



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490



**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)

**2008**

Department of the Treasury  
Internal Revenue Service

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

**Open to Public Inspection**

**For the 2008 calendar year, or tax year beginning Jul 1, 2008, and ending Jun 30, 2009**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See specific instructions.	<b>C</b> Name of organization GRACE TO YOU		<b>D</b> Employer Identification Number 95-3846510
		Number and street (or P O box if mail is not delivered to street addr) Room/suite 28001 HARRISON PARKWAY		<b>E</b> Telephone number (661) 295-5777
		City, town or country State ZIP code + 4 VALENCIA CA 91355		<b>G</b> Gross receipts \$ 15,525,396.
<b>F</b> Name and address of principal officer Phillip Johnson 28001 Harrison Pkwy Valencia CA 91355		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'No,' attach a list. (see instructions)		
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c) ( 3 ) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>J</b> Website: ▶ www.gty.org		
<b>K</b> Type of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of Formation 1986		<b>M</b> State of legal domicile CA

Part I Summary				
Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>To spread the gospel of Jesus Christ via the media.</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	12
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	8
	5	Total number of employees (Part V, line 2a)	5	85
	6	Total number of volunteers (estimate if necessary)	6	150
	7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0.
7b	Net unrelated business taxable income from Form 990-T, line 34	7b		
Revenue			Prior Year	Current Year
	8	Contributions and grants (Part VIII, line 11)	13,184,642.	13,024,515.
	9	Program service revenue (Part VIII, line 2g)	455,878.	199,414.
	10	Investment income (Part VIII, column (A), lines 7d, 8, 9, 10, and 11e)	107,360.	60,794.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,302,709.	1,202,093.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	15,050,589.	14,486,816.
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	1,193,148.
14		Benefits paid to or for members (Part IX, column (A), line 4)		0.
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	4,121,103.	4,771,623.
16a		Professional fundraising fees (Part IX, column (A), line 11e)		0.
b		Total fundraising expenses (Part IX, column (D), line 25) ▶ 333,336.		
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	9,644,478.	8,702,214.
18		Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	14,958,729.	14,076,186.
19	Revenue less expenses. Subtract line 18 from line 12	91,860.	410,630.	
Net Assets or Fund Balances			Beginning of Year	End of Year
	20	Total assets (Part X, line 16)	10,609,785.	10,873,625.
	21	Total liabilities (Part X, line 26)	3,153,040.	3,006,250.
22	Net assets or fund balances Subtract line 21 from line 20	7,456,745.	7,867,375.	

<b>Part II Signature Block</b>	
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.	
<b>Sign Here</b>	Signature of officer: Date: 12/15/09 Name: Phillip Johnson Executive Director/CEO

<b>Paid Preparer's Use Only</b>	Preparer's signature: Name: RUFUS HARVEY Firm's name (or yours if self-employed), address, and ZIP + 4: RUFUS HARVEY, 28036 FLORENCE LN, CANYON COUNTRY, CA 91351-3813	Date: 12/21/09	Check if self-employed: <input checked="" type="checkbox"/>	Preparer's identifying number (see instructions): P00382279 EIN: (661) 252-4541
	Phone no: (661) 252-4541			

SCANNED JAN 07 2010

P  
14

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

To spread the gospel of Jesus Christ via the media.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes No

If 'Yes,' describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 5,625,562. including grants of \$ 0.) (Revenue \$ 0.)

"Grace To You" daily radio program which is heard throughout the United States.

4b (Code: ) (Expenses \$ 3,858,253. including grants of \$ 0.) (Revenue \$ 1,191,159.)

Disemination of individual cassette tapes, cassette tape albums, video tapes, study guides, books, and compact disks. Offers an internet site to answer biblical questions from listeners and provide free downloads of messages and other free resources.

4c (Code: ) (Expenses \$ 1,682,959. including grants of \$ 602,349.) (Revenue \$ 158,095.)

Support of foreign ministry partners in Australia, Canada, Europe, India, New Zealand, Singapore, and South Africa, plus Spanish broadcasts.

4d Other program services. (Describe in Schedule O.)

(Expenses \$ 939,839. including grants of \$ 0.) (Revenue \$ 2,280.)

4e Total program service expenses \$ 12,106,613. (Must equal Part IX, Line 25, column (B).)

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II		X
5 <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If 'Yes,' complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V		X
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If 'Yes,' complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the U.S.?	X	
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If 'Yes,' complete Schedule F, Part I	X	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Part II	X	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Part III		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If 'Yes,' complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H		X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If 'Yes,' complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If 'Yes,' complete Schedule I, Parts I and III		X
23 Did the organization answer 'Yes' to Part VII, Section A, questions 3, 4, or 5? If 'Yes,' complete Schedule J	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? If 'Yes,' answer questions 24b-24d and complete Schedule K. If 'No,' go to question 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If 'Yes,' complete Schedule L, Part I		X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If 'Yes,' complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If 'Yes,' complete Schedule L, Part II	X	
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If 'Yes,' complete Schedule L, Part III		X

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
<b>28</b> During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
<b>a</b> Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
<b>b</b> Have a family member who had a direct or indirect business relationship with the organization? <i>If 'Yes,' complete Schedule L, Part IV</i>	X	
<b>c</b> Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If 'Yes,' complete Schedule L, Part IV</i>	X	
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M</i>	X	
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M</i>		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I</i>		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II</i>		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I</i>		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
<b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2</i>		X
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2</i>		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI</i>		X

BAA

Form 990 (2008)

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

		Yes	No
<b>1 a</b>	Enter the number reported in Box 3 of form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
<b>1 a</b>	12		
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
<b>1 b</b>	0		
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
<b>1 c</b>			
<b>2 a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
<b>2 a</b>	85		
<b>2 b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
<b>2 b</b>			
<b>3 a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
<b>3 a</b>			
<b>3 b</b>	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O		
<b>3 b</b>			
<b>4 a</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)?		X
<b>4 a</b>			
<b>b</b>	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.		
<b>4 a</b>			
<b>5 a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>5 a</b>			
<b>5 b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>5 b</b>			
<b>5 c</b>	If 'Yes,' to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
<b>5 c</b>			
<b>6 a</b>	Did the organization solicit any contributions that were not tax deductible?		X
<b>6 a</b>			
<b>6 b</b>	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible?		
<b>6 b</b>			
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>7 a</b>	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?		X
<b>7 a</b>			
<b>7 b</b>	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
<b>7 b</b>			
<b>7 c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	X	
<b>7 c</b>			
<b>7 d</b>	If 'Yes,' indicate the number of Forms 8282 filed during the year		
<b>7 d</b>	1		
<b>7 e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>7 e</b>			
<b>7 f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
<b>7 f</b>			
<b>7 g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
<b>7 g</b>			
<b>7 h</b>	For all contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
<b>7 h</b>			
<b>8</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
<b>8</b>			
<b>9</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>		
<b>9 a</b>	Did the organization make any taxable distributions under section 4966?		X
<b>9 a</b>			
<b>9 b</b>	Did the organization make any distribution to a donor, donor advisor, or related person?		X
<b>9 b</b>			
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>10 a</b>	Initiation fees and capital contributions included on Part VIII, line 12		
<b>10 a</b>			
<b>10 b</b>	Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>10 b</b>			
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>11 a</b>	Gross income from other members or shareholders		
<b>11 a</b>			
<b>11 b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
<b>11 b</b>			
<b>12 a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12 a</b>			
<b>b</b>	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year		
<b>12 b</b>			

**Part VI Governance, Management and Disclosure** (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

**Section A. Governing Body and Management**

For each 'Yes' response to lines 2-7b below, and for a 'No' response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

		Yes	No
1 a	Enter the number of voting members of the governing body		
1 b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee?	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7 a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7 b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8 a	The governing body?	X	
8 b	Each committee with authority to act on behalf of the governing body?	X	
9 a	Does the organization have local chapters, branches, or affiliates?		X
9 b	If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O		X

**Section B. Policies**

		Yes	No
12 a	Does the organization have a written conflict of interest policy? If 'No,' go to line 13	X	
12 b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12 c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done	X	
13	Does the organization have a written whistleblower policy?	X	
14	Does the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
15 a	The organization's CEO, Executive Director, or top management official?	X	
15 b	Other officers of key employees of the organization? Describe the process in Schedule O. (see instructions)	X	
16 a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16 b	If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosures**

- 17 List the states with which a copy of this Form 990 is required to be filed ▶ See States Form 990 Filed In
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website      Another's website      Upon request
- 19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:  
 ▶ Rufus Harvey     28001 Harrison Parkway,     Valencia     CA     91355     (661) 295-5777

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1 a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) or more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
John F. MacArthur, Jr. President	10.00	X		X				161,334.	0.	0.
Phillip Johnson Executive Director	40.00	X		X				178,131.	0.	23,422.
Rufus Harvey Controller & CFO	40.00					X		127,499.	0.	19,412.
Don Green Managing Director	40.00					X		148,948.	0.	25,249.
Robert Provost Director	1.00	X						0.	0.	0.
Joe Aleppo Director	1.00	X						0.	0.	0.
Christopher Parkening Director	1.00	X						0.	0.	0.
Mark MacArthur Director	1.00	X						0.	0.	0.
Matthew MacArthur Treasurer	1.00	X						0.	0.	0.
Al Sanders Director	1.00	X						0.	0.	0.
Bill Molinari Director	1.00	X						0.	0.	0.
Tom Pennington Director	1.00	X						0.	0.	0.
Dave Parsons Director	1.00	X						0.	0.	0.
Kent Stainback Director	1.00	X						0.	0.	0.
Bill Fickett Dir of Cust Serv & Tech	40.00					X		129,118.	0.	23,981.
Jay Flowers Dir of Communications	40.00					X		134,760.	0.	24,418.
Mike Taylor Dir of Publications	40.00					X		125,901.	0.	13,972.



**Part VIII Statement of Revenue**

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
<b>CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS</b>	<b>1 a</b> Federated campaigns . . . . . <b>1 a</b>	0.					
	<b>b</b> Membership dues . . . . . <b>1 b</b>	0.					
	<b>c</b> Fundraising events . . . . . <b>1 c</b>	0.					
	<b>d</b> Related organizations . . . . . <b>1 d</b>	0.					
	<b>e</b> Government grants (contributions) . . . . . <b>1 e</b>	0.					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above <b>1 f</b>	13,024,515.					
	<b>g</b> Noncash contribns included in lns 1a-1f: \$	94,792.					
	<b>h Total.</b> Add lines 1a-1f	▶ 13,024,515.					
<b>PROGRAM SERVICE REVENUE</b>	<b>Business Code</b>						
	<b>2 a</b> Intn'l Offices Reimbursements	900004	126,591.	126,591.	0.	0.	
	<b>b</b> Direct Mail Reimbursements	900004	31,504.	31,504.	0.	0.	
	<b>c</b> Postage Reimbursements	900004	22,319.	22,319.	0.	0.	
	<b>d</b> Mail Library Memberships	900004	16,720.	16,720.	0.	0.	
	<b>e</b> Payroll Reimbursements	900004	2,280.	2,280.	0.	0.	
	<b>f</b> All other program service revenue						
	<b>g Total.</b> Add lines 2a-2f	▶	199,414.				
<b>OTHER REVENUE</b>	<b>3</b> Investment income (including dividends, interest and other similar amounts)		66,836.	0.	0.	66,836.	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties		26,347.	0.	0.	26,347.	
	<b>6 a</b> Gross Rents . . . . .	(i) Real	8,472.				
		(ii) Personal					
		<b>b</b> Less: rental expenses	0.				
	<b>c</b> Rental income or (loss)	8,472.					
	<b>d</b> Net rental income or (loss)	▶	8,472.	0.	0.	8,472.	
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	91,446.				
		(ii) Other					
		<b>b</b> Less: cost or other basis and sales expenses	95,910.	1,578.			
		<b>c</b> Gain or (loss)	-4,464.	-1,578.			
	<b>d</b> Net gain or (loss)	▶	-6,042.	0.	0.	-6,042.	
	<b>8 a</b> Gross income from fundraising events (not including \$ 0. of contributions reported on line 1c). See Part IV, line 18 . . . . . <b>a</b>						
	<b>b</b> Less: direct expenses . . . . . <b>b</b>						
	<b>c</b> Net income or (loss) from fundraising events	▶					
	<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 . . . . . <b>a</b>						
	<b>b</b> Less: direct expenses . . . . . <b>b</b>						
<b>c</b> Net income or (loss) from gaming activities	▶						
<b>10 a</b> Gross sales of inventory, less returns and allowances . . . . . <b>a</b>		2,093,211.					
	<b>b</b> Less: cost of goods sold . . . . . <b>b</b>	941,092.					
	<b>c</b> Net income or (loss) from sales of inventory	▶	1,152,119.	1,152,119.	0.	0.	
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
<b>11 a</b> Expense Reimbursements	900004	3,326.	3,326.	0.	0.		
<b>b</b> COBRA Admin Fee Revenue	900004	576.	576.	0.	0.		
<b>c</b> Rewards Points Redeemed	900004	4,657.	4,657.	0.	0.		
<b>d</b> All other revenue . . . . .		6,596.	6,596.	0.	0.		
<b>e Total.</b> Add lines 11a-11d	▶	15,155.					
<b>12 Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e	▶	14,486,816.	1,366,688.	0.	95,613.		

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	0.	0.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.	0.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	602,349.	602,349.		
4 Benefits paid to or for members	0.	0.		
5 Compensation of current officers, directors, trustees, and key employees	545,630.	327,378.	218,252.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B))	1,743,772.	1,522,894.	201,645.	19,233.
7 Other salaries and wages	1,711,253.	1,297,107.	368,723.	45,423.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	111,935.	86,331.	22,900.	2,704.
9 Other employee benefits	431,823.	341,667.	82,296.	7,860.
10 Payroll taxes	227,210.	172,929.	49,747.	4,534.
11 Fees for services (non-employees)				
a Management	0.	0.	0.	0.
b Legal	44,420.	0.	44,420.	0.
c Accounting	49,790.	0.	49,790.	0.
d Lobbying	0.	0.	0.	0.
e Prof fundraising svcs. See Part IV, ln 17	0.	0.		0.
f Investment management fees	7,010.	0.	7,010.	0.
g Other	181,697.	171,841.	5,643.	4,213.
12 Advertising and promotion	2,851.	2,851.	0.	0.
13 Office expenses	2,141,239.	1,592,586.	356,125.	192,528.
14 Information technology	118,750.	94,124.	22,673.	1,953.
15 Royalties	29,552.	26,553.	857.	2,142.
16 Occupancy	376,299.	326,013.	46,533.	3,753.
17 Travel	88,892.	69,912.	16,318.	2,662.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.	0.	0.	0.
19 Conferences, conventions, and meetings	11,683.	8,942.	2,735.	6.
20 Interest	4,703.	0.	4,703.	0.
21 Payments to affiliates	0.	0.	0.	0.
22 Depreciation, depletion, and amortization	548,527.	477,219.	65,823.	5,485.
23 Insurance	31,353.	0.	31,353.	0.
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <u>Radio &amp; TV air time</u>	4,083,969.	4,043,129.	0.	40,840.
b <u>Broadcast Production</u>	198,133.	198,133.	0.	0.
c <u>Ministry Communication &amp; Promotion</u>	73,575.	44,004.	29,571.	0.
d <u>Materials Distributed</u>	700,651.	700,651.	0.	0.
e <u>Bad Debts</u>	9,120.	0.	9,120.	0.
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	14,076,186.	12,106,613.	1,636,237.	333,336.
26 Joint Costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation	5,218,988.	4,905,672.	81,677.	231,639.

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year	
ASSETS	1 Cash — non-interest-bearing	593,183.	1	256,498.	
	2 Savings and temporary cash investments	2,537,395.	2	3,452,979.	
	3 Pledges and grants receivable, net	0.	3	0.	
	4 Accounts receivable, net	73,465.	4	49,638.	
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L	3,000.	5	279.	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L	15.	6	1,032.	
	7 Notes and loans receivable, net	177,899.	7	48,215.	
	8 Inventories for sale or use	812,592.	8	817,171.	
	9 Prepaid expenses and deferred charges	130,850.	9	220,249.	
	10a Land, buildings, and equipment: cost basis	10a 8,489,064.			
	b Less: accumulated depreciation. Complete Part VI of Schedule D	10b 2,681,348.			
	11 Investments — publicly-traded securities	0.	11	0.	
	12 Investments — other securities. See Part IV, line 11	0.	12	0.	
	13 Investments — program-related. See Part IV, line 11	0.	13	0.	
	14 Intangible assets	0.	14	0.	
	15 Other assets. See Part IV, line 11	249,947.	15	219,848.	
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	10,609,785.	16	10,873,625.		
LIABILITIES	17 Accounts payable and accrued expenses	863,940.	17	852,018.	
	18 Grants payable	0.	18	0.	
	19 Deferred revenue	20,880.	19	19,362.	
	20 Tax-exempt bond liabilities	0.	20	0.	
	21 Escrow account liability. Complete Part IV of Schedule D	0.	21	0.	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0.	22	0.	
	23 Secured mortgages and notes payable to unrelated third parties	2,268,220.	23	2,095,163.	
	24 Unsecured notes and loans payable	0.	24	0.	
	25 Other liabilities. Complete Part X of Schedule D	0.	25	39,707.	
	26 <b>Total liabilities.</b> Add lines 17 through 25	3,153,040.	26	3,006,250.	
NET ASSETS OR FUND BALANCES	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34.</b>				
	27 Unrestricted net assets	7,040,566.	27	7,614,742.	
	28 Temporarily restricted net assets	416,179.	28	252,633.	
	29 Permanently restricted net assets	0.	29	0.	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, and equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
	33 <b>Total net assets or fund balances.</b>	7,456,745.	33	7,867,375.	
	34 <b>Total liabilities and net assets/fund balances.</b>	10,609,785.	34	10,873,625.	

**Part XI Financial Statements and Reporting**

- 1 Accounting method used to prepare the Form 990:  Cash  Accrual  Other
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .
- b Were the organization's financial statements audited by an independent accountant? . . . . .
- c If 'Yes' to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . . . .
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .
- b If 'Yes,' did the organization undergo the required audit or audits? . . . . .

	Yes	No
2a	X	
2b	X	
2c	X	
3a		X
3b		

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

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

To be completed by all section 501 (c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

**2008**

Open to Public Inspection

Name of the organization

GRACE TO YOU

Employer identification number

95-3846510

**Part I Reason for Public Charity Status** (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only one organization.)

- 1  A church, convention of churches or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  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 exempt 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). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4). (see instructions)
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I
  - b  Type II
  - c  Type III – Functionally integrated
  - d  Type III – Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? . . . . .		
(ii) a family member of a person described in (i) above? . . . . .		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? . . . . .		

	Yes	No
11 g (i)		
11 g (ii)		
11 g (iii)		

h Provide the following information about the organizations the organization supports.

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of Support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.)	9,447,157.	11,391,070.	12,602,772.	13,184,642.	13,024,515.	59,650,156.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf	0.	0.	0.	0.	0.	0.
<b>3</b> 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.	0.	0.	0.	0.	0.	0.
<b>4 Total.</b> Add lines 1-3	9,447,157.	11,391,070.	12,602,772.	13,184,642.	13,024,515.	59,650,156.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						0.
<b>6 Public support.</b> Subtract line 5 from line 4						59,650,156.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>7</b> Amounts from line 4	9,447,157.	11,391,070.	12,602,772.	13,184,642.	13,024,515.	59,650,156.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	7,855.	18,937.	134,342.	149,323.	101,655.	412,112.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on	0.	0.	0.	0.	0.	0.
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	15,038.	20,187.	7,948.	14,673.	15,154.	73,000.
<b>11 Total support.</b> Add lines 7 through 10						60,135,268.
<b>12</b> Gross receipts from related activities, etc. (see instructions)					12	12,591,397.

**13 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	99.19%
<b>15</b> Public support percentage for 2007 Schedule A, Part IV-A, line 26f	15	99.64%

**16a 33-1/3 support test – 2008.** If the organization did not check the box on line 13, and the line 14 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization.

**b 33-1/3 support test – 2007.** If the organization did not check a box on line 13, or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization.

**17a 10%-facts-and-circumstances test – 2008.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization.

**b 10%-facts-and-circumstances test – 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization.

**18 Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal yr beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants.') . . . . .						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in a activity that is related to the organization's tax-exempt purpose . . . . .						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 . . . . .						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
<b>6 Total.</b> Add lines 1-5 . . . . .						
<b>7a</b> Amounts included on lines 1, 2, 3 received from disqualified persons . . . . .						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000 . . . . .						
<b>c</b> Add lines 7a and 7b . . . . .						
<b>8 Public support</b> (Subtract line 7c from line 6.) . . . . .						

**Section B. Total Support**

Calendar year (or fiscal yr beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>9</b> Amounts from line 6 . . . . .						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
<b>c</b> Add lines 10a and 10b . . . . .						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
<b>13 Total support.</b> (add lns 9, 10c, 11, and 12) . . . . .						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here . . . . .	<input type="checkbox"/>					

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)) . . . . .	15	%
<b>16</b> Public support percentage from 2007 Schedule A, Part IV-A, line 27g . . . . .	16	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f)) . . . . .	17	%
<b>18</b> Investment income percentage from 2007 Schedule A, Part IV-A, line 27h . . . . .	18	%

- 19a 33-1/3 support tests – 2008.** If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization . . . . .
- b 33-1/3 support tests – 2007.** If the organization did not check a box on line 14 or 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization . . . . .
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions . . . . .

**Part IV** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

Other Addl Info: Part II, Line 10 includes the following sources of revenue: Reimbursements for Volunteer Lunches, Photocopying Reimbursements, Postage reimbursements, Cobra Administrative Fee Revenue, Refunds from Class Action Settlements, Rewards Points Redeemed, and Miscellaneous Revenue.

Other Income Part II, Line 10

Description: Misc Revenue

2004: 15038.

2005: 12820.

2006: 7948.

2007: 14673.

2008: 15154.

Description: Class Action Settlement

2004: 0.

2005: 7367.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Attach to Form 990. To be completed by organizations that answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12.

Name of the organization

Employer identification number

GRACE TO YOU

95-3846510

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit??

Part II Conservation Easements Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

Form with multiple sections: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year. (Includes sub-table for 'Held at the End of the Year' with rows 2a-2d), 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easement it holds?, 6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?, 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

Form with sections: 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items. 1b If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1, (ii) Assets included in Form 990, Part X. 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items: a Revenues included in Form 990, Part VIII, line 1, b Assets included in Form 990, Part X.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

- 3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Trust, Escrow and Custodial Arrangements** Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1 a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If 'Yes,' explain the arrangement in Part XIV and complete the following table:
- |                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1 c    |
| d Additions during the year     | 1 d    |
| e Distributions during the year | 1 e    |
| f Ending balance                | 1 f    |
- 2 a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No
- b If 'Yes,' explain the arrangement in Part XIV.

**Part V Endowment Funds** Complete if organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1 a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the year end balance held as:
- a Board designated or quasi-endowment ▶ \_\_\_\_\_ %
  - b Permanent endowment ▶ \_\_\_\_\_ %
  - c Term endowment ▶ \_\_\_\_\_ %
- 3 a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |                             | Yes | No |
|-----------------------------|-----|----|
| (i) unrelated organizations |     |    |
| (ii) related organizations  |     |    |
- b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?  Yes  No
- 4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Investments—Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book Value
1 a Land		1,309,249.		1,309,249.
b Buildings		4,367,355.	946,362.	3,420,993.
c Leasehold improvements		0.	0.	0.
d Equipment		2,812,460.	1,734,986.	1,077,474.
e Other				
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				<b>5,807,716.</b>



**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)		14,486,816.
2	Total expenses (Form 990, Part IX, column (A), line 25)		14,076,186.
3	Excess or (deficit) for the year. Subtract line 2 from line 1		410,630.
4	Net unrealized gains (losses) on investments		
5	Donated services and use of facilities		
6	Investment expenses		
7	Prior period adjustments		
8	Other (Describe in Part XIV)		
9	Total adjustments (net). Add lines 4-8		
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9		410,630.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	15,433,950.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	15,433,950.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	-947,134.
c	Add lines 4a and 4b	4c	-947,134.
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	14,486,816.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	15,023,320.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	15,023,320.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	-947,134.
c	Add lines 4a and 4b	4c	-947,134.
5	Total expenses. Add lines 3 and 4c (This should equal Form 990, Part I, line 18.)	5	14,076,186.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

Pt XII Line 4b Cost of Goods Sold (Part VIII, Line 10b) -\$941,092 and  
 -----  
 Net Loss from Sales of Assets Other than Inventory  
 -----  
 (Part VIII, Line 7d) -\$6,042.

Pt XIII Line 4b Cost of Goods Sold (Part VIII, Line 10b) -\$941,092  
 -----  
 and Net Loss from Sales of Assets Other than Inventory  
 -----  
 (Part VIII, Line 7d) -\$6,042.

**Part XIV** Supplemental Information *(continued)*

Area with horizontal dashed lines for supplemental information.

**Schedule F  
(Form 990)**

**Statement of Activities Outside the United States**

OMB No 1545-0047

**2008**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990. Complete if the organization answered 'Yes' to  
Form 990, Part IV, line 14b, line 15, or line 16.

Name of the organization

GRACE TO YOU

Employer identification number

95-3846510

**Part I** General Information on Activities Outside the United States. Complete if the organization answered 'Yes' to Form 990, Part IV, line 14b.

1 For grantmakers. Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No

2 For grantmakers. Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region (Use Schedule F-1 (Form 990) if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures in region
East Asia and Pacific	0	0	Grantmaking		117,583.
East Asia and Pacific	0	0	Program Services	Radio, Mat Dist	55,112.
Europe	0	1	Grantmaking		139,374.
Europe	0	0	Program Services	Radio, TV, Mat Dist	173,984.
Middle East	0	0	Grantmaking		167,500.
North America	0	0	Grantmaking		127,727.
North America	0	1	Program Services	Radio, Mat Dist	174,648.
South America	0	1	Program Services	Radio	34,342.
South Asia	0	0	Grant Making		32,658.
South Asia	0	0	Program Services	Materials Dist	19,025.
Sub-Saharan Africa	0	0	Grantmaking		17,119.
Sub-Saharan Africa	0	0	Program Services	Radio, Mat Dist	37,803.
North America	0	0	Grantmaking	Materials Dist	388.
<b>Totals</b>	0	3			1,097,263.

BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule F (Form 990) (2008)

**Part II Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Check this box if no one recipient received more than \$5,000  Use Schedule F-1 (Form 990) if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
			East Asia and Pacific	Matr Dist	3,825.	Wire	13,719.	Books, CDs, etc	Cost
			East Asia and Pacific	Matr Dist	12,600.	Wire	12,252.	Books, CDs, etc	Cost
			East Asia and Pacific	Matr Dist	12,000.	Wire	21,767.	Books, CDs, etc	Cost
			East Asia and Pacific	Translation	41,420.	Wire			
			Europe	Audio Equip	6,905.	Wire	889.	Equipment	Cost
			Europe	Matr & Trans	96,753.	Wire	32,427.	Books, CDs, etc	Cost
			Middle East	Translation	167,500.	Wire			
			North America	Matr Dist	78,000.	Wire	36,827.	Books, CDs, etc	Cost
			North America	Radio	12,900.	Wire			
			South Asia	Matr Dist	31,450.	Wire	1,208.	Books, CDs etc	Cost
			Sub-Saharan Africa	Matr Dist			17,119.	Books, CDs, etc	Cost

2 Enter total number of organizations that are recognized as charities by the foreign country or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter 9

3 Enter total number of other organizations or entities 2



**Part IV** Supplemental Information

Complete this part to provide the information required in Part I, line 2, and any other additional information.

Pt I Line 2 Organization requires monthly financial statements  
and annual audited statements from foreign  
organizations.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No 1545-0047

**For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees**

**2008**

Department of the Treasury  
Internal Revenue Service

**Attach to Form 990. To be completed by organizations that  
answered 'Yes' to Form 990, Part IV, line 23.**

**Open to Public  
Inspection**

Name of the organization

Employer identification number

GRACE TO YOU

95-3846510

**Part I Questions Regarding Compensation**

**1 a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |                                                                               |                                                                          |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <input type="checkbox"/> First-class or charter travel                        | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input checked="" type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input checked="" type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account                       | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If 'No,' complete Part III to explain.

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- |                                                              |                                                                          |
|--------------------------------------------------------------|--------------------------------------------------------------------------|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a:

- a** Receive a severance payment or change of control payment? **4a** X
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b** X
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c** X
- If 'Yes' to any of 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? **5a** X
- b** Any related organization? **5b** X
- If 'Yes' to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? **6a** X
- b** Any related organization? **6b** X
- If 'Yes' to line 6a or 6b, describe in Part III.

**7** For person listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If 'Yes,' describe in Part III **7** X

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If 'Yes,' describe in Part III **8** X

	Yes	No
<b>1 b</b>		X
<b>2</b>	X	
<b>4 a</b>		X
<b>4 b</b>		X
<b>4 c</b>		X
<b>5 a</b>		X
<b>5 b</b>		X
<b>6 a</b>		X
<b>6 b</b>		X
<b>7</b>	X	
<b>8</b>		X

**BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule J (Form 990) 2008



**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Line 1a - Travel for companions: The organization does not pay for family members to travel with employees, unless that family member is also an employee of the organization as well as there being a bona fide service that the family member will perform during the trip.

Pt I Line 1b The organization has the policy of grossing up all bonuses and similar additional compensation for all employees. The additional compensation resulting from this calculation is also reported as taxable wages to the recipients.

Pt I Line 7 The Board of Directors and the management of the organization award performance bonuses from time to time. The amounts of such bonuses are approved by executives or directors of the organization in such a way as to avoid any conflicts of interest.

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

**Transactions with Interested Persons**

OMB No 1545-0047

**2008**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ.  
▶ To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.

Name of the organization

GRACE TO YOU

Employer identification number

95-3846510

**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).  
To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ \$ \_\_\_\_\_

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ \$ \_\_\_\_\_

**Part II Loans to and/or From Interested Persons.**  
To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 26 or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Bill Fickett Personal Expenses		X	73.	73.		X		X		X
Rufus Harvey Personal Expenses		X	166.	166.		X		X		X
Phil Johnson Personal Expenses		X	40.	40.		X		X		X
The Welch Group Goods & Services		X	1,032.	1,032.		X		X		X
<b>Total</b>										

**Part III Grants or Assistance Benefitting Interested Persons.**  
To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

**Part IV Business Transactions Involving Interested Persons.**  
To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction \$	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
The Welch Group	>35% Entity	741,000.	Post-Production services		X

**SCHEDULE M  
(Form 990)**

**Non-Cash Contributions**

OMB No 1545-0047

**2008**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

► To be completed by organizations that answered 'Yes'  
on Form 990, Part IV, lines 29 or 30.  
► Attach to Form 990.

Name of the organization

Employer identification number

GRACE TO YOU

95-3846510

**Part I Types of Property**

	(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	7	94,792.	Market sale
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution (historic structures)				
14 Qualified conservation contribution (other)				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► ( _____ )				
26 Other ► ( _____ )				
27 Other ► ( _____ )				
28 Other ► ( _____ )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

	Yes	No
30a		X
31		X
32a		X
33		

b If 'Yes,' describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

b If 'Yes,' describe in Part II.

33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.



**SCHEDULE O  
(Form 990)**

**Supplemental Information to Form 990**

OMB No 1545-0047

**2008**

**Open to Public  
Inspection**

▶ **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

Department of the Treasury  
Internal Revenue Service

Name of the organization

GRACE TO YOU

Employer identification number

95-3846510

Pt VI-A, Line 10 All members of the Audit Committee and select members  
of the Board of Directors review the Form 990 and all  
schedules prior to the filing of the form.

Pt VI-B, Line 12c The organization's management constantly monitors  
for any potential conflicts that may arise in the  
normal course of business. Additionally, the Audit  
Committee actively monitors and responds to the  
annual questionnaires provided by members of the  
Board and Key Employees.

The organization's outside auditors perform as a part  
of their annual examination, an evaluation of any  
transactions that have a potential to become a  
conflict of interest. Any potential conflicts are  
brought to the attention of the management to be  
appropriately addressed.

Pt VI-B, Line 15 The organization engages an independent compensation  
study periodically, to guide the independent members  
of the Board of Directors in their determination of  
compensation. The Board uses the study to guide  
their setting of compensation and the deliberations  
and decisions are documented in the Board minutes.

Pt VI-C, Line 19 The organization makes its governing documents,  
conflict of interest policy, and financial statements

Name of the organization

Employer identification number

GRACE TO YOU

95-3846510

available to the public upon request.

Pt VI-A, Line 2 Board President, John MacArthur is related to Board

Treasurer, Matt MacArthur (son) and Board Member,

Mark MacArthur (son).

Pt III, Line 3 During the year, the organization made available for

free, internet downloads of several thousand sermon

messages previously available only by purchase.

---

**Additional Information**

---

---

Receivables; Form 990, p 11, Part X, ln 5, Col A

---

---

**Name:** Don Green

---

---

**Title:** Managing Director

---

---

**Amount:** \$15,000.00

---

---

**Balance Due:** \$3,000.00

---

---

**Date of Note:** March 15, 2004

---

---

**Terms:** Debt forgiveness of \$3,000.00 per year taxable income for  
5 years, subject to annual performance review by the Board  
of Directors.

---

---

**Interest:** No interest charged. Taxable income will be imputed each  
year under the "forgone interest" rules of IRC sections  
1274(d) and 7872, and reported on Form W-2.

---

---

**Security:** 2nd Trust Deed on real property.

---

Schedule O (Form 990), Supplemental Information to Form 990  
Form 990, Page 2, Part III, Line 4d (continued)

4d Describe the exempt purpose achievements for each of the organization's other program services. Section 501(c)(3) and (4) organizations and 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

Code: _____	Description: <u>Miscellaneous</u>
Expenses	<u>939,839.</u>
Grants Of	<u>0.</u>
Revenue	<u>2,280.</u>
_____	_____
_____	_____
_____	_____

Form 990, Page 6, Line 17  
States Form 990 Filed In

- California
- Tennessee
- Wisconsin
- West Virginia
- Virginia
- North Carolina
- Mississippi
- Maryland
- Connecticut
- Minnesota

**Supporting Statement of:**

Form 990 p 11/Line 23, column (A)

Description	Amount
Note and deed of trust dated February 13, 2003, payable to Evangelical Christian Credit Union, due March 1, 2018, secured by real property, at 6.50% interest with monthly interest and principal payments of \$26,331.51 and a balance on 6/30/2008 of \$2,268,220.00	2,268,220.
Total	<u>2,268,220.</u>