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Form **990** — 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

Department of the Treasury
Internal Revenue Service

For the 2006 calendar year, or tax year beginning 7/01/06 , and ending 6/30/07

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: WELLSPRING, INC

Number and street (or P.O box if mail is not delivered to street address): 1205 E. ST. JAMES — Room/suite:

City or town, state or country, and ZIP + 4: RAPID CITY SD 57701

D Employer identification number: 46-0414463

E Telephone number: 605-718-4870

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).

Website: ▶ WWW.WELLSPRINGRC.COM

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

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.

Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 2,335,155

H and are not applicable to section 527 organizations I

H(a) Is this a group return for affiliates? ☐ Yes ☒ N

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

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

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☐ N

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.)

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	561,423		
c	Indirect public support (not included on line 1a)	1c	50,223		
d	Government contributions (grants) (not included on line 1a)	1d	1,370,991		
e	Total (add lines 1a through 1d) (cash $ 1,982,637 noncash $)			1e	1,982,637
2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	348,555
3	Membership dues and assessments			3	
4	Interest on savings and temporary cash investments			4	3,963
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 other than inventory — (A) Securities / (B) Other	8a			
b	Less: cost or other basis and sales expenses	8b			
c	Gain or (loss) (attach schedule)	8c			
d	Net gain or (loss). Combine line 8c, columns (A) and (B)			8d	
9	Special events and activities (attach schedule) If any amount is from gaming, check here ▶ ☐				
a	Gross revenue (not including $ _____ of contributions reported on line 1b)	9a			
b	Less: direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events. Subtract line 9b from line 9a			9c	
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	
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11			12	2,335,155
13	Program services (from line 44, column (B))			13	1,591,828
14	Management and general (from line 44, column (C))			14	191,525
15	Fundraising (from line 44, column (D))			15	88,123
16	Payments to affiliates (attach schedule)			16	
17	Total expenses. Add lines 16 and 44, column (A)			17	1,871,476
18	Excess or (deficit) for the year. Subtract line 17 from line 12			18	463,679
19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	654,269
20	Other changes in net assets or fund balances (attach explanation)			20	
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20			21	1,117,948

IRS Received Dec 4 2007

SCANNED JUL 06 2010

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

6-17

Form 990 (2006)

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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
a Grants paid from donor advised funds (attach schedule) (cash $ non-cash $) If this amount includes foreign grants, check here ▶ ☐	22a				
b Other grants and allocations (attach schedule) (cash $ non-cash $) If this amount includes foreign grants, check here ▶ ☐	22b				
Specific assistance to individuals (attach schedule)	23				
Benefits paid to or for members (attach schedule)	24				
a Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule) SEE STATEMENT 1	25a	58,042	12,189	42,951	2,902
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				
Salaries and wages of employees not included on lines 25a, b, and c	26	1,173,126	1,076,683	37,476	58,967
Pension plan contributions not included on lines 25a, b, and c	27				
Employee benefits not included on lines 25a – 27	28	164,407	156,814	3,840	3,753
Payroll taxes	29	90,882	82,858	4,073	3,951
Professional fundraising fees	30				
Accounting fees	31				
Legal fees	32				
Supplies	33	41,930	30,036	8,888	3,006
Telephone	34	11,411	9,185	1,580	646
Postage and shipping	35				
Occupancy	36				
Equipment rental and maintenance	37	20,138	11,438	8,376	324
Printing and publications	38	12,963		358	12,605
Travel	39	7,722	7,019	650	53
Conferences, conventions, and meetings	40	3,947	3,048	845	54
Interest	41	7,358	3,682	3,676	
Depreciation, depletion, etc. (attach schedule)	42	40,354	36,148	4,206	
Other expenses not covered above (itemize). SEE STATEMENT 2	43a	239,196	162,728	74,606	1,862
	43b				
	43c				
	43d				
	43e				
	43f				
	43g				
Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	1,871,476	1,591,828	191,525	88,123

t Costs. Check ▶ ☐ if you are following SOP 98-2.

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

s," enter (i) the aggregate amount of those joint costs $; (ii) the amount allocated to Program services $;

e amount allocated to Management and general $; and (iv) the amount allocated to Fundraising $

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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 in its return. *Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.*

What is the organization's primary exempt purpose? ▶ SEE STATEMENT 3 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.)	Program Service Expenses (Required for 501(c)(3) and (4) orgs , and 4947(a)(1) trusts, but optional for others.)
a SEE STATEMENT 4 (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	1,591,828
b (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
c (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
d (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
e Other program services (attach schedule) (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	1,591,828

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Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.			(A) Beginning of year		(B) End of year
45	Cash-non-interest-bearing		550	45	80(
46	Savings and temporary cash investments		641	46	63,17
47a	Accounts receivable	47a 278,921			
b	Less: allowance for doubtful accounts	47b 63,000	210,594	47c	215,92
48a	Pledges receivable	48a 284,931			
b	Less: allowance for doubtful accounts	48b	18,221	48c	284,93
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(f)(1)) and persons described in section 4958(c)(3)(B) (att. 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		6,357	53	19,327
54a	Investments—publicly-traded securities SEE STATEMENT 5 ▶ ☐ Cost ☒ FMV		10,177	54a	13,31
b	Investments—other securities (attach schedule) ▶ ☐ Cost ☐ FMV			54b	
55a	Investments-land, buildings, and equipment: basis	55a			
b	Less: accumulated depreciation (attach schedule)	55b		55c	
56	Investments-other (attach schedule)			56	
57a	Land, buildings, and equipment: basis	57a 1,025,889			
b	Less: accumulated depreciation (attach schedule) SEE STATEMENT 6	57b 276,104	707,861	57c	749,78
58	Other assets, including program-related investments (describe ▶)			58	
59	**Total assets** (must equal line 74). Add lines 45 through 58		954,401	59	1,347,25(
60	Accounts payable and accrued expenses		145,164	60	207,24
61	Grants payable			61	
62	Deferred revenue			62	
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) SEE WORKSHEET		154,967	64b	22,06
65	Other liabilities (describe ▶ SEE STATEMENT 7)		1	65	
66	**Total liabilities.** Add lines 60 through 65		300,132	66	229,30
	Organizations that follow SFAS 117, check here ▶ ☒ and complete lines 67 through 69 and lines 73 and 74.				
67	Unrestricted		612,021	67	746,17
68	Temporarily restricted		30,248	68	359,77
69	Permanently restricted		12,000	69	12,00(
	Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 70 through 74.				
70	Capital stock, trust principal, or current funds			70	
71	Paid-in or capital surplus, or land, building, and equipment fund			71	
72	Retained earnings, endowment, accumulated income, or other funds			72	
73	**Total net assets or fund balances** (add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)		654,269	73	1,117,94
74	**Total liabilities and net assets/fund balances.** Add lines 66 and 73		954,401	74	1,347,25(

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Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

	Total revenue, gains, and other support per audited financial statements		a	2,335,155
	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	
	Subtract line b from line a		c	2,335,155
	Amounts included on Part I, line 12, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	
	Total revenue (Part I, line 12). Add lines c and d		e	2,335,155

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

	Total expenses and losses per audited financial statements		a	1,871,476
	Amounts included on line a but not Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	
	Subtract line b from line a		c	1,871,476
	Amounts included on Part I, line 17, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	
	Total expenses (Part I, line 17). Add lines c and d		e	1,871,476

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(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 STATEMENT 8				

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

			Yes	No
a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 13			
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		X
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		X
d	Does the organization have a written conflict of interest policy?	75d	X	

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 & deferred compensation plans	(E) Expense account and other allowances
/A				

Part VI Other Information (See the instructions.)

		Yes	No
Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76		X
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		X
Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a		X
If "Yes," has it filed a tax return on Form 990-T for this year?	78b		
Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
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		X
If "Yes," enter the name of the organization ▶ and check whether it is ☐ exempt or ☐ nonexempt			
Enter direct and indirect political expenditures. (See line 81 instructions.) 81a			
Did the organization file Form 1120-POL for this year?	81b		X

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Part VI Other Information (continued)

			Yes	No
a	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	X	
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			
a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b		
	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? N/A	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less? N/A	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 for 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? N/A	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? N/A	85h		
	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			
	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			
a	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		X
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		X
a	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		X
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 ▶ 0			
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f		X
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		X
a	List the states with which a copy of this return is filed ▶ NONE			
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.) 90b		66	
a	The books are in care of ▶ JAMES SCHWEIGERDT Telephone no. ▶ 605-718-4870			
	Located at ▶ 1205 E ST JAMES RAPID CITY, SD ZIP + 4 ▶ 57701			
a	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		X
	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.			

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Part VI Other Information (continued)

			Yes	No
c	At any time during the calendar year, did the organization maintain an office outside of the United States?	91c		X
	If "Yes," enter the name of the foreign country ▶			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here ▶ [ ] and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92			

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

Note: Enter gross amounts unless otherwise indicated.

		Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
		(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93	Program service revenue:					
a	PROGRAM SERVICE					348,555
b						
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	3,963	
96	Dividends and interest from securities					
97	Net rental income or (loss) from real estate:					
a	debt-financed property					
b	not debt-financed property					
98	Net rental income or (loss) from personal property					
99	Other investment income					
00	Gain or (loss) from sales of assets other than inventory					
01	Net income or (loss) from special events					
02	Gross profit or (loss) from sales of inventory					
03	Other revenue: a					
b						
c						
d						
e						
04	Subtotal (add columns (B), (D), and (E))		0		3,963	348,555
05	Total (add line 104, columns (B), (D), and (E)) ▶					352,518

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	THE ORGANIZATION PROVIDES COUNSELING SERVICES AND TREATMENT PROGRAMS FOR FAMILIES AND ADOLESCENTS WHO ARE EXPERIENCING EMOTIONAL AND BEHAVIORAL PROBLEMS. FEES ARE CHARGED ON A PER HOUR RATE BASED ON A SLIDING FEE SCALE.

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
N/A	%			
	%			
	%			
	%			

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	[X] No
(b)	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	[ ] Yes	[X] No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

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Part XI **Information Regarding Transfers To and From Controlled Entities.** Complete only if the organization is a controlling organization as defined in section 512(b)(13).

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

(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfe
Totals			

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

(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfe
Totals			

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

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

Lease Sign Here

Signature of officer ▶ JAY VAN HUNNIK CLIENT'S COPY Date ▶ EXECUTIVE DIRECTOR

Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ KETEL THORSTENSON, LLP, CPA'S 810 QUINCY ST. RAPID CITY, SD 57701 | Date | Check if self-employed ▶ ☐ | Preparer's SSN or PTIN (See Gen Instr. X) P00179985

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ KETEL THORSTENSON, LLP PO BOX 3140 RAPID CITY, SD 57709-3140 | EIN ▶ 46-025753 | Phone no. ▶ 605-342-563

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SCHEDULE A (Form 990 or 990-EZ)	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	OMB No. 1545-0047
Department of the Treasury Internal Revenue Service	Supplementary Information-(See separate instructions.) ▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ	2006

Name of the organization: WELLSPRING, INC

Employer identification numb r: 46-0414463

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) Comp.	(d) Contrib. to empl. ben. plans & deferred comp	(e) Expense account & oth. 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 of the 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 ▶		

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

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including 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 I of Part VI-B.)	1		X
	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.			
!	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.)			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? SEE PART V-A, FORM 990 SEE STATEMENT 9	2d	X	
e	Transfer of any part of its income or assets?	2e		X
a	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.)	3a		X
b	Did the organization have a section 403(b) annuity plan for its employees?	3b		X
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		X
a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a		X
b	Did the organization make any taxable distributions under section 4966?	4b		
c	Did the organization make a distribution to a donor, donor advisor, or related person?	4c		
d	Enter the total number of donor advised funds owned at the end of the tax year ▶ _____			
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____			
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ 0			
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ (			

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

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).

☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)

☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).

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

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

☐ 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.)

☒ 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.)

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

☐ 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.)

☐ 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 Intergrated ☐ 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 (EIN)	(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? Yes	(d) No	(e) Amount of support
al ▶					

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

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Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**

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

alendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,443,715	1,254,912	1,069,847	728,443	4,496,917
Membership fees received					0
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	194,651	209,168	174,702	102,119	680,640
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	1,541	1,394	1,894	1,659	6,488
Net income from unrelated business activities not included in line 18					0
Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
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
Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					0
Total of lines 15 through 22	1,639,907	1,465,474	1,246,443	832,221	5,184,045
Line 23 minus line 17	1,445,256	1,256,306	1,071,741	730,102	4,503,405
Enter 1% of line 23	16,399	14,655	12,464	8,322	

Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶ 26a 90,06

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 15,932

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c 4,503,405

d Add: Amounts from column (e) for lines. 18 6,488 19 ____ 22 ____ 26b 15,932 ▶ 26d 22,420

e Public support (line 26c minus line 26d total) ▶ 26e 4,480,985

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f 99.5022%

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: N/A.

(2005) (2004) (2003) (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 N/A.

(2005) (2004) (2003) (2002)

c Add: Amounts from column (e) for lines: 15 ____ 16 ____ 17 ____ 20 ____ 21 ____ ▶ 27c

d Add. Line 27a total ____ and line 27b total ____ ▶ 27d

e Public support (line 27c total minus line 27d total) ▶ 27e

f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶ 27f

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ 27g %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ 27h %

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.

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Part V Private School Questionnaire (See page 9 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	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?	31		
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
32	Does the organization maintain the following:			
32a	a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
32b	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
32c	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
32d	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:			
33a	a Students' rights or privileges?	33a		
33b	b *Admissions policies?*	33b		
33c	c Employment of faculty or administrative staff?	33c		
33d	d Scholarships or other financial assistance?	33d		
33e	e Educational policies?	33e		
33f	f Use of facilities?	33f		
33g	g Athletic programs?	33g		
33h	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	a Does the organization receive any financial aid or assistance from a governmental agency?	34a		
34b	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		

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Schedule A (Form 990 or 990-EZ) 2006 WELLSPRING, INC 46-0414463 Page

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) N/A

Check ▶ a ☐ if the organization belongs to an affiliated group. Check ▶ b ☐ if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations
6 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
7 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
8 Total lobbying expenditures (add lines 36 and 37)	38		
9 Other exempt purpose expenditures	39		
0 Total exempt purpose expenditures (add lines 38 and 39)	40		
1 Lobbying nontaxable amount. Enter the amount from the following table:			
If the amount on line 40 is- / The lobbying nontaxable amount is-			
Not over $500,000 / 20% of the amount on line 40			
Over $500,000 but not over $1,000,000 / $100,000 plus 15% of the excess over $500,000			
Over $1,000,000 but not over $1,500,000 / $175,000 plus 10% of the excess over $1,000,000	41		
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			
2 Grassroots nontaxable amount (enter 25% of line 41)	42		
3 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43		
4 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
5 Lobbying nontaxable amount					
6 Lobbying ceiling amount (150% of line 45(e))					
7 Total lobbying expenditures					
8 Grassroots nontaxable amount					
9 Grassroots ceiling amount (150% of line 48(e))					
0 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.) N/A

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			
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.

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Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 13 of the instructions.)

1 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

			Yes	No
a	Transfers from the reporting organization to a noncharitable exempt organization of:			
	(i) Cash	51a(i)		X
	(ii) Other assets	a(ii)		X
b	Other transactions:			
	(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
	(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
	(iii) Rental of facilities, equipment, or other assets	b(iii)		X
	(iv) Reimbursement arrangements	b(iv)		X
	(v) Loans or loan guarantees	b(v)		X
	(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the 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:

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

2a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations 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.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Image & Destroy

Pay By Date:

Account Summary WELLSPRING INC XX-XXX4463

ype f Tax	Period Ending	Assessed Balance	Accrued Interest	Late Payment Penalty	Total

Total Amount Due

Type of Tax	Period Ending	Name of Return
990T	06-30-2007	EXEMPT ORGAN BUSINESS INCOME TAX RETURN

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Forms 990 / 990-PF

Mortgages and Other Notes Payable

2006

For calendar year 2006, or tax year beginning 7/01/06 , and ending 6/30/07

ame

WELLSPRING, INC

Employer Identification Number

46-0414463

FORM 990, PART IV, LINE 64B - ADDITIONAL INFORMATION

	Name of lender	Relationship to disqualified person
)	US BANK	NONE
)	DAKOTA LEASING COMPANY	NONE
)	US BANK	NONE
)		
)		
)		
)		
)		
)		
0)		

	Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
)	120,000	11/01/02	12/30/06	$1,118/MONTH	6.000
)	22,328	4/23/04	5/23/09	$469/MONTH	11.940
)		12/22/96	2/28/08		9.250
)					
)					
)					
)					
)					
)					
0)					

	Security provided by borrower	Purpose of loan
)	BUILDING	BUILDING
)	EQUIPMENT	FURNITURE LEASE
	ALL ASSETS	LINE OF CREDIT
)		

	Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
	NONE	99,995	
	NONE	14,972	11,061
	NONE	40,000	11,000
)			
otals		154,967	22,061

Statement 1 - Form 990, Part II, Line 25a - Compensation of Current Officers

Name	Program Services	Management & General	Fundraising
EXPENSES	$	$	$
COMPENSATION	12,189	42,951	2,902
TOTAL	$ 12,189	$ 42,951	$ 2,902

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Statement 2 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund-Raising
	$	$	$	$
EXPENSES				
PROFESSIONAL FEES	35,683	33,772	1,449	462
OFFICE RENT	48,624	38,867	9,757	
CLIENT ASSISTANCE	10,616	10,616		
BOARDING FOOD	28,092	28,092		
UTILITIES	29,192	26,800	2,164	228
PROPERTY INSURANCE AND TAXES	13,565	11,166	2,270	129
BAD DEBT	49,281		49,281	
BUILDING MAINTENANCE AND SUPP	10,630	7,112	3,414	104
EMPLOYEE DEVELOPMENT	4,166	2,608	1,548	10
INSURANCE	4,236	1,990	1,990	256
MISCELLANEOUS	5,111	1,705	2,733	673
TOTAL	$ 239,196	$ 162,728	$ 74,606	$ 1,862

Statement 3 - Form 990, Part III - Organization's Primary Exempt Purpose

COUNSELING FOR FAMILIES AND YOUTH WITH EMOTIONAL AND BEHAVIOR PROBLEMS

Statement 4 - Form 990, Part III, Line a - Statement of Program Service Accomplishments

Description
COUSELING FOR FAMILIES AND ADOLESCENTS WITH EMOTIONAL AND BEHAVIOR PROBLEMS. SERVED APPROXIMATLY 352 CLIENTS THROUGH OUTPATIENT CHEMICAL DEPENDENCY, APPROXIMATELY 49 RESIDENTS AT THE RECONCILIATION CENTER, ABOUT 57 CLIENTS FOR DAY TREATMENT, AND APPROXIMATLY 82 CLIENTS THROUGH THE INPATIENT CHEMICAL DEPENDENCY PROGRAM FOR THE YEAR ENDED 6/30/2007.

Statement 5 - Form 990, Part IV, Line 54a - Publicly Traded Securities

Description	Beginning of Year	End of Year	Basis of Valuation
JS AND STATE GOVERNMENT	$	$	
MUTUAL FUNDS	10,177	13,311	MARKET
CORPORATE STOCK			
CORPORATE BONDS			
TOTAL	$ 10,177	$ 13,311	

Statement 6 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
AUTOMOBILES/TRANSPORTATION EQUIPMENT	$ 14,408	$ 8,630	$ 32,058	$ 12,394

Statement 6 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment (continued)

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
FURNITURE AND FIXTURES	$ 108,627	$ 62,895	$ 110,918	$ 74,640
MACHINERY AND EQUIPMENT	46,558	36,049	46,558	40,385
BUILDINGS	589,995	126,194	589,995	144,557
IMPROVEMENTS	35,378	1,985	35,378	4,128
MISCELLANEOUS	16,148		78,482	
LAND	132,500		132,500	
TOTAL	$ 943,614	$ 235,753	$ 1,025,889	$ 276,104

Statement 7 - Form 990, Part IV, Line 65 - Other Liabilities

Description	Beginning of Year	End of Year
ROUNDING	$ 1	$
TOTAL	$ 1	$ 0

Statement 8 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
DR STEVE MANLOVE 636 ST ANNE ST RAPID CITY SD 57701	PRESIDENT	3-4	0	0	0
RENNE HYMANS 650 MAIN ST STURGIS SD 57785	BOARD MEMBER	3-4	0	0	0
MARY ZILL 2027 ROOSEVELT AVE RAPID CITY SD 57701	SECRETARY	3-4	0	0	0
DR. DEWEY ERTZ 3601 CANYON LAKE DR RAPID CITY SD 57702	BOARD MEMBER	3-4	0	0	0
ALICE PETER 4211 MEADOWOOD DR RAPID CITY SD 57702	BOARD MEMBER	3-4	0	0	0
AL SCOVAL 2902 W MAIN ST SE#1 RAPID CITY SD 57702	BOARD MEMBER	3-4	0	0	0
ROGER ST. PIERRE 402 MAIN ST RAPID CITY SD 57701	BOARD MEMBER	3-4	0	0	0
JIM WHITE 1709 W MAIN ST RAPID CITY SD 57701	BOARD MEMBER	3-4	0	0	0
JUDGE MARSHALL YOUNG 8325 KINGS RD RAPID CITY SD 57702	BOARD MEMBER	3-4	0	0	0
LYNN DEE RAPP PO BOX 103	BOARD MEMBER	3-4	0	0	0

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Statement 8 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
BUFFALO GAP SD 57722					
FRED TULY 12664 OLD HILL RD HILL CITY SD 57745	BOARD MEMBER	3-4	0	0	0
JUDY OLSON-DUHAMEL 1106 HYLAND ST RAPID CITY SD 57701	BOARD MEMBER	3-4	0	0	0
JAY VAN HUNNIK 24435 NELLIE LANE KEY STONE SD 57751	EXECUTIVE DI	45+	58,042	0	0

Statement 9 - Schedule A, Part III, Line 2d - Payment of Compensation / Reimbursement of Exp

Description
SEE FORM 990, PART V

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Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2006

Attachment Sequence No 67

Name(s) shown on return: WELLSPRING, INC

Identifying number: 46-0414463

Business or activity to which this form relates: INDIRECT DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

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

Maximum amount. See the instructions for a higher limit for certain businesses	1	108,000
Total cost of section 179 property placed in service (see instructions)	2	
Threshold cost of section 179 property before reduction in limitation	3	430,000
Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0- If married filing separately, see instructions	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost

Listed property. Enter the amount from line 29	7	
Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
Tentative deduction. Enter the smaller of line 5 or line 8	9	
Carryover of disallowed deduction from line 13 of your 2005 Form 4562	10	
Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
Carryover of disallowed deduction to 2007 Add lines 9 and 10, less line 12 ▶	13	

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

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

Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year (see instructions)	14	
Property subject to section 168(f)(1) election	15	
Other depreciation (including ACRS)	16	40,354

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

Section A

MACRS deductions for assets placed in service in tax years beginning before 2006	17	0
If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B-Assets Placed in Service During 2006 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i *Nonresidential real* property			39 yrs.	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System

a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see instructions)

Listed property. Enter amount from line 28	21	
Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr.	22	40,354
For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate Instructions. Form **4562** (2006)

A

THERE ARE NO AMOUNTS FOR PAGE 2