

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

Department of the Treasury Internal Revenue Service

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

A For the 2004 calendar year, or tax year beginning 07/01, 2004, and ending 06/30/2005

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: CREATION MOMENTS, INC. D Employer identification number: 36-3541024. E Telephone number: (320) 968-4092. F Accounting method: Accrual.

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes [X] No

H(b) If "Yes," enter number of affiliates N/A

H(c) Are all affiliates included? N/A Yes [ ] No

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes [X] No

I Group Exemption Number N/A

M Check [ ] if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

G Website: WWW.CREATIONMOMENTS.COM

L Organization type (check only one) [X] 501(c) ( 3 ) (insert no) 4947(a)(1) or 527

K Check here [ ] if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 299,663.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions)

Table with columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9a Gross revenue; 9b Less direct expenses other than fundraising expenses; 9c Net income or (loss) from special events; 10a Gross sales of inventory; 10b Less cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

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Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See page 22 of the instructions)

Table with 5 columns: (A) Total, (B) Program services, (C) Management and general, (D) Fundraising. Rows include: 22 Grants and allocations, 23 Specific assistance to individuals, 24 Benefits paid to or for members, 25 Compensation of officers, directors, etc, 26 Other salaries and wages, 27 Pension plan contributions, 28 Other employee benefits, 29 Payroll taxes, 30 Professional fundraising fees, 31 Accounting fees, 32 Legal fees, 33 Supplies, 34 Telephone, 35 Postage and shipping, 36 Occupancy, 37 Equipment rental and maintenance, 38 Printing and publications, 39 Travel, 40 Conferences, conventions, and meetings, 41 Interest, 42 Depreciation, depletion, etc, 43 Other expenses not covered above, 44 Total functional expenses.

Joint Costs. Check [ ] if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? [ ] Yes [X] No

If "Yes," enter (i) the aggregate amount of these joint costs \$ , (ii) the amount allocated to Program services \$

(iii) the amount allocated to Management and general \$ ; and (iv) the amount allocated to Fundraising \$

Part III Statement of Program Service Accomplishments (See page 25 of the instructions.)

Table with 2 columns: Description of program service, Program Service Expenses. Rows include: a LITERATURE AND EDUCATION - SEE STATEMENT 4.5, b RADIO BROADCASTS - SEE STATEMENT 4.5, c, d, e Other program services, f Total of Program Service Expenses.

**Part IV Balance Sheets** (See page 25 of the instructions)

				(A)		(B)
		Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		Beginning of year		End of year
Assets	45	Cash - non-interest-bearing . . . . .		1,439.	45	14,089.
	46	Savings and temporary cash investments . . . . .			46	
	47a	Accounts receivable . . . . .	47a			
	b	Less: allowance for doubtful accounts . . . . .	47b		47c	
	48a	Pledges receivable . . . . .	48a			
	b	Less: allowance for doubtful accounts . . . . .	48b		48c	
	49	Grants receivable . . . . .			49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule) . . . . .			50	
	51a	Other notes and loans receivable (attach schedule) . . . . .	51a			
	b	Less: allowance for doubtful accounts . . . . .	51b		51c	
	52	Inventories for sale or use . . . . .		12,221.	52	17,363.
	53	Prepaid expenses and deferred charges . . . . .		5,336.	53	3,771.
	54	Investments - securities (attach schedule) <b>STMT 5</b> <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV . . . . .			54	5,133.
	55a	Investments - land, buildings, and equipment basis . . . . .	55a			
	b	Less: accumulated depreciation (attach schedule) . . . . .	55b		55c	
56	Investments - other (attach schedule) . . . . .			56		
57a	Land, buildings, and equipment basis <b>STMT 6</b> . . . . .	57a	219,294.			
b	Less: accumulated depreciation (attach schedule) . . . . .	57b	55,715.	163,502.	57c	163,579.
58	Other assets (describe <input type="checkbox"/> ) . . . . .			58		
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74) . . . . .		182,498.	59	203,935.	
Liabilities	60	Accounts payable and accrued expenses . . . . .		10,971.	60	8,840.
	61	Grants payable . . . . .			61	
	62	Deferred revenue . . . . .			62	
	63	Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .			63	
	64a	Tax-exempt bond liabilities (attach schedule) . . . . .			64a	
	b	Mortgages and other notes payable (attach schedule) . . . . .	STMT 7	45,104.	64b	39,848.
	65	Other liabilities (describe <input type="checkbox"/> <b>STMT 8</b> ) . . . . .		5,983.	65	6,014.
66	<b>Total liabilities</b> (add lines 60 through 65) . . . . .		62,058.	66	54,702.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted . . . . .		120,440.	67	149,233.
	68	Temporarily restricted . . . . .			68	
	69	Permanently restricted . . . . .			69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
	70	Capital stock, trust principal, or current funds . . . . .			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund . . . . .			71	
	72	Retained earnings, endowment, accumulated income, or other funds . . . . .			72	
	73	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21) . . . . .		120,440.	73	149,233.
	74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73) . . . . .		182,498.	74	203,935.

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

Form 990 (2004)

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See page 27 of the instructions.)

<b>a</b> Total revenue, gains, and other support per audited financial statements . . . ▶	<b>a</b>	
<b>b</b> Amounts included on line a but not on line 12, Form 990:		
(1) Net unrealized gains <b>NOT APPLICABLE</b> on investments . . . \$		
(2) Donated services and use of facilities \$		
(3) Recoveries of prior year grants . . . . \$		
(4) Other (specify):		
_____ \$		
Add amounts on lines (1) through (4) ▶	<b>b</b>	
<b>c</b> Line a minus line b . . . . . ▶	<b>c</b>	
<b>d</b> Amounts included on line 12, Form 990 but not on line a:		
(1) Investment expenses not included on line 6b, Form 990 . . . \$		
(2) Other (specify)		
_____ \$		
Add amounts on lines (1) and (2) . . ▶	<b>d</b>	
<b>e</b> Total revenue per line 12, Form 990 (line c plus line d) . . . . . ▶	<b>e</b>	

**Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return** **NOT APPLICABLE**

<b>a</b> Total expenses and losses per audited financial statements . . . . . ▶	<b>a</b>	
<b>b</b> Amounts included on line a but not on line 17, Form 990:		
(1) Donated services and use of facilities \$		
(2) Prior year adjustments reported on line 20, Form 990 . . . . . \$		
(3) Losses reported on line 20, Form 990 \$		
(4) Other (specify)		
_____ \$		
Add amounts on lines (1) through (4) . . ▶	<b>b</b>	
<b>c</b> Line a minus line b . . . . . ▶	<b>c</b>	
<b>d</b> Amounts included on line 17, Form 990 but not on line a:		
(1) Investment expenses not included on line 6b, Form 990 . . . \$		
(2) Other (specify)		
_____ \$		
Add amounts on lines (1) and (2) . . ▶	<b>d</b>	
<b>e</b> Total expenses per line 17, Form 990 (line c plus line d) . . . . . ▶	<b>e</b>	

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated, see page 27 of the instructions )

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
SEE STATEMENTS 9&10 REPORTED ON PAGE 2	LINE 25	32,101.	7,198.	-0-
REPORTED ON PAGE 1,	LINE 96	370	83	-0-

**75** Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?  Yes  No  
 If "Yes," attach schedule - see page 28 of the instructions

Part VI Other Information (See page 28 of the instructions.)

Yes No

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity
77 Were any changes made in the organizing or governing documents but not reported to the IRS?
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
78 b If "Yes," has it filed a tax return on Form 990-T for this year?
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year?
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?
80 b If "Yes," enter the name of the organization
81 a Enter direct and indirect political expenditures See line 81 instructions.
81 b Did the organization file Form 1120-POL for this year?
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?
82 b If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?
83 b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84 a Did the organization solicit any contributions or gifts that were not tax deductible?
84 b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
85 b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85 c Dues, assessments, and similar amounts from members
85 d Section 162(e) lobbying and political expenditures
85 e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85 f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85 g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85 h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?
86 501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12
86 b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) orgs Enter a Gross income from members or shareholders
87 b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them)
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911
89 b 501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction
89 c Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958
89 d Enter Amount of tax on line 89c, above, reimbursed by the organization
90 a List the states with which a copy of this return is filed
90 b Number of employees employed in the pay period that includes March 12, 2004 (See instructions)
91 The books are in care of
91 Located at
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year

**Part VII Analysis of Income-Producing Activities** (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a <b>BOOK SALES</b>					40,145.
b <b>SEMINAR INCOME</b>					500.
c					
d					
e					
f Medicare/Medicaid payments . . . . .					
g Fees and contracts from government agencies . . . . .					
94 Membership dues and assessments . . . . .					
95 Interest on savings and temporary cash investments . . . . .					
96 Dividends and interest from securities . . . . .			14	290.	
97 Net rental income or (loss) from real estate:					
a debt-financed property . . . . .					
b not debt-financed property . . . . .					
98 Net rental income or (loss) from personal property . . . . .					
99 Other investment income . . . . .					
100 Gain or (loss) from sales of assets other than inventory . . . . .			18	713.	
101 Net income or (loss) from special events . . . . .	561499	-659.			
102 Gross profit or (loss) from sales of inventory . . . . .					
103 Other revenue a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E)) . . . . .		-659.		1,003.	40,645.
105 Total (add line 104, columns (B), (D), and (E)) . . . . .					40,989.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93 A, B	ALL BOOKS SOLD THROUGH THE BOOKSTORE AND SEMINARS HELD ARE RELEVANT TO THE MISSION STATEMENT OF CREATION MOMENTS, INC.

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Please Sign Here** Signature of officer Maure Sheppard Date 9-16-05  
Treasurer

Date 8/29/05 Check if self-employed  Preparer's SSN or PTIN (See Gen. Inst. W) P00153889

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

Department of the Treasury  
Internal Revenue Service

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

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

**Supplementary Information - (See separate instructions.)**

▶ **MUST** be completed by the above organizations and attached to their Form 990 or 990-EZ

OMB No 1545-0047

**2004**

Name of the organization

**CREATION MOMENTS, INC.**

Employer identification number

**36-3541024**

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

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

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

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2004

JSA

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

Table with 3 columns: Question, Yes, No. Rows include: 1. Lobbying activities (NONE), 2. Engaged in acts with contributors, 3a-3b. Grants and annuity plans, 4a-4b. Separate accounts and credit counseling services.

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

- The organization is not a private foundation because it is (Please check only ONE applicable box)
5. A church, convention of churches, or association of churches
6. A school
7. A hospital or a cooperative hospital service organization
8. A Federal, state, or local government or governmental unit
9. A medical research organization operated in conjunction with a hospital
10. An organization operated for the benefit of a college or university owned or operated by a governmental unit
11a. An organization that normally receives a substantial part of its support from a governmental unit or from the general public
11b. A community trust
12. An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income
13. An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2)

Table with 2 columns: (a) Name(s) of supported organization(s), (b) Line number from above. Header: Provide the following information about the supported organizations (See page 5 of the instructions)

14. An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)
JSA
4E1220 1 000
Schedule A (Form 990 or 990-EZ) 2004



Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Table with columns for calendar year (a) 2003, (b) 2002, (c) 2001, (d) 2000, and (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends, amounts received from payments on securities loans; 19 Net income from unrelated business activities; 20 Tax revenues levied; 21 Value of services or facilities furnished; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12; 28 Unusual Grants.

<b>Part V</b>	<b>Private School Questionnaire (See page 7 of the instructions.)</b>	<b>NOT APPLICABLE</b>
<b>(To be completed ONLY by schools that checked the box on line 6 in Part IV)</b>		

		Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? .....	29		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? .....	30		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? .....	31		
If "Yes," please describe, if "No," please explain. (If you need more space, attach a separate statement.)			
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-----			
32 Does the organization maintain the following			
a Records indicating the racial composition of the student body, faculty, and administrative staff? .....	32a		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....	32b		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....	32c		
d Copies of all material used by the organization or on its behalf to solicit contributions? .....	32d		
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement.)			
-----			
33 Does the organization discriminate by race in any way with respect to			
a Students' rights or privileges? .....	33a		
b Admissions policies? .....	33b		
c Employment of faculty or administrative staff? .....	33c		
d Scholarships or other financial assistance? .....	33d		
e Educational policies? .....	33e		
f Use of facilities? .....	33f		
g Athletic programs? .....	33g		
h Other extracurricular activities? .....	33h		
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			
-----			
-----			
34a Does the organization receive any financial aid or assistance from a governmental agency? .....	34a		
b Has the organization's right to such aid ever been revoked or suspended? .....	34b		
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
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35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation .....	35		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)  
 (To be completed **ONLY** by an eligible organization that filed Form 5768) **NOT APPLICABLE**

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

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

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

**4-Year Averaging Period Under Section 501(h)**

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

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
<b>45</b> Lobbying nontaxable amount . . . . .					
<b>46</b> Lobbying ceiling amount (150% of line 45(e)) . . . . .					
<b>47</b> Total lobbying expenditures					
Grassroots nontaxable					
<b>48</b> amount . . . . .					
Grassroots ceiling amount					
<b>49</b> (150% of line 48(e)) . . . . .					
Grassroots lobbying					
<b>50</b> expenditures . . . . .					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of.	Yes	No	Amount
<b>a</b> Volunteers . . . . .		✓	
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.) . . . . .		✓	
<b>c</b> Media advertisements . . . . .		✓	
<b>d</b> Mailings to members, legislators, or the public . . . . .		✓	
<b>e</b> Publications, or published or broadcast statements . . . . .		✓	
<b>f</b> Grants to other organizations for lobbying purposes . . . . .		✓	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body . . . . .		✓	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .		✓	
<b>i</b> Total lobbying expenditures (Add lines c through h) . . . . .			NONE

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

**Part VII** Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 11 of the instructions.)

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

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

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

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

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

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

CREATION MOMENTS, INC.  
 Schedule D Detail of Short-term Capital Gains and Losses

36-3541024

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Short-term Gain/Loss
<b>CAPITAL GAINS (LOSSES) FROM SECURITIES</b>					
COMMOM STOCK COMPASS CORP	08/27/2004	VARIOUS	21,513.	20,800.	713.
<b>TOTAL CAPITAL GAINS (LOSSES) FROM SECURITIES</b>			21,513.	20,800.	713.
<b>Totals</b>			21,513.	20,800.	713.

FORM 990, PART I - SPECIAL FUNDRAISING EVENTS AND ACTIVITIES

DESCRIPTION	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
MAILING SERVICE	8,208.	8,867.	-659.
TOTALS	8,208.	8,867.	-659.

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

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DESCRIPTION

AMOUNT

CHANGE IN MARKET VALUE OF SECURITIES

657.

TOTAL

657.

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
PRODUCTION COSTS	28,644.	28,644.		
CONSULTANTS	14,584.	5,856.	897.	7,831.
COMPUTER EXPENSE	86.	10.	70.	6.
COST OF BOOKS SOLD	18,124.	18,124.		
INTERNET COST	8,116.	6,971.	297.	848.
BANK CHARGES	1,022.	914.		108.
BOARD EXPENSE	918.		918.	
LITERATURE DISTRIBUTED	1,184.	35.		1,149.
MISCELLANEOUS	1,858.	981.	747.	130.
STORAGE COST				
INSURANCE	2,028.	1,014.	507.	507.
TOTALS	76,564.	62,549.	3,436.	10,579.



**CREATION MOMENTS, INC.**  
Federal Number 36-3541024  
Form 990 Part III  
June 30, 2005

Creation Moments, Inc., (CMI) exists to glorify God by presenting scientific evidence for the literal truth of the Bible.

To meet this mission during the fiscal year ending June 30, 2005, CMI produced two-minute education programs "Creation Moments" that are broadcast worldwide, 5 days each week, over 1300 radio stations and outlets. Adding 70 brand new programs this year.

To serve our Hispanic audience "Creation Moments" is translated and produced into "Momentos de la Creacion" and broadcast over 22 Stations, 4 networks and 14 repeaters reaching the Southern US, Mexico, the Caribbean and South and Central America. With 160 new programs being translated this past year.

During this year, more than 1,100 new individuals have requested information after listening to "Creation Moments" and "Momentos de la Creacion" broadcasts. Over 68,375 unique individuals have visited the website this past year. In response to these requests, CMI distributes programs, transcripts, resource catalogues, publications, books and DVD and videos. The program transcripts are now available on the website in printable and audio format.

Daily radio scripts are compiled annually into "Letting God Create Your Day" a devotional book. This year *Letting God Create Your Day Volumes 2 & 4* were republished. *Letting God Create Your Day Volume 3 & 5* are also still available making it the first time four in the series are available for sale at the same time and continue to be our bestsellers. Our first printing of *Letting God Create Your Day Volume 3* in Russian was completed. A bookmark was also created to match the English book covers. Our annual Christmas card featuring a Creation Moment transcript was also offered to our new donors and inquiries. In addition a Creation Moments calendar for 2005 was a featured year-end gift item.

"Creation Moments" Marketplace lists over 350 titles of books, DVDs and videos that offer educational information for students from preschool to adult. Our annual catalog highlights the new books, DVDs and video titles that have been added. Our website with e-commerce online shopping is growing as we began to expand service to international requests and orders.

The electronic Creation Moments Newsletter was sent out quarterly this year. This is to help expand our educational information and increases our online research article database. This Newsletter is available via email and print by request.

Creation Moment Bible Studies are a monthly feature in our Newsletter and monthly constituency letter. These studies are also available online. A small brochure entitled "Our Financial Commitment to You" was sent to 5,000 supporters to increase their understanding of how their funds are used, increase their trust in the leadership and show the integrity of our outreach.

For the first time ever we offered Discover Creation Classes for grade 1-6, 1 ½ hour sessions for 5 weeks including instructional time and information for the parents. CMI has also conducted educational seminars, symposiums and radio interviews in the United States and Canada this past year.

CMI's website "creationmoments.com" expansion continues to grow our audience and exposure to the CMI ministry. Over 3550 individuals are receiving the daily Creation Moments radio broadcast via free subscription in their email each morning. Each daily subscription page also features products from our catalog.

FORM 990, PART IV - INVESTMENTS - SECURITIES

DESCRIPTION

ENDING  
BOOK VALUE

100 SHARES OF EXELON CORP

5,133.

TOTALS

5,133.

**Book Group Summary 7/01/04 - 6/30/05**

FYE: 6/30/2005

Group	Cost Beginning	Cost Acquisitions	Cost Disposals	Cost Ending	Depreciation Prior	Depreciation Additions	Depreciation Reductions	Depreciation Ending
12000 Land	44,400.00	0.00	0.00	44,400.00	0.00	0.00	0.00	0.00
12010 Building	92,866.05	3,300.66	0.00	96,166.71	607.94	2,526.73	0.00	3,134.67
12031 OFFICE EQUIP	36,150.58	6,971.78	0.00	43,122.36	21,288.23	3,760.75	0.00	25,048.98
12041 COMPUTER EC	29,229.84	234.90	0.00	29,464.74	22,382.66	5,149.19	0.00	27,531.85
12050 RESEARCH LIE	6,140.36	0.00	0.00	6,140.36	0.00	0.00	0.00	0.00
<b>Grand Total</b>	<u>208,786.83</u>	<u>10,507.34</u>	<u>0.00</u>	<u>219,294.17</u>	<u>44,278.83</u>	<u>11,436.67</u>	<u>0.00</u>	<u>55,715.50</u>

PAGE 1 LINE 96

370

PAGE 2 LINE 42

11067\$ 11437

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE

LENDER: FIRST NATIONAL BANK OF ELK RIVER
ORIGINAL AMOUNT: 35,000.
INTEREST RATE: 6.500000
DATE OF NOTE: 03/30/2004
MATURITY DATE: 04/01/2009
REPAYMENT TERMS: 550 PER MONTH WITH BALLOON
SECURITY PROVIDED: REAL ESTATE MORTGAGE
PURPOSE OF LOAN: ACQUIRE BUILDING FOR OFFICES

BEGINNING BALANCE DUE 34,298.
ENDING BALANCE DUE 28,263.

LENDER: WELLS FARGO
ORIGINAL AMOUNT: 16,995.
INTEREST RATE: 11.555000
DATE OF NOTE: 04/24/2002
MATURITY DATE: 04/24/2007
REPAYMENT TERMS: 374.23 PER MONTH
SECURITY PROVIDED: EQUIPMENT
PURPOSE OF LOAN: EQUIPMENT ACQUISITION

BEGINNING BALANCE DUE 10,806.
ENDING BALANCE DUE 7,388.

LENDER: DEATONS
ORIGINAL AMOUNT: 4,500.
INTEREST RATE: 9.474000
DATE OF NOTE: 02/01/2005
MATURITY DATE: 01/01/2010
REPAYMENT TERMS: 87.82 PER MONTH
SECURITY PROVIDED: POSTAGE METER
PURPOSE OF LOAN: TO ACQUIRE EQUIPMENT

ENDING BALANCE DUE 4,197.

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE 45,104.

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE 39,848.

FORM 990, PART IV - OTHER LIABILITIES

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DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
PAYROLL AND PAYROLL TAXES	1,438.	1,774.
ACCRUED COMPENSATION	4,359.	4,086.
ACCRUED INTEREST	186.	154.
	-----	-----
TOTALS	5,983.	6,014.
	=====	=====

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS  
 -----  
 TITLE AND TIME  
 DEVOTED TO POSITION  
 -----  
 COMPENSATION  
 -----  
 CONTRIBUTIONS  
 TO EMPLOYEE  
 BENEFIT PLANS  
 -----  
 EXPENSE ACCT  
 AND OTHER  
 ALLOWANCES  
 -----

MARK CADWALLADER  
 19365 65TH STREET  
 FOLEY, MN 56329

BOARD CHAIRMAN  
 3-4

DUANE SHEPPARD  
 19365 65TH STREET  
 FOLEY, MN 56329

TREASURER  
 1-2

IAN TAYLOR  
 19365 65TH STREET  
 FOLEY, MN 56329

MEMBER AT LARGE  
 1-2

DON CLARK  
 19365 65TH STREET  
 FOLEY, MN 56329

VICE CHAIRMAN  
 1-2

LU ANN STROMBECK  
 19365 65TH STREET  
 FOLEY, MN 56329

CHIEF OPERATING  
 36-40  
 32,471.  
 7,281.

LESS AMOUNT OF COMPENSATION  
 INCLUDED ON PAGE 1, LINE 9B

-370.  
 -83.

NORRIS JOHNSON  
 19365 65TH STREET  
 FOLEY, MN 56329

MEMBER AT LARGE  
 2-3

LAWRENCE JONES III  
 19365 65TH STREET NE  
 FOLEY, MN 56329

SECRETARY  
 1-2

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
		32,101.	7,198.	
GRAND TOTALS				

GRAND TOTALS

32,101.

7,198.

SCHEDULE A, PART III - EXPLANATION FOR LINE 2C  
=====

PAYMENT OF CONTRACT WORK WITH TFE PUBLISHING COMPANY OWNED BY BOARD MEMBER, IAN TAYLOR. THE CONTRACT INCLUDES SCRIPT EDITING, TECHNICAL CONSULTING AND RADIO BROADCAST INTERVIEWS. THE COST OF THE CONTRACT WAS \$1,597.