





Dear Friends:

During 2006, Teen Challenge (TC) ministered to over 1.5 million people through residential centers, outreach events, prison ministries, after school programs, support groups and Living Free ministries. TC is literally reaching out across America and around the world to those dealing with life-controlling problems.

Currently, Teen Challenge is represented in the USA by 192 plus locations, and this number continues to grow. Even though TC ministered to over 1.5 million people last year, the

need still remains in a society with 19 million Americans* currently dealing with the effects of drug and alcohol use and addiction.

Our web site teenchallengeusa.com is receiving up to 2,000 visits per day and many of these individuals are browsing the website for answers to life's overwhelming issues. My prayer is that Teen Challenge will continue to enlarge its outreach and expand into cities of this nation where there is no TC presence, or where TC has not ventured during the 49 years of our existence. Bottom line, we need to intensify our efforts to meet the growing needs and cries for help we receive every day in our centers and in the National TC office.

Numerous individuals have partnered with us through financial support and prayers and we are encouraged that these gifts and prayers will only expand as we move ahead to meet the ongoing need in our nation. We need you to partner with us in three ways:

1. **Prayer Partner**, pray for your local and state Teen Challenge ministries. If there is a TC center near you, call them and learn how you can get involved.
2. **Financial Donor**, as a partner in this nationwide ministry, you are assuring us of our future as we continue to plan and develop this ministry to meet the ongoing need in our communities.
3. **Personally tell others** of your favorite charity that is making a difference in the lives of so many people in our nation. Steer your friends and family to our web site teenchallengeusa.com and have them view the scope and effectiveness of this awesome ministry.

God bless you for your willingness to join us in this much-needed ministry. You are a vital part of our life support team!

You are a vital part of the "Faith-Based Solution for the Drug Epidemic!"

Blessings,

Mike Hodges, President

TCI USA

Our Mission

To provide youth, adults and families with an effective and comprehensive Christian, faith-based solution to life-controlling drug and alcohol problems in order to become productive members of society. By applying biblical principles, Teen Challenge endeavors to help people become mentally sound, emotionally balanced, socially adjusted, physically well and spiritually alive.

Our Goal

To provide prevention programs to the youth of America and to take the faith-based proven recovery techniques developed over the last forty-nine years to thousands more who are addicted to drugs and alcohol and see no hope of an effective solution.

Our Approach

The Teen Challenge approach to helping those with substance abuse is to teach an entire new way of living — addressing family relationships, work attitudes, self-image, peer pressure, temptation, community relationships and a variety of other life-skills.

Teen Challenge believes that the key to abstinence from substance abuse is based on the spiritual dimension of a personal relationship with Jesus Christ. This relationship provides the motivation and power for developing a complete and absolute new way of living.





2006 Statistics

Total Teen Challenge Centers	188
Residential Centers	176
Adult Male	94
Adult Female	42
Adolescent Male	13
Adolescent Female	13
Ministry Institutes	6
Crisis and Referral Centers	12
Total Staff	2,837
Full-time	1,694
Part-time	273
Regular Volunteers	1,070
Beds	5,900
Graduated From Teen Challenge	2,394
Attendance at Outreaches	1,500,000

Ministry Highlights

In 1984 the Teen Challenge National Office was first established as a resource center for all the U.S. Teen Challenge programs. Over the last 22 years, The National Office has grown significantly in regard to services provided. Currently, accreditation reviews, student referrals, an interactive website, promotions, student curriculum, administrative services, and overall vision are consistently offered to the 188 programs across America. In 2006, Nineteen new Teen Challenge centers began, thirty-five accreditation reviews were completed, eight curriculum lessons were revised, thousands of hurting individuals and families were referred to TC programs, and a compelling vision was cast by our president, Mike Hodges.

Our new online store is now offering the exciting Living Free curriculum, Emerging Leaders Training material, and 50th Anniversary products. Every month, over 40,000 visitors are viewing or seeking help and information from our website!

Over the past year, specifically, the Teen Challenge National Office conducted a New Director's Conference to which over 75 directors and staff attended. The National Conference was hosted in Minneapolis, MN and over 300 were in attendance at this inspiring national training event. A promotional DVD project for schools and an exciting 50th anniversary DVD began production in 2006. The completion of these projects are expected to be in 2007. A thrilling opportunity, in the form of free public service announcements, was presented to Teen Challenge this year. Numerous hours of free radio advertisement has been given to the ministry.

All of the promotions, conferences, training events, curriculum, and projects sponsored by the National Office occur primarily to share our message more effectively and to serve our local TC centers. As our programs receive improved training and resources, they are better able to serve the thousands of addicts that come through their doors every year.

In 2006, Teen Challenge centers were opened in Florida, Georgia, Hawaii, North Dakota, North Carolina, Texas, Massachusetts, Missouri, Maine, and Louisiana,

As we enter our 49th year of ministry, our office has begun preparations for the Teen Challenge 50th Anniversary Celebration. This historic event will take place in New York City, June 25-28, 2008 at Times Square Church and Brooklyn Tabernacle.

The National Office continues to work beside every Teen Challenge program in their mission to evangelize and disciple those who are addicted. We continue to invest in the lives of those who have no hope, and the volunteers and staff who reach out to them. We spend time building relationships and restoring the lives of the most unlikely members of society. Jesus becomes their source of hope and He deserves all the glory!

Teen Challenge International, USA

Statement of Activities for the Year Ended March 31, 2006

Changes in Unrestricted Net Assets	
Revenues, Gains and Other Support	
Contributions	\$525,506
Curriculum sales (net of direct costs)	153,182
Accreditation fees and dues	212,044
National conference	72,578
Grants	—
Interest and dividend income	61,320
Net realized and unrealized gains	<u>35,576</u>
Total revenue gains and other support	<u>1,060,206</u>
Expenses	
Program services	
Training, curriculum, accreditation, Project Cambodia, drug prevention, development, and Freedom Challenge	676,186
Support services	
Management and general	305,330
Fund-raising	<u>20,397</u>
Total expenses	<u>1,001,913</u>
Increase in Unrestricted New Assets	58,293
Changes in Temporarily Restricted Net Assets	
Contributions	999
Expenses	(7,602)
Gain on assets held by Assemblies of God Foundation	6,508
Change in Temporarily Restricted Net Assets	(95)
Changes in Permanently Restricted Net Assets	
Contributions	—
Gain (loss) on assets held by Assemblies of God Foundation	1050
Change in Permanently Restricted Net Assets	1050
Change in Net Assets	592,481
Net Assets, Beginning of Year	<u>1,595,706</u>
New Assets, End of Year	<u>1,654,954</u>

Teen Challenge maintains a high level of financial accountability. We were audited by the firm of Davis, Lynn & Moots, P.C.

Teen Challenge is an official member of the Evangelical Council for Financial Accountability.



Thirteen new Teen Challenge residential programs opened this year to help students with life-controlling problems.

FLORIDA
Pensacola for Adult Women

MAINE
Winthrop for Men

GEORGIA
Athens for Adolescent Girls
Stone Mountain for Adolescent Boys

MISSOURI
Kansas City for Adolescent Girls

HAWAII
Keaau for Adult Men

NORTH CAROLINA
Greensboro for Adult Women

LOUISIANA
Ruston for Adult Men
Winnfield for Adult Women

NORTH DAKOTA
Mandan for Adult Women & Children

MASSACHUSETTES
Fitchburg for Adolescent Girls

TEXAS
Corpus Christi for Adult Men/Women
Magnolia for Men

Teen Challenge is governed by a board of directors. This board consists of individuals from various occupations, each serving Teen Challenge with their strengths and experiences. Eight talented Teen Challenge directors from various areas of the country serve as regional representatives on the Teen Challenge USA board of directors.

Board of Directors

Alton Garrison, Chairman

Mike Hodges, President

Stephen Rhoades, Vice-Chairman

Heather Humphries, Secretary

Tim Culbreth, Treasurer, Gulf Regional Rep

Clayton Arp, Great Lakes Regional Rep

John Benton, Northeast Regional Rep

Bill Everitt, South Central Regional Rep

Greg Hammond, Southeast Rep

Chris Hodges, Northwest Regional Rep

Dr. Kenneth Isom

Terence M. Mathis

David Oliver

Snow Peabody, Southwest Rep

Dr. Jerry Nance, President Global Teen Challenge

Rich Scherber, North Central Regional Rep

Dr. Neil Skea

