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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

2003

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

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

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

D Employer identification number: **9056**

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

F Accounting method: Cash Accrual
 Other (specify) ▶

G Website: ▶ **3abn.org**

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

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

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 ▶

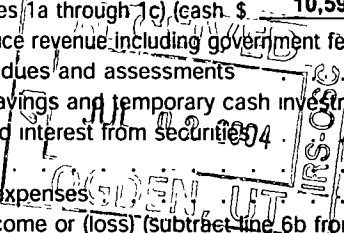
M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

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

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

Revenue	1	Contributions, gifts, grants, and similar amounts received.						
	a	Direct public support	1a	10,902,656				
	b	Indirect public support	1b					
	c	Government contributions (grants)	1c					
	d	Total (add lines 1a through 1c) (cash \$ <u>10,593,517</u> noncash \$ <u>309,139</u>)	1d				10,902,656	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2				882,654	
	3	Membership dues and assessments	3					
	4	Interest on savings and temporary cash investments	4				28,155	
	5	Dividends and interest from securities	5					
	6a	Gross rents	6a	20,763				
	b	Less: rental expenses	6b	7,259				
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c				13,504	
7	Other investment income (describe ▶)	7						
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other			
			124,895	8a	24,000			
	b	Less: cost or other basis and sales expenses	118,712	8b	26,155			
	c	Gain or (loss) (attach schedule)	6,183	8c	(2,155)			
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d				4,028		
Revenue	9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>						
	a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a					
	b	Less: direct expenses other than fundraising expenses	9b					
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c						
Revenue	10a	Gross sales of inventory, less returns and allowances	10a	1,390,946				
	b	Less: cost of goods sold	10b	1,041,702				
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c				349,244	
Revenue	11	Other revenue (from Part VII, line 103)	11				(698,462)	
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12				11,481,779	
	Expenses	13	Program services (from line 44, column (B))	13				8,623,961
		14	Management and general (from line 44, column (C))	14				4,937,968
		15	Fundraising (from line 44, column (D))	15				
16	Payments to affiliates (attach schedule)	16						
17	Total expenses (add lines 16 and 44, column (A))	17				13,561,929		
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18				(2,080,150)	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19				22,878,557	
	20	Other changes in net assets or fund balances (attach explanation)	20					
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21				20,798,407	

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Part VI Other Information (See page 28 of the instructions.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	✓
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	✓
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	✓
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	✓
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	
b	If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct and indirect political expenditures See line 81 instructions 81a		
b	Did the organization file Form 1120-POL for this year?	81b	✓
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	✓
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	✓
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	✓
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	
c	Dues, assessments, and similar amounts from members 85c		
d	Section 162(e) lobbying and political expenditures 85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? 85h		
86	501(c)(7) orgs Enter: a Initiation fees and capital contributions included on line 12 86a		
b	Gross receipts, included on line 12, for public use of club facilities 86b		
87	501(c)(12) orgs Enter: a Gross income from members or shareholders 87a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) 87b		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	✓
89a	501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ _____ ; section 4912 ▶ _____ ; section 4955 ▶ _____		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction.	89b	✓
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ _____		0
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ _____		0
90a	List the states with which a copy of this return is filed ▶ _____		
b	Number of employees employed in the pay period that includes March 12, 2003 (See instructions.) 90b 120		
91	The books are in care of ▶ Larry Ewing Telephone no ▶ (618) 627-4651 Located at ▶ 3391 Charley Good Road, West Frankfort, IL ZIP + 4 ▶ 62896		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92		

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue: a Production and distribution					882,653
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					28,155
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					13,504
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					4,028
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					(50,097)
103 Other revenue: a Video and other sales					399,341
b Change in value of split interest agreements					(776,816)
c Bad debt recovery					18,896
d Other					59,459
e					
104 Subtotal (add columns (B), (D), and (E))					579,123
105 Total (add line 104, columns (B), (D), and (E))					

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	Statement 11

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

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

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

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

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

Please Sign Here: *Danny Shelton*
Signature of officer: **Danny Shelton, President**
Date: 6/24/04
Type or print name and title

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



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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)		✓
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property?		✓
b Lending of money or other extension of credit?		✓
c Furnishing of goods, services, or facilities?	✓	
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		✓
e Transfer of any part of its income or assets?		✓
3a Do you make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)		✓
b Do you have a section 403(b) annuity plan for your employees?		✓
4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		✓

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

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

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

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

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

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

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

#37-1179056

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

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

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

Land held in Charitable Remainder Unitrusts 3,387,100

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

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

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

#37-1179056

Statement 5
Form 990 Part IV, Line 58
Other Assets

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

Statement 6
Form 990 Part IV, Line 65
Other Liabilities

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

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

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

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

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

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

#37-1179056

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

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