

Part II Activities and Operational Information

- 1 Provide a detailed narrative description of all the activities of the organization — past, present, and planned. **Do not merely refer to or repeat the language in the organizational document.** List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

THE ANTICIPATED PRIMARY ACTIVITY OF THE ORGANIZATION IS TO ORGANIZE AND OPERATE A CHRISTIAN SCHOOL. PLANS FOR THE SCHOOL INCLUDE EDUCATION FOR STUDENTS FROM PRE KINDERGARTEN THROUGH GRADE TWELVE. THE SCHOOL WILL DISTINGUISH ITSELF FROM OTHER PUBLIC EDUCATION BY INCLUDING IN ITS CURRICULUM BOTH CORE KNOWLEDGE AND CHRISTIAN PRINCIPLES OF LIVING.

NO OTHER ACTIVITIES ARE PLANNED FOR THE ORGANIZATION. IT IS ANTICIPATED THAT IT WILL REQUIRE 100% OF ALL PEOPLE AND FINANCIAL RESOURCES TO MAKE THE SCHOOL A SUCCESS.

THE ORGANIZATIONAL PLANNING ACTIVITIES STARTED IN THE YEAR 2002, RESULTING IN THE INITIAL INCORPORATION AND ESTABLISHMENT OF A GOVERNING BOARD ON SEPTEMBER 9, 2003. ACTIVITIES NOW ARE UNDERWAY FOR THE REGISTRATION OF STUDENTS FOR PRE-KINDERGARTEN THROUGH GRADE THREE, FOR THE INITIAL SCHOOL YEAR TO BEGIN IN SEPTEMBER, 2004. THIS ACTIVITY WILL BE CONDUCTED AT THE SOUTHGATE CHURCH OF CHRIST BUILDING, UNDER A FACILITIES USE AGREEMENT WITH ELDERS OF THAT CHURCH, LOCATED AT 528 COUNTRY CLUB ROAD IN SAN ANGELO, TEXAS. AT PRESENT, THE ACTIVITIES ARE BEING CONDUCTED BY A VOLUNTEER GROUP UNDER THE OVERSIGHT OF THE SCHOOL'S BOARD OF DIRECTORS. IT IS ANTICIPATED THAT AN ADMINISTRATOR WILL BE HIRED IN JANUARY, 2004 AND TEACHERS WILL BE HIRED IN JULY, 2004. THE BOARD HAS ADOPTED AN OPERATING BUDGET FOR THE SHORT FISCAL YEAR ENDING JUNE 30, 2004, AS WELL AS A PRELIMINARY BUDGET FOR THE FIRST FULL FISCAL YEAR STARTING JULY 1, 2004.

- 2 What are or will be the organization's sources of financial support? List in order of size.
- PRINCIPAL FINANCING WILL BE FROM STUDENT TUITION AND FEES. THE SECOND SOURCE OF SUPPORT WILL BE THE IN-KIND CONTRIBUTION OF BUILDING USE AND UTILITIES FROM THE SOUTHGATE CHURCH OF CHRIST. THE THIRD LEVEL OF SUPPORT WILL BE FROM PUBLIC DONATIONS.

- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.
- A FUND RAISING COMMITTEE OF VOLUNTEERS HAS BEEN ESTABLISHED. IT IS ANTICIPATED THAT IT WILL HOLD AN ANNUAL "SUPPORT THE SCHOOL" DINNER IN WHICH DONATIONS WILL BE SOLICITED. A DINNER, HELD 10/17/03 RAISED \$2,850 FROM TICKET SALES. A CALENDAR SALE EVENT IS IN PROCESS. ANTICIPATED NET IS \$1,110. A SPRING AUCTION IS PLANNED. NO PROFESSIONAL FUND RAISERS ARE USED.

Part II Activities and Operational Information (Continued)

4 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
HERSCHEL DUCKWORTH, PRESIDENT 3515 GRAPE CREEK ROAD SAN ANGELO, TEXAS 76903	NONE
STEVE SHERROD, VICE PRESIDENT 4922 MARINER TERRACE SAN ANGELO, TEXAS 76903	NONE
TOMMY McMAHON, SECRETARY 3602 WILDEWOOD SAN ANGELO, TEXAS 76904	NONE

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? Yes No
 If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See **Specific Instructions** for Part II, Line 4d, on page 3.) Yes No
 If "Yes," explain.

5 Does the organization control or is it controlled by any other organization? Yes No
 Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors? Yes No
 If either of these questions is answered "Yes," explain.

1. ARTICLES OF INCORPORATION NO. IX: ELDERS OF THE CHURCH OF CHRIST, SOUTH GATE CONGREGATION, APPOINTED THE INITIAL BOARD AND MUST APPROVE ADDITIONS.
2. BYLAWS PROVISIONS NOS. 3.04 / 3.06: ELDERS, CHURCH OF CHRIST, SOUTHGATE CONGREGATION, MUST APPROVE REMOVAL, ELECTION AND VACANCIES OF BOARD.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees? Yes No
 If "Yes," explain fully and identify the other organizations involved.

NONE OF THE ABOVE TRANSACTIONS ARE ANTICIPATED AT THIS TIME, OTHER THAN RELATIONSHIP ACTIVITIES WITH OTHER 501(c)(3) ORGNAIZATIONS. THE EXPLORATION OF AVAILABLE GRANT FUNDS MAY BE INITIATED AT A LATER DATE, BUT IS UNKNOWN AT THIS TIME.

7 Is the organization financially accountable to any other organization? Yes No
 If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

Part II Activities and Operational Information (Continued)

8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If none, indicate "N/A."

THE ORGANIZATION WAS INITIALLY FUNDED BY A \$10,000 ANONOMOUS DONOR FOR START-UP COSTS, AND A DINNER FUND-RAISER PRODUCED APPROXIMATELY \$2,850 IN DONATIONS FOR UNRESTRICTED USE BY THE BOARD IN ITS INITIAL BUDGET.

9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? Yes No

10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? Yes No

b Is the organization a party to any leases? Yes No
If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

11 Is the organization a membership organization? Yes No
If "Yes," complete the following:

a Describe the organization's membership requirements and attach a schedule of membership fees and dues.
N/A

b Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose.
N/A

c What benefits do (or will) the members receive in exchange for their payment of dues?
N/A

12a If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? N/A Yes No
If "Yes," explain how the charges are determined and attach a copy of the current fee schedule.

THE ORGANIZATION ANTICIPATES THAT ITS PRIMARY SOURCE OF REVENUE WILL COME FROM STUDENT TUITION AND FEES. THE BOARD APPROVED TUITION RATES FOR THE FISCAL YEAR STARTING 7/1/04 AFTER SURVEYING OTHER SCHOOLS. SEE ATTACHED SCH.

b Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? N/A Yes No
If "Yes," explain how the recipients or beneficiaries are or will be selected.

13 Does or will the organization attempt to influence legislation? Yes No
If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? Yes No
If "Yes," explain fully.

**SAN ANGELO CHRISTIAN ACADEMY
SCHEDULE TO ACCOMPANY, FORM 1023, PART II**

20-0216446

	<u>Annual Compensation</u>
1. Part II, Question No. 4 (a) and (b) continued:	
Mason L. Backus, CPA, Treasurer 220 Edinburgh Road San Angelo, Texas 76901	None
Harroll Clemmer, Board Member 5812 Pecan Valley Lane San Angelo, Texas 76904	None
Bryan Horner, Board Member 1324 Doral Road San Angelo, Texas 76904	None

2. Part II, Question 10(b)

The organization anticipates that it will enter into a facilities use agreement with the Elders of the Church of Christ, Southgate Congregation, a 501(c)(3) organization. Such agreement is anticipated to provide for the use by the applicant organization of the building and grounds, including utilities, for a lease of \$1.00 per year.