HOPE FREEDOM RECOVERY

2018
ANNUAL REPORT
OUR MISSION

For over 30 years, Mn Adult & Teen Challenge has been restoring hope to teens and adults struggling with drug and alcohol addiction. We offer effective and affordable short-term residential, outpatient, and unique long-term faith based programming. In addition, we have extensive prevention and aftercare services.

Our mission is to assist teens and adults in gaining freedom from chemical addictions and other life controlling problems by addressing their physical, emotional and spiritual needs.

LIVES TRANSFORMED

FAMILIES RESTORED

COMMUNITIES STRENGTHENED
Dear Friends,

We are given the honor of helping those caught in the grips of addiction. This past year, 3,030 individuals were cared for in one of our many programs. Parents, children and siblings placed their trust in Mn Adult & Teen Challenge (MnTC) to restore their loved ones. It is a daunting task that cannot be undertaken without a strong supportive community. It is a community of not only staff and clients, but of volunteers, mentors, donors, advocates and partners. It is a community that you helped build and are a part of.

Ecclesiastes 4:9-10 says, “Two are better than one, because they have good return for their labor: if either of them falls down, one can help the other up.” The truth of these verses becomes apparent as you read Ashley’s story (p.3). For us, this truth is a reality. Your partnership allows us to continue to offer the best care to those we are called to serve. We could not do it without you.

Thank you,

Pastor Rich Scherber, CEO

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BOARD OF DIRECTORS

Executive Committee

Jay Coughlan, Chair
Eric Vagle, Secretary
Chuck Beske, Treasurer
Rich Scherber, Chief Executive Officer

Board of Directors

Chuck Beske
Bill Bojan
Laurel Bunker
Jay Coughlan
Mark Dean
Christopher Dietzen
Paul Flower
Tom Major
Connie Menne
Bill Nersesian
Chuck Shreffler
Brad Stevens
Rich Scherber
Mike Smith
Chris Thibodeaux
Eric Vagle
YOU ARE TRANSFORMING LIVES

LIVES TRANSFORMED

3,030 clients served in our treatment and recovery programs in 2018, a 10% increase from 2017.

HEARTS CONNECTED

11,442 individual donors, 101 mentors, and 312 volunteers supported our mission.

60,000 HIGH SCHOOL & MIDDLE SCHOOL STUDENTS REACHED

Our Know the Truth™ prevention program provided 1,366 presentations in more than 160 high schools and middle schools across Minnesota. After the presentation:

94% of students said they do not plan on using drugs in the future.

58% believe substance abuse would negatively impact their future.

61% were convinced addiction could happen to them.
ASHLEY: MAKING A HOME

As a graduate of our long-term recovery program, Ashley wanted to come alongside women just like her. The healing and skills she gained have served her well. “There is so much that I learned. It was just a matter of applying it. I still made mistakes, but I learned from them,” says Ashley.

She dreamed of helping women who faced the same adversity, beginning a new life after years of battling addiction. Ashley reached out to her mentor for guidance, and a few weeks later, an amazing opportunity knocked. A supporter of Mn Adult & Teen Challenge had recently acquired a house in Apple Valley. They wanted to make it a sober living home for women who graduated from our program and graciously asked Ashley and her mentor to manage it.

The task seemed overwhelming, but a flood of people came forward wanting to help them get started. MnTC clients, graduates and staff provided furnishings, maintenance and offered to host support groups at the home. A local pastor mentored Ashley on how to create the perfect space for women coming out of treatment.

“When I completely surrendered, things just happened. I can’t even believe I am in this house helping women. There are so many people who have been there for me. It has been amazing!” For the women transitioning, Ashley says “it’s about having a relationship, communication and trust. That is a home. We are a family.”

Like so many of our graduates, Ashley had a desire to give back after being given so much. Through trust and the help of our community, that desire was made possible.

“BECAUSE OF YOUR SUPPORT”
2018 FINANCIAL DATA (AUDITED)

REVENUE

Cash Donations $9,641,468
Program Revenue $32,461,741
Other Revenue $4,032,148

Total Revenue $46,135,357

EXPENSES

Total Expenses $39,851,172
Excess (or Deficit) $6,284,185

Total Change in Net Assets $6,284,185

FUNCTIONAL EXPENSES

Program Services - 83%
Management - 11%
Fundraising - 6%

ADMINISTRATIVE & FUNDRAISING EXPENSES

Program Services $32,967,909
Management $4,573,261
Fundraising $2,310,002

YEARLY REVENUE & EXPENSES

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue</th>
<th>Total Expenses</th>
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<tbody>
<tr>
<td>2018</td>
<td>$46,135,357</td>
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<td>2017</td>
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<tr>
<td>2014</td>
<td>$32,390,248</td>
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ABOUT US

Since 1983, we have become one of the largest residential treatment and recovery programs in Minnesota, with 11 locations statewide. We serve clients ages 13-74 with a full range of program services:

**LONG TERM RECOVERY PROGRAM – FAITH-BASED**
Our long-term residential recovery program for men and women is 12+ months. Clients work to overcome destructive patterns associated with substance use while receiving mental health support and counseling.

**SHORT TERM RESIDENTIAL TREATMENT – LICENSED RULE 245G**
This 14-90 day program serves men, women, and teens (over 16 years of age), utilizing evidence-based practices and integrated mental health and substance use disorder services.

**OUTPATIENT TREATMENT – LICENSED RULE 245G**
The program is approximately eighteen weeks; the initial phase is three evening groups per week followed by a transitional phase which is one evening group per week.

**LAKESIDE ACADEMY – TEEN BOYS PROGRAM**
Lakeside Academy is a Christian Behavior and Recovery Center for boys aged 13-18 years. Teen boys receive licensed treatment programs, mental health and counseling services, and onsite high school programming.

**KNOW THE TRUTH™ PREVENTION PROGRAM**
Our substance use prevention program targets middle and high school students in Minnesota, speaking to 60,000 students in over 160 schools per year.

**AFTERCARE PROGRAM**
Assists clients and alumni in their long-term, sustained recovery and provides career and life courses, transitional services, alumni support and leadership development.

LEADERSHIP TEAM

Rev. Richard Scherber, Chief Executive Officer

Eric Vagle, President

Mary Brown, Vice President, Marketing

Twila Jensen, Vice President, Finance

Dave Irvin, Vice President, Human Resources

JJ Slag, Vice President, Development

Saul Selby, Vice President, Clinical & Transitional Services

Tim Walsh, Vice President, Long-Term Recovery & Mental Health Services

Member of the following Financial Organizations:
LOCATIONS

MINNEAPOLIS CAMPUSES

Admissions | Men
3231 First Avenue S
Minneapolis, MN 55408
612-FREEDOM (373-3366)

Portland | Men
1619 Portland Avenue
Minneapolis, MN 55404

Hudson House | Men
3201 First Avenue S.

Women | Teen Girls
1717 Second Avenue S.

Grace Manor | Women
1507 Lowry Ave NE

ADMINISTRATIVE OFFICES

Hope Commons
740 E. 24th Street
Minneapolis, MN 55404

Rochester Campus | Men
1530 Assisi Dr NW
Rochester, MN 55901
(507) 288-FREE (3733)

Rochester Campus | Women
1530 Assisi Dr NW
Rochester, MN 55901
(507) 288-FREE (3733)

Central MN Campus | Men
2424 Business Hwy 371
Brainerd, MN 56401
(218) 833-8777

Northland Campus | Men
2 East 2nd Street
Duluth, MN 55804
(218) 529-FREE (3733)

Lakeside Academy | Teen Boys
100 Garrison Ave NE
Buffalo, MN 55313
(844) 768-8336