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Form **990-EZ**

**Short Form  
Return of Organization Exempt From Income Tax**

OMB No 1545-1150

**2010**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
(except black lung benefit trust or private foundation)  
▶ Sponsoring organizations of donor advised funds, organizations that operate one or more hospital facilities, and certain controlling organizations as defined in section 512(b)(13) must file Form 990 (see instructions). All other organizations with gross receipts less than \$200,000 and total assets less than \$500,000 at the end of the year may use this form.  
▶ The organization may have to use a copy of this return to satisfy state reporting requirements

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

**A For the 2010 calendar year, or tax year beginning** , 2010, **and ending** , 2010, **and ending**

|  |   |   |
|--|---|---|
| <b>B</b> Check if applicable:<br><input checked="" type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input type="checkbox"/> Initial return<br><input type="checkbox"/> Terminated<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Application pending | <b>C</b><br>ACCEPT THE CHALLENGE INC<br>7104 N 15TH PL<br>PHOENIX, AZ 85020 | <b>D</b> Employer identification number<br>86-0795610   |
|  |   | <b>E</b> Telephone number<br>602-432-2898   |
|  |   | <b>F</b> Group Exemption Number   |
|  |   | <b>G</b> Accounting Method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual Other (specify) ▶ |

**I Website:** ▶ WWW.ATCHALLENGE.ORG

**H** Check  if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

**J Tax-exempt status** (ck only one) --  501(c)(3)  501(c) ( ) (insert no)  4947(a)(1) or  527

**K** Check  if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$50,000. A Form 990-EZ or Form 990 return is not required though Form 990-N (e-postcard) may be required (see instructions). But if the organization chooses to file a return, be sure to file a complete return.

**L** Add lines 5b, 6c, and 7b, to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, line 25, column (B) below) are \$500,000 or more, file Form 990 instead of Form 990-EZ. ▶ \$ 130,000.

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See the instructions for Part I.)

Check if the organization used Schedule O to respond to any question in this Part I

|  |   |          |          |
|--|---|----------|----------|
| REVENUE  | 1 Contributions, gifts, grants, and similar amounts received  | 1        | 130,000. |
|  | 2 Program service revenue including government fees and contracts   | 2        |          |
|  | 3 Membership dues and assessments   | 3        |          |
|  | 4 Investment income   | 4        |          |
|  | 5a Gross amount from sale of assets other than inventory  | 5a       |          |
|  | b Less: cost or other basis and sales expenses  | 5b       |          |
|  | c Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)   | 5c       |          |
|  | 6 Gaming and fundraising events   |          |          |
|  | a Gross income from gaming (attach Schedule G if greater than \$15,000)   | 6a       |          |
| b Gross income from fundraising events (not including \$ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000) | 6b  |          |          |
| c Less: direct expenses from gaming and fundraising events   | 6c  |          |          |
| d Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)   | 6d  |          |          |
| 7a Gross sales of inventory, less returns and allowances   | 7a  |          |          |
| b Less: cost of goods sold   | 7b  |          |          |
| c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)   | 7c  |          |          |
| 8 Other revenue (describe in Schedule O)   | 8   |          |          |
| 9 Total revenue. Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8   | 9   | 130,000. |          |
| EXPENSES   | 10 Grants and similar amounts paid (list in Schedule O)   | 10       | 71,405.  |
|  | 11 Benefits paid to or for members  | 11       |          |
|  | 12 Salaries, other compensation, and employee benefits  | 12       |          |
|  | 13 Professional fees and other payments to independent contractors  | 13       | 21,600.  |
|  | 14 Occupancy, rent, utilities, and maintenance  | 14       |          |
|  | 15 Printing, publications, postage, and shipping  | 15       |          |
|  | 16 Other expenses (describe in Schedule O)  | 16       | 21,570.  |
|  | 17 Total expenses. Add lines 10 through 16  | 17       | 114,575. |
| 18 Excess or (deficit) for the year (Subtract line 17 from line 9)   | 18  | 15,425.  |          |
| ASSETS   | 19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return) | 19       | -4,506.  |
|  | 20 Other changes in net assets or fund balances (explain in Schedule O)   | 20       |          |
|  | 21 Net assets or fund balances at end of year. Combine lines 18 through 20  | 21       | 10,919.  |

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**BAA For Paperwork Reduction Act Notice, see the separate instructions.**

Form 990-EZ (2010)

5-9 20



Part V Other Information (Note the statement requirements in the instructions for Part V.) See Schedule O

Check if the organization used Schedule O to respond to any question in this Part V

X

|   | Yes  | No           |    |              |    |
|---|------|--------------|----|--------------|----|
| 33 Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' provide a detailed description of each activity in Schedule O  |      | X            |    |              |    |
| 34 Were any significant changes made to the organizing or governing documents? If 'Yes,' attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O (see instructions)   |      | X            |    |              |    |
| 35 If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, explain in Schedule O why the organization did not report the income on Form 990-T  |      |              |    |              |    |
| a Did the organization have unrelated business gross income of \$1,000 or more or was it a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements?  |      | X            |    |              |    |
| b If 'Yes,' has it filed a tax return on Form 990-T for this year (see instructions)?   |      |              |    |              |    |
| 36 Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If 'Yes,' complete applicable parts of Schedule N  |      | X            |    |              |    |
| 37a Enter amount of political expenditures, direct or indirect, as described in the instructions  | 37a  | 0.           |    |              |    |
| b Did the organization file Form 1120-POL for this year?  | 37b  | X            |    |              |    |
| 38a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?  | 38a  | X            |    |              |    |
| b If 'Yes,' complete Schedule L, Part II and enter the total amount involved  | 38b  | N/A          |    |              |    |
| 39 Section 501(c)(7) organizations Enter.   |      |              |    |              |    |
| a Initiation fees and capital contributions included on line 9  | 39a  | N/A          |    |              |    |
| b Gross receipts, included on line 9, for public use of club facilities   | 39b  | N/A          |    |              |    |
| 40a Section 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 Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If 'Yes,' complete Schedule L, Part I | 40b  | X            |    |              |    |
| c Section 501(c)(3) and 501(c)(4) organizations Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958  |      | 0.           |    |              |    |
| d Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c 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? If 'Yes,' complete Form 8886-T   | 40e  | X            |    |              |    |
| 41 List the states with which a copy of this return is filed  | None |              |    |              |    |

42a The organization's books are in care of ANTHONY LAMKA Telephone no 602-432-2898  
 Located at 7104 N 15TH PL PHOENIX AZ ZIP + 4 85020

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)?  
 If 'Yes,' enter the name of the foreign country

|     | Yes | No |
|-----|-----|----|
| 42b |     | X  |

See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of a Foreign Bank and Financial Accounts.

c At any time during the calendar year, did the organization maintain an office outside of the US?  
 If 'Yes,' enter the name of the foreign country

|     | Yes | No |
|-----|-----|----|
| 42c |     | X  |

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year

43  N/A  N/A

|   | Yes | No |
|---|-----|----|
| 44a Did the organization maintain any donor advised funds during the year? If 'Yes,' Form 990 must be completed instead of Form 990-EZ      | 44a | X  |
| b Did the organization operate one or more hospital facilities during the year? If 'Yes,' Form 990 must be completed instead of Form 990-EZ | 44b | X  |
| c Did the organization receive any payments for indoor tanning services during the year?  | 44c | X  |
| d If 'Yes' to line 44c, has the organization filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O       | 44d |    |

|   |            |     |    |
|---|------------|-----|----|
| <b>45</b> Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)?   | <b>45</b>  | Yes | No |
| <b>a</b> Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see inst) | <b>45a</b> |     | X  |
| <b>46</b> Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I  | <b>46</b>  |     | X  |

**Part VI Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only.** All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 47-49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI

|  |            |     |    |
|--|------------|-----|----|
| <b>47</b> Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II           | <b>47</b>  | Yes | No |
| <b>48</b> Is the organization a school as described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E | <b>48</b>  |     | X  |
| <b>49a</b> Did the organization make any transfers to an exempt non-charitable related organization?           | <b>49a</b> |     | X  |
| <b>b</b> If 'Yes,' was the related organization a section 527 organization?                                    | <b>49b</b> |     |    |

**50** Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None.'

| (a) Name and address of each employee paid more than \$100,000 | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account and other allowances |
|--|--|------------------|---|--|
| None   |  |                  |   |  |
|  |  |                  |   |  |
|  |  |                  |   |  |
|  |  |                  |   |  |
|  |  |                  |   |  |

**f** Total number of other employees paid over \$100,000 .....

**51** Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None.'

| (a) Name and address of each independent contractor paid more than \$100,000 | (b) Type of service | (c) Compensation |
|--|---------------------|------------------|
| None   |                     |                  |
|  |                     |                  |
|  |                     |                  |
|  |                     |                  |
|  |                     |                  |

**d** Total number of other independent contractors each receiving over \$100,000 .....

**52** Did the organization complete Schedule A? Note: All section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A  Yes  No

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.

**Sign Here**  
 Signature of officer: Anthony Lamka Date: 4-25-2011  
 ANTHONY LAMKA Executive Direc  
 Type or print name and title

**Paid Preparer Use Only**  
 Print/Type preparer's name: JOSEPH VELLA Preparer's signature: Joseph Vella CPA Date: 4-21-11 Check  if self-employed PTIN: P00058622  
 Firm's name: Joseph Vella, CPA, PC Firm's EIN: 86-1001926  
 Firm's address: 3048 E. Baseline Ste 108 Mesa, AZ 85204 Phone no: (480) 834-8420

May the IRS discuss this return with the preparer shown above? See instructions  Yes  No

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Public Charity Status and Public Support**

OMB No 1545 0047

**2010**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization

ACCEPT THE CHALLENGE INC

Employer identification number

86-0795610

**Part I. Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  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 exempt 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)**. (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I
  - b  Type II
  - c  Type III – Functionally integrated
  - d  Type III – Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

|            | Yes | No |
|------------|-----|----|
| 11 g (i)   |     |    |
| 11 g (ii)  |     |    |
| 11 g (iii) |     |    |

h Provide the following information about the supported organization(s).

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1-9 above or IRC section (see instructions)) | (iv) Is the organization in column (i) listed in your governing document? |    | (v) Did you notify the organization in column (i) of your support? |    | (vi) Is the organization in column (i) organized in the U.S.? |    | (vii) Amount of support |
|------------------------------------|----------|---|---|----|--|----|---|----|-------------------------|
|                                    |          |   | Yes   | No | Yes  | No | Yes   | No |                         |
| (A)                                |          |   |   |    |  |    |   |    |                         |
| (B)                                |          |   |   |    |  |    |   |    |                         |
| (C)                                |          |   |   |    |  |    |   |    |                         |
| (D)                                |          |   |   |    |  |    |   |    |                         |
| (E)                                |          |   |   |    |  |    |   |    |                         |
| <b>Total</b>                       |          |   |   |    |  |    |   |    |                         |

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2010

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ▶  | (a) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received (Do not include 'unusual grants'.)  |          |          | 98,200.  | 63,500.  | 130,000. | 291,700.  |
| 2 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.  |          |          |          |          |          | 0.        |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge.   |          |          |          |          |          | 0.        |
| 4 Total. Add lines 1 through 3.  | 0.       | 0.       | 98,200.  | 63,500.  | 130,000. | 291,700.  |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f). |          |          |          |          |          | 0.        |
| 6 Public support. Subtract line 5 from line 4.   |          |          |          |          |          | 291,700.  |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ▶  | (a) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 7 Amounts from line 4 . . . . .  | 0.       | 0.       | 98,200.  | 63,500.  | 130,000. | 291,700.  |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . . |          |          |          |          |          | 0.        |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .                             |          |          |          |          |          | 0.        |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .                               |          |          |          |          |          | 0.        |
| 11 Total support. Add lines 7 through 10 . . . . .   |          |          |          |          |          | 291,700.  |

12 Gross receipts from related activities, etc (see instructions) 12 0.

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

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

|   |    |   |
|---|----|---|
| 14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) | 14 | % |
| 15 Public support percentage from 2009 Schedule A, Part II, line 14.                      | 15 | % |

16a 33-1/3% support test – 2010. If the organization did not check the box on line 13, and the line 14 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. ▶

b 33-1/3% support test – 2009. If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. ▶

17a 10%-facts-and-circumstances test – 2010. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶

b 10%-facts-and-circumstances test – 2009. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶

18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions. ▶

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

| Calendar year (or fiscal yr beginning in) ▶  | (a) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions and membership fees received (Do not include any 'unusual grants'.)   |          |          |          |          |          |           |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose |          |          |          |          |          |           |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513   |          |          |          |          |          |           |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf  |          |          |          |          |          |           |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge  |          |          |          |          |          |           |
| 6 Total. Add lines 1 through 5   |          |          |          |          |          |           |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons  |          |          |          |          |          |           |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year           |          |          |          |          |          |           |
| c Add lines 7a and 7b  |          |          |          |          |          |           |
| 8 Public support (Subtract line 7c from line 6)  |          |          |          |          |          |           |

**Section B. Total Support**

| Calendar year (or fiscal yr beginning in) ▶  | (a) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6  |          |          |          |          |          |           |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources |          |          |          |          |          |           |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975                          |          |          |          |          |          |           |
| c Add lines 10a and 10b  |          |          |          |          |          |           |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on     |          |          |          |          |          |           |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)                                 |          |          |          |          |          |           |
| 13 Total support. (Add lines 9, 10c, 11, and 12.)  |          |          |          |          |          |           |

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

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

|   |    |   |
|---|----|---|
| 15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2009 Schedule A, Part III, line 15                      | 16 | % |

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

|  |    |   |
|--|----|---|
| 17 Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2009 Schedule A, Part III, line 17                        | 18 | % |

19a 33-1/3% support tests – 2010. If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b 33-1/3% support tests – 2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

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



**SCHEDULE L**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Transactions With Interested Persons**

▶ Complete if the organization answered 'Yes' on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

**2010**

**Open to Public Inspection**

Name of the organization: **ACCEPT THE CHALLENGE INC** Employer identification number: **86-0795610**

**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).  
Complete if the organization answered 'Yes' on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

| 1   | (a) Name of disqualified person | (b) Description of transaction | (c) Corrected? |    |
|-----|---------------------------------|--------------------------------|----------------|----|
|     |                                 |                                | Yes            | No |
| (1) |                                 |                                |                |    |
| (2) |                                 |                                |                |    |
| (3) |                                 |                                |                |    |
| (4) |                                 |                                |                |    |
| (5) |                                 |                                |                |    |
| (6) |                                 |                                |                |    |

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$ \_\_\_\_\_

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ \_\_\_\_\_

**Part II Loans to and/or From Interested Persons.**

Complete if the organization answered 'Yes' on Form 990, Part IV, line 26 or Form 990-EZ, Part V, line 38a.

| (a) Name of interested person and purpose | (b) Loan to or from the organization? |      | (c) Original principal amount | (d) Balance due | (e) In default? |    | (f) Approved by board or committee? |    | (g) Written agreement? |    |
|---|---------------------------------------|------|-------------------------------|-----------------|-----------------|----|-------------------------------------|----|------------------------|----|
|   | To                                    | From |                               |                 | Yes             | No | Yes                                 | No | Yes                    | No |
|   | (1) HEIDI LEUNING                     |      |                               |                 |                 |    |                                     |    |                        |    |
| (2) TO FUND OPERATIONS TIL GRANTS RECVD   |                                       |      | 105,000.                      |                 |                 | X  | X                                   |    | X                      |    |
| (3)                                       |                                       |      |                               |                 |                 |    |                                     |    |                        |    |
| (4)                                       |                                       |      |                               |                 |                 |    |                                     |    |                        |    |
| (5)                                       |                                       |      |                               |                 |                 |    |                                     |    |                        |    |
| (6)                                       |                                       |      |                               |                 |                 |    |                                     |    |                        |    |
| (7)                                       |                                       |      |                               |                 |                 |    |                                     |    |                        |    |
| (8)                                       |                                       |      |                               |                 |                 |    |                                     |    |                        |    |
| (9)                                       |                                       |      |                               |                 |                 |    |                                     |    |                        |    |
| (10)                                      |                                       |      |                               |                 |                 |    |                                     |    |                        |    |
| <b>Total</b>                              |                                       |      |                               | ▶ \$            |                 |    |                                     |    |                        |    |

**Part III Grants or Assistance Benefiting Interested Persons.**

Complete if the organization answered 'Yes' on Form 990, Part IV, line 27.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount and type of assistance |
|-------------------------------|---|-----------------------------------|
| (1)                           |   |                                   |
| (2)                           |   |                                   |
| (3)                           |   |                                   |
| (4)                           |   |                                   |
| (5)                           |   |                                   |
| (6)                           |   |                                   |
| (7)                           |   |                                   |
| (8)                           |   |                                   |
| (9)                           |   |                                   |
| (10)                          |   |                                   |



Department of the Treasury  
Internal Revenue Service

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

Open to Public  
Inspection

Name of the organization

ACCEPT THE CHALLENGE INC

Employer identification number

86-0795610

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

PROVIDE BOOKS AND MATERIALS TO ELEMENTARY SCHOOL CHILDREN ON PROGRAM FOR NUTRITION  
AND PHYSICAL HEALTH. ABOUT 20 SCHOOLS AND 4,000 CHILDREN WERE PROVIDED THESE  
MATERIALS AT NO COST TO THEM.

Form 990-EZ, Part V - Regarding Transfers Associated with Personal Benefit Contracts

(a) Did the organization, during the year, receive any funds, directly or  
indirectly, to pay premiums on a personal benefit contract? No

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

Client J1272

ACCEPT THE CHALLENGE INC

86-0795610

4/20/11

04.11PM

**Form 990-EZ, Part I, Line 10  
Grants and Similar Amounts Paid In Excess of \$5,000**

|                               |                       |            |
|-------------------------------|-----------------------|------------|
| Donee's Name:                 | 10,000 CHILDREN       |            |
| Donee's Address:              | 35 ELEMENTARY SCHOOLS |            |
|                               | PHOENIX, AZ 85018     |            |
| Relationship of Donee:        | NONE                  |            |
| Book Value:                   | 71,405.               |            |
| Method Used to Determine BV:  | COST                  |            |
| Fair Market Value:            |                       | \$ 71,405. |
| Method Used to Determine FMV: | COST                  |            |

**Form 990-EZ, Part I, Line 16  
Other Expenses**

|                     |          |                |
|---------------------|----------|----------------|
| Office Expenses     | \$       | 1,663.         |
| PROGRAM DEVELOPMENT |          | 11,202.        |
| RESEARCH            |          | 6,200.         |
| WEBSITE EXPENSES    |          | 2,505.         |
|                     | Total \$ | <u>21,570.</u> |

**Form 990-EZ, Part II, Line 26  
Total Liabilities**

|                                      | <u>Beginning</u>   | <u>Ending</u> |
|--------------------------------------|--------------------|---------------|
| Payable to Officers, Directors, Etc. | \$ 105,000.        | \$ 0.         |
| Total                                | <u>\$ 105,000.</u> | <u>\$ 0.</u>  |