

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)

Open to Public Inspection

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 **JUL 1, 2004** and ending **JUN 30, 2005**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization CATHOLIC ANSWERS	D Employer identification number 95-3754404
		Number and street (or P O. box if mail is not delivered to street address) Room/suite 2020 GILLESPIE WAY	E Telephone number 619-387-7200
		City or town, state or country, and ZIP + 4 EL CAJON, CA 92020	F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (Specify)

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

G Website: **WWW.CATHOLIC.COM**

J Organization type (check only one) 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.

H and **I** are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates:
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number:
M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **6,701,495.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1 Contributions, gifts, grants, and similar amounts received			
	a Direct public support	1a	3,665,408.	
	b Indirect public support	1b		
	c Government contributions (grants)	1c		
	d Total (add lines 1a through 1c) (cash \$ 3,665,408. noncash \$)			1d 3,665,408.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)			2
	3 Membership dues and assessments			3
	4 Interest on savings and temporary cash investments			4 18.
	5 Dividends and interest from securities			5
	6 a Gross rents	6a		
b Less rental expenses	6b			
c Net rental income or (loss) (subtract line 6b from line 6a)			6c	
7 Other investment income (describe)			7	
8 a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
		8a		
		8b		
		8c		
d Net gain or (loss) (combine line 8c, columns (A) and (B))			8d	
9 Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
a Gross revenue (not including \$ of contributions reported on line 1a)	9a			
b Less direct expenses other than fundraising expenses (attach schedule) (Net income or loss) from special events (subtract line 9b from line 9a)	9b			
10 a Gross sales of inventory less returns and allowances	10a	2,220,187.		
b Less cost of goods sold	10b	657,508.		
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)		STMT 2	10c 1,562,679.	
11 Other revenue (from Part VII, line 103)			11 815,882.	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12 6,043,987.	
Expenses	13 Program services (from line 44, column (B))		13 3,807,148.	
	14 Management and general (from line 44, column (C))		14 577,737.	
	15 Fundraising (from line 44, column (D))		15 1,776,749.	
	16 Payments to affiliates (attach schedule)		16	
	17 Total expenses (add lines 16 and 44, column (A))			17 6,161,634.
18 Excess or (deficit) for the year (subtract line 17 from line 12)			18 -117,647.	
Net Assets	19 Net assets or fund balances at beginning of year (from line 73, column (A))		19 -721,579.	
	20 Other changes in net assets or fund balances (attach explanation)		20 0.	
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21 -839,226.

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13-17 A

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 \$ _____)					
23	Specific assistance to individuals (attach schedule)					
24	Benefits paid to or for members (attach schedule)					
25	Compensation of officers, directors, etc.	397,900.	245,855.	37,308.	114,737.	
26	Other salaries and wages	1,727,825.	1,067,583.	162,010.	498,232.	
27	Pension plan contributions	14,783.	9,134.	1,386.	4,263.	
28	Other employee benefits	236,151.	145,913.	22,142.	68,096.	
29	Payroll taxes	161,240.	99,627.	15,118.	46,495.	
30	Professional fundraising fees					
31	Accounting fees	17,497.	10,811.	1,641.	5,045.	
32	Legal fees	8,918.	5,510.	837.	2,571.	
33	Supplies					
34	Telephone	48,822.	30,166.	4,578.	14,078.	
35	Postage and shipping	1,184,278.	731,741.	111,042.	341,495.	
36	Occupancy	287,402.	177,580.	26,948.	82,874.	
37	Equipment rental and maintenance	6,165.	3,809.	578.	1,778.	
38	Printing and publications	587,131.	362,777.	55,051.	169,303.	
39	Travel					
40	Conferences, conventions, and meetings					
41	Interest	5,421.	3,350.	508.	1,563.	
42	Depreciation, depletion, etc. (attach schedule)	40,595.	25,083.	3,806.	11,706.	
43	Other expenses not covered above (itemize)					
a	_____	43a				
b	_____	43b				
c	_____	43c				
d	_____	43d				
e	SEE STATEMENT 3	43e	1,437,506.	888,209.	134,784.	414,513.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	6,161,634.	3,807,148.	577,737.	1,776,749.

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

What is the organization's primary exempt purpose? SEE STATEMENT 4		Program Service Expenses <small>(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others)</small>
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)		
a	SEE STATEMENT A	
	(Grants and allocations \$ _____)	3,807,148.
b		
	(Grants and allocations \$ _____)	
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)	3,807,148.

Part IV Balance Sheets

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	48,023.	45	25,274.
	46 Savings and temporary cash investments	71,390.	46	86,551.
	47 a Accounts receivable	47a 151,399.		
	b Less allowance for doubtful accounts	47b 7,500.	136,591.	47c 143,899.
	48 a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b		48c
	49 Grants receivable			49
	50 Receivables from officers, directors, trustees, and key employees			50
	51 a Other notes and loans receivable	51a		
	b Less allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use		207,244.	52 206,137.
	53 Prepaid expenses and deferred charges		23,295.	53 22,170.
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
	55 a Investments - land, buildings, and equipment: basis	55a		
	b Less accumulated depreciation	55b		55c
56 Investments - other			56	
57 a Land, buildings, and equipment basis	57a 351,815.			
b Less accumulated depreciation	57b 146,786.	81,464.	57c 205,029.	
58 Other assets (describe <input type="checkbox"/>)			58	
59 Total assets (add lines 45 through 58) (must equal line 74)		568,007.	59 689,060.	
Liabilities	60 Accounts payable and accrued expenses	721,199.	60	1,137,903.
	61 Grants payable		61	
	62 Deferred revenue	568,387.	62	390,383.
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe <input type="checkbox"/>)		65	
66 Total liabilities (add lines 60 through 65)		1,289,586.	66 1,528,286.	
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	-721,579.	67	-839,226.
	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)		-721,579.	73 -839,226.
74 Total liabilities and net assets / fund balances (add lines 66 and 73)		568,007.	74 689,060.	

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 VI Other Information

Table with columns for question number, question text, and Yes/No columns. Includes questions 76 through 92 regarding organizational activities, financial reporting, and tax status.

Located at 2020 GILLESPIE WAY, EL CAJON, CA ZIP + 4 92020

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) Exclu- sion code	(D) Amount	
93 Program service revenue					
a _____					
b _____					
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			14	18.	
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					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory	511190	14,000.			1,548,425.
103 Other revenue:					
a FUNDRAISING CONSULTING					47,892.
b ROYALTIES			15	258,608.	
c SEMINAR REVENUE					320,849.
d QUALIFIED SPONSORSHIPS			42	188,533.	
e _____					
104 Subtotal (add columns (B), (D), and (E))		14,000.		447,159.	1,917,166.
105 Total (add line 104, columns (B), (D), and (E))					2,378,325.

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)
▼	SEE STATEMENT 7

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).

Please Sign Here

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.

Signature of officer: Philip Lenahan Date: 5/15/06 Type or print name and title: Philip Lenahan, Treasurer

Paid Preparer's Use Only

Preparer's signature: Patricia J. Mayer, CPA Date: 5/15/06 Check if self-employed: Preparer's SSN or PTIN: P00188643

Firm's name (or yours if self-employed), address, and ZIP + 4: MOSS ADAMS LLP
9665 GRANITE RIDGE DRIVE, SUITE 600
SAN DIEGO, CA 92123

EIN: 91-0189318

Phone no: 858-627-1400

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

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

2004

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

CATHOLIC ANSWERS

Employer identification number

95 3754404

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
FRANK NORRIS ----- 2020 GILLESPIE WAY, EL CAJON, CA	DIR DEVELOP 40	163,400.	10,334.	1,578.
TRASK TAPPERSON ----- 2020 GILLESPIE WAY, EL CAJON, CA	DIR PUBL 40	113,900.	10,836.	1,141.
JIMMY AKIN ----- 2020 GILLESPIE WAY, EL CAJON, CA	DIR APOL 40	113,900.	3,048.	0.
JEFF MARUSIN ----- 2020 GILLESPIE WAY, EL CAJON, CA	WEB MNGR 40	90,000.	8,078.	0.
WILLIAM HOLLICK ----- 2020 GILLESPIE WAY, EL CAJON, CA	DEV ASSOC 40	72,000.	7,505.	0.
Total number of other employees paid over \$50,000 ▶	4			

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
GARY WALTERSCHEID ----- 3132 WEST BORDERLINKS DR., VISALIA, CA 93291	WRITING DIRECT MAIL LETTERS	65,500.
----- ----- ----- ----- -----		
Total number of others receiving over \$50,000 for professional services ▶	0	

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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990	X	
e Transfer of any part of its income or assets?		X
3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)		X
b Do you have a section 403(b) annuity plan for your employees?		X
4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

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 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)

(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 5 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.

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	2,889,727.	2,828,344.	3,114,059.	2,521,067.	11,353,197.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	1,713,836.	1,774,221.	1,875,770.	1,770,380.	7,134,207.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	1,099.	529.	3,013.	5,463.	10,104.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.	759,153.	338,489.	SEE STATEMENT 8 220,736.	281,582.	1,599,960.
23 Total of lines 15 through 22	5,363,815.	4,941,583.	5,213,578.	4,578,492.	20,097,468.
24 Line 23 minus line 17	3,649,979.	3,167,362.	3,337,808.	2,808,112.	12,963,261.
25 Enter 1% of line 23	53,638.	49,416.	52,136.	45,785.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a N/A
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b N/A
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c N/A
d Add. Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____					26d N/A
e Public support (line 26c minus line 26d total)					26e N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2003) 3,832. (2002) 4,176. (2001) 1,865. (2000) 1,440.					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2003) 0. (2002) 0. (2001) 0. (2000) 0.					
c Add: Amounts from column (e) for lines 15 11,353,197. 16 _____ 17 7,134,207. 20 _____ 21 _____					27c 18,487,404.
d Add. Line 27a total 11,313. and line 27b total 0.					27d 11,313.
e Public support (line 27c total minus line 27d total)					27e 18,476,091.
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)					27f 20,097,468.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 91.9324%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h .0503%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15

NONE

Part V Private School Questionnaire (See page 7 of the instructions)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		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)		
<hr/> <hr/> <hr/>			
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? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement.)	32d	
<hr/> <hr/>			
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? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)	33h	
<hr/> <hr/>			
34 a	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? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
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)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

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
	N/A	
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 -		
Not over \$500,000	20% of the amount on line 40	}
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	
The lobbying nontaxable amount is -		
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)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A (e) Total
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

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
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.)			0.

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

ELECTION TO NOT CLAIM ADDITIONAL DEPRECIATION

PURSUANT TO IRC SECTION 168(K)(2)(C)(III), THE CORPORATION
HEREBY ELECTS TO NOT CLAIM THE ADDITIONAL DEPRECIATION
DEDUCTION FOR THE FOLLOWING CLASSES OF PROPERTY PLACED IN
SERVICE AFTER 09/01/01 IN THE TAX YEAR ENDED 06/30/05.

3-YEAR PROPERTY \$18,971

FORM 990

OTHER EXPENSES

STATEMENT 3

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
ADVERTISING	156,813.	96,892.	14,703.	45,218.
AUTO TRAVEL EXPENSE	4,567.	2,822.	428.	1,317.
BAD DEBT EXPENSE	3,455.	2,135.	324.	996.
BANK CHARGES	87,794.	54,246.	8,232.	25,316.
COMPUTER EXPENSE	22,437.	13,863.	2,104.	6,470.
DATA PROCESSING	36,869.	22,781.	3,457.	10,631.
FUNDRAISING COSTS	8,778.	5,424.	823.	2,531.
INSURANCE	89,480.	55,288.	8,390.	25,802.
LICENSES & DUES	106,695.	65,925.	10,004.	30,766.
LIST RENTAL	162,203.	100,222.	15,209.	46,772.
MEALS & LODGING	10,780.	6,661.	1,011.	3,108.
MOVING EXPENSES	4,599.	2,842.	431.	1,326.
OFFICE EXPENSES	42,229.	26,092.	3,960.	12,177.
OTHER SERVICES	375,122.	231,781.	35,171.	108,170.
RADIO AIR TIME	60,555.	37,416.	5,678.	17,461.
RECRUITING	11,083.	6,848.	1,039.	3,196.
ROYALTIES	48,576.	30,014.	4,555.	14,007.
SPECIAL PROJECTS	187,837.	116,061.	17,612.	54,164.
TAXES & PENALTIES	3,010.	1,860.	282.	868.
TEMPORARY HIRES	14,624.	9,036.	1,371.	4,217.
TOTAL TO FM 990, LN 43	1,437,506.	888,209.	134,784.	414,513.

FORM 990

STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE
PART III

STATEMENT 4

EXPLANATION

CATHOLIC ANSWERS IS AN APOSTOLATE DEDICATED TO SERVING CHRIST BY BRINGING THE FULLNESS OF CATHOLIC TRUTH TO THE WORLD. WE HELP GOOD CATHOLICS BECOME BETTER CATHOLICS, BRING FORMER CATHOLICS "HOME," AND LEAD NON-CATHOLICS INTO THE FULLNESS OF THE FAITH. WE EXPLAIN CATHOLIC TRUTH, EQUIP THE FAITHFUL TO LIVE FULLY THE SACRAMENTAL LIFE, AND ASSIST THEM IN SPREADING THE GOOD NEWS.

FORM 990	OTHER REVENUE NOT INCLUDED ON FORM 990	STATEMENT	5
DESCRIPTION		AMOUNT	
COST OF GOODS SOLD		657,508.	
TOTAL TO FORM 990, PART IV-A		657,508.	

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT	6
DESCRIPTION		AMOUNT	
COST OF GOODS SOLD		657,508.	
TOTAL TO FORM 990, PART IV-B		657,508.	

FORM 990	PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES	STATEMENT	7
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LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
102	THE SALE OF BOOKS, VIDEO AND AUDIO TAPES ENABLING CATHOLIC ANSWERS TO HELP TEACH THE WORD OF THE CATHOLIC FAITH.
103A	FUNDRAISING CONSULTING: PAYMENTS RECEIVED FROM RADIO STATIONS BY HIRING THE ORGANIZATION'S RADIO SHOW HOST TO BE PRESENT AT VARIOUS FUNDRAISING EVENTS.
103C	SEMINARS CONDUCTED TO TEACH AND SPREAD THE FULLNESS OF CATHOLIC TRUTH.

SCHEDULE A	OTHER INCOME				STATEMENT	8
DESCRIPTION	2003 AMOUNT	2002 AMOUNT	2001 AMOUNT	2000 AMOUNT		
FUNDRAISING CONSULTING	42,285.	34,000.	14,000.	83,400.		
QUALIFIED RADIO SPONSORSHIPS	157,772.	0.	5,825.	3,500.		
ROYALTIES	279,548.	303,196.	200,911.	194,682.		
OTHER INCOME	0.	1,293.	0.	0.		
SEMINAR REVENUE	279,548.	0.	0.	0.		
TOTAL TO SCHEDULE A, LINE 22	759,153.	338,489.	220,736.	281,582.		

• If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box **X**

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.

Type or print. File by the extended due date for filing the return. See instructions.	Name of Exempt Organization CATHOLIC ANSWERS	Employer identification number 95-3754404
	Number, street, and room or suite no. If a P.O. box, see instructions. 2020 GILLESPIE WAY	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. EL CAJON, CA 92020	

Check type of return to be filed (File a separate application for each return):

- Form 990
- Form 990-EZ
- Form 990-T (sec. 401(a) or 408(a) trust)
- Form 1041-A
- Form 5227
- Form 8870
- Form 990-BL
- Form 990-PF
- Form 990-T (trust other than above)
- Form 4720
- Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **PHILLIP LENAHAN**
Telephone No. **619-387-7200** FAX No. **619-387-0042**
- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the **whole** group, check this box . If it is for **part** of the group, check this box and attach a list with the names and EINs of all members the extension is for.
- 4 I request an additional 3-month extension of time until **MAY 15, 2006**
- 5 For calendar year _____ , or other tax year beginning **JUL 1, 2004** and ending **JUN 30, 2005**
- 6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- 7 State in detail why you need the extension _____

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____

c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ **N/A**

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature **Patricia Jo Mayer** Title **CPA** Date **2/13/06**

Notice to Applicant - To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- Other _____

By: _____ Date _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name MOSS ADAMS, LLP
	Number and street (include suite, room, or apt. no.) or a P.O. box number 9665 GRANITE RIDGE DRIVE, SUITE 600
	City or town, province or state, and country (including postal or ZIP code) SAN DIEGO, CA 92123