

Return of Organization Exempt From Income Tax

2007

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

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 2007 calendar year, or tax year beginning January 1, 2007, and ending December 31, 20 07

- B** Check if applicable:
- Address change
 - Name change
 - Initial return
 - Termination
 - Amended return
 - Application pending

Please use IRS label or print or type. See Specific Instructions.	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, P.O. Box 220	
	City or town, state or country, and ZIP + 4 West Frankfort, IL 62896	

D Employer identification number 37 1179056
E Telephone number (618) 627-4651
F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶

G Website: ▶

J Organization type (check only one) ▶ 501(c) () ◀ (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.

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 the instructions.)

Revenue	1 Contributions, gifts, grants, and similar amounts received:					
	a Contributions to donor advised funds	1a		14,199,289		
	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 \$ 12,696,631 noncash \$ 1,502,658)				1e	14,199,289
	2 Program service revenue including government fees and contracts (from Part VII, line 93)				2	998,789
	3 Membership dues and assessments				3	
	4 Interest on savings and temporary cash investments				4	4557
	5 Dividends and interest from securities				5	
	6a Gross rents	6a		43,665		
	b Less: rental expenses	6b		2,089		
c Net rental income or (loss). Subtract line 6b from line 6a				6c	41,576	
7 Other investment income (describe ▶)				7		
Revenue	8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
			377,013	8a	138,914	
	b Less: cost or other basis and sales expenses		371,878	8b	140,721	
	c Gain or (loss) (attach schedule)		5,135	8c	(1,807)	
	d Net gain or (loss). Combine line 8c, columns (A) and (B)				8d	3,328
	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		555,717			
	b Less: cost of goods sold	10b	435,725			
	c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a				10c	119,992
11 Other revenue (from Part VII, line 103)				11	(265,713)	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11				12	15,101,818	
Expenses	13 Program services (from line 44, column (B))			13	12,960,097	
	14 Management and general (from line 44, column (C))			14	4,279,056	
	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	17,239,153
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12			18	(2,137,335)	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))			19	16,236,150	
	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	14,098,815

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
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b	Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A	249,910	43,356	206,554	
25b	Compensation of former officers, directors, key employees, etc. listed in Part V-B				
25c	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)				
26	Salaries and wages of employees not included on lines 25a, b, and c	3,946,150	2,903,979	1,042,171	
27	Pension plan contributions not included on lines 25a, b, and c				
28	Employee benefits not included on lines 25a - 27				
29	Payroll taxes	264,055		264,055	
30	Professional fundraising fees				
31	Accounting fees	51,139		51,139	
32	Legal fees	1,100,545		1,100,545	
33	Supplies	256,052	104,432	151,620	
34	Telephone	206,845	206,845		
35	Postage and shipping	606,104	545,494	60,610	
36	Occupancy	388,488	211,547	176,941	
37	Equipment rental and maintenance	3,864,715	3,741,309	123,406	
38	Printing and publications	224,150	224,150		
39	Travel	1,173,321	956,940	216,381	
40	Conferences, conventions, and meetings	17,207		17,207	
41	Interest	27,225		27,225	
42	Depreciation, depletion, etc. (attach schedule)	1,825,183	1,825,183		
43	Other expenses not covered above (itemize):				
43a	Statement 2	3,038,064	2,196,862	841,202	
43b	-----				
43c	-----				
43d	-----				
43e	-----				
43f	-----				
43g	-----				
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	17,239,153	12,960,097	4,279,056	

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 the instructions.)

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.

What is the organization's primary exempt purpose? ▶ 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 <small>(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)</small>
a Production and distribution of religious programming for electronic distribution throughout the world. (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	12,960,097
b (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
c (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
d (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services). . . . ▶	12,960,097

Part IV Balance Sheets (See the instructions.)

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	482,919	45	364,053
	46 Savings and temporary cash investments	11,589	46	147,448
	47a Accounts receivable	47a 176,217		
	b Less: allowance for doubtful accounts	47b 181	296,225	47c 175,995
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	434,036	48c 651,770
	49 Grants receivable		49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule)	51a 2,607		
	b Less: allowance for doubtful accounts	51b 0		51c 2,607
	52 Inventories for sale or use		1,336,386	52 1,352,599
	53 Prepaid expenses and deferred charges		325,047	53 349,370
	54a Investments—publicly-traded securities <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		947,194	54a 1,039,482
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54b
	55a Investments—land, buildings, and equipment: basis	55a 3,120,000		
	b Less: accumulated depreciation (attach schedule)	55b	3,120,000	55c 3,120,000
	56 Investments—other (attach schedule)			56
	57a Land, buildings, and equipment: basis	57a		
b Less: accumulated depreciation (attach schedule)	57b	12,666,350	57c 11,424,593	
58 Other assets, including program-related investments (describe <input type="checkbox"/> Statement 5)		41,572,781	58 39,986,624	
59 Total assets (must equal line 74). Add lines 45 through 58		61,192,527	59 58,614,541	
Liabilities	60 Accounts payable and accrued expenses	1,016,215	60	1,039,996
	61 Grants payable		61	
	62 Deferred revenue	6,169	62	5,786
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		440,000	64b 30,000
	65 Other liabilities (describe <input type="checkbox"/> Statement 6)		43,493,993	65 43,439,944
66 Total liabilities. Add lines 60 through 65		44,956,377	66 44,515,726	
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	11,797,602	67	10,009,160
	68 Temporarily restricted	4,438,548	68	4,089,655
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)		16,236,150	73 14,098,815	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		61,192,527	74 58,614,541	

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"/>	
83b	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"/>
84b	b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		
85b	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 unless the organization received a waiver for proxy tax owed for the prior year.		
	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	
85g	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
85h	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?		
86a	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		
86b	b Gross receipts, included on line 12, for public use of club facilities		
87a	501(c)(12) orgs. Enter: a Gross income from members or shareholders		
87b	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
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"/>
88b	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"/>
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"/>		
89b	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		
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="text"/>		
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization <input type="text"/>		
89e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		<input checked="" type="checkbox"/>
89f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		<input checked="" type="checkbox"/>
89g	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?		
90a	List the states with which a copy of this return is filed ▶ See Statement 10		
90b	b Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)		
91a	The books are in care of ▶ Brian Hamilton Telephone no. ▶ (618) 627-4651 Located at ▶ 3391 Charley Good Rd, PO Box 220, West Frankfort, IL ZIP + 4 ▶ 62896		
91b	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 ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	Yes	No
			<input checked="" type="checkbox"/>

Part VI Other Information (continued)

- 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 ▶ **Russia**
- 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**

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 Production and Distribution					998,789
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					4,557
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					41,576
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					3,328
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					119,992
103 Other revenue: a					
b Change in value split interest agreements					(290,831)
c Other					25,118
d					
e					
104 Subtotal (add columns (B), (D), and (E))					902,529
105 Total (add line 104, columns (B), (D), and (E))					902,529

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).

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
	%			
	%			
	%			
	%			

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).

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?

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

Signature of officer: *James W. Gilley* Date: 11-11-08

James W. Gilley, President and CEO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: _____ Preparer's SSN or PTIN (See Gen. Inst. X): _____

EIN: _____ Phone no.: _____