

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)

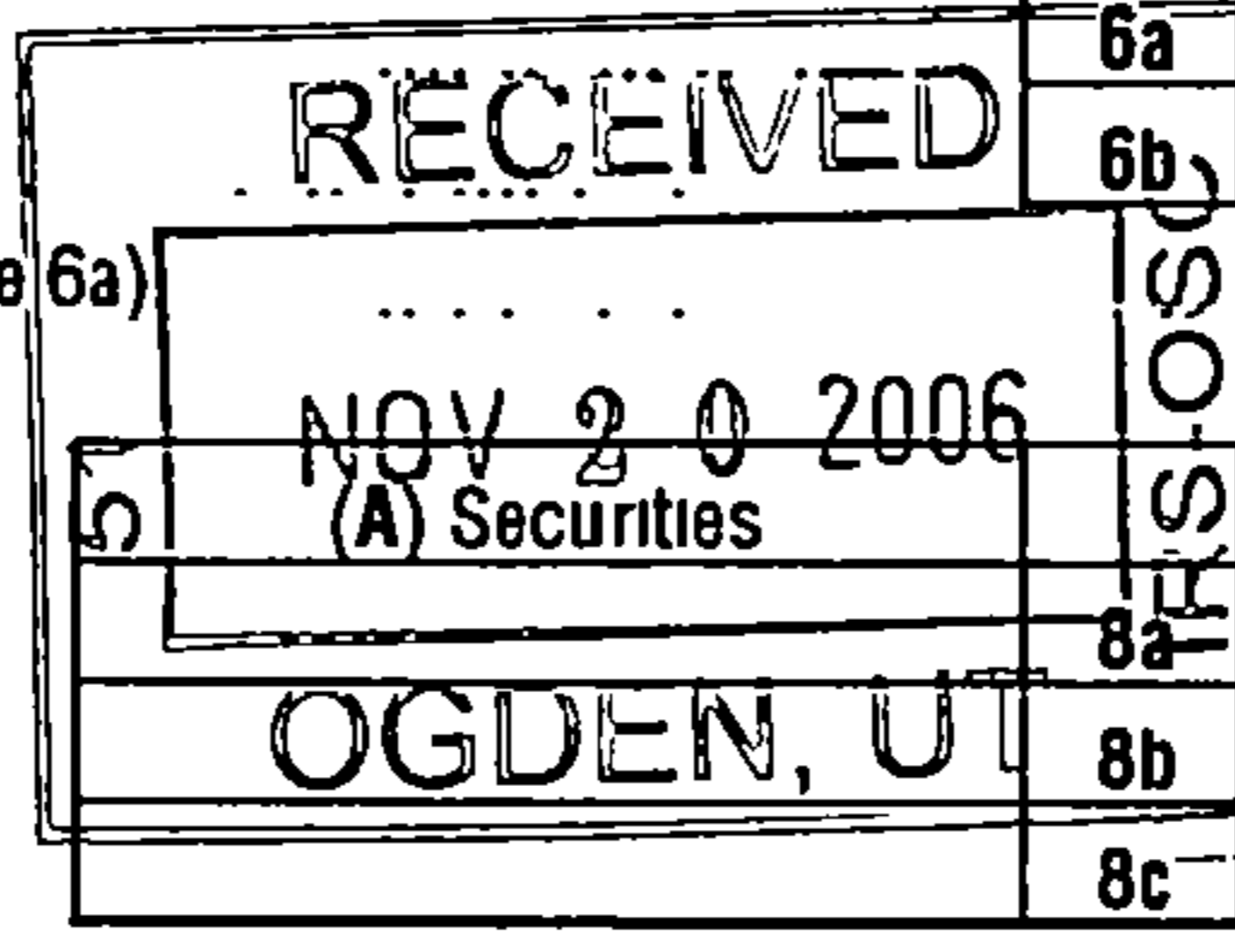
Department of the Treasury Internal Revenue Service

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

Form 990 header section including: A For the 2005 calendar year, or tax year beginning and ending; B Check if applicable; C Name of organization THE INSPIRATIONAL NETWORK, INC; D Employer identification number 57-0931093; E Telephone number (704) 525-9800; F Accounting method; G Website WWW. INSP.COM; H and I are not applicable to section 527 organizations; J Organization type 501(c)(3); K Check here; L Gross receipts 50,139,390.

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

Table with 21 rows and 4 columns: Description, Sub-description, Amount, Total. Rows include: 1 Contributions, gifts, grants, and similar amounts received (Total 17,071,837); 2 Program service revenue including government fees and contracts (Total 32,894,996); 4 Interest on savings and temporary cash investments (Total 172,557); 6a Gross rents; 6b Less rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 10a Gross sales of inventory, less returns and allowances; 10b Less cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 11 Other revenue; 12 Total revenue (Total 50,139,390); 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses (Total 40,583,309); 18 Excess or (deficit) for the year (Total 9,556,081); 19 Net assets or fund balances at beginning of year (Total 37,353,882); 20 Other changes in net assets or fund balances (Total -981,431); 21 Net assets or fund balances at end of year (Total 45,928,532).



SCANNED DEC 12 2006

**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 \$ <u>0</u> • noncash \$ <u>0</u> .) 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)				
25 Compensation of officers, directors, etc. **	3,878,563.	2,875,627.	920,970.	81,966.
26 Other salaries and wages	9,167,199.	7,217,736.	1,448,888.	500,575.
27 Pension plan contributions				
28 Other employee benefits	76,001.	75,535.	466.	
29 Payroll taxes	1,065,131.	792,416.	242,606.	30,109.
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies	91,983.	66,805.	19,179.	5,999.
34 Telephone	351,883.	277,774.	64,983.	9,126.
35 Postage and shipping	790,550.	595,749.	8,525.	186,276.
36 Occupancy	806,487.	638,012.	164,168.	4,307.
37 Equipment rental and maintenance				
38 Printing and publications	1,248,502.	997,193.	9,959.	241,350.
39 Travel	1,106,726.	978,897.	73,481.	54,348.
40 Conferences, conventions, and meetings				
41 Interest .. <i>stmt 12</i>	369,188.	339,359.	29,829.	
42 Depreciation, depletion, etc. (attach schedule)	4,197,225.	3,400,250.	796,975.	
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g <u>See Statement 2</u>	17,433,871.	14,560,909.	1,535,580.	1,337,382.
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	40,583,309.	32,816,262.	5,315,609.	2,451,438.

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 \$ N/A, (ii) the amount allocated to Program services \$ N/A,  
 (iii) the amount allocated to Management and general \$ N/A, and (iv) the amount allocated to Fundraising \$ N/A

\*\* See Statement 3

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? ► See Statement 4	<b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts; but optional for others.)
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.)	
<b>a</b> SEE STATEMENT 10    	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	32,816,262.
<b>b</b>    	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>c</b>    	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>d</b>    	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>e</b> Other program services (attach schedule) (Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>f</b> Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	32,816,262.

**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
<b>Assets</b>	45 Cash - non-interest-bearing		45
	46 Savings and temporary cash investments	7,197,128.	46 8,403,214.
	47 a Accounts receivable	47a 3,827,761.	
	b Less: allowance for doubtful accounts	47b 294,019.	47c 3,533,742.
	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		50
	51 a Other notes and loans receivable	51a	
	b Less: allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use	185,284.	52 193,944.
	53 Prepaid expenses and deferred charges	268,954.	53 383,520.
	54 Investments - securities Stmt 7 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	43,012.	54 55,179.
	55 a Investments - land, buildings, and equipment: basis	55a	
	b Less: accumulated depreciation	55b	55c
56 Investments - other		56	
57 a Land, buildings, and equipment: basis Stmt 12	57a 61,356,193.		
b Less: accumulated depreciation Stmt 12	57b 37,523,994.	57c 23,832,199.	
58 Other assets (describe ▶ See Statement 5 )		58 20,512,199.	
59 <b>Total assets</b> (must equal line 74). Add lines 45 through 58	50,989,143.	59 56,913,997.	
<b>Liabilities</b>	60 Accounts payable and accrued expenses	3,557,564.	60 3,640,450.
	61 Grants payable		61
	62 Deferred revenue	386,622.	62 563,191.
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable Statement 13	2,231,953.	64b 1,617,511.
	65 Other liabilities (describe ▶ See Statement 6 )	7,459,122.	65 5,164,313.
66 <b>Total liabilities.</b> Add lines 60 through 65	13,635,261.	66 10,985,465.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	37,353,882.	67 45,928,532.
	68 Temporarily restricted		68
	69 Permanently restricted		69
	<b>Organizations that do not follow SFAS 117, check here</b> <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 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	37,353,882.	73 45,928,532.	
74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73	50,989,143.	74 56,913,997.	

**Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	50,139,390.
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	0.
c	Subtract line b from line a		c	50,139,390.
d	Amounts included on Part I, line 12, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	0.
e	<b>Total revenue</b> (Part I, line 12). Add lines c and d		e	50,139,390.

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

a	Total expenses and losses per audited financial statements		a	40,583,309.
b	Amounts included on line a but not on Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	0.
c	Subtract line b from line a		c	40,583,309.
d	Amounts included on Part I, line 17, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	0.
e	<b>Total expenses</b> (Part I, line 17). Add lines c and d		e	40,583,309.

**Part V-A Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(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 plans	(E) Expense account and other allowances
See Statement 8		3408179.	413,151.	57,233.
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Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

Yes No

- 75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 3
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 X
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 this organization through common supervision or common control? See Statement 9 75c X
Note. Related organizations include section 509(a)(3) supporting organizations.
If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization.
d Does the organization have a written conflict of interest policy? 75d X

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.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. The first row contains the word 'None' in column A.

Part VI Other Information (See 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 X
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 X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? 78a X
b If "Yes," has it filed a tax return on Form 990-T for this year? 78b X
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement 79 X
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? 80a X
b If "Yes," enter the name of the organization INSPIRATIONAL HOLDINGS, INC and check whether it is [ ] exempt or [X] nonexempt
81 a Enter direct or indirect political expenditures. (See line 81 instructions.) 81a 0
b Did the organization file Form 1120-POL for this year? 81b X

Part VI Other Information (continued)

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.
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 0.; section 4912 0.; section 4955 0.
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 0.
89 d Enter: Amount of tax on line 89c, above, reimbursed by the organization 0.
90 a List the states with which a copy of this return is filed CA, NC
90 b Number of employees employed in the pay period that includes March 12, 2005 268
91 a The books are in care of THE CORPORATION Telephone no 704-525-9800
Located at 7910 CRESCENT EXECUTIVE DR, SUITE 500, CHARLOTTE ZIP + 4 28217
91 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)?
91 c At any time during the calendar year, did the organization maintain an office outside of the United States?
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

Table with 2 columns: Yes, No. Rows 91b, 91c.

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

Table with 5 main columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include 93 Program service revenue, 94 Membership dues and assessments, 95 Interest on savings and temporary cash investments, 96 Dividends and interest from securities, 97 Net rental income or (loss) from real estate, 98 Net rental income or (loss) from personal property, 99 Other investment income, 100 Gain or (loss) from sales of assets, 101 Net income or (loss) from special events, 102 Gross profit or (loss) from sales of inventory, 103 Other revenue, 104 Subtotal, 105 Total.

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 the instructions.)

Table with 2 columns: 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). Entry: See Statement 10.

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

Table with 5 columns: (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. Entry: INSPIRATIONAL HOLDINGS INC - SAME - 34-2018804, 100%, HOLDING COMPANY, 10,660,429., 771,458.

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

Signature and title section. Includes fields for Signature of officer (Robert I. Brace, CPA, CFE), Date (11/14/06), Type or print name and title (V.P. of Finance), Preparer's signature, Date (11/14/06), Check if self-employed, Preparer's SSN or PTIN (86-1065772), Firm's name (DELOITTE TAX LLP), address (227 W TRADE ST., SUITE 1100 CHARLOTTE, NC 28202), and Phone no (704-887-1500).



**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under Section 501(c)(3)**

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

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

OMB No. 1545-0047

**2005**

Name of the organization: **THE INSPIRATIONAL NETWORK, INC**  
Employer identification number: **57 0931093**

**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
ROSEMARY GREEN 7910 CRESCENT EXECUTIVE DR, SUITE 500	VP OF MINISTRY 40.00	122,587.	13,696.	494.
MARK SOLOW 7910 CRESCENT EXECUTIVE DR, SUITE 500	VP DIGITAL BROADCAST 40.00	116,261.	18,523.	
PAUL ZULKOSKI 7910 CRESCENT EXECUTIVE DR, SUITE 500	AFFILIATE DIRECTOR 40.00	109,283.	26,296.	
ROBERT MOSES 7910 CRESCENT EXECUTIVE DR, SUITE 500	AFFILIATE DIRECTOR - 40.00	110,984.	18,554.	
RUSSELL COOPER 7910 CRESCENT EXECUTIVE DR, SUITE 500	AFFILIATE DIRECTOR 40.00	120,762.	2,713.	
Total number of other employees paid over \$50,000 ▶	101			

**Part II-A 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
COLE, RAYWIND & BRAVERMAN, LLP 1919 PENNSYLVANIA AVENUE NW, WASHINGTON, DC 20006	LEGAL	214,481.
KENNEDY, COVINGTON, LOBDELL & HICKMAN, LLP 214 N. TRYON STREET, CHARLOTTE, NC 28202	LEGAL	188,901.
MIKE MURDOCH 771 KNIGHTSWOOD ROAD, DENTON, TX 76201	TELEVISION PRODUCTION SERVIC	100,000.
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Total number of others receiving over \$50,000 for professional services ▶	0	

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
JOSEPH T. HOWELL 7120 AMARILLO DRIVE, CHARLOTTE, NC 28262	VIDEO SHADER	84,923.
LARS A. KAPFER 8015 FAIRMEADOWS DRIVE, CHARLOTTE, NC 28269	EDITOR	77,169.
FRANK FRAIS 9978 BLACK HORSE RUN, FORT MILL, SC 29715	LIGHTING	68,446.
RUDY LANDA 2235 RICE PLANTERS ROAD, CHARLOTTE, NC 28273	PRODUCER/CAMERAMA N	62,829.
JIM MCGIVNEY 4309 CASTLEWOOD ROAD, CHARLOTTE, NC 28209	EDITOR	62,635.
Total number of other contractors receiving over \$50,000 for other services ▶	1	

**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 <b>▶</b> \$ _____ \$ _____ (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		X
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? See Statement 11	X	
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Part V-A, Form 990	X	
e	Transfer of any part of its income or assets?		X
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 )		X
	b Do you have a section 403(b) annuity plan for your employees?		X
	c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		X
4	a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
	b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		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 **▶** \_\_\_\_\_
- 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) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) Check the box that describes the type of supporting organization **▶**  Type 1  Type 2  Type 3

Provide the following information about the supported organizations (See page 6 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. **N/A**  
 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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)					
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					
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					
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					
23 Total of lines 15 through 22	0.	0.	0.	0.	0.
24 Line 23 minus line 17					
25 Enter 1% of line 23					

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	N/A
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 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b	N/A
c Total support for section 509(a)(1) test. Enter line 24, column (e)	26c	N/A
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____	26d	N/A
e Public support (line 26c minus line 26d total)	26e	N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	N/A %

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	(2004)	(2003)	(2002)	(2001)
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 11b, 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	(2004)	(2003)	(2002)	(2001)
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 2001 through 2004, 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 )

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

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)		
37	Total lobbying expenditures to influence a legislative body (direct lobbying)		
38	Total lobbying expenditures (add lines 36 and 37)		
39	Other exempt purpose expenditures		
40	Total exempt purpose expenditures (add lines 38 and 39)		
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		
42	Grassroots nontaxable amount (enter 25% of line 41)		
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36		
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38		

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
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
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 11 of the instructions )

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		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
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

Table with columns Yes and No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c. 'No' column contains 'X' for all rows.

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.

N/A

Large table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. It is currently empty.

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 (with X checked in No)

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

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. It is currently empty.

Form 990	Other Changes in Net Assets or Fund Balances	Statement	1
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Description	Amount
PRIOR PERIOD ADJUSTMENT	-981,431.
Total to Form 990, Part I, line 20	-981,431.

Form 990	Other Expenses	Statement	2
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Description	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising
ADVERTISING AND PROMOTIONS	1,224,863.	1,223,321.		1,542.
AMORTIZATION OF FILM COSTS	545,387.	545,387.		
AMORTIZATION OF LAUNCH INCENTIVES	2,400,472.	2,400,472.		
AMORTIZATION OF PROGRAM COSTS	660,483.	660,483.		
AMORTIZATION OTHER	0.			
AUTO AND MILEAGE	163,796.	145,636.	15,472.	2,688.
BANK SERVICE CHARGES	139,015.	67,971.	14,915.	56,129.
CABLE AFFILIATE FEES	0.			
COMPUTER EXPENSES	243,613.	224,791.	17,697.	1,125.
CONTRACT SERVICES AND LABOR	4,914,020.	3,806,635.	127,391.	979,994.
COST OF PRODUCT	0.			
DIGITAL SIGNAL SERVICE	1,972,778.	1,972,778.		
DONATIONS	209,798.	209,798.		
DUES AND SUBSCRIPTIONS	148,543.	113,276.	34,145.	1,122.
INSURANCE EXPENSE	1,289,641.	820,077.	469,564.	
MEALS AND ENTERTAINMENT	331,582.	273,343.	39,887.	18,352.
NIELSON/ARBITRON RATINGS EXPENSE	132,624.	132,624.		
NON CAPITAL EQUIPMENT	156,993.	127,974.	27,862.	1,157.
OTHER GENERAL AND ADMINISTRATIVE EXPENSES	174,346.	152,964.	13,281.	8,101.
PRODUCTION MATERIALS	679,490.	551,533.		127,957.
PROFESSIONAL SERVICES	1,461,676.	823,714.	499,990.	137,972.

Statement(s) 1, 2

REPAIRS & MAINTENANCE	53,725.	45,097.	8,628.	
TAGS, LICENSES AND FEES	41,304.	28,062.	13,242.	
TRADE SHOWS AND PREMIUMS	223,714.	223,496.	130.	88.
EDUCATION & SEMINARS	23,746.	11,477.	11,114.	1,155.
BAD DEBT EXPENSE	242,262.		242,262.	
Total to Fm 990, ln 43	<u>17,433,871.</u>	<u>14,560,909.</u>	<u>1,535,580.</u>	<u>1,337,382.</u>



Form 990

Officer Compensation Allocation  
Part II, Line 25

Statement 3

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
CHRISTIE LEGG	75,799.	5,822.		81,621.
A. Program Services	75,799.	5,822.		81,621.
B. Management and General				
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
JAMES DICKSON	182,527.	45,034.		227,561.
A. Program Services	182,527.	45,034.		227,561.
B. Management and General				
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
DOUG BUTTS	103,460.	11,100.	120.	114,680.
A. Program Services	103,460.	11,100.	120.	114,680.
B. Management and General				
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
WARREN MARCUS	146,895.	7,281.		154,176.
A. Program Services	117,516.	5,825.		123,341.
B. Management and General				
C. Fundraising	29,379.	1,456.		30,835.

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
FARLEY LAFFERTY	91,128.	4,945.	120.	96,193.
A. Program Services	50,120.	2,720.	66.	52,906.
B. Management and General				
C. Fundraising	41,008.	2,225.	54.	43,287.

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
CHARLES PHELPS	65,249.	9,910.	3,285.	78,444.
A. Program Services	58,724.	8,919.	2,957.	70,600.
B. Management and General				
C. Fundraising	6,525.	991.	328.	7,844.

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
BARBARA CERULLO	76,232.	28,457.	2,539.	107,228.
A. Program Services	76,232.	28,457.	2,539.	107,228.
B. Management and General				
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
JOHN GROENKE				
A. Program Services				
B. Management and General				
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
TIM ABARE	35,577.	668.	7,983.	44,228.
A. Program Services	35,577.	668.	7,983.	44,228.
B. Management and General				
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
BILL AIRY	35,769.		20.	35,789.
A. Program Services	35,769.		20.	35,789.
B. Management and General				
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
BART PALMER	26,470.	9,366.	30.	35,866.
A. Program Services	26,470.	9,366.	30.	35,866.
B. Management and General				
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
DAVID CERULLO	1,125,920.	46,318.	22,828.	1,195,066.
A. Program Services	562,960.	23,159.	11,414.	597,533.
B. Management and General	562,960.	23,159.	11,414.	597,533.
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
A. BRUCE CHASTINE	185,997.	40,693.	6,930.	233,620.
A. Program Services	61,379.	13,429.	2,287.	77,095.
B. Management and General	124,618.	27,264.	4,643.	156,525.
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
DALE ARDIZZONE	189,182.	7,713.	236.	197,131.
A. Program Services	62,430.	2,545.	78.	65,053.
B. Management and General	126,752.	5,168.	158.	132,078.
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
ROD TAPP	160,026.	43,685.	2,680.	206,391.
A. Program Services	160,026.	43,685.	2,680.	206,391.
B. Management and General				
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
OSSIE MILLS	158,210.	13,339.	2,622.	174,171.
A. Program Services	126,568.	10,671.	2,098.	139,337.
B. Management and General	31,642.	2,668.	524.	34,834.
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
RONALD SHUPING	130,327.	38,628.	2,860.	171,815.
A. Program Services	130,327.	38,628.	2,860.	171,815.
B. Management and General				
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
THOMAS HOHMAN	237,356.	45,832.	2,818.	286,006.
A. Program Services	237,356.	45,832.	2,818.	286,006.
B. Management and General				
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
LARRY SIMS	156,093.	17,854.	434.	174,381.
A. Program Services	156,093.	17,854.	434.	174,381.
B. Management and General				
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
JOHN ROOS	134,800.	24,154.	1,608.	160,562.
A. Program Services	134,800.	24,154.	1,608.	160,562.
B. Management and General				
C. Fundraising				

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
WENDY VINSON	91,162.	12,352.	120.	103,634.
A. Program Services	91,162.	12,352.	120.	103,634.
B. Management and General				
C. Fundraising				

Total Program Services				2,875,627.
Total Management and General				920,970.
Total Fundraising				81,966.
Total Officer, etc., Compensation included on Parts V-A and V-B				<u>3,878,563.</u>

Form 990 Statement of Organization's Primary Exempt Purpose Statement 4  
Part III

Explanation

THE PROMOTION, PRODUCTION & PROVISION OF RELIGIOUS, CHARITABLE AND EDUCATIONAL PROGRAMMING COMMUNICATING THE GOSPEL TO PEOPLES OF THE WORLD.

Form 990 Other Assets Statement 5

Description	Amount
NON-TRADE AFFILIATE RECEIVABLE	7,899,938.
NETWORK LAUNCH FEES	6,996,561.
SALES TAX REFUND	327,528.
ACQUIRED PROGRAMMING RIGHTS ADVANCE	2,019,285.
LONG TERM DEPOSITS	42,684.
CAPITALIZED FILM COSTS, NET	169,269.
LOAN FEES	2,934,983.
	121,951.
Total to Form 990, Part IV, line 58, Column B	20,512,199.

Form 990 Other Liabilities Statement 6

Description	Amount
CAPITAL LEASE OBLIGATIONS	359,551.
ACCRUED NETWORK LAUNCH FEES	4,327,868.
PROGRAM RIGHTS	368,460.
OTHER LIABILITIES	108,434.
Total to Form 990, Part IV, line 65, Column B	5,164,313.

Form 990 Other Securities Statement 7

Security Description	Cost/FMV	Other Securities
INVESTMENTS - SECURITIES	FMV	55,179.
To Form 990, line 54, Col B		55,179.



Form 990

Part V-A - List of Officers, Directors,  
Trustees and Key Employees

Statement 8

Name and Address	Title and Avrg Hrs/Wk	Compen- sation	Employee Ben Plan Contrib	Expense Account
CHRISTIE LEGG 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	VP, I-LIFETV 50.00	75,799.	5,822.	0.
JAMES DICKSON 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	VP, NATIONAL AFFILIATE ACC 50.00	182,527.	45,034.	0.
DOUG BUTTS 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	VP, NETWORK PRODUCTIONS 50.00	103,460.	11,100.	120.
WARREN MARCUS 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	VP, MEDIA MINISTRY 50.00	146,895.	7,281.	0.
FARLEY LAFFERTY 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	VP, MINISTRY OPERATIONS 50.00	91,128.	4,945.	120.
CHARLES PHELPS 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	VP, STEWARDSHIP & PLANNED 50.00	65,249.	9,910.	3,285.
BARBARA CERULLO 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	PRES.EVERYDAY WOMAN 50.00	76,232.	28,457.	2,539.
JOHN GROENKE 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	DIRECTOR 2.00	0.	0.	0.
TIM ABARE 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	SVP, PRODUCT DEVELOPMENT 50.00	35,577.	668.	7,983.

Statement(s) 8

BILL AIRY 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	EVP, STRATEGIC PLANNING 50.00	35,769.	0.	20.
BART PALMER 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	CHIEF TECHNOLOGY OFFICER 50.00	26,470.	9,366.	30.
DAVID CERULLO 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	CEO 70.00	1,125,920.	46,318.	22,828.
A. BRUCE CHASTINE 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	EVP & CFO 50.00	185,997.	40,693.	6,930.
DALE ARDIZZONE 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	EVP, BUS AFFAIRS & GEN CNSL 50.00	189,182.	7,713.	236.
ROD TAPP 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	EVP, MARKETING & SALES 50.00	160,026.	43,685.	2,680.
OSSIE MILLS 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	EVP, MINISTRY DEVELOPMENT 50.00	158,210.	13,339.	2,622.
RONALD SHUPING 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	EVP, PROGRAMMING 50.00	130,327.	38,628.	2,860.
THOMAS HOHMAN 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	SENIOR VP, AFFILIATE RELAT 50.00	237,356.	45,832.	2,818.
LARRY SIMS 7910 CRESCENT EXECUTIVE DR, SUITE 500 CHARLOTTE, NC, 28217	SENIOR VP, SALES 50.00	156,093.	17,854.	434.

JOHN ROOS  
7910 CRESCENT EXECUTIVE DR, SUITE  
500  
CHARLOTTE, NC, 28217

SENIOR VP, MARKETING

50.00                    134,800.    24,154.    1,608.

WENDY VINSON  
7910 CRESCENT EXECUTIVE DR, SUITE  
500  
CHARLOTTE, NC, 28217

VP, AFFILIATE MARKETING

50.00                    91,162.    12,352.    120.

Totals Included on Form 990, Part V-A

3,408,179.    413,151.    57,233.

Name of Personnel	Name of Related Organization	Organization Relationship	EIN	Expense		
				Compensation	Benefit Plans	Allowance
<b>2005 (Note 1)</b>						
David Cerullo	The Inspirational Networks, Inc	Close Connection	57-0931093	900,736	37,054	18,262
David Cerullo	MediaComm, Inc	Close Connection	56-1795310	168,888	6,948	3,424
David Cerullo	Steel Roots, Inc	Close Connection	01-0643659	56,296	2,316	1,141
Dale Ardizzone	The Inspirational Networks, Inc	Close Connection	57-0931093	151,346	6,170	189
Dale Ardizzone	MediaComm, Inc	Close Connection	56-1795310	28,377	1,157	35
Dale Ardizzone	Steel Roots, Inc	Close Connection	01-0643659	9,459	386	12
A. Bruce Chastine	The Inspirational Networks, Inc	Close Connection	57-0931093	156,798	32,554	5,544
A. Bruce Chastine	MediaComm, Inc	Close Connection	56-1795310	29,400	6,104	1,040
A. Bruce Chastine	Steel Roots, Inc	Close Connection	01-0643659	9,800	2,035	347
<b>2004 (Note 1)</b>						
David Cerullo	The Inspirational Networks, Inc	Close Connection	57-0931093	262,042	-	-
David Cerullo	MediaComm, Inc	Close Connection	56-1795310	139,474	-	-
David Cerullo	Steel Roots, Inc	Close Connection	01-0643659	21,132	-	-
<b>2003 (Note 1)</b>						
David Cerullo	The Inspirational Networks, Inc	Close Connection	57-0931093	214,687	-	-
David Cerullo	MediaComm, Inc	Close Connection	56-1795310	114,269	-	-
David Cerullo	Steel Roots, Inc	Close Connection	01-0643659	17,313	-	-
<b>2002 - 1991 (Note 1)</b>						
David Cerullo	The Inspirational Networks, Inc	Close Connection	57-0931093	159,386	-	-
David Cerullo	MediaComm, Inc	Close Connection	56-1795310	53,128	-	-

**Note 1 - Paid in 2005**

Line Explanation of Relationship of Activities

93 THE PROMOTION, PRODUCTION & PROVISION OF RELIGIOUS, CHARITABLE & EDUCATIONAL PROGRAMMING COMMUNICATING THE GOSPEL TO PEOPLES OF THE WORLD THROUGH BOTH LIVE AND TAPED RELIGIOUS PROGRAMMING AIRED TO APPROXIMATELY 82.8 MILLION HOUSEHOLDS DOMESTICALLY & INTERNATIONALLY, THE RELIGIOUS DEVELOPMENT OF MEN, WOMEN AND CHILDREN WAS ENHANCED. THE INTENT OF THE NETWORK IS TO ENCOURAGE THE CREATION & BROADCASTING OF INTERFAITH PROGRAMMING FOR CABLECASTING TO VARIOUS CABLE TELEVISION COMPANIES. THE NETWORK'S RELIGIOUS PROGRAMMING INCLUDED THE DISTRIBUTION OF DIRECT PREACHING AND BIBLE TEACHING, AS WELL AS CONTEMPORARY MUSIC SHOWS AND CHILDREN'S SHOWS, ALL OF WHICH PROMOTE RELIGIOUS WORSHIP, EDUCATION AND TRAINING.

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Schedule A	Explanation of Transactions Part III, Line 2a	Statement 11
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DURING THE YEAR, AN OFFICER OF THE CORPORATION PURCHASED AN AUTOMOBILE FROM THE CORPORATION. THE TRANSACTION WAS DONE AT AN ARM'S LENGTH AND FAIR MARKET VALUE.

THE INSPIRATIONAL NETWORK, INC.  
 FORM 990 - LINE 57  
 EIN: 57-0931093

STATEMENT 12

Account Description	12/31/2005
<b>Property</b>	
Land	5,857,794
Building & Leaseholds	8,690,537
Equipment	26,055,079
Vehicles	289,639
Assets under capital lease	19,499,431
Construction in Progress	963,713
	<u>61,356,192</u>
<b>Accumulated Depreciation</b>	
Vehicles	157,058
Assets under capital lease	17,104,262
Bldg. & Bldg Improvements	2,921,634
Equipment	17,341,040
	<u>37,523,994</u>
<b>Net Book Value</b>	<u><u>23,832,199</u></u>

Property and equipment is recorded at cost. Depreciation is computed on a straight-line basis over the estimated lives of the assets as follows:

Category	Useful Life
Computer Equipment	3 years
Broadcasting and production equipment	5 years
Buildings	20 to 40 years
Building Improvements	10 years

Expenditures for maintenance and repairs are expensed as incurred. Property and equipment acquired under capital leases are amortized over their useful lives or respective lease term.

**THE INSPIRATIONAL NETWORK, INC**  
**STATEMENT 13**  
**FORM 990 – LINE 64b**  
**MORTGAGES AND OTHER NOTES PAYABLE**  
**TAX ID: 57-0931093**

Long-term debt consists of the following as of December 31, 2005:

Credit facility with a bank, \$13,538 due monthly, including interest at LIBOR + 1.70% (6.09% at December 31, 2005) due October, 2009	<b>2005</b> \$ 1,617,511
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Land, building and fixtures have been pledged as collateral for the bank note which contains various restrictive covenants.

Original Amount of Note:	\$1,712,000
Date of Note:	October 2004
Lender:	Wachovia



NC SEC OF STATE

919 ... C200528600358 ... J7 '05 10

SOSID: 0301477  
 Date Filed: 10/17/2005 11:55:00 AM  
 Elaine F. Marshall  
 North Carolina Secretary of State  
 C200528600358

State of North Carolina  
 Department of the Secretary of State

ARTICLES OF RESTATEMENT  
 FOR NONPROFIT CORPORATION

Pursuant to §55A-10-06 of the General Statutes of North Carolina, the undersigned corporation hereby submits the following for the purpose of restating its Articles of Incorporation.

1. The name of the corporation is: THE INSPIRATIONAL NETWORK, INC.
2. The text of the Restated Articles of Incorporation is attached.
3. (Check a, b, c, and/or d, as applicable.)
  - a.  These Restated Articles of Incorporation were adopted by the board of directors and do not contain an amendment.
  - b.  These Restated Articles of Incorporation were adopted by the board of directors and contain an amendment not requiring member approval. (Set forth a brief explanation of why member approval was not required for such amendment.) The sole member had resigned and the directors voted unanimously to convert to a corporation without members.
  - c.  These Restated Articles of Incorporation contain an amendment requiring member approval, and member approval was obtained as required by Chapter 55A of the North Carolina General Statutes.
  - d.  These Restated Articles of Incorporation contain an amendment requiring approval by a person whose approval is required pursuant to N.C.G.S. §55A-10-30, and such approval was obtained.
4. These articles will be effective upon filing, unless a delayed date and/or time is specified: \_\_\_\_\_

This the 10<sup>th</sup> day of October, 2005

THE INSPIRATIONAL NETWORK, INC.

Name of Corporation

[Signature]  
 Signature

Dale S. Ardizzone

Type or Print Name and Title  
 Executive Vice President  
 Business Affairs & General Counsel  
 and Secretary

Notes:

1. Filing fee is \$10, unless the Restated Articles of Incorporation include an amendment, in which case the filing fee is \$25. This document and one exact or conformed copy of these articles must be filed with the Secretary of State. (Revised May 1998) (Form N-03)  
 Corporations Division PO Box 29622 Raleigh, NC 27626-0622

C200528600358

**AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
THE INSPIRATIONAL NETWORK, INC.  
A NONPROFIT CORPORATION**

**ARTICLE I**

**INC. The name of the corporation is THE INSPIRATIONAL NETWORK,**

**ARTICLE II**

**The period of duration of the corporation shall be perpetual.**

**ARTICLE III**

**The purposes for which the corporation is organized are to promote Christian religious worship, education and training; to communicate the Gospel to peoples of the world through personal contact and through the media; to establish and operate broadcasting networks utilizing cable, direct broadcast, satellite and other developing technology devoted to religious, charitable and educational programming; to establish Christian, religious churches and educational facilities; to train, indoctrinate and ordain ministers of the gospel; to hold regular Christian religious services and build a congregation; and, other lawful purposes. Notwithstanding any other provision of these Articles, the purposes for which the corporation is organized are exclusively religious, charitable, scientific, literary, and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.**

**In furtherance of the foregoing purposes, to have and exercise any, all and every power which a corporation organized under Chapter 55A of the General Statutes of North Carolina may be authorized to exercise. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on by an organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.**

C200528600358

**ARTICLE IV**

The corporation shall have no members.

**ARTICLE V**

The directors of the corporation shall be elected in accordance with the bylaws of the corporation, provided that in no event shall the number of directors be fewer than three.

**ARTICLE VI**

No part of the net earnings of the corporation shall inure to the benefit of any officer, director or member of the corporation. In the event of dissolution, the residual assets of the corporation will be turned over to one or more organizations which themselves are exempt as organizations described in Section 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986 or corresponding sections of any prior or future Internal Revenue Code, or to the Federal, State, or local government for exclusive public purpose.

**ARTICLE VII**

The address of the registered office of the corporation in the State of North Carolina is 7910 Crescent Executive Drive, Suite 500, Charlotte, North Carolina 28217, Mecklenburg County, North Carolina; and the name of its registered agent at such address is: Dale S. Ardizzone.

**ARTICLE VIII**

The number of directors constituting the board of directors shall be three (3); and the names and addresses of the persons who are to serve as the directors are:

NAME	ADDRESS
David Cerullo	7910 Crescent Executive Drive Suite 500 Charlotte, NC 28217
John Groenke	10202 Granger Road, Unit B Garfield Heights, OH 44125
Barbara Cerullo	7910 Crescent Executive Drive Suite 500 Charlotte, NC 28217

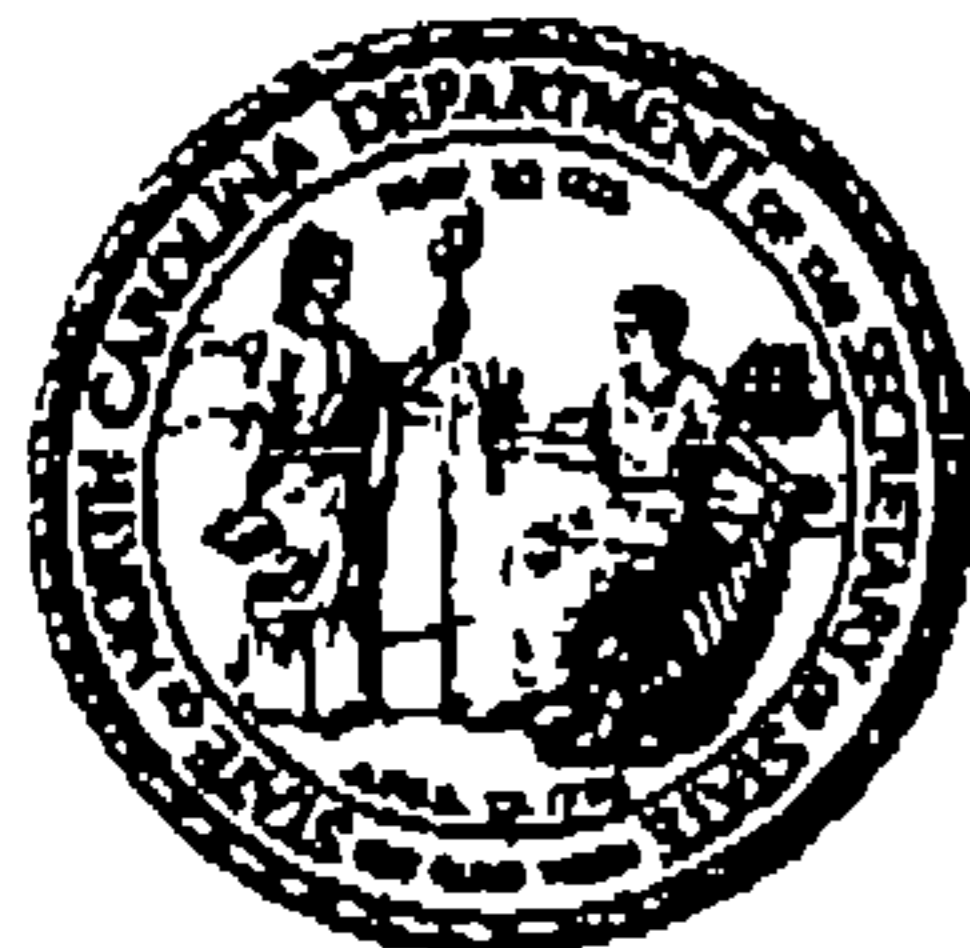


C200528600358

**ARTICLE IX**

In addition to the powers granted corporations under the laws of the State of North Carolina, the corporation shall have full power and authority to adopt bylaws, policies and programs for the regulation of its internal affairs and the conduct of its business in such form and method as are not in conflict with or in violation of such laws, except as prohibited by the provisions of these articles.

✓



# NORTH CAROLINA

## Department of The Secretary of State

To all whom these presents shall come, Greetings:

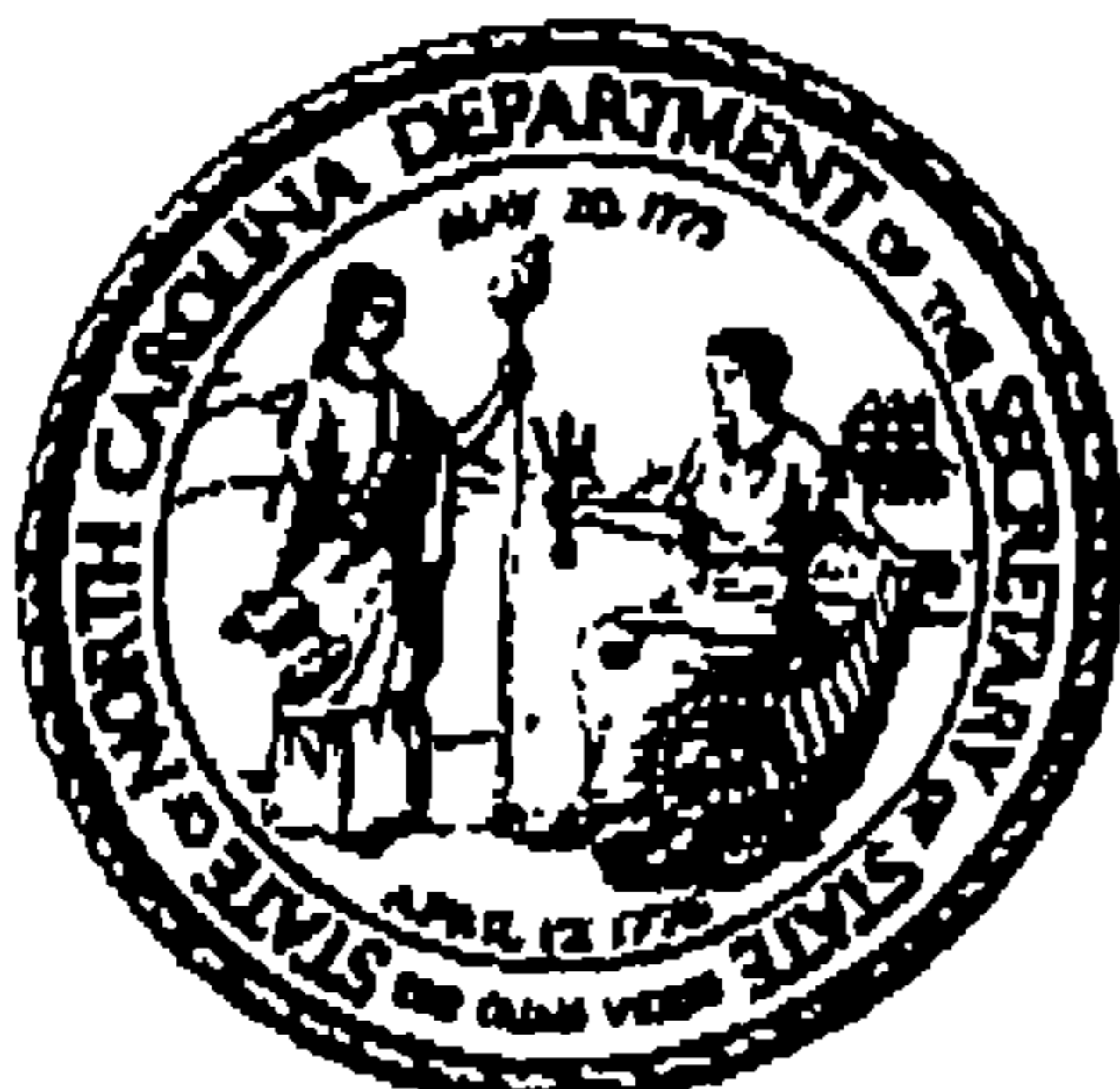
I, **ELAINE F. MARSHALL**, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

**ARTICLES OF RESTATEMENT**

**OF**

**THE INSPIRATIONAL NETWORK, INC.**

the original of which was filed in this office on the 17th day of October, 2005.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 17th day of October, 2005

*Elaine F. Marshall*  
Secretary of State

✓

US - 770  
EXT

Form **8868**  
(Rev. December 2004)  
Department of the Treasury  
Internal Revenue Service

### Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box  ▶
  - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

**Part I Automatic 3-Month Extension of Time—Only submit original (no copies needed)**

**Form 990-T corporations** requesting an automatic 6-month extension—check this box and complete Part I only  ▶  
*All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.*

**Electronic Filing (e-file).** Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile).

Type or print  File by the due date for filing your return. See instructions.	Name of Exempt Organization <b>The Inspirational Network, Inc,</b>	Employer identification number <b>57 : 0931093</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>7910 Crescent Executive Drive, Suite 500</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Charlotte, NC 28217</b>	

**Check type of return to be filed (file a separate application for each return):**

- |  |   |                                    |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                 | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **Robert I. Brace, Corporate Controller**

Telephone No. ▶ ( **704** ) **525-9800**

FAX No. ▶ ( ..... )

- If the organization does not have an office or place of business in the United States, check this box  ▶
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the **whole group**, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until **August 15**, 20 **06**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
 ▶  calendar year 20 **05** or  
 ▶  tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_

2 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ \_\_\_\_\_

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ \_\_\_\_\_

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ \_\_\_\_\_ **N/A**

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box  **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

**Part II Additional (not automatic) 3-Month Extension of Time—Must File Original and One Copy.**

Type or print  File by the extended due date for filing the return. See instructions.	Name of Exempt Organization <b>The Inspiration Network, Inc.</b>	Employer identification number <b>57 : 0931093</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>7910 Crescent Executive Drive, Suite 500</b>	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Charlotte, NC 28217</b>	

Check type of return to be filed (File a separate application for each return):

- Form 990
- Form 990-BL
- Form 990-EZ
- Form 990-PF
- Form 990-T (sec. 401(a) or 408(a) trust)
- Form 990-T (trust other than above)
- Form 1041-A
- Form 4720
- Form 5227
- Form 6069
- Form 8870

**STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in the care of **Robert I. Brace, VP of Finance**  
Telephone No. **( 704 ) 525-9800** FAX No. **( )**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the **whole group**, check this box . If it is for **part of the group**, check this box  and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until **November 15**, 20 **06**.
- 5 For calendar year **2005**, or other tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_\_.
- 6 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period
- 7 State in detail why you need the extension **Additional time is needed to gather information from an outside third party to prepare a complete and accurate return.**

- 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ \_\_\_\_\_
- b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ \_\_\_\_\_
- c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ **N/A**

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **Robert I. Brace, CPA, CFE** Title **VP of Finance** Date **8/2/06**

**Notice to Applicant—To Be Completed by the IRS**

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- Other \_\_\_\_\_

Director \_\_\_\_\_ By \_\_\_\_\_ Date \_\_\_\_\_

**Alternate Mailing Address** — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name	<b>RECEIVED</b> <b>AUG 30 2006</b> <b>ACCOUNTING</b>
	Number and street (include suite, room, or apt. no.) or a P.O. box number	
	City or town, province or state, and country (including postal or ZIP code)	

**EXTENSION APPROVED**  
**AUG 25 2006**  
FIELD DIRECTOR,  
SUBMISSION PROCESSING, OGDEN