

**Ex. L**

**THREE ANGELS BROADCASTING NETWORK, INC.  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2004**

## THREE ANGELS BROADCASTING NETWORK, INC.

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues and Other Support</b>			
Contributions	\$ 9,455,115.40	\$ 2,633,222.89	\$12,088,338.29
Charitable gift annuities (Note 11)	1,493,559.53	-	1,493,559.53
Airtime and production fees	1,106,556.00	-	1,106,556.00
Sales of satellite equipment	713,725.32	-	713,725.32
Rental income	33,173.44	-	33,173.44
Investment income (Note 3)	3,902.49	-	3,902.49
Gain (loss) on disposal of assets	(118,668.38)	-	(118,668.38)
Net unrealized and realized gains and (losses) on investments (Note 3)	(139.90)	-	(139.90)
Change in value of split-interest agreements	(614,273.80)	(185,033.53)	(799,307.33)
Other	38,915.11	-	38,915.11
Net assets released from restrictions (Note 7)	<u>2,107,378.26</u>	<u>(2,107,378.26)</u>	<u>-</u>
<b>Total Revenues and Other Support</b>	<b><u>\$14,219,243.47</u></b>	<b><u>\$ 340,811.10</u></b>	<b><u>\$14,560,054.57</u></b>
<b>Expenses</b>			
Program service			
Television and radio broadcasting	\$10,465,779.14	\$ -	\$10,465,779.14
Supporting service			
Management and general	<u>4,939,865.90</u>	<u>-</u>	<u>4,939,865.90</u>
<b>Total Expenses</b>	<b><u>\$15,405,645.04</u></b>	<b><u>\$ -</u></b>	<b><u>\$15,405,645.04</u></b>
Change in Net Assets	\$(1,186,401.57)	\$ 340,811.10	\$(845,590.47)
Net assets, beginning of year	<u>16,978,543.88</u>	<u>3,919,863.29</u>	<u>20,798,407.17</u>
Net assets, end of year	<u>\$15,792,142.31</u>	<u>\$ 4,150,674.39</u>	<u>\$19,952,815.70</u>

See accompanying notes.

**14. RELATED PARTY TRANSACTIONS**

The Organization regularly engages in transactions with various related parties. Following is a summary of related party transactions for the year ending December 31, 2004:

	<u>Due From</u>	<u>Sales To</u>	<u>Due To</u>	<u>Purchases From</u>	<u>Contributions To</u>	<u>Contributions From</u>
Employee accounts	\$ 11,135.56	\$ -	\$ -	\$ -	\$ -	\$ -
DLS Publishing, Inc.	-	-	9,724.38	44,724.38	-	-
D & L Publishing	-	-	-	35,000.00	-	-
Three Angels Christian Communications (Canada)	-	321,500.00	-	-	-	2,793.58
Three Angels T.V. and Radio Broadcast (Russia)	-	-	-	-	250,643.98	-
Tres Anjos Broadcasting Network - LTDA (Brazil)	-	-	-	-	-	-
3ABN Philippines, Inc. (Philippines)	-	-	-	-	167,559.99	-
<b>Total</b>	<u>\$ 11,135.56</u>	<u>\$ 321,500.00</u>	<u>\$ 9,724.38</u>	<u>\$ 79,724.38</u>	<u>\$ 418,203.97</u>	<u>\$ 2,793.58</u>

Tres Anjos Broadcasting Network - LTDA (Brazil) and 3ABN Philippines, Inc. (Philippines) are separate legal entities. Three Angels Broadcasting Network, Inc. exercises control over these two entities by providing 100% of their revenues. See Note 16 regarding Three Angels T.V. and Radio Broadcast Network (Russia).

**15. CONTINGENT LIABILITY**

Management has agreed to return a portion of an \$800,000.00 contribution in the event of a major medical need by the donor.

**16. BRANCH**

The Organization established a branch of Three Angels Broadcasting Network, Inc. in Nizhny Novgorod, Russia. The official name of the branch is Three Angels TV & Radio Broadcasting Network. The branch is not a separate legal entity, and acts on behalf, by order, and under the responsibility of the Organization. The Organization pays for the majority of operating costs and capital improvements of the branch. All of these costs are expensed as incurred by the Organization. Transactions of the branch are not included in these financial statements.

## THREE ANGELS BROADCASTING NETWORK, INC.

## SCHEDULE OF PROGRAM SERVICE EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2004

<b>Television and Radio Broadcasting Expenses</b>	
Airplane operation	\$ 989,438.91
Airtime	2,365,273.00
Broadcast services	49,734.09
Cable promotion and expense	37,499.95
Contract labor	99,716.28
Cost of goods sold and given away - Satellite equipment	584,019.94
Cost of goods given away - Other	330,242.46
Depreciation	2,229,468.89
Downlink	1,062,323.85
Dues and subscriptions	5,166.09
Music production	102,776.61
Newsletter	107,411.83
Program schedules	38,340.97
Registration	31,689.16
Special projects	473,875.27
Supplies - broadcasting	112,135.13
Telephone	79,876.22
Travel and entertainment	154,654.42
Utilities	146,637.68
Wages and benefits	<u>1,465,498.39</u>
<b>Total Television and Radio Broadcasting Expenses</b>	<b><u>\$10,465,779.14</u></b>

See accompanying notes.