

Form **990**
 Department of the Treasury
 Internal Revenue Service

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

OMB No. 1545-0047
1998
 This Form is Open to Public Inspection

Ex. J

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

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

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

C Name of organization
THREE ANGELS BROADCASTING NETWORK INC
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
PO BOX 220
 City or town, state or country, and ZIP+4
WEST FRANKFORT, IL 62896

D Employer identification number
9056
E Telephone number
01-8618774
F Check if exemption application is pending

G Type of organization— Exempt under section 501(c)() (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
I 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	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	7,557,624		
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (attach schedule of contributors) (cash \$ 7,460,075 noncash \$ 97,549)	1d		7,557,624	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		519,542	
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4		48,715	
	5 Dividends and interest from securities	5			
	6a Gross rents	6a	17,055		
	b Less: rental expenses	6b	7,846		
	6c Net rental income or (loss) (subtract line 6b from line 6a)	6c		9,209	
7 Other investment income (describe)	7				
	8a Gross amount from sale of assets other than inventory	(A) Securities		(B) Other	
	b Less: cost or other basis and sales expenses	8a	258,740		
	c Gain or (loss) (attach schedule)	8b	101,012		
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	157,728		
8d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		157,728		
	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			
9c Net income or (loss) from special events (subtract line 9b from line 9a)	9c				
	10a Gross sales of inventory, less returns and allowances	10a	796,218		
	b Less: cost of goods sold	10b	712,201		
	10c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		84,017	
11 Other revenue (from Part VII, line 103)	11		200,230		
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		8,577,065		
Expenses	13 Program services (from line 44, column (B))	13		3,496,958	
	14 Management and general (from line 44, column (C))	14		3,263,010	
	15 Fundraising (from line 44, column (D))	15			
	16 Payments to affiliates (attach schedule)	16			
17 Total expenses (add lines 16 and 44, column (A))	17		6,759,968		
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		1,817,097	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			
	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		956,119	

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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	X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
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	X
b	If "Yes," enter the name of the organization _____ 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 		
b	Did the organization file Form 1120-POL for this year?	81b	X
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	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions 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	X
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	X
89a	501(c)(3) organizations. —Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ _____ ; section 4912 ▶ _____ ; section 4955 ▶ _____		
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. ▶ _____		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization. ▶ _____		
90a	List the states with which a copy of this return is filed ▶ ILLINOIS 80b 59		
b	Number of employees employed in the pay period that includes March 12, 1998 (See instructions.)		
91	The books are in care of ▶ Pete Crotser Telephone no. ▶ (618) 627-4651 Located at ▶ 3391 CHARLEY GOOD RD WEST FRANKFORT ZIP + 4 ▶ 62896-0220		
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		

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

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a <u>Production & Distribution</u>					
b <u>of religious programming</u>					
c <u>electronic transmission</u>					519,542
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					48,715
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					9,209
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					157,728
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					84,017
103 Other revenue: a <u>VIDEO SALES</u>					200,230
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))					1,019,441
105 Total (add line 104, columns (B), (D), and (E))					1,019,441

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).
93	<u>Payment of airtime & production of certain religious programming for electronic transmission</u>
95	
97	
100	
102	
103	<u>Miscellaneous</u>

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
	%			
	%			
	%			
	%			

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: Danny Shelton Date: _____

Danny Shelton, President
Type or print name and title.

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____

Firm's name (or yours if self-employed) and address: _____

Check if self-employed

Preparer's SSN: _____

EIN: _____

ZIP + 4: _____

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.		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?	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)?	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.		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.?		X
4a Do you have a section 403(b) annuity plan for your employees?		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.)

Three Angels Broadcasting Network, Inc.
 Form 990
 For the year ended December 31, 1998

Page 1 Part 1 Line 8C Gain or (Loss)

<u>Item</u>	<u>Book Value</u>	<u>Gross Sale</u>	<u>Gain (loss)</u>
Downlink	47,619.57	\$250,000.00	\$202,380.43
House	52,781.05	6,129.00	(46,652.05)
Piano	0.00	2,000.00	2,000.00
Totals	100,400.62	258,129.00	\$157,728.38

Page 2 Part II Line 42 Depreciation
 Page 3 Part IV Line 57b Accumulated Depreciation

	<u>Cost</u>	<u>Acc Depn</u>
Land	291,296	
Buildings	1,566,389	204,034
Houses	18,850	9,504
Downlink Equipment	4,837,965	1,079,621
Equipment	4,414,352	2,732,025
Vehicles	1,047,369	145,049
Misc Assets	76,000	
Total	12,252,222	4,170,232

Page 3 Part IV Line 64b Notes Payable

<u>Notes Payable</u>	
Maples	30,000
Schuler	34,983
Boatman's	1,282
Mitchell	100,000
Total	166,265

Three Angels Broadcasting Network, Inc.
 Form 990 Page 4 Part V
 For year ended December 31, 1998

(A)	(B)	(C,D,E)
Dr. Walter Tompson, Chairman 40 S Clay, Suite 217 Hinsdale, IL 60521 (630)887-1735	Director	-0-
J. Wayne Coulter Illinois Conference of SDA's 3721 Prairie Ave Brookfield, IL 60513 (708)485-1200	Director	-0-
May E. Chung 155 Manchester Lane San Bernardino, CA 92408 (909)824-3112	Director	-0-
Dr. Robert Ford 2517 NE Kresky Chehalis, WA 98532-2409 (360)748-8632	Director	-0-
Bill Hulsey Box 596 Collegedale, TN 37315 (423)396-9303	Director	-0-
Ellsworth McKee PO Box 750 Collegedale, TN 37315 (423)238-5487	Director	-0-
Danny Shelton 21027 Shawneetown Rd Thompsonville, IL 62890 (618)627-2867	President	49,862.66
Linda Shelton 21027 Shawneetown Rd Thompsonville, IL 62890 (618)627-2867	Vice-President	44,334.10

Stan Smith O.J. Jacobson Foundation Box 185 Lillooet, BC V0K 1V0 Canada (250)256-7535	Director	-0-
G. Ralph Thompson 12501 Old Columbia Pike Silver Spring, MD 20904-6600 (301)680-6000	Director	-0-
Owen Troy 1906 Dana Dr Adelphi, MD 20783-2119 (301)431-0930	Director	-0-
Larry Welch 715 S Mulkey Christopher, IL 62822 (618)724-9488	Maintenance	35,130.91