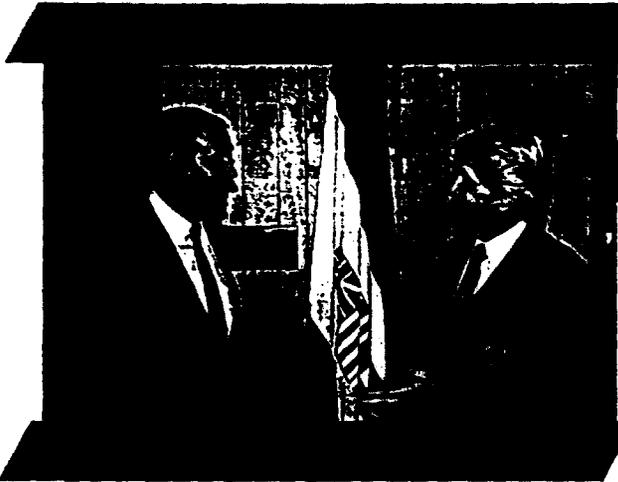
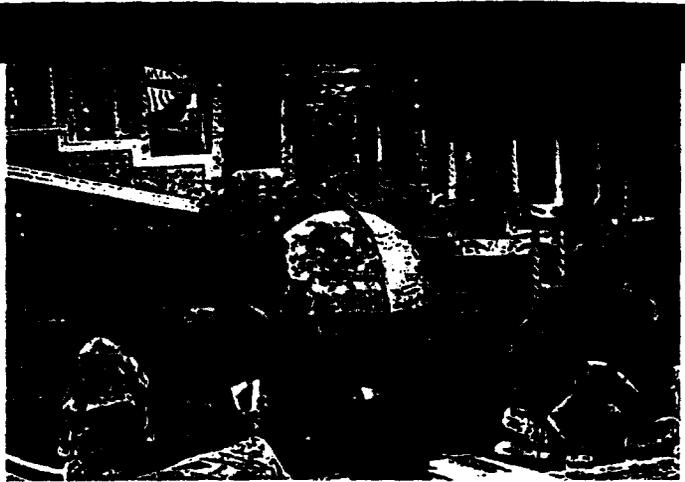


THE CROSS & THE SWITCHBLADE, the life story of NICKY CRUZ never grows old.

Head of the Mau-Mau gang in New York City: Killer, fighter, hater, hopeless gang member - but when one man told him about Jesus, his life was changed to: Christian, father, evangelist, soul winner. Someone told Nicky about Jesus and his life was changed. Lives were spared from that killer street gang because they were new creations in Jesus.

Partners, if we could tell every gang member in the world that Jesus loves them and can change them, what a new world this would be. Nicky can reach them. He speaks the language we can't speak to reach those kids with the gospel. Our part is giving so that TBN can stay on the air so that Nicky can preach to those gang members in Los Angeles - New York - Miami - Puerto Rico - maybe your boy or girl. Keep TBN strong for Jesus sake. Keep telling them Nicky.



"Africa shall be saved!—Africa shall be saved!—Africa shall be saved!" Those prophetic words of Reinhard Bonnke ring in our ears as we LOOK at the opportunity God is opening to TBN. Mr. Korbis Meiring, Deputy Minister of Foreign Affairs, Republic of South Africa and Paul met recently—and their goal?—"South Africa shall be SAVED!"

The possibility of 24 hour a day—7 days a week—Christian television on all over South Africa—is in view, Partners! The first step was Paul's meeting with this gentleman to discuss the possibility of TBN building an entire Christian NETWORK—all over South Africa! Please pray with us today for this miracle! "South Africa WILL be saved!"



The most influential force on the face of the earth—Spirit-anointed 24 hour-a-day Christian television! And HOUSTON, TEXAS—here we come! Your TBN Family loves you, needs you and are excited about coming to beautiful Houston.

There is no limit to the harvest that can be reaped in a town when the potential for every person in Houston is there to tune across their own TV in their own home and see Jesus on Ch. 14, 24 hours-a-day. Jesus said, "This gospel of the kingdom shall be preached in ALL THE WORLD for a witness unto all nations; and THEN shall the end come." (Matt. 24:14) Then and only then! If we wanna GO HOME—we must get busy & get this GOOD NEWS into every home in America. Have you given for Houston? If not, why not add an additional \$140, \$14 or 14¢ to your pledge FOR CH. 14 and make your extra gift for HOUSTON, TEXAS.

Precious front line soldiers—working around the clock to bring in the sheaves. (Psalm 126:6)

How many times we have gotten the report from the phone company, "Dr. Crouch, you missed 200 calls tonight—Your PRAISE Program jammed our lines and we missed 500 calls—Paul, there were calls missed from coast to coast because there was no one there to take the call..."

Partners, there are precious people whose hearts are touched by something that was said on one of the TBN programs and they see the prayer line and call for help—call to receive Jesus—call when they are suicidal—and they receive a BUSY SIGNAL! There is NO ONE THERE to listen & care & love & pray. Will you stand in the GAP? Will you be that Prayer Partner, in Jesus' name? God has not required that you go half way around the world and leave family & friends & go to some foreign LAND to minister! He needs you to simply come to a comfortable, beautiful studio & sit at a phone & reach hurting people that need Jesus just as much as those in a foreign LAND.

Call YOUR LOCAL STUDIO TODAY—in Fishkill, NY—Richmond, IN—Canton, OH—Miami, FL—Phoenix, AZ—Oklahoma City, OK—Seattle, WA—Albuquerque, NM—Denver, CO—Greensboro, NC—Nevis, WI—Ciskei, So. Africa—and of course, Orange Co., CA. Call today & minister in Jesus' name.





Paul & Jan were invited to participate in a day of rejoicing with the Jewish community of America commemorating 20 years since the Israeli army took the city of Jerusalem back and the Jews were once again allowed to pray to God at the Western Wall of the Temple in Jerusalem.

There were floats, bands, mounted riders, banners, mayors, rabbis and Christians joining together for a celebration of this great event for our Jewish friends. Paul presented a commemorative plaque to Mr. Yitzak El Dan, Deputy Council General of Israel, depicting a powerful scene etched in bronze of an Israeli soldier reaching toward the Wall in thanksgiving to God. It was created by Don Winton of Calvary Chapel, Costa Mesa, Calif. Paul & Jan were invited to be the Grand Marshalls for the Christian section of the parade.



"I will build my church; and the gates of HELL shall NOT prevail against it." (Matt. 16:18)

BIG D—Dallas/Ft. Worth—we are coming and building in Jesus' name a great LIGHTHOUSE to beam from the center of the USA to all the world. The Holy Beamer will stay in Big D/Ft. Worth at Ch. 58 and LIVE PRAISE will come from YOUR NEW CH. 58 home real often!

Souls are waiting to know Jesus loves them. Ch. 58 you are special & you will have a beautiful NEW HOME right on this spot.

In II Chron. 7:15 & 16, the Lord said, "I WILL LISTEN, WIDE AWAKE, to every prayer made in this place. For I have chosen this Temple and sanctified it to be my home forever; my eyes and my heart shall always be here." So Grammas, Children—we're in this together. We need You to thrust in the sickle and reap—for the time of His judgement is near. We don't have long! If you have not given for Ch. 58 Dallas/Ft. Worth, why not add \$58 to your pledge and send your gift today for Dallas/Ft. Worth.

A MESSAGE FROM PAUL F. CROUCH ON STEWARDSHIP

When dad passed away he left no will. He did not intend to place that kind of burden on Mother and us five children. Dad was so typical of God's people we were looking for the coming of the Lord, we were preaching the Gospel surely we would all be alive till the trumpet of the Lord would sound! But Dad was called home. He did not leave anything we would call an Estate today; a car, personal things, a few acres of land in South Dakota, but oh, the extra heartache for my dear mother. I wanted to help out but I was only seven. . . .

I learned a lesson from Dad's experience. Today if the Crouch family, Paul, Jan, and our boys are called home, EVERYTHING goes to Trinity Broadcasting to keep preaching the Gospel via CHRISTIAN TELEVISION.

You see, if you do not write a Will, or set up a living trust, the state will do it for you, and I doubt if they would write it the way you would want it. Of course a Will or trust is only the beginning. Our estate planning department keeps up with all the new laws and can help you and your attorney provide for your loved ones and for the Kingdom of God in many different ways.

We are stewards of the things God has entrusted to us. Someday just as the Parable of the Talents (Matthew 25:14-30) proves, we will all give an account to God. I want to know that if I go on home before Jesus comes, my resources will go on working for God. How about you? TBN's services are offered to you without cost. We are here to serve you and the Kingdom!

Jan and I love you and appreciate your partnership in this great ministry through Christian Television.

Give us a call if we can be of assistance. Ask for Adell McLemore, Ext 300 or Larry Messmer, Ext 314 at (714) 832-2950
Clip and Enclose Slip Below.

INFORMATION REGARDING STEWARDSHIP PLANNING

Please Send the Following Information:

- Wills & Trusts
- Gift Annuity
- Life Insurance
- Stewardship Planning Seminars

Please have a Christian Professional Contact Me About:

- Prudent Investments
- Tax Advantaged Charitable Gifts

Name _____
 Address _____
 City _____
 State _____
 Zip _____
 Phone (____) _____
 Date of Birth _____

God Bless You
 Larry Messmer, Director of Stewardship

(4)



The Holy Beamer will be rolling to your area soon—NEW YORK August 13th & 14th, then on to BEAUMONT, TEXAS September 3rd & 4th, then on to DENVER September 24th & 25th, then on to SEATTLE/TACOMA October 15th & 16th. Please join us in your area. You are special & we love to meet special people!



Soul winner and special friend of TBN, Dwight Thompson, is always such a blessing when he comes on PRAISE. Souls, souls, souls—that is what Dwight lives for—to win souls—helping fill that half full barn of Paul's dream with precious souls and Dwight is one of the BEST. Just recently at a Praise-a-thon over 500 people received Jesus their Savior in one night when Dwight preached a stirring message.

Internationally LOVED—Dr. T. L. Osborn was an inspiration to our whole TBN Family as he blessed us so beautifully at the TBN Revival in Dallas/Ft. Worth. Dr. Osborn taught us all through a beautiful illustration of "What the TRUE GOSPEL of Jesus Christ Is"! It is lifting a fellow traveler on this Road called LIFE to higher heights and making someone realize their potential of being special because JESUS DIED FOR US ALL—beggar or king—we're all the same in Jesus' eyes! Thank you, Dr. Osborn—we'll never be the same! Thank you, Dallas/Ft. Worth for being a beautiful, receptive, loving TBN Family. You are special and you all lifted us that night! We love you!



If you cannot preach like Dwight or sing like Je. McGrath, you are still a soul winner when you GIVE for them to win souls—read it in Philippians 4:15-17. The reward for every SOUL SAVED when you GIVE goes to your account. All of us can't preach to win souls—all of us can't sing to win souls—but we can all GIVE to win souls—and that's where we untalented ones shine. How can they hear without a preacher and how can we sing unless someone sends him? (Romans 10:14 & YOU are the someone who sends the gospel around the world—so, let's go, SENDERS, and send the gospel! Write today to: TBN, P.O. Box Santa Ana, CA 92711.

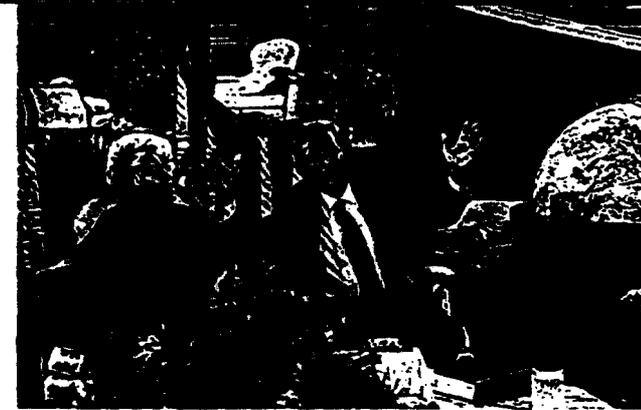


◀ Spirit anointed singing, Joy unspeakable & full of glory—Precious Betty Jean Robinson ministering in song—something always about the blood of Jesus. His precious blood that sets prisoners free—that breaks bondages—that loosens the captives. Partners, what if one night you tuned in to TBN and suddenly the screen was black! Oh, you can turn the channels & there is "Dynasty"—"As the World Turns"—"Johnny Carson"—"Miami Vice"—but where is Trinity—where is Jesus in your home, on your TV. You see, Grammas—hear me—YOU HAVE TO PAY for all that other programming on your TV & you have NO CHOICE. In every item you buy—from dish soap to cars—TV advertising dollars are automatically built in—and you have to pay that to get the item you need. You pay Johnny Carson & R. Ewing & Joan Collins' salaries & you have no choice. But with TBN, it is your free will choice to see that Jesus stays on in your home. Your gift to TBN is a TAX deduction for YOU. Your money going to the secular TV stations when you pay for their TV advertising is a TAX deduction for that company—NOT YOU! Let's make our free will choice & keep Betty Jean & Nancy & Candi & Paul & Jan on in your home.

The Mayor's Prayer Breakfast—and you were there. Again, Paul was asked to participate in the annual Mayor of Los Angeles' Prayer Breakfast and we were happy to do so! Mayor Tom Bradley allows ministers and friends to come together once a year to pray for our mayor and for his ability to lead this great city of Los Angeles.

This year was very special. Some people you will recognize from left to right are: Rosey & Margie Grier, His Honor the Mayor of Los Angeles Tom Bradley & Mrs. Bradley, Pat Boone, Fred & Betty Price, Paul & Jan and Ted Dawson (Local Ch. 7 sportscaster) directly in front of the podium. We all enjoyed the morning, but especially the fabulous sermon on "How to Pray" preached by Dr. Frederick K. C. Price—fabulous! Order tape #616-87.

Does your mayor allow mayor's prayer breakfasts? If so, get involved—go & pray for your mayor—"Pray for...all who are in authority over us...". If not, ask him if you may start one! It's what will Keep America strong—Prayer for those in authority. (1 Tim. 2:2)



Precious PRAISE Hosts Jerry & Sandi Barnard are always special as they host Salvations, Healings, precious ones filled with the Holy Spirit, blessed, ministered to—every single night in YOUR OWN HOME! Partners, your TBN PRAISE Program is the ONLY Prime-time LIVE Christian television program the whole wide world! The ONLY one—there are other programs, but they are NOT LIVE—there with you in your home and you are with us LIVE as it happens. You are in LIVE CHURCH every single night in your own home! Wow! Partners, do you know how much SATAN would LOVE to shut off this LAST ONLY LIVE Christian TV program in the world? The way he can do it is by you simply doing NOTHING—by sitting there & NOT praying for us and Not giving and SATAN HAS WON.

TBN belongs to YOU—OUR PARTNERS—and YOU are the ones that keep it on the air. So please pray today—NOW and GIVE today—NOW to keep LIVE Christian television in your home. It's up to YOU!

Write today: TBN, P.O. Box A, Santa Ana, CA 92711.

OUR LOVE GIFT TO YOU FOR THE MONTH OF AUGUST

Would you like to have the answer to those tough, most often asked questions from the Bible? How would you like having them in a handy pocket sized paperback to carry with your bible? Well, now you can. Dan Sheaffer has tackled those hard Bible questions from his TV program, "THE ANSWER" and edited them into this excellent volume.

"What is the unpardonable sin?"

"Do protective angels follow us around?"

"Can a believer be possessed by the devil?"

These and many other, often asked, Bible questions are answered from the Bible itself by Pastor Dan Sheaffer. Write today and ask for it. It will be sent for your regular pledge of for any love gift large or small. Jan and I love you and appreciate your faithful partnership as we keep building your TBN.

WRITE TODAY TO:

TRINITY BROADCASTING NETWORK - P.O. BOX A, SANTA ANA, CA 92711

Please allow 4 to 6 weeks for delivery of YOUR LOVE GIFT.

We would also like to know if you are receiving more than ONE newsletter. Please let us know, so that we can remove the duplicate from our mailing. Send in the duplicate label. THANK YOU

STUDIOS LOCATED AT:

CALIFORNIA-SANTA ANA
KTBN-TV CH. 40
P.O. Box A,
Santa Ana, CA 92711
Prayer Line: 714/ 731-1000
ARIZONA-PHOENIX
KPAZ-TV CH. 21
3551 E. McDowell Rd.
Phoenix, AZ 85008
Prayer Line: 602/ 244-8311
OKLAHOMA-
OKLAHOMA CITY
KTBO-TV CH. 14
3705 N.W. 63rd St.
Oklahoma City, OK 73116
Prayer Line: 405/ 848-1400
FLORIDA-MIAMI
WFTV-TV CH. 45
3324 Pembroke Rd.
Pembroke Park, FL 33021
Prayer Line: 305/ 966-4710

NEW YORK-POUGHKEEPSIE
WTBY-TV CH. 54
P.O. Box 534,
Fishkill, N.Y. 12524
Prayer Line: 914/ 896-4650
INDIANA-KENTUCKY/OHIO
WKOL-TV CH. 43
1702 S. 9th St.
Richmond, IN 47374
Prayer Line: 317/ 935-5200
WASHINGTON-
TACOMA/SEATTLE
KTBW-TV CH. 20
1909 S. 341st Pl.
Federal Way, WA 98003
Prayer: 206/ 874-7550 - 206/ 852-7550
N. CAROLINA-GREENSBORO
WLCI-TV CH. 61
2101-D Paterson St.
Greensboro, N.C. 27407
Prayer Line: 919/ 292-6100

OHIO-CANTON
WDLI-TV CH. 17
6600 Atlantic Blvd.
Louisville, OH 44641
Prayer Line: 216/ 875-7111
NEW MEXICO-ALBUQUERQUE
KNAT-TV CH. 23
1510 Coors Blvd, N.W.
Albuquerque, N.M. 87105
Prayer Line: 505/ 836-3955
TEXAS-DALLAS
KDTX-TV CH. 58
1455 W. Belt Line Rd.
Cedar Hill, TX 75104
Prayer Line: 714/ 731-1000
COLORADO - DENVER
K578T CH. 57
9020 Yates Rd.
Westminster, CO 80030
Prayer Line: 303/ 650-0800

TBN- FULL POWER STATIONS
(UNDER CONSTRUCTION)
INDIANA-BLOOMINGTON
WCLJ-TV CH. 42
Bloomington, IN

EDUCATIONAL STATIONS
(CET) KLUJ-TV CH. 44
501 N. Hampshire Rd.
Haringen, TX 78550
Prayer Line: 512/ 425-4400
(CET) KITU-TV CH. 34
Rt. 3 Box 938
Mauriceville, TX 77626
Prayer Line: 409/ 745-3434
FULL POWER
EDUCATIONAL STATIONS
(UNDER CONSTRUCTION)
(CET) KETH-TV CH. 14
3105 Senior Rd.
Houston, TX 77478

TBN- FOREIGN STATIONS
GUATEMALA, CITY, CH. 21
20 calle 7-71, zona 14,
La Canada, Guatemala
Prayer Line: 714/ 731-1000
TBN- FOREIGN STATIONS
NEVIS, WEST INDIES CH. 13
Bath Plaine, Charlestown,
Nevis, West Indies
Prayer Line: 714/ 731-1000
CAMPIONE, ITALY CH. 44
Via per Pugnana, #4
6911 Campione D'Italia Switzerland
Prayer Line: 714/ 731-1000
LUCARNO, ITALY CH. 32
PORTO CERREISO, Italy CH. 46
CISKEI, SOUTH AFRICA CH. 24
C/O Mr. Dawu Steyn, Ambassador
Office of the President,
Box 81, Bisha Ciskei, South Africa
Prayer Line: 714/ 731-1000

TBN is available in all 50 States with over 550 Affiliated. Prayer Line: 714/ 731-1000

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RENEWAL OF LICENSE AGREEMENT
BETWEEN TRINITY BROADCASTING NETWORK, INC.
AND SET FREE CHRISTIAN FELLOWSHIP, INC.

1. That certain License Agreement for 511 North Anaheim Boulevard, Anaheim, California, dated August 9, 1985 between SET FREE CHRISTIAN FELLOWSHIP, INC. ("Licensee") and TRINITY BROADCASTING NETWORK, INC. ("Licensor") is hereby renewed for another one year term commencing August 9, 1987 pursuant to all the terms and conditions of the License Agreement and with the addition of the terms set forth in paragraphs 2 and 3 hereinbelow.

2. Licensee shall pay all property taxes, property tax penalties and interest on property taxes arising out of its use and operation of the property and/or arising out of its failure to timely file an exemption application in proper form with the appropriate government agency.

3. The License Agreement shall automatically renew each year without formal action by either party, but shall at all times be subject to termination by either party upon thirty (30) days written notice to the other party.

Federal Communications Commission
Docket No. 93-78, Exhibit No. 154

Received by *mmg*

DEC 03 1993

DEC 03 1993

A. Walker

DEC 03 1993

IN WITNESS WHEREOF, the parties hereto have duly executed
this Renewal of License Agreement as of this _____ day of July,
1987.

"Licensee":

SET FREE CHRISTIAN FELLOWSHIP, INC.

By *Phil Galt*

Title Pastor

"Licensor":

TRINITY BROADCASTING NETWORK, INC.

By *[Signature]*

Title *[Signature]*

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MAY & DUNNE
 CHARTERED
 ATTORNEYS AT LAW
 August 17, 1987

1156 - 15TH STREET, N.W.
 SUITE 515
 WASHINGTON, D.C. 20005-1704
 (202) 223-9013

Paul F. Crouch
 Trinity Broadcasting Network, Inc.
 P.O. Box C11949
 Santa Ana, CA 92711

RE: TBA, TBD, TBF, TBI, TBN, TBNY, TBOC, TBW, CET, TBT, ETOH, AND NMTV
 FOR SERVICES RENDERED JUNE 8 THROUGH JULY 7, 1987:

PREVIOUS BALANCE:
 LESS PAYMENT RECEIVED 08/07/87:
 BALANCE FORWARD:

<u>SERVICES RENDERED:</u>	<u>ATTY. TIME</u>	<u>CLERK TIME</u>
TBA (B08)		
TBD (B19)		
TBI (B38)		
TBN (B78)		
TBNY (B49)		
TBOC (B57)		
TBF (B26)		
TBW (B94)		
CET (B20)		
ETOH (B24)		
TBT (B69)		
NMTV (B47)		
TOTAL HOURS:		

TOTAL SERVICES RENDERED:

DISBURSEMENTS

	<u>TRAVEL</u>	<u>XEROX</u>	<u>PHONE</u>	<u>POSTAGE</u>	<u>WORD PRO.</u>	<u>FLG FEES & DLY CHARGES*</u>	<u>FED. EXP. & ZAP MO. CHARGES</u>	<u>CLIENT MEMOS</u>	<u>TOTALS</u>
TBT	-								
TBA	-								
TBD									
TBF									
TBI									
TBN									
TBNY									
TBOC									
TBW									
CET									
ETOH									
NMTV									
TOTALS									

TOTAL DISBURSEMENTS:

TOTAL DUE AS OF AUGUST 14, 1987:

03846

Federal Communications Commission

Docket No. 93-75 Exhibit No. 153

Presented by m m B

Disposition { Identified DEC 03 1993
Retained DEC 03 1993
Rejected _____

Reporter A. Walker

Date 21 03 1993

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TRINITY BROADCASTING NETWORK, INC., (TBN)

AND SUBSIDIARY AND AFFILIATES

AUDIT REPORT

DECEMBER 31, 1986

Federal Communications Commission

Docket No. 93-78 Exhibit No. 156

Presented by M.M.A.

Admitted DEC 03 1993

Disposition DEC 03 1993

Rejected

Reporter A. Walker

Date DEC 03 1993

TRINITY BROADCASTING NETWORK, INC.

AND SUBSIDIARY AND AFFILIATES

DECEMBER 31, 1986

BOARD OF DIRECTORS

TRINITY BROADCASTING NETWORK, INC.

(PARENT COMPANY)

<u>MEMBERS</u>	<u>TITLE</u>
Paul F. Crouch	President and Director
Janet W. Crouch	Vice President and Director
Norman G. Juggert	Secretary/Treasurer and Director
Phillip A. Crouch	Assistant Secretary

TRINITY BROADCASTING NETWORK, INC. (TBN)

AND SUBSIDIARY AND AFFILIATES

DECEMBER 31, 1986

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Comparative Statement of Support, Revenue and Expenses and Changes in Fund Balance for the Years Ended December 31, 1986 and 1985	'B'
Comparative Statement of Changes in Financial Position for the Years Ended December 31, 1986 and 1985	'C'
Combined Balance Sheet, December 31, 1986	'D'
Combined Statement of Support, Revenue and Expenses and Changes in Fund Balance for the Year Ended December 31, 1986	'E'

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Huffman & Co.

Certified Public Accountants

RICHARD E. HUFFMAN
45 W. 6th Street
Corona, California 91720
(714) 735-9930

Accountancy Corporation
5353 Mission Center Road
Suite 115
San Diego, California 92108
(619) 294-8625

The Board of Directors
Trinity Broadcasting Network, Inc.
Tustin, California

We have examined the financial statements of Trinity Broadcasting Network, Inc. and its' Subsidiary and Affiliates for the years ended December 31, 1986 and 1985, listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and accordingly, included such test of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As part of our examination of the financial statements of Trinity Broadcasting Network, Inc. and its' Subsidiary and Affiliates for the years ended December 31, 1986 and 1985, we made a study of the corporation's system of internal accounting control to the extent necessary to evaluate the systems as required by generally accepted auditing standards. Our study included all of the control categories listed below and there was no major financial internal control category we did not evaluate.

Accounting Applications

Revenue

- a) Contributions - Reserved
- b) Contributions - Unreserved
- c) Cash Receipts

Cash Disbursements/Purchasing

- Reserved
- Unreserved

The audit report on Community Educational Television, Inc. (CET) has been covered by a separate report and is not included in this report. In our opinion, the accompanying financial statements present fairly the financial position of Trinity Broadcasting Network, Inc. and its' Subsidiary and Affiliates at December 31, 1986 and 1985 and the results of their operations and changes in their financial position for the years then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The accompanying supplemental information presented is not necessary for a fair presentation of financial statements, but is presented as additional supplementary data. This information has been subjected to the tests and other auditing procedures applied on the examination of the financial statements mentioned above and in our opinion is fairly stated in all material respects in relation to the financial statements taken as a whole.

8-19-87

Huffman & Co.

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TRINITY BROADCASTING NETWORK, INC. (TBN)
AND SUBSIDIARY AND AFFILIATES
COMBINED TRINITY BROADCASTING NETWORK
DECEMBER 31, 1986 and 1985

EXHIBIT 'A'

	<u>1986</u>	<u>1985</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash in Bank and on Hand	\$ 548,113	\$ 595,880
Time Certificates & Treasury T Bills	4,857,527	6,765,445
Total Cash on Hand & In Banks	5,405,640	7,361,325
Accounts Receivable Less Allowance for Doubtful Accounts	1,235,101	792,475
Prepaid Expenses & Security Deposits	127,659	261,604
Total Current Assets	6,768,400	8,415,404
Notes Receivable & Investments (Note #6)	7,629,653	8,677,159
Amount Due from Affiliate - CET	3,893,564	1,576,068
Property and Equipment - Less Accumulated Depreciation (Note #4)	39,523,929	28,900,007
Broadcasting Licenses - Less Accumulated Amortization (Note #5)	16,929,454	10,553,091
Satellite Broadcasting Right - Less Accumulated Amortization (Note #11)	1,112,836	1,432,836
Total Assets	\$ <u>75,857,836</u>	\$ <u>59,554,565</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>Current Liabilities</u>		
Accounts Payable and Accrued Expenses	1,145,455	848,477
Interest Payable	58,515	53,093
Deferred Income (Note #12)	347,627	278,000
Notes Payable-Current Portion	1,988,022	1,503,996
Total Current Liabilities	3,539,619	2,683,566
Trust Accounts Payable (Note #8)	469,309	544,429
Notes Payable-Less Current Portion (Note #7)	2,503,854	2,429,319
Total Liabilities	6,512,782	5,657,314
<u>FUND BALANCE</u>		
Reserved	2,127,859	2,648,249
Unreserved	67,217,195	51,249,002
Total Fund Balance	69,345,054	53,897,251
Total Liabilities & Fund Balance	\$ <u>75,857,836</u>	\$ <u>59,554,565</u>

"See Accompanying Notes to Financial Statements."

(5)

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TRINITY BROADCASTING NETWORK, INC. (TBN)
AND SUBSIDIARY AND AFFILIATES
COMBINED TRINITY BROADCASTING NETWORK
 COMPARATIVE STATEMENT OF SUPPORT REVENUE AND EXPENSES AND CHANGES IN FUND BALANCE
 FOR THE YEARS ENDED DECEMBER 31, 1986 and 1985

	<u>1986</u>	<u>1985</u>
<u>PUBLIC SUPPORT AND REVENUE</u>		
Contributions-Reserved & Unreserved (Note #3)	\$ 32,815,849	\$ 27,708,262
Telecasting & Production-Cost Sharing	4,295,627	4,055,679
Donated Asset Sales	439,673	1,095,817
Interest Income	576,226	811,549
Miscellaneous Income	<u>862,553</u>	<u>708,549</u>
Total Public Support & Revenue	<u>38,989,928</u>	<u>34,379,856</u>
 <u>EXPENSES</u>		
<u>Program Services</u>		
Broadcasting & Programming	9,138,331	8,984,478
<u>Support Services</u>		
Designated Projects (Restricted)	<u>935,758</u>	<u>445,607</u>
Total Expenses	<u>23,542,125</u>	<u>21,628,397</u>
Excess of Public Support and Revenue Over (Under) Expenses	15,447,803	12,751,459
 <u>FUND BALANCE, January 1, 1986</u>	 <u>53,897,251</u>	 <u>41,145,792</u>
 <u>FUND BALANCE, December 31, 1986</u>	 <u>\$ 69,345,054</u>	 <u>\$ 53,897,251</u>

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TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES
COMBINED TRINITY BROADCASTING NETWORK
COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 1986 and 1985

EXHIBIT 'C'

	<u>1986</u>	<u>1985</u>
<u>WORKING CAPITAL (FUND) PROVIDED FROM</u>		
Excess of Public Support and Revenue Over Expenses	\$ 15,447,803	\$ 12,751,459
Add Expenses not Affecting Working Capital:		
Depreciation and Amortization	3,597,413	3,568,872
Decrease in Notes Receivable & Investments	1,047,506	-
Increase in Long-Term Notes Payable	74,535	-
Total Working Capital Provided	<u>20,167,257</u>	<u>16,320,331</u>
<u>WORKING CAPITAL (FUNDS) USED FOR</u>		
Increase in Notes Receivable & Investments	-	5,414,670
Increase in Amount Due from CET	2,317,496	960,105
Acquisition of Broadcasting License	6,715,445	-
Acquisition of Satellite	-	1,600,000
Acquisition of Property and Equipment	13,562,253	6,092,779
Reduction of Trust Accounts Payable	75,120	17,552
Reduction of Long-Term Notes Payable	-	1,937,752
Total Working Capital Used	<u>22,670,314</u>	<u>16,022,858</u>
<u>INCREASE (DECREASE) IN WORKING CAPITAL</u>	<u>\$ (2,503,057)</u>	<u>\$ 297,473</u>

* * * * *

CHANGES IN WORKING CAPITAL

Increase (Decrease) in Current Assets

Total Cash on Hand and In Banks	(1,955,685)	1,828,928
Accounts Receivable and Other	308,681	20,627
Total Current Asset Changes	<u>(1,647,004)</u>	<u>1,849,555</u>

Increase (Decrease) In Current Liabilities

Accounts Payable & Accrued Expenses	296,978	107,547
Other Accrued Liabilities	559,075	1,444,535
Total Current Liability Changes	<u>856,053</u>	<u>1,552,082</u>
Increase (Decrease) In Working Capital	<u>\$ (2,503,057)</u>	<u>\$ 297,473</u>

TRINITY BROADCASTING NETWORK, INC. (TBN)
AND SUBSIDIARY AND AFFILIATES
COMBINED BALANCE SHEET
DECEMBER 31, 1986

EXHIBIT 'D'

	TRINITY BROADCASTING NETWORK, INC.	TRANSLATOR T.V. INC.	TB OF ARIZONA INC.	TB OF FLORIDA INC.	TRINITY TONERS INC.	TB OF NEW YORK INC.	TB OF INDIANA INC.	TB OF OKLAHOMA INC.	TB OF WASHINGTON INC.	TB OF DENVER INC.	TB OF TEXAS INC.	TRINITY CHRISTIAN CENTER	LESS COMBINING ADJUSTMENTS	COMBINED 1986 TOTALS
ASSETS														
Current Assets														
Cash in Bank	\$ 77,264		\$ 143,030	\$ 59,579	\$ 40,260	\$ 14,756	\$ 54,989	\$ 26,678	\$ 92,506	\$ 21,768	\$ 2,303	\$ 4,254		\$ 594,487
Petty Cash Funds	1,894		1,586	788	450	665	250	2,146	1,214	223	-	-		9,278
Time Certificates & Treasury T Bills	1,165,212		989,213	-	-	898,000	998,000	998,000	299,000	797,000	-	-		4,837,237
Total Cash on Hand & In Bank	1,243,970		1,142,841	60,367	40,710	15,421	953,239	1,026,824	94,720	870,991	2,303	4,254		5,405,640
Accounts Receivable, less Allowance														
for Doubtful Accounts	419,211		201,804	148,334	203	130,274	81,486	99,598	105,094	48,497	-	-		1,235,101
Prepaid Expenses & Security Deposits	272,652													1,172,637
Total Current Assets	1,790,840		1,344,645	209,301	40,913	145,695	1,034,725	1,126,422	199,814	869,488	2,303	4,254		6,766,400
NOTE RECEIVABLE & INVESTMENTS														
Payable to Other Affiliates	7,915,258						322,568			91,879				7,679,653
Payable to Other Affiliates - Less	22,391,657		8,151,628	1,555	175,000	5,263	1,424,429	1,818,572	1,350	1,486,247	-		\$(11,562,337)	3,893,548
Accumulated Depreciation	18,060,192		2,781,378	3,901,512	1,738,526	2,240,194	1,145,152	1,440,654	2,289,896	1,540,076	1,149,379	2,234,316		79,523,979
BROADCASTING LICENSING - less														
Accumulated Amortization	3,812,307		1,067,806	5,540,475	-	2,128,861	-	-	982,795	-	3,397,210	-		16,979,454
Accumulated Amortization	1,112,836		-	-	-	-	-	-	-	-	-	-		1,112,836
Total Assets	955,183,282		912,345,457	99,652,883	91,954,439	14,520,013	93,926,874	14,385,648	92,473,852	93,987,610	94,588,892	92,298,570	\$(11,562,337)	935,837,829
LIABILITIES AND FUND BALANCE														
Current Liabilities														
Accounts Payable	555,645		22,882	36,025	8,434	6,788	26,113	4,789	11,244	2,637	235,781	813		912,330
Accrued Payables	152,322		18,323	19,403	2,735	8,911	10,512	9,296	9,577	5,316	1,909	-		232,112
Interest Payable	41,903		14,532	-	-	-	-	-	-	-	-	-		54,515
Deferred Income					89,437	-	-	-	-	278,000	-	-		347,437
Notes Payable - Current Portion	1,288,824		181,000	101,948	150,000	-	-	-	20,821	-	238,800	48,000		1,995,924
Total Current Liabilities	2,018,724		238,737	157,376	230,796	15,699	36,625	14,085	20,821	283,953	476,490	48,813		3,519,419
Notes Payable - Less Current Portion	469,309				1,049,000	-	-	-	-	-	338,603	-		1,497,912
Trust Accounts Payable	382,737		710,011	8,140,811	498,500	8,391,216	1,400	-	187,491	1,350	2,794,599	249,671		2,519,419
Accounts Due Affiliates	11,424,069		1,165,431	8,225,192	1,278,296	6,406,915	28,023	14,085	188,112	287,303	4,610,032	411,967		21,552,377
Total Liabilities	14,224,252		1,115,172	9,225,192	1,278,296	6,406,915	28,023	14,085	188,112	287,303	4,610,032	411,967		21,552,377
FUND BALANCE														
Retain	1,132,512		874,434	196,179	-	5,213	105,119	129,001	29,776	2,959	(19,334)	-		2,177,859
Decrease	21,258,418		(11,706,844)	1,160,577	176,132	(1,892,113)	2,793,720	4,424,552	2,435,987	2,697,372	(21,868)	1,796,403		62,217,195
Total Fund Balance	20,900,920		12,231,270	1,356,656	176,132	(1,886,902)	2,808,839	4,371,553	2,285,743	2,700,337	(21,800)	1,796,403		69,145,054
Total Liabilities and Fund Balance	955,183,282		912,345,457	99,652,883	91,954,439	14,520,013	93,926,874	14,385,648	92,473,852	93,987,610	94,588,892	92,298,570	\$(11,562,337)	935,837,829

*See Accompanying Notes to Financial Statements.

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TRINITY BROADCASTING NETWORK, INC., (TBN)
AND SUBSIDIARY AND AFFILIATES
COMBINED STATEMENT OF SUPPORT, REVENUE AND EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1986

	TRINITY BROADCASTING NETWORK, INC.	TRANSLATOR T.V. INC.	TB OF ARIZONA INC.	TB OF FLORIDA INC.	TRINITY TOWERS INC.	TB OF NEW YORK INC.	TB OF INDIANA INC.	TB OF OKLAHOMA INC.	TB OF WASHINGTON INC.	TB OF DENVER INC.	TB OF TEXAS INC.	TRINITY CHRISTIAN CENTER INC.	COMBINED TBN TOTALS
PUBLIC SUPPORT AND REVENUE													
Contributions-Reserved & Unreserve (Note 3)	\$18,365,599		\$3,462,316	\$2,289,054	\$20,025	\$775,804	\$2,042,218	\$2,037,546	\$2,596,579	\$1,089,009		\$136,099	\$32,815,849
Telecasting & Production-Cost Sharing	1,458,639		550,182	571,877	-	464,018	313,121	399,637	386,927	151,226		-	4,295,627
Donated Asset Sales	414,135		930	6,821	-	-	-	17,787	-	-		-	439,673
Interest Income	403,182		52,758	8,839	-	399	20,027	38,442	3,106	48,879	\$ 1	593	576,226
Miscellaneous Income	411,496		9,776	1,700	375,215	25,818	5	8,264	21,953	6,079		2,247	862,553
Total Public Support and Revenue	<u>21,053,051</u>	<u>-</u>	<u>4,075,962</u>	<u>2,879,091</u>	<u>396,040</u>	<u>1,266,039</u>	<u>2,375,371</u>	<u>2,501,676</u>	<u>3,008,565</u>	<u>1,295,193</u>	<u>1</u>	<u>138,939</u>	<u>38,989,928</u>
EXPENSES													
Production Expenses	578,916		56,713	79,617		65,225	33,607	79,321	5,771	5,064			904,234
Engineering Expenses	1,984,947	59,894	341,128	307,926		308,575	258,659	286,033	253,970	78,816	15,217		3,895,165
Programming Expenses	2,547,178	-	328,489	474,035		125,120	117,345	312,601	307,567	121,647	-		4,338,932
Total Program Services	<u>5,110,991</u>	<u>59,894</u>	<u>726,330</u>	<u>861,578</u>	<u>-</u>	<u>498,920</u>	<u>409,611</u>	<u>682,955</u>	<u>567,308</u>	<u>205,527</u>	<u>15,217</u>	<u>-</u>	<u>9,138,331</u>
SUPPORT SERVICES													
General & Administrative Expenses	5,847,296	43,107	872,356	982,995	367,335	611,961	344,538	378,377	332,728	147,384	25,360	74,683	10,028,121
Fund Raising	2,726,522	-	113,328	102,364	-	37,362	112,061	91,506	92,755	39,453	-	124,564	3,439,915
Total Support Services	<u>8,573,818</u>	<u>43,107</u>	<u>985,684</u>	<u>1,085,359</u>	<u>367,336</u>	<u>649,323</u>	<u>456,599</u>	<u>469,883</u>	<u>425,483</u>	<u>186,837</u>	<u>25,360</u>	<u>199,247</u>	<u>13,468,036</u>
DESIGNATED PROJECTS (RESTRICTED)	<u>801,420</u>	<u>-</u>	<u>66,264</u>	<u>36,769</u>	<u>-</u>	<u>4,719</u>	<u>6,010</u>	<u>11,580</u>	<u>7,632</u>	<u>740</u>	<u>624</u>	<u>-</u>	<u>935,758</u>
Total Expenses	<u>14,486,229</u>	<u>103,001</u>	<u>1,778,278</u>	<u>1,983,706</u>	<u>367,336</u>	<u>1,152,952</u>	<u>872,220</u>	<u>1,164,418</u>	<u>1,000,423</u>	<u>393,104</u>	<u>41,201</u>	<u>199,247</u>	<u>23,542,125</u>
Excess Public Support & Revenue Over (Under) Expenses	6,566,822	(103,001)	2,297,684	895,385	28,704	113,077	1,503,151	1,337,258	2,008,142	902,089	(41,200)	(60,308)	15,447,803
FUND BALANCE, January 1, 1986	<u>34,342,108</u>	<u>(341,945)</u>	<u>9,933,594</u>	<u>463,271</u>	<u>147,439</u>	<u>(1,999,979)</u>	<u>2,385,698</u>	<u>3,038,305</u>	<u>1,277,601</u>	<u>2,798,248</u>	<u>-</u>	<u>1,856,911</u>	<u>52,897,251</u>
FUND BALANCE, December 31, 1986	<u>\$40,908,930</u>	<u>\$(444,946)</u>	<u>\$12,231,278</u>	<u>\$1,358,656</u>	<u>\$176,143</u>	<u>\$(1,886,902)</u>	<u>\$3,888,849</u>	<u>\$4,371,563</u>	<u>\$3,285,743</u>	<u>\$3,700,337</u>	<u>\$(41,200)</u>	<u>\$1,796,603</u>	<u>\$60,000,000</u>

See Accompanying Notes to Financial Statements.

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TRINITY BROADCASTING NETWORK, INC.-

AND SUBSIDIARY AND AFFILIATES

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - As in past years, the Trinity Broadcasting Network, Inc. records financial transactions in accordance with Modified Non-Profit Fund Accounting Standards. This basis of Accounting generally requires the utilization of the modified accrual basis of accounting, wherein expenditures are recorded at the time liabilities are incurred and available revenues which are accrued to reflect properly the revenues earned within the current year.

PRODUCTION AND-AIRTIME COST SHARING

Revenue from production cost sharing is recognized when the production effort has been completed while revenue from airtime cost sharing is recognized when the contracted program has been broadcast.

INVESTMENTS

Donated investments are stated at estimated fair market values at the dates of donation, which approximates current market value.

INVENTORIES - SUPPLIES AND DONATED ASSETS

Generally inventories are stated at cost. Inventory consist of supplies and donated assets. Supplies and donated assets were estimated to have a value of \$22,000 on December 31, 1986.

INCOME TAXES

Trinity Towers is the only entity subject to Federal and State income taxation.

2. ORGANIZATION

TBN and its' Subsidiary and Affiliates have organized for the purpose of engaging in religious christian broadcasting activities. Following is a list of TBN and its' Subsidiary and Affiliates by region and direct financial relationships. The following format is for financial Statement purposes only.

A. TBN & Subsidiaries & Direct Affiliates

TBN & Subsidiaries

*TBN, Inc. (Parent Company) (KTBN Channel 40 TV)

TBN-Stewardship Department (Trust Accounts)

*TBN-Nevis, L.T.D.

TBN-Europe

*TB -Canton, OH (-TV Channel 17)

*TB -Greensburc, N.C. (WLXI-TV Channel 61)

*TBN-Africa

Direct Affiliates

Transiator I.V., Inc.

Trinity Christian Center, Inc.

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B. TBN Western Affiliates

- *TB - of Arizona, Inc. KPAZ - Channel 21 TV
- *TB - of Arizona, Inc. (New Mexico) KNAT-TV-Channel 23
- *TB - of Denver, Inc. K57BT - Channel 57 TV
- *TB - of Washington, Inc. - KTBW - TV Channel 20

C. Midwest TBN Affiliates

- *TB - of Indiana, Inc. - WKOI - TV Channel 43
- *TB - of Oklahoma, Inc. - KTBO Channel 14
- *TB - of Texas, Inc. - Channel 58

D. Eastern TBN Affiliates

- *TB - of New York, Inc. - Channel 54
- *TB - of Florida, Inc. - WHFT Channel 45
- Trinity Towers, Inc.

*Stations with Broadcasting Licenses/Full Power Stations

3. PUBLIC SUPPORT - CONTRIBUTIONS - RESERVE & UNRESERVE

Contributions are recognized when cash or other assets are received. Donated assets are generally reflected in the accompanying combined financial statements at their estimated fair market values at the date of receipt. All contributions are considered available for unreserved use unless specifically reserved by the donor. Although there is no legal requirement to do so, such restrictions are viewed by management as moral commitments to expend such contributions as designated by the donors.

The excess of Reserve Contributions over Designated Expenses are reflected in the Fund Balance as Reserve Funds.

4. PROPERTY AND EQUIPMENT

Property and equipment are carried at cost. Donated assets are generally reflected at their estimated fair market values at the dates of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized as income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized.

	<u>1986</u>	<u>1986</u>	<u>1986</u>	<u>ESTIMATED</u>
	<u>1-1-86</u>	<u>ADDITIONS</u>	<u>12-31-86</u>	<u>USEFUL LIVES</u>
Land & Land Improvements	\$4,105,930	\$ 687,613	\$4,793,543	
Building & Leasehold Improvements	11,117,693	2,487,189	13,604,882	10-45 Years
Electronic & Technical Equipment	25,241,636	11,105,211	36,346,847	3-8 Years
Furniture and Equipment	761,089	172,537	933,626	10 Years
Studio Sets	384,941	60,079	445,020	8 Years
Construction in Progress	950,376	(950,376)	-	
Total Property & Equipment	<u>\$42,561,665</u>	<u>\$13,562,253</u>	<u>\$56,123,918</u>	

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NOTES TO FINANCIAL STATEMENTS
(continued)

	1986		1986	
	1-1-86	ADDITIONS	12-31-86	E. MATED USE; L LIVES
LESS:				
Accumulated Depreciation	13,661,658		13,661,658	
Current Depreciation	-	2,938,331	2,938,331	
Total Accumulated Depreciation	13,661,658	2,938,331	16,599,989	
Accumulated Depreciation Net Balance per Exhibits	<u>\$28,900,007</u>		<u>\$39,523,929</u>	

5. BROADCASTING LICENSES

Broadcasting Licenses are generally stated at cost and are being amortized on a straight-line basis over a period of forty years.

BROADCASTING LICENSES	1985		1986	
	1-1-86	ADDITIONS	12-31-86	
TBN, Inc.	\$ 703,733		\$ 703,733	
TBN of Nevis, LTD	48,165		48,165	
TBN of Arizona, Inc.	1,392,790		1,392,790	
TBN of Washington, Inc.	1,034,521		1,034,521	
TBN of New York, Inc.	2,393,207		2,393,207	
TBN of Florida, Inc.	6,617,700		6,617,700	
TBN, Inc.-Canton, OH	-	\$ 2,417,551	2,417,551	
TBN, Inc.-Greensboro, NC	-	900,684	900,684	
TBN, of Texas	-	3,397,210	3,397,210	
Total License Costs	12,190,116	6,715,445	18,905,561	
Accumulated Amortization	1,637,025	\$ 339,082	1,976,107	
Net Balance Per Exhibits	<u>\$ 10,553,091</u>		<u>\$ 16,929,454</u>	

6. NOTES RECEIVABLE AND INVESTMENTS

Consisted of the following:

<u>BORROWER/RELATED AFFILIATES</u>	<u>TERMS</u>		<u>AMOUNT OF NOTE OR INVESTMENT</u>	
	<u>INTEREST RATE</u>	<u>PAYMENT</u>	<u>1986</u>	<u>1985</u>
	<u>Harrison/TBN/Stewardship</u>	20%	Due/1991	\$31,826
<u>Tri State/TBN</u>	12%			
<u>Secured/Related to Station Investments</u>		Due/1990	1,747,192	1,931,473
<u>All American TV</u>	11%	On Demand		
<u>Secured/Related to Station Investments</u>			1,917,722	1,917,722
<u>Unsecured</u>			985,001	184,000
<u>Accrued Interest</u>			310,893	46,235
<u>Lakewood New Life Center/TBD</u>	10%			
<u>Secured</u>			75,000	175,000
<u>Accrued Interest</u>			16,829	6,664
<u>Planck Engineering, Inc./TBN</u>				
<u>Secured</u>	7%		80,000	-
<u>Accrued Interest</u>			203	-