

990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2003

Open to Public Inspection

Department of the Treasury Internal Revenue Service

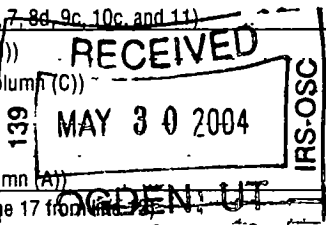
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) The organization may have to use a copy of this return to satisfy state reporting requirements

Form 990 header section including: A For the 2003 calendar year, or tax year beginning and ending; B Check if applicable; C Name of organization CELEBRATION MINISTRIES, INC.; D Employer identification number 75-2464419; E Telephone number 903-891-0070; F Accounting method; G Website: N/A; J Organization type; K Check here; L Gross receipts: 1,700,231.

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

Table with 21 rows detailing Revenue (lines 1-12), Expenses (lines 13-17), and Net Assets (lines 18-21). Includes sub-rows for contributions, program service revenue, membership dues, interest, dividends, gross rents, sales of assets, special events, and inventory. Total revenue is 1,204,768 and total expenses is 756,012.

SCANNED JUN 24 2004



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	66,700.	66,700.	0.	0.
26	Other salaries and wages	75,488.	53,888.	21,600.	
27	Pension plan contributions				
28	Other employee benefits	2,023.	2,023.		
29	Payroll taxes	1,745.	1,745.		
30	Professional fundraising fees				
31	Accounting fees	4,040.	4,040.		
32	Legal fees	2,152.	2,152.		
33	Supplies	4,984.		4,984.	
34	Telephone	16,843.	16,843.		
35	Postage and shipping	12,636.	12,636.		
36	Occupancy	7,355.		7,355.	
37	Equipment rental and maintenance	1,519.	1,519.		
38	Printing and publications	38,477.	38,477.		
39	Travel	103,248.	103,248.		
40	Conferences, conventions, and meetings				
41	Interest	64,210.	64,210.		
42	Depreciation, depletion, etc (attach schedule)	92,662.	87,251.	5,411.	
43	Other expenses not covered above (itemize)				
	a _____	43a			
	b _____	43b			
	c _____	43c			
	d _____	43d			
	e SEE STATEMENT 6	43e	261,930.	5,170.	
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	756,012.	44,520.	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

What is the organization's primary exempt purpose?

CHRISTIAN EVANGELISM

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.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)

a	SEE STATEMENT 7				
		(Grants and allocations \$ _____)			670,965.
b	THE PARENT FACTOR RADIO SHOW AIRS EVERY SATURDAY NIGHT ON OVER 30 STATIONS. THE SHOW IS IN A CALL-IN FORMAT FOR TEENS AND THEIR PARENTS. THEIR WEBSITE IS WWW.PARENTFACTOR.COM.				
		(Grants and allocations \$ _____)			40,527.
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)				711,492.

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	3,944.	45	15,138.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable		47a	
	b Less: allowance for doubtful accounts		47b	47c
	48 a Pledges receivable		48a	
	b Less: allowance for doubtful accounts		48b	48c
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees	48,046.	50	135,471.
	51 a Other notes and loans receivable		51a	
	b Less: allowance for doubtful accounts		51b	51c
	52 Inventories for sale or use	500.	52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments - securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV	40,000.	54	
	55 a Investments - land, buildings, and equipment basis		55a	
b Less: accumulated depreciation		55b	55c	
56 Investments - other	SEE STATEMENT 8	14,050.	56	14,050.
57 a Land, buildings, and equipment basis	57a 2,023,099.			
b Less: accumulated depreciation	57b 352,015.	1,420,739.	57c	1,671,084.
58 Other assets (describe <input type="checkbox"/> SEE STATEMENT 9)		113,408.	58	93,066.
59 Total assets (add lines 45 through 58) (must equal line 74)		1,640,687.	59	1,928,809.
Liabilities	60 Accounts payable and accrued expenses	590.	60	1,898.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable	1,300,373.	64b	1,139,078.
	65 Other liabilities (describe <input type="checkbox"/> SEE STATEMENT 10)		65	5,987.
66 Total liabilities (add lines 60 through 65)		1,300,963.	66	1,146,963.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds	282,431.	70	282,431.
	71 Paid-in or capital surplus, or land, building, and equipment fund	0.	71	0.
	72 Retained earnings, endowment, accumulated income, or other funds	57,293.	72	499,415.
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		339,724.	73	781,846.
74 Total liabilities and net assets / fund balances (add lines 66 and 73)		1,640,687.	74	1,928,809.

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

Part 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	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	

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

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
AL W. DENSON P. O. BOX 220 GRAPEVINE, TEXAS 76099	PRESIDENT 40+	0.	0.	66,700.
DON SAPAUGH P. O. BOX 220 GRAPEVINE, TEXAS 76099	VICE PRESIDENT 0.	0.	0.	0.
TRACIE DENSON P. O. BOX 220 GRAPEVINE, TEXAS 76099	SECRETARY 40+	0.	0.	0.
WES CHRISTIAN 2302 FANNIN, SUITE 500 HOUSTON, TEXAS 77002	BOARD MEMBER 0.	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

Part VI Other Information

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity
77 Were any changes made in the organizing or governing documents but not reported to the IRS?
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
78 b If "Yes," has it filed a tax return on Form 990-T for this year?
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year?
80 a 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?
81 a Enter direct or indirect political expenditures See line 81 instructions
81 b Did the organization file Form 1120-POL for this year?
82 a 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?
82 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)
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?
83 b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84 a Did the organization solicit any contributions or gifts that were not tax deductible?
84 b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
85 b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85 c Dues, assessments, and similar amounts from members
85 d Section 162(e) lobbying and political expenditures
85 e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85 f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85 g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85 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?
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12
86 b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders
87 b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)
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?
89 a 501(c)(3) organizations. Enter. Amount of tax imposed on the organization during the year under section 4911
89 b 501(c)(3) and 501(c)(4) organizations. 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?
89 c Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958
89 d Enter. Amount of tax on line 89c, above, reimbursed by the organization
90 a List the states with which a copy of this return is filed
90 b Number of employees employed in the pay period that includes March 12, 2003
91 The books are in care of
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

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) Exclu- sion code	(D) Amount	
93 Program service revenue					
a SEE STATEMENT 11		16,950.		23,240.	277,063.
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			14	5.	
96 Dividends and interest from securities			14	370.	
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			18	<176,269.>	
101 Net income or (loss) from special events					1,192.
102 Gross profit or (loss) from sales of inventory					41,162.
103 Other revenue					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		16,950.		<152,654.>	319,417.
105 Total (add line 104, columns (B), (D), and (E))					183,713.

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)
93A	SEE PART III
93B	EXPENSE REIMBURSEMENTS RECEIVED FROM SPONSOR ORGANIZATIONS OR CHURCHES
93C	THE ORGANIZATION RECEIVED ROYALTIES AND OTHER PAYMENTS WITH RESPECT TO RECORDING AGREEMENTS. THE RIGHTS ARE OWNED BY THE MINISTRY.

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
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with

- (a) Did the organization, during the year, receive any funds, directly or indirectly, from any individual?
 - (b) Did the organization, during the year, pay premiums, directly or indirectly, on any life insurance policy?
- Note: If "Yes" to (b), file Form 9870 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 furnished to me.

Signature of officer: *[Signature]* Date: 5/2

Preparer's signature: *[Signature]*

Firm's name (or yours if self-employed), address, and ZIP + 4: MIDDLETON, BURNS & DAVIS, 3500 OAKLAWN, SUITE 600, DALLAS, TEXAS 75219

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

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

2003

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization **CELEBRATION MINISTRIES, INC.** Employer identification number **75 2464419**

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000	0			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms) If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services	0	

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

	Yes	No
<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 \blacktriangleright \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)</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>		X
<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>		X
<p>b Lending of money or other extension of credit?</p>		X
<p>c Furnishing of goods, services, or facilities?</p>		X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>		X
<p>e Transfer of any part of its income or assets?</p>		X
<p>3 a 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)</p>		X
<p>b Do you have a section 403(b) annuity plan for your employees?</p>		X
<p>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?</p>		X

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 \blacktriangleright _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

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

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

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

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	733,179.	736,478.	508,255.	903,578.	2,881,490.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	215,288.	185,845.	601,340.	325,710.	1,328,183.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	10.	0.	617.	637.	1,264.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule Do not include gain or (loss) from sale of capital assets	1,466.		SEE STATEMENT 12		1,466.
23 Total of lines 15 through 22	949,943.	922,323.	1,110,212.	1,229,925.	4,212,403.
24 Line 23 minus line 17	734,655.	736,478.	508,872.	904,215.	2,884,220.
25 Enter 1% of line 23	9,499.	9,223.	11,102.	12,299.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24.					26a 57,684.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 1,820,167.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 2,884,220.
d Add Amounts from column (e) for lines 18 1,264. 19 22 1,466. 26b 1,820,167.					26d 1,822,897.
e Public support (line 26c minus line 26d total)					26e 1,061,323.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 36.7976%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year N/A	(2002)	(2001)	(2000)	(1999)	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year N/A	(2002)	(2001)	(2000)	(1999)	
c Add. Amounts from column (e) for lines 15 16 17 20 21					27c N/A
d Add Line 27a total and line 27b total					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

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

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain (If you need more space, attach a separate statement)		

32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)	32d	

33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)	33h	

34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4.05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

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

N/A

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is - Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

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

4-Year Averaging Period Under Section 501(h)

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

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A (e) Total
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	
45	Lobbying nontaxable amount				0.
46	Lobbying ceiling amount (150% of line 45(e))				0.
47	Total lobbying expenditures				0.
48	Grassroots nontaxable amount				0.
49	Grassroots ceiling amount (150% of line 48(e))				0.
50	Grassroots lobbying expenditures				0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

(i) Cash

(ii) Other assets

b Other transactions:

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

	Yes	No
51 a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

N/A

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule **N/A**

(a) Name of organization	(b) Type of organization	(c) Description of relationship

FORM 990		GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES			STATEMENT 1
DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)	
500,000 SH SUREQUEST	256,231.	432,500.	0.	<176,269.>	
TO FORM 990, PART I, LINE 8	256,231.	432,500.	0.	<176,269.>	

FORM 990		SPECIAL EVENTS AND ACTIVITIES			STATEMENT 2
DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
CHRISTMAS DINNER	4,692.		4,692.	3,500.	1,192.
TO FM 990, PART I, LINE 9	4,692.		4,692.	3,500.	1,192.

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 3

INCOME

1. GROSS RECEIPTS	110,182	
2. RETURNS AND ALLOWANCES	9,557	
3. LINE 1 LESS LINE 2		100,625
4. COST OF GOODS SOLD (LINE 13)	59,463	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		41,162

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR		
7. MERCHANDISE PURCHASED	58,712	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS	751	
11. ADD LINES 6 THROUGH 10		59,463
12. INVENTORY AT END OF YEAR		
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12).		59,463

FORM 990 COST OF GOODS SOLD - OTHER COSTS STATEMENT 4

DESCRIPTION	AMOUNT
MAIL HOUSES	751.
TOTAL INCLUDED ON FORM 990, PART I, LINE 10B	751.

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 5

DESCRIPTION	AMOUNT
NON-DEDUCTIBLE MEALS	<6,634.>
TOTAL TO FORM 990, PART I, LINE 20	<6,634.>

FORM 990 OTHER EXPENSES STATEMENT 6

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
ADVERTISING	24,014.	24,014.		
AUTO EXPENSES	6,511.	6,511.		
BANK CHARGES	3,253.		3,253.	
COMPUTER SERVICES	3,998.	3,998.		
COUNSELING	23.	23.		
CREDIT CARD DUES	1,917.		1,917.	
EDITING	2,064.	2,064.		
LEAP	125.	125.		
MEALS	2,631.	2,631.		
THE PARENT FACTOR	40,527.	40,527.		
PAYROLL EXPENSES	5,464.	5,464.		
RENTAL EXPENSE	7,445.	7,445.		
SUBSCRIPTIONS	252.	252.		
TV SHOW	11,000.	11,000.		
WILLOWOOD EXPENSES	130,742.	130,742.		
CONTRACT LABOR	21,964.	21,964.		
TOTAL TO FM 990, LN 43	261,930.	256,760.	5,170.	

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 7

DESCRIPTION OF PROGRAM SERVICE ONE

REACHING TEENS AND YOUNG ADULTS FOR CHRIST THROUGH MUSICAL PERFORMANCES, RECORDINGS AND SPECIALLY PREPARED BIBLE STUDY MATERIALS, RESULTING IN CHANGED LIVES THROUGH TRUST IN GOD, BIBLE STUDY, WORSHIP AND GODLY LIVING. WE ALSO PROVIDE FOLLOW-UP MATERIALS AND COUNSELING TO ASSIST LOCAL CHURCHES IN MEETING THE SPECIAL NEEDS OF YOUNG PEOPLE.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE A		670,965.

FORM 990 OTHER INVESTMENTS STATEMENT 8

DESCRIPTION	VALUATION METHOD	AMOUNT
LONE STAR LAND BANK STOCK	COST	14,050.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		14,050.

FORM 990 OTHER ASSETS STATEMENT 9

DESCRIPTION	AMOUNT
SOFTWARE, COPYRIGHTS, CLOSING COSTS	93,066.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	93,066.

FORM 990 OTHER LIABILITIES STATEMENT 10

DESCRIPTION	AMOUNT
PAYABLE - DENSON KEOGH	3,087.
WEDDING CHAPEL DEPOSITS	2,900.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	5,987.

FORM 990 PROGRAM SERVICE REVENUE STATEMENT 11

DESCRIPTION	BUS CODE	UNRELATED BUSINESS INC	EXCL CODE	EXCLUDED AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
CONCERT/WORSHIP ACTIVIT					211,753.
REIMBURSED TRAVEL EXPEN					65,310.
ROYALTY INCOME			15	4,990.	
EDITING SUITE INCOME	519100	15,350.			
WEDDING CHAPEL	900002	1,600.			
YOUTH DAYS			01	18,250.	
TO FORM 990, PART VII, LINE 93		16,950.		23,240.	277,063.

SCHEDULE A OTHER INCOME STATEMENT 12

DESCRIPTION	2002 AMOUNT	2001 AMOUNT	2000 AMOUNT	1999 AMOUNT
OTHER INCOME	1,466.	0.	0.	0.
TOTAL TO SCHEDULE A, LINE 22	1,466.	0.	0.	0.