

Ex. O

PT 04-1
Tax Type: Property Tax
Issue: Religious Ownership/Use

Ex. J
(O-EE)

**STATE OF ILLINOIS
 DEPARTMENT OF REVENUE
 OFFICE OF ADMINISTRATIVE HEARINGS
 SPRINGFIELD, ILLINOIS**

<p>3 ANGELS BROADCASTING NETWORK</p> <p style="text-align: center;">v.</p> <p>THE DEPARTMENT OF REVENUE OF THE STATE OF ILLINOIS</p>	}	<table style="width: 100%; border: none;"> <tr> <td style="padding: 2px;">A.H. Docket #</td> <td style="text-align: right; padding: 2px;">01-PT-0027</td> </tr> <tr> <td style="padding: 2px;">P. I. #</td> <td style="text-align: right; padding: 2px;">174-116-11</td> </tr> <tr> <td style="padding: 2px;">Docket #</td> <td style="text-align: right; padding: 2px;">00-28-01</td> </tr> <tr> <td style="padding: 2px;">Docket #</td> <td style="text-align: right; padding: 2px;">01-28-07</td> </tr> </table> <p style="text-align: right; padding: 5px;">Barbara S. Rowe Administrative Law Judge</p>	A.H. Docket #	01-PT-0027	P. I. #	174-116-11	Docket #	00-28-01	Docket #	01-28-07
A.H. Docket #	01-PT-0027									
P. I. #	174-116-11									
Docket #	00-28-01									
Docket #	01-28-07									

RECOMMENDATION FOR DISPOSITION

Appearances: Mr. Kent R. Steinkamp, Special Assistant Attorney General for the Illinois Department of Revenue; Mr. Nicholas P. Miller, Sidley, Austin, Brown, Wood, L.L.C., Mr. Lee Boothby, Boothby and Yingst, and Mr. D. Michael Riva for 3 Angels Broadcasting Network; Ms. Merry Rhodes and Ms. Joanne H. Petty, Robbins, Schwartz, Nicholas, Lifton and Taylor, Ltd. for Thompsonville Community High School District 112.

Synopsis:

The hearing in this matter was held to determine whether Franklin County Parcel Index No. 174-116-11 qualified for exemption during the 2000 and/or 2001 assessment years.

Danny Shelton, president of Three Angels Broadcasting, (hereinafter referred to as the "Applicant" or "3ABN"); Larry Ewing, director of finance in 2002 of applicant; Alan Lovejoy, CPA and accountant; Walter Thompson, chairman of the board in 2002 of applicant; Bill Bishop, minister in the Seventh-day Adventist Church and member of the pastoral staff of applicant; Kenneth Denslow, president of the Illinois Conference of the Seventh-day Adventist Church; Mollie Steenson, department coordinator of applicant; and Linda Shelton, vice president of

17. Linda Shelton attended one year of college after high school graduation. Prior to working for applicant she worked as a receptionist in a law office and held other odd jobs such as a secretary at City Hall. (Tr. pp. 590-592)

18. Linda Shelton is responsible for the content in the magazines, sales catalogs, and newsletters applicant distributes. Publication of the items does do not take place on the subject property. The periodicals are distributed to between 100,000 and 150,000 people. People get on applicant's mailing list by sending in a donation or by request. (Intervenor's Ex. Nos. 5-9; Tr. pp. 342, 592-594, 605-607)

19. Linda Shelton is in charge of applicant's production, programming, and scheduling. (Tr. p. 592)

20. Linda Shelton writes the contents of the newsletters and promotional magazines applicant produces. They are distributed free of charge. She has recorded four CDs that applicant produced and sells. (Applicant's Ex. No. 24; Tr. pp. 592-595)

21. Linda Shelton receives royalty payments for the CDs she produces. Broadcast Music Incorporated, a private company unaffiliated with applicant, licenses her songs. The songs on the CD, "I Think About Grace" belong to Linda, and were copyrighted by her in 2001. Applicant's (800) area code telephone number is listed on the inside label of "I Think About Grace" for ordering additional CDs. The outside label of the CD has the (618) area code telephone number listed with the address of applicant. Applicant's Fall/Winter 2001-2002 newsletter has an advertisement for the CD. The advertisement has the (800) toll free telephone number listed for orders. (Intervenor's Ex. No. 8; Applicant's Ex. No. 24; Tr. pp. 617-623, 644-645)

22. As president of applicant, Danny Shelton carries forth the policies that the board sets and oversees the operations of the broadcasting department, the programming department,

69. The General Conference of the Seventh-day Adventist Church purchased airtime from applicant during the 2000 and 2001 calendar years. (Tr. pp. 368-369)

70. Applicant is not part of the Seventh-day Adventist Church. (Tr. p. 368)

71. Applicant is not a Seventh-day Adventist institution. (Tr. p. 97)

72. Applicant was established, organized and is operated by lay people. (Intervenor's Ex. No. 8 p. 400033)

73. Applicant is not owned by or controlled by the Seventh-day Adventist Church. (Tr. p. 99)

74. Applicant's staff includes four Seventh-day Adventist ministers that answer telephones and pray with people in the two 14' x 18' offices. The pastors lead daily worship services and view the videotapes for content that is consistent with applicant's purposes.¹⁷ Sabbath services, foot washings, marriages, and baptisms are not held on the property in question. (Tr. pp. 531-541)

Charitable Considerations

75. Applicant is not required to pay federal income tax pursuant to a finding by the Internal Revenue Service that applicant is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. (Applicant's Ex. Nos. 4, 5)

76. Applicant's board has no written policy to give away or donate its satellite systems. If an individual were unable to pay the cost of the system, applicant's secretary would contact Danny Shelton who would determine, with the board's guidance, whether the product should be given away. "Applicant has no policy that says give away." (Tr. pp. 295-303)

77. Applicant has no records of materials given away in 2000 or 2001. Applicant has no specific written policy that outlines what factors are used or what direction is given by

¹⁷ See Finding of Fact No. 7.

applicant's board that allows applicant to distribute items at a reduced rate or free of charge. (Tr. pp. 586-589, 614-616)

CONCLUSIONS OF LAW:

Article IX, §6 of the Illinois Constitution of 1970, provides in part as follows:

The General Assembly by law may exempt from taxation only the property of the State, units of local government and school districts and property used exclusively for agricultural and horticultural societies, and for school, religious, cemetery and charitable purposes.

This provision is not self-executing but merely authorizes the General Assembly to enact legislation that exempts property within the constitutional limitations imposed. City of Chicago v. Illinois Department of Revenue, 147 Ill.2d 484 (1992).

Pursuant to the authority granted by the Constitution, the legislature has enacted exemptions from property tax. Applicant asserts that it is entitled to a property tax exemption under either the religious or charitable exemptions found in the Illinois Property Tax Code.

The religious exemption is found at 35 ILCS 200/15-40. In 2000, a portion of the statute stated:

§ 15-40. Religious purposes, orphanages or school and religious purposes. All property used exclusively for religious purposes, or used exclusively for school and religious purposes, or for orphanages and not leased or otherwise used with a view to profit, is exempt, . . .¹⁸

¹⁸ Amended by P.A. 92-333, §5, eff. Aug. 10, 2001, the statute was changed to state:

§ 15-40. Religious purposes, orphanages, or school and religious purposes.

(a) Property used exclusively for:

- (1) religious purposes, or
- (2) school and religious purposes, or
- (3) orphanages

qualifies for exemption as long as it is not used with a view to profit.

In Inter-Varsity Christian Fellowship v. Hoffman, 62 Ill.App.3d 798 (2nd Dist. 1978) the Illinois appellate court addressed whether property of an evangelical organization used to prepare and distribute Christian literature could qualify for exemption under the religious property tax exemption. Although the court held that the applicant fellowship did qualify for the exemption, the facts presented in Inter-Varsity are readily distinguishable from those before me.

First, the record in Inter-Varsity shows that the fellowship based the price of each publication that it sold strictly on its cost to the fellowship. *Id.* at 800, 803. The record contains absolutely no evidence proving how 3ABN determines the prices of the satellite dishes, videos, airtime, CD's and other items that it sells other than Danny Shelton's testimony that the pricing guide applicant uses for sales of its videos, CD's etc. is "that they are affordable." (Tr. pp. 168-170). Absent this evidence, I must resolve all failures of proof against the applicant and in favor of taxation. People ex rel. Norland v. Home for the Aged, 40 Ill.2d 91 (1968); Gas Research Institute v. Department of Revenue, 154 Ill.App.3d 430 (1st Dist. 1987). Therefore, I conclude that applicant employs a non-exempt commercial or retail pricing system unlike the Inter-Varsity Fellowship pricing method.

Second, the Inter-Varsity record specifically disclosed that the fellowship provided "a substantial amount of materials free or below cost to groups that are targeted for its message." Inter-Varsity, *supra*, at 803. Specifically, the fellowship gave away no less than 10% of its total publications free of charge and sold an unspecified amount of its literature "at half price to individuals with the idea that they would give the books away." *Id.* at 800.

Such is not the case here. Applicant did not establish that they gave anything away free except for the catalogues that list the merchandise that is for sale. In addition, absent evidence to the contrary, I conclude that at least one private individual, Linda Shelton, profits from the sale of items listed in the catalogue. Applicant's board has no written policy to give away or donate

sufficient direction and control over the foundation to place equitable ownership of the properties in the university.

Applicant's contract with the Seventh-day Adventists does not state that applicant's use of the property is contingent upon any control what so ever of the Seventh-day Adventist Church. The document merely states that the entities support the efforts of each other. Nothing in the record establishes the Seventh-day Adventist's authority to operate the subject property under its own jurisdiction, and, in fact, the testimony of Danny Shelton was that applicant is not owned by or controlled by the Seventh-day Adventist Church. Although Danny Shelton testified that he has written three books about the teachings and principles of the Seventh-day Adventist Church, (Tr. pp. 155-157) those books were not admitted into evidence, nor were the circumstances regarding the religious nature or financial information about the books admitted into evidence. Certainly nothing connects the writing, publication, or distribution of that material to the property at issue.

In addition, there is discrepancy in the testimony of Linda Shelton. She stated she did not receive royalty payments for the CDs (Tr. pp. 595, 617) and later admitted that she did (Tr. p. 619). The CD admitted into evidence, entitled "I think About Grace", has a copyright mark on it. (Applicant's Ex. No. 24). Broadcast Music Incorporated, a private company unaffiliated with applicant, licenses her songs. (Tr. pp. 617-620). The songs on the CD belong to Linda, and were copyrighted by her in 2001. (Tr. pp. 620-623). Linda insisted that the (800) area code, toll free telephone number is strictly for prayer requests (Tr. p. 608, 612); however, it is the number listed on the inside label of her CD that was admitted into evidence. The (800) telephone number is listed for ordering additional CDs. The outside label had the (618) area code telephone number listed with the address of applicant. Applicant's Fall/Winter 2001-2002 newsletter has an advertisement for Linda Shelton's new CD, "I Think About Grace." The advertisement has the

toll free number listed for orders. (Intervenor's Ex. No. 8; Applicant's Ex. No. 24; Tr. pp. 644-645).

Based upon the record, I conclude that applicant, a non-religious entity and commercial enterprise, maintains control over the operations conducted on the property at issue.

Where property is used for two purposes, one of which is exempt from taxation and the other of which is not, tax should be imposed against the part of the property that does not qualify for exemption, and not imposed against the portion that qualifies. Fairview Haven v. Department of Revenue, 153 Ill.App.3d 763 (4th Dist. 1987). In the second floor of the administrative production center, applicant has two offices, each 14' x 18'. Applicant's staff includes four Seventh-day Adventist ministers that answer telephones in those offices and pray with people. The pastors lead daily worship services in these rooms. The use of the two offices for prayer is consistent with the religious activities required under Deutsche Gemeinde, *supra*.

Leased or Otherwise Used With a View to Profit

The religious property tax exemption also mandates that the property not be "leased or otherwise used with a view to profit." 35 ILCS 200/15-40²⁰ Applicant's property is most definitely used with a view to profit. Both applicant's own corporate growth and the profit inuring to individuals result from applicant's use of the subject property. According to applicant's 2001 financial statement, applicant's assets have accumulated to over forty-two million dollars (\$42,000,000), approximately three times the total revenue for 2001 of slightly under fourteen million dollars (\$14,000,000). The income raised and accumulated by applicant has allowed it to purchase an airplane, a state-of-the art recording studio, and other audio/video production facilities and tools. The airplane is a business airplane that is used to promote the Shelton's commercial enterprises and expand the target audience areas where 3ABN does its

²⁰ See Footnote No. 20 for the 2001 amendment to the statute.

According to the incorporation documents submitted, the four directors of the company are Danny L. Shelton, Linda Shelton, Kenneth Joel Shelton, and Emma Lou Shelton. Applicant failed to produce any evidence that this is not a closely held business with profits inuring to the family. Applicant failed to establish what the relationship is between Kenneth Joel Shelton, Emma Lou Shelton, Danny Shelton and Linda Shelton or that the relationship of Kenneth Joel Shelton and Emma Lou Shelton with Linda and Danny Shelton is not one of direct family. This is of import because these are the only names of the directors of the applicant, and two of them are controlling corporate officers. Applicant has produced no evidence to negate the supposition that Danny and Linda Shelton maintain control of this organization. Although the by-laws state that the number of directors of the corporation is seven (7) to fifteen (15), applicant failed to explain the discrepancy between these numbers and the four Shelton directors shown on the articles of incorporation.

Decisions concerning terms and conditions of employment are normally left to the business judgment of an applicant's governing board and courts generally presume that a governing board will act in good faith and in furtherance of a company's best interest when making such decisions. Spillyards, et al. v. Abboud, et al. 278 Ill.App.3d 663, 681 (4th Dist. 1996). As such, courts usually will not interfere with governing board's business judgment absent a showing that the governing board acted in bad faith, abused its discretion, or committed gross negligence. *Id.*

This protective presumption does not attach where the directors have an improper interest in the subject matter. *Id.* 3ABN's corporate documents create such an improper interest by providing that all four directors share the last name of Shelton and have Rural Route #2, West Frankfort, Illinois 62896 as their mailing address. As presumed family members, the corporate control rights normally exercised by the board become personal and one can fully expect the

board's authority to be exercised in a manner that provides them with the greatest financial return. I must conclude from the evidence of record, that applicant is controlled by Danny and Linda Shelton, and all final decisions are made by them and not by a disinterested impartial board of directors.

Linda Shelton is certainly operating a commercial enterprise with the production of her CDs. The programming done on the property generates large sums of money. Applicant has failed to establish that it is not charging everyone that purchases or uses its products, facilities, and programs at prices above the cost of operation. On the contrary, these appear to be arms-length transactions producing fees no different than a non-exempt business enterprise would generate. Programming and broadcasting are done for profit on this property, as clearly shown by applicant's financial statements.

Section 15-40 expressly forbids this type of management by barring exemption where the property is "used with a view to a profit." 35 ILCS 200/15-40. Although most of the case law concerning uses for profit has developed in the context of leased property, Illinois courts have uniformly denied exemption to properties primarily used for purposes of providing their owners with some form of return on their investment. People ex rel. Baldwin v. Jessamine Withers Home, 312 Ill. 136, 140-141 (1934); People ex rel. Lloyd v. University of Illinois, 357 Ill. 369 (1924); People ex rel. County Collector v. Hopedale Medical Foundation, 451 Ill.2d 450 (1970); Victory Christian Church v. Department of Revenue, 264 Ill.App.3d 919, 923-924 (1st Dist. 1988); Wheaton College v. Department of Revenue, 155 Ill.App.3d 945 (2nd Dist. 1987); American National Bank and Trust Company v. Department of Revenue, 242 Ill.App.3d 716 (2nd Dist. 1993); Immanuel Evangelical Lutheran Church of Springfield v. Illinois Department of Revenue, 267 Ill.App.3d 678 (1994).

The operation of 3ABN on the property in question generates a significant profit for applicant. Applicant broadcasts its programs to a customer base comprised of persons that purchase applicant's dish systems. The nature of applicant's programming and CDs is the encouragement of a healthy lifestyle, for a price. Although there may be religious overtones in applicant's use of the property, that is not sufficient to qualify for a religious property tax exemption. Were I to recommend a grant of tax exemption for the majority of the property at issue, which is clearly a commercial enterprise, it would give applicant an unfair commercial advantage over other commercially owned and operated radio and television stations.

Although applicant executed the declaration with the General Conference of Seventh-day Adventists, the declaration simply expresses the support of each entity for the endeavors of the other. The declaration confirms that the Seventh-day Adventist church supports the principles of the applicant but establishes no formal interaction between the two entities. There is no obligation on the part of the applicant to use the property for Seventh-day Adventist activities, doctrines or programming, and in fact applicant charged the Seventh-day Adventist Church for its programs, just like it charged all its other customers.

Applicant's activities have brought it to a position where it can consider the spin-off of for-profit corporations dedicated to activities that cannot be done by a not-for-profit entity. (Tr. pp. 376-385). Additionally, accumulated capital equipment and resources obtained and maintained by applicant (for example, the 800 toll free telephone number) are used in conjunction with ordering applicant's equipment and products. Applicant has accumulated sufficient wealth that it is currently in the process of setting up its own music label and has purchased additional properties for various uses not contemplated under the not-for-profit statutes. (Tr. pp. 371-372, 376-385). At least one person, Linda Shelton, will benefit from that.

(Tr. pp. 617-623, 643-645). Applicant has, therefore, not established that it does not profit from the enterprise conducted on the subject property, a fatal flaw to its exemption claim.

The audited financial statements prove that applicant netted a profit during the years at issue. Applicant has total revenues and other support in 2000 of \$14,452,519.91 and expenses of \$13,239,904.62 for a net profit of \$1,212,615.29. For 2001, total revenues and other support were \$13,935,318.64 and expenses were \$11,940,167.11 for a net profit of \$1,995,151.53. It is difficult to totally understand applicant's financial position based solely on the financial statements submitted. The mere fact that applicant's financial records show a surplus may not be sufficient, in and of itself, to prevent 3ABN from obtaining exempt status. *See, Children's Development Center v. Olson, 52 Ill.2d 332 (1972)*. Nevertheless, the fact that applicant maintained such a sizeable surplus *at the same time as* it was able to comfortably cover its operating expenses through its cash resources negates a finding that applicant does not use the property with a view to profit. Applicant has not established that it conducts charitable activities when it clearly has the resources to extend the use of the property and equipment on the property to charitable and/or religious entities at no cost. The record does not indicate that it did so.

Charitable Tax Exemption Standards and Applicant's Claim for Charitable Exemption

Section 15-65 of the Property Tax Code authorizes an exemption for property actually and exclusively used for charitable purposes and not leased or used with a view to profit. In Crerar v. Williams, 145 Ill. 625 (1893), the Illinois Supreme Court defined charity as follows:

A charity, in a legal sense, may be more fully defined as a gift, to be applied consistently with existing laws, for the benefit of an indefinite number of persons, either by bringing their hearts under the influence of education or religion, by relieving their bodies from disease, suffering or constraint, by assisting them to establish themselves for life, or by erecting or maintaining public government. *Id.* at 643

religious video tapes, audio tapes, and books for Christian organizations world-wide. Those sections of the house qualified for a property tax exemption. The areas of the house used primarily for residential purposes did not qualify for exemption.

In Muhammad's Holy Temple of Islam, an Islamic organization owned a three-story building that was used for training in the Islamic religion. At hearing, Muhammad's Holy Temple established that it was, in fact, a religious Islamic organization and that the training was an essential part of its religious purposes.

The Department, as shown by these cases, grants exemptions for religious organizations that use property for exempt religious purposes and not with a view to profit. As discussed above, applicant is not only not a religious organization, but, more importantly, does not primarily use the property for religious purposes without a view to profit.

For the aforementioned reasons it is recommended that Franklin County Parcel Index No. 174-116-11 remain on the tax rolls for the 2000 and 2001 assessment years and be assessed to the applicant, the owner thereof, except for the two pastor's offices, each measuring 14 feet by 18 feet, on the second floor of the administrative production center building, and a corresponding amount of land. That area, I recommend, be granted a property tax exemption as used for religious purposes without a view to profit.

Respectfully Submitted,

Barbara S. Rowe
Administrative Law Judge
January 28, 2004

Ex. P

Below are some of the items that 3ABN has for sale. All prices are in U.S. Dollars. You can also download a our "mini" video catalog. This pdf document highlights some of the best videos from 3ABN and provides you with an easy to fill out order form. You will need [Adobe Acrobat Reader](#) to view this file. Click [HERE](#) To download the catalog.

To order please call (800) 752-3226 between 8:30am-5:00pm central time.

You can also send your check to: 3ABN, P.O. Box 220, West Frankfort, IL 62896.

"Especially For Us"

is a children's book written by Linda Shelton. It has beautiful full color illustrations on every page, and it is written in rhythmic poem style that is appealing to "youngsters" of all ages. The theme of this book demonstrates to children just how God's Word is important and applicable to their young lives, and how they can utilize God's promises and principles. Especially for Us" is especially for YOU!!

Cost:\$10.00 postpaid

3ABN Family Scrapbook

The family scrapbook features poems and verses heard on 3ABN Presents

Cost: \$10 plus \$1.50 S&H

"Glorious" Song Book

The Glorious song book is the sheet music version of Danny & Linda's album by the same name.

Cost: \$10 plus \$1.50 S&H

Glorious

Danny and Linda's Album "Glorious" features songs like "I Want the Fullness", "God Knows", "God Wrote His Love", and "Good Night Jesus".

Ex. Q

[Exhibit Q for the motion to compel filed in the Western District of Michigan is identical to Exhibit BBB filed in the Southern District of Illinois, without the hands pointing. It is included in this filing as part of Exhibit O.

To conserve resources it is not duplicated here.]

Ex. R

[Exhibit R for the motion to compel filed in the Western District of Michigan is identical to Exhibit CCC filed in the Southern District of Illinois, without the hands pointing. It is included in this filing as part of Exhibit O.

To conserve resources it is not duplicated here.]

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

1999 Ex. **S**

Department of the Treasury
Internal Revenue Service

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation) or section 4947(a)(1) nonexempt charitable trust

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

This Form is Open to Public Inspection

A For the 1999 calendar year, OR tax year period beginning and ending

B Check if: <input type="checkbox"/> Change of address <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return (required also for state reporting)	Please use IRS label or print or type. See Specific Instructions.	C Name of organization REMNANT PUBLICATIONS, INC.		D Employer identification number 38-2810502
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite P.O. BOX 426		E Telephone number (517) 279-1304
		City or town, state or country, and ZIP+4 COLDWATER, MI 49036		F Check <input type="checkbox"/> if exemption application is pending

G Type of organization Exempt under 501(c) (3) (insert number) OR section 4947(a)(1) nonexempt charitable trust

Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

H(a) Is this a group return filed for affiliates? Yes No
 (b) If "Yes," enter the number of affiliates for which this return is filed: _____
 (c) Is this a separate return filed by an organization covered by a group ruling? Yes No

I If either box in H is checked "Yes," enter four-digit group exemption number (GEN) _____
 J Accounting method: Cash Accrual Other (specify) _____

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 it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Direct public support	1a	147,044.	
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (attach schedule of contributors) (cash \$ 147,044. noncash \$)	1d	147,044.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4	550.	
	5	Dividends and interest from securities	5		
	6a	Gross rents	6a		
	6b	Less: rental expenses	6b		
	6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		
7	Other investment income (describe)	7			
8a	Gross amount from sale of assets other than inventory	(A) Securities	8a	23,600.	
		(B) Other	8b	21,527.	
			8c	2,073.	
		d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	2,073.
9	Special events and activities (attach schedule)				
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	461,470.		
		10b	170,414.		
		c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	291,056.
11	Other revenue (from Part VII, line 103)	11			
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	440,723.		
Expenses	13	Program services (from line 44, column (B))	13	388,532.	
	14	Management and general (from line 44, column (C))	14	112,919.	
	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	501,451.	
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	<60,728.>	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	<152,960.>	
	20	Other changes in net assets or fund balances (attach explanation)	20	0.	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	<213,688.>	

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Form 990 (1999)

REMnant PUBLICATIONS, INC.

38-2810502

Page 2

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.

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 \$ _____	22			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25 18,692.	18,692.	0.	0.
26 Other salaries and wages	26 115,369.	115,369.		
27 Pension plan contributions	27			
28 Other employee benefits	28 2,398.	2,398.		
29 Payroll taxes	29 10,125.	10,125.		
30 Professional fundraising fees	30			
31 Accounting fees	31 920.		920.	
32 Legal fees	32			
33 Supplies	33			
34 Telephone	34 8,424.		8,424.	
35 Postage and shipping	35 39,333.	39,333.		
36 Occupancy	36 400.		400.	
37 Equipment rental and maintenance	37 11,220.	11,220.		
38 Printing and publications	38			
39 Travel	39 5,925.		5,925.	
40 Conferences, conventions, and meetings	40			
41 Interest	41 62,513.	62,513.		
42 Depreciation, depletion, etc. (attach schedule)	42 128,882.	128,882.		
43 Other expenses (itemize):				
a	43a			
b	43b			
c	43c			
d	43d			
e SEE STATEMENT 3	43e 97,250.		97,250.	
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44 501,451.	388,532.	112,919.	0.

Reporting of Joint Costs. - Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? 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

What is the organization's primary exempt purpose? DISSEMINATION OF CHURCH LITERATURE	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
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.)	
a DISSEMINATION OF LITERATURE	

_____ (Grants and allocations \$ _____)	388,532.
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)	388,532.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return

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

a	Total revenue, gains, and other support per audited financial statements	a	N/A
b	Amounts included on line a but not on line 12, Form 990:	b	
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify): \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	
d	Amounts included on line 12, Form 990 but not on line a:	d	
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify): \$		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	

a	Total expenses and losses per audited financial statements	a	N/A
b	Amounts included on line a but not on line 17, Form 990:	b	
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify): \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	
d	Amounts included on line 17, Form 990 but not on line a:	d	
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify): \$		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated.)

(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	(E) Expense account and other allowances
DWIGHT HALL 649 E. CHICAGO ST COLDWATER, MICHIGAN 49036	PRESIDENT 2	18,692.	0.	0.
DANIEL HALL 309 DAYBURG RD COLDWATER, MICHIGAN 49036	VP/SEC/TREAS 2	0.	0.	0.
RUDY W HALL RT 67, BOX 146A CULLOWEE, NC	DIRECTOR 2	0.	0.	0.
C. DARWIN HALL 326 E. GIRARD RD COLDWATER, MICHIGAN 49036	DIRECTOR 2	0.	0.	0.

923001 12-14-99

REMNANT PUBLICATIONS, INC.

38-2810502

FORM 990	OTHER EXPENSES	STATEMENT	3
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DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
ADVERTISING	57,970.		57,970.	
BANK SERVICE CHARGE	230.		230.	
CORRESPONDENCE	600.		600.	
CREDIT CARD FEE	1,180.		1,180.	
INSURANCE	3,438.		3,438.	
MINISTRY	9,787.		9,787.	
OFFICE EXPENSE	6,050.		6,050.	
REPAIRS	6,660.		6,660.	
SALES TAX	456.		456.	
UNEMPLOYMENT	948.		948.	
UTILITIES	9,931.		9,931.	
TOTAL TO FM 990, LN 43	97,250.		97,250.	

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	4
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER EQUIP.	1,621.	1,621.	0.
COPY MACHINE	2,290.	2,290.	0.
COPY MACHINE-MONTANA	1,837.	1,837.	0.
LAPTOP-MONTANA	1,632.	1,632.	0.
COMPUTER-MONTANA	600.	600.	0.
MONITOR-MONTANA	300.	300.	0.
SOFTWARE-MONTANA	482.	482.	0.
COMPUTER-COLDWATER	1,700.	1,700.	0.
COMPUTER	1,064.	1,064.	0.
COMPUTER	1,454.	1,454.	0.
LASER PRINTER	1,951.	1,951.	0.
P.A. SYSTEM	1,400.	1,322.	78.
FURNITURE	1,329.	1,227.	102.
FURNITURE	574.	555.	19.
REFRIGERATOR	461.	460.	1.
CUSTOM SOFTWARE	718.	718.	0.
LAPTOP COMPUTER	2,600.	2,600.	0.
EQUIPMENT	1,348.	1,184.	164.
DESK	409.	343.	66.
COMPUTER	3,068.	2,891.	177.
RECORDER	735.	572.	163.
2 LUGGAGE RACKS	799.	621.	178.
ACCT SOFTWARE	445.	418.	27.

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2000

Ex. T

Department of the Treasury
Internal Revenue Service

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation), section 527, or section 4947(a)(1) nonexempt charitable trust

Open to Public Inspection

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

A For the 2000 calendar year, OR tax year period beginning and ending

B Check if applicable:
 Change of address
 Change of name
 Initial return
 Final return
 Amended return (use also for state reporting)

C Name of organization: **REMNANT PUBLICATIONS, INC.**
 Number and street (or P.O. box if mail is not delivered to street address): **P.O. BOX 426**
 City or town, state or country, and ZIP: **COLDWATER, MI 49036**

D Employer identification number: **38-2810502**

E Telephone number: **(517) 279-1304**

F Check if application pending

G Organization type (check only one) 501(c) (3) (insert no.) 527
 OR 4947(a)(1)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

J Accounting method: Cash Accrual Other (specify) _____

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.

L Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Direct public support	1a	285,875.	
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (cash \$ 285,875. noncash \$)	1d	285,875.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	721,476.	
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4	424.	
	5	Dividends and interest from securities	5		
	6	a 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			
8	a Gross amount from sale of assets other than inventory	(A) Securities	(B) Other		
	b Less: cost or other basis and sales expenses	8a	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)				
	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			
10	a 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 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	1,007,775.		
Expenses	13	Program services (from line 44, column (B))	13	564,373.	
	14	Management and general (from line 44, column (C))	14	335,436.	
	15	Fundraising (from line 44, column (D))	15	31,188.	
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses (add lines 16 and 44, column (A))	17	930,997.	
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	76,778.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	<213,688.>	
	20	Other changes in net assets or fund balances (attach explanation)	20	0.	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	<136,910.>	

SCANNED SEP 12 '01

RECEIVED
AUG 2 2001
COLDWATER MI

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.			
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 \$ _____	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25	18,000.	18,000.	0.
26	Other salaries and wages	26	123,066.	14,107.	108,959.
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32	1,905.	1,905.	
33	Supplies	33	50,535.	19,347.	31,188.
34	Telephone	34			
35	Postage and shipping	35			
36	Occupancy	36			
37	Equipment rental and maintenance	37			
38	Printing and publications	38			
39	Travel	39	6,199.	6,199.	
40	Conferences, conventions, and meetings	40			
41	Interest	41	236,127.	161,838.	74,289.
42	Depreciation, depletion, etc. (attach schedule)	42	8,203.	8,203.	
43	Other expenses (itemize):				
a	_____	43a			
b	_____	43b			
c	_____	43c			
d	_____	43d			
e	SEE STATEMENT 1	43e	486,962.	388,428.	98,534.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	930,997.	564,373.	335,436.

Reporting of Joint Costs. Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? 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

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.)
DISSEMINATION OF CHURCH LITERATURE	
a DISSEMINATION OF LITERATURE	
(Grants and allocations \$ _____)	564,373.
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)	564,373.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return	Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return
<p>a Total revenue, gains, and other support per audited financial statements ▶ a 1,068,894.</p> <p>b Amounts included on line a but not on line 12, Form 990:</p> <p>(1) Net unrealized gains on investments \$ _____</p> <p>(2) Donated services and use of facilities \$ 60,000.</p> <p>(3) Recoveries of prior year grants \$ _____</p> <p>(4) Other (specify): STMT 4 \$ 14,658.</p> <p>Add amounts on lines (1) through (4) ▶ b 74,658.</p> <p>c Line a minus line b ▶ c 994,236.</p> <p>d Amounts included on line 12, Form 990 but not on line a:</p> <p>(1) Investment expenses not included on line 6b, Form 990 \$ _____</p> <p>(2) Other (specify): STMT 5 \$ 13,539.</p> <p>Add amounts on lines (1) and (2) ▶ d 13,539.</p> <p>e Total revenue per line 12, Form 990 (line c plus line d) ▶ e 1,007,775.</p>	<p>a Total expenses and losses per audited financial statements ▶ a 990,997.</p> <p>b Amounts included on line a but not on line 17, Form 990:</p> <p>(1) Donated services and use of facilities \$ 60,000.</p> <p>(2) Prior year adjustments reported on line 20, Form 990 \$ _____</p> <p>(3) Losses reported on line 20, Form 990 \$ _____</p> <p>(4) Other (specify) \$ _____</p> <p>Add amounts on lines (1) through (4) ▶ b 60,000.</p> <p>c Line a minus line b ▶ c 930,997.</p> <p>d Amounts included on line 17, Form 990 but not on line a:</p> <p>(1) Investment expenses not included on line 6b, Form 990 \$ _____</p> <p>(2) Other (specify) \$ _____</p> <p>Add amounts on lines (1) and (2) ▶ d _____</p> <p>e Total expenses per line 17, Form 990 (line c plus line d) ▶ e 930,997.</p>

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated.)				
(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	(E) Expense account and other allowances
DWIGHT HALL P.O. BOX 426 COLDWATER, MICHIGAN 49036	PRESIDENT 2	18,000.	0.	0.
DANIEL HALL P.O. BOX 426 COLDWATER, MICHIGAN 49036	VP/SEC/TREAS 2	0.	0.	0.
RUDY W HALL P.O. BOX 426 COLDWATER, MICHIGAN 49036	DIRECTOR 2	0.	0.	0.
C. DARWIN HALL P.O. BOX 426 COLDWATER, MICHIGAN 49036	DIRECTOR 2	0.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule. Yes No Form 990 (2000)

FORM 990	OTHER EXPENSES			STATEMENT 1
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
ADVERTISING	3,084.		3,084.	
ROYALTY	6,542.		6,542.	
TITHE	8,997.		8,997.	
SUBCONTRACTOR	24,648.		24,648.	
INSURANCE	3,476.		3,476.	
WORKMAN'S				
COMPENSATION	2,776.		2,776.	
MERCHANDISE	10,992.		10,992.	
MISCELLANEOUS	11,900.		11,900.	
UNEMPLOYMENT	0.			
UTILITIES	26,119.		26,119.	
FREIGHT	56,356.	56,356.		
REPAIRS	9,978.	9,978.		
PRODUCT DESIGN	34,922.	34,922.		
PRINT SUPPLIES	287,172.	287,172.		
TOTAL TO FM 990, LN 43	486,962.	388,428.	98,534.	

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT			STATEMENT 2
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE	
COPY MACHINE-MONTANA	1,837.	1,837.		0.
LASER PRINTER	1,951.	1,951.		0.
P.A. SYSTEM	1,400.	1,399.		1.
FURNITURE	1,329.	1,329.		0.
FURNITURE	574.	574.		0.
REFRIGERATOR	461.	460.		1.
EQUIPMENT	1,348.	1,304.		44.
DESK	409.	379.		30.
COMPUTER	3,068.	3,068.		0.
RECORDER	735.	638.		97.
2 LUGGAGE RACKS	799.	692.		107.
COMPUTER	301.	301.		0.
DESK	1,010.	874.		136.
COMPUTER EQUIPMENT	494.	494.		0.
SATELITE DISH	1,630.	1,412.		218.
PRINTER	520.	520.		0.
COMPUTER EQUIPMENT	1,289.	1,287.		2.
COMPUTER PROGRAM	995.	995.		0.
TELEPHONE	5,239.	3,935.		1,304.

Form **990**

Return of Organization Exempt From Income Tax

OMB No 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2001

Ex.

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

U

A For the 2001 calendar year, or tax year period beginning and ending

B Check if applicable: <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization REMNANT PUBLICATIONS, INC.	D Employer identification number 38-2810502	
	Number and street (or P O box if mail is not delivered to street address) Room/suite 649 EAST CHICAGO ROAD	E Telephone number (517) 279-1304	F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	
	City or town, state or country, and ZIP + 4 COLDWATER, MI 49036		Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)	

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? N/A Yes No (if "No," attach a list)

G Web site ► WWW.REMNANTPUBLICATIONS.COM

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.

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Enter 4-digit GEN

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ► 683,096.

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

Revenue	1	Contributions, gifts, grants, and similar amounts received			
	a	Direct public support	1a	111,752.	
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (cash \$ 111,752. noncash \$)	1d	111,752.	
	2	Program service revenue including government fees and contracts (from Part VII line 93)	2	570,894.	
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4		
	5	Dividends and interest from securities	5		
	6	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			
8	Gross amount from sale of assets other than inventory	(A) Securities	(B) Other		
a		8a	450.		
b	Less cost or other basis and sales expenses	8b			
c	Gain or (loss) (attach schedule)	8c	450.		
d	Net gain or (loss) (combine line 8c columns (A) and (B))	8d	450.		
9	Special events and activities (attach schedule)				
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			
10	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 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	683,096.		
Expenses	13	Program services (from line 8d column (B))	13	378,948.	
	14	Management and general (from line 44 column (C))	14	375,102.	
	15	Fundraising (from line 44 column (D))	15	28,317.	
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses (add lines 13 and 14, column (A))	17	782,367.	
	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	<99,271.>	
Net Assets	19	Net assets or fund balances at beginning of year (from line 73 column (A))	19	<136,910.>	
	20	Other changes in net assets or fund balances (attach explanation)	20	0.	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	<236,181.>	

SCANNED JUN 25 2002

RECEIVED JUN 09 2002 OGDEN UT

123001 01-04-02

LHA For Paperwork Reduction Act Notice see the separate instructions

Form 990 (2001)

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

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	45,000.	0.	45,000.	0.
26	Other salaries and wages	184,131.	22,288.	155,593.	6,250.
27	Pension plan contributions				
28	Other employee benefits				
29	Payroll taxes				
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees	521.		521.	
33	Supplies	9,349.		9,349.	
34	Telephone				
35	Postage and shipping				
36	Occupancy				
37	Equipment rental and maintenance				
38	Printing and publications				
39	Travel	15,440.		13,189.	2,251.
40	Conferences, conventions, and meetings				
41	Interest	59,718.		59,718.	
42	Depreciation depletion etc (attach schedule)	157,739.	151,609.	6,130.	
43	Other expenses not covered above (itemize)				
a					
b					
c					
d					
e	SEE STATEMENT 2	310,469.	205,051.	85,602.	19,816.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	782,367.	378,948.	375,102.	28,317.

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

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 DISSEMINATION OF CHURCH LITERATURE 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.)	
DISSEMINATION OF LITERATURE	
(Grants and allocations \$ _____)	378,948.
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)	378,948.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return	
a Total revenue, gains, and other support per audited financial statements ▶	a 719,933.
b Amounts included on line a but not on line 12, Form 990	
(1) Net unrealized gains on investments \$	
(2) Donated services and use of facilities \$ 60,000.	
(3) Recoveries of prior year grants \$	
(4) Other (specify) STMT 4 \$ 9,310.	
Add amounts on lines (1) through (4) ▶	b 69,310.
c Line a minus line b ▶	c 650,623.
d Amounts included on line 12, Form 990 but not on line a	
(1) Investment expenses not included on line 6b Form 990 \$	
(2) Other (specify) STMT 5 \$ 32,473.	
Add amounts on lines (1) and (2) ▶	d 32,473.
e Total revenue per line 12 Form 990 (line c plus line d) ▶	e 683,096.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return	
a Total expenses and losses per audited financial statements ▶	a 842,367.
b Amounts included on line a but not on line 17, Form 990	
(1) Donated services and use of facilities \$ 60,000.	
(2) Prior year adjustments reported on line 20 Form 990 \$	
(3) Losses reported on line 20, Form 990 \$	
(4) Other (specify) \$	
Add amounts on lines (1) through (4) ▶	b 60,000.
c Line a minus line b ▶	c 782,367.
d Amounts included on line 17, Form 990 but not on line a	
(1) Investment expenses not included on line 6b, Form 990 \$	
(2) Other (specify) \$	
Add amounts on lines (1) and (2) ▶	d 0.
e Total expenses per line 17 Form 990 (line c plus line d) ▶	e 782,367.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)				
(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	(E) Expense account and other allowances
DWIGHT HALL P.O. BOX 426 COLDWATER, MICHIGAN 49036	PRESIDENT 2	25,000.	0.	0.
DANIEL HALL P.O. BOX 426 COLDWATER, MICHIGAN 49036	VP/SEC/TREAS 2	20,000.	0.	0.
RUDY W HALL P.O. BOX 426 COLDWATER, MICHIGAN 49036	DIRECTOR 2	0.	0.	0.
C. DARWIN HALL P.O. BOX 426 COLDWATER, MICHIGAN 49036	DIRECTOR 2	0.	0.	0.

123031 01 02 02

REMNANT PUBLICATIONS, INC.

38-2810502

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 1

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
COMPUTER	01/16/95	09/17/01	PURCHASED	450.	3,068.	0.	3,068.	450.
TO FM 990, PART I, LN 8				450.	3,068.	0.	3,068.	450.

FORM 990 OTHER EXPENSES STATEMENT 2

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
ADVERTISING	17,645.		3,209.	14,436.
ROYALTY	17,652.		17,652.	
TITHE	3,871.		3,871.	
SUBCONTRACTOR	617.		617.	
INSURANCE	4,640.		4,640.	
WORKMAN'S COMPENSATION	2,200.		2,200.	
WEB SITE	15,640.		15,640.	
MISCELLANEOUS	14,470.		14,470.	
SALES REPRESENTATIVE	5,380.			5,380.
UTILITIES	23,303.		23,303.	
FREIGHT	58,689.	58,689.		
REPAIRS	8,196.	8,196.		
PRODUCT DESIGN	3,151.	3,151.		
PRINT SUPPLIES	135,015.	135,015.		
TOTAL TO FM 990, LN 43	310,469.	205,051.	85,602.	19,816.

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)

OMB No 1545-0047

2002

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 2002 calendar year, or tax year beginning and ending

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

C Name of organization: **Remnant Publications, Inc**
 Number and street (or P.O. box if mail is not delivered to street address): **649 E Chicago Road**
 City or town: **Coldwater** State or country: **MI** ZIP + 4: **49036**

D Employer identification number: **38-2810502**

E Telephone number: **(517) 279-1304**

F Accounting method: Cash Accrual
 Other (specify) _____

G Web site: **www.RemnantPublications.com**

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.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12: **929,871**

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

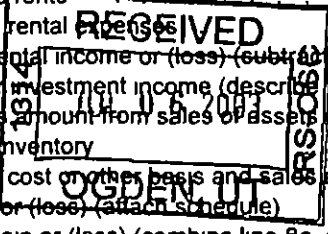
H and **I** are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes" enter number of affiliates: _____
H(c) Are all affiliates included? Yes No (If "No" attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Enter 4-digit GEN: _____

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12: **929,871**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 17 of the instructions)

1	Contributions, gifts, grants, and similar amounts received			
a	Direct public support	1a	184,841	
b	Indirect public support	1b		
c	Government contributions (grants)	1c		
d	TOTAL (add lines 1a through 1c) (cash \$ <u>124,841</u> noncash \$ <u>60,000</u>)	1d		184,841
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		743,348
3	Membership dues and assessments	3		
4	Interest on savings and temporary cash investments	4		382
5	Dividends and interest from securities	5		
6 a	Gross rents	6a		
b	Less rental expenses	6b		
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		0
7	Other investment income (describe _____)	7		
8 a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
b	Less cost on other basis and sales expenses	8a	1,300	
c	Gain or (loss) (attach schedule)	8b	0	
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	1,300	
8d				1,300
9	Special events and activities (attach schedule)			
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		0
10 a	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		0
11	Other revenue (from Part VII, line 103)	11		
12	TOTAL REVENUE (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		929,871
13	Program services (from line 44, column (B))	13		415,965
14	Management and general (from line 44, column (C))	14		464,468
15	Fundraising (from line 44, column (D))	15		0
16	Payments to affiliates (attach schedule)	16		
17	TOTAL EXPENSES (add lines 16 and 44, column (A))	17		880,433
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		49,438
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		-236,181
20	Other changes in net assets or fund balances (attach explanation)	20		1,527
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		-185,216

SCANNED JUL 10 2003



Form 990 (2002)

Remnant Publications, Inc

38-2810502

Page 2

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 21 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 \$ _____)	0			
23	Specific assistance to individuals (attach schedule)	0			
24	Benefits paid to or for members (attach schedule)	0			
25	Compensation of officers, directors, etc	0			
26	Other salaries and wages	231,014		231,014	
27	Pension plan contributions	0			
28	Other employee benefits	0			
29	Payroll taxes	23,100		23,100	
30	Professional fundraising fees	0			
31	Accounting fees	3,750		3,750	
32	Legal fees	450		450	
33	Supplies	19,808		19,808	
34	Telephone	10,414		10,414	
35	Postage and shipping	63,265	63,238	27	
36	Occupancy	72,792		72,792	
37	Equipment rental and maintenance	7,263	7,263		
38	Printing and publications	216,148	216,148		
39	Travel	17,460		17,460	
40	Conferences, conventions, and meetings	0			
41	Interest	46,088		46,088	
42	Depreciation, depletion, etc (attach schedule)	129,316	129,316		
43	Other expenses not covered above (itemize) a Insurance	8,005		8,005	
	b Advertising	3,300		3,300	
	c Bank charges	2,030		2,030	
	d Royalty	12,438		12,438	
	e Tithe	5,500		5,500	
	f Website, misc	8,292		8,292	
44	TOTAL FUNCTIONAL EXPENSES (add lines 22 through 43) ORGANIZATIONS COMPLETING COLUMNS (B)-(D) CARRY THESE TOTALS TO LINES 13-15	880,433	415,965	464,468	0

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 24 of the instructions)		Program Service Expenses
What is the organization's primary exempt purpose? <input checked="" type="checkbox"/> Dissemination of church literature		Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others
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.)		
a	Dissemination of church literature	
	(Grants and allocations \$ _____)	415,965
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)	415,965

Form 990 (2002)

Remnant Publications, Inc

38-2810502

Page 4

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 26 of the instructions)

a	Total revenue, gains, and other support per audited financial statements	a	
b	Amounts included on line a but not on line 12, Form 990	b	
(1)	Net unrealized gains on investments		
(2)	Donated services and use of facilities		
(3)	Recoveries of prior year grants		
(4)	Other (specify)		
	\$		
	Add amounts on lines (1) through (4)	b	0
c	Line a minus line b	c	0
d	Amounts included on line 12, Form 990 but not on line a	d	
(1)	Investment expenses not included on line 6b, Form 990		
(2)	Other (specify)		
	\$		
	Add amounts on lines (1) and (2)	d	0
e	Total revenue per line 12, Form 990 (line c plus line d)	e	0

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

a	Total expenses and losses per audited financial statements	a	
b	Amounts included on line a but not on line 17 Form 990	b	
(1)	Donated services and use of facilities		
(2)	Prior year adjustments reported on line 20, Form 990		
(3)	Losses reported on line 20, Form 990		
(4)	Other (specify)		
	\$		
	Add amounts on lines (1) through (4)	b	0
c	Line a minus line b	c	0
d	Amounts included on line 17, Form 990 but not on line a	d	
(1)	Investment expenses not included on line 6b, Form 990		
(2)	Other (specify)		
	\$		
	Add amounts on lines (1) and (2)	d	0
e	Total expenses per line 17, Form 990 (line c plus line d)	e	0

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see page 26 of 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	(E) Expense account and other allowances
Dwight Hall Coldwater, MI	President 2	25,000	0	0
Daniel Hall Coldwater, MI	VP/Sec/Treas 2	20,000	0	0
Rudy W Hall Coldwater, MI	Director 2	0	0	0
C Darwin Hall Coldwater, MI	Director 2	0	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
If "Yes," attach schedule-see page 26 of the instructions

Form **990**

Return of Organization Exempt From Income Tax

OMB No 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

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 _____, **and ending** _____

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

C Name of organization
 Remnant Publications, Inc
 Number and street (or P O box if mail is not delivered to street address) Room/suite
 649 E Chicago Road
 City or town State or country ZIP + 4
 Coldwater MI 49036

D Employer identification number
38-2810502

E Telephone number

F Accounting method: Cash Accrual
 Other (specify) _____

G Website: _____

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.**

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **1,218,013**

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

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
I Group Exemption Number _____

Please use IRS label or print or type See Specific Instructions

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

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	328,388	
	b Indirect public support	1b		
	c Government contributions (grants)	1c		
	d Total (add lines 1a through 1c) (cash \$ 280,268 noncash \$ 48,120)	1d		328,388
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		888,844
	3 Membership dues and assessments	3		0
	4 Interest on savings and temporary cash investments	4		0
	5 Dividends and interest from securities	5		781
	6 a Gross rents	6a		
	b Less rental expenses	6b		
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c		0
7 Other investment income (describe _____)	7		0	
8 a Gross amount from sales of assets other than inventory	(A) Securities	8a	0	
	(B) Other	8b	0	
		8c	0	
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		0
9 Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>	a Gross revenue (not including \$ 328,388 of contributions reported on line 1a)	9a	0	
	b Less direct expenses other than fundraising expenses	9b	0	
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		0
10 a 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		0
11 Other revenue (from Part VII, line 103)	11		0	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		1,218,013	
Expenses	13 Program services (from line 44, column (B))	13		475,496
	14 Management and general (from line 44, column (C))	14		521,819
	15 Fundraising (from line 44, column (D))	15		17,341
	16 Payments to affiliates (attach schedule)	16		0
	17 Total expenses (add lines 13 and 14, column (A))	17		1,014,656
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		203,357
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		-185,216
	20 Other changes in net assets or fund balances (attach explanation)	20		0
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		18,141

For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2003)

SCANNED SEP 03 '04

16

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 \$ 0 noncash \$ 0)	22	0	0		
23	Specific assistance to individuals (attach schedule)	23	0			
24	Benefits paid to or for members (attach schedule)	24	0			
25	Compensation of officers, directors, etc.	25	0			
26	Other salaries and wages	26	308,710	265,491	12,348	
27	Pension plan contributions	27	0			
28	Other employee benefits	28	0			
29	Payroll taxes	29	24,379	20,965	976	
30	Professional fundraising fees	30	0			
31	Accounting fees	31	3,180	3,180		
32	Legal fees	32	2,433	2,433		
33	Supplies	33	6,346	6,346		
34	Telephone	34	7,843	7,843		
35	Postage and shipping	35	77,539	77,539		
36	Occupancy	36	74,879	74,879		
37	Equipment rental and maintenance	37	13,134	13,134		
38	Printing and publications	38	262,297	262,297		
39	Travel	39	27,521	24,769	2,752	
40	Conferences, conventions, and meetings	40	0			
41	Interest	41	49,173	49,173		
42	Depreciation, depletion, etc. (attach schedule)	42	96,573	89,217	7,356	
43	Other expenses not covered above (itemize) a Sales rep	43a	353		353	
	b Advertising	43b	2,764	1,852	912	
	c Web site, bad debt, & miscellaneous	43c	5,034	5,034		
	d Insurance & work comp	43d	8,676	8,676		
	e Royalty	43e	16,226	16,226		
	f Tithes, transfers	43f	27,596	27,596		
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	1,014,656	475,496	521,819	17,341

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 \$ 0, (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? <input checked="" type="checkbox"/> Dissemination of church literature	Program Service Expenses Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others
a Dissemination of church literature (Grants and allocations \$)	475,496
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)	475,496

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 27 of the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	1,218,013
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify) \$		
	Add amounts on lines (1) through (4)	b	0
c	Line a minus line b	c	1,218,013
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) \$		
	Add amounts on lines (1) and (2)	d	0
e	Total revenue per line 12, Form 990 (line c plus line d)	e	1,218,013

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

a	Total expenses and losses per audited financial statements	a	1,014,656
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify) \$		
	Add amounts on lines (1) through (4)	b	0
c	Line a minus line b	c	1,014,656
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) \$		
	Add amounts on lines (1) and (2)	d	0
e	Total expenses per line 17, Form 990 (line c plus line d)	e	1,014,656

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 27 of 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	(E) Expense account and other allowances
Name Dwight Hall Str 360 S Fremont Rd City Coldwater ST MI ZIP 49036	Title President Hr/WK 2	25,000	0	0
Name Daniel Hall Str 309 Dayburg Rd City Coldwater ST MI ZIP 49036	Title VP/Sec/Treas Hr/WK 2	23,000	0	0
Name Rudy W Hall Str City CULLOWHEE ST NC ZIP	Title Director Hr/WK 2	0	0	0
Name C Darwin Hall Str 326 E Girard Rd City Coldwater ST MI ZIP 49036	Title Director Hr/WK 2	0	0	0
Name Str City ST ZIP	Title Hr/WK			
Name Str City ST ZIP	Title Hr/WK			
Name Str City ST ZIP	Title Hr/WK			
Name Str City ST ZIP	Title Hr/WK			
Name Str City ST ZIP	Title Hr/WK			

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
If "Yes," attach schedule—see page 28 of the instructions

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)

OMB No 1545-0047

2004

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 2004 calendar year, or tax year beginning _____, and ending _____

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

C Name of organization: **Remnant Publications, Inc**
 Number and street (or P O box if mail is not delivered to street address) Room/suite: _____
649 E Chicago Road
 City or town State or country ZIP + 4: **Coldwater MI 49036**

D Employer identification number: **38-2810502**

E Telephone number: _____

F Accounting method: Cash Accrual
 Other (specify) _____

G Website: **N/A**

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.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12: **2,205,073**

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

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
I Group Exemption Number: _____

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

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

		1a	1b	1c	1d
Revenue	1 Contributions, gifts, grants, and similar amounts received				
	a Direct public support	194,944			
	b Indirect public support				
	c Government contributions (grants)				
	d Total (add lines 1a through 1c) (cash \$ 153,424 noncash \$ 41,520)				194,944
	2 Program service revenue including government fees and contracts (from Part VII, line 93)				2,009,825
	3 Membership dues and assessments				0
	4 Interest on savings and temporary cash investments				0
	5 Dividends and interest from securities				304
	6 a Gross rents	6a			
	b Less rental expenses	6b			
	c Net rental income or (loss) (subtract line 6b from line 6a)				0
7 Other investment income (describe _____)				0	
Revenue	8 a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
	b Less cost or other basis and sales expenses	0	0		
	c Gain or (loss) (attach schedule)	0	0		
	d Net gain or (loss) (combine line 8c, columns (A) and (B))				0
	9 Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
	a Gross revenue (not including \$ 194,944 of contributions reported on line 1a)	9a	0		
	b Less direct expenses other than fundraising expenses	9b	0		
	c Net income or (loss) from special events (subtract line 9b from line 9a)				0
Revenue	10 a 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)				0
	11 Other revenue (from Part VII, line 103)				0
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)				2,205,073	
Expenses	13 Program services (from line 44, column (B))				911,317
	14 Management and general (from line 44, column (C))				677,329
	15 Fundraising (from line 44, column (D))				35,715
	16 Payments to affiliates (attach schedule)				0
	17 Total expenses (add lines 13 and 14, column (A))				1,624,361
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)				580,712
	19 Net assets or fund balances at beginning of year (from line 17, column (A))				18,141
	20 Other changes in net assets or fund balances (attach explanation)				-82,881
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)				515,972

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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 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 \$ 0 noncash \$ 0)	0	0		
23	Specific assistance to individuals (attach schedule)	0			
24	Benefits paid to or for members (attach schedule)	0			
25	Compensation of officers, directors, etc.	0			
26	Other salaries and wages	353,827	35,383	304,291	14,153
27	Pension plan contributions	0			
28	Other employee benefits	0			
29	Payroll taxes	33,291	3,329	28,830	1,132
30	Professional fundraising fees	0			
31	Accounting fees	5,035		5,035	
32	Legal fees	1,024		1,024	
33	Supplies	24,929	13,788	11,141	
34	Telephone	28,664		28,664	
35	Postage and shipping	152,734	152,734		
36	Occupancy	60,000		60,000	
37	Equipment rental and maintenance	52,806		52,806	
38	Printing and publications	592,153	592,153		
39	Travel	61,462		55,316	6,146
40	Conferences, conventions, and meetings	0			
41	Interest	45,285		45,285	
42	Depreciation, depletion, etc. (attach schedule)	121,286	113,930	7,356	
43	Other expenses not covered above (itemize) a Sales rep	12,326			12,326
	b Advertising	5,934		3,976	1,958
	c Insurance & workers compensation	22,700		22,700	
	d Royalty	26,178		26,178	
	e Tithe & transfers	15,677		15,677	
	f Website, miscellaneous, bank fees	9,050		9,050	
44	Total functional expenses (add lines 22 through 43). <i>Organizations completing columns (B)-(D), carry these totals to lines 13-15</i>	1,624,361	911,317	677,329	35,715

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 \$ 0, (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? <input checked="" type="checkbox"/> Dissemination of church literature	Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others)
a Dissemination of church literature (Grants and allocations \$)	911,317
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)	911,317

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 27 of the instructions.)

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

a	Total revenue, gains, and other support per audited financial statements	a	
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify) \$		
	----- \$		
	----- \$		
	Add amounts on lines (1) through (4)	b	0
c	Line a minus line b	c	0
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) \$		
	----- \$		
	----- \$		
	Add amounts on lines (1) and (2)	d	0
e	Total revenue per line 12, Form 990 (line c plus line d)	e	0

a	Total expenses and losses per audited financial statements	a	
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify): \$		
	----- \$		
	----- \$		
	Add amounts on lines (1) through (4)	b	0
c	Line a minus line b	c	0
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify): \$		
	----- \$		
	----- \$		
	Add amounts on lines (1) and (2)	d	0
e	Total expenses per line 17, Form 990 (line c plus line d)	e	0

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see page 27 of 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	(E) Expense account and other allowances
Name Dwight Hall Str 378 S Fremont Rd City Coldwater ST MI ZIP 49036	Title President Hr/WK 2	25,000	0	0
Name Daniel Hall Str 310 Dayburg Rd City Coldwater ST MI ZIP 49036	Title VP/Sec/Treas Hr/WK 2	23,000	0	0
Name Rudy W Hall Str 398 Rugged Mounta City Cullowhee ST NC ZIP 28723	Title Director Hr/WK 2	0	0	0
Name C Darwin Hall str 308 Dayburg Rd City Coldwater ST MI ZIP 49036	Title Director Hr/WK 2	0	0	0
Name ----- Str ----- City ----- ST ----- ZIP -----	Title ----- Hr/WK -----			
Name ----- Str ----- City ----- ST ----- ZIP -----	Title ----- Hr/WK -----			
Name ----- Str ----- City ----- ST ----- ZIP -----	Title ----- Hr/WK -----			
Name ----- Str ----- City ----- ST ----- ZIP -----	Title ----- Hr/WK -----			
Name ----- Str ----- City ----- ST ----- ZIP -----	Title ----- Hr/WK -----			

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
If "Yes," attach schedule—see page 28 of the instructions.

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)

OMB No 1545-0047

2005

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 2005 calendar year, or tax year beginning _____, **and ending** _____

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

C Name of organization
 Remnant Publications, Inc.
 Number and street (or P O box if mail is not delivered to street address) Room/suite
 649 E. Chicago Road
 City or town State or country ZIP + 4
 Coldwater MI 49036

D Employer identification number
 38-2810502

E Telephone number

F Accounting method: Cash Accrual
 Other (specify) ▶

G Website: ▶ www.remnantpublications.com

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 chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 1,750,064

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
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.)

Revenue		Expenses		Net Assets	
1	Contributions, gifts, grants, and similar amounts received:				
a	Direct public support	1a	451,004		
b	Indirect public support	1b	0		
c	Government contributions (grants)	1c	0		
d	Total (add lines 1a through 1c) (cash \$ 428,173 noncash \$ 22,831)	1d	451,004		
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	1,228,662		
3	Membership dues and assessments	3	0		
4	Interest on savings and temporary cash investments	4	0		
5	Dividends and interest from securities	5	398		
6a	Gross rents	6a			
b	Less: rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	0		
7	Other investment income (describe ▶)	7	0		
8a	Gross amount from sales of assets other than inventory	(A) Securities	0	8a	70,000
b	Less: cost or other basis and sales expenses		0	8b	41,067
c	Gain or (loss) (attach schedule)		0	8c	28,933
d	Net gain or (loss) (combine line 8c, columns (A) and (B))			8d	28,933
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ 0 of contributions reported on line 1a)	9a	0		
b	Less: direct expenses other than fundraising expenses	9b	0		
c	Net income or (loss) from special events (subtract line 9b from line 9a)			9c	0
10a	Gross sales of inventory less returns and allowances	10a	0		
b	Less: cost of goods sold	10b	0		
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c	0
11	Other revenue (from Part VII, line 103)	11	0		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	1,708,997		
13	Program services (from line 44, column (B))	13	821,822		
14	Management and general (from line 44, column (C))	14	1,000,555		
15	Fundraising (from line 44, column (D))	15	48,832		
16	Payments to affiliates (attach schedule)	16	0		
17	Total expenses (add lines 16 and 44, column (A))	17	1,871,209		
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	-162,212		
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	515,972		
20	Other changes in net assets or fund balances (attach explanation)	20	0		
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	353,760		

10/2 615

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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
22	Grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	22	0	0	
23	Specific assistance to individuals (attach schedule)	23	0	0	
24	Benefits paid to or for members (attach schedule)	24	0		
25	Compensation of officers, directors, etc.	25	0		
26	Other salaries and wages	26	390,480	39,048	335,951
27	Pension plan contributions	27	0		
28	Other employee benefits	28	0		
29	Payroll taxes	29	39,548	3,955	33,873
30	Professional fundraising fees	30	0		
31	Accounting fees	31	3,270		3,270
32	Legal fees	32	0		
33	Supplies	33	38,740	26,069	12,671
34	Telephone	34	30,431		30,431
35	Postage and shipping	35	112,769	112,769	
36	Occupancy	36	96,500		96,500
37	Equipment rental and maintenance	37	50,874	50,874	
38	Printing and publications	38	445,558	445,558	
39	Travel	39	103,547		93,192
40	Conferences, conventions, and meetings	40	0		
41	Interest	41	38,495		38,495
42	Depreciation, depletion, etc. (attach schedule)	42	150,905	143,549	7,356
43	Other expenses not covered above (itemize):				
a	Sales representative	43a	16,250	0	0
b	Tithes and transfers	43b	192,623	0	192,623
c	Advertising	43c	15,230	0	10,204
d	Royalty expense	43d	116,556	0	116,556
e	Insurance	43e	25,156	0	25,156
f	Miscellaneous	43f	4,277	0	4,277
g		43g	0	0	0
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	1,871,209	821,822	1,000,555

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 \$ 0; (ii) the amount allocated to Program services \$;
 (iii) the amount allocated to Management and general \$; and (iv) the amount allocated to Fundraising \$

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

a	Total revenue, gains, and other support per audited financial statements		a	1,708,997
b	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	0	
	Add lines b1 through b4		b	0
c	Subtract line b from line a		c	1,708,997
d	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	0	
	Add lines d1 and d2		d	0
e	Total revenue (Part I, line 12). Add lines c and d		e	1,708,997

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

a	Total expenses and losses per audited financial statements		a	1,871,209
b	Amounts included on line a but not on 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	0	
	Add lines b1 through b4		b	0
c	Subtract line b from line a		c	1,871,209
d	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	0	
	Add lines d1 and d2		d	0
e	Total expenses (Part I, line 17). Add lines c and d		e	1,871,209

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
Name Dwight Hall Str 378 S Fremont Rd City Coldwater ST MI ZIP 49036	Title President Hr/WK 2	22,789	0	0
Name Daniel Hall Str 310 Dayburg Rd City Coldwater ST MI ZIP 49036	Title VP/Sec/Treas Hr/WK 2	22,789	0	0
Name Rudy W. Hall Str 398 Rugged Mounta City Cullowhee ST NC ZIP 28723	Title Director Hr/WK 2	0	0	0
Name C. Darwin Hall Str 308 Dayburg Rd City Coldwater ST MI ZIP 49036	Title Director Hr/WK 2	0	0	0
Name Str City ST ZIP	Title Hr/WK			
Name Str City ST ZIP	Title Hr/WK			
Name Str City ST ZIP	Title Hr/WK			
Name Str City ST ZIP	Title Hr/WK			
Name Str City ST ZIP	Title Hr/WK			
Name Str City ST ZIP	Title Hr/WK			

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 Sales of literature					1,228,662
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					
96 Dividends and interest from securities			14	398	
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					
100 Gain or (loss) from sales of assets other than inventory			14	28,933	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue. a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0		29,331	1,228,662
105 Total (add line 104, columns (B), (D), and (E))					1,257,993

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 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	Dissemination of church literature

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	%		0	0
	%		0	0
	%		0	0
	%		0	0

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 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).

Please Sign Here

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.

Signature of officer: Daniel Hall Date: 6-27-06

Daniel Hall, Secretary / Treasurer
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: James W Gordon Date: 6/17/2006 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: James W. Gordon, CPA, P.C. 373 Western Ave, Coldwater, MI 49036 Preparer's SSN or PTIN (See Gen Inst W): P00053843 EIN: 38-3548727 Phone no.: 517-278-6100

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

Department of the Treasury
Internal Revenue Service

A For the 2006 calendar year, or tax year beginning _____, **and ending** _____

- B** 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
Remnant Publications, Inc

Number and street (or P O box if mail is not delivered to street address) Room/suite
649 E. Chicago Road

City or town State or country ZIP + 4
Coldwater MI 49036

D Employer identification number
38-2810502

E Telephone number

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).

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

I Group Exemption Number ▶

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

G Website. ▶ www.remnantpublications.com

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

K 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.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 4,600,351

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

		1a		1b		1c		1d		1e	
1		Contributions, gifts, grants, and similar amounts received:									
a		Contributions to donor advised funds		258,665							
b		Direct public support (not included on line 1a)		7,017							
c		Indirect public support (not included on line 1a)		0							
d		Government contributions (grants) (not included on line 1a)		0							
e		Total (add lines 1a through 1d) (cash \$ 265,682 noncash \$ 0)								265,682	
2		Program service revenue including government fees and contracts (from Part VII, line 93)								4,316,011	
3		Membership dues and assessments								0	
4		Interest on savings and temporary cash investments								0	
5		Dividends and interest from securities								9,908	
6a		Gross rents		1,200							
b		Less: rental expenses									
c		Net rental income or (loss). Subtract line 6b from line 6a								1,200	
7		Other investment income (describe) ▶								0	
8a		Gross amount from sales of assets other than inventory:		(A) Securities		(B) Other					
b		Less: cost or other basis and sales expenses		0		7,550					
c		Gain or (loss) (attach schedule)		0		2,716					
d		Net gain or (loss). Combine line 8c, columns (A) and (B)		0		4,834				4,834	
9		Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>									
a		Gross revenue (not including \$ 0 of contributions reported on line 1b)		9a		0					
b		Less: direct expenses other than fundraising expenses		9b		0					
c		Net income or (loss) from special events. Subtract line 9b from line 9a								0	
10a		Gross sales of inventory, less returns and allowances		10a		0					
b		Less: cost of goods sold		10b		0					
c		Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a								0	
11		Other revenue (from Part VII, line 103)								0	
12		Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11								4,597,635	
13		Program services (from line 44, column (B))								2,369,477	
14		Management and general (from line 44, column (C))								1,553,796	
15		Fundraising (from line 44, column (D))								72,861	
16		Payments to affiliates (attach schedule)								0	
17		Total expenses. Add lines 16 and 44, column (A)								3,996,134	
18		Excess or (deficit) for the year. Subtract line 17 from line 12								601,501	
19		Net assets or fund balances at beginning of year (from line 73, column (A))								353,760	
20		Other changes in net assets or fund balances (attach explanation)								148,313	
21		Net assets or fund balances at end of year. Combine lines 18, 19, and 20								1,103,574	

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

Form 990 (2006)

(HTA)

A17

20

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
22 a	Grants paid from donor advised funds (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
22 b	Other grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
23	Specific assistance to individuals (attach schedule)	0	0		
24	Benefits paid to or for members (attach schedule)	0			
25 a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	0	0	0	0
b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	0	0	0	0
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)	0	0	0	0
26	Salaries and wages of employees not included on lines 25a, b, and c	429,476	41,230	371,067	17,179
27	Pension plan contributions not included on lines 25a, b, and c	0			
28	Employee benefits not included on lines 25a - 27	18,002		18,002	
29	Payroll taxes	40,303	7,548	30,422	2,333
30	Professional fundraising fees	0			
31	Accounting fees	5,155		5,155	
32	Legal fees	1,327		1,327	
33	Supplies	40,157	22,803	17,354	
34	Telephone	32,729		32,729	
35	Postage and shipping	394,640	394,640		
36	Occupancy	120,000		120,000	
37	Equipment rental and maintenance	54,244	49,871	4,373	
38	Printing and publications	1,680,814	1,680,814		
39	Travel	148,964		134,068	14,896
40	Conferences, conventions, and meetings	0			
41	Interest	38,880		38,880	
42	Depreciation, depletion, etc. (attach schedule)	179,927	172,571	7,356	0
43	Other expenses not covered above (itemize):				
a	Sales representative	15,000	0	0	15,000
b	Tithes and transfers	200,331	0	200,331	0
c	Advertising	61,444	0	37,991	23,453
d	Royalty expense	508,767	0	508,767	0
e	Insurance	12,393	0	12,393	0
f	Miscellaneous	13,581	0	13,581	0
g		0	0	0	0
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	3,996,134	2,369,477	1,553,796	72,861

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 \$ 0; (ii) the amount allocated to Program services \$; (iii) the amount allocated to Management and general \$; and (iv) the amount allocated to Fundraising \$

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

a	Total revenue, gains, and other support per audited financial statements		a	4,597,637
b	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	0	
	Add lines b1 through b4		b	0
c	Subtract line b from line a		c	4,597,637
d	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	0	
	Add lines d1 and d2		d	0
e	Total revenue (Part I, line 12). Add lines c and d		e	4,597,637

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

a	Total expenses and losses per audited financial statements		a	3,996,133
b	Amounts included on line a but not on 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	0	
	Add lines b1 through b4		b	0
c	Subtract line b from line a		c	3,996,133
d	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	0	
	Add lines d1 and d2		d	0
e	Total expenses (Part I, line 17). Add lines c and d		e	3,996,133

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
Name Dwight Hall Str 378 S Fremont Rd City Coldwater ST MI ZIP 49036	Title Hr/WK 40	22,789	0	0
Name Dan Hall Str 310 Dayburg Rd City Coldwater ST MI ZIP 49036	Title Hr/WK 40	22,473	0	0
Name Darwin Hall Str 308 Dayburg Rd City Coldwater ST MI ZIP 49036	Title Hr/WK 1	0	0	0
Name Rudy W. Hall Str 398 Rugged Mounta City Cullowhee ST NC ZIP 28723	Title Hr/WK 1	0	0	0
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			

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 Yes No
 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 N/A

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 Sales of literature					4,316,011
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					
96 Dividends and interest from securities			14	9,908	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property			14	1,200	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			14	4,834	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue		0		0	0
a		0		0	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
104 Subtotal (add columns (B), (D), and (E))		0		15,942	4,316,011
105 Total (add line 104, columns (B), (D), and (E))					4,331,953

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	Dissemination of church literature

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	%		0	0
	%		0	0
	%		0	0
	%		0	0

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 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).

Ex. AA

[Exhibit AA for the motion to compel filed in the Western District of Michigan was already filed in this case as page 32 of Docket No. 63-32.

To conserve resources it is not duplicated here.]

Ex. BB

Subject:RE: Clarification needed to put rumor to rest
Date:Sat, 04 Nov 2006 19:59:44 -0600
From:Bob <bob@pickle-publishing.com>
To:Danny Shelton <danshelton@earthlink.net>

Hi Danny.

I strongly recommend that you hire some experts that can give you tips on damage control, because currently 3ABN's damage control really is suffering.

For example, I have essentially asked you about just two issues, namely, whether you are not disclosing what your assets are in accordance with Illinois law, and what the royalties were for the 10 Comm. book. In my first email I asked the following:

"A related matter has been the question of self-published books, referred to above. I've heard that the 10 Commandment books cost 70 cents each, cost 25 cents to print, and cost 11 cents in royalties. Could you clarify this? How much was actually paid in royalties, to whom and by whom?"

In this reply you write:

"At first you asked me a few general questions. I answered them the truthfully the best way I know how."

But I still don't have a clue what the answer is to this, and thus from a damage control perspective, no rumors can be put to rest regarding a half million dollars being paid in royalties for the 10 Comm. book.

Now bear with me, and I will give a few more quotes from your reply that illustrate the desperate need of improving 3ABN's damage control:

"They will not believe truth even when it is staring them in the face."

"There are two sides to every story and He has only gathered info from one side."

"He is upset because we will not give him the info he wants ..."

So what you are saying is that Gailon won't believe the truth even if it is staring him in the face, while on the other hand you are saying that you are refusing to give the truth to Gailon. Do you really think that makes sense?

Lastly:

"He's either not to bright or gullible, or is out to prove something himself. ...

"Church leaders will soon be looking at both sides of this divorce and each side will have a fair chance to present truth to them.

"Both sides will have to live by their decision whether we like it or not.

"Gailon sees himself involved. He is delusional. He is not involved. We will trust church leaders with the truth not some self proclaimed reporter."

Danny, please consider the fact that unless there is more transparency at 3ABN, even if you were able to get a panel of church leaders to proclaim your innocence without providing evidence, in accordance with present 3ABN policy, none of these issues would go away. It would be a complete disaster from a damage control perspective.

"Both sides will have to live by their decision whether we like it or not."

I know you have suggested that Gailon isn't bright or is gullible or delusional. Such comments are inappropriate, even if some of your critics stoop to such discourteousness when talking about you. Please don't stoop to their level. It won't help your case one bit.

Thus I won't stoop either, but I will say that if you really believe that both sides will live by such a panel's decision without more transparency, then it is highly possibly that you are extremely naive. For the good of 3ABN, another approach is absolutely necessary, in my opinion.

God bless.

Bob

P.S. I know church leaders have counseled you not to write more replies, because one such leader told me they had told you that. And given the tendency to attack others rather than to provide straightforward answers to simple questions, I would say that that counsel is wise. But then you should get someone who can do such in your stead.

Do you currently have anyone who can do that kind of thing?

----- Original Message -----

Subject:RE: Clarification needed to put rumor to rest

Date:Sat, 4 Nov 2006 17:26:24 -0600

From:Danny Shelton <danshelton@earthlink.net>

Bob,

Anything rumor retold is a lie. No matter what the intention. That's why Christians shouldn't be involved in the rumor mill.

People also shouldn't assume anything. For instance there is a number of reasons why I don't want to

give out certain information to the public. Also because I don't answer your question the way you want it answered doesn't mean that it "suggests" what you think it does.

I have hundreds of emails sent to me. Most of them are very good ones such as praise reports ect. I enjoy hearing them and am glad that people share them with me but there are times that even answering praise reports begin to take a lot of my time that I should be spending with my family.

At first you asked me a few general questions. I answered them the truthfully the best way I know how. But I will not continue to answer one question after another about every terrible thing you read on Black SDA or get from Gailon. Lack of answering does not make one guilty. Jesus showed us this when the bible says He answered them not a word even though they were of accusing Him of things that He was not guilty of.

I believe that He got to a point when He knew for certain that it would do no good to answer anymore questions as the accusers was going to crucify Him anyway.

It seems that is the way it is with those accusing me. They will not believe truth even when it is staring them in the face.

I will just say this, I did have biblical grounds to go along with a mutually consented divorce with Linda, and I have done nothing legally wrong in my administration with 3ABN. The Illinois court case looked at virtually every thing they could to prove such a thing so that it would make it easy for them to deny our non profit status. They found nothing and 3ABN is still non profit. Our appeal currently going on with the state of Illinois is not about financial misconduct or anything else. The State of Illinois does not believe that our property is used for religious purposes because they do not accept the health messages presented on 3ABN as part of our religion. We are trying to prove them wrong.

If the state of Illinois which gathered something like 2000 pages of info in discoveries with 3ABN plus 3 days of testimony in court plus hours of depositions from 3ABN employees including Linda, could find nothing wrong with how our administration of 3ABN including finances, how possibly could some one like Galon who has never been privy to one page of documents from 3ABN that I know of, possibly think he knows more than the state of Illinois.

Here's the difference. The State of Illinois had access to all our records. Gailon has access to a few people who worked there who have an ax to grind and have told him twisted stories which are lies. He's either not to bright or gullible, or is out to prove something himself. It could be other reasons, but I do know this, he does not want truth. There are two sides to every story and He has only gathered info from one side. He is upset because we will not give him the info he wants an believes that if he is accusing enough against us that we will take him into confidence with the truth that we have. This will not happen.

Church leaders will soon be looking at both sides of this divorce and each side will have a fair chance to present truth to them.

Both sides will have to live by their decision whether we like it or not.

Gailon sees himself involved. He is delusional. He is not involved. We will trust church leaders with the truth not some self proclaimed reporter.

God Bless!

Danny

ps. I need to quit answering questions even like yours for now as church leaders as well as my attorneys have said that anything I put in emails will only be used against me, not for me. I guess I should start listening to them.

----- Original Message -----

From: [Bob](#)

To: [Danny Shelton](#)

Sent: 11/3/2006 2:34:10 PM

Subject: RE: Clarification needed to put rumor to rest

Hi Danny. Thanks so much for your reply.

If Remnant owns the copyright of TCTR, why does it say inside the book, "Copyright 2004, 2005 by Danny Shelton and Shelley J. Quinn"? Why doesn't it say that Remnant holds the copyright?

So when you say that no court has asked Larry Ewing anything, are you therefore also saying that not even Linda et. al. has asked Larry Ewing about your salary, benefits, royalties, etc.? Not even Linda's attorneys have asked this? I'm just trying to pinpoint what exactly the misunderstanding is, and where exactly it might be coming from.

You state that the info that someone other than Gailon gave me about royalties is a lie, which implies that not only is it false, but that it is also intentionally misleading. That is pretty serious if true, and according to the *Church Manual*, if willful and habitual, constitutes grounds for church discipline. So I would like to explore that a little more, since if someone is really willfully and habitually telling falsehoods about you, they should be subjected at least to church discipline.

But how to explore it more is beyond me at present, since you don't want to divulge what the royalties actually were while the case is ongoing, which suggests that you are trying to keep Linda from knowing what your assets actually are. Unfortunately, that is exactly the allegation, that you are trying to avoid compliance with the law by not revealing all your assets.

Do you see a way to look at it otherwise? Does Illinois state law in fact not require spouses to reveal all their assets in divorce situations? If royalties from the book could not possibly have anything to do with Linda, why wait until the case is over before maybe divulging that information?

And since you say that you "may" divulge information about your royalties when the case is over, that means you may not divulge it after all. And thus I don't really know how to combat the rumors blowing around out there about royalties amounting to half a million dollars being paid by someone to someone just for the TCTR book.

The only other pertinent question I can see in all of this that might help you out a bit is, When did you first start working on the manuscript? According to Shelley's introduction in the book, you showed her the manuscript the first day of her visit to 3ABN. When would that have been? Did that visit take place before or after the divorce? If after, when was the manuscript first worked on?

Have a good Sabbath.

Bob

----- Original Message -----

Subject: RE: Clarification needed to put rumor to rest

Date: Fri, 3 Nov 2006 12:44:56 -0600

From: Danny Shelton <danshelton@earthlink.net>

Bob, let me explain. No court has asked Larry Ewing to explain anything or answer any questions since our original court date held around 2002 or 2003 I believe.

Gailon is off the wall. He believes everything Linda tells him. It just is not true.

This case has nothing to do with 3ABN. It is a property settlement case between Linda and me. It has nothing to do with our non profit status. Larry Ewing or no one else is being asked questions except Linda and me personally. We answered most of the questions and objected to a few. She did not respond... period ..in the time frame she was supposed to. The only person the court will be upset with is Linda and her attorneys as they did not respond to any of the info required in the appropriate time the court allowed.

The info Galon or whomever, gave you about royalties and costs of books ect. is a lie also. The book Linda is concerned with was written by Shelley and me after mine and Linda's divorce. It has nothing to do with her.

I will not at this time devulge any more info about this book at this time. I may when mine and her settlement case is over.

I will tell you however that Remnant Publications holds the copyright to TCTR.

Danny

----- Original Message -----

From: [Bob](#)

To: [Danny Shelton](#)

Sent: 11/3/2006 9:09:27 AM

Subject: RE: Clarification needed to put rumor to rest

Hi Danny. Thanks so much for your reply.

So have you allowed Ewing to answer the questions Gailon referred to, and has he answered them? Or when you say that anyone has the right to appeal a certain question, are you acknowledging that you have indeed refused to allow Ewing to answer those questions? I take it from your reply that the latter is the case, but I want to make sure I'm not misunderstanding you.

I noticed that you didn't comment on my other questions that were somewhat unrelated to Gailon's email, since quite some time ago a retired minister I know here in Mid-America told me that there was some sort of issue regarding royalties with the 10 Comm. book, and it was from him that I heard the 11 cents figure. Here are my questions again:

"A related matter has been the question of self-published books, referred to above. I've heard that the 10 Commandment books cost 70 cents each, cost 25 cents to print, and cost 11 cents in royalties. Could you clarify this? How much was actually paid in royalties, to whom and by whom?"

"A prominent individual as far as 3ABN is concerned called me yesterday and while we were chatting they told me that they felt for sure that 3ABN was the one that paid Remnant for the printing. If that is really the case, then I think that fact would put to rest once and for all the idea that the 10 Commandment book was self-published, since publishers, not

distributors or retailers or consumers, are the ones who directly pay the printer. And if 3ABN is the publisher, then they can decide to pay you whatever ethically appropriate royalty you agree upon.

"Or, if you really did self-publish the book, does that mean that you received check(s) from 3ABN totaling 4.5 million books x 70 cents per book, and that you then paid the printing costs and the royalties out of that sum? Or if those numbers are incorrect, what are the correct numbers?"

Could you comment on these questions?

I was looking at Amazon.com, and it appears that when the book first came out in 2004, it was published by DLS Publishing, but the 2006 edition was published by Remnant, while the copyright was held by yourself and Shelley. I would expect, then, that DLS paid you royalties for the 2004 edition, and that Remnant paid you royalties for the 2006 edition. Would that be correct?

Is 11 cents the right figure? Is that 11 cents to you and 11 cents to Shelley, or was that 11 cents total broken up in what way? And if 11 cents is the right figure, then does that mean that 4.5 million books x 11 cents in royalties were paid as a result of last spring's campaign?

My interest in asking these questions is to find concrete ways to put some of these rumors to rest. There are way too many rumors floating around, and they really need to get put to rest, yesterday.

God bless.

Bob

----- Original Message -----

Subject:RE: Clarification needed to put rumor to rest

Date:Fri, 3 Nov 2006 08:18:16 -0600

From:Danny Shelton <danshelton@earthlink.net>

Hi Bob, I just returned from a great trip to Australia. God is blessing the work of 3ABN there.

I won't go into all the detail but Galion's email to you really is rubbish.

Linda and her attorneys are the ones who have to face the court because they did not make their deadlines to answer court questions. My attorney had to do what I think they call "sanctions" against them to make them answer their questions. I'm not sure of the term but it simply means they did not comply with court order and now it is a record of the court. Anyone has the right to appeal a certain question or questions and let the court decide whether it will have to be answered later, but no one can just decide to defy court timelines such as Linda's attorney's have done without upsetting the apple cart.

This is Gailons problem, he believes anything that Linda or her friends tell him.

Once again Gailon is in left field as this court time has nothing to do with 3ABN or it's non profit status. The court is not asking Larry Ewing to answer any such questions. In the past when the court has asked for any info we have always given it.

We are of course appealing the State of Illinois property tax case, but this has nothing to do with mine and Linda's divorce case.

God Bless,
Danny

----- Original Message -----

From: [Bob](#)

To: [Danny Shelton](#)

Sent: 10/31/2006 8:41:13 AM

Subject: Clarification needed to put rumor to rest

Hi Danny.

I received this recently, and was wondering if you could provide some information that would correct this:

"The problem is that in a divorce case you are obligated to self disclose all financial items, whether assets, liabilities or contras, but Danny has not disclosed bank statements for his personal use that he opened in 2003 and into which went the book deal moneys. He has also refused to allow Ewing to answer questions relating to his pay, expenses, bonuses paid, or sums received from self published books. This is technically "contempt" and will not endear him to the bench.

"It will be most interesting to see how Danny handles the issue of their tax exemption and not for profit status as they have a hearing date in November...my guess is that Danny compromises [...] we will see, but he sure does anything he can to keep prying eyes from looking at anything an too close ly."

Certainly you wouldn't be refusing to allow Ewing to answer such questions if they are really required to be answered by the court. I'm wondering if you could make public as much as possible of these financial records in order to put this allegation to rest. I would be happy to facilitate their being posted.

A related matter has been the question of self-published books, referred to above. I've heard that the 10 Commandment books cost 70 cents each, cost 25 cents to print, and cost 11 cents in royalties. Could you clarify this? How much was actually paid in royalties, to whom and by whom?

A prominent individual as far as 3ABN is concerned called me yesterday and while we were chatting they told me that they felt for sure that 3ABN was the one that paid Remnant for the printing. If that is really the case, then I think that fact would put to rest once and for all the idea that the 10 Commandment book was self-published, since publishers, not distributors or retailers or consumers, are the ones who directly pay the printer. And if 3ABN is the publisher, then they can decide to pay you whatever ethically appropriate royalty you agree upon.

Or, if you really did self-publish the book, does that mean that you received check(s) from 3ABN totaling 4.5 million books x 70 cents per book, and that you then paid the printing costs and the royalties out of that sum? Or if those numbers are incorrect, what are the correct numbers?

God bless.

Bob

Ex. CC

The Ten Commandments *Twice* Removed

This edition published 2005

Cover Design by Steve Nelson

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*We dedicate this book to
God's people—saved and sanctified
by Christ—called "great" in the
kingdom of heaven.*

For assuredly, I say to you,
till heaven and earth pass away,
one jot or one tittle will by no means
pass from the law till all is fulfilled.
Whoever therefore breaks one of the least of these commandments,
and teaches men so, shall be called least in the kingdom of heaven;
but whoever does and teaches them,
he shall be called great in the kingdom of heaven.
Matthew 5:18-19

Ex. DD

The Ten Commandments *Twice Removed*

This edition published 2006

Cover Design by Steve Nelson

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one jot or one tittle will by no means
pass from the law till all is fulfilled.
Whoever therefore breaks one of these commandments,
and teaches men so, shall be called least in the kingdom of heaven;
but whoever does and teaches them,
he shall be called great in the kingdom of heaven.
Matthew 5:18-19

Ex. EE

Ten Commandments Twice Removed

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*We dedicate this book to
God's people—saved and sanctified
by Christ—called "great" in the
kingdom of heaven.*

For assuredly, I say to you,
till heaven and earth pass away,
one jot or one tittle will by no means
pass from the law till all is fulfilled.
Whoever therefore breaks one of the least of these commandments,
and teaches men so, shall be called least in the kingdom of heaven;
but whoever does and teaches them,
he shall be called great in the kingdom of heaven.
Matthew 5:18-19