

Ex. U

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

2006

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 2006 calendar year, or tax year beginning January 1, 2006, and ending December 31, 20 06

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

C Name of organization
Three Angels Broadcasting Network, Inc.
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
3391 Charley Good Road, PO Box 220
 City or town, state or country, and ZIP + 4
West Frankfort, IL 62896

D Employer identification number
9056

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

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 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 ▶

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	1 Contributions, gifts, grants, and similar amounts received:					
	a Contributions to donor advised funds	1a		15,075,120		
	b Direct public support (not included on line 1a)	1b				
	c Indirect public support (not included on line 1a)	1c				
	d Government contributions (grants) (not included on line 1a)	1d				
	e Total (add lines 1a through 1d) (cash \$ 14,693,743 noncash \$ 381,377)				1e	15,075,120
	2 Program service revenue including government fees and contracts (from Part VII, line 93)				2	1,431,652
	3 Membership dues and assessments				3	
	4 Interest on savings and temporary cash investments				4	10,333
	5 Dividends and interest from securities				5	
	6a Gross rents	6a		48,114		
	b Less: rental expenses	6b		9,379		
c Net rental income or (loss). Subtract line 6b from line 6a				6c	38,735	
7 Other investment income (describe ▶)				7		
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other			
	182,262	8a	9,600			
	184,156	8b	632			
	(1,894)	8c	8,968			
d Net gain or (loss). Combine line 8c, columns (A) and (B)				8d	7,074	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	a Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a				
	b Less: direct expenses other than fundraising expenses	9b				
	c Net income or (loss) from special events. Subtract line 9b from line 9a				9c	
10a Gross sales of inventory, less returns and allowances	10a		1,164,615			
	b Less: cost of goods sold	10b		1,001,811		
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a				10c	162,804	
11 Other revenue (from Part VII, line 103)				11	(123,436)	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11				12	16,602,282	
Expenses	13 Program services (from line 44, column (B))			13	15,516,876	
	14 Management and general (from line 44, column (C))			14	4,081,422	
	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	19,598,298
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12			18	(2,996,016)	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))			19	19,470,324	
	20 Other changes in net assets or fund balances (attach explanation)			20	(238,158)	
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20				21	16,236,150

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Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)		Yes	No
75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings	11		
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b		✓
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." If "Yes," attach a statement that includes the information described in the instructions.	75c		✓
d Does the organization have a written conflict of interest policy?	75d	✓	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Linda Shelton 2125 Renwick Dr., Springfield, IL 62704		75,000		

Part VI Other Information (See the instructions.)		Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76		✓
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		✓
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		✓
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b		
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		✓
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a		✓
b If "Yes," enter the name of the organization ► and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt	81a		
81a Enter direct and indirect political expenditures. (See line 81 instructions)	81a		
b Did the organization file Form 1120-POL for this year?	81b		✓

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Part VI Other Information (continued)		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		<input checked="" type="checkbox"/>
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	<input checked="" type="checkbox"/>	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	<input checked="" type="checkbox"/>	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		<input checked="" type="checkbox"/>
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	84b		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
	85a		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
	85b		
c	Dues, assessments, and similar amounts from members		
	85c		
d	Section 162(e) lobbying and political expenditures		
	85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	85h		
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		
	86a		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders		
	87a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	87b		
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX.		<input checked="" type="checkbox"/>
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		<input checked="" type="checkbox"/>
88a			
88b			
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="text" value="0"/> ; section 4912 <input type="text" value="0"/> ; section 4955 <input type="text" value="0"/>		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		
	89b		
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		<input checked="" type="checkbox"/>
	89e		
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		<input checked="" type="checkbox"/>
	89f		
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
	89g		
90a	List the states with which a copy of this return is filed <input type="text" value="See Statement 10"/>		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b	148
91a	The books are in care of <input type="text" value="Larry Ewing"/> Telephone no. <input type="text" value="(618) 627-4651"/> Located at <input type="text" value="West Frankfort, IL"/> ZIP + 4 <input type="text" value="62896"/>		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country <input type="text" value="Russia"/>	91b	<input checked="" type="checkbox"/>
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

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

106 Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a			
b			
c			
Totals				

107 Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a			
b			
c			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, this is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer: *Danny Shelton* Date: 1/6/20/07

Type or print name and title: Danny Shelton President

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____

Check if self-employed:

Preparer's SSN or PTIN (See Gen. Inst. X): _____

Firm's name (or yours if self-employed), address, and ZIP + 4: _____

EIN: _____

Phone no: () _____

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

Yes No

<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)</p>	<p>1</p>	<p>✓</p>
<p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.</p>		
<p>2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)</p>		
<p>a Sale, exchange, or leasing of property?</p>	<p>2a</p>	<p>✓</p>
<p>b Lending of money or other extension of credit?</p>	<p>2b</p>	<p>✓</p>
<p>c Furnishing of goods, services, or facilities?</p>	<p>2c</p>	<p>✓</p>
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>	<p>2d</p>	<p>✓</p>
<p>e Transfer of any part of its income or assets?</p>	<p>2e</p>	<p>✓</p>
<p>3a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)</p>	<p>3a</p>	<p>✓</p>
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	<p>3b</p>	<p>✓</p>
<p>c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement</p>	<p>3c</p>	<p>✓</p>
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	<p>3d</p>	<p>✓</p>
<p>4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g</p>	<p>4a</p>	<p>✓</p>
<p>b Did the organization make any taxable distributions under section 4966?</p>	<p>4b</p>	<p>✓</p>
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	<p>4c</p>	<p>✓</p>
<p>d Enter the total number of donor advised funds owned at the end of the tax year ▶ _____</p>		<p>0</p>
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____</p>		<p>0</p>
<p>f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ _____</p>		<p>0</p>
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ _____</p>		<p>0</p>

THREE ANGELS BROADCASTING NETWORK, INC.
990 - SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2006

#37-1179056

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

Other Expenses	Total	Program Services	Management & General	Fundraising
Advertising and Promotion	101,051		101,051	
Bad Debts	10,501		10,501	
Bank Charges	97,159		97,159	
Broadcasting	444,984	444,984		
Cable Promotion	5,229	5,229		
Camp Meeting	37,287		37,287	
Cost of Goods Given Away	3,167,235	3,167,235		
Contract Labor	189,676	187,920	1,756	
Donations	228,484		228,484	
Dues and Registration	48,290	48,290		
Insurance	373,735		373,735	
Inventory Write-down	72,369	72,369		
Miscellaneous	76,643		76,643	
Music Production	93,070	93,070		
Special Projects	807,147	768,798	38,349	
Trust	162,830		162,830	
	<u>5,915,690</u>	<u>4,787,895</u>	<u>1,127,795</u>	

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

Land held in Charitable Remainder Untrusts 3,120,000

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

Asset	Cost	Accum. Deprec.	Net Book Value
Buildings	6,672,998	1,118,098	5,554,900
Land	842,688		842,688
Land Improvements	534,047	124,541	409,506
Machinery & Equipment	20,482,574	14,877,413	5,605,161
Vehicles	1,468,521	1,370,794	97,727
Construction in Progress	156,368		156,368
	<u>30,157,196</u>	<u>17,490,846</u>	<u>12,666,350</u>

THREE ANGELS BROADCASTING NETWORK, INC.
990 - SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2006

#37-1179056

Statement 5
Form 990 Part IV, Line 58
Other Assets

Deposits	606,240
Annuities	12,406,919
Trusts	28,559,622
	<u>41,572,781</u>

Statement 6
Form 990 Part IV, Line 65
Other Liabilities

Annuities	13,317,008
Liabilities under Unitrust Agreements	1,617,363
Revocable Trust Liabilities	28,559,622
	<u>43,493,993</u>

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

Cost of Goods Sold - Satellites	1,001,811
Rental Expenses	9,379
	<u>1,011,190</u>

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

Cost of Goods Sold - Satellites	1,001,811
Rental Expenses	9,379
	<u>1,011,190</u>

**THREE ANGELS BROADCASTING NETWORK, INC.
990 - SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2006**

#37-1179056

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

<u>Name and Address</u>	<u>Title & Avg Hrs/Wk</u>	<u>Comp.</u>	<u>Employee Benefits</u>	<u>Expense Account</u>
Dr. Walter Thompson 174 Fox Borough Burr Ridge, IL 60521	Chairman None	0	0	0
Kenneth Denslow 619 Plainfield Rd , 3rd Floor Willowbrook, IL 60521-5381	Director None	0	0	0
May Chung 155 Manchester Lane San Bernardino, CA 92408	Director None	0	0	0
Larry Ewing PO Box 75 Thompsonville, IL 62890	Treasurer 40 hrs/wk	60,585		
Merlin Fjarli 670 Mason Way Medford, OR 97501	Director None	0	0	0
Bill Hulsey PO Box 596 Collegedale, TN 37315	Director None	0	0	0
Ellsworth McKee PO Box 750 Collegedale, TN 37315	Director None	0	0	0
Wintley Phipps PO Box 8008 Vero Beach, FL 32963	Director None	0	0	0
Danny Shelton 2954 New Lake Road West Frankfort, IL 62896	President Director 40 hrs/wk	72,802		

**THREE ANGELS BROADCASTING NETWORK, INC.
990 - SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2006**

#37-1179056

**Statement 9
Form 990, Part V (Continued)
List of Officers, Directors, Trustees, and Key Employees**

Mollie Steenson 400 E 9th Street Johnston City, IL 62951	Secretary Director 40 hrs/wk	61,375		
Carmelita Troy 4024 Ronda Rd Pebble Beach, CA 93953	Director None	0	0	0
Larry Welch 715 S Mulkey Christopher, IL 62822	Director 40 hrs/wk	42,210	0	0
		236,972		

**Statement 10
Form 990, Part V, Line 90A
List of States Which This Return is Filed**
California
Illinois
Oregon

**Statement 11
Form 990, Part VII
Relationship of Activities to the Accomplishment of Exempt Purposes**

Line #	Explanation of Activities
--------	---------------------------

93	Payment for airtime & production of certain religious programming
95	Interest income is used to help offset general operating expenses
97	Rental income is used to help offset general operating expenses
100	Gain or loss from sales other than inventory helps offset general operating expenses
102	Sale of satellite dishes to enable viewers to receive programming
103c	Other income is used to help offset general operating expenses

**Statement 12
Schedule A, Part III, Line 2c**

Three Angels Broadcasting Network, Inc. uses the services of the Westphal Law Group a principal of which is related to the Director of Trust Services
Three Angels Broadcasting Network, Inc. purchases inventory from a corporation controlled by a person related to the President.
Three Angels Broadcasting Network, Inc. contracts music services from a person related to the President.