 Portland Ave S Minneapolis, MN 55404	500	
Speaker Gifts Expenses & Honorariums	Jimmy Jack Ministries	641 Broadway Amityville, NY 11701	3,931	
Benevolence	Williamette Harris	1619 Portland Ave S Minneapolis, MN 55404	1,233	
Speaker Gifts Expenses & Honorariums	Doug Stanton Ministries	PO Box 478 Big Lake, MN 55309	7,166	
Scholarships & Graduate Fund Donations	Nicole Kokesch	1315 Portland Ave S Minneapolis, MN 55404	1,000	
Flowers for Various Purposes	Soderberg Florist	3305 E Lake St Minneapolis, MN 55408	1,374	
Gifts to Support Radio Ministry	Refuge Media Group	425 W Superior St duluth, MN 55802	5,500	
Benevolence	GBR Inc	1619 Portland Ave S Minneapolis, MN 55404	900	

Class of Activity	Recipient's name	Address	Amount	Relationship
Benevolence for TC Graduate	The Engel Firm	11282 86th Ave N Maple Grove, MN 55369	1,903	
Donation	Lyndale Neighborhood Association	3537 Nicollet Ave Minneapolis, MN 55408	500	
Donation to Ministry	CTysites Urban Media	119 Lyton Place St Paul, MN 55117	5,000	
2007 Pledge & Donation for 50th Anniversary	Teen Challenge Int'l	PO Box 5280 Jacksonville, FL 32247	15,000	
Table Sponsorship	Glorybound	2525 Navada Ave N Suite 303 Golden Valley, MN 55427	200	
2007 Sharathon	KTIS AMFM	PO Box 130517 Roseville, MN 55113	6,000	
2007 PLedge	KLOVE Radio	1619 Portland Ave S Minneapolis, MN 55404	500	
Radio Ministry Support	Shine The Light	PO Box 555 Fossten, MN 56542	500	

Class of Activity	Recipient's name	Address	Amount	Relationship
Sharathon Pledge	Psalm 995 Radio	PO Box 433 International Falls, MN 56649	500	
Donation	Petters Foundation	1619 Portland Ave S Minneapolis, MN 55404	270	
Gifts	Various	1619 Portland Ave S Minneapolis, MN 55404	869	

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2007 Compensation Schedule

Name: Minnesota Teen Challenge Inc

EIN: 41-1517351

Name	Related Organization		Relationship	Compensation Amount	Benefit Plan Contributions	Expense Account	Compensation Description
	Name	EIN					
Richard Scherber	MN Teen Challenge Academy	41-1836137	Common Directors	17,920	2,586		Salaried
Terry Francis	MN Teen Challenge Academy	41-1836137	Common Directors	10,449	690		Salaried
Ronald Goodman	mN Teen Challenge Academy	41-1836137	Common Directors	10,003	1,352		Salaried
Debbie Jonnes	MN Teen Challenge Academy	41-1836137	common Directors	9,752	668		Salaried

Name	Related Organization		Relationship	Compensation Amount	Benefit Plan Contributions	Expense Account	Compensation Description
	Name	EIN					
Eric Vagle	MN Teen Challenge Academy	41-1836137	Common Directors	11,144	1,346		Salaried
Barry Haglund	MN Teen Challenge Academy	41-1836137	Common Directors	12,074	972		Salaried
Kevin brooks	MN Teen Challenge Academy	41-1836137	Common Directors	8,935	1,269		Salaried
Jeff Dye	MN Teen Challenge Academy	41-1836137	Common Directors	11,698	1,113		Salaried

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2007 Gain/Loss from Sale of Other Assets Schedule

Name: Minnesota Teen Challenge Inc

EIN: 41-1517351

Name	Date Acquired	How Acquired	Date Sold	Purchaser Name	Gross Sales Price	Basis	Basis Method	Sales Expenses	Total (net)	Accumulated Depreciation
Fixed Asset Disposals	2007-06	PURCHASED	2007-12		1,352	27,242		0	1,352	27,242

TY 2007 Investments - Securities Schedule

Name: Minnesota Teen Challenge Inc

EIN: 41-1517351

Description	Book Value	Cost/FMV
Mutual Funds	34,750	F

TY 2007 Land etc. Schedule

Name: Minnesota Teen Challenge Inc

EIN: 41-1517351

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
Buildings	7,510,464	1,028,806	6,481,658
Furniture & Fixtures	358,229	161,423	196,806
Equipment	1,190,937	657,341	533,596
Vehicles	752,698	571,157	181,541
Other Fixed Assets	17,665	7,062	10,603
Land	1,055,083		1,055,083
Construction in Progress	992,778		992,778

TY 2007 Other Assets Schedule

Name: Minnesota Teen Challenge Inc

EIN: 41-1517351

Description	Beginning of Year Amount	End of Year Amount
Accrued Interest	126,114	176,284

TY 2007 Other Expenses Included Schedule

Name: Minnesota Teen Challenge Inc

EIN: 41-1517351

Description	Amount
Rental Expense	130,888

TY 2007 Other Liabilities Schedule

Name: Minnesota Teen Challenge Inc

EIN: 41-1517351

Description	Beginning of Year Amount	End of Year Amount
DUE TO ACADEMY	603,680	537,982

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

**TY 2007 Other Notes/Loans
Receivable Long Schedule**

Name: Minnesota Teen Challenge Inc

EIN: 41-1517351

Borrower's Name	Relationship to Insider	Original Amount of Loan	Balance Due	Date of Note	Maturity Date	Repayment Terms	Interest Rate	Security Provided by Borrower	Purpose of Loan	Description of Lender Consideration	Consideration FMV
Fedelis Fndtn Pettters			5,913,000	2006-06	2006-06	Payment on Maturity if not renewed	1800 00 %	Inventory	Investment		

**TY 2007 Other Revenues
Not Included Schedule**

Name: Minnesota Teen Challenge Inc

EIN: 41-1517351

Description	Amount
Rental Expense	-130,888

TY 2007 Special Events Schedule

Name: Minnesota Teen Challenge Inc

EIN: 41-1517351

Event Name	Gross Receipts	Contributions	Gross Revenue	Direct Expense	Net Income (Loss)
GOLF TOURNAMENT	84,585	62,395	22,190	45,815	-23,625
BANQUET	2,242,955	2,184,962	57,993	112,693	-54,700
RAFFLE AND OTHER	140,330	140,330	0	4,057	-4,057

TY 2007 Other Income Schedule

Name: Minnesota Teen Challenge Inc

EIN: 41-1517351

Description	2006	2005	2004	2003	Total
OTHER REVENUE	10,867	19,067	25,517	4,617	60,068

TY 2007 Self Dealing Statement**Name:** Minnesota Teen Challenge Inc**EIN:** 41-1517351

Line Number	Explanation
2d	Compensation of \$59,049 was paid to Richard Scherber, who is the Executive director and a board member.