

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)

OMB No. 1545-0047
2003
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2003 calendar year, or tax year beginning _____, 2003, and ending _____, 20

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization: **Three Angels Broadcasting Network, Inc.**
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite: **P.O. Box 220**
 City or town, state or country, and ZIP + 4: **West Frankfort, IL 62896**

D Employer identification number: **37-1179056**

E Telephone number: **(618) 627-4651**

F Accounting method: Cash Accrual
 Other (specify) ▶

H and **I** are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? Yes No (If "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Website: ▶ **3abn.org**

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

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

I Group Exemption Number ▶

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

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

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	10,902,656		
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ 10,593,517 noncash \$ 309,139)	1d			10,902,656
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			882,654
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			28,155
	5 Dividends and interest from securities	5			
	6a Gross rents	6a	20,763		
	b Less: rental expenses	6b	7,259		
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c			13,504
	7 Other investment income (describe ▶)	7			
	8a Gross amount from sales of assets other than inventory	(A) Securities	124,895	8a	24,000
	b Less: cost or other basis and sales expenses		118,712	8b	26,155
	c Gain or (loss) (attach schedule)		6,183	8c	(2,155)
	d Net gain or (loss) (combine line 8c, columns (A) and (B))				4,028
	9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
	a Gross revenue (not including \$ _____ of contributions reported on line 1a)	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	1,390,946		
	b Less: cost of goods sold	10b	1,041,702		
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			349,244
	11 Other revenue (from Part VII, line 103)	11			(698,462)
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12			11,481,779
Expenses	13 Program services (from line 44, column (B))	13			8,623,961
	14 Management and general (from line 44, column (C))	14			4,937,968
	15 Fundraising (from line 44, column (D))	15			
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17			13,561,929
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18			(2,080,150)
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			22,878,557
	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			20,798,407

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 page 22 of 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
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	152,431	55,932	96,499	
26	Other salaries and wages	3,011,398	1,335,074	1,676,324	
27	Pension plan contributions				
28	Other employee benefits				
29	Payroll taxes	210,400		210,400	
30	Professional fundraising fees				
31	Accounting fees	29,651		29,651	
32	Legal fees	250,431		250,431	
33	Supplies	498,913	172,090	326,823	
34	Telephone	194,650	194,650		
35	Postage and shipping	859,186		859,186	
36	Occupancy	328,354	147,702	180,652	
37	Equipment rental and maintenance	2,888,282	2,740,728	147,554	
38	Printing and publications	186,794	186,794		
39	Travel	1,212,374	999,758	212,616	
40	Conferences, conventions, and meetings				
41	Interest	5,937		5,937	
42	Depreciation, depletion, etc. (attach schedule)	1,928,846	1,928,846		
43	Other expenses not covered above (itemize): a				
	Statement 2				
b		1,804,282	862,387	941,895	
c					
d					
e					
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	13,561,929	8,623,961	4,937,968	

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments (See page 25 of the instructions.)

What is the organization's primary exempt purpose?	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a Production and distribution of 24 hour per day religious programming for electronic transmission throughout the world. _____ _____ (Grants and allocations \$ _____)	8,623,961
b _____ _____ _____ (Grants and allocations \$ _____)	
c _____ _____ _____ (Grants and allocations \$ _____)	
d _____ _____ _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	

Part IV Balance Sheets (See page 25 of 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
Assets	45 Cash—non-interest-bearing	797,584	45	383,281
	46 Savings and temporary cash investments	3,875,730	46	2,554,835
	47a Accounts receivable	47a 247,539		
	b Less: allowance for doubtful accounts	47b	180,130	47c 247,539
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	375,394	48c 323,165
	49 Grants receivable			49
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less: allowance for doubtful accounts	51b	29,877	51c
	52 Inventories for sale or use		618,377	52 850,165
	53 Prepaid expenses and deferred charges		584,405	53 401,109
	54 Investments—securities (attach schedule)	► <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
	55a Investments—land, buildings, and equipment: basis	55a 3,387,100		
	b Less: accumulated depreciation (attach schedule)	55b	3,387,100	55c 3,387,100
56 Investments—other (attach schedule)			56	
57a Land, buildings, and equipment: basis	57a 28,010,706			
b Less: accumulated depreciation (attach schedule)	57b 11,763,327	12,358,063	57c 16,247,379	
58 Other assets (describe ► Schedule 5)		31,312,792	58 30,016,365	
59 Total assets (add lines 45 through 58) (must equal line 74)		53,519,452	59 54,777,692	
Liabilities	60 Accounts payable and accrued expenses	837,942	60	1,582,036
	61 Grants payable		61	
	62 Deferred revenue	18,891	62	40,333
	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)		40,000	64b 40,000
	65 Other liabilities (describe ► Schedule 6)		29,744,062	65 32,316,916
66 Total liabilities (add lines 60 through 65)		30,640,895	66 33,979,285	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	18,927,747	67	16,978,544
	68 Temporarily restricted	3,950,810	68	3,819,863
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> 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; column (B) must equal line 21).		22,878,557	73 20,798,407	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)		53,519,452	74 54,777,692	

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

Part VI Other Information (See page 28 of the instructions.)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	✓
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	✓
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	✓
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	✓
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	
b	If "Yes," enter the name of the organization <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a	
b	Did the organization file Form 1120-POL for this year?	81b	✓
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	✓
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	✓
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	✓
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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.	85b	
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88	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	88	✓
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> ; section 4912 <input type="checkbox"/> ; section 4955 <input type="checkbox"/>		
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	✓
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
90a	List the states with which a copy of this return is filed <input type="checkbox"/>		
b	Number of employees employed in the pay period that includes March 12, 2003 (See instructions.)	90b	120
91	The books are in care of <input type="checkbox"/> Larry Ewing Telephone no. <input type="checkbox"/> (618) 627-4651 Located at <input type="checkbox"/> 3391 Charley Good Road, West Frankfort, IL ZIP + 4 <input type="checkbox"/> 62896		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> 92		

Part VII Analysis of Income-Producing Activities (See page 33 of 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 Production and distribution					882,653
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					28,155
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					13,504
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					4,028
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					(50,097)
103 Other revenue: a Video and other sales					399,341
b Change in value of split interest agreements					(776,816)
c Bad debt recovery					18,896
d Other					59,459
e					
104 Subtotal (add columns (B), (D), and (E))					579,123
105 Total (add line 104, columns (B), (D), and (E))					

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of 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).
▼	Statement 11

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

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

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.

Please Sign Here: *Danny Shelton* Signature of officer Date: 2/24/04
 Danny Shelton, President
 Type or print name and title.

Paid Preparer's Use Only: Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name (or yours if self-employed), address, and ZIP + 4, EIN, Phone no.



THREE ANGELS BROADCASTING NETWORK, INC.
990 - SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2003

#37-1179056

Statement 1
Form 990, Part I, Line 8
Net Gain (Loss) form Noninventory Sales

Publicly Traded Securities

Description:	Securities
Date Acquired:	Various
How Acquired:	Purchased or Donated
Date Sold:	Various
To Whom Sold:	Market Shares - Unknown
Gross Sales Price	124,895
Cost Basis	118,712
Loss on Sale	<u>6,183</u>

Other Assets

Description:	Capital Assets
Date Acquired:	Various
How Acquired:	Purchased or Donated
Date Sold:	Various
To Whom Sold:	Various
Gross Sales Price	24,000
Cost Basis	26,155
Loss on Sale	<u>(2,155)</u>

THREE ANGELS BROADCASTING NETWORK, INC.
990 - SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2003

#37-1179056

Statement 2
Form 990, Part I, Line 43
Other Expenses

Other Expenses	Total	Program Management Services	& General Fundraising
Advertising and Promotion	426,191	179,252	246,939
Bank Charges	49,307		49,307
Broadcasting	79,463	79,463	
Camp Meeting	26,141		26,141
Contract Labor	102,479	51,819	50,660
Dues and Registration	46,972	46,972	
Insurance	244,012		244,012
Miscellaneous	192,799		192,799
Music Production	177,166	177,166	
Special Projects	459,752	327,715	132,037
	<u>1,804,282</u>	<u>862,387</u>	<u>941,895</u>

Statement 3
Form 990, Part IV, Line 55
Land, Buildings and Equipment

Land held in Charitable Remainder Unitrusts 3,387,100

Statement 4
Form 990, Part IV, Line 57
Land, Buildings and Equipment

Asset	Cost	Accum. Deprec.	Net Book Value
Aircraft	1,346,893	280,611	1,066,282
Buildings	3,662,186	621,826	3,040,360
Land	834,778		834,778
Land Improvements	187,511	48,060	139,451
Machinery & Equipment	18,017,648	9,809,342	8,208,306
Vehicles	1,402,866	1,003,488	399,378
Construction in Progress	2,558,824		2,558,824
	<u>28,010,706</u>	<u>11,763,327</u>	<u>16,247,379</u>

THREE ANGELS BROADCASTING NETWORK, INC.
990 - SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2003

#37-1179056

Statement 5
Form 990 Part IV, Line 58
Other Assets

Annuities	10,074,843
Trusts	<u>19,941,522</u>
	<u>30,016,365</u>

Statement 6
Form 990 Part IV, Line 65
Other Liabilities

Annuities	10,078,854
Liabilities under Unitrust Agreements	2,296,540
Revocable Trust Liabilities	<u>19,941,522</u>
	<u>32,316,916</u>

Statement 7
Form 990 Part IV-A, Line B(4)
Other Amounts

Cost of Goods Sold - Satellites	1,041,702
Rental Expenses	<u>7,258</u>
	<u>1,048,960</u>

Statement 8
Form 990 Part IV-B, Line B(4)
Other Amounts

Cost of Goods Sold - Satellites	1,041,702
Rental Expenses	<u>7,258</u>
	<u>1,048,960</u>

THREE ANGELS BROADCASTING NETWORK, INC.
990 - SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2003

#37-1179056

Statement 9
Form 990, Part V
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title & Avg. Hrs/Wk</u>	<u>Comp.</u>	<u>Employee Benefits</u>	<u>Expense Account</u>
Dr. Walter Thompson 174 Fox Borough Burr Ridge, IL 60521	Chairman None	0	0	0
Kenneth Denslow 619 Plainfield Rd., 3rd Floor Willowbrook, IL 60521-5381	Director None	0	0	0
May E. Chung 155 Manchester Lane San Bernardino, CA 92408	Director None	0	0	0
Dr. Robert Ford 2517 NE Kresky Chehalis, Wa 98532-2409	Director None	0	0	0
Bill Hulse PO Box 596 Collegedale, TN 37315	Director None	0	0	0
Ellsworth McKee PO Box 750 Collegedale, TN 37315	Director None	0	0	0
Danny Shelton 2954 New Lake Road West Frankfort, IL 62896	President Director 40 hrs/wk	53,695		
Linda Shelton 2954 New Lake Road West Frankfort, IL 62896	Vice Pres. Director 40 hrs/wk	58,169		
G. Ralph Thompson 12501 Old Columbia Pike Silver Spring, MD 20904-6600	Director None	0	0	0
Owen Troy 1906 Dana Drive Adelphi, MD 20783-2119	Director None	0	0	0
Larry Welch 715 S Mulkey Christopher, IL 62822	Director 40 hrs/wk	40,567	0	0
		152,431		

THREE ANGELS BROADCASTING NETWORK, INC.
990 - SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2003

#37-1179056

Statement 10

Form 990, Part V, Line 90A

List of States Which This Return is Filed

California

Illinois

Oregon

Statement 11

Form 990, Part VII

Relationship of Activities to the Accomplishment of Exempt Purposes

<u>Line #</u>	<u>Explanation of Activities</u>
93	Payment for airtime & production of certain religious programming
95	Interest income is used to help offset general operating expenses
97	Rental income is used to help offset general operating expenses
102	Sale of satellite dishes to enable viewers to receive programming
103a	Sale of religious programming and religious books
103c	Recovery of airtime and production revenue relating to religious programming
103d	Other income is used to help offset general operating expenses

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No. 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

2003

Supplementary Information—(See separate instructions.)

Department of the Treasury
Internal Revenue Service

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

Name of the organization

Three Angels Broadcasting Network, Inc.

Employer identification number

37 : 1179056

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Moses Primo PO Box 39, Thompsonville, IL 62890	Director of Engineering	69,732.14		
Total number of other employees paid over \$50,000 ▶	0			

Part II 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
Union Bank of California PO Box 85243, San Diego, CA 92186	Investment Management	62,291
Sidley, Austin, Brown & Wood LLP 555 West 5th Street, Suite 4000, Los Angeles, CA 90013	Legal	65,546
Total number of others receiving over \$50,000 for professional services ▶	0	

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.)		✓
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.		
2 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?		✓
b Lending of money or other extension of credit?		✓
c Furnishing of goods, services, or facilities?	✓	
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		✓
e Transfer of any part of its income or assets?		✓
3a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		✓
b Do you have a section 403(b) annuity plan for your employees?		✓
4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		✓

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

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

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

Calendar year (or fiscal year beginning in) ▶	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	17,236,402	13,521,717	11,202,957	10,911,244	52,872,320
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	1,998,731	1,794,201	3,476,063	4,610,614	11,879,609
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	52,416	70,437	83,580	77,741	284,174
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22.	19,287,549	15,386,355	14,762,600	15,599,599	65,036,103
24 Line 23 minus line 17.	17,288,818	13,592,154	11,286,537	10,988,985	53,156,494
25 Enter 1% of line 23	192,875	153,864	147,626	155,996	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24. ▶	26a	
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶	26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶	26c	
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ ▶	26d	
e Public support (line 26c minus line 26d total) ▶	26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶	26f	%

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year:

(2002) 317,048 (2001) 261,527 (2000) 455,945 (1999) 1,444,658

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 11, 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:

(2002) 182,840 (2001) 379,400 (2000) 179,522 (1999)

c Add: Amounts from column (e) for lines: 15 <u>52,872,320</u> 16 _____ 17 <u>11,879,609</u> 20 _____ 21 _____ ▶	27c	64,751,929
d Add: Line 27a total <u>2,479,178</u> and line 27b total <u>741,762</u> ▶	27d	3,220,940
e Public support (line 27c total minus line 27d total) ▶	27e	61,530,989
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶	27f	65,036,103
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶	27g	94.6 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶	27h	.4 %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 7 of the instructions.)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

	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?		
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?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? 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		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table— 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 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	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities
 (For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

- a Volunteers
 - b Paid staff or management (Include compensation in expenses reported on lines c through h.)
 - c Media advertisements
 - d Mailings to members, legislators, or the public
 - e Publications, or published or broadcast statements
 - f Grants to other organizations for lobbying purposes
 - g Direct contact with legislators, their staffs, government officials, or a legislative body
 - h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
 - i Total lobbying expenditures (Add lines c through h.)
- If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Yes	No	Amount

