

Return of Organization Exempt From Income Tax

Department of the Treasury Internal Revenue Service

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 2003 calendar year, or tax year beginning 07/01, 2003, and ending 06/30/2004

- B Check if applicable: X Address change, Name change, Initial return, Final return, Amended return, Application pending

C Name of organization: CREATION MOMENTS, INC. Number and street: 19365 65TH STREET N.E. P.O. BOX 839. City: FOLEY, MN 56329

D Employer identification number: 36-3541024. E Telephone number: (320) 968-4092. F Accounting method: X 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? X No. H(b) If "Yes," enter number of affiliates: N/A. H(c) Are all affiliates included? N/A. H(d) Is this a separate return filed by an organization covered by a group ruling? 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

J 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: 389,077.

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

Table with 21 rows and 4 columns: Description, (A) Securities, (B) Other, Total. Includes revenue items like contributions, program service revenue, and expenses like fundraising and total expenses.

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513 4 16

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.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25 28,662.	5,001.	1,918.	21,743.
26 Other salaries and wages	26 39,433.	22,989.	9,796.	6,648.
27 Pension plan contributions	27			
28 Other employee benefits	28 6,170.	1,744.	471.	3,955.
29 Payroll taxes	29 6,664.	2,544.	1,660.	2,460.
30 Professional fundraising fees	30			
31 Accounting fees	31 4,327.		4,327.	
32 Legal fees	32			
33 Supplies	33 5,282.	4,218.	677.	387.
34 Telephone	34 3,138.	1,748.	732.	658.
35 Postage and shipping	35 23,279.	12,161.	294.	10,824.
36 Occupancy	36 1,519.	758.	382.	379.
37 Equipment rental and maintenance	37 5,561.	1,074.	269.	4,218.
38 Printing and publications	38 21,919.	5,331.	520.	16,068.
39 Travel	39 1,355.	1,191.	32.	132.
40 Conferences, conventions, and meetings	40 863.	863.		
41 Interest	41 3,734.		3,734.	
42 Depreciation, depletion, etc (attach schedule)	42 8,940.	2,546.	2,054.	4,340.
43 Other expenses not covered above (itemize) STMT 3	43a 67,833.	55,355.	4,369.	8,109.
b -----	43b			
c -----	43c			
d -----	43d			
e -----	43e			
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44 228,679.	117,523.	31,235.	79,921.

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

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

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

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

What is the organization's primary exempt purpose? CREATIONISM - RELIGIOUS ORG.	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
a LITERATURE AND EDUCATION - SEE STATEMENT 4	
(Grants and allocations \$ _____)	58,442.
b RADIO BROADCASTS - SEE STATEMENT 4	
(Grants and allocations \$ _____)	59,081.
c -----	
(Grants and allocations \$ _____)	
d -----	
(Grants and allocations \$ _____)	
e Other program services (attach schedule)	(Grants and allocations \$ _____)
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	117,523.

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

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	3,462.	45	1,439.
	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	10,341.	52	12,221.
	53 Prepaid expenses and deferred charges	4,583.	53	5,336.
	54 Investments - securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	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 <i>STMT 5</i>	57a	207,781.		
b Less accumulated depreciation (attach schedule)	57b	44,279.		
58 Other assets (describe <input type="checkbox"/>)		92,795.	57c	163,502.
59 Total assets (add lines 45 through 58) (must equal line 74)		111,181.	59	182,498.
Liabilities	60 Accounts payable and accrued expenses	12,930.	60	10,971.
	61 Grants payable		61	
	62 Deferred revenue	2,300.	62	NONE
	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) <i>STMT 6</i>	49,317.	64b	45,104.
	65 Other liabilities (describe <input type="checkbox"/> <i>STMT 7</i>)	6,021.	65	5,983.
66 Total liabilities (add lines 60 through 65)		70,568.	66	62,058.
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	40,613.	67	120,440.
	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 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		40,613.	73	120,440.
74 Total liabilities and net assets / fund balances (add lines 66 and 73)		111,181.	74	182,498.

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.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 27 of the instructions.)			Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return		
a Total revenue, gains, and other support per audited financial statements . . . ▶	a	328,811.	a Total expenses and losses per audited financial statements ▶	a	248,984.
b Amounts included on line a but not on line 12, Form 990			b Amounts included on line a but not on line 17, Form 990		
(1) Net unrealized gains on investments . . \$			(1) Donated services and use of facilities \$		
(2) Donated services and use of facilities \$			(2) Prior year adjustments reported on line 20, Form 990 \$		
(3) Recoveries of prior year grants \$			(3) Losses reported on line 20, Form 990 \$		
(4) Other (specify)			(4) Other (specify)		
			<u>STMT 9</u> \$ 20,305.		
Add amounts on lines (1) through (4) ▶	b		Add amounts on lines (1) through (4) . . ▶	b	20,305.
c Line a minus line b ▶	c	328,811.	c Line a minus line b ▶	c	228,679.
d Amounts included on line 12, Form 990 but not on line a:			d Amounts included on line 17, Form 990 but not on line a:		
(1) Investment expenses not included on line 6b, Form 990 . . . \$			(1) Investment expenses not included on line 6b, Form 990 . . . \$		
(2) Other (specify)			(2) Other (specify)		
<u>STMT 8</u> \$ -20,305.					
Add amounts on lines (1) and (2) . . ▶	d	-20,305.	Add amounts on lines (1) and (2) . . ▶	d	
e Total revenue per line 12, Form 990 (line c plus line d) ▶	e	308,506.	e Total expenses per line 17, Form 990 (line c plus line d) ▶	e	228,679.

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 -)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
SEE STATEMENT 10		Reported on pg 2 LINE 25 28,662.	4,830	-0-
		Reported on pg 1, LINE 9b 2,238		

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	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78 a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78 b	X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80 a	X
b	If "Yes," enter the name of the organization <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct and indirect political expenditures See line 81 instructions.	81 a	
b	Did the organization file Form 1120-POL for this year?	81 b	X
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 a	X
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)	82 b	N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83 a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83 b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84 a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84 b	N/A
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85 a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85 b	N/A
c	Dues, assessments, and similar amounts from members	85 c	N/A
d	Section 162(e) lobbying and political expenditures	85 d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85 g	N/A
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?	85 h	N/A
86	501(c)(7) orgs Enter: a Initiation fees and capital contributions included on line 12	86 a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86 b	N/A
87	501(c)(12) orgs Enter: a Gross income from members or shareholders	87 a	N/A
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87 b	N/A
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	88	X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>NONE</u> , section 4912 <u>NONE</u> , section 4955 <u>NONE</u>		
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 b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		NONE
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		NONE
90 a	List the states with which a copy of this return is filed <u>MINNESOTA</u>		
b	Number of employees employed in the pay period that includes March 12, 2003 (See instructions)	90 b	4
91	The books are in care of <u>LUANN STROMBECK</u> Telephone no <u>320-968-4092</u> Located at <u>FOLEY MINNESOTA</u> ZIP + 4 <u>56329</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

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 BOOK SALES					48,877.
b SEMINAR INCOME					450.
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					
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	63.	40,822.
101 Net income or (loss) from special events	561499	54.			
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))		54.		63.	90,149.
105 Total (add line 104, columns (B), (D), and (E))					90,266.

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.
100	THE ORGANIZATION'S BUILDING WAS USED GREATER THAN 85% FOR ACTIVITIES THAT ARE WITHIN THE ORGANIZATION'S EXEMPT PURPOSE

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 *Wuane Shepard, Treasurer* 9-24-04
Date

Date _____ Check if _____ Preparer's SSN or PTIN (See Gen Inst W)

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

2003

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) 2003

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

Table with 3 columns: Question, Yes, No. Rows include: 1. During the year, has the organization attempted to influence national, state, or local legislation... 2. During the year, has the organization, either directly or indirectly, engaged in any of the following acts... 3a. Do you make grants for scholarships, fellowships, student loans, etc? 3b. Do you have a section 403(b) annuity plan for your employees? 4. Did you maintain any separate account for participating donors...

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

The organization is not a private foundation because it is (Please check only ONE applicable box)

- 5 [] A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
6 [] A school. Section 170(b)(1)(A)(ii) (Also complete Part V)
7 [] A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
8 [] A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
9 [] A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state
10 [] An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A)
11a [] An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
11b [] A community trust. Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
12 [X] An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A)
13 [] An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

Table with 2 columns: (a) Name(s) of supported organization(s), (b) Line number from above

14 [] An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

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

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 (or fiscal year beginning in) and rows for various support categories (15-28). Includes sub-rows for calculations and public support percentages.

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

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

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

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred)

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

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)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in) ▶	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h.)			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 12 of the instructions.)

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

a Transfers from the reporting organization to a noncharitable exempt organization of

	Yes	No
51 a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

- (i) Cash
- (ii) Other assets
- b** Other transactions
 - (i) Sales or exchanges of assets with a noncharitable exempt organization
 - (ii) Purchases of assets from a noncharitable exempt organization
 - (iii) Rental of facilities, equipment, or other assets
 - (iv) Reimbursement arrangements
 - (v) Loans or loan guarantees
 - (vi) Performance of services or membership or fundraising solicitations
- c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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

(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

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Short-term Gain/Loss
POST-MAY 5TH CAPITAL GAINS (LOSSES)					
MARSHALL & IISELEY CORP	09/11/2003	10/24/2003	1,151.	1,088.	63.
TOTAL POST-MAY 5TH CAPITAL GAINS (LOSSES)			1,151.	1,088.	63.
CAPITAL GAINS (LOSSES) FROM SECURITIES					
MARSHALL & IISELEY CORP	09/11/2003	10/24/2003	1,151.	1,088.	63.
TOTAL CAPITAL GAINS (LOSSES) FROM SECURITIES			1,151.	1,088.	63.
Totals			1,151.	1,088.	63.

Creation Moments, Inc.
Sale of Property
Federal Number 36-3541024
June 30, 2004

Date of Acquisition		12/12/2001
Date of Sale		3/30/2004
Selling Price		100,000
Cost:		
Land	15,000	
Building	45,589	
Accumulated Depreciation	<u>(2,659)</u>	57,930
Selling Cost		<u>1,248</u>
Gain on Sale		<u>40,822</u>

FORM 990, PART I - SPECIAL FUNDRAISING EVENTS AND ACTIVITIES

DESCRIPTION	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
MAILING SERVICE	20,359.	20,305.	54.
TOTALS	20,359.	20,305.	54.

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
PRODUCTION COSTS	22,760.	22,760.		
CONSULTANTS	13,278.	4,913.	1,327.	7,038.
COMPUTER EXPENSE	172.	22.	139.	11.
COST OF BOOKS SOLD	18,956.	18,956.		
INTERNET COST	6,720.	6,097.	238.	385.
BANK CHARGES	1,046.	941.		105.
BOARD EXPENSE	968.		968.	
LITERATURE DISTRIBUTED	618.			
MISCELLANEOUS	1,431.		1,271.	144.
STORAGE COST	180.			
INSURANCE	1,704.	852.	426.	426.
TOTALS	67,833.	55,355.	4,369.	8,109.

CREATION MOMENTS, INC.
Federal Number 36-3541024
Form 990 Part III
June 30, 2004

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

To meet this mission during the fiscal year ending June 30, 2004, CMI produced two-minute education programs "Creation Moments" that are broadcast worldwide, 5 days each week, over 1300 radio stations and outlets.

To serve our Hispanic audience "Creation Moments" is translated and produced into "Momentos de la Creacion" and broadcast over 12 Stations, 4 networks and 14 repeaters reaching the Southern US, Mexico, the Caribbean and South and Central America.

During this year, more than 1,650 new individuals have requested information after listening to "Creation Moments" and "Momentos de la Creacion" broadcasts. Over 50,850 unique individuals have visited the website this past year. In response to these requests, CMI distributes programs transcripts, resource catalogues, publications, books 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 Volume 5 was published for the first time. Letting God Create Your Day Volume 3 is also still available making it the first time two in the series are available for sale at the same time and continue to be our bestsellers. In an effort to expand our product line our first annual Christmas card featuring a Creation Moment transcript was also offered to our donors. In addition a Creation calendar for 2004 was a featured year-end gift item.

"Creation Moments" Marketplace lists over 350 titles of books and videos that offer educational information for students from preschool to adult. Our annual catalog highlights the new book 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. Creation Moments did a special outreach to the soldiers in Iraq, sending books and materials as the constituency provided names.

The addition of a monthly electronic Creation Moments Newsletter began in November 2003. This is an exciting addition to 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 new monthly feature in our Newsletter and monthly constituency letter. These studies are also available online.

CMI's website "creationmoments.com" expansion continues to grow our audience and exposure to the CMI ministry. Over 2,550 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. Website upgrade features include email to a friend; join the CMI affiliate program, request a catalog or daily transcript and a search engine for the entire product, transcript and article database for easy research.

CMI has conducted educational seminars, symposiums and radio interviews in the United States and Canada. A highlight for this year was the International Conference on Creation held in Pittsburgh, PA in August 2003.

Book Group Summary 7/01/03 - 6/30/04

FYE: 6/30/2004

Group	Cost Beginning	Cost Acquisitions	Cost Disposals	Cost Ending	Depreciation Prior	Depreciation Additions	Depreciation Reductions	Depreciation Ending
12000 Land	15,000 00	44,400 00	15,000.00	44,400.00	0 00	0 00	0 00	0 00
12010 Building	45,589 00	92,866 05	45,589 00	92,866 05	1,804.57	1,462.73	2,659 36	607 94
12031 OFFICE EQUIPN	35,569.35	450.00	875 00	35,144.35	19,241 71	2,921 52	875 00	21,288 23
12041 COMPUTER EC	31,716 84	750.00	3,237.00	29,229 84	20,174 17	5,445.49	3,237 00	22,382 66
12050 RESEARCH LIB	6,140.36	0 00	0 00	6,140.36	0.00	0 00	0.00	0.00
Grand Total	<u>134,015.55</u>	<u>138,466 05</u>	<u>64,701 00</u>	<u>207,780 60</u>	<u>41,220 45</u>	<u>9,829 74</u>	<u>6,771.36</u>	<u>44,278.83</u>

PAGE 1 LINE 96 890

PAGE 2 LINE 42 8940
9,830

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
ENDING BALANCE DUE 34,298.

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 13,855.
ENDING BALANCE DUE 10,806.

LENDER: FIRST NATIONAL BANK OF ELK RIVER
ORIGINAL AMOUNT: 40,000.
INTEREST RATE: 8.000000
DATE OF NOTE: 12/12/2001
MATURITY DATE: 12/01/2004
REPAYMENT TERMS: 500 PER MONTH
SECURITY PROVIDED: REAL ESTATE
PURPOSE OF LOAN: TO ACQUIRE OFFICE SPACE

BEGINNING BALANCE DUE 35,462.

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE 49,317.

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE 45,104.

FORM 990, PART IV - OTHER LIABILITIES

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
PAYROLL AND PAYROLL TAXES	2,115.	1,438.
ACCRUED COMPENSATION	3,670.	4,359.
ACCRUED INTEREST	236.	186.
TOTALS	6,021.	5,983.

FORM 990, PART IV-A - OTHER REVENUE ON RETURN BUT NOT ON BOOKS

=====

DESCRIPTION

AMOUNT

EXPENSES FROM EXCHANGE
TRANSACTIONS (PAGE 1,
LINE 9B)

-20,305.

TOTAL

-20,305.
=====

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

=====

DESCRIPTION	AMOUNT
-----	-----
EXPENSES RELATED TO EXCHANGE TRANSACTIONS (PAGE 1, LINE 9B)	20,305.

TOTAL	20,305.
	=====

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 \$1,124.

SCHEDULE A, PART IV-A - OTHER INCOME

DESCRIPTION	2002	2001	2000	1999	TOTAL
MISCELLANEOUS				138.	138.
TOTALS				138.	138.

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

CONTRIBUTIONS
TO EMPLOYEE
BENEFIT PLANS

COMPENSATION

TITLE AND TIME
DEVOTED TO POSITION

NAME AND ADDRESS

MARK CADWALLADER
19365 65TH STREET
FOLEY, MN 55329

BOARD CHAIRMAN
2

DUANE SHEPPARD
19365 65TH STREET
FOLEY, MN 56329

TREASURER
1

IAN TAYLOR
19365 65TH STREET
FOLEY, MN 56329

MEMBER AT LARGE
2

DR. DON CLARK
19365 65TH STREET
FOLEY, MN 56329

VICE CHAIRMAN
1

LU ANN STROMBECK
19365 65TH STREET
FOLEY, MN 55329

CHIEF OPERATING
36-40
30,900.

4,830.

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

-2,238.

NORRIS JOHNSON
19365 65TH STREET
FOLEY, MN 56329

MEMBER AT LARGE
2

GRAND TOTALS

28,662.

4,830.