

Return of Organization Exempt From Income Tax

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation) or section 4947(a)(1) nonexempt charitable trust

Department of the Treasury
Internal Revenue Service

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

For the 1998 calendar year, OR tax year period beginning _____, 1998, and ending _____, 19

ENVELOPE HERE

- Check if:
- Change of address
 - Initial return
 - Final return
 - Amended return (required also for state reporting)

Please use IRS label or print or type. See Specific Instructions.

C Name of organization Bethany Christian Services, Inc.	D Employer identification number 381405282
Number and street (or P.O. box if mail is not delivered to street address) Room/suite 901 Eastwood NE	E Telephone number (616) 224-7610
City or town, state or country, and ZIP+4 Grand Rapids, MI 49503	F Check <input type="checkbox"/> if exemption application is pending

G Type of organization— Exempt under section 501(c) (3) (insert number) OR section 4947(a)(1) nonexempt charitable trust
 Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

H(a) Is this a group return filed for affiliates? Yes No
 If either box in H is checked "Yes," enter four-digit group exemption number (GEN) _____

(b) If "Yes," enter the number of affiliates for which this return is filed: _____

(c) Is this a separate return filed by an organization covered by a group ruling? Yes No

J Accounting method: Cash Accrual Other (specify) _____

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 it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 13.)

REVENUE RECEIVED

1	Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	9,326,091		
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (attach schedule of contributors) (cash \$ <u>9,326,091</u> noncash \$ _____) <i>see stmt 1</i>	1d	9,326,091		
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	21,441,477		
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4	159,580		
5	Dividends and interest from securities	5	1,144,468		
6a	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			
8a	Gross amount from sale of assets other than inventory	(A) Securities		(B) Other	
		8a	0		
b	Less: cost or other basis and sales expenses	8b	1,317		
c	Gain or (loss) (attach schedule <i>stmt 2</i>)	8c	(1,317)		
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	(1,317)		
9	Special events and activities (attach schedule)				
	a Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a			
	b Less: direct expenses other than fundraising expenses	9b			
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less: cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11	Other revenue (from Part VII, line 103)	11	226,467		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	32,291,766		
13	Program services (from line 44, column (B))	13	26,845,496		
14	Management and general (from line 44, column (C))	14	1,985,581		
15	Fundraising (from line 44, column (D))	15	663,198		
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17	29,494,275		
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	2,802,491		
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	17,056,064		
20	Other changes in net assets or fund balances (attach explanation)	20			
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	19,858,555		

NE

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 Specific Instructions on page 17.)

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)	4,036,623	4,036,623		
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.				
26	Other salaries and wages	12,775,231	11,635,504	848,349	291,378
27	Pension plan contributions	140,643	127,928	10,631	2,084
28	Other employee benefits	1,579,872	1,372,414	164,147	43,311
29	Payroll taxes	942,598	856,139	65,822	21,637
30	Professional fundraising fees				
31	Accounting fees	54,905	16,408	38,497	
32	Legal fees	233,234	215,297	17,937	
33	Supplies	342,269	303,779	24,522	14,968
34	Telephone	532,162	499,924	31,654	524
35	Postage and shipping	445,477	393,988	32,617	18,872
36	Occupancy	1,269,985	1,178,145	77,674	14,166
37	Equipment rental and maintenance	399,568	328,742	63,790	7,036
38	Printing and publications	603,553	520,538	42,416	40,599
39	Travel	1,226,325	1,165,560	98,310	22,455
40	Conferences, conventions, and meetings	144,082	129,959	12,119	2,004
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)	614,302	448,901	164,861	540
43	Other expenses (itemize): a Advertising	875,445	813,601	58,832	3,012
b	other Professional Fees	902,500	797,641	84,899	19,960
c	Memberships and Dues	87,797	44,759	42,033	955
d	Fees	42,781	5,244	37,537	
e	Miscellaneous	2,133,868	1,955,397	68,834	159,637
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	29,494,275	26,845,496	1,985,581	663,198

Reporting of Joint Costs.—Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? 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 Specific Instructions on page 20.)

What is the organization's primary exempt purpose? ▶ Child and Family Services	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a Adoptions and pregnancy counseling - counseling birthmothers and placing children with adoptive parents (Grants and allocations \$ _____) 1,223 adoptions	9,872,920
b Residential treatment - intense treatment for male youths (Grants and allocations \$ _____) 56 youths served	1,373,354
c Foster care - care provided to children by foster care families (Grants and allocations \$ _____) 2,063 children served	4,971,963
d Other Programs - Various programs that assist children and families such as counseling, refugee services, and independent living/life skills (Grants and allocations \$ _____)	10,127,259
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	26,845,496

Part IV Balance Sheets (See Specific Instructions on page 20.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A)		(B)
		Beginning of year		End of year
Assets	45 Cash—non-interest-bearing	3,520,355	45	4,302,184
	46 Savings and temporary cash investments	7,020,759	46	9,821,627
	47a Accounts receivable	47a 2,601,001		
	b Less: allowance for doubtful accounts	47b 50,000	2,296,194	47c 2,551,001
	48a Pledges receivable	48a 774,224		
	b Less: allowance for doubtful accounts	48b 0	986,124	48c 774,224
	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		52	
	53 Prepaid expenses and deferred charges		1,206,968	53 1,116,251
	54 Investments—securities (attach schedule)			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	57a 10,251,586			
b Less: accumulated depreciation (attach schedule). See Stmt 5	57b 4,631,220	5,787,250	57c 5,620,366	
58 Other assets (describe ▶ Land held for resale)		125,000	58	
59 Total assets (add lines 45 through 58) (must equal line 74)		20,942,650	59	24,185,653
Liabilities	60 Accounts payable and accrued expenses	2,023,306	60	2,174,918
	61 Grants payable		61	
	62 Deferred revenue	1,425,365	62	1,707,944
	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)		64b	
65 Other liabilities (describe ▶ See Stmt 6)		437,915	65	444,236
66 Total liabilities (add lines 60 through 65)		3,886,586	66	4,327,098
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	13,028,542	67	14,992,609
	68 Temporarily restricted	3,999,636	68	4,837,677
	69 Permanently restricted	27,886	69	28,269
	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 and column (B) must equal line 21)		17,056,064	73	19,858,555
74 Total liabilities and net assets / fund balances (add lines 66 and 73)		20,942,650	74	24,185,653

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 Specific Instructions, page 22.)

a	Total revenue, gains, and other support per audited financial statements . . . ▶	a	32,296,760
b	Amounts included on line a but not on line 12, Form 990:	b	0
(1)	Net unrealized gains on investments . . . \$ _____		
(2)	Donated services and use of facilities . . . \$ _____		
(3)	Recoveries of prior year grants . . . \$ _____		
(4)	Other (specify): _____ \$ _____		
	Add amounts on lines (1) through (4) ▶	b	0
c	Line a minus line b ▶	c	32,296,760
d	Amounts included on line 12, Form 990 but not on line a:	d	0
(1)	Investment expenses not included on line 6b, Form 990 . . . \$ _____		
(2)	Other (specify): _____ \$ _____		
	Add amounts on lines (1) and (2) ▶	d	0
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	32,296,760

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements . . . ▶	a	29,494,275
b	Amounts included on line a but not on line 17, Form 990:	b	0
(1)	Donated services and use of facilities . . . \$ _____		
(2)	Prior year adjustments reported on line 20, Form 990 \$ _____		
(3)	Losses reported on line 20, Form 990 . . . \$ _____		
(4)	Other (specify): _____ \$ _____		
	Add amounts on lines (1) through (4) ▶	b	0
c	Line a minus line b ▶	c	29,494,275
d	Amounts included on line 17, Form 990 but not on line a:	d	0
(1)	Investment expenses not included on line 6b, Form 990 . . . \$ _____		
(2)	Other (specify): _____ \$ _____		
	Add amounts on lines (1) and (2) ▶	d	0
e	Total expenses per line 17, Form 990 (line c plus line d) ▶	e	29,494,275

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions on page 22.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
See attachment #2 for list of current Board of Directors				
		None	None	None

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 Specific Instructions on page 22.

Part VI Other Information (See Specific Instructions on page 23.)

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
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		Y
80a	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?	80a	Y	
b	If "Yes," enter the name of the organization <u>See attachment #3</u> and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.			
81a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81.	81a	0	
b	Did the organization file Form 1120-POL for this year?	81b		Y
82a	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?	82a		Y
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 for reporting in Part III.)	82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		Y
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		
85	501(c)(4), (5), or (6) organizations.—a Were substantially all dues nondeductible by members?	85a		
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.	85b		
c	Dues, assessments, and similar amounts from members	85c		
d	Section 162(e) lobbying and political expenditures	85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		
86	501(c)(7) organizations.—Enter: a Initiation fees and capital contributions included on line 12	86a		
b	Gross receipts, included on line 12, for public use of club facilities.	86b		
87	501(c)(12) organizations.—Enter:			
a	Gross income from members or shareholders	87a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership? If "Yes," complete Part IX	88		Y
89a	501(c)(3) organizations.—Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0</u> ; section 4912 <u>0</u> ; section 4955 <u>0</u>			
b	501(c)(3) and 501(c)(4) organizations.—Did the organization engage in any section 4958 excess benefit transaction during the year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.		0	
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization.		0	
90a	List the states with which a copy of this return is filed			
b	Number of employees employed in the pay period that includes March 12, 1998 (See instructions.)	90b	509	
91	The books are in care of <u>Mervin Auchtung</u> Telephone no. <u>(616) 224-7439</u> Located at <u>901 Eastern Ave. P.O. Box 299 GR. ME.</u> ZIP + 4 <u>49501-0294</u>			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in-lieu of Form 1041—Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year			92

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 27.)

	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 Adoptions					9,274,754
b Counseling					420,795
c Residential Treatment					2,132,183
d Foster Care					6,157,357
e Other Services					2,184,626
f Medicare/Medicaid payments					5,684
g Fees and contracts from government agencies					1,216,018
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	159,580	
96 Dividends and interest from securities			14	1,144,468	
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	(1,317)	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a Sponsorship					68,318
b Miscellaneous					158,149
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				1,302,731	21,667,944
105 Total (add line 104, columns (B), (D), and (E))					22,970,675

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 Specific Instructions on page 28.)

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).
93a	Services provided to families who want to adopt a child.
93b	Counseling provided to families and individuals
93c	Fees for residential treatment provided to male youths
93d	Foster care provided to children and infants
93e	Other fees received for services which help children and families
103a	money received to sponsor a specific child
103b	Other miscellaneous revenue received which supports child and family services

Part IX Information Regarding Taxable Subsidiaries (Complete this Part if the "Yes" box on line 88 is checked.)

Name, address, and employer identification number of corporation or partnership	Percentage of ownership interest	Nature of business activities	Total income	End-of-year assets
	%			
	%			
	%			

including accompanying schedules and statements, and to the best of my knowledge and belief (other than officer) is based on all information of which preparer has any knowledge.

5-99 Mervin K. Auchtung
Director of Finance

**SCHEDULE A
(Form 990)**

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

1998

Supplementary Information

See separate instructions.

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

Department of the Treasury
Internal Revenue Service

Name of the organization

Bethany Christian Services, Inc.

Employer identification number

381405282

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See instructions on page 1. 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
DeMots, Glenn 901 Eastern NE Grand Rapids, ME 49503	Executive Director 40 hours	105,968		
Porters, Richard 901 Eastern NE Grand Rapids, ME 49503	Director of Advancement 40 hours	90,969		
Achtung, Mervin 901 Eastern NE Grand Rapids, ME 49503	Director of Finance 40 hours	78,542		
Blacquiere, William 901 Eastern NE Grand Rapids, ME 49503	Director of operations 40 hours	74,025		
VanderSteen, Dick 901 Eastern NE Grand Rapids, ME 49503	Director of Planned Giving 40 hours	72,569		
Total number of other employees paid over \$50,000 ▶	12			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions on page 1. 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
BDO Seidman, LLP P.O. Box 287 Grand Haven, ME 49417	Auditing	53,256
Shijian Zeng 23 Leonie Hill #20-01 Leonie Garden, Singapore 239224	Adoption Homestudies	52,200
Varnum, Biddering, Schmidt LLP P.O. Box 352 Bridgewater Place Grand Rapids, ME 49501	Legal	51,660
Total number of others receiving over \$50,000 for professional services ▶	0	

Part III Statements About Activities

	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 ► \$ _____ 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.	1	X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its 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:		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
e Transfer of any part of its income or assets? If the answer to any question is "Yes," attach a detailed statement explaining the transactions.	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.?	3	X
4a Do you have a section 403(b) annuity plan for your employees?	4a	X
b Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See instructions on page 2.)		

Part IV Reason for Non-Private Foundation Status (See instructions on pages 2 through 4.)

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, page 4.)
- 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 instructions on page 4.)

(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 instructions on page 4.)

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) 1997	(b) 1996	(c) 1995	(d) 1994	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28).	7,733,799	7,805,193	9,398,318	6,535,627	31,472,937
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose.	18,601,470	16,026,127	14,449,684	12,298,953	61,376,234
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	842,804	444,994	598,716	97,849	1,984,363
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	605,991	226,457	262,879	300,824	1,396,151
23 Total of lines 15 through 22.	27,784,014	24,502,771	24,709,597	19,233,253	96,229,635
24 Line 23 minus line 17.	9,182,544	8,476,644	10,259,913	6,934,300	34,853,451
25 Enter 1% of line 23	277,841	245,028	247,096	192,333	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24.					26a 697,069
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1994 through 1997 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts.					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 34,853,451
d Add: Amounts from column (e) for lines: 18 1,984,363 19 _____					26d 3,380,514
22 1,396,151 26b _____					26e 31,472,937
e Public support (line 26c minus line 26d total)					26f 90.3 %
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year:	(1997) _____	(1996) _____	(1995) _____	(1994) _____	
b For any amount included in line 17 that was received from a nondisqualified person, attach a list 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.) 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:	(1997) _____	(1996) _____	(1995) _____	(1994) _____	
c Add: Amounts from column (e) for lines: 15 _____ 16 _____					27c
17 _____ 20 _____ 21 _____					27d
d Add: Line 27a total _____ and line 27b total _____					27e
e Public support (line 27c total minus line 27d total).					27f
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27g %
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)).					27h %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)).					
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1994 through 1997, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See instructions on page 4.)					

Part V Private School Questionnaire (See instructions on page 4.)
 (To be completed **ONLY** by schools that checked the box on line 6 in Part IV) N/A

		Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)	31		
32 Does the organization maintain the following:			
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
33 Does the organization discriminate by race in any way with respect to:			
a Students' rights or privileges?	33a		
b Admissions policies?	33b		
c Employment of faculty or administrative staff?	33c		
d Scholarships or other financial assistance?	33d		
e Educational policies?	33e		
f Use of facilities?	33f		
g Athletic programs?	33g		
h Other extracurricular activities?	33h		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b Has the organization's right to such aid ever been revoked or suspended? 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 instructions on page 6.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check here **a** if the organization belongs to an affiliated group.
Check here **b** if you checked "a" above 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. 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	41	
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 7.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 1998	(b) 1997	(c) 1996	(d) 1995	(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

N/A

(For reporting only by organizations that did not complete Part VI-A) (See instructions on page 8.)

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:

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (add lines c through h).

Yes	No	Amount

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

Attachment 1

BETHANY CHRISTIAN SERVICES
38-1405282
Attachment to 1998 Form 990

Statement 1

Page 1, Part I, Line 1d

Contributors who contributed over \$186,520 in 1998

1,502,105
226,015

Statement 2

Page 1, Part I, Line 8

Sale of Assets Other than Inventory

	<u>Proceeds</u>	<u>Cost or Other Basis</u>	<u>Gain/ (Loss)</u>
Office Equipment	0	184	(184)
Carpeting	0	1133	(1,133)
	<u>0</u>	<u>1317</u>	<u>(1,317)</u>

Statement 3

Page 2, Part II, Line 23

Specific Assistance to Individuals

	<u>Total</u>	<u>Program Services</u>	<u>Mngmt & General</u>	<u>Fund- raising</u>
Boarding	3,330,938	3,330,938		
Recreation	68,493	68,493		
Medical	246,952	246,952		
Education	11,526	11,526		
Food	84,189	84,189		
Clothing	125,485	125,485		
Transporation	39,816	39,816		
General	129,229	129,229		
	<u>4,036,628</u>	<u>4,036,628</u>	<u>0</u>	<u>0</u>

Attachment 1

BETHANY CHRISTIAN SERVICES
38-1405282
Attachment to 1998 Form 990

Statement 4
 Page 2, Part II, Line 42
 Depreciation

	<u>Total</u>	<u>Program Services</u>	<u>Mngmt & General</u>	<u>Fund-raising</u>
Equipment and Furnishings	471,445	333,056	137,849	540
Buildings & LH Improvements	<u>142,857</u>	<u>115,845</u>	<u>27,012</u>	<u>0</u>
	<u>614,302</u>	<u>448,901</u>	<u>164,861</u>	<u>540</u>

Statement 5
 Page 3, Part IV, Line 57
 Land, Building, Equipment

	<u>Basis</u>	<u>Accum. Depr.</u>	<u>Net Book Value</u>
Land and Land Improvements	389,988	132,108	257,880
Buildings & Improvements	6,130,796	2,047,402	4,083,394
Furniture and Equipment	3,730,104	2,451,710	1,278,394
Construction in Progress	<u>698</u>	<u>0</u>	<u>698</u>
	<u>10,251,586</u>	<u>4,631,220</u>	<u>5,620,366</u>

Statement 6
 Page 3, Part IV, Line 65
 Other Liabilities

	<u>Beg. of Year</u>	<u>End of Year</u>
Annuities Payable	405,000	435,000
Capital Leases Payable	<u>32,915</u>	<u>9,236</u>
	<u>437,915</u>	<u>444,236</u>

**BETHANY CHRISTIAN SERVICES
NATIONAL BOARD OF DIRECTORS - 1998-1999**

TERM		TERM	
'99	PAUL ANEMA - Treasurer *Home: 210 West Second Street Sanborn, IA 51248 Phone: 712/729-3969 - H 712/729-3252 - W 712/729-5024 - FAX	'99	MERLE PRINS - Chairman *Home: 988 Kenwood Drive Holland, MI 49423 Phone: 616/392-4258 - H 616/494-0009 - W 616/494-0028 - FAX
2001	PAUL BUITEN *Home: 3496 Charlevoix, SE Grand Rapids, MI 49546 Phone: 616/942-1614 - H 616/956-0040 - W 616/956-8057 - FAX	2000	PERRIN RYNDERS Home: 966 Parmalee Court Grand Rapids, MI 49504 *Office: Varnum Riddering Schmidt Howlett PO Box 352 Grand Rapids, MI 49501-0352 Phone: 616/453-2926 - H 616/336-6734 - W 616/336-7000 - FAX
2001	DOUGLAS DE KOCK *Home: 861 Barkentine Drive Holland, MI 49424 Phone: 616/396-7152 - H 616/396-4950 - W 616/396-6599 - FAX	2000	BARBARA THOMPSON *Home: 607 Morrow Drive Zachary, LA 70791 Phone: 504/654-5890 E-mail: bbtplains@aol.com
'99	KRIS DE PREE - Secretary *Home: 1344 Heather Drive Holland, MI 49423 Phone: 616/335-8444 - H 616/394-4500 - W 616/394-0035 - FAX	'99	NORMA VAN KUIKEN - Asst. Sec/Treas. *Home: 3909 Lake Drive, SE Grand Rapids, MI 49546 Phone: 616/949-3508 - H
'99	CHARLES DUNAHOO Home: 1207 Berkley Road Avondale Estates, GA 30002 *Office: Presbyterian Church in America 1852 Century Place Suite 101 Atlanta, GA 30345 Phone: 404/284-8809 - H 404/320-3388 - W 404/329-1280 - FAX	2000	GORDON VAN WYLEN - Vice-Chairman *Home: 817 Brook Village Drive Holland, MI 49423 Phone: 616/392-5635 - H 616/392-7893 - W 616/392-8879 - FAX
2000	ROBERT HEERDT *Home: 600 Lindley Avenue Glenside, PA 19038 Phone: 215/886-4798 - H 215/855-1630 - W 215/855-1178 - FAX	'99	TERRY VAN DER AA Home: 1211 Hawthorne Lane Hinsdale, IL 60521 *Office: VANCOM One Mid America Plaza Ste 401 PO 7320 Oakbrook Terrace, IL 60181-7320 Phone: 630/323-4421 - H 630/571-7070 - W 630/571-3969 - FAX
2000	EVONNE KOK *Home: 2166 Okemos, SE Grand Rapids, MI 49506 Phone: 616/452-3997	2000	CLAUDE VANDER PLOEG Home: 1619 Creekside, SE Grand Rapids, MI 49508 *Office: Mika Meyers Beckett Jones 200 Ottawa Ave, NW #700 Grand Rapids, MI 49503 Phone: 616/452-3979 - H 616/459-3200 - W 616/459-8065 - FAX
2001	REV. DENNIS J. MC MURRAY *Home: 1330 Dickinson, SE Grand Rapids, MI 49507 Phone: 616/248-0594 - H 616/243-0991 - W 616/243-1323 - FAX	2001	RAY VANDER WEELE *Home: 4865 N. Quail Crest, SE Grand Rapids, MI 49546 Phone: 616/954-1852 - H 616/774-4261 - W 616/242-8317 - FAX
'99	HILDA OZINGA *Home: 7824 Foresthill Ln PO Box 108 Palos Heights, IL 60463 Phone: 708/448-5206 Florida (winter): 3540 Gulf of Mexico Drive Longboat Key, FL 34228 Phone: 941/383-3228		BOARD ROS Eff. 9/1/98 * indicates mailing address

BETHANY CHRISTIAN SERVICES
December 31, 1998
Return of Organization Exempt from Income Tax
Form 990

Page 5, line 80b

Bethany Christian Services	of New England	04-2863717
Bethany Christian Services	of New Jersey	22-2767728
Bethany Christian Services	of Colorado	31-1196720
Bethany Christian Services	of Greater Delaware Valley	31-1196722
Bethany Christian Services	of Illiana	31-1196724
Bethany Christian Services	of South Carolina	31-1196726
Bethany Christian Services	of Virginia	31-1196727
Bethany Christian Services	of Washington	31-1196728
Bethany Christian Services	of Northwest Iowa	31-1244836
Bethany Christian Services	of Western Pennsylvania	31-1282578
Bethany Christian Services	of Mississippi	31-1282579
Bethany Christian Services	of Maryland	31-1282580
Bethany Christian Services	of Northern California	31-1282585
Bethany Christian Services	of Southern California	31-1282586
Bethany Christian Services	of Arkansas	31-1282590
Bethany Christian Services	of Georgia	31-1284895
Bethany Christian Services	of North Carolina	31-1308382
Bethany Christian Services	of Louisiana	31-1308383
Bethany Christian Services	of New York	31-1351395
Bethany Christian Services		38-1405282
Bethany Christian Services	of Tennessee	38-2842293
Mid South Christian Services		38-2895093
Bethany Christian Services	of Central Pennsylvania	38-2899285
Bethany Christian Services	of Central Indiana	38-3012039
Bethany Christian Services	International Services	38-3291546
Bethany Christian Services	of Missouri	38-3352094
Bethany Christian Services	of Wisconsin	38-3372866
Bethany Christian Services	of Texas	38-3375066
Bethany Christian Services	of Minnesota	38-3388276
Bethany Christian Services	of South Central Iowa	38-3393984
Bethany Christian Services	of Hampton Roads	93-1210125

Application for Extension of Time To File Certain Excise, Income, Information, and Other Returns

Department of the Treasury Internal Revenue Service

File a separate application for each return.

ENVELOPE POSTMARK DATE MAY 4 0 39

Name: Bethany Christian Services; Employer identification number: 38 1405282; Address: 901 Eastern Ave. NE, Grand Rapids, ME 49503

Note: Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICS, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

1 I request an extension of time until Aug. 16, 1999, to file (check only one): Form 706-GS (D), Form 706-GS (T), Form 990 or 990-EZ, Form 990-BL, Form 990-PF, Form 990-T (401(a) or 408(a) trust), Form 990-T (trust other than above), Form 1041 (estate), Form 1041-A, Form 1042, Form 1120-ND (4951 taxes), Form 3520-A, Form 4720, Form 5227, Form 6069, Form 8612, Form 8613, Form 8725, Form 8804, Form 8831

If the organization does not have an office or place of business in the United States, check this box

2a For calendar year 98, or other tax year beginning and ending; b If this tax year is for less than 12 months, check reason: Initial return, Final return, Change in accounting period; 3 Has an extension of time been previously granted for this tax year? Yes, No

4 State in detail why you need the extension: We have not yet received the audited financial statements from our auditors which we use to complete the Form 990.

5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069, 8612, 8613, 8725, 8804, or 8831; b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804; c Balance due. Subtract line 5b from line 5a.

Signature and Verification

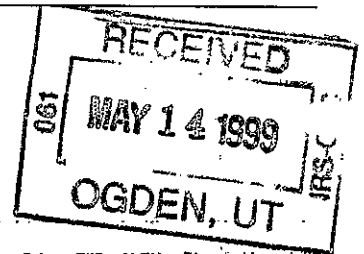
Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature: [Signature], Title: Director of Finance, Date: 5-10-99

FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant - To Be Completed by IRS

Check boxes for approval status: We HAVE approved your application, We HAVE NOT approved your application, We cannot consider your application because it was filed after the due date of the return for which an extension was requested.



EXTENSION GRANTED TO

Dir: OK 15 99

If you want a copy of this form to

use enter the address to which the copy should be sent.

Please Type or Print: Name: Same; Address: [Blank]; City, town, or post office, state, and ZIP code.