

# Return of Organization Exempt From Income Tax

## 2008

**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**

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 2008 calendar year, or tax year beginning** 10/01, 2008, and ending 09/30, 20 09

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	<b>C Name of organization</b> <u>COURAGE CENTER</u> Doing Business As		<b>D Employer identification number</b> <u>41 0706118</u>
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>3915 Golden Valley Road</u>		<b>E Telephone number</b> ( <u>763</u> ) <u>588-0811</u>
		City or town, state or country, and ZIP + 4 <u>Golden Valley, MN 55422-4249</u>		<b>G Gross receipts \$</b> <u>47,986,142</u>
		<b>F Name and address of principal officer:</b> <u>Jan Malcolm</u> <u>3915 Golden Valley Road, Golden Valley, MN 55422</u>		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I Tax-exempt status:</b> <input checked="" type="checkbox"/> 501(c) ( <u>3</u> ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
<b>J Website:</b> ▶ <u>www.couragecenter.org</u>				
<b>K Type of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			<b>L Year of formation:</b> <u>1928</u>	<b>M State of legal domicile:</b> <u>MN</u>

### Part I Summary

<b>Activities &amp; Governance</b>	1	Briefly describe the organization's mission or most significant activities: <u>Courage Center advances the lives of children and adults experiencing barriers to health and independence. Our mission is to empower people with disabilities to realize their full potential in every aspect of life, guided by the vision that one day, all people will live, work, learn and play in a community based on abilities, not disabilities.</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	19
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	19
	5	Total number of employees (Part V, line 2a)	5	1,070
	6	Total number of volunteers (estimate if necessary)	6	2,448
	7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	1,774
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
<b>Revenue</b>			<b>Prior Year</b>	<b>Current Year</b>
	8	Contributions and grants (Part VIII, line 1h)	13,853,313	11,463,565
	9	Program service revenue (Part VIII, line 2g)	27,661,963	30,508,021
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	24,478	356,419
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	652,424	-2,477
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	42,192,178	42,325,528	
<b>Expenses</b>	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	40,000	47,552
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	29,616,468	31,618,150
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	318,785	295,656
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>4,030,605</u>		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	15,173,559	13,924,712
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	45,148,812	45,886,070	
19	Revenue less expenses. Subtract line 18 from line 12	-2,956,634	-3,560,542	
<b>Net Assets or Fund Balances</b>			<b>Beginning of Year</b>	<b>End of Year</b>
	20	Total assets (Part X, line 16)	85,720,791	84,489,390
	21	Total liabilities (Part X, line 26)	15,781,088	19,790,996
22	Net assets or fund balances. Subtract line 21 from line 20	69,939,703	64,698,394	

### Part II Signature Block

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.

<b>Sign Here</b>	Signature of officer <u>Alice Johnson, Chief Financial Officer</u>	Date	
	Type or print name and title		

<b>Paid Preparer's Use Only</b>	Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶	EIN ▶	Phone no. ▶ ( )	

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

**Part III** Statement of Program Service Accomplishments (see instructions)

**1** Briefly describe the organization's mission:  
**Courage Center's mission is to empower people with disabilities to realize their full potential in every aspect of life, guided by the vision that one day, all people will live, work, learn and play in a community based on abilities, not disabilities. See Schedule O, Statement 1, for a brief history and a brief description of current operations.**

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O.

**4** Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a** (Code: \_\_\_\_\_) (Expenses \$ **21,806,061** including grants of \$ **0**) (Revenue \$ **20,086,559**)  
**See Schedule O, Statement 1**

**4b** (Code: \_\_\_\_\_) (Expenses \$ **6,324,970** including grants of \$ **0**) (Revenue \$ **5,641,453**)  
**See Schedule O, Statement 2**

**4c** (Code: \_\_\_\_\_) (Expenses \$ **3,337,014** including grants of \$ **0**) (Revenue \$ **3,011,538**)  
**See Schedule O, Statement 3**

**4d** Other program services. (Describe in Schedule O.) **See Schedule O, Statement 4**  
(Expenses \$ **4,548,668** including grants of \$ **0**) (Revenue \$ **1,768,471**)

**4e** Total program service expenses ▶ \$ **36,016,713** (Must equal Part IX, Line 25, column (B).)

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>	<input type="checkbox"/>	<input type="checkbox"/>
<b>6</b> Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>9</b> Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>10</b> Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>11</b> Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>12</b> Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the U.S.?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? <i>If "Yes," complete Schedule F, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>17</b> Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>18</b> Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>19</b> Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>20</b> Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>21</b> Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>22</b> Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to question 25.</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>25a Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>b</b> Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Part IV Checklist of Required Schedules** *(continued)*

		Yes	No
<b>28</b>	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
<b>a</b>	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .		✓
<b>b</b>	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .		✓
<b>c</b>	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .		✓
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	✓	
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .		✓
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .		✓
<b>32</b>	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .		✓
<b>33</b>	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .		✓
<b>34</b>	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	✓	
<b>35</b>	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .		✓
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .		✓
<b>37</b>	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .		✓

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable . . . . .		
	<b>1a</b> 69		
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . . . .		
	<b>1b</b> 0		
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .	<input checked="" type="checkbox"/>	
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return . . . . .		
	<b>2a</b> 1070		
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to <i>e-file</i> this return. (see instructions)	<input checked="" type="checkbox"/>	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .	<input checked="" type="checkbox"/>	
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? <i>If "No," provide an explanation in Schedule O</i> . . . . .	<input checked="" type="checkbox"/>	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . .		<input checked="" type="checkbox"/>
<b>b</b>	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.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . .		<input checked="" type="checkbox"/>
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		<input checked="" type="checkbox"/>
<b>c</b>	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? . . . . .		
<b>6a</b>	Did the organization solicit any contributions that were not tax deductible? . . . . .		<input checked="" type="checkbox"/>
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75? . . . . .	<input checked="" type="checkbox"/>	
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .	<input checked="" type="checkbox"/>	
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .		<input checked="" type="checkbox"/>
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year . . . . .		
	<b>7d</b>		
<b>e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .		<input checked="" type="checkbox"/>
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		<input checked="" type="checkbox"/>
<b>g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . . . .		
<b>h</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? . . . . .	<input checked="" type="checkbox"/>	
<b>8</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . .		<input checked="" type="checkbox"/>
<b>9</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966? . . . . .		<input checked="" type="checkbox"/>
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .		<input checked="" type="checkbox"/>
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12 . . . . .	<b>10a</b>	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . .	<b>10b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from members or shareholders . . . . .	<b>11a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . .	<b>11b</b>	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? . . . . .	<b>12a</b>	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . . . .	<b>12b</b>	

**Part VI Governance, Management, and Disclosure** (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

**Section A. Governing Body and Management**

		Yes	No
For each "Yes" response to lines 2–7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
<b>1a</b>	Enter the number of voting members of the governing body . . . . .	<b>1a</b>	<b>19</b>
<b>b</b>	Enter the number of voting members that are independent . . . . .	<b>1b</b>	<b>19</b>
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	<b>2</b>	<input checked="" type="checkbox"/>
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	<b>3</b>	<input checked="" type="checkbox"/>
<b>4</b>	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . . . . .	<b>4</b>	<input checked="" type="checkbox"/>
<b>5</b>	Did the organization become aware during the year of a material diversion of the organization's assets? . . . . .	<b>5</b>	<input checked="" type="checkbox"/>
<b>6</b>	Does the organization have members or stockholders? . . . . .	<b>6</b>	<input checked="" type="checkbox"/>
<b>7a</b>	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	<b>7a</b>	<input checked="" type="checkbox"/>
<b>b</b>	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .	<b>7b</b>	<input checked="" type="checkbox"/>
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b>	The governing body? . . . . .	<b>8a</b>	<input checked="" type="checkbox"/>
<b>b</b>	Each committee with authority to act on behalf of the governing body? . . . . .	<b>8b</b>	<input checked="" type="checkbox"/>
<b>9a</b>	Does the organization have local chapters, branches, or affiliates? . . . . .	<b>9a</b>	<input checked="" type="checkbox"/>
<b>b</b>	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . .	<b>9b</b>	
<b>10</b>	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990 . . . . .	<b>10</b>	<input checked="" type="checkbox"/>
<b>11</b>	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	<b>11</b>	<input checked="" type="checkbox"/>

**Section B. Policies**

		Yes	No
<b>12a</b>	Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	<b>12a</b>	<input checked="" type="checkbox"/>
<b>b</b>	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	<b>12b</b>	<input checked="" type="checkbox"/>
<b>c</b>	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .	<b>12c</b>	<input checked="" type="checkbox"/>
<b>13</b>	Does the organization have a written whistleblower policy? . . . . .	<b>13</b>	<input checked="" type="checkbox"/>
<b>14</b>	Does the organization have a written document retention and destruction policy? . . . . .	<b>14</b>	<input checked="" type="checkbox"/>
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
<b>a</b>	The organization's CEO, Executive Director, or top management official? . . . . .	<b>15a</b>	<input checked="" type="checkbox"/>
<b>b</b>	Other officers or key employees of the organization? . . . . . Describe the process in Schedule O. (see instructions)	<b>15b</b>	<input checked="" type="checkbox"/>
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	<b>16a</b>	<input checked="" type="checkbox"/>
<b>b</b>	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	<b>16b</b>	<input checked="" type="checkbox"/>

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **CA, IL, MN, ND, SD, WI**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website     Another's website     Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **Teresa Saville Accounting Manager, (763)588-0811**  
**3915 Golden Valley Road, Golden Valley, MN 55422-4249**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Kent Eklund Chair	0	✓		✓				\$0	\$0	\$0
Subramanian Krishnan Past Chair	0	✓		✓				\$0	\$0	\$0
Gregory Wallace Treasurer	0	✓		✓				\$0	\$0	\$0
Bruce Backberg Board member	0	✓						\$0	\$0	\$0
Dr R Edward Bergmark Board member	0	✓						\$0	\$0	\$0
Les Brunker Board member	0	✓						\$0	\$0	\$0
John Church Board member	0	✓						\$0	\$0	\$0
KC Connors Board member	0	✓						\$0	\$0	\$0
Craig Evanich Board member	0	✓						\$0	\$0	\$0
Jackie Fallenstein Board member	0	✓						\$0	\$0	\$0
Kevin Goodno Board member	0	✓						\$0	\$0	\$0
Craig A Gordon Board member	0	✓						\$0	\$0	\$0
Keith Halleland Board member	0	✓						\$0	\$0	\$0
Pam Lindemoen Board member	0	✓						\$0	\$0	\$0
Eric Peterson Board member	0	✓						\$0	\$0	\$0
Bethany Sjoblad Board member	0	✓						\$0	\$0	\$0
Peter Vaill Board member	0	✓						\$0	\$0	\$0

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Teresa Vickery Board member	0	<input checked="" type="checkbox"/>						\$0	\$0	\$0
Riff Yeager Board member	0	<input checked="" type="checkbox"/>						\$0	\$0	\$0
Jan Malcolm Secretary/CEO	60			<input checked="" type="checkbox"/>				\$224,848	\$0	\$15,921
Alice Johnson CFO	50			<input checked="" type="checkbox"/>				\$138,339	\$0	\$7,119
Nancy Larkin COO	50				<input checked="" type="checkbox"/>			\$161,766	\$0	\$19,727
Dr Jacalyn Kawiecki Medical Director	65					<input checked="" type="checkbox"/>		\$156,218	\$0	\$9,450
Audrey Kintzi VP/Chief Dev Officer	55					<input checked="" type="checkbox"/>		\$138,536	\$0	\$17,942
Janene Hawkins Neuropsychologist	40					<input checked="" type="checkbox"/>		\$104,814	\$0	\$13,730
Debra Waggoner VP HR&Org Effective	55					<input checked="" type="checkbox"/>		\$104,042	\$0	\$9,881
Lawrence Johnson Senior Director Finance	50					<input checked="" type="checkbox"/>		\$102,971	\$0	\$13,512
<b>1b Total</b>								<b>1,131,534</b>	<b>0</b>	<b>107,282</b>

**2** Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization **9**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		<input checked="" type="checkbox"/>
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual.</i>	<input checked="" type="checkbox"/>	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		<input checked="" type="checkbox"/>

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
GLS Companies, SDS 12-1837, PO Box 86, Minneapolis, MN 55486-1837	provides printing and mail	\$376,205
Merrill Communications LLC, SDS 12-1974, PO Box 86, Minneapolis, MN 55486-1837	order processing and fulfillment	\$352,995
Healthcare Services Group Inc, 3220 Tillman Drive, Suite 300, Bensalem, PA 19019-1000	housekeeping services	\$466,896
Computer Integration Technology, 2375 Ventura Drive, Woodbury, MN 55121-1000	technology consulting services	\$320,084
McKesson Information Solutions, PO Box 98347, Chicago, IL 60693-8347	systems maintenance and support	\$286,092

**2** Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization **18**

<b>Part VIII Statement of Revenue</b>				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>	1,295,276					
	<b>b</b> Membership dues . . . . .	<b>1b</b>	0					
	<b>c</b> Fundraising events . . . . .	<b>1c</b>	677,061					
	<b>d</b> Related organizations . . . . .	<b>1d</b>	2,707,640					
	<b>e</b> Government grants (contributions).	<b>1e</b>	156,667					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	6,626,921					
	<b>g</b> Noncash contributions included in lines 1a-1f: \$		2,795,592					
	<b>h Total.</b> Add lines 1a-1f . . . . .			11,463,565				
<b>Program Service Revenue</b>	<b>Business Code</b>							
	<b>2a Therapies program service fees</b>		621400	20,086,559	20,086,559	0	0	
	<b>b Skilled nursing facility fees</b>		623000	5,641,453	5,641,453	0	0	
	<b>c Community based service fees</b>		624100	2,409,706	2,409,706	0	0	
	<b>d Camping program service fees</b>		713900	967,944	967,944	0	0	
	<b>e Vocational program service fees</b>		624310	601,832	601,832	0	0	
	<b>f</b> All other program service revenue . . . . .			800,527	800,527	0	0	
	<b>g Total.</b> Add lines 2a-2f . . . . .			30,508,021				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .			141,535	0	0	141,535	
	<b>4</b> Income from investment of tax-exempt bond proceeds . . . . .			0	0	0	0	
	<b>5</b> Royalties . . . . .			0	0	0	0	
	<b>6a</b> Gross Rents . . . . .	(i) Real	(ii) Personal					
		0	0					
		<b>b</b> Less: rental expenses . . . . .		0	0			
		<b>c</b> Rental income or (loss) . . . . .		0	0			
	<b>d</b> Net rental income or (loss) . . . . .			0	0	0	0	
	<b>7a</b> Gross amount from sales of assets other than inventory . . . . .	(i) Securities	(ii) Other					
		1,307,675	0					
		<b>b</b> Less: cost or other basis and sales expenses . . . . .		1,092,791	0			
		<b>c</b> Gain or (loss) . . . . .		214,884	0			
	<b>d</b> Net gain or (loss) . . . . .			214,884	0	0	214,884	
	<b>8a</b> Gross income from fundraising events (not including \$ 677,061 of contributions reported on line 1c). See Part IV, line 18 . . . . .	<b>a</b>		2,821,958				
		<b>b</b> Less: direct expenses . . . . .	<b>b</b>	3,876,763				
<b>c</b> Net income or (loss) from fundraising events . . . . .				-1,054,805	0	0	-1,054,805	
<b>9a</b> Gross income from gaming activities. See Part IV, line 19 . . . . .	<b>a</b>		0					
	<b>b</b> Less: direct expenses. . . . .	<b>b</b>	0					
	<b>c</b> Net income or (loss) from gaming activities . . . . .			0	0	0	0	
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>		1,641,737					
	<b>b</b> Less: cost of goods sold . . . . .	<b>b</b>	691,060					
	<b>c</b> Net income or (loss) from sales of inventory . . . . .			950,677	927,578	1,098	22,001	
<b>Miscellaneous Revenue</b>			<b>Business Code</b>					
<b>11a</b> Other . . . . .			900099	101,651	0	676	100,975	
	<b>b</b> . . . . .							
	<b>c</b> . . . . .							
	<b>d</b> All other revenue . . . . .			0	0	0	0	
	<b>e Total.</b> Add lines 11a-11d . . . . .				101,651			
<b>12 Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e . . . . .				42,325,528	31,435,599	1,774	-575,410	

**Part IX Statement of Functional Expenses**

**Section 501(c)(3) and 501(c)(4) organizations must complete all columns.**

**All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).**

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	47,552	47,552		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0	0		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	521,555	178,259	267,186	76,110
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7 Other salaries and wages	24,634,640	20,661,749	2,491,156	1,481,735
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,264,538	1,022,494	165,779	76,265
9 Other employee benefits	3,047,733	2,405,720	458,203	183,810
10 Payroll taxes	2,149,684	1,823,516	209,098	117,070
11 Fees for services (non-employees):				
a Management	0	0	0	0
b Legal	37,870	10,107	27,701	62
c Accounting	68,165	0	68,165	0
d Lobbying	0	0	0	0
e Professional fundraising services. See Part IV, line 17	295,656			295,656
f Investment management fees	5,386	0	5,386	0
g Other	2,010,563	1,070,928	403,094	536,541
12 Advertising and promotion	500,128	155,894	39,044	305,190
13 Office expenses	3,773,238	2,543,087	584,447	645,704
14 Information technology	1,039,954	597,980	393,933	48,041
15 Royalties	0	0	0	0
16 Occupancy	2,720,484	2,391,680	191,901	136,903
17 Travel	557,836	480,017	40,886	36,933
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	143,535	93,204	47,331	3,000
20 Interest	125,199	0	125,199	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	1,961,766	1,648,524	261,018	52,224
23 Insurance	0	0	0	0
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <b>Medical Care Surcharge</b>	148,038	148,038	0	0
b <b>Minnesota Care tax</b>	313,454	313,454	0	0
c <b>Bad debt expense</b>	317,827	317,827	0	0
d <b>Membership dues</b>	58,462	50,200	7,673	589
e				
f All other expenses	142,807	56,483	51,552	34,772
25 <b>Total functional expenses.</b> Add lines 1 through 24f	<b>45,886,070</b>	<b>36,016,713</b>	<b>5,838,752</b>	<b>4,030,605</b>
26 <b>Joint Costs.</b> Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year	
<b>Assets</b>	1	Cash—non-interest-bearing . . . . .	3,666	1	-11,923
	2	Savings and temporary cash investments . . . . .	0	2	
	3	Pledges and grants receivable, net . . . . .	331,478	3	105,167
	4	Accounts receivable, net . . . . .	4,059,136	4	4,111,531
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L . . . . .	0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .	0	6	0
	7	Notes and loans receivable, net . . . . .	0	7	0
	8	Inventories for sale or use . . . . .	315,712	8	308,616
	9	Prepaid expenses and deferred charges . . . . .	289,198	9	470,253
	10a	Land, buildings, and equipment: cost basis . . . . .	46,635,742		
	b	Less: accumulated depreciation. Complete Part VI of Schedule D . . . . .	25,601,916	10b	21,033,826
	11	Investments—publicly traded securities . . . . .	282,117	11	272,285
	12	Investments—other securities. See Part IV, line 11 . . . . .	0	12	
	13	Investments—program-related. See Part IV, line 11 . . . . .	50,446,922	13	49,208,462
	14	Intangible assets . . . . .	0	14	0
	15	Other assets. See Part IV, line 11 . . . . .	8,211,993	15	8,991,173
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	85,720,791	16	84,489,390	
<b>Liabilities</b>	17	Accounts payable and accrued expenses . . . . .	12,356,526	17	13,413,747
	18	Grants payable . . . . .	0	18	0
	19	Deferred revenue . . . . .	0	19	0
	20	Tax-exempt bond liabilities . . . . .	1,549,090	20	1,176,238
	21	Escrow account liability. Complete Part IV of Schedule D . . . . .	0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .	0	22	0
	23	Secured mortgages and notes payable to unrelated third parties . . . . .	0	23	0
	24	Unsecured notes and loans payable . . . . .	0	24	0
	25	Other liabilities. Complete Part X of Schedule D . . . . .	1,875,472	25	5,201,011
	26	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .	15,781,088	26	19,790,996
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>				
	27	Unrestricted net assets . . . . .	65,533,720	27	60,900,118
	28	Temporarily restricted net assets . . . . .	2,180,626	28	1,592,036
	29	Permanently restricted net assets . . . . .	2,225,357	29	2,206,240
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>				
	30	Capital stock or trust principal, or current funds . . . . .		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund . . . . .		31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .		32	
	33	<b>Total net assets or fund balances . . . . .</b>	69,939,703	33	64,698,394
34	<b>Total liabilities and net assets/fund balances . . . . .</b>	85,720,791	34	84,489,390	

**Part XI Financial Statements and Reporting**

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .		<input checked="" type="checkbox"/>
b	Were the organization's financial statements audited by an independent accountant? . . . . .	<input checked="" type="checkbox"/>	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . . . .	<input checked="" type="checkbox"/>	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .		<input checked="" type="checkbox"/>
b	If "Yes," did the organization undergo the required audit or audits? . . . . .		



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**  
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .	11,092,261	10,939,114	11,424,614	13,853,313	11,463,566	58,772,868
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .	0	0	0	0	0	0
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .	0	0	0	0	0	0
<b>4 Total.</b> Add lines 1-3 . . . . .	11,092,261	10,939,114	11,424,614	13,853,313	11,463,566	58,772,868
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) . . . . .						0
<b>6 Public support.</b> Subtract line 5 from line 4.						58,772,868

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>7</b> Amounts from line 4 . . . . .	11,092,261	10,939,114	11,424,614	13,853,313	11,463,566	58,772,868
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .	25,902	17,122	30,941	10,539	141,535	226,039
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .	55,126	28,354	578	1,131	1,774	86,963
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .	148,792	178,103	223,373	240,736	101,651	892,655
<b>11 Total support.</b> Add lines 7 through 10 . . . . .						59,978,525
<b>12</b> Gross receipts from related activities, etc. (see instructions) . . . . .					12	125,373,703
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . . ▶ <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) . . . . .	<b>14</b>	<b>97.99</b> %
<b>15</b> Public support percentage from 2007 Schedule A, Part IV-A, line 26f . . . . .	<b>15</b>	<b>98.45</b> %
<b>16a 33 1/3 % support test—2008.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . . ▶ <input checked="" type="checkbox"/>		
<b>b 33 1/3 % support test—2007.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . . ▶ <input type="checkbox"/>		
<b>17a 10%-facts-and-circumstances test—2008.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ <input type="checkbox"/>		
<b>b 10%-facts-and-circumstances test—2007.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ <input type="checkbox"/>		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**  
 (Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . . . .						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 . . . . .						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
<b>6 Total.</b> Add lines 1-5 . . . . .						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000 . . . . .						
<b>c</b> Add lines 7a and 7b . . . . .						
<b>8 Public support</b> (Subtract line 7c from line 6.) . . . . .						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>9</b> Amounts from line 6 . . . . .						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
<b>c</b> Add lines 10a and 10b . . . . .						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.) . . . . .						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . .

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)) . . . . .	<b>15</b>	%
<b>16</b> Public support percentage from 2007 Schedule A, Part IV-A, line 27g . . . . .	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2008</b> (line 10c, column (f) divided by line 13, column (f)) . . . . .	<b>17</b>	%
<b>18</b> Investment income percentage from <b>2007</b> Schedule A, Part IV-A, line 27h . . . . .	<b>18</b>	%

**19a 33 1/3 % support tests—2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

**b 33 1/3 % support tests—2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶



**Political Campaign and Lobbying Activities**

**2008**

**For Organizations Exempt From Income Tax Under section 501(c) and section 527**

- ▶ **To be completed by organizations described below.**
- ▶ **Attach to Form 990 or Form 990-EZ.**

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Department of the Treasury  
Internal Revenue Service

- If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then**
- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
  - Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
  - Section 527 organizations: Complete Part I-A only.

- If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then**
- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
  - Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

- If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then**
- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization <b>COURAGE CENTER</b>	Employer identification number <b>41 0706118</b>
-----------------------------------------------	-----------------------------------------------------

**Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations.**  
See the instructions for Schedule C for details.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures . . . . . ▶ \$ -----
- 3 Volunteer hours . . . . . ▶ -----

**Part I-B To be completed by all organizations exempt under section 501(c)(3).**  
See the instructions for Schedule C for details.

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . ▶ \$ -----
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . . ▶ \$ -----
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . .  Yes  No
- 4a Was a correction made? . . . . .  Yes  No
- b If "Yes," describe in Part IV.

**Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3).**  
See the instructions for Schedule C for details.

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ \$ -----
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ \$ -----
- 3 Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b . . . . . ▶ \$ -----
- 4 Did the filing organization file **Form 1120-POL** for this year? . . . . .  Yes  No
- 5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

**Part II-A To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)).** See the instructions for Schedule C for details.

- A** Check  if the filing organization belongs to an affiliated group.  
**B** Check  if the filing organization checked box A and "limited control" provisions apply.

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
<b>1a</b>	Total lobbying expenditures to influence public opinion (grass roots lobbying)	47,779													
<b>b</b>	Total lobbying expenditures to influence a legislative body (direct lobbying)	48,211													
<b>c</b>	Total lobbying expenditures (add lines 1a and 1b)	95,990													
<b>d</b>	Other exempt purpose expenditures	35,873,171													
<b>e</b>	Total exempt purpose expenditures (add lines 1c and 1d)	35,969,161													
<b>f</b>	Lobbying nontaxable amount. Enter the amount from the following table in both columns.	1,000,000													
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	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.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
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.														
<b>g</b>	Grassroots nontaxable amount (enter 25% of line 1f)	250,000													
<b>h</b>	Subtract line 1g from line 1a. Enter -0- if line g is more than line a	0													
<b>i</b>	Subtract line 1f from line 1c. Enter -0- if line f is more than line c	0													
<b>j</b>	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

**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 2a through 2f of the instructions.)

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
<b>2a</b> Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
<b>c</b> Total lobbying expenditures	41,324	41,700	39,216	95,990	218,230
<b>d</b> Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
<b>f</b> Grassroots lobbying expenditures	7,404	4,250	4,070	47,779	63,503

**Part II-B To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)).** See the instructions for Schedule C for details.

	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
<b>a</b> Volunteers?			
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
<b>c</b> Media advertisements?			
<b>d</b> Mailings to members, legislators, or the public?			
<b>e</b> Publications, or published or broadcast statements?			
<b>f</b> Grants to other organizations for lobbying purposes?			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?			
<b>i</b> Other activities? If "Yes," describe in Part IV			
<b>j</b> Total lines 1c through 1i			
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).** See the instructions for Schedule C for details.

	Yes	No
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?	<b>1</b>	
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	<b>2</b>	
<b>3</b> Did the organization agree to carryover lobbying and political expenditures from the prior year?	<b>3</b>	

**Part III-B To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes."** See Schedule C instructions for details.

<b>1</b> Dues, assessments and similar amounts from members	<b>1</b>	
<b>2</b> Section 162(e) non-deductible lobbying and political expenditures <b>(do not include amounts of political expenses for which the section 527(f) tax was paid).</b>		
<b>a</b> Current year	<b>2a</b>	
<b>b</b> Carryover from last year	<b>2b</b>	
<b>c</b> Total	<b>2c</b>	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	<b>3</b>	
<b>4</b> If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	<b>4</b>	
<b>5</b> Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	<b>5</b>	

**Part IV Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

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Supplemental Financial Statements

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Name of the organization: COURAGE CENTER; Employer identification number: 41 0706118

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 3 columns: Description, (a) Donor advised funds, (b) Funds and other accounts. Rows include Total number at end of year, Aggregate contributions, Aggregate grants, and Aggregate value.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Conservation Easements section containing multiple-choice questions and a table for 'Held at the End of the Year' with rows 2a, 2b, 2c, and 2d.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Part III section containing questions 1a, 1b, 2, and 3 regarding the reporting of art and historical treasures.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

- 3** Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a**  Public exhibition
  - b**  Scholarly research
  - c**  Preservation for future generations
  - d**  Loan or exchange programs
  - e**  Other .....
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Trust, Escrow and Custodial Arrangements.** Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b** If "Yes," explain the arrangement in Part XIV and complete the following table:
- |                                         | Amount |
|-----------------------------------------|--------|
| <b>1c</b> Beginning balance             |        |
| <b>1d</b> Additions during the year     |        |
| <b>1e</b> Distributions during the year |        |
| <b>1f</b> Ending balance                |        |
- 2a** Did the organization include an amount on Form 990, Part X, line 21?  Yes  No
- b** If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
<b>1a</b> Beginning of year balance					
<b>b</b> Contributions					
<b>c</b> Investment earnings or losses					
<b>d</b> Grants or scholarships					
<b>e</b> Other expenditures for facilities and programs					
<b>f</b> Administrative expenses					
<b>g</b> End of year balance					

**2** Provide the estimated percentage of the year end balance held as:

- a** Board designated or quasi-endowment ▶ .....%
- b** Permanent endowment ▶ .....%
- c** Term endowment ▶ .....%

**3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
<b>(i)</b> unrelated organizations		
<b>(ii)</b> related organizations		

**b** If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?  Yes  No

**3b**  Yes  No

**4** Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Investments—Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
<b>1a</b> Land	0	1,411,424		1,411,424
<b>b</b> Buildings	0	38,030,730	21,050,850	16,979,880
<b>c</b> Leasehold improvements	0	0	0	0
<b>d</b> Equipment	0	6,821,431	4,207,487	2,613,944
<b>e</b> Other	0	372,157	343,579	28,578
<b>Total.</b> Add lines 1a–1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				21,033,826

**Part VII Investments—Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products . . .		
Closely-held equity interests . . . . .		
Other .....		
.....		
.....		
.....		
.....		
.....		
.....		
<b>Total.</b> (Column (b) should equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments—Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
<b>Investment in related organizations</b>	<b>\$49,208,462</b>	<b>End-of-Year Market Value</b>
<b>Total.</b> (Column (b) should equal Form 990, Part X, col. (B) line 13.) ▶	<b>49,208,462</b>	

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
<b>Joint venture investment</b>	<b>\$676,973</b>
<b>Donated items</b>	<b>\$156,137</b>
<b>Due from related organization</b>	<b>\$2,227,497</b>
<b>Value of future interest gifts</b>	<b>\$380,503</b>
<b>Beneficial interest in perpetual trusts</b>	<b>\$2,206,240</b>
<b>Assets restricted or designated as to use</b>	<b>\$3,343,823</b>
<b>Total.</b> (Column (b) should equal Form 990, Part X, col. (B) line 15.) ▶	<b>8,991,173</b>

**Part X Other Liabilities.** See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	<b>0</b>
<b>Due to related organizations</b>	<b>\$800,000</b>
<b>Line of credit</b>	<b>\$4,384,829</b>
<b>Split-interest agreement obligations</b>	<b>\$16,182</b>
<b>Total.</b> (Column (b) should equal Form 990, Part X, col. (B) line 25.) ▶	<b>5,201,011</b>

In Part XIV, provide the text of the footnote to the organization’s financial statements that reports the organization’s liability for uncertain tax positions under FIN 48.

<b>Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements</b>		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	42,325,528
2	Total expenses (Form 990, Part IX, column (A), line 25)	45,886,070
3	Excess or (deficit) for the year. Subtract line 2 from line 1	-3,560,542
4	Net unrealized gains (losses) on investments	-84,685
5	Donated services and use of facilities	0
6	Investment expenses	-5,386
7	Prior period adjustments	0
8	Other (Describe in Part XIV)	-547,887
9	Total adjustments (net). Add lines 4-8	-637,958
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	-4,198,500

<b>Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return</b>		
1	Total revenue, gains, and other support per audited financial statements	42,811,393
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:	
a	Net unrealized gains on investments	-84,685
b	Donated services and use of facilities	0
c	Recoveries of prior year grants	0
d	Other (Describe in Part XIV)	121,494
e	Add lines 2a through 2d	36,809
3	Subtract line 2e from line 1	42,774,584
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b	5,386
b	Other (Describe in Part XIV)	-454,442
c	Add lines 4a and 4b	-449,056
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	42,325,528

<b>Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return</b>		
1	Total expenses and losses per audited financial statements	46,246,621
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:	
a	Donated services and use of facilities	0
b	Prior year adjustments	0
c	Losses reported on Form 990, Part IX, line 25	0
d	Other (Describe in Part XIV)	436,182
e	Add lines 2a through 2d	436,182
3	Subtract line 2e from line 1	45,810,439
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b	0
b	Other (Describe in Part XIV)	75,631
c	Add lines 4a and 4b	75,631
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	45,886,070

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

**Schedule D, Part X - See Schedule D Part X for a listing of Courage Center's Other Liabilities.**

**Schedule D, Part XI, Line 8 - Schedule D Part XI Line 8: Change in value of split interest agreements -\$119,037, Pension related changes other than net periodic benefit cost -\$763,272, Change in related organization net of eliminations -\$195,651, Stock gifts reported on line 7- \$47,449, Clothing program reported on Line 8- \$577,522. Total Other -\$547,887.**

**Schedule D, Part XII, Line 2d - Schedule D Part XII line 2d: Related organization net of eliminations, -\$123,346, Change in value of split interest agreements, -\$119,037, Cost of products sold included in expense on audit \$147,220, Special events expensed on audit netted for Form 990, \$216,657. Total Other \$121,494.**

**Part XIV - Supplemental Information (Continued)**

Schedule D, Part XII, Line 4b - Part XII Line 4b: Stock gifts sales included on line 7, \$47,449, Gift in kind sales included included on line 8c (\$577,522), Clothing program fair market value professional fundraising fee netted on audit \$75,631. Total Other (\$454,442).

Schedule D, Part XIII, Line 2d - Part XIII Line 2d: Related organization net of eliminations, \$72,305, Cost of sales netted against revenue on Form 990, \$147,220, Special events direct expenses netted against revenue on Form 990, \$216,657

Schedule D, Part XIII, Line 4b - Part XIII Line 4b: Clothing program professional fundraising fee netted on audit, \$75,631.



**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		<u>Gift in Kind Sales</u> (event type)	<u>Dinner events</u> (event type)	<u>9</u> (total number)	(Add col. (a) through col. (c))
Revenue	<b>1</b> Gross receipts . . . . .	2,729,294	308,541	461,185	3,499,020
	<b>2</b> Less: Charitable contributions . . . . .	0	271,578	405,483	677,061
	<b>3</b> Gross revenue (line 1 minus line 2) . . . . .	2,729,294	36,963	55,702	2,821,959
Direct Expenses	<b>4</b> Cash prizes . . . . .	0	0	500	500
	<b>5</b> Non-cash prizes . . . . .	0	0	6,500	6,500
	<b>6</b> Rent/facility costs . . . . .	0	16,596	21,879	38,475
	<b>7</b> Other direct expenses . . . . .	3,660,106	84,265	86,917	3,831,288
	<b>8</b> Direct expense summary. Add lines 4 through 7 in column (d) . . . . . ▶				( 3,876,763 )
<b>9</b> Net income summary. Combine lines 3 and 8 in column (d) . . . . . ▶				-1,054,804	

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col. (a) through col. (c))
Revenue	<b>1</b> Gross revenue . . . . .				
Direct Expenses	<b>2</b> Cash prizes . . . . .				
	<b>3</b> Non-cash prizes . . . . .				
	<b>4</b> Rent/facility costs . . . . .				
	<b>5</b> Other direct expenses . . . . .				
	<b>6</b> Volunteer labor . . . . .	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	
<b>7</b> Direct expense summary. Add lines 2 through 5 in column (d) . . . . . ▶				( )	
<b>8</b> Net gaming income summary. Combine lines 1 and 7 in column (d) . . . . . ▶					

	Yes	No
<b>9</b> Enter the state(s) in which the organization operates gaming activities: _____		
<b>a</b> Is the organization licensed to operate gaming activities in each of these states? . . . . .	<b>9a</b>	
<b>b</b> If "No," Explain: _____ _____		
<b>10a</b> Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	<b>10a</b>	
<b>b</b> If "Yes," Explain: _____ _____		
<b>11</b> Does the organization operate gaming activities with nonmembers? . . . . .	<b>11</b>	
<b>12</b> Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . .	<b>12</b>	

			Yes	No
<b>13</b> Indicate the percentage of gaming activity operated in:	<b>a</b> The organization's facility . . . . .	<b>13a</b>	%	
	<b>b</b> An outside facility . . . . .	<b>13b</b>	%	
<b>14</b> Provide the name and address of the person who prepares the organization's gaming/special events books and records:				
Name ▶ .....				
Address ▶ .....				
<b>15a</b> Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . .				<b>15a</b>
<b>b</b> If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ ....., and the amount of gaming revenue retained by the third party ▶ \$ .....				
<b>c</b> If "Yes," enter name and address:				
Name ▶ .....				
Address ▶ .....				
<b>16</b> Gaming manager information:				
Name ▶ .....				
Gaming manager compensation ▶ \$ .....				
Description of services provided ▶ .....				
<input type="checkbox"/> Director/officer <input type="checkbox"/> Employee <input type="checkbox"/> Independent contractor				
<b>17</b> Mandatory distributions:				
<b>a</b> Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . .				<b>17a</b>
<b>b</b> Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$				





Schedule I, Part IV, Statement 1

COURAGE CENTER

Form: Schedule I

41-0706118

Page: 1

Line Number: Part II

Description of Grants and Other Assistance to Governments and Organizations in the United States

		Amount of cash grant	Amount of non-cash assistance
<b>Name and address</b>	Minnesota DARE PO Box 279 Saint Bonifacius, MN 55375	\$10,000	\$0
<b>EIN</b>	41-1693835		
<b>IRC code section</b>	501(c)(3)		
<b>Method of valuation</b>			
<b>Description of non-cash assistance</b>			
<b>Purpose of grant</b>	Support Minnesota DARE, a 501(c)(3) organization		
<b>Name and address</b>	ARC Minnesota 800 Transfer Road Saint Paul, MN 55114	\$15,000	\$0
<b>EIN</b>	41-0795254		
<b>IRC code section</b>	501(c)(3)		
<b>Method of valuation</b>			
<b>Description of non-cash assistance</b>			
<b>Purpose of grant</b>	Support ARC of Minnesota, a 501(c)(3) promoting a system of support for persons with developmental disabilities and their families through advocating for rights.		
<b>Name and address</b>	Free Arts for Abused Children of Minnesota 400 First Avenue North Suite 518 Minneapolis, MN 55401	\$10,000	\$0
<b>EIN</b>	41-2014576		
<b>IRC code section</b>	501(c)(3)		
<b>Method of valuation</b>			
<b>Description of non-cash assistance</b>			
<b>Purpose of grant</b>	Support Free Arts programs, a 501(c)(3) utilizing the arts to reduce child abuse, increasing public awareness regarding child abuse, helping abused children develop a healthy state of mind, and increasing awareness of action by other organizations regarding child abuse.		
<b>Name and address</b>	The Cookie Cart 1119 West Broadway Minneapolis, MN 55411	\$12,552	\$0
<b>EIN</b>	41-1866804		
<b>IRC code section</b>	501(c)(3)		
<b>Method of valuation</b>			
<b>Description of non-cash assistance</b>			
<b>Purpose of grant</b>	Support The Cookie Cart, a 501(c)(3) organization providing a training center for neighborhood youngsters in North Minneapolis to learn the importance of moral values, continuing education and the disciplines necessary to succeed in the workplace.		

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2008**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**COURAGE CENTER**

Employer identification number

**41 0706118**

**Part I Questions Regarding Compensation**

	Yes	No
<b>1a</b> Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
<input type="checkbox"/> First-class or charter travel		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax indemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<b>b</b> If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	<b>1b</b>	
<b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	<b>2</b>	
<b>3</b> Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.		
<input type="checkbox"/> Compensation committee		
<input type="checkbox"/> Independent compensation consultant		
<input type="checkbox"/> Form 990 of other organizations		
<input type="checkbox"/> Written employment contract		
<input checked="" type="checkbox"/> Compensation survey or study		
<input checked="" type="checkbox"/> Approval by the board or compensation committee		
<b>4</b> During the year, did any person listed in Form 990, Part VII, Section A, line 1a:		
<b>a</b> Receive a severance payment or change of control payment?	<b>4a</b>	<input checked="" type="checkbox"/>
<b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan?	<b>4b</b>	<input checked="" type="checkbox"/>
<b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement?	<b>4c</b>	<input checked="" type="checkbox"/>
If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.		
<b>Only 501(c)(3) and 501(c)(4) organizations must complete lines 5–8.</b>		
<b>5</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
<b>a</b> The organization?	<b>5a</b>	<input checked="" type="checkbox"/>
<b>b</b> Any related organization?	<b>5b</b>	<input checked="" type="checkbox"/>
If "Yes" to line 5a or 5b, describe in Part III.		
<b>6</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
<b>a</b> The organization?	<b>6a</b>	<input checked="" type="checkbox"/>
<b>b</b> Any related organization?	<b>6b</b>	<input checked="" type="checkbox"/>
If "Yes" to line 6a or 6b, describe in Part III.		
<b>7</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	<b>7</b>	<input checked="" type="checkbox"/>
<b>8</b> Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	<b>8</b>	<input checked="" type="checkbox"/>

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)–(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Jan Malcolm	(i)	\$224,848	\$0	\$0	\$11,242	\$7,580	\$243,670	\$0
	(ii)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Nancy Larkin	(i)	\$161,766	\$0	\$0	\$8,088	\$14,994	\$184,848	\$0
	(ii)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dr Jacalyn Kawiecki	(i)	\$156,218	\$0	\$0	\$7,811	\$3,496	\$167,525	\$0
	(ii)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Audrey Kintzi	(i)	\$138,536	\$0	\$0	\$6,927	\$12,902	\$158,365	\$0
	(ii)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

**Schedule J, Part I, Line 2 - Courage Center did not provide any benefits listed in Line 1a to officers, directors, or key employees.**

**Schedule J, Part II - The Form 990 instructions for Part VII do not require reporting of Other Compensation less than \$10,000 for the calendar year with certain listed exceptions. Schedule J does not have this exclusion. As such, Total Compensation reported on Schedule J is higher by the Nontaxable benefits excluded from Compensation in Part VII based on the instructions.**

**SCHEDULE K  
(Form 990)**

**Supplemental Information on Tax-Exempt Bonds**

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

▶ **Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**COURAGE CENTER**

Employer identification number

**41 0706118**

**Part I Bond Issues** (Required for 2008)

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
							Yes	No	Yes	No
<b>A</b>	Minneapolis Community Development Agency	41-6009115		06/30/2008	\$1,000,000	Equipment purchase		✓		✓
<b>B</b>	Minneapolis Community Development Agency	41-6009115		06/06/2006	\$950,000	Equipment purchase		✓		✓
<b>C</b>										
<b>D</b>										
<b>E</b>										

**Part II Proceeds** (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Total proceeds of issue . . . . .										
<b>2</b> Gross proceeds in reserve funds . . . . .										
<b>3</b> Proceeds in refunding or defeasance escrows . . . . .										
<b>4</b> Other unspent proceeds . . . . .										
<b>5</b> Issuance costs from proceeds . . . . .										
<b>6</b> Working capital expenditures from proceeds . . . . .										
<b>7</b> Capital expenditures from proceeds . . . . .										
<b>8</b> Year of substantial completion . . . . .										
<b>9</b> Were the bonds issued as part of a current refunding issue?										
<b>10</b> Were the bonds issued as part of an advance refunding issue? . . . . .										
<b>11</b> Has the final allocation of proceeds been made? . . . . .										
<b>12</b> Does the organization maintain adequate books and records to support the final allocation of proceeds? . . . . .										

**Part III Private Business Use** (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? . . . . .										
<b>2</b> Are there any lease arrangements with respect to the financed property which may result in private business use?										

**Part III Private Business Use** (Continued)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts with respect to the financed property which may result in private business use? . . . . .										
<b>b</b> Are there any research agreements with respect to the financed property which may result in private business use? . . . . .										
<b>c</b> Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property? . . . . .										
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		%		%		%		%		%
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . ▶		%		%		%		%		%
<b>6</b> Total of lines 4 and 5 . . . . .		%		%		%		%		%
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities? . . . . .										

**Part IV Arbitrage** (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue? . . . . .										
<b>2</b> Is the bond issue a variable rate issue? . . . . .										
<b>3a</b> Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records? . . . . .										
<b>b</b> Name of provider . . . . .										
<b>c</b> Term of hedge . . . . .										
<b>4a</b> Were gross proceeds invested in a GIC? . . . . .										
<b>b</b> Name of provider . . . . .										
<b>c</b> Term of GIC . . . . .										
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? . . . . .										
<b>5</b> Were any gross proceeds invested beyond an available temporary period? . . . . .										
<b>6</b> Did the bond issue qualify for an exception to rebate? . . . . .										

**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**NonCash Contributions**

▶ To be completed by organizations that answered "Yes"  
on Form 990, Part IV, lines 29 or 30.  
▶ Attach to Form 990.

OMB No. 1545-0047

**2008**

**Open To Public  
Inspection**

Name of the organization <b>COURAGE CENTER</b>	Employer identification number <b>41 0706118</b>
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**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art . . . . .				
2 Art—Historical treasures . . . . .				
3 Art—Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .	✓		884,161	per cubic foot fair market
6 Cars and other vehicles . . . . .	✓	2768	1,752,167	selling price of donated v
7 Boats and planes . . . . .	✓	71	90,810	selling price of donated v
8 Intellectual property . . . . .				
9 Securities—Publicly traded . . . . .	✓	15	47,449	median price on gift date
10 Securities—Closely held stock . . . . .				
11 Securities—Partnership, LLC, or trust interests . . . . .				
12 Securities—Miscellaneous . . . . .				
13 Qualified conservation contribution (historic structures) . . . . .				
14 Qualified conservation contribution (other) . . . . .				
15 Real estate—Residential . . . . .				
16 Real estate—Commercial . . . . .				
17 Real estate—Other . . . . .				
18 Collectibles . . . . .				
19 Food inventory . . . . .				
20 Drugs and medical supplies . . . . .				
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ▶ (.....)				
26 Other ▶ (.....)				
27 Other ▶ (.....)				
28 Other ▶ (.....)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . . .	29	0
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----	---

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .		✓
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? . . . . .	✓	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? . . . . .	✓	
b If "Yes," describe in Part II.		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.		



**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

**2008**

**Open to Public  
Inspection**

Name of the organization

**COURAGE CENTER**

Employer identification number

**41 | 0706118**

Form 990, Part I, Line 8 - Courage Center has a robust fundraising effort to engage the community in supporting our mission. We employ a number of fundraising methods including individual, corporate and foundation solicitation as well as direct mail. We also employ a number of fundraising methods such as Cars for Courage, Clothing for Courage and Special events which are higher cost methods of raising money. We believe these are effective ways to reach out to the broadest community to educate and involve the greatest number of people in our mission.

Form 990, Part I, Line 16b - Courage Center has three fundraising strategies where the cost to raise a dollar is over 50%. These strategies are vehicle donations, household goods collections, and special events (including dinner events and golf tournaments). Without these strategies, Courage Center's cost to raise a dollar would drop overall by 7 percentage points. We continue to operate these strategies because the net is over \$1.4 million and it gives a wide cross section of the community a chance to donate to Courage Center who would otherwise not. The total fundraising expenses would drop by over \$1 million dollars if these strategies were discontinued.

Form 990, Part III, Line 1 - Courage Center is a Minnesota-based rehabilitation and resource center that advances the lives of children and adults experiencing barriers to health and independence. At Courage Center, we specialize in treating brain injury, spinal cord injury, stroke, chronic pain, autism, and disabilities experienced since birth. Founded in 1928, Courage Center is a nonprofit organization offering advanced technologies and innovation provided in part through the efforts of thousand of volunteers and donors. Courage Center has locations in Golden Valley, Stillwater, Burnsville, Forest Lake, a sports and recreation program in Duluth, as well as two residential camps in Maple Lake and Lake George, Minnesota. Courage Center is accredited by the Joint Commission on Accreditation of Rehabilitation Facilities (CARF), and is a United Way agency.

Form 990, Part VI, Section A, Line 10 - A final copy of Form 990 was posted on Courage Center's board website prior to filing with the IRS. Form 990 was reviewed including all schedules and attachments at the Finance Committee meeting on July 28, 2010. Courage Center's CFO presented a high level overview of the form at the Board Meeting on July 29, 2010. These reviews included time for questions from board members.

Form 990, Part VI, Section B, Line 12c - Courage Center has a conflict of interest policy covering all board members, officers, directors and key employees. Courage Center requires board members, officers, and key employees to review and sign a conflict of interest disclosure questionnaire at least annually. This process is overseen by the Legal Compliance Committee of the Board. The committee reports regularly to the board. If a conflict arises, the officer, board member or key employee involved is required to recuse themselves from the specific conflict issue, including deliberations and decision making. An officer or board member would be removed from the board if conflicts rise to the level of rendering the officer or director ineffective. All employees receive and are expected to follow a code of conduct which provides guidance on avoiding and resolving potential conflicts of interest. Courage Center maintains a 24 hour anonymous Compliance hotline to collect and respond to ethical and legal concerns of staff and customers.

Form 990, Part VI, Section B, Line 15 - The Executive Committee of the Courage Center Board of Directors is responsible for the organization's executive compensation and benefit program. Courage Center uses a process for determining compensation for the CEO, COO, CFO, Chief Development Officer, Medical Director, Senior Director of Finance, VP of HR and Neuro-Psychologist which includes the following: use of data from market surveys to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations, consultation with an independent compensation consultant as needed or directed, and review and approval by the executive committee of the Board of Directors. Annually the following process is used to determine salary adjustments: formal review of the organizations past year's performance related to goals and outcomes over the

**Supplemental Information (Continued)**

previous fiscal year is completed with the executive committee and the CEO, and salary increases are determined based on the organization's ability to pay, performance in job, budgeted merit increases and/or a market adjustment.

Form 990, Part VI, Section C, Line 19 - Courage Center provides copies of Form 990 and related schedules and attachments, audited financial statements, and IRS determination letter upon request. Courage Center also provides copies of this documentation, as well as a copy of the Conflict of Interest policy at [www.guidestar.org](http://www.guidestar.org).

Form 990, Part VIII, Line 8c - The fair market value for the vehicle donations and household goods donations (Gift in Kind contributions) are reported on line 1f as contributions totalling over \$2,700,000. According to the instructions for Line 8a, the sale of these goods (auction) are also reflected on line 8 as a fundraising event. The sale amount is reported on line 8a, \$2,729,294. The cost of sales, fair market value of the item plus costs associated with that sale, are reported on line 8b-fundraising events direct expenses, \$3,660,106. This results in a loss on line 8c for vehicle/household goods donation sales of \$930,812. The remainder of the loss on line 8c represents the net cost to operate dinner and other fundraising events. See Schedule G for further breakdown of these events.

Schedule R, Part V, Line 1c - Courage Foundation Inc 41-6032463, is a supporting organization to Courage Center. For tax year 2008, Courage Foundation supported Courage Center's operations \$2,707,640.

Schedule R, Part V, Line 1k - Courage Foundation Inc 41-6032463 is a supporting organization to Courage Center. The fundraising employees paid by Courage Center also support Courage Foundation fundraising efforts.

**First Program Service Accomplishments**

Activity Code	Description	Expense	Grants	Revenue
	<p>Rehabilitation Services: Courage Center Golden Valley serves both adults and children and is Courage Center's largest, full service site. Courage Center Burnsville serves mainly pediatric clients with physical disabilities, autism, and or sensory challenges. Innovative services include functional electrical stimulation devices, including FES bikes and Bioness for upper and lower extremities. Interactive Metronome's repetitive challenge and technology is adapted for both children and adults in innovative routines customized to the client for maximum effect. The Interactive Metronome Gait Mate, now available at all four Courage Center locations, focuses on improving a person's walking pattern. Courage Center's Physicians' Clinic, staffed by Courage Center Physician Associates, is lead by Courage Center medical director Jackie Kawiecki, M.D. Courage Center physicians now provide clients with consultation and treatment at all four Courage Center clinical sites. Expansion of physician services includes a new outpatient spasticity clinic providing comprehensive evaluations and treatment of spasticity; treatment plans are customized for each client and reflect an interdisciplinary approach. Reflecting the evolving needs of its most complex clients and the changing health care funding landscape, the physician group has launched a primary care model, a Health Care Home, to provide comprehensive, continuous care for clients with disabilities and complex, chronic health conditions. Courage Center's Chronic Pain Rehabilitation Program remains the only inpatient service of its type and enjoys a deserved reputation for effectiveness in the region. The program is a comprehensive three-week multidisciplinary program for individuals, who in spite of undergoing standard medical treatment, continue to remain disabled with chronic pain. At Courage Center Burnsville, an innovative program of Intensive Therapy has been introduced for children with neurological disorders. The program, requiring a multi-week intensive, focuses on the physiology of exercise and is especially helpful for clients with cerebral palsy, traumatic brain injury or developmental delay. Intensive Therapy uses the TheraSuit Method® and focuses on strengthening and core stability. Continued success with the outcome of staff training in Mind Body techniques (decreased job stress, improved quality of life and job satisfaction, increased commitment to their professions and to Courage Center) resulted in expanded training of Courage Center clinical teams, with planning continuing for future integration into client programming. The Community Reintegration Program is a medically prescribed outpatient service assisting adults with mild to moderate brain injury to learn the necessary skills for independence, safety and employment. Mental health and behavior services offer clients and families counseling, behavior management skills training, psychiatric services, and neuropsychological assessment. Courage Center staff submitted a grant proposal to the Dana and Christopher Reeve Foundation requesting that Courage Center be a site for the Reeve Foundation's intensive therapy system for those with spinal cord injuries. The program includes participation in a national, longitudinal study at multiple sites tracking the progress of participating clients as they gain greater strength and mobility. Courage Center received word that their grant proposal was accepted and this breakthrough programming is planned for Courage Center Golden Valley with staff attending a national training conference in preparation. Courage Center St. Croix, Stillwater, is a state of the art adult and pediatric rehabilitation center established in 1988. Clients from both Minnesota and Wisconsin receive physical, occupational and/or speech therapy; warm water pool therapy, and participate in an accessible fitness and wellness center. A multi-year discussion with the area's school officials will result in a new education center, sharing programming with Courage Center and allowing for improved use of Courage Center St. Croix's physical space. Courage Center Forest Lake serves both adults and children. At Forest Lake, Stiwell Med4 is a new addition to our functional electrical stimulation rehabilitation therapy tools. Courage Center Forest Lake is the first clinic in the nation to offer this technology for people with stroke, brain injury, spinal cord injury and other motor control problems; the device can be used with children, teens and adults.</p>	\$21,806,061	\$0	\$20,086,559

**Second Program Service Accomplishments**

Activity Code	Description	Expense	Grants	Revenue
	<p>Transitional Rehabilitation Program: Courage Center's inpatient Transitional Rehabilitation Program (TRO) serves individuals with spinal cord injuries, brain injuries and stroke, as well as people with congenital disabilities such as spina bifida, cerebral palsy, muscular dystrophy and other neuromuscular conditions such as multiple sclerosis or Guillian-Barre. The average age of Courage Center's TRP residents was 48, and ranged from 17 to 76. We had 171 clients in the program in 2009, of which 160 were discharged to the community; length of stay averaged less than three months. Program staff partner with participants in creating an individualized, goal-focused rehabilitation program. Clients have access to all Courage Center programs and services based on their individual needs and interests. Through active participation in therapies and activities of daily living, individuals are challenged to demonstrate personal responsibility and gain greater independence. Client satisfaction with TRP services reflects over 96% satisfaction with "discharge planning and nursing staff," and 94% satisfaction with "expertise of therapist." Clients reported 98% satisfaction with "feeling safe and respected," and 94% of clients felt satisfied with their experience overall. In addition, 92% would recommend the Transitional Rehabilitation program to others.</p>	\$6,324,970	\$0	\$5,641,453

**Third Program Service Accomplishments**

Activity Code	Description	Expense	Grants	Revenue
	<p>Vocational and community based services: Employment is a serious issue for persons with disabilities. In 2009, 8.4% of working age adults had a disability. At that time, the employment rate of working-age persons with disabilities was 16.8%. In comparison, at the same time, the employment rate of working age people without disabilities was 76.5%. And, with the downturn in the economy, employment for individuals with disabilities has become even more challenging. Vocational Services assists people develop career plans based on their unique abilities, interests and limitations. The staff identifies assistive technologies needed to help clients succeed in work or school. Our vocational experts assist in developing an individual vocational plan and identifying any assistive technologies needed for success in school or the workplace. We provide training to develop office- and job-related skills, and to help build self-esteem. We also offer employment services to help with finding and keeping a job. Programming includes vocational evaluation; work readiness; assistive technology assessment; office skills assessment and training; job placement; and job retention. Because of the downturn in the economy, only 16 clients were placed in 2009; an additional 51 clients were served in supported employment, receiving coaching and other employment retention services.</p> <p>Community-based programs: Independence includes having responsibility and control of the choices made in life. Courage Center's Independent Living Skills (ILS) program strengthens clients' skills in managing their own affairs, including day to day life in the community, on the job and with family and friends. Clients number more than 450 and experience a range of disabilities, including cognitive limitations and mental illness. An Independent Living Skills specialist meets clients in their homes or other locations to provide education, training and support until all goals are met. These specialists are knowledgeable about a variety of community resources and are experts at teaching clients how to advocate for themselves. Services available through ILS include health management, household management and organization, meal planning, grocery shopping and cooking, memory compensation strategies, problem solving assistance, safety and self defense, time management, transportation resources, and funding.</p> <p>Outcome data supports that for each year clients are in the Independent Living Skills Program, their participation in community activity increases, they move toward affordable, accessible, supported housing, and report improved quality of life. Adult Rehabilitative Mental Health Services (ARMHS) is a rehabilitative program for persons who have a mental health diagnosis along with their brain injury or other physical disability and could benefit from services to regain skills related to independent living, involvement in the community or managing their mental health. ARMHS services also can be very helpful in keeping skills that have been regained. An ARMHS specialist meets clients in their homes and/or other locations to provide skills training and support until all goals are met. The time spent with the specialist varies from client to client, and typically decreases as personal goals are achieved. Drivers Assessment and Training provides assessments for clients with disabilities or concerns related to aging or illness. Assessments include vision, reaction time, memory, problem solving, body strength and coordination, and cognitive skills. Drivers training offers personalized behind-the-wheel instruction; adapted vehicles are available for instruction.</p>	\$3,337,014	\$0	\$3,011,538

Other Program Services Accomplishments

Activity Code	Description	Expense	Grants	Revenue
	<p>Camping: For more than 55 years, Courage Center Camps have provided camping programs for people of all ages and all physical abilities. Courage Center Camps are accredited by the American Camp Association and have met or exceeded camping industry standards for excellence in programs, staff and facilities for more than 35 years. The Courage Center Camps experience facilitates the development of personal strengths, such as self esteem, honesty, responsibility and feeling in control of one's life. Campers also have opportunities for social interactions, including friendship, positive peer and adult role models, and learning to resolve conflicts peacefully and feel valued by others. In 2009, 89% of campers reported they had built skills in the areas of friendship, 70% in independence and 89% in competence. Camp Courage lies on 305 acres of beautiful lakeshore, woods and fields near Maple Lake, MN (about 50 miles west of the Twin Cities). Camp Courage North is set amid 105 acres of towering pines on Lake George, near Itasca State Park in northern Minnesota. Courage North offers sessions for adults and teens in accessible cabins and facilities. Camp programming underwent major changes this past year to better accommodate today's camper and family, including weekend family and caregiver sessions for campers who wish to bring their own attendants; redesigned session for youth with communications disorders; a new teen leadership camp and three adult adventure trips. We also provide camps in partnership with other organizations, such as the American Lung Association and the MS Society. Our amateur ham radio camp, run by the Handi Hams programs, is nationally recognized.</p>	\$2,271,070	\$0	\$967,944
	<p>Education, General/Other: Social media arrived at Courage Center in 2009. Courage Center's public website, blogs, eNewsletters, Facebook fan pages, YouTube videos and "tweets" via Twitter are now integrated into the way we tell our story, and showcase our programs, services and events. One example of the new social media methods is "Give to the Max Day." A new fundraising website, GiveMN.org, launched on Nov. 17, 2009 and devoted the day to nonprofit fundraising, with a percentage of all money raised being eligible for matching funds and no processing fees. Courage Center's online campaign that day resulted in 271 donors giving nearly \$72,000 in 24 hours. GiveMN.org and Courage Center's website - ww.CourageCenter.org - gives donors an easy, 24-hour, seven-day-a-week option for giving. Courage Center's volunteers number nearly 2,500 and provide hours and services equivalent to more than 40 full time equivalents. Volunteers help children on horseback, teach golf, skiing and all kinds of sports, and provide clerical support and direct public contact through front desk work or tours.</p>	\$1,307,993	\$0	\$693,364
	<p>Sports &amp; Recreation: Courage Center is a nationally recognized center for adapted sports and recreation with programs in the Twin Cities and Duluth. Many of our wheelchair sports teams are national champs (power soccer, wheelchair basketball) and many of our athletes and coaches are nationally and internationally recognized (Courage Center athlete has been recently featured in Sports Illustrated, were participants in the Paralympics games in Beijing, and several high school athletes were awarded collegiate athletic scholarships in their sport). Sports activities are available for just about everyone regardless of age or ability, including skiing, golfing, biking, archery, kayaking or horseback riding, as well as competitive team sports such as basketball, softball and power soccer. Courage Center's Sports and Recreation Program provides recreational opportunities to over 450 clients a year. During this reporting period, the age of participants ranged from 6 to 97 years old. Almost 50% of these participants were 11 to 20 years old. 97% of participants reported that they had fun and reached their goals. 96% of participants reported feeling better about themselves as a result of participation. Over 90% of those responding to satisfaction surveys included feeling better emotionally, having improved self-image and increased confidence as other areas impacted by participation in sports and recreation.</p>	\$969,605	\$0	\$107,163
<b>Total:</b>		<b>\$4,548,668</b>	<b>\$0</b>	<b>\$1,768,471</b>

Fundraiser Activity Information

Name	Activity	C1	Gross Receipts	Amount Or Retained By Contractor	Net To Organization
Strategic Fundraising Inc	Strategic Fundraising Inc plans, No develops and conducts outbound tele-fundraising campaigns for Courage Center. The campaigns include current, lapsed, and prospective donors.		\$295,191	\$220,024	\$75,167
Apogee Retail LLC	Apogee Retail LLC provides pick up and handling for clothing and household goods donated to Courage Center. Apogee pays Courage Center based on the cubic feet of items donated. Courage Center calculates a professional fundraising fee for Form 990 based on the fair market value of the items donated less the amount Courage Center receives. Apogee controls the pick up and disposal of these donated items.		\$884,161	\$75,631	\$808,530
<b>Total:</b>			<b>\$1,179,352</b>	<b>\$295,655</b>	<b>\$883,697</b>

C1 = Fundraiser control of funds?

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No. 1545-0047

**2008**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

- ▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
- ▶ See separate instructions.

Name of the organization  
**COURAGE CENTER**

Employer identification number  
**41 | 0706118**

**Part I Identification of Disregarded Entities**

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

**Part II Identification of Related Tax-Exempt Organizations**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
<b>Courage Foundation Inc, 3915 Golden Valley Road, Golden Valley, MN 55364, 41-6032463</b>	<b>Support Courage Center</b>	<b>MN</b>	<b>501(c)(3)</b>	<b>ine 11C Typelll-F</b>	<b>N/A</b>
<b>King Courage Trust 25291160, PO Box 64713, Trust Tax Services, Saint Paul, MN 55164-0713, 41-6296241</b>	<b>provide general support for the</b>	<b>MN</b>	<b>501(c)(3)</b>	<b>ine 11d Type III-O</b>	<b>N/A</b>

**Part III Identification of Related Organizations Taxable as a Partnership**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations?		(I) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner?	
							Yes	No		Yes	No
Axis Healthcare LLC, 2356 University Ave West Suite	Axis was created to	MN	N/A	Related	\$45,698	\$676,973		✓	\$0		✓
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**Part IV Identification of Related Organizations Taxable as a Corporation or Trust**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
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**Part V Transactions With Related Organizations**

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV.

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity . . . . .
- b** Gift, grant, or capital contribution to other organization(s) . . . . .
- c** Gift, grant, or capital contribution from other organization(s) . . . . .
- d** Loans or loan guarantees to or for other organization(s) . . . . .
- e** Loans or loan guarantees by other organization(s) . . . . .
  
- f** Sale of assets to other organization(s) . . . . .
- g** Purchase of assets from other organization(s) . . . . .
- h** Exchange of assets . . . . .
- i** Lease of facilities, equipment, or other assets to other organization(s) . . . . .
  
- j** Lease of facilities, equipment, or other assets from other organization(s) . . . . .
- k** Performance of services or membership or fundraising solicitations for other organization(s) . . . . .
- l** Performance of services or membership or fundraising solicitations by other organization(s) . . . . .
- m** Sharing of facilities, equipment, mailing lists, or other assets . . . . .
- n** Sharing of paid employees . . . . .
  
- o** Reimbursement paid to other organization for expenses . . . . .
- p** Reimbursement paid by other organization for expenses . . . . .
  
- q** Other transfer of cash or property to other organization(s) . . . . .
- r** Other transfer of cash or property from other organization(s) . . . . .

	Yes	No
<b>1a</b>		✓
<b>1b</b>		✓
<b>1c</b>	✓	
<b>1d</b>		✓
<b>1e</b>		✓
<b>1f</b>		✓
<b>1g</b>		✓
<b>1h</b>		✓
<b>1i</b>		✓
<b>1j</b>		✓
<b>1k</b>	✓	
<b>1l</b>		✓
<b>1m</b>	✓	
<b>1n</b>		✓
<b>1o</b>		✓
<b>1p</b>		✓
<b>1q</b>		✓
<b>1r</b>		✓

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1)	Courage Foundation Inc	c	\$2,707,640
(2)	Courage Foundation Inc	k	\$621,000
(3)			
(4)			
(5)			
(6)			

