

Form **990**

Department of the Treasury  
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

**2006**

Open to Public Inspection

A For the 2006 calendar year, or tax year beginning 01-01-2006 and ending 12-31-2006

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Final return

☐ Amended return

☐ Application pending

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

C Name of organization  
CHALLENGE UNLIMITED INC

Number and street (or P O box if mail is not delivered to street address)Room/suite  
450 LOWELL ST

City or town, state or country, and ZIP + 4  
ANDOVER, MA 01810

D Employer identification number  
22-2478997

E Telephone number  
(978) 475-4056

F Accounting method ☐ Cash ☒ Accrual  
☐ Other (specify)

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

G Web site: WWWCHALLENGEUNLIMITEDORG

J Organization type (check only one) ☒ ☒ 501(c) (3) (insert no ) ☐ 4947(a)(1) or ☐ 527

K Check here ☐ if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than 25,000 A return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 1,275,807

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) If "Yes" enter number of affiliates

H(c) Are all affiliates included? ☐ Yes ☐ No  
(If "No," attach a list See instructions )

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number

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

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)											
Revenue	1	Contributions, gifts, grants, and similar amounts received									
	a	Contributions to donor advised funds . . . . .				1a					
	b	Direct public support (not included on line 1a) . . . .				1b	716,582				
	c	Indirect public support (not included on line 1a) . . . . .				1c					
	d	Government contributions (grants) (not included on line 1a)				1d					
	e	Total (add lines 1a through 1d) (cash \$ 693,290 noncash \$ 23,292 )						1e	716,582		
	2	Program service revenue including government fees and contracts (from Part VII, line 93) .						2	472,846		
	3	Membership dues and assessments . . . . .						3			
	4	Interest on savings and temporary cash investments . . . . .						4	2,133		
	5	Dividends and interest from securities . . . . .						5			
	6a	Gross rents . . . . .				6a					
	b	Less rental expenses . . . . .				6b					
	c	Net rental income or (loss) subtract line 6b from line 6a . . . . .						6c			
	7	Other investment income (describe ) . . . . .						7			
	8a	Gross amount from sales of assets		(A) Securities			(B) Other				
Expenses		other than inventory . . . . .		8,615		8a					
	b	Less cost or other basis and sales expenses		8,796		8b					
	c	Gain or (loss) (attach schedule) . . . . .		-181		8c					
	d	Net gain or (loss) Combine line 8c, columns (A) and (B) . . . . .						8d	-181		
	9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>									
	a	Gross revenue (not including \$ of contributions reported on line 1b) <input checked="" type="checkbox"/> . . . . .				9a	68,631				
	b	Less direct expenses other than fundraising expenses . . .				9b	42,009				
	c	Net income or (loss) from special events Subtract line 9b from line 9a . . . . .						9c	26,622		
	10a	Gross sales of inventory, less returns and allowances . . . .				10a					
	b	Less cost of goods sold . . . . .				10b					
	c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a . . . . .						10c			
	11	Other revenue (from Part VII, line 103) . . . . .						11	7,000		
	12	Total revenue Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11 . . . . .						12	1,225,002		
	13	Program services (from line 44, column (B)) . . . . .						13	728,774		
	14	Management and general (from line 44, column (C)) . . . . .						14	77,722		
Net Assets	15	Fundraising (from line 44, column (D)) . . . . .						15	86,064		
	16	Payments to affiliates (attach schedule) . . . . .						16			
	17	Total expenses Add lines 16 and 44, column (A) . . . . .						17	892,560		
	18	Excess or (deficit) for the year Subtract line 17 from line 12 . . . . .						18	332,442		
	19	Net assets or fund balances at beginning of year (from line 73, column (A)) . . . . .						19	1,428,955		
	20	Other changes in net assets or fund balances (attach explanation) <input checked="" type="checkbox"/> . . . . .						20	53		
	21	Net assets or fund balances at end of year Combine lines 18, 19, and 20 . . . . .						21	1,761,450		

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

Cat No 11282Y

Form 990 (2006)

Part II

Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.			(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach Schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22b	Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b				
23	Specific assistance to individuals (attach schedule)	23				
24	Benefits paid to or for members (attach schedule)	24				
25a	Compensation of current officers, directors, key employees etc. Listed in Part V-A (attach schedule) <input type="checkbox"/>	25a	33,686	11,229	11,229	11,228
b	Compensation of former officers, directors, key employees etc. listed in Part V-B (attach schedule)	25b				
c	Compensation and other distributions not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c				
26	Salaries and wages of employees not included on lines 25a, b and c	26	375,072	324,709	21,392	28,971
27	Pension plan contributions not included on lines 25a, b and c	27				
28	Employee benefits not included on lines 25a - 27	28	30,022	25,576	1,080	3,366
29	Payroll taxes	29	38,926	31,530	2,336	5,060
30	Professional fundraising fees	30				
31	Accounting fees	31	6,000		6,000	
32	Legal fees	32	4,999		4,999	
33	Supplies	33				
34	Telephone	34	5,573	5,573		
35	Postage and shipping	35				
36	Occupancy	36				
37	Equipment rental and maintenance	37	8,223	4,655	1,168	2,400
38	Printing and publications	38				
39	Travel	39				
40	Conferences, conventions, and meetings	40				
41	Interest	41	107,028	107,028		
42	Depreciation, depletion, etc. (attach schedule) <input type="checkbox"/>	42	55,287	49,163	6,124	
43	Other expenses not covered above (itemize)					
a	See Additional Data Table	43a				
b		43b				
c		43c				
d		43d				
e		43e				
f		43f				
g		43g				
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	892,560	728,774	77,722	86,064

**Joint Costs.** Check ☐ if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in **(B) Program services**? ☐ **Yes** ☐ **No**






If "Yes," enter **(i)** the aggregate amount of these joint costs \$ \_\_\_\_\_, **(ii)** the amount allocated to Program services \$ \_\_\_\_\_, **(iii)** the amount allocated to Management and general \$ \_\_\_\_\_, and **(iv)** the amount allocated to Fundraising \$ \_\_\_\_\_

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

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

<p>What is the organization's primary exempt purpose? ► <u>PHYSICAL &amp; OTHER THERAPY SERVICES</u></p> <p>All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)</p>	<p><b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others.)</p>
<p><b>a</b> PROVIDE EFFECTIVE THERAPY FOR INDIVIDUALS WITH PHYSICAL, COGNITIVE &amp; EMOTIONAL DISABILITIES</p> <p>(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	728,774
<p><b>b</b></p> <p>(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p><b>c</b></p> <p>(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p><b>d</b></p> <p>(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p><b>e</b> Other program services (attach schedule) (Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p><b>f</b> <b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) . . . . ►</p>	728,774

Part IV Balance Sheets (See the instructions.)

<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.			(A) Beginning of year		(B) End of year		
Assets	45	Cash—non-interest-bearing . . . . .		228,381	45	104,943	
	46	Savings and temporary cash investments . . . . .			46		
	47a	Accounts receivable . . . . .	47a	25,950			
	b	Less allowance for doubtful accounts	47b	13,000	35,630	47c	12,950
	48a	Pledges receivable . . . . .	48a	58,685			
	b	Less allowance for doubtful accounts	48b		25,989	48c	58,685
	49	Grants receivable . . . . .				49	
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule) . . . . .				50a	
	b	Receivables from other disqualified persons (as defined under section 4958(c)(3)(B) (attach schedule) . . . . .				50b	
	51a	Other notes and loans receivable (attach schedule) . . . . .	51a				
	b	Less allowance for doubtful accounts	51b			51c	
	52	Inventories for sale or use . . . . .				52	
	53	Prepaid expenses and deferred charges . . . . .			3,505	53	4,183
	54a	Investments—publicly-traded securities . <input type="checkbox"/> Cost <input type="checkbox"/> FMV				54a	
	b	Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV				54b	
	55a	Investments—land, buildings, and equipment basis . . . . .	55a				
	b	Less accumulated depreciation (attach schedule) . . . . .	55b			55c	
56	Investments—other (attach schedule) . . . . .				56	 1,080	
57a	Land, buildings, and equipment basis	57a	3,299,893				
b	Less accumulated depreciation (attach schedule) . . . . .	57b	332,144	2,998,411	57c	 2,967,749	
58	Other assets, including program-related investments (describe <input type="checkbox"/> _____ )			11,585	58	 615,036	
59	<b>Total assets</b> (must equal line 74) Add lines 45 through 58 . . . .			3,303,501	59	3,764,626	
Liabilities	60	Accounts payable and accrued expenses . . . . .		146,466	60	239,055	
	61	Grants payable . . . . .			61		
	62	Deferred revenue . . . . .		46,056	62	38,666	
	63	Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .			63		
	64a	Tax-exempt bond liabilities (attach schedule) . . . . .			64a		
	b	Mortgages and other notes payable (attach schedule) . . . . .		1,682,024	64b	 1,664,366	
	65	Other liabilities (describe <input type="checkbox"/> _____ )				65	 61,089
66	<b>Total liabilities</b> Add lines 60 through 65 . . . . .			1,874,546	66	2,003,176	
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74</b>						
	67	Unrestricted . . . . .		1,090,516	67	1,667,441	
	68	Temporarily restricted . . . . .		338,439	68	94,009	
	69	Permanently restricted . . . . .			69		
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74</b>						
	70	Capital stock, trust principal, or current funds . . . . .			70		
	71	Paid-in or capital surplus, or land, building, and equipment fund . . . .			71		
	72	Retained earnings, endowment, accumulated income, or other funds . .			72		
	73	<b>Total net assets or fund balances</b> Add lines 67 through 69 <b>or</b> lines 70 through 72 (Column (A) <b>must</b> equal line 19 and column (B) <b>must</b> equal line 21) . . . . .			1,428,955	73	1,761,450
	74	<b>Total liabilities and net assets / fund balances</b> Add lines 66 and 73 . .			3,303,501	74	3,764,626

<b>a</b>	Total revenue, gains, and other support per audited financial statements . . . . .			<b>a</b>	1,267,064
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 12				
<b>1</b>	Net unrealized gains on investments . . . . .	<b>b1</b>	53		
<b>2</b>	Donated services and use of facilities . . . . .	<b>b2</b>			
<b>3</b>	Recoveries of prior year grants . . . . .	<b>b3</b>			
<b>4</b>	Other (specify) _____	<b>b4</b>	42,009		
	Add lines <b>b1</b> through <b>b4</b> . . . . .			<b>b</b>	42,062
<b>c</b>	Subtract line <b>b</b> from line <b>a</b> . . . . .			<b>c</b>	1,225,002
<b>d</b>	Amounts included on Part I, line 12, but not on line <b>a</b>				
<b>1</b>	Investment expenses not included on Part I, line 6b . . . . .	<b>d1</b>			
<b>2</b>	Other (specify) _____	<b>d2</b>			
	Add lines <b>d1</b> and <b>d2</b> . . . . .			<b>d</b>	42,062
<b>e</b>	<b>Total revenue</b> (Part I, line 12) Add lines <b>c</b> and <b>d</b> . . . . .			<b>e</b>	1,225,002

<b>a</b>	Total expenses and losses per audited financial statements . . . . .		<b>a</b>	934,569
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 17			
<b>1</b>	Donated services and use of facilities . . . . .	<b>b1</b>		
<b>2</b>	Prior year adjustments reported on Part I, line 20 . . . . .	<b>b2</b>		
<b>3</b>	Losses reported on Part I, line 20 . . . . .	<b>b3</b>		
<b>4</b>	Other (specify) _____	<b>b4</b>	42,009	
	Add lines <b>b1</b> through <b>b4</b> . . . . .		<b>b</b>	42,009
<b>c</b>	Subtract line <b>b</b> from line <b>a</b> . . . . .		<b>c</b>	892,560
<b>d</b>	Amounts included on Part I, line 17, but not on line <b>a</b> :			
<b>1</b>	Investment expenses not included on Part I, line 6b . . . . .	<b>d1</b>		
<b>2</b>	Other (specify) _____	<b>d2</b>		
	Add lines <b>d1</b> and <b>d2</b> . . . . .		<b>d</b>	
<b>e</b>	<b>Total expenses</b> (Part I, line 17) Add lines <b>c</b> and <b>d</b> . . . . .		<b>e</b>	892,560

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
See Additional Data Table				

Part V-A		Current Officers, Directors, Trustees, and Key Employees <i>(continued)</i>		Yes	No
75a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings . . . . .	16			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) .	75b	Yes		
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization" . . . . . If "Yes," attach a statement that includes the information described in the instructions	75c			No
d	Does the organization have a written conflict of interest policy? . . . . .	75d			No

Part V-B

Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (If not paid enter -0- )	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances

Part VI		Other Information <i>(See the instructions.)</i>		Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change . . . . .	76			No
77	Were any changes made in the organizing or governing documents but not reported to the IRS? . . . . If "Yes," attach a conformed copy of the changes	77			No
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . .	78a			No
b	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? . . . . .	78b			
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . . . . .	79			No
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc , to any other exempt or nonexempt organization? . . . . .	80a			No
b	If "Yes," enter the name of the organization ► _____ _____and check whether it is <input type="checkbox"/> exempt <b>or</b> <input type="checkbox"/> nonexempt				
81a	Enter direct or indirect political expenditures (See line 81 instructions ) . . . . 81a _____	81b			No
b	Did the organization file <b>Form 1120-POL</b> for this year? . . . . .	81b			No

Part VI

Other Information (continued)

Yes

No

82a

Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?

82a

No

b

If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)

82b

83a

Did the organization comply with the public inspection requirements for returns and exemption applications?

83a

Yes

b

Did the organization comply with the disclosure requirements relating to quid pro quo contributions?

83b

Yes

84a

Did the organization solicit any contributions or gifts that were not tax deductible?

84a

No

b

If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?

84b

85

501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?

85a

b

Did the organization make only in-house lobbying expenditures of \$2,000 or less?

85b

If "Yes," was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed the prior year.

c

Dues assessments, and similar amounts from members

85c

d

Section 162(e) lobbying and political expenditures

85d

e

Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices

85e

f

Taxable amount of lobbying and political expenditures (line 85d less 85e)

85f

g

Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?

85g

h

If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?

85h

86

501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12

86a

b

Gross receipts, included on line 12, for public use of club facilities

86b

87

501(c)(12) orgs. Enter a Gross income from members or shareholders

87a

b

Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)

87b

88a

At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX.

88a

No

b

At any time during the year, did the organization directly or indirectly own a controlled entity within the meaning of section 512(b)(13)? If yes, complete Part XI.

88b

No

89a

501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under section 4911 0, section 4912 0, section 4955 0

b

501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction.

89b

No

c

Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0

d

Enter Amount of tax on line 89c, above, reimbursed by the organization

e

All organizations. At any time during the tax year was the organization a party to a prohibited tax shelter transaction?

89e

No

f

All organizations. Did the organization acquire direct or indirect interest in any applicable insurance contract?

89f

No

g

For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?

89g

No

90a

List the states with which a copy of this return is filed MA

b

Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)

90b

23

91a

The books are in care of MARY E OBRIEN, EXECUTIVE DIRECTOR Telephone no (978) 475-4056

450 LOWELL ST

Located at ANDOVER, MA ZIP + 4 01810

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)?

91b

No

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>Part VI</b> Other Information <i>(continued)</i>		Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the United States?		91c	No
If "Yes," enter the name of the foreign country ▶ _____			
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of <b>Form 1041</b> —Check here . . . . . ▶		┐	
and enter the amount of tax-exempt interest received or accrued during the tax year . . . . ▶		92	

Part VII

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

<b>Note:</b> Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
		(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93	Program service revenue					
a	Instruction Revenue					472,631
b	Management Fees					215
c						
d						
e						
f	Medicare/Medicaid payments . . . . .					
g	Fees and contracts from government agencies					
94	Membership dues and assessments . . . .					
95	Interest on savings and temporary cash investments			14	2,133	
96	Dividends and interest from securities . . .					
97	Net rental income or (loss) from real estate					
a	debt-financed property . . . . .					
b	non debt-financed property . . . . .					
98	Net rental income or (loss) from personal property					
99	Other investment income . . . . .					
100	Gain or (loss) from sales of assets other than inventory			18	-181	
101	Net income or (loss) from special events . .					26,622
102	Gross profit or (loss) from sales of inventory					
103	Other revenue a RECOVERY OF BAD DEBT					7,000
b						
c						
d						
e						
104	Subtotal (add columns (B), (D), and (E)) . .				1,952	506,468
105	Total (add line 104, columns (B), (D), and (E)) . . . . . ▶					508,420

**Note:** Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII

Relationship of Activities to the Accomplishment of Exempt Purposes *(See the instructions.)*

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	RIDING LESSONS PROVIDED TO HANDICAPPED CHILDREN AND MENTALLY AND
93A	PHYSICALLY HANDICAPPED ADULTS
93B	MANAGEMENT SERVICES PROVIDED TO IRONSTONE THERAPY
101	FUNDRAISING TO SUPPORT PROGRAM SERVICES

Part IX

Information Regarding Taxable Subsidiaries and Disregarded Entities *(See the instructions.)*

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X

Information Regarding Transfers Associated with Personal Benefit Contracts *(See the instructions.)*

(a)	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .	Yes	Yes	No
(b)	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .	Yes	Yes	No
<b>NOTE:</b> If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).				

Part XI

Information Regarding Transfers To and From Controlled Entities

Complete only if the organization is a controlling organization as defined in section 512(b)(13)

106	Did the reporting organization <b>make</b> any transfers <b>to</b> a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity	Yes	No

	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
Totals				

107	Did the reporting organization <b>receive</b> any transfers <b>from</b> a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity	Yes	No

	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
Totals				

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

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.		
	*****	2007-05-01	
	Signature of officer		
	MARY E O'BRIEN EXECUTIVE DIRECTOR		
	Type or print name and title		

Paid Preparer's Use Only	Preparer's signature	Raymond L Anstiss Jr	Date	2007-05-01	Check if self-employed	<input checked="" type="checkbox"/>	Preparer's SSN or PTIN (See Gen Inst W)	
	Firm's name (or yours if self-employed), address, and ZIP + 4						EIN	
	Anstiss & Co PC							
	21 George Street						Phone no	(978) 452-2500
	Lowell, MA 01852							

SCHEDULE A  
(Form 990 or 990EZ)

Department of the  
Treasury  
Internal Revenue  
Service

Name of the organization  
CHALLENGE UNLIMITED INC

Organization Exempt Under Section 501(c)(3)  
(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or 4947(a)(1) Nonexempt Charitable Trust  
Supplementary Information—(See separate instructions.)

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

OMB No 1545-0047

2006

Employer identification number

22-2478997

Part I

Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees  
(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over \$50,000				

Part II-A

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services		

Part II-B

Compensation of the Five Highest Paid Independent Contractors for Other Services  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None". See page 2 for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services		

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

**Yes** **No**

<b>1</b>	During the year, has the organization attempted to influence national, state, or local legislation, include any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ►\$ _____(Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B )	<b>1</b>		No
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities			
<b>2</b>	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) 📎			
<b>a</b>	Sale, exchange, or leasing property?	<b>2a</b>		No
<b>b</b>	Lending of money or other extension of credit?	<b>2b</b>	Yes	
<b>c</b>	Furnishing of goods, services, or facilities?	<b>2c</b>		No
<b>d</b>	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? 📎	<b>2d</b>	Yes	
<b>e</b>	Transfer of any part of its income or assets?	<b>2e</b>		No
<b>3a</b>	Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments )	<b>3a</b>		No
<b>b</b>	Did the organization have a section 403(b) annuity plan for its employees?	<b>3b</b>	Yes	
<b>c</b>	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment , historic land areas or structures? If "Yes" attach a detailed statement	<b>3c</b>		No
<b>d</b>	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	<b>3d</b>		No
<b>4a</b>	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g	<b>4a</b>		No
<b>b</b>	Did the organization make any taxable distributions under section 4966?	<b>4b</b>		No
<b>c</b>	Did the organization make a distribution to a donor, donor advisor, or related person?	<b>4c</b>		No
<b>d</b>	Enter the total number of donor advised funds owned at the end of the tax year	►	0	
<b>e</b>	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	►	0	
<b>f</b>	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts	►	0	
<b>g</b>	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year	►	0	

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

I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box )

- 5

☐

A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6

☐

A school Section 170(b)(1)(A)(ii) (Also complete Part V )
- 7

☐

A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8

☐

A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9

☐

A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state** ▶
- 10

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b

☐

A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12

☒

An organization that normally receives **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions—subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A )
- 13

☐

An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization
- ☐ Type I

☐ Type II

☐ Type III - Functionally Integrated

☐ Type III - Other

Provide the following information about the supported organizations. (see page 7 of the instructions.)					
(a) Name(s) of supported organization(s)	(b) Employer identification number	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support?
			Yes	No	
Total ▶					

- 14

☐

An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 of the instructions )

Part IV-A Support Schedule

(Complete only if you checked a box on line 10, 11, or 12 ) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28 )	159,281	232,333	62,867	104,199	558,680
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc , purpose	669,923	556,480	640,720	580,820	2,447,943
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	2,815	1,817	420	1,375	6,427
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	832,019	790,630	704,007	686,394	3,013,050
24 Line 23 minus line 17	162,096	234,150	63,287	105,574	565,107
25 Enter 1% of line 23	8,320	7,906	7,040	6,864	
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24			26a	
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts				26b	0
c Total support for section 509(a)(1) test Enter line 24, column (e)				26c	
d Add Amounts from column (e) for lines 18 19 22 26b				26d	
e Public support (line 26c minus line 26d total)				26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				26f	
27 Organizations described on line 12:	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person "				
Do not file this list with your return. Enter the sum of such amounts for each year					
(2005) 39,143(2004) 16,250(2003) 3,000(2002)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals ) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year					
(2005) 138,247(2004) 140,333(2003) 78,083(2002) 3,333					
c Add Amounts from column (e) for lines 15 16 17 20 21	558,680 0 2,447,943 0			27c	3,006,623
d Add Line 27a total 58,393 and line 27b total 359,996				27d	418,389
e Public support (line 27c total minus line 27d total)				27e	2,588,234
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)	27f	3,013,050			
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	8590 08 %			
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	21 33 %			
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return. Do not include these grants in line 15					


Part V Private School Questionnaire (See page 7 of the instructions.)


(To be completed ONLY by schools that checked the box on line 6 in Part IV)

29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		Yes	No
		29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?			
		30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement )			
		31		
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )			
33	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )			
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	If you answered "Yes" to either 34a or b, please explain using an attached statement			
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A

Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.)  
(To be completed ONLY by an eligible organization that filed Form 5768)


Check  a ☐ if the organization belongs to an affiliated group

Check  b ☐ if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term "expenditures" means amounts paid or incurred )			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount Enter the amount from the following table— <div><div>If the amount on line 40 is—</div><div>The lobbying nontaxable amount is—</div><div>Not over \$500,00020% of the amount on line 40</div><div>Over \$500,000 but not over \$1,000,000\$100,000 plus 15% of the excess over \$500,000</div><div>Over \$1,000,000 but not over \$1,500,000\$175,000 plus 10% of the excess over \$1,000,000</div><div>Over \$1,500,000 but not over \$17,000,000\$225,000 plus 5% of the excess over \$1,500,000</div><div>Over \$17,000,000\$1,000,000</div></div>	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.			

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below  
See the instructions for lines 45 through 50 on page 13 of the instructions )

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B

Lobbying Activity by Nonelecting Public Charities  
(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			
If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities			

### Exempt Organizations (See page 13 of the instructions.)

501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

Yes	No
-----	----

- |               |  |     |
|---------------|--|-----|
| <b>51a(i)</b> |  | N o |
| <b>a(ii)</b>  |  | N o |
| <b>b(i)</b>   |  | N o |
| <b>b(ii)</b>  |  | N o |
| <b>b(iii)</b> |  | N o |
| <b>b(iv)</b>  |  | N o |
| <b>b(v)</b>   |  | N o |
| <b>b(vi)</b>  |  | N o |
| <b>c</b>      |  | N o |

<b>c</b>		No
----------	--	----

goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

[illegible]

described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

**▶** ☐ **Yes** ☒ **No**

**b** If "Yes," complete the following schedule

[illegible]

**TY 2006 Depreciation and Depletion Schedule****Name:** CHALLENGE UNLIMITED INC**EIN:** 22-2478997

<b>Asset</b>	<b>Amount</b>
Leasehold Improvements	1,426
LEASEHOLD IMPROVEMENTS	378
Parking lot lighting	319
Delpac	50
Pavement - Parking Lot	467
heatair-office	47
electricity office	21
heatair office	47
electrical work	8
heatair	37
heat and air office	2
office	6
from Walters donation(plaster)	59
office improvement	30
office improvement	10

Asset	Amount
office	16
bathroom	26
bathroom	35
officebathroom	23
bathroom	28
office improvement	40
ag build location	4
electrical work officebathroom	20
office improvement	8
floors office bathroom	35
office counters	8
office improvement	10
Mass Charitable Grant	40
Leasehold Improvements	1,730
Registered Quarter Horse - Val	388

Asset	Amount
Registered Paint - Belle	388
Registered Haflinger - Lear	388
Registered Haflinger - Brandt	388
Registered Haflinger - Halstatt	388
Registered Haflinger - Kessler	388
Registered Haflinger - Telleman	388
Registered Haflinger - Fritz	388
Registered Haflinger - Grumman	388
Registered Haflinger - Hans	388
Registered Haflinger - Konstanz	388
Registered Haflinger - Rolfe	388
1988 Massey Furguson 50 HX Backhoe-loader	714
Kubota L4200 tractor and loader	714
1988 Ford 350 4x4 Rack Body Dump w9' plow	714
1971 Ford F250 4x4 Rack Body w8' plow	714

Asset	Amount
GMC 8500 V-6 Magnum Single Axel Dump	714
Bush Hog Mower 4' 3 pt hitch	214
Grader Blade 7' 3 pt hitch	214
Land Pride 7' rake	214
Grading Rake 3pt hitch	214
Heater	400
Leasehold Improvements	123
Hayracks	40
Mosquitoe Magnet	495
Stall Frames	57
Office Equipment	800
Leasehold Improvements	58
IBM ThinkPad T21	500
PowerPoint Projector	300
12 YR OLD GELDING	1,143

Asset	Amount
John Deere SandSalt Spreader	307
PT Arena	435
Suffolk Punch Gelding - Clint	714
Equestrian Equipment	703
Tack	140
Hafflinger - Kaiser	857
6 year old gelding	571
5 Year old Gelding	571
Campagne Membership Module	483
2002 Dodge Ram	2,275
Blackbaud	632
Horse	571
40' Cargo Container	214
40' Cargo Container	214
40' Cargo Container	214

Asset	Amount
44' Box Trailer	714
Mobil Feeder - 20 Station	714
10 Jersey Barriers	357
TOA 900 Series amplifier	183
Miscellaneous Tools	500
Livestock Equipment	721
Residence Building	13,462
Barn PT Arena	11,538
HP Brio Computer	167
Doors	55
Wall for Therapy Room	47

**TY 2006 Gain/Loss from Sale of Public Securities Schedule****Name:** CHALLENGE UNLIMITED INC**EIN:** 22-2478997**Gross Sales Price:** 8,615**Basis:** 8,796**Sales Expenses:** 0**Total (net):** -181

TY 2006 Investments - Other Schedule

**Name:** CHALLENGE UNLIMITED INC

**EIN:** 22-2478997

Description	Book Value	Cost/FMV
AGENCY ENDOWMENT	1,080	F

**TY 2006 Land etc. Schedule****Name:** CHALLENGE UNLIMITED INC**EIN:** 22-2478997

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
Riding Equipment	2,293	2,293	0
Saddles	1,685	1,685	0
Saddles	1,228	1,228	0
Saddles	1,265	1,265	0
Computer	2,260	2,260	0
Photo Equipment	2,210	2,210	0
Fax Machine	500	500	0
Video Equipment	400	400	0
PA System	520	520	0
Leasehold Improvements	21,395	13,557	7,838
LEASEHOLD IMPROVEMENTS	5,670	3,054	2,616
COMPUTER	2,464	2,464	0
COPIER	5,100	5,100	0
CONCRETE - PT ARENA	3,203	3,203	0
Parking lot lighting	3,185	2,832	353

Category /Item	Cost/Other Basis	Accumulated Depreciation	Book Value
Delpac	500	462	38
Pavement - Parking Lot	7,000	3,347	3,653
heatair-office	1,850	328	1,522
electricity office	800	142	658
heatair office	1,850	328	1,522
electrical work	300	53	247
heatair	1,450	248	1,202
heat and air office	85	14	71
office	240	40	200
from Walters donation(plaster)	2,300	383	1,917
office improvement	1,187	198	989
office improvement	400	66	334
office	618	102	516
bathroom	1,000	165	835
bathroom	1,373	226	1,147

Category /Item	Cost/Other Basis	Accumulated Depreciation	Book Value
officebathroom	903	147	756
bathroom	1,100	176	924
office improvement	1,547	248	1,299
ag build location	175	28	147
electrical work officebathroom	800	125	675
office improvement	301	48	253
floors office bathroom	1,350	214	1,136
office counters	320	50	270
office improvement	400	62	338
chairsfiling cabinets office	1,300	1,300	0
two HP computers and one printer	3,810	3,810	0
cannon copier	3,900	3,900	0
helmet from Barbizon Light	399	399	0
Mass Charitable Grant	2,373	2,373	0
small helmets	86	86	0

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
4 sets of re	1,937	1,937	0
4 helmets	92	92	0
Leasehold Improvements	69,214	11,249	57,965
Registered Quarter Horse - Val	2,713	1,970	743
Registered Paint - Belle	2,713	1,970	743
Registered Paint - Jody	2,713	2,713	0
Registered Paint - Cody	2,713	2,713	0
Registered Paint - TJ	2,713	2,713	0
Registered Paint - Candlefire	2,713	2,713	0
GradePony - Ajax	2,713	2,713	0
GradePony - Emma	2,713	2,713	0
GradePony - Oxnard	2,713	2,713	0
GradePony - Tonka	2,713	2,713	0
Registered Haflinger - Lear	2,713	1,970	743
Registered Haflinger - Brandt	2,713	1,970	743

<b>Category /Item</b>	<b>Cost/Other Basis</b>	<b>Accumulated Depreciation</b>	<b>Book Value</b>
Registered Haflinger - Halstatt	2,713	1,970	743
Registered Haflinger - Kessler	2,713	1,970	743
Registered Haflinger - Telleman	2,713	1,970	743
Registered Haflinger - Fritz	2,713	1,970	743
Registered Haflinger - Grumman	2,713	1,970	743
Registered Haflinger - Hans	2,713	1,970	743
Registered Haflinger - Konstanz	2,713	1,970	743
Registered Haflinger - Rolfe	2,713	1,970	743
Registered Haflinger - Klagen	2,713	2,713	0
1988 Massey Furguson 50 HX Backhoe-loader	5,000	3,631	1,369
Kubota L4200 tractor and loader	5,000	3,631	1,369
1988 Ford 350 4x4 Rack Body Dump w9' plow	5,000	3,631	1,369
1971 Ford F250 4x4 Rack Body w8' plow	5,000	3,631	1,369
GMC 8500 V-6 Magnum Single Axel Dump	5,000	3,631	1,369
Bush Hog Mower 4' 3 pt hitch	1,500	1,089	411

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
Grader Blade 7' 3 pt hitch	1,500	1,089	411
Land Pride 7' rake	1,500	1,089	411
Grading Rake 3pt hitch	1,500	1,089	411
Heater	2,000	1,700	300
Leasehold Improvements	4,783	542	4,241
Hayracks	1,550	172	1,378
Mosquitoe Magnet	2,475	1,980	495
Stall Frames	2,205	241	1,964
Office Equipment	4,000	3,200	800
Leasehold Improvements	2,259	241	2,018
IBM ThinkPad T21	2,500	2,292	208
PowerPoint Projector	1,500	1,050	450
12 YR OLD GELDING	8,000	2,667	5,333
John Deere SandSalt Spreader	2,150	665	1,485
PT Arena	16,981	1,451	15,530

Category /Item	Cost/Other Basis	Accumulated Depreciation	Book Value
Suffolk Punch Gelding - Clint	5,000	2,262	2,738
Equestrian Equipment	3,513	2,167	1,346
Tack	700	478	222
Hafflinger - Kaiser	6,000	3,071	2,929
6 year old gelding	4,000	1,428	2,572
5 Year old Gelding	4,000	1,428	2,572
Campagne Membership Module	1,447	886	561
2002 Dodge Ram	17,373	2,275	15,098
Blackbaud	3,250	632	2,618
Horse	4,000	571	3,429
40' Cargo Container	1,500	1,089	411
40' Cargo Container	1,500	1,089	411
40' Cargo Container	1,500	1,089	411
44' Box Trailer	5,000	3,631	1,369
Mobil Feeder - 20 Station	5,000	3,631	1,369

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
10 Jersey Barriers	2,500	1,815	685
TOA 900 Series amplifier	1,000	1,000	0
Miscellaneous Tools	3,500	2,542	958
Livestock Equipment	5,045	3,664	1,381
Residence Building	525,000	68,991	456,009
Barn PT Arena	450,000	59,134	390,866
Land - Residence	175,000		175,000
Land - Farm	1,760,324		1,760,324
HP Brio Computer	1,666	1,666	0
Doors	2,153	296	1,857
Wall for Therapy Room	1,828	243	1,585
Giftmaker Pro	5,380	5,380	0

**TY 2006 Mortgages and Notes Payable Schedule****Name:** CHALLENGE UNLIMITED INC**EIN:** 22-2478997**Total Mortgage Amount:** 1664366

## TY 2006 Officer Compensation Schedule

**Name:** CHALLENGE UNLIMITED INC

**EIN:** 22-2478997

### MARY-ELIZABETH OBRIEN

	Compensation	EE Benefit Plans	Expense Acct
Program Services	10,349		880
Mgmt & General	10,349		880
Fundraising	10,348		880

**TY 2006 Other Assets Schedule****Name:** CHALLENGE UNLIMITED INC**EIN:** 22-2478997

Description	Beginning of Year Amount	End of Year Amount
ESCROW - REAL ESTATE TAX	2,015	1,803
CONSTRUCTION IN PROCESS	9,570	613,233

TY 2006 Other Changes in Net Assets Schedule

**Name:** CHALLENGE UNLIMITED INC

**EIN:** 22-2478997

Description	Amount
UNREALIZED GAINLOSS ON INVESTMENTS	53

TY 2006 Other Expenses Included Schedule

**Name:** CHALLENGE UNLIMITED INC

**EIN:** 22-2478997

Description	Amount
DIRECT FUNDRAISING COSTS	42,009

TY 2006 Other Liabilities Schedule

**Name:** CHALLENGE UNLIMITED INC

**EIN:** 22-2478997

Description	Beginning of Year Amount	End of Year Amount
LINE OF CREDIT		61,089

**TY 2006 Other Revenues Included Schedule**

**Name:** CHALLENGE UNLIMITED INC

**EIN:** 22-2478997

Description	Amount
DIRECT FUNDRAISING COSTS	42,009

## TY 2006 Relationship Schedule

**Name:** CHALLENGE UNLIMITED INC

**EIN:** 22-2478997

Person Name / Business Name	Title or Role	Person Name 2 / Business Name 2	Title or Role 2	Relationship
CHARLES GAFFNEY	CLERK	MARTHA GAFFNEY	DIRECTOR	SPOUSE
DAVID SOLLARS	PRESIDENT	DIANE SOLLARS	DIRECTOR	SPOUSE
PAUL CALDERWOOD	DIRECTOR	ROBIN CALDERWOOD	DIRECTOR	SPOUSE

TY 2006 Special Events Schedule

**Name:** CHALLENGE UNLIMITED INC

**EIN:** 22-2478997

Event Name	Gross Receipts	Contributions	Gross Revenue	Direct Expense	Net Income (Loss)
SPECIAL EVENTS REVENUE	298,614	229,983	68,631	42,009	26,622

## TY 2006 Self Dealing Statement

**Name:** CHALLENGE UNLIMITED INC

**EIN:** 22-2478997

Line Number	Explanation
2b	MORTGAGE PAYABLE TO RICHARD DONOVAN, AN EMPLOYEE, IN THE AMOUNT OF \$564,000 WITH ACCRUED INTEREST OF \$141,077, APPROVED BY BOARD VOTE.MORTGAGE PAYABLE TO ED STEVENS, A BOARD MEMBER, IN THE AMOUNT OF \$7,000 WITH ACCRUED INTEREST OF \$333.

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
ED STEVENS 450 LOWELL STREET ANDOVER,MA 01810	DIRECTOR 5 00	0	0	0
DIANE SOLLARS 450 LOWELL STREET ANDOVER,MA 01810	DIRECTOR 5 00	0	0	0
RODOLFO BAEZ 450 LOWELL STREET ANDOVER,MA 01810	DIRECTOR 5 00	0	0	0
PAUL CALDERWOOD 450 LOWELL STREET ANDOVER,MA 01810	DIRECTOR 5 00	0	0	0
ROBIN CALDERWOOD 450 LOWELL STREET ANDOVER,MA 01810	DIRECTOR 5 00	0	0	0
MARK OWEN 450 LOWELL STREET ANDOVER,MA 01810	DIRECTOR 5 00	0	0	0

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
DAVID SOLLARS 450 LOWELL STREET ANDOVER,MA 01810	PRESIDENT 5 00	0	0	0
MARY-ELIZABETH OBRIEN 450 LOWELL STREET ANDOVER,MA 01810	EXEC DIRECTOR 40 00	31,046	0	2,640
CHARLES GAFFNEY 450 LOWELL STREET ANDOVER,MA 01810	CLERK 5 00	0	0	0
LISA P MCALISTER 450 LOWELL STREET ANDOVER,MA 01810	TREASURER 5 00	0	0	0
JOHN J MCNAMEE JR 450 LOWELL STREET ANDOVER,MA 01810	DIRECTOR 5 00	0	0	0
PETER RAFFALLI 450 LOWELL STREET ANDOVER,MA 01810	DIRECTOR 5 00	0	0	0
WALTER P REICHERT 450 LOWELL STREET ANDOVER,MA 01810	DIRECTOR 5 00	0	0	0
NANCY ANGELL 450 LOWELL STREET ANDOVER,MA 01810	DIRECTOR 5 00	0	0	0
MARTHA GAFFNEY 450 LOWELL STREET ANDOVER,MA 01810	DIRECTOR 5 00	0	0	0
DAVID PIERRE 450 LOWELL STREET ANDOVER,MA 01810	DIRECTOR 5 00	0	0	0

Additional Data

Software ID:  
Software Version:  
EIN: 22-2478997  
Name: CHALLENGE UNLIMITED INC

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

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>a</b> INSTRUCTION	<b>43a</b>	14,622	14,622		
<b>b</b> Insurance	<b>43b</b>	24,797	12,925	10,216	1,656
<b>c</b> Advertising	<b>43c</b>	16,671	15,644	1,027	
<b>d</b> Dues & Subscriptions	<b>43d</b>	555	140	415	
<b>e</b> Office Expenses	<b>43e</b>	16,627	5,111	11,502	14
<b>f</b> Farm Operations	<b>43f</b>	75,452	75,452		
<b>g</b> Special Events	<b>43g</b>	48,256	16,333		31,923
<b>h</b> Fundraising Expenses	<b>43h</b>	192	192		
<b>i</b> PROFESSIONAL FEES	<b>43i</b>	9,486	7,806	234	1,446
<b>j</b> SPONSORSHIP TO IRONSTONE THERAPY	<b>43j</b>	21,086	21,086		