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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)

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

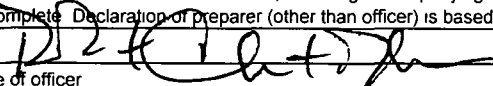
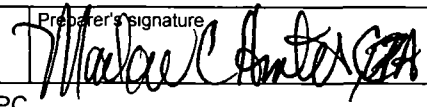
A For the 2011 calendar year, or tax year beginning _____, **and ending** _____

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization DISCIPLESHIP COUNSELING SERVICES, INC		D Employer identification number
	Doing Business As PEOPLE TO PEOPLE MINISTRIES		75-1564364
	Number and street (or P O box if mail is not delivered to street address) Room/suite		E Telephone number
	1225 E ROSEMEADE PARKWAY		(972) 620-1755
City or town, state or country, and ZIP + 4		G Gross receipts \$ 1,738,196	
CARROLLTON TX 75007			
F Name and address of principal officer			H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
BOB CHRISTOPHER 1225 ROSEMEADE PARKWAY, CARROLLTON			H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No
			If "No," attach a list (see instructions)
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			H(c) Group exemption number ▶
J Website: ▶ www.realanswers.net			
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation 1976 M State of legal domicile TX

Part I Summary		Prior Year	Current Year
Activities & Governance	1 Briefly describe the organization's mission or most significant activities <u>Christian radio ministry through daily broadcasts, conferences, and distribution of publications</u>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net 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	10
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	15
	6 Total number of volunteers (estimate if necessary)	6	20
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	2,127,584	1,639,248
	9 Program service revenue (Part VIII, line 2g)	142,804	82,201
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	744	601
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,715	16,146
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,272,847	1,738,196
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	688,385	677,509
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶	184,827	184,827
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	1,333,605	1,285,758	
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	2,021,990	1,963,267	
19 Revenue less expenses Subtract line 18 from line 12	250,857	-225,071	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 2,560,418	End of Year 2,270,122
	21 Total liabilities (Part X, line 26)	136,177	70,952
	22 Net assets or fund balances Subtract line 21 from line 20	2,424,241	2,199,170

Part II Signature Block

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.

Sign Here	Signature of officer 	Date 4/27/2012			
	ROBERT CHRISTOPHER Type or print name and title	PRESIDENT			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature 	Date 4/26/2012	Check <input type="checkbox"/> if self-employed	PTIN P27861000
	Firm's name ▶ MARLOW HUNTER, PC	Firm's EIN ▶ 75-2814341			
	Firm's address ▶ 5200 KELLER SPRINGS ROAD, SUITE 914, DALLAS, TX 75248	Phone no (214) 207-6958			

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

SCANNED JUN 06 2012

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III.

Input box for Schedule O response

1 Briefly describe the organization's mission

Christian radio ministry through daily broadcasts, conferences, and distribution of publications

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 checkboxes

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 checkboxes

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured 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 \$ 1,522,656 including grants of \$ 0) (Revenue \$ 0)

RADIO MINISTRY --- DAILY 30 MINUTE BROADCASTS OVER 44 STATIONS

4b (Code:) (Expenses \$ 104,041 including grants of \$ 0) (Revenue \$ 0)

METRO BIBLE FELLOWSHIP --- BIBLE STUDY

4c (Code:) (Expenses \$ 3,674 including grants of \$ 0) (Revenue \$ 0)

CONFERENCES

4d Other program services (Describe in Schedule O)

(Expenses \$ 48,197 including grants of \$ 0) (Revenue \$ 0)

4e Total program service expenses 1,630,371

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 (see instructions)?	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 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which 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, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	X	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		X
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	X	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional		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 United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		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, Parts II and IV		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, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>		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, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
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?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</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? <i>If "Yes," complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>		X
30 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
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		X
32 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
33 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
34 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
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		X
36 Section 501(c)(3) organizations. 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
37 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
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	6	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
2a	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.	15	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		
4a	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	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		X
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		X
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year.		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		X
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		X
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		X
b	Did the organization make a distribution to a donor, donor advisor, or related person?		X
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		
c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
1b	Enter the number of voting members included in line 1a, above, who 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 governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	a The governing body?	X	
8b	b Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, 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 (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		X
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did 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?		
15a	a The organization's CEO, Executive Director, or top management official	X	
15b	b Other officers or key employees of the organization	X	
16a	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
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		X

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed **SC, VA, WI**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made 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 made 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
BOB CHRISTOPHER (972) 620-1755
1225 E ROSEMEADE PARKWAY, CARROLLTON, TEXAS 75007, CARROLLTON, TX 75007

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

Check if Schedule O contains a response to any question in this Part VII

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

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- 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) of 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 neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(1) RICH ANDRESEN DIRECTOR	1.00	X					0	0	0	
(2) BILL ANDREWS DIRECTOR	1.00	X					0	0	0	
(3) RANDY BAKER DIRECTOR	1.00	X					0	0	0	
(4) GUY BROWN DIRECTOR	1.00	X					0	0	0	
(5) ED HECHT DIRECTOR	1.00	X					0	0	0	
(6) RON McLEOD DIRECTOR	1.00	X					0	0	0	
(7) FRANK REED DIRECTOR	1.00	X					0	0	0	
(8) TOD ROSENTHAL DIRECTOR	1.00	X					0	0	0	
(9) MICHAEL STONE DIRECTOR	1.00	X					0	0	0	
(10) ROBERT SUHR DIRECTOR	1.00	X					0	0	0	
(11) ROBERT CHRISTOPHER COO	50.00			X	X		51,920	0	32,280	
(12) ROBERT GEORGE CEO	40.00			X	X	X	99,164	0	19,200	
(13)										
(14)										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total							151,084	0	51,480	
c Total from continuation sheets to Part VII, Section A							0	0	0	
d Total (add lines 1b and 1c)							151,084	0	51,480	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **1**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
		0
		0
		0
		0
		0

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

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	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a 0				
	b Membership dues	1b 0				
	c Fundraising events	1c 0				
	d Related organizations	1d 0				
	e Government grants (contributions)	1e 0				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 1,639,248				
	g Noncash contributions included in lines 1a-1f.	\$ 0				
	h Total. Add lines 1a-1f		1,639,248			
Program Service Revenue	Business Code					
	2a SALE OF RELIGIOUS MATERIALS	323100	76,902			
	b CONFERENCE FEES	611600	5,299			
	c		0			
	d		0			
	e		0			
	f All other program service revenue		0			
g Total. Add lines 2a-2f		82,201				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		601			
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			
	6a Gross rents	(i) Real	(ii) Personal			
		b Less rental expenses				
		c Rental income or (loss)	0	0		
		d Net rental income or (loss)			0	
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		b Less cost or other basis and sales expenses				
		c Gain or (loss)	0	0		
		d Net gain or (loss)			0	
	8a Gross income from fundraising events (not including \$ 0 of contributions reported on line 1c) See Part IV, line 18	a	0			
		b Less direct expenses	b	0		
		c Net income or (loss) from fundraising events			0	
	9a Gross income from gaming activities See Part IV, line 19	a	0			
b Less direct expenses		b	0			
c Net income or (loss) from gaming activities				0		
10a Gross sales of inventory, less returns and allowances	a	0				
	b Less cost of goods sold	b	0			
	c Net income or (loss) from sales of inventory			0		
Miscellaneous Revenue		Business Code				
11a OTHER		16,146				
b		0				
c		0				
d All other revenue		0				
e Total. Add lines 11a-11d		16,146				
12 Total revenue. See instructions		1,738,196	0	0	0	

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)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(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 United States. See Part IV, line 21	0			
2	Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	202,564	202,564		
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	320,318	169,612	75,586	75,120
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0			
9	Other employee benefits	108,528	91,224	0	17,304
10	Payroll taxes	46,099	33,578	6,261	6,260
11	Fees for services (non-employees):				
a	Management	0			
b	Legal	0			
c	Accounting	7,800		7,800	
d	Lobbying	0			
e	Professional fundraising services. See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	11,432	11,432		
12	Advertising and promotion	4,108			4,108
13	Office expenses	52,227	26,669	23,425	2,133
14	Information technology	0			
15	Royalties	0			
16	Occupancy	111,736	80,628	17,986	13,122
17	Travel	0			
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	1,207	1,207		
20	Interest	79		79	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	65,400	54,282	1,308	9,810
23	Insurance	0			
24	Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a	RADIO STATION PAY	862,637	862,637		
b	OTHER	67,081	45,834	12,402	8,845
c	POSTAGE AND SHIPPING	69,425	31,261	913	37,251
d	PRINTING AND PUBLICATIONS	12,088	1,214		10,874
e	All other expenses TELEPHONE	20,538	18,229	2,309	
25	Total functional expenses. Add lines 1 through 24e	1,963,267	1,630,371	148,069	184,827
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance Sheet

		(A)		(B)		
		Beginning of year		End of year		
Assets	1	Cash—non-interest-bearing	288,672	1	444,738	
	2	Savings and temporary cash investments		2		
	3	Pledges and grants receivable, net	280,000	3	0	
	4	Accounts receivable, net	3,463	4	4,507	
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5		
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6		
	7	Notes and loans receivable, net	0	7	0	
	8	Inventories for sale or use	49,154	8	38,030	
	9	Prepaid expenses and deferred charges	4,128	9	768	
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	2,403,419		
	b	Less accumulated depreciation	10b	627,090	10c	1,776,329
	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	115,750	15	5,750	
16	Total assets. Add lines 1 through 15 (must equal line 34)	2,560,418	16	2,270,122		
Liabilities	17	Accounts payable and accrued expenses	136,177	17	70,952	
	18	Grants payable		18		
	19	Deferred revenue		19		
	20	Tax-exempt bond liabilities		20		
	21	Escrow or custodial account liability Complete Part IV of Schedule D		21		
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22		
	23	Secured mortgages and notes payable to unrelated third parties	0	23	0	
	24	Unsecured notes and loans payable to unrelated third parties	0	24	0	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	0	25	0	
	26	Total liabilities. Add lines 17 through 25	136,177	26	70,952	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets	2,300,120	27	2,115,426	
	28	Temporarily restricted net assets	124,121	28	83,744	
	29	Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds		30		
	31	Paid-in or capital surplus, or land, building, or equipment fund		31		
	32	Retained earnings, endowment, accumulated income, or other funds		32		
33	Total net assets or fund balances	2,424,241	33	2,199,170		
34	Total liabilities and net assets/fund balances	2,560,418	34	2,270,122		

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,738,196
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,963,267
3	Revenue less expenses Subtract line 2 from line 1	3	-225,071
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,424,241
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	2,199,170

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If "Yes" to line 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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both. <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
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?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		X

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

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

Name of the organization

DISCIPLESHIP COUNSELING SERVICES, INC

Employer identification number

75-1564364

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 (For lines 1 through 11, check only one box)

- 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 a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 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)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to 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 it 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?
 - (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
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the supported organization(s)

(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	
(A)									0
(B)									0
(C)									0
(D)									0
(E)									0
Total									0

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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						0
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 Total. Add lines 1 through 3	0	0	0	0	0	0
5 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 1, column (f)						
6 Public support. Subtract line 5 from line 4.						0

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	0	0	0	0	0	0
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						0
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						0
11 Total support. Add lines 7 through 10						0
12 Gross receipts from related activities, etc. (see instructions)					12	
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 ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	0.00%
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	0.00%
16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 33 1/3% support test—2010. 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 ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2011. 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. ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2010. 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. ▶ <input type="checkbox"/>		
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. ▶ <input type="checkbox"/>		

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 or if the organization failed to qualify under Part II
If the organization fails to qualify under the tests listed below, please complete Part II)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	2,383,937	2,042,339	1,939,565	2,127,584	1,639,345	10,132,770
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	157,265	166,625	159,852	142,804	82,201	708,747
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
5 The value of services or facilities furnished by a governmental unit to the organization without charge						0
6 Total. Add lines 1 through 5	2,541,202	2,208,964	2,099,417	2,270,388	1,721,546	10,841,517
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b	0	0	0	0	0	0
8 Public support (Subtract line 7c from line 6)						10,841,517

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6	2,541,202	2,208,964	2,099,417	2,270,388	1,721,546	10,841,517
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	2,718	1,251	131	744	601	5,445
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
c Add lines 10a and 10b	2,718	1,251	131	744	601	5,445
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	66,054	4,613	2,155	1,715	16,146	90,683
13 Total support. (Add lines 9, 10c, 11, and 12)	2,609,974	2,214,828	2,101,703	2,272,847	1,738,293	10,937,645

14 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

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	99.12%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	99.23%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	17	0.05%
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	0.06%

19a 33 1/3% support tests—2011. 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—2010. If the organization did not check a box on line 14 or line 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

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization DISCIPLESHIP COUNSELING SERVICES, INC	Employer identification number 75-1564364
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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.

	(a) Donor advised funds	(b) Funds and other accounts
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?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation 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 section 170(h)(4)(B)(ii)? Yes No

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), 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

b If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) 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 acquisition, 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 Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

- 1a 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 | 0 |
| d Additions during the year | |
| e Distributions during the year | |
| f Ending balance | 0 |
- 2a 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 the 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
1a Beginning of year balance	0	0	0		
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	0	0	0	0	

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment %
 - b Permanent endowment %
 - c Temporarily restricted endowment %
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a 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?
- 4 Describe in Part XIV the intended uses of the organization's endowment funds.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	245,000		245,000
b Buildings	0	1,871,684	627,090	1,244,594
c Leasehold improvements	0	0	0	0
d Equipment	0	286,735	0	286,735
e Other	0	0	0	0
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				1,776,329

Part VII Investments—Other Securities. See Form 990, Part X, line 12

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives	0	
(2) Closely-held equity interests	0	
(3) Other	0	
(A) -----	0	
(B) -----	0	
(C) -----	0	
(D) -----	0	
(E) -----	0	
(F) -----	0	
(G) -----	0	
(H) -----	0	
(I) -----	0	
Total (Column (b) must equal Form 990, Part X, col (B) line 12)	0	

Part VIII Investments—Program Related. See Form 990, Part X, line 13

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)	0	
(2)	0	
(3)	0	
(4)	0	
(5)	0	
(6)	0	
(7)	0	
(8)	0	
(9)	0	
(10)	0	
Total (Column (b) must equal Form 990, Part X, col (B) line 13)	0	

Part IX Other Assets. See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) LOT HELD FOR SALE	5,750
(2)	0
(3)	0
(4)	0
(5)	0
(6)	0
(7)	0
(8)	0
(9)	0
(10)	0
Total. (Column (b) must equal Form 990, Part X, col (B) line 15)	5,750

Part X Other Liabilities. See Form 990, Part X, line 25

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	0
(2)	0
(3)	0
(4)	0
(5)	0
(6)	0
(7)	0
(8)	0
(9)	0
(10)	0
(11)	0
Total (Column (b) must equal Form 990, Part X, col (B) line 25)	0

2. FIN 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,738,196
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,963,267
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-225,071
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 through 8	9	0
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	-225,071

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	1,738,196
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	0
3	Subtract line 2e from line 1	3	1,738,196
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	1,738,196

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	1,963,267
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	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	1,963,267
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	1,963,267

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, line 2, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Part X Line 2 COPY OF THE FIN 48 FOOTNOTE FROM THE AUDITED FINANCIAL STATEMENTS IS

ATTACHED

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No 1545-0047

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

Name of the organization

DISCIPLESHIP COUNSELING SERVICES, INC

Employer identification number

75-1564364

Form 990 Part VI Section A Line 10 A PDF DRAFT OF THE TAX RETURN IS E-MAILED TO BOARD MEMBERS
FOR THT THEIR APPROVAL SINCE BOARD MEMBERS LIVE IN DIFFERENT PARTS OF T T THE COUNTRY IN
ADDITION, THE BOARD ONLY MEETS ONCE A YEAR IN PERSON A CHECKLIST OF SPECIFIC THINGS TO LOOK
AT IS PROVIDED AND AN ELECTRONIC BALLOT IS USED TO INDICATE APPROVAL

Form 990 Part VI Section B Line 12C ANNUALLY BOARD MEMBERS SIGN CONFLICT OF INTEREST
STATEMENTS AND DISCLOSE ANY TRANSACTIONS THAT OCCURRED DURING THE THE YEAR BETWEEN THE
TAXPAYER AND ENTITIES WITH WHICH THEY ARE INVOLVED

Form 990 Part VI Section B Line 15B THE COMPENSATION COMMITTEE OF THE BOARD REVIEWS DATA FROM
THE APPLICABLE SOURCES AS TO SALARY LEVELS FOR THE TYPE, SIZE, AND GEOGRAPHIC AREA WHERE THE
TAXPAYER OPERATES IS LOCATED. COMPENSATION FOR THE CEO AND COO IS VOTED ON BY THE ENTIRE BOARD

Part VI; Line 17 (990) - States with Which a Copy of this Form 990 is Required to be Filed

<input type="checkbox"/>	Armed Forces the Americas	<input type="checkbox"/>	Louisiana	<input type="checkbox"/>	Palau
<input type="checkbox"/>	Armed Forces Europe	<input type="checkbox"/>	Massachusetts	<input type="checkbox"/>	Rhode Island
<input type="checkbox"/>	Alaska	<input type="checkbox"/>	Maryland	<input checked="" type="checkbox"/>	South Carolina
<input type="checkbox"/>	Alabama	<input type="checkbox"/>	Maine	<input type="checkbox"/>	South Dakota
<input type="checkbox"/>	Armed Forces Pacific	<input type="checkbox"/>	Marshall Islands	<input type="checkbox"/>	Tennessee
<input type="checkbox"/>	Arkansas	<input type="checkbox"/>	Michigan	<input type="checkbox"/>	Texas
<input type="checkbox"/>	American Samoa	<input type="checkbox"/>	Minnesota	<input type="checkbox"/>	Utah
<input type="checkbox"/>	Arizona	<input type="checkbox"/>	Missouri	<input checked="" type="checkbox"/>	Virginia
<input type="checkbox"/>	California	<input type="checkbox"/>	Commonwealth of the Northern Mariana Islands	<input type="checkbox"/>	U S Virgin Islands
<input type="checkbox"/>	Colorado	<input type="checkbox"/>	Mississippi	<input type="checkbox"/>	Vermont
<input type="checkbox"/>	Connecticut	<input type="checkbox"/>	Montana	<input type="checkbox"/>	Washington
<input type="checkbox"/>	District of Columbia	<input type="checkbox"/>	North Carolina	<input checked="" type="checkbox"/>	Wisconsin
<input type="checkbox"/>	Delaware	<input type="checkbox"/>	North Dakota	<input type="checkbox"/>	West Virginia
<input type="checkbox"/>	Florida	<input type="checkbox"/>	Nebraska	<input type="checkbox"/>	Wyoming
<input type="checkbox"/>	Federated States of Micronesia	<input type="checkbox"/>	New Hampshire		
<input type="checkbox"/>	Georgia	<input type="checkbox"/>	New Jersey		
<input type="checkbox"/>	Guam	<input type="checkbox"/>	New Mexico		
<input type="checkbox"/>	Hawaii	<input type="checkbox"/>	Nevada		
<input type="checkbox"/>	Iowa	<input type="checkbox"/>	New York		
<input type="checkbox"/>	Idaho	<input type="checkbox"/>	Ohio		
<input type="checkbox"/>	Illinois	<input type="checkbox"/>	Oklahoma		
<input type="checkbox"/>	Indiana	<input type="checkbox"/>	Oregon		
<input type="checkbox"/>	Kansas	<input type="checkbox"/>	Pennsylvania		
<input type="checkbox"/>	Kentucky	<input type="checkbox"/>	Puerto Rico		

Part IX (Sch D (990)) - Other Assets

5,750

		Book Value
Description		
1	LOT HELD FOR SALE	5,750
2		0
3		0
4		0
5		0
6		0
7		0
8		0
9		0
10		0
11		0
12		0
13		0
14		0
15		0
16		0
17		0
18		0
19		0
20		0

75-1564364

Tax Balance Sheet Detail 1/01/11 - 12/31/11

FYE: 12/31/2011

Asset Id	Property Description	Date In Service	Tax Cost	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value
Bldgs & Other Depr Assets							
16	Building & Renovations	4/01/03	1,840,329.00	356,563.78	46,008.23	402,572.01	1,437,756.99
17	Computer Equipment	4/01/03	20,607.00	20,607.00	0.00	20,607.00	0.00
18	Furniture	4/01/03	20,586.00	20,586.00	0.00	20,586.00	0.00
19	Telephone Equipment	4/01/03	21,019.00	11,534.69	0.00	11,534.69	9,484.31
20	Radio Studio Equipment	4/01/03	41,724.00	32,336.10	4,084.73	36,420.83	5,303.17
21	Audio Visual Equipment	4/01/03	29,811.00	23,103.53	2,981.10	26,084.63	3,726.37
22	Retaining Wall	7/01/04	15,691.00	2,549.82	392.28	2,942.10	12,748.90
23	Publication Computer	7/01/04	2,840.00	2,840.00	0.00	2,840.00	0.00
24	Color Printer	7/01/04	999.00	999.00	0.00	999.00	0.00
25	Computer Monitro	7/01/04	885.00	885.00	0.00	885.00	0.00
26	Notebook computer	7/01/04	1,445.00	1,445.00	0.00	1,445.00	0.00
27	Microsoft Operating System	7/01/04	2,940.00	2,940.00	0.00	2,940.00	0.00
28	4 IBM CPUs	7/01/04	2,220.00	2,220.00	0.00	2,220.00	0.00
29	IBM CPU s/n KCDZ45F	7/01/04	555.00	555.00	0.00	555.00	0.00
30	IBM CPU S/N KCDZ46N	7/01/04	555.00	555.00	0.00	555.00	0.00
31	IBM CPU S/N KCDZ46P	7/01/04	555.00	555.00	0.00	555.00	0.00
32	IBM CPU S/N KCHN9X1	7/01/04	555.00	555.00	0.00	555.00	0.00
33	MPX Application Server	7/01/04	555.00	555.00	0.00	555.00	0.00
34	Crystal RAX Server KCDZ49A	7/01/04	555.00	555.00	0.00	555.00	0.00
35	4 MONITORS	7/01/04	1,124.00	1,124.00	0.00	1,124.00	0.00
36	MONITOR 47NMFF008039	7/01/04	281.00	281.00	0.00	281.00	0.00
37	MONITOR 47NMFF008029	7/01/04	281.00	281.00	0.00	281.00	0.00
38	MONITOR S/N 47NMFF008041	7/01/04	281.00	281.00	0.00	281.00	0.00
39	MONITOR S/N 47NMFF008040	7/01/04	281.00	281.00	0.00	281.00	0.00
40	LADDER	7/01/04	765.00	710.38	54.62	765.00	0.00
41	MAC G5 M9393LL/A	7/01/04	3,484.00	3,484.00	0.00	3,484.00	0.00
42	POWER SUPPLY PN05146554	7/01/04	309.00	309.00	0.00	309.00	0.00
43	POWER SUPPLY PN 05146554	7/01/04	309.00	309.00	0.00	309.00	0.00
44	FUSION 452CD DUPLICATOR	7/01/04	4,661.00	3,029.65	466.10	3,495.75	1,165.25
45	POWER SUPPLY PN05146554	7/01/04	309.00	309.00	0.00	309.00	0.00
46	POWER SUPPLY PN0514655405	7/01/04	309.00	309.00	0.00	309.00	0.00
47	POWER SUPPLY PN0514655405	7/01/04	309.00	309.00	0.00	309.00	0.00
48	POWER SUPPLY PN0514655455	7/01/04	309.00	309.00	0.00	309.00	0.00
49	POWER SUPPLY PN0514655455C	7/01/04	309.00	309.00	0.00	309.00	0.00
50	POWER SUPPLY PN0514655455C	7/01/04	309.00	309.00	0.00	309.00	0.00
51	PROJECTOR (Shepherd Ministries)	7/01/04	4,355.00	2,830.75	435.50	3,266.25	1,088.75
52	Wireless Microphone and Receiver	7/01/04	810.00	526.50	81.00	607.50	202.50
54	Studio door & Retaining Wall	7/01/05	5,772.00	793.65	144.30	937.95	4,834.05
55	Laser Jet 2430tn	7/01/05	999.00	999.00	0.00	999.00	0.00
56	Notebook S 107	7/01/05	1,030.00	1,030.00	0.00	1,030.00	0.00
57	IMAC S/N QP5350SJSDX	7/01/05	1,406.00	1,406.00	0.00	1,406.00	0.00
58	SQL Server, built #1	7/01/05	1,276.00	1,276.00	0.00	1,276.00	0.00
59	SQL Server, built # 2	7/01/05	1,276.00	1,276.00	0.00	1,276.00	0.00
60	MPS Data Management	7/01/05	48,666.00	48,666.00	0.00	48,666.00	0.00
61	Mike Stands & Monitors	7/01/05	1,815.00	998.25	181.50	1,179.75	635.25
62	Audio Monitor Package	7/01/05	1,395.00	767.25	139.50	906.75	488.25
63	Folder Inserter	7/01/05	43,784.00	24,081.20	4,378.40	28,459.60	15,324.40
64	CD Duplicator	7/01/06	4,290.00	3,861.00	429.00	4,290.00	0.00
65	MBF Sign	9/01/06	6,489.00	703.00	162.23	865.23	5,623.77

Asset Id	Property Description	Date In Service	Tax Cost	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value
Bldgs & Other Depr Assets (continued)							
66	Radio Equipment	1/01/06	3,397.00	3,397.00	0.00	3,397.00	0.00
67	Desktop Wide Screen Monitor	1/01/07	1,879.00	1,503.20	375.80	1,879.00	0.00
68	Final Cut 2 Studio Upgrade	12/31/07	1,214.00	728.40	242.80	971.20	242.80
69	Mircophone processor	10/12/09	1,198.00	149.75	119.80	269.55	928.45
70	Sony Cinema Camcorder	12/18/09	3,759.00	375.90	375.90	751.80	3,007.20
71	Apple I MAC	3/25/09	1,896.00	331.80	189.60	521.40	1,374.60
72	Glass signs	1/19/09	3,632.00	1,010.91	527.43	1,538.34	2,153.66
73	ADDITON TO SIGNAGE	6/01/09	3,403.00	134.71	85.08	219.79	3,183.21
74	MIP/MPX Bridging	1/01/09	2,625.00	1,575.00	525.00	2,100.00	525.00
75	CD/DVD disk duplicator	2/17/10	4,150.00	691.67	830.00	1,521.67	2,628.33
76	Auto (Ray Brown Estate)	12/31/10	3,371.00	0.00	0.00	0.00	3,371.00
77	MAC 21 5" 2.5 Gz	7/11/11	1,144.00	0.00	114.40	114.40	1,029.60
78	computer equipment'	4/01/03	2,628.00	0.00	0.00	0.00	2,628.00
79	Apple IMAC 27"	7/01/11	2,592.00	0.00	259.20	259.20	2,332.80
80	X stream codec w ISON	7/01/11	4,086.00	0.00	408.60	408.60	3,677.40
81	5000 lumen projector	7/01/11	3,360.00	0.00	168.00	168.00	3,192.00
82	Fusion 2 DVD KVM autload	1/01/06	2,995.00	2,995.00	0.00	2,995.00	0.00
83	Fusion Jet 4800 DPI printer	1/01/06	1,295.00	1,295.00	0.00	1,295.00	0.00
84	CD DVD duplicator	7/01/10	4,650.00	465.00	930.00	1,395.00	3,255.00
85	Scribe 9000 CD/DVD copier	7/01/11	3,099.00	0.00	309.90	309.90	2,789.10
			Bldgs & Other Depr Assets	2,197,852.00	65,400.00	663,151.89	1,534,700.11
			* Less: Dispositions and Transfers	39,433.00	375.80	36,062.00	3,371.00
			Net Bldgs & Other Depr Assets	2,158,419.00	65,024.20	627,089.89	1,531,329.11
Land							
53	LAND	4/01/03	245,000.00	0.00	0.00	0.00	245,000.00
			Land	245,000.00	0.00	0.00	245,000.00
			Grand Total	2,442,852.00	65,400.00	663,151.89	1,779,700.11
			Less: Dispositions and Transfers	39,433.00	375.80	36,062.00	3,371.00
			Net Grand Total	2,403,419.00	65,024.20	627,089.89	1,776,329.11

DISCIPLESHIP COUNSELING SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE A – continued

Summary of Significant Accounting Policies – continued

- Fair Value of Financial Instruments, continued

The following is a description of the valuation methodology used for assets and liabilities measured at fair value. There have been no changes in the methodologies used as December 31, 2011, 2010, and 2009. The mutual fund is valued at the net asset value (NAV) of shares held by PTP at year end. The methods utilized by PTP may produce a fair value calculation which may not be indicative of net realizable value or reflective of future values. Furthermore, while PTP believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a difference fair value measurement at the reporting date.

From time to time, PTP invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect PTP's investments and the amounts reported in the accompanying statement of financial position. In addition, the credit and liquidity crisis in the United States and throughout the global financial markets has resulted in substantial volatility in those financial markets and banking systems. These and other economic events may also have caused significant volatility to our portfolio subsequent to year-end.

Management reviews for other than temporary declines in accordance with the requirements of fair value measurements. PTP's investments in mutual funds consist of indexed funds. Within the funds certain individual investments may have fair values measured below cost. The severity of any impairment and the duration of any impairment correlate with current market conditions. Based upon the near-term prospects of the issuer of any of those securities in relation to the severity and duration of the impairment, and based upon PTP's ability and intent to hold those investments for a reasonable period of time sufficient for a forecasted recovery of fair value, PTP does not consider any of its mutual fund investments to be other-than-temporarily impaired at December 31, 2011.

- Income Tax Accounting

PTP recognizes the amount of taxes payable or refundable annually. Income taxes are accounted for using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax-basis carrying amounts. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period in which the enactment date occurs. A valuation allowance is provided for deferred tax assets if it is more likely than not that temporary differences will not be realized.

DISCIPLESHIP COUNSELING SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE A – continued

Summary of Significant Accounting Policies – continued

- Income Tax Accounting

Effective January 1, 2009, PTP adopted FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in financial statements. It also provides guidance for de-recognition, classification, interest, and penalties, accounting in interim periods, disclosure, and transition. The cumulative effect of this change in accounting principle had no effect on PTP's financial statements. The FASB has determined that a non-profit organization asserting that it is tax exempt is an uncertain tax position challengeable by the IRS.

In assessing the recognition of deferred tax assets, management considers whether it is more likely than not that some portion of or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the period in which deferred tax assets are deductible, management believes it is more likely than not that PTP would realize the benefits of deductible temporary differences, net of existing valuation allowances.

PTP recognizes interest and penalties related to unrecognized tax benefits within the provision for income taxes on continuing operations in the accompanying statement of activities. PTP did not experience a significant increase or decrease in the total amounts of unrecognized tax benefits during the fiscal year ended December 31, 2011. Income tax returns filed by PTP are subject to examination by tax authorities until May 15, 2015. Management believes that PTP has appropriate support for all positions taken on its tax returns and that the annual tax provision includes amounts sufficient to pay any assessments of tax, interest, and penalties. Nonetheless, any amounts ultimately paid upon resolution of issues raised by taxing authorities may differ materially from the amounts accrued for each year. PTP files Form 990, Return of Organization Exempt From Income Tax with the Federal government.

NOTE B

Property and equipment consists of the following —

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Land	\$ 245,000	\$ 245,000	\$ 245,000
Buildings, renovations, and improvements	1,871,684	1,871,684	1,868,281
Furniture and equipment	286,735	300,049	292,798
Less – Accumulated depreciation	<u>(627,090)</u>	<u>(597,752)</u>	<u>(525,127)</u>
Net Property and Equipment	<u>\$1,776,329</u>	<u>\$1,819,251</u>	<u>\$1,884,355</u>