

1986

FREE WILL BAPTIST YEARBOOK



THE NATIONAL ASSOCIATION OF
Free Will Baptists

Published by
THE EXECUTIVE OFFICE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
P.O. Box 1088, Nashville, Tennessee 37202

MINUTES
of the
FORTY-NINTH ANNUAL SESSION
of the
NATIONAL ASSOCIATION
of
FREE WILL BAPTISTS, INC.
when convened in
Nashville, Tennessee
July 21-25, 1985

FUTURE SESSIONS TO BE HELD IN

1986 Tulsa, Oklahoma	July 20-24
1987 Birmingham, Alabama	July 19-23
1988 Kansas City, Missouri	July 17-21
1989 Tampa, Florida	July 16-20
1990 Phoenix, Arizona	July 15-19
1991 Charleston, West Virginia	July 21-25
1992 Indianapolis, Indiana	July 19-23
1993 Louisville, Kentucky	July 18-22
1994 Little Rock, Arkansas	July 17-21
1995 Charlotte, North Carolina	July 16-20

OFFICERS AND BOARD MEMBERS

GENERAL OFFICERS

Moderator Bobby Jackson
 Assistant Moderator Ralph Hampton, Jr.
 Clerk Waldo Young
 Assistant Clerk Keith Burden
 Executive Secretary-Treasurer Melvin Worthington

GENERAL BOARD

1987

Alabama: John Edwards
 Arizona: Charles Marshall
 Arkansas: David Joslin
 Atlantic Canada: Fred Hanson
 California: Doice McAlister
 Colorado: Gary Riley
 Florida: Robert Owen
 Georgia: Herbert Waid
 Idaho: Pat Burttram
 Illinois: Wallace Malone
 Indiana: Henry Patterson
 Kansas: Gary Mitchener
 Kentucky: Edgar (Dick) Van Hoose
 Maryland: Lester Horton
 Mexico: Jerry Barron
 Michigan: Charles Cooper
 Mississippi: Al Hamm
 Missouri: Millard Sasser

1986

New Mexico: Bill Adkisson
 North Carolina: Tom Lilly
 Northeast Association: Jim Nason
 Northwest Association: Paul Wood
 Ohio: Delmar Sparks
 Oklahoma: Jack Richey
 South Carolina: Earl Hendrix
 Tennessee: Raymond Riggs
 Texas: Billy Walker
 Virginia: Jack Stallings
 West Virginia: Carl Vallance

EXECUTIVE COMMITTEE

Chairman: Bobby Jackson, 1412 E. 14th St., Greenville, NC 27834

Clerk: Waldo Young, 605 Conestoga Dr., Yukon, OK 73099

1986

Billy Walker (TX)
 Jack Richey (OK)
 Tom Lilly (NC)

1987

Millard Sasser (MO)
 Robert Owen (FL)
 Doice McAlister (CA)

OFFICERS

Bobby Jackson (NC)
 Ralph Hampton, Jr. (TN)
 Waldo Young (OK)

BIBLE COLLEGE TRUSTEES

Chairman: Tom Malone, 165 Chaparral, Florence, AL 35630

President: Charles Thigpen, 3606 West End Ave., Nashville, TN 37205

1986

Clarence Burton (MO)
 W. B. Hughes (VA)
 Douglas Simpson (TN)

1988

Ken Walker (FL)
 Bob Ketchum (OK)
 Tom Malone (AL)

1990

Sam Truett (NC)
 James Earl Raper (TN)
 J. M. Creech (MS)

FOREIGN MISSIONS BOARD

Chairman: Bill Jones, 2207 Carter Creek Parkway, Bryan, TX 77801

Director: Rolla Smith, P.O. Box 1088, Nashville, TN 37202

1986

Fred Warner (AR)
 Bill Jones (TX)
 Bill Fulcher (TX)

1988

Jim Walker (TN)
 Robert Trimble (MI)
 Norwood Gibson (SC)

1990

Dan Cronk (TN)
 Archie Mayhew (CA)
 Galen Dunbar (KS)

HOME MISSIONS BOARD

Chairman: Rue Dell Smith, 2705 Alma Blvd., Van Buren, AR 72956

Director: Roy Thomas, P.O. Box 1088, Nashville, TN 37202

1987

Richard Adams (TN)
 Rue Dell Smith (AR)
 Hobart Ashby (OH)

1989

Gordon Sebastian (NC)
 James Puckett (OK)
 William Johnson (AL)

1991

Milburn Wilson (CA)
 Glen Thomas (GA)
 Larry Russell (LA)

MASTER'S MEN BOARD

Chairman: Raymond Lee, 9610 Colleen, Houston, TX 77080

Director: James Vallance, Box 1088, Nashville, TN 37202

1987

Wendell Leckbee (AR)
 Dwight Fletcher (MS)
 Wayne Spruill (HI)

1989

Paul Kennedy (CA)
 James Orr (KY)
 Raymond Lee (TX)

1991

Howard Gwartney (OK)
 Tim Jordan (GA)
 Paul Moore (IL)

BOARD OF RETIREMENT

Chairman: Francis Boyle, 569 W. Santa Barbara St., Santa Paula, CA 93060

Director: Herman Hersey, P.O. Box 1088, Nashville, TN 37202

1987

Billy Samms (WV)
N. R. Smith (OK)
Francis Boyle (CA)

1989

Jack Daniel (GA)
Robert Picirilli (TN)
Wilburn Beasley (SC)

1991

Ron Barber (OK)
Glen Wright (TN)
Milton Hollifield (NC)

SUNDAY SCHOOL AND CHURCH TRAINING BOARD

Chairman: Milton Worthington, 1841 Parkdale, Madison Hts., MI 48071

Director: Roger Reeds, P.O. Box 17306, Nashville, TN 37217

1986

Connie Cariker (TN)
Alton Loveless (OH)
Dale Burden (VA)

1988

Milton Worthington (MI)
Eugene Hales (AL)
Jim Shepherd (OK)

1990

Carl Cheshier (AR)
James McAllister (MO)
Malcolm Fry (NC)

COMMISSION FOR THEOLOGICAL INTEGRITY

Chairman: Leroy Forlines, 3606 West End Ave., Nashville, TN 37205

1986 Lonnie Skiles (TN)
1987 Leroy Forlines (TN)

1988 Fred Hall (KY)
1989 L. C. Johnson (TN)

1990 Edwin Wade (OK)

HISTORICAL COMMISSION

Chairman: David Joslin, P.O. Box 1404, Conway, AR 72032

1986 David Joslin (AR)
1987 Jack Williams (TN)

1988 Mary Wisehart (TN)
1989 Robert Picirilli (TN)

1990 Steve Hasty (FL)

RADIO-TELEVISION COMMISSION

Chairman: George Lee, 1403 9th St., Goldsboro, NC 27530

1986 Sandy Goodfellow (TN)
1987 Guy Owens (TN)

1988 George Lee (NC)
1989 James Vallance (TN)

1990 Larry Hampton (VA)

PROCEEDINGS

The 49th Annual Convention of the National Association of Free Will Baptists met in the Municipal Auditorium, Nashville, Tennessee, July 21-24, 1985. "Focusing on Free Will Baptists" was the theme. Blaine Hughes served as music coordinator, Richard McDonald as organist, and Patsy Gwartney as pianist.

SUNDAY MORNING

Ralph Hampton, Jr., presided at the Sunday School and morning worship service. Harrold Harrison taught the adult Sunday School. Donnie Miles directed the congregation in singing "All Hail the Power" to open the worship service. The Worthington sisters sang "Great is the Lord." The congregation sang "Revive Us Again." Ralph Hampton led the offertory prayer. Howard Gwartney sang a medley of songs written by Free Will Baptists while the offering was received.

The congregation sang the chorus of "Tis so Sweet" and greeted each other with handshakes. Steve Johnson sang "Oh, What a Moment." Herman Hersey, director of the Board of Retirement, was introduced to speak. His subject was "Denominational Stewardship." He read from I Chronicles 29. The four-point message outlined that stewardship recognizes God's ownership of all things, requires absolute love for God, results in willing service, and realizes giving is unto the Lord.

At the close of the message, announcements were made and the service dismissed.

MONDAY EVENING

The Monday evening session opened with remarks by Milton Worthington who presided at the service.

A musical group from Free Will Baptist Bible College sang "We Shall Rise." Blaine Hughes led the congregation in singing "Tis the Old Time Religion." Milton Worthington led in prayer.

The Mass Adult Choir, under the direction of Doug Little, sang "The Travelin' Medley."

Clerk Waldo Young called the 49th annual convention of the National Association of Free Will Baptists into official session and introduced Moderator Bobby Jackson.

Following remarks to the congregation, the moderator announced the appointment of committees.

Nominating Committee: Malcolm Fry, Fred Hall, Billy Hanna, Lynn Wood and Ray Gwartney.

Resolutions Committee: Garnett Reid, David Sutton, Milton Fields, Duane Scott and Nathan Ruble.

Raymond Riggs, Tennessee executive secretary, brought the welcome address.

Blaine Hughes led the congregation in singing "Victory in Jesus." As the offering was received, the congregation again sang "Victory in Jesus" and "Blest Be the Tie."

Soloist Bill Gardner sang "Does Jesus Care." Milton Worthington introduced L. C. Johnson to bring the message. His subject was "Remembering the Past." Announcements were made after the message. The Gospeliers Quartet closed the service by singing "Heartaches."

TUESDAY EVENING

Jack Richey presided at the Tuesday evening service. He called the meeting to order at 7:00 p.m. The Harvesters Quartet from Hillsdale Free Will Baptist College

sang "Brethren, We Have Met to Worship." I. L. Stanley led the congregation in singing "To God Be the Glory." Jack Richey led in prayer.

The congregation sang "At the Cross."

Rusty Russell played a trombone solo as the convention offering was received.

The choir sang "King of Kings," directed by Doug Little. The congregation sang "He Lives."

Carl Sullivan sang "The Little Boy from the Carpenter's Shop." Alton Loveless, promotional secretary for Ohio Free Will Baptists, was introduced to bring his message, "Reviewing the Present." He read Matthew 10:1-7. The service closed with announcements and prayer by Jack Richey.

WEDNESDAY MORNING

The moderator called the session to order at 9:00 a.m. He read Leviticus 25:8-17, brought devotional thoughts on the Year of Jubilee and led in prayer.

The clerk read the Credentials Committee report. A motion carried to adopt the report and seat the delegates.

The clerk read Item 1 of the General Board recommending the reports of the various departments. A motion carried to receive the partial report of the General Board and hear the department reports.

Melvin Worthington gave the Executive Office report. A motion carried to receive the report and adopt the budgets.

General Director Rolla Smith gave the Foreign Missions Department report. He presented plaques to Laura Belle Barnard, Mabel Willey and Raymond Riggs in recognition of their pioneer work and years of service to foreign missions. A historical review of the Foreign Missions Department was given. Jimmy Aldridge, overseas secretary, gave a brief report of Advance Celebration.

Rolla Smith announced his retirement effective April 1, 1986. Bill Jones, Board chairman, announced that Associate Director Eugene Waddell will succeed Rolla Smith as general director of the Foreign Missions Department. Eugene Waddell brought brief remarks. A motion carried to receive the report and adopt the budget.

The congregation gave a standing vote of appreciation to Rolla Smith, Raymond Riggs, Laura Belle Barnard and Mabel Willey, and a vote of encouragement to the new director-elect, Eugene Waddell.

President Charles Thigpen gave the report of Free Will Baptist Bible College. A motion carried to receive the report and adopt the budget.

A partial report of the Nominating Committee was heard to fill a Board of Trustees vacancy resulting from the resignation of J. D. O'Donnell. J. M. Creech was elected to fill the term which expires in 1990.

Roy Thomas gave the Home Missions Department report. Agnes Frazier, present for the meeting, was recognized as one of the first members of the Home Missions Board. George and Maurine Lee were recognized as some of the first home missionaries. Claudie Hames and J. E. Blanton, who could not be re-elected to the board, were recognized for their service to home missions.

A standing vote of appreciation was given for Mrs. Frazier, the Lees, J. E. Blanton and Claudie Hames. A motion carried to receive the report and adopt the budget.

Milburn Wilson (CA), Glen Thomas (GA) and Larry Russell (LA), were elected to six-year terms on the Home Missions Board.

James Vallance gave the Master's Men report. W. C. Combs was recognized for his service on the Master's Men Board. Recognition was also given to Howard Gwartney and the Master's Hands Project, and to Charles Denman, national ushering chairman 1982-1985. A motion carried to receive the report and adopt the budget.

Howard Gwartney (OK), Tim Jordan (GA) and Paul Moore (IL), were elected to

six-year terms on the Master's Men Board.

Herman Hersey gave the Board of Retirement report. A motion carried to receive the report and adopt the budget.

Ron Barber (OK), Glen Wright (TN) and Milton Hollifield (NC) were elected to six-year terms on the Board of Retirement. Jack Daniel (GA) was elected to fill the unexpired term of Dennis Kern who resigned. This term expires in 1989.

Herman Hersey gave the Benevolent Committee report, including a recommendation to continue the committee for one year. A motion carried to receive the report and continue the committee.

Leroy Forlines gave the Commission on Theological Liberalism report. A motion was made and seconded to receive the report and adopt the budget. Since constitutional changes were involved, a motion carried to postpone the recommendations for one day.

Edwin Wade (OK) was elected to serve a five-year term on the commission.

The meeting recessed for lunch.

WEDNESDAY AFTERNOON

At 1:30 p.m. the Association was called to order by the Moderator.

Ralph Hampton, Jr., read II Timothy 3:1-17; 4:1-4 and led in prayer.

Roger Reeds gave the Sunday School and Church Training Department report which was accompanied by an audio-visual presentation. A motion carried to receive the report and adopt the budget.

George Lee gave the Radio-Television Commission report. A motion carried to receive the report and adopt the budget. Larry Hampton was elected to a five-year term on the Radio-Television Commission.

The clerk read a partial report of the General Board, Item 2. Melvin Worthington gave the Hymn Book Study Committee report. A motion carried to receive the report and adopt the recommendations.

Item 3. Melvin Worthington gave the report of the Target 90 Committee.

A motion carried to receive the report and adopt the recommendations.

Item 4. The placement (sites and dates) for National Conventions through 1995. A motion carried to adopt Item 4.

The following members were elected to two-year General Board terms:

John Edwards (AL)
Charles Marshall (AZ)
David Joslin (AR)
Fred Hanson (Atl. Can)
Doice McAlister (CA)
Gary Riley (CO)
Robert Owen (FL)
Herbert Waid (GA)
Pat Burttram (ID)

Wallace Malone (IL)
Henry Patterson (IN)
Gary Mitchener (KS)
Edgar (Dick) Van Hoose (KY)
Lester Horton (MD)
Jerry Barron (MX)
Charles Cooper (MI)
Al Hamm (MS)
Millard Sasser (MO)

The following members were elected to two-year Executive Committee terms:

Millard Sasser (MO)
Robert Owen (FL)
Doice McAlister (CA)

A motion carried to recess until 9:00 a.m. Thursday, one hour and five minutes ahead of schedule.

WEDNESDAY EVENING

Presider Tom Lilly called the service to order. Southeastern Free Will Baptist College ensemble gave the call to worship, singing "Come, Praise the Lord."

Henry Van Kluyve led the convention in singing "The Banner of the Cross."

Tom Lilly led in prayer.

The Men's Chorale, directed by Vernon Whaley and featuring Bill Gardner, sang "I Find No Fault in Him."

Bill Jones, chairman of the Foreign Missions Board, presented a \$1,000 check to retiring Director Rolla Smith, a bouquet of red roses to Mrs. Smith, and a plaque for their years of service.

John Neal conducted the instrumental ensemble during the offertory. The offering was designated for missions.

Henry Van Kluyve led the convention in singing "Wonderful Grace of Jesus."

Bobby Jackson was introduced to speak. John Gibbs sang a medley of songs before the message. Bobby Jackson then spoke on the subject, "Realizing Our Potential." Several people responded to the invitation and came forward for prayer.

The missions offering totaled \$17,977.40. After announcements, the service was dismissed.

THURSDAY MORNING

The moderator called the meeting to order at 9:00 a.m. Jerry Dudley read Philippians 4:1-8, brought devotional thoughts and led in prayer.

Cleo Pursell gave the Woman's National Auxiliary Convention report. A motion carried to receive the report.

A partial report of the Resolutions Committee, Item 1, was read and adopted. A standing vote of appreciation was given for Mrs. Pursell, recognizing her 22 years of service as WNAC executive secretary-treasurer.

David Joslin gave the Historical Commission report. A motion carried to receive the report. Steve Hasty was elected as the five-year member of the Historical Commission.

Since this was the 50th anniversary of the organization of the National Association, those who were present for the first meeting in 1935 were recognized. They included Ralph Staten, Mrs. Luther Reed, Agnes Frazier, Mary Elizabeth Griffith, Ethel Burroughs and Jessie Parsons. A motion carried to record these names in the minutes showing that they were present at both the organization in 1935 and present at the 50th anniversary meeting in 1985.

The moderator brought the postponed recommendations of the Commission On Theological Liberalism to the floor. A motion carried to adopt the recommendations and change the by-laws of the constitution in the Treatise accordingly.

The report of the Registration Committee was given. A motion carried to receive the report.

The report of the Budget Committee was given by Melvin Worthington. A motion carried to receive the report and adopt the percentage allocations.

The final report of the Resolutions Committee was given. Item 2 was read. A motion carried to amend this resolution by adding the words "to the major television networks." A motion carried to adopt Item 2 as amended.

Item 3 was read. A motion carried to adopt this resolution and give a standing vote of appreciation to the Tennessee State Association.

A motion carried to recommend that in planning future conventions the Executive Committee consider providing nursery services.

The final report of the Nominating Committee was given. Keith Burden was elected assistant clerk. Waldo Young was elected clerk. Ralph Hampton, Jr., was elected assistant moderator. Bobby Jackson was elected moderator.

Jerry Dudley was thanked for serving as assistant clerk during this session in the absence of Keith Burden.

A motion carried to give a standing vote of appreciation to the Executive Committee, all officers and those working behind the scenes, for this golden anniversary convention of the National Association.

A motion carried to adjourn.

Ralph Hampton, Jr., led in the dismissal prayer. Adjournment came at 10:10 a.m.

THE EXECUTIVE SECRETARY'S REPORT 1985

The Review

The Executive Office mandate dates from 1941. The office functions under the General Board to implement directives and plans voted by the National Association. Eight men have served as Executive Secretary since 1941—

L. R. Ennis	1941-1944
Robert Crawford	1944-1948
Ralph Lightsey	1948-1949
Damon C. Dodd	1949-1953
W. S. Mooneyham	1953-1959
Billy Melvin	1959-1967
Rufus Coffey	1967-1979
Melvin Worthington	1979-Present

The ministry of the Executive Office has been primarily administrative and service-related in direct relationship to the ministries of the local church, the district and state associations, and the departments, commissions and auxiliaries of the National Association. All Executive Office functions are designed to assist these organizations in evangelism, education and edification.

The office publishes CONTACT, promotes the cooperative plan and plans the National Convention while coordinating and correlating the ministries of the National Association.

The Report

The Executive Office has functioned smoothly since the 1984 National Convention in Little Rock, Arkansas.

We commend the Executive Office staff—Bookkeeper Melody Hood, Editorial Assistant Marilyn Pritchard, Maintenance Chief Jack Trotter, CONTACT Circulation Manager Geneva Trotter, Executive Assistant and Editor Jack Williams, and part-time workers Nancy Smith and Anne Worthington.

The Executive Secretary attended 16 state associations during 1984. Each state recorded continued progress. A cooperative, congenial and compassionate spirit prevailed during the meetings.

Site inspections were made at seven convention cities—Charlotte, NC (1995), Charleston, WV (1991), Biloxi, MS (1991), Indianapolis, IN (1992), Tulsa, OK (1986), Nashville, TN (1985) and Houston, TX (1992). Other site inspections will be made as time permits.

A complimentary copy of the 1985 *Free Will Baptist Yearbook*, printed by Randall House, was mailed to each church in April. Additional copies may be ordered from Randall House.

The 1984 Leadership Conference, sponsored by the Executive Office, met December 5-7 in Nashville, Tennessee. More than 100 attendees from 21 states heard Robert Picirilli, Jim McAllister, David Sutton, Randy Cox and Earl Hendrix develop the theme "Guidelines for Growth." Evangelist Bobby Jackson, moderator of the National Association, presided.

The 1985 Leadership Conference will be sponsored by the national departments in conjunction with the Executive Office. We urge each state to send its promotional director/executive secretary, moderator, assistant moderator, clerk and General Board member to the December 4-6 meeting.

Executive Church Bonds continues to operate on a limited basis. We commend Harold Critcher who serves as trustee for Executive Church Bonds.

Contributions through the Cooperative Channel totaled \$940,490.77 for 1984. Of this amount \$380,000.33 were cooperative gifts and \$560,490.44 were designated gifts.

A growing number of individuals, churches and state associations are using the Cooperative Channel to support denominational ministries.

Charting Contributions Through The Cooperative Channel

<u>DESIGNATED</u>	<u>CO-OP</u>	<u>TOTAL</u>
*1979 \$134,692.98 56%	\$105,071.32 44%	\$239,764.30
*1980 \$189,065.28 (+40.3%) 60%	\$123,740.30 (+17.7%) 40%	\$312,805.58 (+30.4%)
*1981 \$279,830.55 (+48%) 59%	\$191,661.52 (+54.8%) 41%	\$471,492.07 (+50.7%)
*1982 \$495,612.97 (+77.1%) 65%	\$263,766.24 (+37.6%) 35%	\$759,379.21 (+61%)
*1983 \$487,876.30 (-1.5%) 61%	\$314,162.76 (+19.1%) 39%	\$802,039.06 (+5.6%)
*1984 \$560,490.44 (+15%) 60%	\$380,000.33 (+21%) 40%	\$940,490.77 (+17%)

Cooperative Channel Contributions Increase from 1979-1984:

Designated - 316%

Co-op - 261%

The Cooperative Plan, when properly implemented and utilized, fairly and fully supports all denominational ministries including local, state and national outreaches. Brochures explaining the Cooperative Program are available and may be obtained by writing the Executive Office, P.O. Box 1088, Nashville, TN 37202.

Contributions to national ministries totaled \$5,055,269.03 during 1984. Comparative figures since 1980 are:

1980	3,520,691.10
1981	4,506,067.27
1982	4,233,825.98
1983	4,627,217.56
1984	5,055,269.03

We appreciate your systematic and sacrificial stewardship which supports the national ministries. For a detailed report of contributions to national ministries see page 21.

CONTACT plays a significant role as the official publication of the National Association of Free Will Baptists, Inc. The 32-page monthly publication is informative, inspirational and instructive. Individual subscriptions are \$8.50, bundle plans \$8.00, and church family plans \$7.50. Churches which adopt the church family plan receive a complimentary subscription for the pastor.

CONTACT subscribers totaled 7,228 on May 1, 1985. Complimentary copies are provided for students at Free Will Baptist Bible College, Hillsdale FWB College, California Christian College and Southeastern FWB College during the school year. Randall House continues to do an excellent job in printing the magazine.

The Reflections

Remembering and reflecting on 50 years of National Association history fills me with gratitude to God for His goodness. While reflecting on the past we realize that we have not been all we ought or might have been nor done all we might have or could have done.

Perhaps Paul expressed my feelings best when he wrote, "Not as though I had already attained, either were already perfect: but I follow after, if that I may apprehend that for which also I am apprehended of Christ Jesus. Brethren, I count not myself to have apprehended: but this one thing I do, forgetting those things which are behind, and reaching forth unto those things which are before, I press toward the mark for the prize of the high calling of God in Christ Jesus" (Philippians 3:12-14).

Remembering and reflecting leads to repentance which revives, reaffirms and renews the reasons for which we came into existence as a denomination.

Priorities for the next fifty years must include:

- Growth in godliness.....spirituality
- Growth in giving.....stewardship
- Growth in going.....service

The Recommendations

The West Virginia State Association voted to host the 1991 National Convention. The Indiana State Association voted to host the 1992 National Convention. The Kentucky State Association voted to host the 1993 National Convention. The Arkansas State Association voted to host the 1994 National Convention. The North

Carolina State Association voted to host the 1995 National Convention. We recommend these future sites for the National Convention:

Charleston, West Virginia	July 21-25, 1991
Indianapolis, Indiana	July 19-23, 1992
Louisville, Kentucky	July 18-22, 1993
Little Rock, Arkansas	July 17-21, 1994
Charlotte, North Carolina	July 16-20, 1995

These recommendations through 1995 should enable us to obtain better rates for convention facilities. This will also give host states longer to prepare, promote and provide funds for the scheduled conventions. Henceforth convention sites will be recommended ten years out.

Melvin L. Worthington, Th.D.
Executive Secretary

EXECUTIVE OFFICE OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

BALANCE SHEET

OPERATING FUND

	DECEMBER 31	
	1984	1983
ASSETS		
CURRENT ASSETS		
Cash - General	\$17,696.12	\$ 8,938.21
- Contact Magazine	14,711.57	9,494.77
- Special projects	2,620.94	1,440.59
Accounts receivable - Contact Magazine	1,485.23	2,180.88
- Special projects		64.77
- Executive	508.75	723.25
Merchandise for sale	37,022.61	22,842.47
FIXED ASSETS - (Note 1)		
Auto	13,157.25	13,157.25
Office equipment	31,128.22	26,925.57
	44,285.47	40,082.82
Less - accumulated depreciation	(29,058.77)	(28,120.47)
Total fixed assets	15,226.70	11,962.35
OTHER ASSETS		
Airlines deposit	425.00	425.00
Total assets	\$52,674.31	\$35,229.82
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable - general	\$ 7,117.72	\$ 6,557.51
Loans payable (note 2)	5,602.75	8,900.00
Payroll taxes	967.67	906.94
Total liabilities	13,688.14	16,364.45

<u>FUND BALANCE</u>	<u>38,986.17</u>	<u>18,865.37</u>
Total liabilities and fund balance	<u>\$52,674.31</u>	<u>\$35,229.82</u>

The accompanying notes are an integral part of the financial statements.

EXECUTIVE OFFICE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENT OF REVENUES, EXPENSES, AND FUND BALANCE
OPERATING FUND

	YEAR ENDED DECEMBER 31	
	1984	1983
<u>GENERAL INCOME</u>		
Cooperative plan	\$156,154.47	\$138,646.29
Gifts	8,493.49	9,669.52
Promotional meeting	5,128.74	
Miscellaneous	1,469.40	8,372.09
Total income	<u>171,246.10</u>	<u>156,687.90</u>
<u>GENERAL EXPENSES</u>		
Accounting and legal	2,625.00	1,900.00
Executive committee - travel	2,486.61	2,703.47
Insurance - general	1,697.08	1,488.80
Insurance and retirement - employees	10,368.15	11,102.99
Office space rental	10,039.20	8,863.20
Office supplies and printing	11,419.39	4,617.52
Payroll taxes	2,719.90	3,713.18
Postage	999.91	1,437.43
Promotion	1,357.70	4,708.98
Salaries	73,167.03	70,016.83
Housing allowances	18,622.92	16,662.00
Telephone and telegraph	2,331.58	2,598.01
Travel	10,316.69	7,889.31
Miscellaneous	9,638.62	6,203.72
Interest expense		799.05
Repairs and maintenance	1,335.45	2,074.00
Depreciation expense	5,645.90	5,690.14
Total expenses	<u>164,771.13</u>	<u>152,468.63</u>
Net income	<u>\$ 6,474.97</u>	<u>\$ 4,219.27</u>
<u>CONTACT MAGAZINE INCOME</u>		
Sales	\$ 53,679.48	\$ 56,974.31
Advertising income		3,500.00
Less cost of sales	(49,295.89)	(51,247.99)
Net income	<u>\$ 4,383.59</u>	<u>\$ 9,226.32</u>

EXECUTIVE OFFICE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENT OF REVENUES, EXPENSES, AND FUND BALANCE (Continued)

OPERATING FUND

	YEAR ENDED DECEMBER 31	
	1984	1983
<u>SPECIAL PROJECTS INCOME</u>		
Sales	\$13,513.80	\$ 9,324.49
Less cost of sales	(4,269.56)	(5,832.34)
Net income	<u>\$ 9,244.24</u>	<u>\$ 3,492.15</u>
<u>Net Gain - Total</u>		
Fund balance, beginning	\$20,102.80	\$16,937.74
	18,865.37	1,927.63
Fund balance, ending	<u>\$38,968.17</u>	<u>\$18,865.37</u>

The accompanying notes are an integral part of the financial statements.

EXECUTIVE OFFICE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

BALANCE SHEET

PLANT FUND

	YEAR ENDED DECEMBER 31	
	1984	1983
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash - general	\$ 3,004.74	\$ 4,475.97
Accounts receivable	33.97	135.50
Total current assets	<u>3,038.71</u>	<u>4,611.47</u>
<u>PROPERTY, PLANT, AND EQUIPMENT (Note 1)</u>		
Land, building, and accessory equipment	290,656.21	290,129.72
Telephone equipment	37,829.40	33,603.88
Vehicle	3,482.50	3,482.50
Lawn equipment	1,697.95	1,697.95
Total capital assets	<u>333,666.06</u>	<u>328,914.05</u>
Less - accumulated depreciation	(119,598.45)	(141,307.67)
	<u>214,067.61</u>	<u>187,606.38</u>
Total assets	<u>\$217,106.32</u>	<u>\$192,217.85</u>

LIABILITIES AND FUND BALANCE

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 4,622.36	\$ 2,605.08
Property taxes	2,386.37	4,406.71
Payroll taxes	725.99	656.03
Board of Retirement and Insurance (note 3)	66,708.82	74,708.82
Note payable - telephone system	35,887.93	
Total current liabilities	<u>110,331.47</u>	<u>82,376.64</u>
<u>FUND BALANCE</u>		
Total liabilities and fund balance	<u>106,774.85</u>	<u>109,841.21</u>
	<u>\$217,106.32</u>	<u>\$192,217.85</u>

The accompanying notes are an integral part of the financial statements.

EXECUTIVE OFFICE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENT OF REVENUE, EXPENSES, AND FUND BALANCE

PLANT FUND

	YEAR ENDED DECEMBER 31	
	1984	1983
<u>GENERAL INCOME</u>		
Rent	\$ 77,238.42	\$ 71,435.92
Telephone	20,906.32	17,848.84
Hospitalization and life insurance	51,954.39	34,976.13
Postage meter	33,878.21	
Miscellaneous	4,390.90	1,553.52
Total income	<u>188,368.24</u>	<u>125,814.41</u>
<u>GENERAL EXPENSES</u>		
General supplies	1,474.68	564.50
Hospitalization and life insurance	51,933.36	34,769.68
Insurance - general	4,622.36	3,706.86
Interest	9,957.81	9,804.24
Janitor service & supplies	2,038.19	2,165.52
Property taxes	2,386.37	4,439.76
Retirement expense	485.20	156.00
Mail truck expense	657.01	1,152.68
Mail room expense	1,288.03	1,155.13
Maintenance - general	6,582.97	5,248.16
Office supplies		839.78
Payroll taxes	1,962.75	1,991.29
Salaries	28,039.05	27,184.41
Telephone	17,827.37	18,871.84
Utilities	11,119.71	13,795.02
Postage	34,430.72	2,868.46
Depreciation	11,894.66	11,876.05
Miscellaneous	4,734.36	2,297.46
Total expenses	<u>191,434.60</u>	<u>142,886.84</u>

Net income (loss)	(3,066.36)	(17,072.43)
Fund balance, beginning	<u>109,841.21</u>	<u>126,913.64</u>
Fund balance, ending	<u>\$106,774.85</u>	<u>\$109,841.21</u>

The accompanying notes are an integral part of the financial statements.

EXECUTIVE OFFICE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

BALANCE SHEET

CONVENTION FUND

YEAR ENDED
DECEMBER 31

1984

1983

ASSETS

Cash	\$27,997.49	\$16,533.17
Loans receivable	5,620.75	8,900.00
	<u>\$33,618.24</u>	<u>\$25,433.17</u>

LIABILITIES

Accounts payable	\$ 120.00	\$
Fund balance	<u>33,498.24</u>	<u>25,433.17</u>
Total liabilities and fund balance	<u>\$33,618.24</u>	<u>\$25,433.17</u>

The accompanying notes are an integral part of the financial statements.

EXECUTIVE OFFICE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENT OF REVENUES, EXPENSES, AND FUND BALANCE

CONVENTION FUND

YEAR ENDED
DECEMBER 31

1984

1983

ADDITIONS

Banquet tickets	\$ 3,633.50	\$ 2,685.00
Offerings	6,043.79	6,462.94
Church fees	20.00	2,035.00

State fees	24,810.00	24,910.00
Booth fees	7,025.00	6,675.00
Host state gifts	7,000.00	10,000.00
Miscellaneous	937.18	2,641.70
Total income	<u>49,469.37</u>	<u>55,409.64</u>

DEDUCTIONS

Printing and promotions	7,451.07	6,472.29
Auditorium rent and signs	13,492.50	14,423.83
Booth installations	1,200.00	1,632.00
Convention office, publicity and advertising	2,866.80	2,225.56
Honorariums	350.00	850.00
Music ministries	165.00	
Travel expense	11,654.33	11,983.09
Banquet tickets	3,468.50	2,676.00
Miscellaneous	636.10	1,352.63
Insurance	120.00	122.20
Total expenses	<u>41,404.30</u>	<u>41,737.60</u>
Net income	8,065.07	13,672.04
Fund balance, beginning	25,433.17	11,761.13
Fund balance, ending	<u>\$33,498.24</u>	<u>\$25,433.17</u>

EXECUTIVE OFFICE OF

THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

CONTRIBUTIONS THROUGH THE COOPERATIVE CHANNEL

RECEIPTS

	<u>YEAR ENDED</u> <u>DECEMBER 31</u>	
	<u>1984</u>	<u>1983</u>
Alabama	\$ 11,336.30	\$ 12,544.41
Arizona	327.48	644.45
Arkansas	47,327.16	44,130.57
California	12,773.72	12,465.68
Canada	10.00	
Florida	17,382.42	18,904.20
Georgia	37,777.49	45,085.22
Hawaii		275.00
Idaho	346.15	463.54
Illinois	87,016.08	86,060.66
Indiana	6,471.55	314.10
Iowa		258.45
Kansas	1,926.38	2,875.82
Kentucky	3,282.34	4,409.29
Maryland	360.00	460.00
Mexico		2.00
Michigan	57,048.50	39,735.97
Mississippi	6,772.08	10,351.40
Missouri	91,002.39	77,276.19

New Mexico	981.78	1,331.46
North Carolina	10,313.13	7,942.60
Northwest Association	53.11	
Ohio	32,166.47	18,817.74
Oklahoma	374,982.10	333,395.30
South Carolina	909.89	
Tennessee	18,272.80	12,926.53
Texas	59,296.80	36,480.63
Virginia	5,606.50	1,377.90
West Virginia	54,697.88	33,509.95
Interest	2,098.53	864.19
Total receipts (Note 4)	<u>\$940,539.03</u>	<u>\$802,903.25</u>

EXECUTIVE OFFICE OF

THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (Continued)

CONTRIBUTIONS THROUGH THE COOPERATIVE CHANNEL

	<u>DESIGNATED</u>	<u>COOP</u>	<u>TOTAL</u> <u>1984</u>	<u>TOTAL</u> <u>1983</u>
<u>DISBURSEMENTS</u>				
Executive Office	\$ 1,770.14	\$154,384.33	\$156,154.47	\$138,646.29
Foreign Mission Board	394,245.60	51,900.33	446,145.93	386,821.81
Bible College	23,947.63	51,900.33	75,847.96	74,032.77
Home Mission Board	123,410.33	40,580.05	163,990.38	129,254.19
Board of Retirement and Insurance	2,895.35	33,848.23	36,743.58	31,401.83
Master's Men	2,041.91	29,334.90	31,376.81	24,362.06
FWB Foundation	976.00	13,539.32	14,515.32	12,199.78
Historical Commission	102.60	2,256.42	2,359.02	1,972.32
Commission of Theological Liberalism	100.31	2,256.42	2,356.73	2,176.61
Miscellaneous	11,000.57		11,000.57	1,171.40
Total disbursements (Note 4)	<u>\$560,490.44</u>	<u>\$380,000.33</u>	<u>\$940,490.77</u>	<u>\$802,039.06</u>

EXECUTIVE OFFICE OF

THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 1984

Following is a summary of the significant accounting policies of the Executive Office of The National Association of Free Will Baptists, Inc.:

Assets, liabilities, revenues, and expenses are recognized on the

EZRA JONES & ASSOCIATES

Certified Public Accountants

1161 MURFREESBORO ROAD
NASHVILLE, TENNESSEE 37217

February 21, 1985

To the Executive Committee of
The National Association of Free Will Baptists, Inc.
Nashville, Tennessee

We have examined the balance sheets of the Operating Fund and the Plant Fund of Executive Office of the National Association of Free Will Baptists, Inc., as of December 31, 1984 and 1983, and the related statements of revenues, expenses, and fund balances for the years then ended. We have also examined the balance sheets of the Convention Fund as of December 31, 1984 and 1983, and the related statements of revenues, expenses, and fund balance for the years then ended. We also examined the Cash Receipts and Disbursements of the Cooperative Plan of Support for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements identified above present fairly the financial position of each of the aforementioned organizations at December 31, 1984 and 1983, and the results of their operations and the changes in their fund balances for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Ezra Jones & Associates

**EXECUTIVE OFFICE BUDGET
1986**

Administrative	\$187,443.30
Convention (1985)	54,143.56
CONTACT	63,200.00
TOTAL	\$304,786.86

**ADMINISTRATIVE
1986**

PROJECTED EXPENSES

Salaries	\$ 84,246.20
Housing and Utilities	22,268.00
Social Security	11,169.51
Retirement	3,220.49
Employees Insurance	16,496.10
(Hospital, Life and Travel)	12,843.00
Office Rental	4,300.00
Office Supplies	1,700.00
Equipment Maintenance	3,500.00
Telephone	1,900.00
Postage	1,800.00
General Insurance	13,000.00
Travel	3,500.00
Executive Committee	2,500.00
Auditing	1,000.00
Contingency Fund	1,000.00
Promotion	2,000.00
Printing	1,000.00
Annual Leadership Conference	
Total	\$187,443.30

PROJECTED INCOME

Cooperative Plan	\$167,443.30
Designated Gifts	10,000.00
Retained from 1985 Budget	10,000.00
Total	\$187,443.30

CONVENTION

National Association of Free Will Baptists
July 21-25, 1985
Nashville, Tennessee

PROJECTED EXPENDITURES

Auditorium	\$17,045.00
Printing and Promotion	12,501.08
Convention Office	4,766.43
Convention Personnel	4,738.20
Meals	\$ 1,176.00
Travel	700.00
Lodging	2,862.20

Convention Officials	4,825.50
Honorariums	525.00
Decorator's Services	5,230.00
Meal Functions	1,269.05
Executive Committee	1,050.00
Meal and Motel Expenses	
Pre-Convention Expenses	2,193.30
TOTAL	<u>\$54,143.56</u>

PROJECTED RECEIPTS

Booth Fees	\$ 7,225.00
State Association Fees	25,010.00
Local Church Delegate Fees	2,100.00
Host State (Tennessee)	10,000.00
Offerings	9,808.56
TOTAL	<u>\$54,143.56</u>

**CONTACT
1986**

PROJECTED EXPENSES

Printing	\$35,000.00
Postage	13,000.00
Art	1,200.00
Writers Fees and Photos	4,700.00
Promotion	750.00
Computer	5,000.00
Telephone	600.00
Office Supplies	750.00
Travel	1,000.00
Bound Copies	400.00
Miscellaneous	500.00
(EPA dues, fees)	
Free Will Baptist Press Assoc.	300.00
Total Expenses	<u>\$63,200.00</u>

PROJECTED INCOME

*Subscriptions	\$58,413.50
Publicity	4,786.50
Total Income	<u>\$63,200.00</u>

*Based on 7,200 subscriptions
(4,003 @ \$7.50 = \$30,022.50 Church Family Plan)

(382 @ \$8.00 = \$ 3,056.00 Bundle Plan)
(2,815 @ \$9.00 = \$25,335.00 Individual Plan)

EXECUTIVE CHURCH BONDS, INC.

GENERAL FUND

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE

ARISING FROM CASH TRANSACTIONS

	<u>DECEMBER 31</u>	
	<u>1984</u>	<u>1983</u>
<u>ASSETS</u>		
Cash	\$7,671.20	\$ 9,807.86
Office equipment	2,063.70	2,063.70
Total assets	<u>\$9,734.80</u>	<u>\$11,871.56</u>
<u>FUND BALANCE</u>		
Fund balance	\$9,734.80	\$11,871.56
Total fund balance	<u>\$9,734.80</u>	<u>\$11,871.56</u>

EXECUTIVE CHURCH BONDS, INC.

SERVICE AND TRUST FUND

STATEMENT OF REVENUE COLLECTED AND EXPENSES PAID

	<u>YEARS ENDED DECEMBER 31</u>	
	<u>1984</u>	<u>1983</u>
<u>REVENUES COLLECTED</u>		
Interest on savings	\$ 905.23	\$ 854.62
Total revenue collected	905.23	854.62
Cash, beginning	16,657.16	15,802.54
Cash, ending	<u>\$17,562.39</u>	<u>\$16,657.16</u>

EXECUTIVE CHURCH BONDS, INC.

SERVICE AND TRUST FUND

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE

RESULTING FROM CASH TRANSACTIONS

DECEMBER 31

	1984	1983
<u>ASSETS</u>		
Cash	\$17,562.39	\$16,657.16
	<u>\$17,562.39</u>	<u>\$16,657.16</u>
<u>FUND BALANCE</u>		
Fund balance	\$17,562.39	\$16,657.16
	<u>\$17,562.39</u>	<u>\$16,657.16</u>

EXECUTIVE CHURCH BONDS, INC.

GENERAL FUND

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

YEARS ENDED
DECEMBER 31

	1984	1983
<u>REVENUES COLLECTED</u>		
Service fees	\$ 3,150.00	\$ 3,150.00
Interest on savings	268.33	254.63
Total to be accounted for	<u>268.33</u>	<u>3,404.63</u>
<u>EXPENSES PAID</u>		
Legal		30.00
Leadership and National conference	567.80	815.45
Accounting and auditing	210.00	210.00
Miscellaneous	242.72	205.31
Office equipment maintenance		127.71
Office supplies		24.25
Payroll taxes	125.00	175.00
Printing		696.66
Salaries, commissions and trustee fees	1,205.00	1,771.00
Telephone	19.47	89.12
Travel	35.00	35.00
Total disbursements	<u>2,404.99</u>	<u>4,179.50</u>

Excess of revenues over (expenses) paid before capital expenditures	(2,136.66)	(774.87)
Cash beginning	9,807.86	10,582.73
Cash ending	<u>\$7,671.20</u>	<u>\$ 9,807.86</u>

EZRA JONES & ASSOCIATES

Certified Public Accountants

1161 MURFREESBORO ROAD
NASHVILLE, TENNESSEE 37217

April 16, 1985

Executive Church Bonds, Inc.
Nashville, Tennessee

We have examined the statements of assets and liabilities and fund balances arising from cash transactions of Executive Church Bonds, Inc. and Services and Trust Fund, as of December 31, 1984 and 1983, and the related statements of revenue collected and expenses paid for the years the ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The Organization's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, the financial statements may not include certain assets, liabilities, revenues, and expenses. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly the assets and liabilities arising from cash transactions of Executive Church Bonds, Inc., as of December 31, 1984 and 1983, and the revenues collected and expenses paid during the years then ended, on the basis indicated in the preceding paragraph, which basis is consistent with that used in the preceding year.

Ezra Jones & Associates

1984
Contributions to National Ministries

States	Executive	Foreign Missions	FWBBC	Home Missions	R & I	Master's Men	Comm. on Theo. Lib.	WNAC	FWB Found.	Historical Commission	Radio & TV Commission	Totals
Alabama	\$ 4,883.18	\$ 144,165.74	\$ 50,786.49	\$ 122,345.75	\$ 1,695.05	\$ 1,732.33	\$ 47.57	\$ 1,153.17	\$ 285.40	\$ 47.57	\$ 405.00	\$ 327,547.25
Alaska	.00	.00	.00	300.00	.00	.00	.00	.00	.00	.00	.00	300.00
Arizona	144.69	1,507.79	993.97	4,493.36	72.42	23.76	1.83	83.25	10.97	1.83	.00	7,333.87
Arkansas	19,123.39	118,724.14	26,561.53	68,098.89	4,362.30	5,041.89	279.50	1,114.94	1,676.94	279.50	355.00	245,618.02
California	4,797.80	34,022.65	8,423.71	66,455.12	1,288.40	873.05	67.16	727.00	402.93	67.16	150.00	117,274.98
Canada	.00	2,200.79	10.00	1,579.82	.00	.00	.00	.00	.00	.00	.00	3,790.61
Colorado	.00	2,311.34	376.58	10,586.43	.00	.00	.00	.00	.00	.00	.00	13,274.35
Connecticut	.00	.00	2,400.00	.00	940.00	.00	.00	.00	.00	.00	.00	3,340.00
Delaware	.00	.00	55.00	.00	.00	.00	.00	.00	.00	.00	.00	55.00
Florida	7,281.10	79,296.15	17,693.71	53,867.30	1,813.30	1,896.47	102.83	964.75	617.25	102.83	300.00	163,935.72
Georgia	633.52	90,192.16	41,418.50	73,403.49	401.39	1,945.87	6.18	929.30	35.13	5.68	400.00	209,371.22
Hawaii	.00	35.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	35.00
Idaho	126.82	304.34	717.04	1,858.50	32.90	28.54	2.19	.00	13.15	2.19	.00	3,085.67
Illinois	7,736.63	69,232.96	24,720.59	57,348.15	1,831.98	1,958.10	110.67	220.85	664.07	110.67	175.00	164,109.67
Indiana	1,698.22	23,475.15	4,563.01	11,672.46	368.33	384.23	24.53	53.40	147.34	24.53	.00	42,411.20
Iowa	.00	1,260.07	75.00	132.00	.00	40.00	.00	.00	.00	.00	.00	1,507.07
Kansas	744.62	10,386.11	603.20	13,138.92	177.27	194.09	11.63	153.06	70.91	11.81	.00	25,491.62
Kentucky	1,353.70	69,744.24	10,177.82	67,081.31	298.29	1,168.35	18.47	90.00	109.75	18.29	200.00	150,260.22
Louisiana	.00	220.00	620.00	754.00	.00	.00	.00	.00	.00	.00	.00	1,594.00
Maine	.00	.00	25.00	2,542.88	.00	.00	.00	.00	.00	.00	.00	2,567.88
Maryland	139.20	10,838.75	4,689.09	20,092.85	609.90	182.81	2.21	229.00	143.29	2.21	.00	36,929.31
Michigan	4,054.68	111,210.40	20,485.46	33,905.29	867.63	719.99	62.12	135.53	205.35	55.88	.00	171,702.33
Mississippi	2,830.23	47,136.18	18,814.35	44,691.81	954.85	1,764.52	31.83	652.01	177.94	29.65	250.00	117,333.37
Missouri	32,891.16	143,423.56	25,207.90	99,758.22	7,573.04	6,544.70	499.47	1,109.02	2,996.84	499.47	155.00	320,658.38
Montana	.00	734.68	.00	275.00	.00	.00	.00	.00	.00	.00	.00	1,009.68
Nebraska	.00	.00	342.70	5,115.83	.00	.00	.00	.00	.00	.00	.00	5,458.53
New Hampshire	.00	.00	.00	13,023.00	.00	.00	.00	.00	.00	.00	.00	13,023.00
New Jersey	.00	.00	100.00	.00	.00	.00	.00	.00	.00	.00	.00	100.00
New Mexico	47.09	466.29	151.44	2,309.76	10.04	8.67	.61	217.00	4.00	.66	.00	3,215.56
New York	.00	.00	.00	75.00	.00	.00	.00	.00	.00	.00	.00	75.00
North Carolina	5,404.99	327,636.17	132,873.05	141,104.69	2,130.02	453.13	27.76	1,885.57	179.60	29.94	635.00	612,359.92
Ohio	10,593.26	94,835.69	14,459.85	75,407.12	2,554.67	2,295.07	167.31	1,565.51	1,003.89	167.31	305.00	201,945.68
Oklahoma	46,156.57	310,355.70	22,130.29	155,257.96	10,575.36	9,886.41	670.85	1,720.11	3,896.05	649.34	994.13	562,292.77
Oregon	.00	.00	69.71	9,746.45	.00	.00	.00	.00	.00	.00	.00	9,816.16
Pennsylvania	.00	1,640.00	.00	586.00	10.00	40.00	.00	.00	.00	.00	.00	2,276.00
Rhode Island	.00	.00	.00	375.00	.00	.00	.00	.00	.00	.00	.00	375.00
South Carolina	592.42	154,218.29	35,714.50	40,920.11	283.00	33.33	.00	782.77	.38	.06	300.00	232,844.86
Tennessee	5,694.59	375,529.65	88,409.42	243,887.50	2,550.02	2,347.51	52.54	1,500.28	315.15	52.54	1,740.83	722,080.03
Texas	2,821.08	74,113.44	16,836.66	25,916.33	655.11	608.08	57.08	351.04	212.03	83.05	.00	121,653.90
Vermont	.00	.00	10.00	.00	.00	.00	.00	.00	.00	.00	.00	10.00
Virginia	2,836.23	79,947.21	17,043.40	93,791.47	818.59	520.45	33.21	136.65	199.37	33.21	.00	195,359.79
Washington	.00	.00	597.05	4,491.95	.00	.00	.00	.00	.00	.00	.00	5,089.00
West Virginia	1,276.76	45,580.27	7,143.53	68,583.40	615.27	1,108.67	65.43	150.00	93.54	70.44	.00	124,687.31
Wisconsin	.00	.00	60.00	390.00	.00	.00	.00	.00	.00	.00	.00	450.00
Mexico	.00	.00	.00	.00	.00	3.51	.00	.00	.00	.00	.00	3.51
Northwest Assoc.	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	4,862.29
Puerto Rico	20.08	1,549.43	.00	.00	4.96	.00	.00	.00	1.97	.33	.00	1,576.77
Virgin Islands	.00	.00	.00	1,202.25	.00	.00	.00	.00	.00	.00	.00	1,202.25
WNAC	.00	.00	1,273.44	27,665.43	.00	.00	.00	.00	.00	.00	.00	29,640.18
Miscellaneous	765.95	2,323.27	46,308.18	29,234.91	192.64	.00	13.75	.00	77.08	12.84	1,025.00	79,953.62
TOTALS	\$164,647.96	\$2,434,823.49	\$643,572.33*	\$1,693,465.71	\$44,184.73	\$41,803.53**	\$2,356.73	\$14,515.21	\$13,540.32***	\$2,359.02	\$7,389.96	\$5,062,658.99

* Total reflects General and Building Fund gifts.

** Total includes Board Project.

*** Total does not include other than Professional Fund Projects.

EXECUTIVE CHURCH BONDS BUDGET
1986

PROJECTED EXPENSES

Salaries and Commissions	\$ 4,000.00
Social Security	300.00
Travel Expenses	1,500.00
Printing	2,500.00
Telephone	200.00
Legal Fees	150.00
Office Expenses	500.00
(Supplies, postage, etc.)	100.00
Promotion	150.00
Payroll Taxes	200.00
Auditing	400.00
Miscellaneous	
TOTAL	\$10,000.00

PROJECTED INCOME

Service Fees

\$10,000.00

FOREIGN MISSIONS BOARD REPORT

Taking the gospel to the ends of the earth is a clear Biblical mandate. The Foreign Missions Department provides an opportunity for churches and individual Christians to have a part in fulfilling the Great Commission. For the past 50 years foreign missions has been a strong motivating factor in bringing Free Will Baptists together and a cohesive force in holding us together in spite of many differences.

A retrospective look reveals that thousands have been won to Christ and many churches have been established by Free Will Baptist Missions since Miss Laura Belle Barnard was sent to India in 1935. She was the first Free Will Baptist missionary of the reconstruction. The earlier foreign missions work of Free Will Baptists was lost in 1910 in a major merger with the Northern Baptist Convention—now known as American Baptist Convention.

-50- YEARS OF PROGRESS

YEAR	NO. OF MISSIONARIES	INCOME
1935	1	475.00
1940 - 41 (Assn. Year)	4	3,607.00
1946 - 47 (Assn. Year)	6	30,000.00
1952 - 53 (Assn. Year)	8	65,000.00
1957 (Calendar Year)	20	125,379.00
1960	38	192,140.00
1965	64	388,027.00
1970	72	622,334.00
1975	89	1,096,398.00
1980	101	1,769,428.00
1984	105	2,488,075.00
1985	110	(Proposed) 2,895,498.00

Free Will Baptist missionaries now work in eight overseas countries. There are also 16 churches in Cuba under national leadership. No missionaries from the United States have been permitted to work in Cuba since 1960.

STATUS OF FREE WILL BAPTIST OVERSEAS CHURCHES AND MINISTRIES

DECEMBER 31, 1984

FIELD	NUMBER ORDAINED PASTORS	LICENSED PREACHERS	LAY PREACHERS	BIBLE INSTITUTES	STUDENTS	NUMBER OF ORGANIZED CHURCHES	1984		AVERAGE SUNDAY ATTENDANCE	
							CONGREGATIONS	BAPTISMS		
FRANCE	1				1	3	1 + 1 P.P.	8	6	179
SPAIN			3	1	4	1	2	20	12	82
IVORY COAST	2	2	18	1	15	9	24 + 8 P.P.	479	94	1,518
INDIA	12	3	11		14	14	11 + 12 P.P.	158	77	1,035
JAPAN	6		1		1	7		20	20	224
PANAMA	1	7	3		2	2	8	188	55	410
URUGUAY	2		4		1	3	3 + 1 P.P.	25	16	169
BRAZIL	1	1	8	2	53	8	1 + 1 P.P.	115	44	528
CUBA	7			1	42	16		45		Est. 750
TOTALS	32	13	48	5	117*	63	50 + 23 P.P.	1,058	324	4,895

80% 51 of 63 organized churches under national leadership
 82% 41 of 50 congregations under national leadership
 56% 13 of 23 preaching points under national leadership

*At least 54 of the 117 students are Free Will Baptist young people studying for the ministry or Christian service.

NEW MISSIONARIES APPOINTED IN 1984: Jim and Shirley Combs to Brazil (reappointed); Dr. and Mrs. Kenneth Eagleton to Ivory Coast; Ernest Holland to Ivory Coast; Don and Ruth McDonald to Japan.

COMMISSIONED AND DEPARTED FOR LANGUAGE STUDY IN 1984: Mark and Donna Daniel; Lynn Midgett; Darrel and Lila Nichols; Steve and Becky Riggs and Dawn Sweeney.

COMMISSIONED IN 1984: Rick and Linda Bowling and Stan and Brenda Bunch.

RESIGNED IN 1984: The Jim Mosers and the Terry Eagletons.

SHORT-TERM APPOINTMENTS IN 1984: Larry Lovell to France and Mark Riggs to Spain.

STUDENT MISSIONARIES IN 1984: Sixteen college students served on four fields.

SPECIAL ASSIGNMENT: Don Allen, Don Dake, Howard Filkins, Harold Price and Jimmy Teague to Ivory Coast in December for five weeks to build two houses and a surgical block at Doropo. Carrol Poole and Don Wilbanks went to Brazil in March for three weeks to help build a dormitory at the camp property (Evangelandia).

PROMOTED IN 1984: John and Kay Metcalf, appointees to Brazil, to heavenly reward in February from Jackson, Tennessee in auto-truck wreck.

SELECTED 1984 NEWSBRIEFS: The Free Will Baptist church in Uberlandia, Brazil was officially organized in September. Tom and Nancy Hughes began the work in 1977. The Kita Hiroshima church in Japan purchased a house and renovated it for their church building. The Alcala church in Spain under the leadership of Lonnie and Anita Sparks celebrated its eighth anniversary in September. An unusual door of opportunity opened for Jeff and Susan Turnbough in Villalba, Spain. One hundred fifty people were present for the dedication of a rented church building. Sixty people came from the Alcala church and ten from Mostoles where Ron and Linda Callaway work.

During the annual conference in India attendance reached 500. Three hundred sixteen registered delegates and visitors were present for the annual convention of Free Will Baptist churches in Ivory Coast. Many walked—some over 30 miles. Over 100 were present at the annual Panamanian Association of Free Will Baptists to hear reports from churches and conduct business.

Two pastors were ordained in Japan: Reverend Kurosaki, pastor of the Abashiri church and Reverend Sugitani Sensei, pastor of the Bihoro church. The Tokyo church welcomed a new pastor, Reverend Matsumoto.

Reverend Raul Sanes, a 1983 graduate of Rio Grande Bible Institute in Texas, became pastor of the First Free Will Baptist Church in Panama City, Panama.

Earnie Deeds completed a decade of continuous airing of the Word of God on the radio in Conselheiro Lafaiete, Brazil.

Several churches responded to the need for emergency relief funds for Ivory Coast and Ethiopia. Defying the Gods, a new film made in the Ivory Coast, was released in December.

ADVANCE CELEBRATION: Foreign missions has designed the Advance Celebration to stimulate an outburst of praise to God for what He has done through Free Will Baptists in nine countries of the world since 1935. Thank God for His abiding presence and protection of our missionaries during these years! Thank Him, above all, for the thousands who have been saved as a result of the Word of God being faithfully proclaimed.

Fundamental churches are coming into existence in many foreign countries today! They are ministering to their own people in a special way! They minister in spite of the organized opposition of Hindus, Muslims, animists, Communists, witch doctors, etc. Praise God for His power to transform the vilest of sinners into saints and give them

victory over every obstacle!

These emerging churches offer tremendous opportunities at this moment. Our sacrificial giving over the next three years is the key to strengthening them for greater outreach and growth.

Through the Advance Celebration we seek to raise one million dollars above regular designated monthly support. This money will be invested in evangelistic tools, training programs for national leaders, loan funds and grants for church buildings and in helping 30 new missionaries get to the field over the next five years.

This strategic development will help our young, emerging churches to send this message to their pagan cultures: "The missionaries may leave, but the church of Jesus Christ is here to stay!"

INTERNSHIP: Experience has taught us the value of some type of internship for our candidates. They need special preparation to learn new languages and adjust to new cultures. The prospective missionary needs experience as well as information to prepare himself to tackle the task of cross-cultural church planting. To meet the needs we are establishing our own internship and orientation program.

Staff members will monitor the progress of candidates during the two years prior to appointment. We will be available to counsel them as often as needed. Candidates will be required to read helpful materials while engaged in practical Christian service.

The training will culminate in a 10-week candidate school. Experienced missionaries and pastors will assist our staff in providing this training. The first session is scheduled for May 27-August 8, 1986.

APPRECIATION: The ministries of Free Will Baptist Foreign Missions are made possible through the faithful prayers and gifts of many churches and individuals.

We appreciate the cooperation and help received from state and national denominational agencies. Special tribute is due the Woman's Auxiliary for continuing to maintain a strong missions emphasis through prayer, offerings, special projects, missionary programs and the provision closet.

Cooperative giving provided \$51,900.33. The Master's Men gave \$8,850 for materials used in building the boys' dormitory in Brazil. Foreign Missions Fellowship at Free Will Baptist Bible College gave \$10,103.00 on Project India. On behalf of the entire department, I express sincere thanks for these and all other gifts and prayers. **BUDGET:** Income totaled \$2,488,075 in 1984, an increase of \$64,382 over 1983. The U.S. dollar continued stronger in 1984 than expected against foreign currencies. Thus foreign field funds stretched further than projected. This, coupled with some resignations, kept expenses in line with income even though the approved budget was not met.

The 1985 budget is \$2,895,498. The proposed regular budget for 1986 is \$2,976,884. In addition, \$201,526 is included which we hoped to have available in 1986 from the Advance Celebration Project. The combined budget is \$3,178,410.

LOOKING AHEAD: As we praise God for His blessings upon Free Will Baptists over the past 50 years, let us look to the future with courage, eagerness and expectation. God has entrusted Free Will Baptists with material resources and manpower to make significant changes in this sinful world through the faithful proclamation of the gospel of Jesus Christ. Let us give ourselves anew to this task. In doing this, we shall realize our highest destiny as a people of God.

Rolla Smith, General Director

Staff: Eugene Waddell, Associate Director

Don Robirds, Director of Communications

Earl Larson, Treasurer/Administrative Assistant

Jimmy Aldridge, Overseas Secretary
 Don and Billie Sexton, Missionary Representatives
 Shirley Lauthern, Secretary to Mr. Smith
 Willie Midgett, Secretary to Mr. Waddell
 Joyce Walker, Bookkeeper
 Ruthann Hall, Secretary to Mr. Robirds
 Jane Floyd, Bookkeeper
 Mail clerk

BOARD OF FOREIGN MISSIONS OF
 THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Balance Sheet

December 31, 1984

(with comparative totals for 1983)

Assets	1984			1983
	Operating - Unrestricted and Restricted Funds	Plant Fund	Total All Funds	Total All Funds
Checking and interest-bearing deposits	\$ 827,886	1,600	829,486	766,407
Investment in bonds, at cost	-	-	-	2,000
Receivables:				
Interest	4,400	-	4,400	3,650
Contributions	-	-	-	7,000
Prepaid insurance	-	-	-	1,369
Equipment at cost, less accumulated depreciation of \$30,723 in 1984 (note 2)	-	73,175	73,175	18,557
Total assets	\$ 832,286	74,775	907,061	798,983
Liabilities and Fund Balance				
Note payable to bank	\$ -	50,700	50,700	-
Accounts payable and accrued expenses	15,017	-	15,017	9,279
Restricted deferred revenue (note 3)	834,150	1,600	835,750	713,169
Total liabilities	849,167	52,300	901,467	722,448
Fund balance (deficit):				
Undesignated	(16,881)	-	(16,881)	57,978
Net investment in plant	-	22,475	22,475	18,557
Total fund balances	(16,881)	22,475	5,594	76,535
Total liabilities and fund balance	\$ 832,286	74,775	907,061	798,983

Commitments (note 5)

See accompanying notes to financial statements.

BOARD OF FOREIGN MISSIONS OF
 THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Statement of Support and Revenue, Expenses,
 Transfers Among Funds and Changes in Fund Balances

Year ended December 31, 1984

(with comparative totals for 1983)

	1984			1983 Total All Funds
	Operating Unrestricted	Restricted	Plant Fund Total All Funds	
Support and revenue:				
Contributions (note 1a)	\$ 277,646	2,010,745	9,825	2,298,216
Investment income	67,278	-	-	67,278
Gain on sale of securities	-	-	-	1,662
Total support and revenue	344,924	2,010,745	9,825	2,365,494
Expenses:				
Travel and promotional	163,786	-	-	163,786
Administrative	319,402	-	-	319,402
Foreign fields	-	1,944,870	-	1,944,870
Depreciation	-	-	8,377	8,377
Total expenses	483,188	1,944,870	8,377	2,436,435
Excess (deficiency) of support and revenue over expenses	(138,264)	65,875	1,448	(70,941)
Fund balances, beginning of year	57,978	-	18,557	76,535
Transfers among funds and other changes:				
To plant funds for asset acquisitions	(2,470)	-	2,470	-
Disposal of plant assets	-	-	-	(2,316)
Maintenance fees (note 4)	65,875	(65,875)	-	-
	\$ (16,881)	-	22,475	5,594
				76,535

See accompanying notes to financial statements.

BOARD OF FOREIGN MISSIONS OF
 THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Notes to Financial Statements

December 31, 1984

Board of Foreign Missions is operated under the auspices of the National Association of Free Will Baptists.

(1) Summary of Significant Accounting Policies

The major accounting principles and practices followed by the Board of Foreign Missions of the National Association of Free Will Baptists are presented below

to assist the reader in evaluating the financial statements. The financial statements are presented in accordance with standards recommended in Audits of Certain Nonprofit Organizations, Audit and Accounting Guide (American Institute of Certified Public Accountants).

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Board of Foreign Missions, the accounts of the Board are maintained in accordance with the principles of "fund accounting." This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified.

The assets, liabilities and fund balances of the Board are reported in self-balancing fund groups as follows:

- (a) Operating Funds - Such funds include unrestricted funds available for support of Board operations and restricted funds for support of missions. Unrestricted funds are reported as revenue in the year received or accrued. Restricted funds are recorded as additions to deferred revenue. Such restricted operating funds are recorded as revenues during the period they are expended.
- (b) Plant Funds - Such funds represent resources restricted for plant acquisitions and funds expended for plant.

Plant Assets and Depreciation

Uses of operating funds for plant acquisitions are accounted for as transfers to plant funds. Depreciation of equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

Income Taxes

The Board of Foreign Missions is exempt from income taxes; accordingly, no provision for income taxes has been made in the accompanying financial statements.

BOARD OF FOREIGN MISSIONS OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Notes to Financial Statements, Continued

(2) Plant Funds

A summary of plant fund assets is as follows:

Office furniture and equipment	\$ 30,490
Cameras and projectors	3,721
Automobile	9,162
Computer	<u>60,525</u>
Total plant assets	103,898
Less accumulated depreciation	<u>30,723</u>
Net investment in plant	\$ <u>73,175</u>

Depreciation expense, computed on the straight-line method amounted to \$8,377

(3) Changes in Restricted Deferred Revenue

Changes in restricted deferred revenue is as follows:

	Operating Fund	Plant Fund
Balance, beginning of year	\$ 707,074	6,095
Contributions	<u>2,137,821</u>	<u>5,330</u>
Funds available	2,844,895	11,425
Expenses	<u>2,010,745</u>	<u>9,825</u>
Balance, end of year	\$ <u>834,150</u>	<u>1,600</u>

(4) Maintenance Fees

The Board charges a fee against the foreign field accounts to reimburse the unrestricted operating fund for information service production expenses. These fees are presented as transfers from the restricted operating fund to the unrestricted operating fund.

(5) Pension

The Board participates in the master pension plan of the Board of Retirement and Insurance of the National Association of Free Will Baptists. The plan is contributory. The policy is to fund pension cost accrued. Pension expenses amounted to \$42,340 in 1984. The net assets of such master plan amount to approximately \$3,520,382 as of December 31, 1984, the latest report date. The plan has not been actuarially evaluated; therefore, information as to the amount required to fund actuarially computed prior service costs, and the amounts of actuarial present value of vested and nonvested benefits have been omitted.

Schedule 1

BOARD OF FOREIGN MISSIONS OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Schedule to Combine Unrestricted Fund Support
and Revenues and Additions to Restricted
Deferred Revenues

Year ended December 31, 1984

(with comparative totals for 1983)

	1984			1983	
	Unrestricted Fund	Restricted Fund	Plant Fund	Total All Funds	Total All Funds
Contributions	\$ 277,646	2,137,821	5,330	2,420,797	2,360,415
Investment income	67,278	-	-	67,278	51,616
Gain on sale of securities	-	-	-	-	1,662
	<u>\$ 344,924</u>	<u>2,137,821</u>	<u>5,330</u>	<u>2,488,075</u>	<u>2,413,693</u>

BOARD OF FOREIGN MISSIONS OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Schedule of Unrestricted Fund and Restricted
Fund Expenses

Year ended December 31, 1984

Schedule 2

	1984	1983
Unrestricted fund expenses:		
Travel and promotion:		
Audio visual	\$ 10,030	5,079
Department auto expense	2,138	1,766
Board members expense	13,572	10,400
Honorariums	2,250	813
Information service production	99,877	101,189
Department itinerary expense	34,972	33,054
Tracts and books	747	732
Insurance	200	280
Walk-a-thon	-	95
	163,786	153,408
Administrative:		
Salaries	163,419	147,955
Housing	44,520	34,120
Hospitalization	22,618	17,999
Retirement	5,760	2,415
Department postage	15,753	15,191
Auditing	2,500	1,850
Employee compensation	473	436
Employee payroll liability	6,947	4,829
Office rent	17,961	19,102
Telephone	12,566	10,430
Maintenance/office equipment	3,170	3,245
Office equipment and supplies	16,277	19,076
Miscellaneous	265	5,727
Contingency	7,173	-
	319,402	282,375
Total unrestricted fund expenses	\$ 483,188	435,783
Restricted fund expenses:		
Foreign fields:		
Brazil	\$ 300,706	337,769
France	321,902	306,567
India	75,844	99,747
Ivory coast	590,345	487,314
Japan	218,334	202,482
Panama	112,334	86,957
Spain	162,086	178,083
Uruguay	116,823	92,886
Summer missionaries	30,120	44,660
Short-term missionaries	62,327	-
Other projects	19,147	-
Appointees	-	1,603
Cassette project	777	930
Total restricted fund expenses	2,010,745	1,838,998
Less maintenance fees transferred to unrestricted funds for information service production	65,875	57,400
Net restricted fund expenses	\$ 1,944,870	1,781,598

MARLIN & EDMONDSON

Certified Public Accountants
460 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37219

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ALVA T. HARRELL
RUSSELL E. NEAL
JOHN V. RAYBURN

ACCOUNTANTS' REPORT ON SUPPLEMENTARY DATA

Board of Trustees
Board of Foreign Missions of
The National Association of Free Will Baptists:

We have reported separately herein on the basic financial statements of the Board of Foreign Missions of The National Association of Free Will Baptists. Our examination was directed primarily toward formulating an opinion on the financial statements of the Board of Foreign Missions of The National Association of Free Will Baptists taken as a whole. The supplementary data included in Schedule 1 and 2 is presented for supplementary analysis purposes and is not necessary for a fair presentation of the financial position and the support and revenue, expenses, transfers among funds and changes in fund balances of the Board of Foreign Missions of The National Association of Free Will Baptists. The supplementary data has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is stated fairly in all material respects only when considered in conjunction with the financial statements taken as a whole.

Marlin & Edmondson

March 12, 1985

QUOTA RECEIPTS
Year ended December 31, 1984

	AMOUNT OF QUOTA	AMOUNT OF RECEIPTS	RECEIPTS OVER (UNDER) QUOTA
ALABAMA	\$150,000.00	\$144,165.74	\$ (5,834.26)
ARIZONA	3,500.00	1,507.79	(1,992.21)
ARKANSAS	145,000.00	118,724.14	(26,275.86)
CALIFORNIA	50,000.00	34,022.65	(15,977.35)
COLORADO	4,000.00	2,311.34	(1,688.66)
FLORIDA	76,000.00	79,296.15	3,296.15

GEORGIA	90,000.00	90,192.16	192.16
HAWAII	1,000.00	35.00	(965.00)
IDAHO	1,000.00	304.34	(695.66)
ILLINOIS	90,000.00	69,232.96	(20,767.04)
INDIANA	24,000.00	23,475.15	(524.85)
IOWA	500.00	1,260.07	760.07
KANSAS	12,000.00	10,386.11	(1,613.89)
KENTUCKY	75,000.00	69,744.24	(5,255.76)
LOUISIANA	500.00	220.00	(280.00)
MARYLAND	12,000.00	10,838.75	(1,161.25)
MICHIGAN	121,000.00	111,210.40	(9,789.60)
MINNESOTA	300.00	.00	(300.00)
MISSISSIPPI	40,000.00	47,136.18	7,136.18
MISSOURI	175,000.00	143,423.56	(31,576.44)
MONTANA	1,000.00	734.68	(265.32)
NEW MEXICO	500.00	466.29	(33.71)
NORTHEAST ASSN.	7,000.00	4,862.29	(2,137.71)
NORTHWEST ASSN.	7,000.00	1,549.43	(5,450.57)
NORTH CAROLINA	350,000.00	327,636.17	(22,363.83)
OHIO	100,000.00	94,835.69	(5,164.31)
OKLAHOMA	350,000.00	310,355.70	(39,644.30)
PENNSYLVANIA	2,000.00	1,640.00	(360.00)
SOUTH CAROLINA	90,000.00	154,218.29	(35,781.71)
TENNESSEE	364,000.00	375,529.65	11,529.65
TEXAS	70,000.00	74,113.44	4,113.44
VIRGINIA	90,000.00	79,947.21	(10,052.79)
VIRGIN ISLANDS	1,500.00	1,343.59	(156.41)
WEST VIRGINIA	85,000.00	45,580.27	(39,419.73)
MISCELLANEOUS	23,888.00	2,323.27	(21,564.73)
CANADA	2,000.00	2,200.79	200.79
	<u>\$2,714,688.00</u>	<u>\$2,434,823.49*</u>	<u>\$ 279,864.51</u>

*Includes exchange monies channeled through the department but not included in income or expenses.

BUDGET OF INCOME
STATE QUOTAS—1986

STATE	QUOTAS
ALABAMA	169,000.00
ARIZONA	5,000.00
ARKANSAS	152,000.00
CALIFORNIA	50,000.00
COLORADO	3,000.00
FLORIDA	90,000.00

GEORGIA	106,000.00
HAWAII	1,000.00
IDAHO	1,000.00
ILLINOIS	87,000.00
INDIANA	31,000.00
IOWA	1,500.00
KANSAS	14,000.00
KENTUCKY	84,000.00
LOUISIANA	500.00
MARYLAND	16,000.00
MICHIGAN	132,000.00
MISSISSIPPI	55,000.00
MISSOURI	179,000.00
MONTANA	1,000.00
NEBRASKA	1,000.00
NEW MEXICO	500.00
NORTHEAST ASSOCIATION	7,000.00
NORTHWEST ASSOCIATION	6,000.00
NORTH CAROLINA	367,000.00
OHIO	116,000.00
OKLAHOMA	362,000.00
PENNSYLVANIA	2,500.00
SOUTH CAROLINA	197,000.00
TENNESSEE	402,000.00
TEXAS	83,000.00
VIRGINIA	99,000.00
VIRGIN ISLANDS	3,000.00
WEST VIRGINIA	80,000.00
MISCELLANEOUS	72,884.00
	<u>\$2,976,884.00</u>
ADVANCE CELEBRATION PROJECT	201,526.00
TOTAL REGULAR AND ADVANCE CELEBRATION PROJECTS	<u>\$3,178,410.00</u>

NORTHEAST ASSN.
New Hampshire
Vermont
New Jersey
Maine
Connecticut
Washington, D.C.
Massachusetts
New York

NORTHWEST ASSN.
Alaska
Oregon
Washington

1986 BUDGET OF EXPENSE

FOREIGN FIELDS

Africa	833,663.00
Brazil.....	347,930.00
France	362,103.00
India	85,364.00
Japan	266,419.00
Panama.....	116,623.00
Spain.....	233,451.00
Uruguay	171,833.00
Short-term missionaries	30,000.00
Student missionaries	40,000.00
Foreign Fields Total	\$2,487,386.00

TRAVEL AND PROMOTION

Audio Visual	2,200.00
Video	15,550.00
Equipment (11,550.00)	
Supplies/Services (4,000.00)	
Films	7,250.00
Information services	122,712.00
Heartbeat (34,100.00)	
Heartbeat postage (25,000.00)	
Data Services (30,000.00)	
Promotional Materials (29,800.00)	
Services and Dues (3,812.00)	
Department Auto	3,000.00
Department Travel	39,000.00
Board Members	15,000.00
Honorariums	1,500.00
Tracts/Books	800.00
Travelers Insurance	500.00
Cassette Tape Ministry	5,500.00
Total	213,012.00
Less Maintenance Fee	- 81,000.00
Travel and Promotion Total	132,012.00

ADMINISTRATIVE

Salaries	170,340.00
Administrative Housing	46,770.00
Administrative Social Security	16,456.00
Hospitalization Insurance	22,540.00
Retirement	5,880.00
Postage	15,000.00
Auditing	3,000.00
Office Rent	23,000.00
Telephone	14,000.00
Office equipment	5,000.00
Maintenance/Office Equipment	3,500.00

Office Supplies	16,000.00
Employee Compensation.....	500.00
Employer Payroll Taxes	7,500.00
Miscellaneous	8,000.00
Administrative Total	357,486.00
Total Regular Budget	\$2,976,884.00

ADVANCE CELEBRATION BUDGET

Brazil.....	29,000.00
Ivory Coast	56,000.00
India	11,000.00
Panama.....	51,876.00
Spain.....	14,550.00
Cuba.....	1,600.00
New Missionaries	37,500.00
Total Advance Celebration Budget.....	201,526.00

Total Regular And Advance Celebration Budget..... \$3,178,410.00

FREE WILL BAPTIST BIBLE COLLEGE REPORT

There is no educational thrust that will place as many trained, qualified workers in local churches than Bible college education. Every student is trained for a definite ministry to the Lord. Those who graduate must earn a major in Bible. There are a goodly number of hours of study of a practical nature which are required of all students. The added dimension of systematic Christian service opportunities is required. Each student is assigned to a regular Christian service responsibility so that he may receive practical learning as well as the theoretical learning in his educational program.

A significant number of pastors in our denomination have been trained by the college. A very high percentage of foreign and home missionaries have received all, or at least part, of their formal training here at the college. In addition to the training received here, many of these pastors and missionaries were called to preach or to the mission field while attending here.

And then there are Christian education and youth leaders, music directors, chaplains and many wives of church workers who have been trained here. There are hundreds of layworkers who were trained here who faithfully serve the Lord through local churches.

The basic concept of Bible College education is that every normal New Testament Christian serves God. Free Will Baptist Bible College takes seriously its task of training the "full-time" people who will serve in some definite church vocation as they fulfill God's calling for their lives. The college takes just as seriously its task to train those who will work at a "secular" job and serve God through local churches as layworkers. Our denomination still needs more workers in each of these categories.

The Lord has sent hundreds of choice students to the college over the years. With very few exceptions they have been truly fine people. These have come from across the length and breadth of the denomination and even from our churches on foreign soil. Year by year these young people have made one of the finest, most joyful student bodies to be found anywhere.

These students have gone forth to live for God, to preach and teach His Word, to evangelize people, to plant churches and to help make the Free Will Baptist denomination all that God wants it to be. These have done their part in extending God's kingdom at home and to the regions beyond.

No school could ever have a moral loyal, faithful, dedicated faculty and staff than Free Will Baptist Bible College. The Lord is to be praised for selecting outstanding people, both spiritually and academically, for service at the college. We thank God for honoring the college with these great Christians who make up the faculty and staff of the college.

Another group must be acknowledged and that is the supporters of the college. These are the faithful prayer warriors, the loyal and generous givers and those who promote the college. These are a great part of the family of friends who make the ministry of the college a reality. The current expenses of the college are not met by governmental support but are supplied by the gracious gifts of God's people. By prayer, financial gifts and kind words of promotion, these supporters have a vital part in teaching and shaping lives for the Lord's service here at the college.

Please read carefully the statistical and financial reports which follow in this report.

Sincerely,
Charles A. Thigpen
President

REGISTRATION REPORT 1984-85

Enrollment461

ENROLLMENT BREAKDOWNS

By State

Alabama	30	Kansas	1	Ohio	12
Arizona	1	Kentucky	11	Oklahoma	1
Arkansas	15	Louisiana	1	South Carolina	17
California	2	Maryland	1	Tennessee	81
Delaware	2	Michigan	24	Texas	7
Florida	15	Mississippi	16	Virginia	17
Georgia	24	Missouri	20	Washington	2
Idaho	1	New Mexico	1	West Virginia	13
Illinois	32	New York	2	Foreign	11
Indiana	32	North Carolina	69		

(The student body represents 28 states and 7 foreign countries.)

By Classification

Freshmen	134
Sophomores	122
Juniors	84
Seniors	95
Special	26

Others

Male	232	Ministerial	102
Female	229	Missionary	68
Free Will Baptist ..	436	Single	347
Other	25	Married	114

ENROLLMENT SUMMARY 1984-85

Enrollment	First Semester	417
Additional Enrollment	Second Semester	26
Total Enrollment	First and Second Semesters	443
Summer 1984 Enrollment Not Already Counted		18
Total Undergraduate Enrollment		461
Total Graduate School Enrollment For 1984-85		6
Total Annual Enrollment (Undergraduate and Graduate)		467

ENROLLMENT REVIEW—LAST TEN YEARS

1975-76	615	1980-81	581
1976-77	619	1981-82	648
1977-78	640	1982-83	580
1978-79	612	1983-84	526
1979-80	613	1984-85	467

FINANCIAL AID REPORT

Loans Issued	250	\$154,016.97
Student Workers	149	148,246.32
Scholarships	26	7,840.00

WELCH LIBRARY
Report for 1984-85

Total books, bound volumes, microforms, sound recordings,
video-cassettes, instructional materials, etc. 46,836

The May 31, 1985, financial report and proposed budget of the Bible College will be distributed at the National Association. The audit report will be presented as the college's official report.

GIFT REPORT

June 1, 1984—May 31, 1985

<u>STATES</u>	<u>GENERAL FUND</u>	<u>BUILDING FUND</u>	<u>TOTAL</u>
Alabama	\$ 46,925.23	\$ 475.00	\$ 47,400.23
Arizona	1,308.82		1,308.82
Arkansas	22,709.37	1,765.93	24,475.30
California	8,477.97		8,477.97
Colorado	169.46		169.46
Connecticut	2,725.00		2,725.00
Florida	20,989.81	2,430.61	23,420.42
Georgia	40,482.56	3,465.55	43,948.11
Hawaii	163.00		163.00
Idaho	681.22		681.22
Illinois	16,798.20	3,489.80	20,288.00
Indiana	4,788.73	325.00	5,113.73
Kansas	535.59		535.59
Kentucky	10,270.02		10,270.02
Louisiana	625.00		625.00
Maryland	2,727.87	140.00	2,867.87
Michigan	24,469.42	100.00	24,569.42
Mississippi	18,709.51	1,944.00	20,653.51
Missouri	26,250.55	495.00	26,745.55
Nebraska	462.70		462.70
New Mexico	80.71		80.71
North Carolina	92,655.79	43,505.57	136,161.36

Ohio	14,679.71	300.00	14,979.71
Oklahoma	25,488.32	137.50	25,625.82
South Carolina	38,771.94	1,358.54	40,130.48
Tennessee	93,811.08	6,353.90	100,164.98
Texas	28,007.40	505.00	28,512.40
Virginia	13,137.51	4,828.69	17,966.20
Washington	597.05		597.05
West Virginia	6,775.35		6,775.35
W.N.A.C.	1,311.28	1,000.00	2,311.28
Virgin Islands	720.21		720.21
Other (Misc.)	44,051.04	5,021.76	49,072.80
TOTALS	\$610,357.42	\$77,641.85	\$687,999.27
Alumni			13,404.18
Graduate School			3,644.52
Estates & Trusts			8,381.04
GRAND TOTAL			\$713,429.01

GENERAL FUND

<u>STATES</u>	<u>1984-85</u> <u>QUOTA</u>	<u>1985-86</u> <u>QUOTA</u>
Alabama	\$ 54,500.00	\$ 54,500.00
Arizona	1,500.00	1,500.00
Arkansas	20,500.00	20,500.00
California	10,500.00	10,500.00
Colorado	1,000.00	1,000.00
Florida	18,000.00	18,000.00
Georgia	44,000.00	44,000.00
Hawaii	500.00	500.00
Idaho	750.00	750.00
Illinois	19,000.00	19,000.00
Indiana	6,500.00	6,500.00
Kansas	2,000.00	2,000.00
Kentucky	12,000.00	12,000.00
Maryland	5,000.00	5,000.00
Michigan	24,000.00	24,000.00
Mississippi	16,000.00	16,000.00
Missouri	30,000.00	30,000.00
Montana	150.00	150.00
Nebraska	400.00	400.00
New Mexico	1,000.00	1,000.00

Ohio	14,679.71	300.00	14,979.71
Oklahoma	25,488.32	137.50	25,625.82
South Carolina	38,771.94	1,358.54	40,130.48
Tennessee	93,811.08	6,353.90	100,164.98
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Alumni			13,404.18
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GRAND TOTAL			\$713,429.01

GENERAL FUND

<u>STATES</u>	<u>1984-85</u>	<u>1985-86</u>
	<u>QUOTA</u>	<u>QUOTA</u>
Alabama	\$ 54,500.00	\$ 54,500.00
Arizona	1,500.00	1,500.00
Arkansas	20,500.00	20,500.00
California	10,500.00	10,500.00
Colorado	1,000.00	1,000.00
Florida	18,000.00	18,000.00
Georgia	44,000.00	44,000.00
Hawaii	500.00	500.00
Idaho	750.00	750.00
Illinois	19,000.00	19,000.00
Indiana	6,500.00	6,500.00
Kansas	2,000.00	2,000.00
Kentucky	12,000.00	12,000.00
Maryland	5,000.00	5,000.00
Michigan	24,000.00	24,000.00
Mississippi	16,000.00	16,000.00
Missouri	30,000.00	30,000.00
Montana	150.00	150.00
Nebraska	400.00	400.00
New Mexico	1,000.00	1,000.00

North Carolina	105,000.00	105,000.00
Ohio	13,000.00	13,000.00
Oklahoma	33,500.00	33,500.00
South Carolina	37,500.00	37,500.00
Tennessee	96,000.00	96,000.00
Texas	15,000.00	15,000.00
Virgin Islands	800.00	800.00
Virginia	15,000.00	15,000.00
Washington	400.00	400.00
West Virginia	12,000.00	12,000.00
W.N.A.C.	3,000.00	3,000.00
Other	61,500.00	61,500.00
TOTALS	\$660,000.00	\$660,000.00

MARLIN & EDMONDSON

Certified Public Accountants

460 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37219

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TERRY A. HILL
TIM D. MULLALLY
DAVID C. WOOD
ALVA T. HARRELL
RUSSELLE NEAL
JOHN V. RAYBURN

The Board of Trustees
Free Will Baptist Bible College:

We have examined the balance sheet of Free Will Baptist Bible College as of May 31, 1985, and the related statements of changes in fund balances and current unrestricted funds revenues, expenditures and other changes for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of Free Will Baptist Bible College at May 31, 1985, and changes in fund balances and current unrestricted funds revenues, expenditures and other changes for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Marlin & Edmondson

June 21, 1985

FREE WILL BAPTIST BIBLE COLLEGE

Balance Sheet

May 31, 1985

(with comparative figures for 1984)

	<u>1985</u>	<u>1984</u>
<u>Assets</u>		
Current funds:		
Unrestricted:		
Cash, including interest bearing deposits of \$7,687.27 in 1985 and \$23,637.12 in 1984	\$ 8,837.27	24,787.12
Investments at fair value at date of gift	4,738.99	5,562.63
Real estate held for sale	10,000.00	47,208.40
Accounts receivable:		
Students	16,967.88	19,290.07
Staff and others	12,534.66	14,886.81
Due from plant funds	462,802.16	407,004.96
Total accounts receivable	<u>492,304.70</u>	<u>441,181.84</u>
Inventory	22,928.95	29,757.22
Deposits and deferred charges	-	<u>45,150.18</u>
Total unrestricted funds	<u>538,809.91</u>	<u>593,647.39</u>
Restricted:		
Due from current unrestricted funds	<u>13,840.80</u>	<u>9,320.73</u>
Total restricted funds	<u>13,840.80</u>	<u>9,320.73</u>
Total current funds	<u>\$ 552,650.71</u>	<u>602,968.12</u>
Loan funds:		
Interest bearing deposits	\$ 19,704.71	30,295.81
Notes receivable, less allowance for doubtful notes of \$33,000.00 in 1985 and \$30,000.00 in 1984	266,833.23	228,529.41
Due from other funds:		
Current unrestricted funds	26,095.00	42,001.25
Plant funds	<u>23,000.00</u>	<u>-</u>
Total loan funds	<u>\$ 335,632.94</u>	<u>300,826.47</u>

<u>Liabilities and Fund Balances</u>	<u>1985</u>	<u>1984</u>
Current funds:		
Unrestricted:		
Note payable to bank	\$ 175,000.00	137,000.00
Accounts payable	41,792.73	33,386.01
Students' credit balances and deposits	23,924.74	17,290.31
Accrued salaries	47,959.81	47,451.21
Deferred revenues - summer school	13,768.50	15,594.00
Due to other funds:		
Current restricted funds	13,840.80	9,320.73
Loan funds	26,095.00	42,001.25
Agency funds	4,300.00	-
	<u>44,235.80</u>	<u>51,321.98</u>
Fund balance	192,128.33	291,603.88
Total unrestricted funds	<u>538,809.91</u>	<u>593,647.39</u>
Restricted:		
Fund balances	13,840.80	9,320.73
Total restricted funds	<u>13,840.80</u>	<u>9,320.73</u>
Total current funds	<u>\$ 552,650.71</u>	<u>602,968.12</u>
Loan funds:		
Accrued interest	\$ 2,428.77	434.39
Notes payable to bank	-	56,606.29
Notes payable to individuals	93,048.90	28,815.28
Fund balances - private	240,155.27	214,970.51
Total loan funds	<u>\$ 335,632.94</u>	<u>300,826.47</u>

FREE WILL BAPTIST BIBLE COLLEGE

Balance Sheet, Continued

<u>Assets</u>	<u>1985</u>	<u>1984</u>
Endowment funds:		
Interest bearing deposits	\$ 141,123.73	122,069.77
Note receivable - plant funds	<u>21,901.96</u>	<u>25,805.92</u>
Total endowment funds	<u>\$ 163,025.69</u>	<u>147,875.69</u>
Annuity funds:		
Rental property at appraised value at date of gift	\$ 78,000.00	78,000.00
Total annuity funds	<u>\$ 78,000.00</u>	<u>78,000.00</u>
Plant funds:		
Interest bearing deposits, including \$12,043.12 in 1985 and \$7,752.12 in 1984 held by Trustee under lease obligations	\$ 13,233.05	11,395.06
Investments, including \$83,425.11 in 1985 and \$82,413.92 in 1984 held by Trustee under lease obligations	83,925.11	92,407.73
Accounts receivable	491.07	-
Investment in plant:		
Land	373,068.60	373,068.60
Land off campus	40,000.00	40,000.00
Buildings and improvements	3,431,726.81	3,431,726.81
Equipment	726,948.76	576,758.27
Library books	87,306.00	84,248.00
Construction in progress	89,765.89	-
Total investment in plant	<u>4,748,816.06</u>	<u>4,505,801.68</u>
Total plant funds	<u>\$ 4,846,465.29</u>	<u>4,609,604.47</u>
Agency funds:		
Cash	\$ 383.02	5,870.37
Due from current unrestricted fund	4,300.00	-
Accounts receivable	74.78	-
Total agency funds	<u>\$ 4,757.80</u>	<u>5,870.37</u>

Liabilities and Fund Balances

	1985	1984
Endowment funds:		
Fund balances		
Endowment		
Quasi-endowment, unrestricted	\$ 40,460.29	25,310.26
Scholarship, restricted	105,484.40	105,484.40
	<u>17,081.00</u>	<u>17,081.00</u>
Total endowment funds	\$ <u>163,025.69</u>	<u>147,875.66</u>
Annuity funds:		
Annuity payable	\$ 24,017.51	26,750.00
Fund balance	<u>53,982.49</u>	<u>51,250.00</u>
Total annuity funds	\$ <u>78,000.00</u>	<u>78,000.00</u>
Plant funds:		
Due to other funds:		
Current unrestricted funds		
Loan fund	\$ 462,802.16	407,004.96
Accounts payable and accrued expenses	23,000.00	-
Lease obligation	1,695.77	297.18
Notes payable:	390,000.00	430,000.00
Endowment fund		
Variable rate payable to bank	21,901.96	25,805.92
in monthly installments of		
\$3,400 through 1989	124,893.50	-
11-3/4% mortgage payable in monthly		
installments of \$730.00 through 1999	55,846.18	57,231.50
12-3/4% mortgage payable in monthly		
installments of \$717.22 through 2010	64,669.22	65,006.76
Other	<u>12,000.00</u>	<u>12,000.00</u>
Total notes payable	<u>279,310.86</u>	<u>160,044.18</u>
Fund balances		
Unexpended (deficit)	(485,316.93)	(393,665.39)
Net investment in plant	<u>4,174,973.43</u>	<u>4,005,923.54</u>
Total fund balances	<u>3,689,656.50</u>	<u>3,612,258.15</u>
Total plant funds	\$ <u>4,846,465.29</u>	<u>4,609,604.47</u>
Agency funds:		
Funds held in custody for others	\$ <u>4,757.80</u>	<u>5,870.37</u>
Total agency funds	\$ <u>4,757.80</u>	<u>5,870.37</u>

FREE WILL BAPTIST BIBLE COLLEGE

Statement of Changes in Fund Balances

Year ended May 31, 1985

	Current Funds	
	Unrestricted	Restricted
Revenues and other additions:		
Unrestricted current funds revenues	\$ 2,148,671.02	-
Gifts	-	9,364.32
Endowment income	-	1,974.65
Investment income - restricted	-	-
Interest on student loans	-	-
Additions to plant facilities including	-	-
\$22,235.82 from current funds	-	-
Retirement of indebtedness	-	-
Increase in trustee account	-	-
Adjustment of computed annuity liability	-	-
Increase in indebtedness	-	-
Gain on sale of investments	-	-
Total revenues and other additions	<u>2,148,671.02</u>	<u>11,338.97</u>
Expenditures and other deductions:		
Educational and general expenditures	1,530,502.22	6,818.90
Auxiliary enterprises expenditures	609,999.34	-
Provision for doubtful notes	-	-
Additions to plant facilities	-	-
Retirement of indebtedness	-	-
Expansion campaign expense and promotion	-	-
Interest expense	-	-
Increase in indebtedness	-	-
Other	-	-
Total expenditures and other deductions	<u>2,140,501.56</u>	<u>6,818.90</u>
Mandatory transfers for debt service	(107,645.01)	-
Net increase (decrease) for the year	<u>(99,475.55)</u>	<u>4,520.07</u>
Fund balance (deficit) at beginning of year	<u>291,603.88</u>	<u>9,320.73</u>
Fund balance (deficit) at end of year	\$ <u>192,128.33</u>	<u>13,840.80</u>

Loan Funds	Endowment Funds	Annuity Funds	Plant Funds	
			Unexpended	Net Investment In Plant
-	-	-	-	-
8,227.21	15,150.00	-	91,046.03	-
2,002.99	-	-	240.32	-
22,397.94	-	-	-	-
-	-	-	-	243,014.38
-	-	-	-	65,733.32
-	-	-	-	5,302.19
-	-	2,732.49	-	-
-	-	-	145,000.00	-
-	-	-	3,196.47	-
<u>32,628.14</u>	<u>15,150.00</u>	<u>2,732.49</u>	<u>239,482.82</u>	<u>314,049.89</u>
-	-	-	-	-
3,000.00	-	-	-	-
-	-	-	220,778.56	-
-	-	-	65,733.32	-
-	-	-	51,849.96	-
4,389.16	-	-	100,417.53	-
-	-	-	-	145,000.00
54.22	-	-	-	-
<u>7,443.38</u>	<u>-</u>	<u>-</u>	<u>438,779.37</u>	<u>145,000.00</u>
-	-	-	107,645.01	-
<u>25,184.76</u>	<u>15,150.00</u>	<u>2,732.49</u>	<u>(91,651.54)</u>	<u>169,049.89</u>
<u>214,970.51</u>	<u>147,875.69</u>	<u>51,250.00</u>	<u>(393,665.39)</u>	<u>4,005,923.54</u>
<u>240,155.27</u>	<u>163,025.69</u>	<u>53,982.49</u>	<u>(485,316.93)</u>	<u>4,174,973.43</u>

FREE WILL BAPTIST BIBLE COLLEGE
Statement of Current Unrestricted Funds Revenues,
Expenditures and Other Changes

Year ended May 31, 1985

(with comparative figures for 1984)

	1985	1984
Revenues:		
Tuition and fees	\$ 717,594.82	728,337.67
Gifts	632,882.98	602,295.40
Endowment income	15,015.09	12,077.04
Investment income	47,038.95	47,831.53
Sales and services of auxiliary enterprises	731,007.39	725,301.86
Other sources	5,131.79	2,378.31
Total revenues	<u>2,148,671.02</u>	<u>2,118,221.81</u>
Expenditures:		
Educational and general:		
Instruction	586,172.99	536,599.02
Academic support	169,296.82	146,453.69
Student services	136,176.13	145,761.69
Operation and maintenance of plant	187,545.35	202,478.36
Institutional support	451,310.93	414,630.39
Total educational and general expenditures	<u>1,530,502.22</u>	<u>1,445,923.15</u>
Mandatory transfers for debt service	<u>23,330.00</u>	<u>-</u>
Total educational and general	<u>1,553,832.22</u>	<u>1,445,923.15</u>
Auxiliary enterprises:		
Expenditures	609,999.34	600,323.92
Mandatory transfers for debt service	84,315.01	69,400.33
Total auxiliary enterprises	<u>694,314.35</u>	<u>669,724.25</u>
Total expenditures and mandatory transfers	<u>2,248,146.57</u>	<u>2,115,647.40</u>
Revenues over (under) expenditures and other changes	\$ <u>(99,475.55)</u>	<u>2,574.41</u>

FREE WILL BAPTIST BIBLE COLLEGE

Proposed Budget
1985-86

Current Unrestricted Funds

Revenues:

Tuition and fees	\$ 751,000
Gifts - state quotas	660,000
Gifts - special	50,000
Endowment income	16,000
Investment income	55,000
Sales and service of auxiliary enterprises	742,000
Graduate school	9,000
Other sources	14,000

Total revenue \$2,297,000

Expenditures:

Educational and general:

Instruction	\$ 597,100
Academic support	173,975
Student services	159,325
Operation and maintenance of plant	171,000
Institutional support	464,100

Total educational and general \$1,565,500

Auxiliary enterprises:

Expenditures	601,800
Mandatory provision for lease obligations	73,000
Mandatory transfer -- energy & telephone	12,800

Total auxiliary enterprises \$ 687,600

Graduate school 43,900

Total expenditures \$2,297,000

General Director's Report

Spring - 1985

Sunday School
and Church Training
Department

Operating as
Randall House Publications

SUNDAY SCHOOL AND CHURCH TRAINING REPORT

REFLECTIONS

The National Association of Free Will Baptists is now fifty years old. I am older. I was nearly seven years old when the historical meeting of organization took place at Cofer's Chapel Free Will Baptist Church. I was not there. I did not attend my first convention of the National Association of Free Will Baptists until 1952. The National Association was only seventeen years old then. I have not missed a convention of the National Association of Free Will Baptists since that time. I have now completed thirty-three years of continuous attendance.

I have observed a lot of things happen over the years. I was there when the Cooperative Plan was adopted in 1953. Our stronger states in the National Association are those that have had a strong Cooperative program over the years.

I was there each time that we elected our last four executive secretaries, Dr. Stan Mooneyham, Dr. Billy Melvin, Rev. Rufus Coffey, and Dr. Melvin Worthington. I was there when we elected each of the following moderators, Rev. E. E. Morris, Dr. Charles Thigpen, Rev. Ralph Staten, Dr. Stan Mooneyham, Dr. Robert Picirilli, Dr. J. D. O'Donnell, and our present moderator, Rev. Bobby Jackson.

I was there in 1953 when the Reverend William Mishler was chosen as the first full time director of the Sunday School Department. I remember his eager anticipation when the Department began to publish their own Sunday school curriculum. I saw all of his dreams crushed when the National Association closed down the Sunday School Department in 1959. That was the year that I was elected to the Sunday School Board of the National Association.

When the newly elected Sunday School Board met to organize in 1959 I was chosen as Secretary-Treasurer of the Board. One of my first responsibilities was to close the office at Nashville. I stood in that office on that warm day in July of 1959 and promised the Lord that some day things would be different. How thankful I am that God has helped me to honor that promise.

I was there in 1961 when the National Association of Free Will Baptists had its first major division. This led to a severance of relations with the Free Will Baptist Press at Ayden, North Carolina. The curriculum business was re-established at Nashville. The office was reopened. I was employed as the full-time director of the Sunday School Department in June of 1962.

At this point I would like to take my eyes off the meetings of the National Association in order that I might scrutinize the work of the Sunday School Department. We have come a long distance since we began again in 1962. Our sales have increased from the thousands to the millions. We have moved four times since we began again. We now occupy our lovely 55,000 square feet building at 114 Bush Road. It is located on 9½ acres of land. It is almost paid for!

I have tried to be unselfish over the years. Immediately after our start again in 1962 I asked that our department be removed from receiving monies from the Cooperative Fund. It was not because I was opposed to the Cooperative Plan. I just felt that we could sustain ourselves from our sales. The 5% of Cooperative funds that we were receiving was divided up among the other departments of the National Association. This has meant thousands of dollars has been sent to the other departments instead of to the Sunday School Department.

Let me move ahead quickly to 1978 because several other things happened then that would affect the other departments of the National Association. In 1978 the

Sunday School Department and the Church Training Service Department was merged. This came about because of the sweet spirit of Dr. Malcolm Fry, the General Director of the Church Training Service Department, and the men who served on his board at that time. The newly created department was called the Sunday School and Church Training Department of the National Association of Free Will Baptists.

We gave our building at 1134 Murfreesboro Road to the National Association of Free Will Baptists. It is located directly behind the National Office Building. This building is now leased and brings in a revenue excessive of \$2,900.00 monthly. This money is used to help operate the National Office building.

In 1978 the Church Training Department was receiving 15% of the Cooperative Pie. After the merger this percentage was divided among the other departments and has created additional dollars for them.

In 1971 we began to distribute our literature through bookstores. We share our monies with these bookstores. They receive a 25% discount on all curriculum items and a 40% discount on all non-curriculum items. The following chart will give you some idea of what this profit-sharing means to some states. It shows curriculum discounts for a recent quarter:

State Owned Bookstores:

Arkansas	\$9,984.00
Oklahoma	\$12,666.00
Ohio	\$10,333.33
North Carolina	\$9,701.33
Illinois	\$1,968.67
Georgia	\$5,016.33
Missouri	\$7,233.33

\$56,902.99 per quarter

A few quick strokes on the calculator will reveal that we share more than \$227,611.96 with these states in one year's time.

In addition we have contractual arrangements with privately-owned bookstores that share some of their profits with the states that they serve. The following chart shows our curriculum profit sharing with them:

Privately Owned Bookstores:

Alabama	\$7,674.67
Virginia	\$4,932.67
South Carolina	\$3,204.00
Mississippi	\$2,853.67

\$18,665.01 per quarter

This amounts to \$74,660.04 of profit sharing with these stores in one year's time. The above figures do not reflect items that we sell at a 40% discount to state and private stores.

Many of our states would have to close their bookstores if it were not for the curriculum business. We are pleased that we have been able to share with these states over the years.

I wish there were some means by which we could measure the main purpose for our existence. We produce Bible-based materials that can be used in evangelization and edification. I wonder how many souls have been won to Christ through our curriculum, tracts, and books? I wonder how many Christians can attribute their

discipleship growth to our curriculum, tracts, and books.

I know that much of my report sounds like the reflections of an old man. I will not admit to being old but I will admit to being older. I trust that I am wiser.

I want to return to my reflections about the number of conventions of the National Association of Free Will Baptists that I have attended. I regret that not all of these meetings could be counted as being peaceable and profitable. I honestly believe that our lack of harmony has hindered our soul-winning and growth.

If Free Will Baptists are to be used of God in the next fifty years we must do some of the following:

1. We must lay aside our petty bickering.
2. We must strive for spiritual maturity.
3. We must evangelize and edify.
4. We must strive for a spiritual fervor.
5. We must be zealous for the Lord.

If Jesus carries what will the centennial record have to say about Free Will Baptists? There is the possibility that we might not even exist 50 years from now. Let's go on to be the blessing to America and the world that we should be. If the 100 year record is ever written, I'll be in heaven. I want to thank Free Will Baptists for winning me to Christ. I want to thank you for giving me your pulpits to preach the gospel. I want to thank you for letting me serve Christ by serving you. God Bless you. I love you!

RESPONSES

For the past twenty-three years I have conducted workshops and institutes all across our denomination. I have preached from one ocean to the other and from Mexico to Canada. On two different occasions I have ministered overseas. I must admit that some of my most enjoyable work has come in the past several years. Since the fall of 1982 I have conducted 60 Sunday School Revivals.

These 60 Sunday School Revivals have been conducted as far west as Guymon, Oklahoma and as far east as Morehead City, N.C. I have been to Canada and to the Mexican border. The most frequent question that I am asked is, "What is a Sunday school Revival?" It is simply a series of services that I conduct from Friday night through Sunday morning. Usually I preach on Friday night, conduct two workshops during the day on Saturday, preach again on Saturday night, and then twice on Sunday morning. By closing out at noon on Sunday I can return home in time to be in my office on Monday.

Last year I conducted twenty-one of these Sunday School Revivals. In addition to these meetings I participated in three growth conferences that our department sponsored. We held growth conferences at Goldsboro, N.C.; Dayton, Ohio; and Bryan, Texas. The featured speaker in each of these conferences was Dr. Elmer Towns.

At the time that this report was prepared this year is only three months old and I have already conducted eight Sunday School Revivals. During the weekend of January 11-13, I was with Rev. Mike Russell and the Mascoutah, IL church. The other meetings have been as follows:

January 18-20	Mt. Vernon, IL	John Postlwaite, Pastor
January 25-27	Aurora, IL	Reford Wilson, Pastor
February 15-17	Grand Prairie, TX	Jerry McArthur, Pastor
February 22-24	Bakersfield, IL	Loyd Crain, Pastor

March 1-3	Castlebury, AL	Grady Palmer, Pastor
March 8-10	Oxford, MS	George Crowden, Pastor
March 29-30	Ashland, KY	Ed Cook, Pastor

After each of these revivals I request that the host pastor write a response to the meeting. Here is what several pastors have said:

"I took a vote of the church regarding your visit and the Sunday School Revival. Everyone was glad that we had it and said they were blessed by your messages. Last Sunday our Sunday school attendance was up and a good spirit was enjoyed by all. We had one to accept Christ. Thanks again for being with us. We will be praying for your work and looking forward to having you with us again."

Rev. Grady Palmer, Pastor
Castlebury, AL

"We had high expectations for a Sunday School Revival and you met and surpassed them. There is so much that we were challenged with that we must not let this experience go to waste.

We will endeavor to make some improvements. Dr. Reeds, I appreciate your dignity and concern in this very important ministry."

Rev. Mike Russell, Pastor
Macoutah, IL

The next response comes from Rev. George Crowden. Since it is on his letterhead I thought that I would share the entire letter with you. It follows at the end of this report.

I have just finished preparing my income tax report so I know that I travelled over 50,000 miles last year for the department. I drove 35,000 of these miles and flew the remainder. The Lord has been so gracious with His protection during all of these years of travel.

As I come to the close of my twenty-third year with the Sunday School and Church Training Department of the National Association of Free Will Baptists, I want you to know that I have not lost my zeal for the Lord. I have not experienced a job burn-out. My work for the Lord and Free Will Baptists is more exciting than it has ever been. I want to see our denomination grow numerically by soul-winning. I want to see us grow spiritually through the use of excellent curriculum. With the Lord's help I intend to do my best to help with both. If I can help your church with a Sunday School Revival let me know!

REPORTS

You will find our annual audit on the following pages. It reveals that we had a successful year. Once more we were able to end our fiscal year in the black. The Lord has been so good to us.

The budget for 1986 is presented for your consideration. You will note that we have a Spanish division included in our audit and our budget. I am pleased to report that we are now offering a line of Spanish Sunday school curriculum. If there are Hispanics in your area why not start a Sunday school class for them? Perhaps your state could begin a church for Spanish speaking peoples.

Thank you for your continued support of our department. Please continue your prayer support.

Dr. Roger C. Reeds, General Director
 Sunday School and Church Training Department
 of the National Association of Free Will Baptists

BALANCE SHEETS

February 28, 1985 and February 29, 1984

	<u>Assets</u>	<u>1985</u>	<u>1984</u>
Current assets:			
Cash (note 2)	\$	91,384.31	56,619.05
Receivables:			
Customer accounts		211,951.88	166,847.10
Employee and other		620.00	1,850.00
		<u>212,571.88</u>	<u>168,697.10</u>
Less allowance for doubtful accounts		8,500.00	8,500.00
Net receivables		<u>204,071.88</u>	<u>160,197.10</u>
Inventories		360,317.37	341,423.51
Deferred charges		22,952.96	19,868.93
Total current assets		<u>678,726.52</u>	<u>578,108.59</u>
Property, plant and equipment, at cost (notes 3 and 4):			
Land		127,873.12	127,873.12
Building		568,491.36	557,137.82
Printing service equipment		332,836.75	325,700.40
Office and administrative equipment		241,825.16	178,556.31
Automotive equipment		49,458.13	39,483.38
		<u>1,320,484.52</u>	<u>1,228,751.03</u>
Less accumulated depreciation		538,062.42	439,565.25
Net property, plant and equipment		<u>782,422.10</u>	<u>789,185.78</u>
Capital leases (note 6):			
Office and administrative equipment		10,160.03	39,851.03
Automotive equipment		-	10,329.75

	10,160.03	50,180.78
Less accumulated amortization	<u>3,628.58</u>	<u>27,115.33</u>
Net capital leases	<u>6,531.45</u>	<u>23,065.45</u>
	<u>\$ 1,467,680.07</u>	<u>1,390,359.82</u>

See accompanying notes to financial statements.

	<u>1985</u>	<u>1984</u>
<u>Liabilities and Fund Balance</u>		
Current liabilities:		
Notes payable to bank and others	\$ 82,500.00	37,500.00
Current portion of long-term debt (notes 2 and 4)	83,703.78	91,832.06
Current portion of obligations under capital leases (note 6)	864.72	12,205.23
Accounts payable	214,032.09	139,620.69
Accrued expenses	<u>39,098.38</u>	<u>31,488.95</u>
	<u>420,198.97</u>	<u>312,646.93</u>
Total current liabilities		
Long-term liabilities:		
Long-term debt (notes 2 and 4)	137,273.00	187,292.15
Obligations under capital leases (note 6)	-	1,905.93
Total long-term debt	<u>137,273.00</u>	<u>189,198.08</u>
	<u>910,208.10</u>	<u>888,514.81</u>
Fund balance		
	<u>\$ 1,467,680.07</u>	<u>1,390,359.82</u>
Commitments (note 6)		

SUNDAY SCHOOL BOARD OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Statements of Activity and Changes in Fund Balance
Years ended February 28, 1985 and February 29, 1984

	1985	1984
Revenues:		
Net sales:		
Curriculum	\$ 1,505,552.32	1,395,705.74
Randall House books	74,284.08	87,554.57
Merchandise	44,829.61	52,768.36
Bulletins	68,777.85	64,707.69
Vacation Bible school	22,259.60	21,208.35
Bookstore	47,894.77	58,231.83
Printing	134,371.71	136,730.63
Other sales	80,927.67	68,652.63
Net sales	<u>1,978,897.61</u>	<u>1,885,559.80</u>
Freight and handling	56,321.94	50,843.47
Other income	50,606.18	25,864.90
Loss on disposition of assets	-	(4,526.75)
Interdepartmental sales (note 5)	651,218.05	734,572.26
Total revenues	<u>2,737,043.78</u>	<u>2,692,313.68</u>
Expenses:		
Cost of sales:		
Inventory at beginning of year	341,423.51	303,219.50
Outside merchandise purchases	247,632.86	200,499.32
Cost of printing:		
Preparation	262,947.37	281,925.08
Production	441,396.48	507,247.68
Editorial	139,853.37	154,210.55
Depreciation	26,787.32	26,654.33
Less inventory at end of year	<u>1,460,040.91</u>	<u>1,473,756.46</u>
Interdepartmental purchases (note 5)	360,317.37	341,423.51
Selling, general and administrative expenses:	<u>1,099,723.54</u>	<u>1,132,332.95</u>
Sales and promotion	130,164.88	88,988.38
Administrative	53,506.57	48,278.29
Bookkeeping	70,965.89	74,925.20
Shipping	135,565.42	122,321.54
Building	121,443.06	96,835.57
General	208,783.91	169,974.12
Church growth and youth	81,303.39	49,975.46
Spanish department	44,459.08	-
Interest expense	49,472.45	56,819.54
Depreciation	68,744.25	68,666.41
Total expenses	<u>964,408.90</u>	<u>776,784.51</u>
Excess of revenues over expenses	<u>2,715,350.49</u>	<u>2,643,689.72</u>
Fund balance, beginning of year	21,693.29	48,623.96
Fund balance, end of year	<u>888,514.81</u>	<u>839,890.85</u>
See accompanying notes to financial statements.	<u>\$ 910,208.10</u>	<u>888,514.81</u>

See accompanying notes to financial statements.

SUNDAY SCHOOL BOARD OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Statements of Changes in Financial Position

Years ended February 28, 1985 and February 29, 1984

	1985	1984
Sources of funds:		
Excess of revenues over expenses	\$ 21,693.29	48,623.96
Items which do not use working capital:		
Depreciation and amortization	95,531.57	95,320.74
Loss on disposal of assets	-	4,526.75
Working capital provided by operations	<u>117,224.86</u>	<u>148,471.45</u>
Increase in long-term debt, including capital lease obligations	37,495.00	55,000.00
Decrease in working capital	<u>6,934.11</u>	<u>9,297.14</u>
	<u>\$ 161,653.97</u>	<u>212,768.59</u>
Uses of funds:		
Additions to property, plant, equipment and capital leases	\$ 72,233.89	107,497.61
Current installments and repayment of long-term debt and obligations under capital leases	89,420.08	105,270.98
	<u>\$ 161,653.97</u>	<u>212,768.59</u>
Changes in components of working capital:		
Increase (decrease) in current assets:		
Cash	\$ 34,765.26	(45,188.43)
Receivables	43,874.78	(22,046.22)
Inventories	18,893.86	38,204.01
Deferred charges	3,084.03	3,178.93
	<u>100,617.93</u>	<u>(25,851.71)</u>
Increase (decrease) in current liabilities:		
Notes payable to bank and others	45,000.00	4,465.02
Accounts payable	74,411.40	(14,014.71)
Accrued expenses	7,609.43	(4,431.77)
Current portion of long-term debt and obligations under capital leases	<u>(19,468.79)</u>	<u>(2,573.11)</u>
	<u>107,552.04</u>	<u>(16,554.57)</u>
Decrease in working capital	<u>\$ 6,934.11</u>	<u>9,297.14</u>

See accompanying notes to financial statements.

SUNDAY SCHOOL BOARD OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Notes to Financial Statements

February 28, 1985 and February 29, 1984

The Board operates under the auspices of the National Association of Free Will Baptists and is governed by a board of directors.

(1) Summary of Significant Accounting Policies

Inventories

Inventories are stated at the lower of cost or market, with cost being determined by use of the first-in, first-out method.

Depreciation

Depreciation of property, plant and equipment is provided on the straight-line method based on estimated useful lives (see note 3).

The estimated useful lives are as follows:

Building	40 years
Office and printing equipment	5 - 15 years
Automotive equipment	3 - 4 years

Income Taxes

The Board is exempt from Federal and State income taxes; accordingly, no provisions for income taxes is made in the accounts.

(2) Restricted Cash and Bonds Payable

Cash includes \$16,446.76 in 1985 and \$16,383.77 in 1984, which represents deposits with the paying agent for retirement of matured bonds and accrued interest on outstanding bonds. Required annual deposits are as follows (see note 4):

1986	\$ 26,000.00
1987	2,000.00

(3) Property, Plant and Equipment

Depreciation and amortization charged to operations computed on the straight-line method was \$95,531.57 in 1985 and \$95,320.74 in 1984.

SUNDAY SCHOOL BOARD OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Notes to Financial Statements, Continued

(4) Long-Term Debt

A summary of long-term debt is as follows:

	1985	1984
7% mortgage payable at \$2,000.00 annually secured by warranty deed on 3.52 acres of land	\$ 6,000.00	8,000.00
Equipment obligations, maturing through 1989, payable monthly \$6,388.26 including interest secured by equipment with a depreciated basis of \$77,233.97 in 1985 and \$101,990.59 in 1984	92,111.85	105,100.98
14-3/4% unsecured installment note, payable monthly at \$1,183.00 including interest through 1987	24,044.81	34,182.38
11-1/2% unsecured installment note, payable monthly at \$465.93 including interest through 1991	26,589.68	28,972.04
13-1/2% unsecured installment note, payable monthly at \$1,265.55 including interest through 1988	43,730.44	52,368.81
9% First Mortgage Bonds, secured by a deed of trust on property with a depreciated basis of \$406,747.09 in 1985 (see note 2)	28,500.00	50,500.00
	<u>220,976.78</u>	<u>279,124.21</u>

Less current portion of long-term debt	83,703.78	91,832.06
Long-term debt, excluding current portion	\$ <u>137,273.00</u>	<u>187,292.15</u>

(5) Interdepartmental Transactions

The accompanying financial statements include interdepartmental revenues and expenses of \$651,218.05 in 1985 and \$734,572.26 in 1984, which result from transfers of publications from production to sales departments.

(6) Commitments

Leases

Under the provision of Statement of Financial Accounting Standards No. 13, leases are classified as capital or operating leases. Capital leases are defined as those that meet one or more of the following criteria: (a) transfers ownership of the property to the lessee by the end of the lease term; (b) contains a bargain purchase option; (c) the lease term is equal to 75% or more of the economic life of the leased property; (d) the present value at the beginning of the lease term of the minimum lease payments equal or exceeds 90% of the fair value of the leased property to the lessor at the inception of the lease over investment tax credits retained by the lessor. All other leases are classified as operating leases.

SUNDAY SCHOOL BOARD OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Notes to Financial Statements, Continued

(6) Commitments, Continued

(a) Capital leases:

The Board leases certain office and administrative equipment under capital leases. These assets are being amortized over their estimated useful lives. The obligations are being amortized by that portion of annual rentals in excess of interest.

Future minimum lease payments under such capital leases as of February 28, 1985 amount to \$2,549.94 payable during the year ending February 28, 1986.

(b) Operating leases:

Total rent expense charged to operations is summarized as follows:

Sign	\$ 3,952.37
Automotive equipment	7,597.61
Shipping equipment	\$ 629.06
Printing service equipment	<u>2,916.56</u>
	<u>\$ 15,095.60</u>

The following is a schedule, by years of the future minimum rental payments required that have initial or remaining non-cancelable lease terms in excess of one year as of February 28, 1985.

Year ending February 28:	Amount
1986	\$ 20,609.40
1987	17,260.05
1988	13,358.40
1989	<u>9,862.48</u>
	<u>\$ 61,090.33</u>

Pension

The Board participates in the master pension plan of the Board of Retirement and Insurance of the National Association of Free Will Baptists. The plan is contributory and employees with two years of service are covered. The policy is to fund pension cost accrued. Pension expenses amounted to \$13,692.50 in 1985 and \$13,444.72 in 1984. The net assets of such master plan amount to approximately \$3,520,382.32 as of December 31, 1984, the latest report date. The plan has not been actuarially evaluated; therefore, information as to the amount required to fund actuarially computed prior service costs, and the amounts of actuarial present value of vested and nonvested benefits have been omitted.

MARLIN & EDMONDSON

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The Board of Directors
Sunday School Board of the National
Association of Free Will Baptists:

We have examined the balance sheets of the Sunday School Board of the National Association of Free Will Baptists as of February 28, 1985 and February 29, 1984, and the related statements of activity and changes in fund balance and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of the Sunday School Board of the National Association of Free Will Baptists at February 28, 1985 and February 29, 1984, and the results of its activity and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Marlin & Edmondson

March 27, 1985

BUDGET FOR 1986

Revenues:

Net Sales:	
Curriculum	\$1,700,000.00
Spanish Curriculum	130,000.00
Randall House Books	85,000.00
Merchandise	60,000.00
Bulletins	72,000.00
Vacation Bible School	22,000.00
Bookstore	60,000.00
Printing	125,000.00
Other Sales	75,000.00
Net Sales	<u>\$2,329,000.00</u>

Other Income:

Postage and Handling	\$54,000.00
Youth Ministries	40,000.00
Miscellaneous Income	10,000.00
Interdepartmental Sales	825,000.00
	<u>\$3,258,000.00</u>

Cost of Sales:

Merchandise Purchases	\$225,000.00
Interdepartmental Purchases	825,000.00
Administrative	51,982.00
Bookkeeping and Order	133,257.00
Advertising and Sales	78,068.00
Printing Preparation	271,620.00
Printing Production	504,210.00
Editorial	166,138.00
Youth and Church Growth	88,776.00
Shipping	127,714.00
Building and Grounds	140,222.00
Spanish Division	70,072.00
General Expenses	330,500.00
Depreciation	70,000.00
Working Capital	175,441.00
	<u>\$3,258,000.00</u>

DIVISION BUDGET

Administrative:

Salaries	\$37,182.00
Social Security	4,200.00
Travel	5,000.00
Utilities	2,200.00

Supplies	1,000.00
Equipment Maintenance	400.00
Miscellaneous	2,000.00
	<u>\$51,982.00</u>

Bookkeeping and Order:

Salaries.....	\$118,757.00
Travel.....	1,000.00
Supplies.....	3,500.00
Equipment Maintenance	9,000.00
Miscellaneous	1,000.00
	<u>\$133,257.00</u>

Advertising and Sales:

Salaries.....	\$48,668.00
Travel.....	7,000.00
Supplies.....	1,000.00
Equipment Maintenance	400.00
Promotion	10,000.00
Advertising	10,000.00
Miscellaneous	1,000.00
	<u>\$78,068.00</u>

Printing Preparation:

Typesetting	\$10,000.00
Layout	3,000.00
Art Services.....	9,000.00
Negatives	18,000.00
Masking and Opaquing	5,000.00
Plates	10,000.00
Salaries.....	172,620.00
Travel.....	2,000.00
Supplies.....	20,000.00
Equipment Rental.....	3,000.00
Equipment Maintenance	6,000.00
Outside Color Separation	12,000.00
Miscellaneous	1,000.00
	<u>\$271,620.00</u>

Printing Production:

Stock	\$250,000.00
Outside Printing	15,000.00
Salaries.....	172,210.00
Travel.....	2,000.00

Supplies	30,000.00
Equipment Maintenance	25,000.00
Ink.....	8,000.00
Miscellaneous	2,000.00
	<u>\$504,210.00</u>

Editorial:

Salaries.....	\$108,738.00
Social Security	7,200.00
Travel.....	5,000.00
Utilities	2,600.00
Supplies.....	300.00
Equipment Maintenance	300.00
Curriculum Development	5,000.00
Writer's Payments	25,000.00
Royalty Payments.....	10,000.00
Miscellaneous	2,000.00
	<u>\$166,138.00</u>

Youth and Church Growth:

Salaries.....	\$44,776.00
Travel.....	4,000.00
Supplies.....	500.00
NYC-86	20,000.00
Promotion	1,000.00
Truth and Peace Conference	15,000.00
Youth Evangelism.....	2,500.00
Miscellaneous	1,000.00
	<u>\$88,776.00</u>

Shipping:

Salaries.....	\$59,714.00
Freight Expense	55,000.00
Travel.....	1,000.00
Supplies.....	9,000.00
Equipment Rental.....	1,000.00
Equipment Maintenance	1,000.00
Miscellaneous	1,000.00
	<u>\$127,714.00</u>

Building:

Salaries.....	\$55,022.00
Supplies.....	7,000.00
Equipment Rental.....	500.00

Equipment Maintenance	700.00
Building Maintenance	4,000.00
Building Improvements	25,000.00
Utilities	35,000.00
Building Insurance	12,000.00
Miscellaneous	1,000.00
	<u>\$140,222.00</u>

Spanish Division:

Salaries	\$40,672.00
Office Rent	5,400.00
Translation Fees	17,000.00
Supplies	2,000.00
Travel	3,000.00
Miscellaneous	2,000.00
	<u>\$70,072.00</u>

General:

Supplies	\$5,000.00
Telephone	26,000.00
FICA Tax	52,000.00
Employee Insurance	65,000.00
Employee Share of IRP	19,000.00
Board Travel and Expense	9,000.00
Legal and Auditing	6,500.00
Auto Repairs and Gasoline	6,000.00
Taxes	2,000.00
Miscellaneous	10,000.00
Vehicle Leases	15,000.00
Equipment Leases	15,000.00
Interest Expense	30,000.00
Debt Retirement	70,000.00
	<u>\$330,500.00</u>

HOME MISSIONS BOARD REPORT

The year 1985 is a "Jubilee Year" for Free Will Baptists as we celebrate 50 years of service, not only in the United States of America, but in several countries around the world. The Free Will Baptist denomination has always had a pioneering spirit and an awareness of the need for planting Free Will Baptist churches in the cities of the North American continent. Since the 1930's men and women with pioneering spirits have blazed trails into virgin territories, carrying with them the saving gospel of the Lord Jesus Christ, and "digging out" Free Will Baptist churches throughout this great nation.

The first Home Missions Board in modern Free Will Baptist history was elected in 1938. Its work was limited to helping "tentmakers" in establishing churches by giving them small honorariums. The first National Home Missionaries were sent out with pay in 1954. Since that time over 200 families have gone out as National Home Missionaries establishing Free Will Baptist churches in the United States, Canada, Mexico, the Virgin Islands, and Puerto Rico. Twenty five states have been opened by National Home Missionaries beginning churches there. National Home Missionaries have organized churches in 22 capital cities and in scores of other large metropolitan areas.

Eight Home Missionary families were approved in 1984. These were: Cliff Donoho, Salem, Illinois; Kevin Francis, Greeneville, Mississippi; Danny Hester, Bartlesville, Oklahoma; Fred Jones, Mexico; Bob White, Paducah, Kentucky; Bill Reagan, Windsor, Ontario, Canada; Luther Burns, Atlanta, Georgia; and Roy Roach, Zanesville, Ohio.

Two missionaries led their churches to become self supporting in 1984. They were: Bob Shockey, Cannonsburg, Kentucky, and Bill Reagan, Montreal, Quebec, Canada.

Seven national workers in Mexico received support from the National Home Missions Board in 1984. These were: Jesus (Chuy) de la Rosa who serves at the Free Will Baptist Bible Institute, Monterrey, N.L., Mexico; Gonzalo Medina, Cutberto Herrera, Agustine Ollervides, Ruben Munoz, Simon Nieves, and Javier Gallegos are Mexican pastors who are beginning Free Will Baptist Churches in the needy cities of Mexico.

Eight Free Will Baptist chaplains in the armed forces served under the endorsement of the National Home Missions Board. They are Capt. James Bishop, U.S. Army; LTJG David Burgess, U.S. Navy; Lt. Robert Cooper, U.S. Navy; Major Larry Cusick, U.S. Air Force; Major Walter Golding, U.S. Air Force; Capt. Larry Langford, U.S. Army; LTC Gerald Mangham, U.S. Army; and Capt. Kerry Steedley, U.S. Army. Robert Wiant, LTJG, was accepted into the Navy chaplaincy in 1984.

Rev. Connie D. Cariker, as Director of Evangelism and Church Growth, led the Home Missions Traveling Team in conducting 23 Revival-Time Conferences on Evangelism and Church Growth sponsored by:

- Mount Moriah Association, Millport, Alabama
- Beaver Creek Association, Spartanburg, South Carolina
- First Free Will Baptist Church, Newport News, Virginia
- East Side Free Will Baptist Church, Elizabethton, Tennessee
- West Tulsa Free Will Baptist Church, Tulsa, Oklahoma
- First Free Will Baptist Church, Hot Springs, Arkansas
- Central Free Will Baptist Church, Huntington, West Virginia
- Free Will Baptist churches of the Durham, North Carolina area
- Martin Hill Free Will Baptist Church, Booneville, Mississippi
- Cuyahoga-Lorain Conference, Mansfield, Ohio

Social Band Association, Jonesboro, Arkansas
 Salem Association, Marianna, Florida
 Little River and Union Associations, Homerville, Georgia
 Cave Springs Association, Thayer, Missouri
 First Free Will Baptist Church, Charleston, Arkansas
 Mission Association, Mountain Grove, Missouri
 Vista Free Will Baptist Church, Van Buren, Arkansas
 Cramerton Free Will Baptist Church, Cramerton, North Carolina
 Oak Park Free Will Baptist Church, Pine Bluff, Arkansas
 Northern Quarterly Meeting, Cumberland Association, Pleasant View, Tennessee
 Martin Association, Leary, Georgia
 Free Will Baptist churches of New Bern, North Carolina
 First Free Will Baptist Church, Bakersfield, California
 Good crowds of pastors and laymen attended each conference.
 An enlargement campaign, "One Nation Under God" and a booklet, "A Visitation Program That Works", written by Rev. Connie D. Cariker, were published.
 Numerous tracts, new convert packets, follow up lessons, books and pamphlets were distributed.
 Rev. John Gibbs published his fourth record album entitled, "The Broken Rose."
 Loans were made from the Church Extension Loan Fund to:
 Heritage Free Will Baptist Church, Fredericksburg, Virginia
 Thompson Memorial Free Will Baptist Church, Vineland, New Jersey
 First Free Will Baptist Church, Fort Collins, Colorado.
 The first annual "Roll Call Sunday" was held March 25, 1984 with 197,992 people attending 2,584 Free Will Baptist churches.
 Mr. Howard Gwartney, deacon in the Locust Grove Free Will Baptist Church, Locust Grove, Oklahoma, was employed as Missionary Builder to assist missionaries with building programs.
 Income was the largest in Home Missions history with \$1,704,537 given for the year.
 The National Home Missions Department is blessed with a capable and dedicated staff who works faithfully to assist our missionaries, chaplains, pastors, and churches. They are:
 Roy Thomas, General Director
 Trymon Messer, Associate Director
 John Gibbs, Director of Development
 Connie D. Cariker, Director of Evangelism and Church Growth
 Bill Daniel, Director of Communications
 Iva Mae Bracey Bookkeeper
 Pat Thomas, Publications Editor and Secretary
 Kathy Brown, Data Processor and Secretary
 Jinger Farleigh, Receptionist and Secretary
 Ida Lewis, Secretary
 Howard Gwartney, Missionary Builder.
 Please remember us in prayer as we labor to place "A Missionary In Every State For A Church In Every City."

Respectfully submitted,
 Roy Thomas, General Director

BOARD OF HOME MISSIONS
 OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Balance Sheet

December 31, 1984

(with comparative totals for 1983)

	1984		Total All Funds	Total 1983
	Operating	Plant Fund		
Cash and interest bearing deposits	\$ 251,689	-	251,689	85,076
Insurance refund	-	-	-	1,025
Investments, at cost (note 2)	12,500	-	12,500	164,029
Note receivable due in one year (note 3)	2,022	-	2,022	10,700
Gift receivable	22,037	-	22,037	-
Prepaid insurance	-	-	-	3,198
Inventory	6,720	-	6,720	-
Equipment at cost, less accumulated depreciation of \$68,396 in 1984 and \$50,648 in 1983 (note 4)	-	52,076	52,076	60,972
Other asset (note 7)	20,910	-	20,910	60,460
Notes receivable due after one year (note 3)	51,007	-	51,007	-
Total assets	\$ 366,885	52,076	418,961	385,460

Liabilities and Fund Balances

Accounts payable	\$ 4,245	-	4,245	2,274
Restricted deferred revenue - missionary accounts (note 5)	186,871	-	186,871	172,281
Deferred compensation (note 6)	104,372	-	104,372	86,679
Note payable (note 7)	20,910	-	20,910	565
Total liabilities	316,398	-	316,398	261,799
Fund balances:				
Undesignated	50,487	-	50,487	62,689
Net investment in plant	-	52,076	52,076	60,972
Total fund balances	50,487	52,076	102,563	123,661
Total liabilities and fund balances	\$ 366,885	52,076	418,961	385,460

Commitments (note 8)

See accompanying notes to financial statements.

BOARD OF HOME MISSIONS OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Statement of Support and Revenue, Expenses,
Capital Additions, Transfers Among Funds and Changes in Fund Balances

Year ended December 31, 1984

(with comparative totals for 1983)

	Operating		Plant Fund	Total All Funds	Total 1983
	Unrestricted	Restricted			
Support and revenue:					
Contributions	\$ 360,993	1,273,419	-	1,634,412	1,451,340
Printing services	33,539	-	-	33,539	24,642
Investment income	15,996	-	-	15,996	20,387
Other income	-	-	-	-	2,900
Total support and revenue	410,528	1,273,419	-	1,683,947	1,499,269
Expenses:					
Administrative expenditures	413,418	-	-	413,418	396,789
Missionary maintenance	-	1,273,419	-	1,273,419	1,109,230
Depreciation	-	-	17,748	17,748	17,223
Other expenses	6,460	-	-	6,460	-
Total expenses	419,878	1,273,419	17,748	1,711,045	1,523,242
Excess (deficiency) of support and revenue over expenses before capital additions	(9,350)	-	(17,748)	(27,098)	(23,973)
Capital additions:					
Donated assets	-	-	6,000	6,000	9,100
Total capital additions	-	-	6,000	6,000	9,100
Excess (deficiency) of support and revenue over expenses after capital additions	(9,350)	-	(11,748)	(21,098)	(14,873)
Fund balances, beginning of year	62,689	-	60,972	123,661	138,534
Transfers to plant fund for acquisitions	(2,852)	-	2,852	-	-
Fund balances, end of year	\$ 50,487	-	52,076	102,563	123,661

See accompanying notes to financial statements.

BOARD OF HOME MISSIONS OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Notes to Financial Statements

December 31, 1984

Board of Home Missions is operated under the auspices of The National Association of Free Will Baptists.

(1) Summary of Significant Accounting Policies

The major accounting principles and practices followed by the Board of Home Missions of the National Association of Free Will Baptists are presented below to assist the reader in evaluating the financial statements. The financial statements are presented in accordance with standards recommended in Audits of Certain Nonprofit Organizations an Audit and Accounting Guide (American Institute of Certified Public Accountants).

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Board, the accounts of the Board are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified.

The assets, liabilities and fund balances of the Board are reported in self-balancing fund groups as follows:

- a. Operating funds - such funds include unrestricted funds available for support of Board operations and restricted funds for support of missions. Unrestricted funds are reported as revenue in the year received or accrued. Restricted funds are recorded as additions to deferred revenue. Such restricted operating funds are recorded as revenues during the period they are expended.
- b. Plant funds - such funds represent resources restricted for plant acquisitions and funds expended for plant.

Plant Assets and Depreciation

Uses of operating funds for plant acquisitions are accounted for as transfers to plant funds. Depreciation of equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

Income Taxes

The Board of Home Missions is exempt from income taxes; accordingly, no provision for income taxes has been made in the accompanying financial statements.

BOARD OF HOME MISSIONS OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Notes to Financial Statements, Continued

(2) Investments

Investments, consisting of corporate stock, are presented in the financial statements at cost. The market value of the investments at December 31, 1984 was \$10,000.

(3) Note Receivable

Note receivable is as follows:

8% note receivable in monthly installments of principal and interest of \$516.05 from Free Will Baptist Church, Albuquerque, New Mexico, until May 1, 1999, secured by a first mortgage on the property.	\$ 53,029
Less amount due in one year	<u>2,022</u>
	\$ <u>51,007</u>

(4) Plant Funds

A summary of plant fund assets is as follows:

Furniture and equipment	\$ 79,432
Automobiles	41,040
	120,472
Less accumulated depreciation	<u>68,396</u>
Net investment in plant	\$ <u>52,076</u>

(5) Restricted Deferred Revenue

Changes in restricted deferred revenue is as follows:

Balance, beginning of year	\$ 172,281
Contributions	1,288,009
Available	1,460,290
Expenses	<u>1,273,419</u>
Balance, end of year	\$ <u>186,871</u>

(6) Deferred Compensation

The Board of Home Missions provides for each full-time employee deferred compensation based on a formula combining a percent of salary and years of service. The amounts are payable to the employee when employment is terminated.

BOARD OF HOME MISSIONS OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Notes to Financial Statements, Continued

(6) Deferred Compensation, Continued

A summary of the liability at December 31, 1984 is as follows:

Balance, beginning of year	\$ 86,679
Contributions for benefit of:	
Missionaries	21,811
Administrative employees	7,757
	116,247
Terminations	<u>11,875</u>
Balance, end of year	\$ <u>104,372</u>

(7) Other Asset and Notes Payable

The Board received title to the church buildings and property of the Mosinee, Wisconsin Free Will Baptist Church by assuming debt relating to the property amounting to \$20,910. Such debt is due currently and bears interest at 13.5%.

(8) Commitments

The Board has contingent liabilities in the amount of approximately \$150,000 for the guarantee of debt relating to certain churches.

(9) Related Party Transaction

The Church Extension Loan Fund, Inc., an affiliated organization, shares the office facilities and administrative staff of the Board of Home Mission at no cost.

Schedule 1

BOARD OF HOME MISSIONS OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Schedule to Combine Unrestricted Fund Support and Revenue,
Plant Fund Contributions, and Additions to Restricted Deferred Revenue

Year ended December 31, 1984

	Unrestricted Fund	Restricted Deferred Revenue	Plant Fund	Total
Contributions	\$ 360,993	1,288,009	6,000	1,655,002
Printing services	33,539	-	-	33,539
Investment income	<u>15,996</u>	-	-	15,996
	\$ <u>410,528</u>	<u>1,288,009</u>	<u>6,000</u>	<u>1,704,537</u>

CHURCH EXTENSION LOAN FUND, INC.

Balance Sheet

December 31, 1984

(with comparative figures for 1983)

Assets

	1984	1983
Interest-bearing deposits	\$ 112,958	132,507
Marketable securities, at cost (market value \$157,401 in 1984 and \$217,854 in 1983)	162,327	217,435
Notes receivable (note 2)	<u>113,130</u>	<u>48,135</u>
Total assets	\$ <u>388,415</u>	<u>398,077</u>

Liabilities and Fund Balance

Liabilities:		
Accrued interest	\$ 19,733	25,343
Revocable trust (note 3)	75,000	68,000
Notes payable (note 4)	242,075	283,964
Total liabilities	336,808	377,307
Fund balance (deficit):		
Undesignated	8,294	(7,647)
Designated (note 5)	43,313	28,417
Total fund balance	51,607	20,770
Total liabilities and fund balance	\$ 388,415	398,077

See accompanying notes to financial statements.

CHURCH EXTENSION LOAN FUND, INC.

Statement of Support and Revenue, Expenses,
and Changes in Fund Balances

Year ended December 31, 1984

(with comparative figures for 1983)

	1984	1983
Support and revenue:		
Contributions (note 5)	\$ 16,285	29,975
Investment income	35,846	16,120
Interest income	9,758	2,868
Gain on sale of securities	1,862	-
Total support and revenue	63,751	48,963
Expenses:		
Interest expense	32,591	25,940
Miscellaneous	323	-
Loss on sale of securities	-	12,217
Total expenses	32,914	38,157
Excess of support and revenue over expenses	30,837	10,806
Fund balance at beginning of year	20,770	9,964
Fund balance at end of year (note 5)	\$ 51,607	20,770

See accompanying notes to financial statements.

CHURCH EXTENSION LOAN FUND, INC.

Notes to Financial Statements

December 31, 1984

The Church Extension Loan Fund, Inc. is operated under the auspices of the National Association of Free Will Baptists. The fund is administered under the direction of the Board of Home Missions. This fund was established primarily to assist churches in their building projects.

(1) Summary of Significant Accounting Policies

The major accounting principles and practices followed by the Church Extension Loan Fund, Inc. are presented below to assist the reader in evaluating the financial statements. The financial statements are presented in accordance with standards recommended in Audits of Certain Nonprofit Organizations, an Audit and Accounting Guide (American Institute of Certified Public Accountants).

Basis of Financial Statements

The accompanying financial statements have been prepared on the accrual basis of accounting.

Income Taxes

The Church Extension Loan Fund, Inc. is exempt from income taxes; accordingly, no provision for income taxes has been made in the accompanying financial statements.

(2) Notes Receivable

Notes receivable are as follows:

12% note receivable, \$633 monthly from First Free Will Baptist Church, Salem, Oregon, secured by first mortgage on the real estate.	\$ 41,681
12% note receivable, \$172 monthly from First Free Will Baptist Church, North Kingston, Rhode Island, secured by first mortgage on the real estate	2,422
12% note receivable, \$363 monthly from First Freewill Baptist Church, Fort Collins, Colorado, secured by first mortgage on the real estate	24,528
12% note receivable, \$361 monthly from Heritage Freewill Baptist Church, Fredricksburg, Virginia, guaranteed by the Maryland State Home Missions Board	24,499
12% note receivable, \$200 monthly from Thompson Memorial Freewill Baptist Church, Vineland, New Jersey, secured by first mortgage on the real estate	20,000
	\$ 113,130

CHURCH EXTENSION LOAN FUND, INC.

Notes to Financial Statements, Continued

(3) Revocable Trust

The Fund is recipient of a revocable trust in the amount of \$75,000. The Fund is required to make payments to the beneficiary for 75% of interest earned on the trust funds within certain limitations. Interest paid to the trust beneficiary during 1983 amounted to \$1,096.

(4) Notes Payable

Notes payable, amounting to \$242,075, consist of 7% to 10% demand notes to individuals and churches. Such funds will be loaned to qualifying churches to finance building projects.

(5) Designated Fund Balance

The loan fund received as a contribution additional proceeds, amounting to \$14,895, from the sale of church real property in Anchorage, Alaska. This contribution has been designated by the administration of the loan fund to be held in trust to such time that new facilities are acquired.

(6) Related Party Transaction

The Church Extension Loan Fund, Inc. shares office facilities and administrative staff with the Board of Home Missions at no cost.

MARLIN & EDMONDSON

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JOHN V. RAYBURN

The Board of Directors
Board of Home Missions of
The National Association of
Free Will Baptists:

We have examined the balance sheet of the Board of Home Missions of The National Association of Free Will Baptists as of December 31, 1984, and the related statement of support and revenue, expenses, capital additions, transfers among funds and changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Board of Home Missions of The National Association of Free Will Baptists as of December 31, 1984, and the support and revenue, expenses, capital additions, transfers among funds and changes in fund balances for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Marlin & Edmondson

March 11, 1985

PROPOSED FAITH BUDGET FOR 1986

	<u>1986 Budget</u>
<u>Missionary maintenance</u>	
Salaries.....	\$1,165,000
Travel & Promotion.....	60,000
Employee Savings.....	25,000
Postage & Printing.....	30,000
Miscellaneous.....	20,000
Land & Building Fund.....	25,000
Total.....	\$1,325,000
<u>Administrative</u>	
Salaries.....	\$ 160,000
Housing.....	40,000
Social Security.....	10,000
Pay Roll Taxes.....	6,500
Employee Savings.....	8,000
Insurance.....	22,500
Utilities.....	6,500
Total.....	\$ 253,500
<u>Missionary Assistance</u>	
Printing & Postage.....	\$ 50,000
Telephone.....	10,000
Board Member Expense.....	9,000
Computer Service.....	2,500
Auditing.....	2,500
Miscellaneous.....	7,500
Total.....	\$ 81,500
<u>Evangelism</u>	
Auto & Travel.....	\$ 49,000
Promotion.....	5,000
Literature.....	20,000
Revivals.....	10,000
Roll Call Sunday.....	6,000
Total.....	\$ 90,000
<u>Plant</u>	
Office Space.....	\$ 15,000
Equipment & Supplies.....	17,500
Depreciation.....	17,500
Total.....	\$50,000
TOTAL FAITH BUDGET.....	\$1,800,000

PROPOSED STATE QUOTAS FOR 1986

STATE	1986 QUOTA
Alabama	\$ 120,000.00
Alaska	500.00
Arizona	7,000.00
Arkansas	70,000.00
California	80,000.00
Canada	2,000.00
Colorado	12,000.00
Florida	58,000.00
Georgia	75,000.00
Hawaii	500.00
Idaho	2,000.00
Illinois	60,000.00
Indiana	17,000.00
Iowa	500.00
Kansas	17,000.00
Kentucky	70,000.00
Louisiana	2,000.00
Maine	3,500.00
Maryland	22,000.00
Mexico	500.00
Michigan	35,000.00
Minnesota	500.00
Mississippi	48,000.00
Missouri	100,000.00
Montana	500.00
Nebraska	5,000.00
New Hampshire	15,000.00
New Mexico	5,000.00
New York	500.00
North Carolina	145,000.00
Ohio	80,000.00
Oklahoma	175,000.00
Oregon	10,000.00
Pennsylvania	500.00
Puerto Rico	1,500.00
Rhode Island	1,000.00
South Carolina	50,000.00
Tennessee	240,000.00
Texas	31,000.00
Vermont	500.00
Virginia	95,000.00
Virgin Islands	27,000.00
Washington	5,000.00
West Virginia	75,000.00
Wisconsin	500.00
Wyoming	500.00
Other States	3,500.00
Other Income	30,000.00
TOTAL 1986 Quotas	\$1,800,000.00

REPORT OF THE BOARD OF RETIREMENT AND INSURANCE

Our motto, "Serving Those Who Serve Us" summarizes our Board's purpose and task. To this end we labor to administer retirement and insurance plans to meet the needs of our ministers, missionaries and employees of our churches, denominational agencies and institutions.

Our pension plan now has over 700 members with deposits to members' accounts averaging \$6,000 a week. Total assets increased \$400,000 or almost thirteen percent during 1984. There are 295 employers who send regular deposits to their pastor's and employees' accounts.

This plan is flexible to meet the changing needs of our pastors. The member may now deposit before-tax dollars with us through a salary reduction agreement. In 1984, the first year these salary reduction agreements were offered, there were 62 in force. There are now 72 agreements. Under the SRA, no taxes are paid now and in retirement our ministers may receive a tax-free housing allowance if they elect an annuity payment.

On June 30th a bonus (good experience) dividend of 1½% was given to all retirement accounts. This brings the earnings to participants in plan one to 11% for the year. Plan two earns 10¾% and plan three earns 10½%. This is the third consecutive year a bonus had been given.

There is a strong demand for church loans. Since the plan was started we have loaned \$3,838,027.15 to our churches. In addition we have purchased church bonds totaling one and one-half million dollars.

As of May 1, 1985 our hospitalization and dental insurance is with American Heritage Life Insurance Company. We are glad that finally we are not part of a trust but are covered with a traditional insurance company.

Some features of this plan include:

1. It is with a company rated "A Excellent" in Best's Insurance Guide.
2. Dental insurance is available as optional coverage.
3. Members pay only \$2.00 per prescription with a special card they show their pharmacists.
4. Members may choose either a \$100 or \$250 deductible.

It is important that we have a National hospitalization plan because our pastors need a portable plan. If a pastor or a member of his family develops serious health problems, their coverage continues uninterrupted as they move from state to state. Not all policies are portable. For example, insurance provided by the spouse's employer usually ends if they leave employment or if they move.

Thank you for your support through the Cooperative Plan and direct giving. Our future is bright. We are looking forward to "serving those who serve us" in the coming year.

TOTAL GIFTS BY STATE FOR 1984

Alabama	\$1,695.05
Arkansas	4,362.30
California	1,288.40
Florida	1,813.30
Georgia	401.39

Idaho	32.90
Iowa00
Illinois	1,831.98
Indiana	368.33
Kansas	177.27
Kentucky	298.29
Maryland	609.90
Michigan	867.63
Mississippi	954.85
N.E. Association	940.00
Missouri	7,573.04
North Carolina	2,130.02
Ohio	2,554.67
South Carolina	283.00
Oklahoma	10,575.36
Tennessee	2,550.02
Texas	655.11
Virginia	818.59
West Virginia	615.27
Arizona	72.42
New Mexico	10.04
WNAC	498.00
Pennsylvania	10.00
Northwest Association	4.96
TOTAL	<u>\$44,184.73</u>

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
BALANCE SHEET

		DECEMBER 31	
		1984	1983
ASSETS			
OPERATING FUND			
Cash - checking			
- savings	\$ 13,695.63	\$ 7,445.30	
Trust - Board of Retirement Fund	1,941.92	1,713.32	
	46,713.99	42,676.26	
	<u>\$ 62,351.54</u>	<u>\$ 51,834.88</u>	
RETIREMENT FUND			
Cash			
Savings - CD	\$ 66,574.37	\$ 149,496.27	
Church bonds, par value	100,000.00		
Notes receivable	532,050.00	707,450.00	
Interest receivable	2,782,080.34	2,230,117.81	
	39,677.61	35,342.62	

	<u>\$3,520,382.32</u>	<u>\$3,122,406.70</u>
PROPERTY FUND		
Office furniture and fixtures	\$ 18,266.06	\$ 16,735.77
Automobiles	9,950.00	9,950.00
	<u>\$ 28,216.06</u>	<u>\$ 26,685.77</u>
INSURANCE FUND		
Cash	\$ 22,808.12	\$ 13,655.21
	<u>\$ 22,808.12</u>	<u>\$ 13,655.21</u>

DECEMBER 31

1984 1983

LIABILITIES AND FUND BALANCE

OPERATING FUND		
Due to insurance companies	\$ 1,941.92	\$ 1,725.32
Accrued payroll taxes	585.23	350.44
	<u>2,527.15</u>	<u>2,075.76</u>
	59,824.39	49,759.12
Fund balance	<u>\$ 62,351.54</u>	<u>\$ 51,834.88</u>
RETIREMENT FUND		
Notes payable	\$ 1,000.00	\$ 61,000.00
Accounts payable	(234.60)	3,229.60
Deposits on bond sales	77,591.71	182,753.29
Reserves:		
Contingencies	35,233.80	25,233.80
Reserve trust	153,525.88	131,726.48
	<u>267,116.79</u>	<u>403,943.17</u>
Fund balance:		
Participants	2,835,231.23	2,349,085.11
Trust funds	418,034.30	369,378.42
	<u>3,253,265.53</u>	<u>2,718,463.53</u>
	<u>\$3,520,382.32</u>	<u>\$3,122,406.70</u>
PROPERTY FUND		
Investment in fixed assets	\$ 28,216.06	\$ 26,685.77
	<u>\$ 28,216.06</u>	<u>\$ 26,685.77</u>
INSURANCE FUND		
Premiums payable	\$ 17,508.36	\$ 13,102.55
Enrollment fees payable	50.00	30.00
	<u>17,558.36</u>	<u>13,132.55</u>
	5,249.76	522.66
Fund balance	<u>\$ 22,808.12</u>	<u>\$ 13,655.21</u>

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
STATEMENT OF REVENUES, EXPENSES AND FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31

	1984	1983
<u>OPERATING FUND</u>		
<u>REVENUES</u>		
Gifts:		
Cooperative plan of support	\$ 34,816.98	\$ 30,179.03
Other state gifts	9,367.75	9,647.34
Total gifts	44,184.73	39,826.37
Enrollment and service fees	121,000.00	94,800.00
Insurance and administrative fees	7,905.96	10,560.62
Interest income	5,395.42	3,840.19
Total revenue	178,486.11	149,027.18
<u>EXPENSES</u>		
Department's share of insurance premiums:		
Premiums paid	1,779.04	1,757.87
Less premiums collected	1,058.06	1,155.57
Net cost	720.98	602.30
Fiduciary insurance expense	1,620.00	1,215.00
Salaries	46,424.62	40,968.45
Housing allowance	22,800.00	18,525.00
Social security, retirement and insurance	16,570.60	13,833.90
Office expense and supplies	40,271.75	36,201.93
Travel and promotion	16,427.24	15,882.65
Legal and audit fees	4,991.00	2,400.00
Ministry to senior adults	3,240.63	2,687.61
Equipment and maintenance	1,530.29	3,931.17
Board expense	5,648.64	3,520.39
Miscellaneous	8,175.10	2,039.58
Interest	9.58	9.58
Total expenditures	168,420.85	141,817.56
Excess of revenue over expenditures	10,065.27	7,209.62
<u>FUND BALANCE</u>		
Beginning	49,759.12	42,549.50
Ending	\$ 59,824.39	\$ 49,759.12

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
STATEMENT OF REVENUES EXPENSES AND FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31

	1984	1983
<u>RETIREMENT FUND</u>		
<u>REVENUES</u>		
Contributions:		
Participants	\$ 301,062.21	\$ 282,643.52
Trusts	102,905.29	155,234.17
Interest income	417,473.44	346,755.60
Late charges	8,476.78	11,663.05
Forfeitures and service fees	36,298.51	30,471.58
Total revenue	866,216.23	826,767.92
<u>EXPENSES</u>		
Funds withdrawn:		
Insurance	37,972.39	19,106.10
Participants	38,607.69	29,537.35
Retired pastors		23,755.70
Trust funds	92,110.11	52,272.53
Forfeitures	2,030.90	2,465.61
Service fees to operating fund	121,000.00	94,800.00
Interest expense	7,893.74	8,190.00
Transfers to reserves	31,799.40	69,573.74
Total deductions	331,414.23	299,701.03
Excess revenues over expenses	534,802.00	527,066.89
<u>FUND BALANCE</u>		
Beginning	2,718,463.53	2,191,396.64
Ending	\$3,253,265.53	\$2,718,463.53

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
STATEMENT OF REVENUES, EXPENSES AND FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31

	1984	1983
<u>PROPERTY FUND</u>		
<u>REVENUES</u>		
Property purchased by the operating fund	\$ 1,530.29	\$ 3,731.40

<u>FUND BALANCE</u>		
Beginning	26,685.77	22,954.37
Ending	<u>\$28,216.06</u>	<u>\$26,685.77</u>

INSURANCE FUND

<u>REVENUES</u>		
Service fees	\$10,226.00	\$ 4,348.37
Interest	1,106.04	174.29
Miscellaneous	2,395.06	
	<u>13,727.10</u>	<u>4,522.66</u>

<u>EXPENSES</u>		
Service fees paid to operating fund	9,000.00	4,000.00
Excess revenues over expenses	<u>4,727.10</u>	<u>522.66</u>

<u>FUND BALANCE</u>		
Beginning	522.66	
Ending	<u>\$ 5,249.76</u>	<u>\$ 522.66</u>

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

SUMMARY OF ACCOUNTING POLICIES

The following is a summary of the Board's major accounting policies which have been consistently applied and are presented in order to assist in evaluating the Board's financial statements and other data contained in this report.

BASIS OF ACCOUNTING

The Board generally uses the accrual basis of accounting.

The Board also uses fund accounting which accounts for assets, liabilities, income and expense by specific purposes.

CAPITALIZATION POLICIES

Purchase of capital items are expensed in the Operating Fund. Major items are recorded in the Property Fund as an increase in the fund balance. When an item is retired, its cost is removed from the assets and the fund balance. No depreciation is computed on the properties.

MARKETABLE SECURITIES

Marketable securities are carried at par or face value. The discount or premiums is taken into income at the time of purchase.

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1984 AND 1983

	<u>OPERATING FUND</u>	<u>RETIREMENT FUND</u>
<u>ASSETS</u>		
Cash	\$15,637.55	\$ 166,574.37
Trust Board of retirement and insurance	46,713.99	
Church bonds, par value		532,050.00
Notes receivable		2,782,080.34
Interest receivable		39,677.61
Office furniture and fixtures		
Automobiles		
Total assets	<u>\$62,351.54</u>	<u>\$3,520,382.32</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Contingency reserve	\$	\$ 35,233.80
Reserve trust		153,525.88
Accounts payable	1,941.92	(234.60)
Notes payable		1,000.00
Accrued payroll taxes	585.23	
Deposit on bond sales		77,591.71
Total liabilities	<u>2,527.15</u>	<u>267,116.79</u>
Participants accounts		2,835,231.23
Trust funds		418,034.30
Investment in fixed assets		
Fund balance	<u>59,824.39</u>	
Total liabilities and fund balance	<u>\$62,351.54</u>	<u>\$3,520,382.32</u>

The Trust in the Operating Fund of \$46,713.99 held by the Retirement Fund is eliminated in the department totals.

<u>PROPERTY FUND</u>	<u>INSURANCE FUND</u>	<u>DEPARTMENT TOTALS 1984</u>	<u>DEPARTMENT TOTALS 1983</u>
\$	\$22,808.12	\$ 205,020.04	\$ 172,310.10
		532,050.00	707,450.00
		2,782,080.34	2,230,117.81
		39,677.61	35,342.62
18,266.06		18,266.06	16,735.77
<u>9,950.00</u>		<u>9,950.00</u>	<u>9,950.00</u>
<u>\$28,216.06</u>	<u>\$22,808.12</u>	<u>\$3,587,044.05</u>	<u>\$3,171,906.30</u>

\$	\$	\$ 35,233.80	\$ 25,233.80
		153,525.88	131,726.48
	17,558.36	19,265.68	18,087.47
		1,000.00	61,000.00
		585.23	350.44
		<u>77,591.71</u>	<u>182,753.29</u>
	<u>17,558.36</u>	<u>287,202.30</u>	<u>419,151.48</u>
		2,835,231.23	2,349,085.11
		371,320.31	326,702.16
28,216.06		28,216.06	26,685.77
	<u>5,249.76</u>	<u>65,074.15</u>	<u>50,281.78</u>
<u>\$28,216.06</u>	<u>\$22,808.12</u>	<u>\$3,587,044.05</u>	<u>\$3,171,906.30</u>

EZRA JONES & ASSOCIATES

Certified Public Accountants

1161 MURFREESBORO ROAD
NASHVILLE, TENNESSEE 37217

February 21, 1985

Board of Retirement and Insurance of
The National Association of Free Will Baptists
Nashville, Tennessee

We have examined the balance sheets of the Board of Retirement and Insurance of The National Association of Free Will Baptists, as of December 31, 1984 and 1983, and the related statements of operating fund, retirement fund, property fund and insurance fund revenues, expenses and fund balances for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. As to contributions received, our examination was limited to recorded contributions.

In our opinion, the aforementioned financial statements present fairly the financial position of the Board of Retirement and Insurance of The National Association of Free Will Baptists, at December 31, 1984 and 1983, and the results of operations for the years then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Ezra Jones & Associates

**BOARD OF RETIREMENT
PROPOSED BUDGET**

Dept.'s share of insurance premiums	\$1,000
Salaries	48,056
Housing Allowance	22,800
Employee Benefits	19,000
Office Expenses and Supplies	13,500
Computer Service	22,000
Plant Fund	9,200
Travel & Promotion	15,000
Auto Fund	4,200
Publications	4,000
Legal & Auditing	3,000
ALERT Ministries	5,000
Equipment & Maintenance	2,500
Board Travel	6,000
Miscellaneous	2,500
Insurance	1,700
TOTAL	\$178,456

REPORT OF THE FREE WILL BAPTIST FOUNDATION

For a long time I believed only large corporations or wealthy families like the Fords or Rockfellers could set up endowments. I thought it required millions to fund them.

Obviously an endowment with several million dollars is better than one with several thousand dollars. But the truth of the matter is, an endowment can be started with any amount.

An endowment is aptly called "a gift that keeps on giving." For that's exactly what happens. Endowment funds are continually invested and only the earnings distributed from year to year.

Suppose you establish an endowment trust with \$1,000. And for easy figuring, let's suppose it earns 10 percent a year. (Foundation endowments earned over 13 percent last year.) Your thousand-dollar endowment provides \$100 a year to whomever you designate.

At the end of ten years you will have given \$1,000, yet the original \$1,000 remains. In fact, your original gift will give every year during your lifetime and after your death until the Lord comes.

I think you'll agree that's good stewardship.

Several years ago our Foundation received its first endowment trust from a church that disbanded in Missouri. When the property was sold, they voted to set up an endowment with us. We hold the first mortgage deed and the new owners, a church group, make monthly payments to us.

Twice a year at the Missouri church's direction, we disperse the earnings equally to Hillsdale College, the Foreign Missions Department and the Tennessee Home for Children.

The Foundation administers three other endowment trusts. One benefits the Cooperative Plan of Support; another, the Foundation operating fund, and; a third, the Master's Men. All of these endowments are open-ended. Anyone can contribute to them.

Why don't you consider contributing to one of these established endowments or setting up your own. Some families unite to fund one. The possibilities are limitless.

FREE WILL BAPTIST FOUNDATION, INC.

BALANCE SHEET

	DECEMBER 31	
	1984	1983
ASSETS		
Cash	\$ 626.84	\$ 455.20
Investment trust	20,585.36	12,218.20
	<u>\$21,212.20</u>	<u>\$12,673.40</u>

LIABILITIES AND FUND BALANCE

Notes payable (note 2)	\$ 3,500.00	\$11,200.00
Endowment funds	20,585.36	12,218.20
Payroll taxes payable	61.65	160.80
	<u>24,147.01</u>	<u>23,579.00</u>
Fund balance	(2,934.81)	(10,905.60)
	<u>\$21,212.20</u>	<u>\$12,673.40</u>

The accompanying notes are an integral part of this statement.

FREE WILL BAPTIST FOUNDATION, INC.

STATEMENT OF REVENUES, EXPENSES AND FUND BALANCE

	DECEMBER 31	
	1984	1983
REVENUES COLLECTED		
Service fees income	\$ 491.47	\$ 49.88
Endowment income	175.33	36.57
Coop plan of support	13,540.32	10,999.78
	<u>14,207.12</u>	<u>11,086.23</u>
EXPENSES PAID		
Social Security and retirement	244.80	140.40
Travel and promotion	1,147.15	2,923.82
Office expense	1,753.59	683.16
Legal and auditing	250.00	210.00
Interest expense	789.27	2,102.92
Salaries	2,040.00	1,200.00
Miscellaneous	11.52	29.92
	<u>6,236.33</u>	<u>7,290.22</u>
Excess revenue over expenses	7,970.79	3,796.01
Fund balance, beginning	(10,905.60)	(14,701.61)
Fund balance, ending	<u>(\$ 2,934.81)</u>	<u>(\$10,905.60)</u>

The accompanying notes are an integral part of this statement.

FREE WILL BAPTIST FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION

The Free Will Baptist Foundation, Inc., was incorporated under the laws of the State of Tennessee on September 19, 1980 as a non-profit organization. It serves as a branch of the National Association of Free Will Baptists. It is expected to be exempt from income taxes under the exempt status of the National Association of Free Will Baptists.

NOTE 2 - NOTES PAYABLE

The Foundation owes the Board of Retirement and Insurance \$3,500.00 for money borrowed from them as of December 31, 1984.

PROPOSED FOUNDATION BUDGET

Salary/Honorariums	\$3,500
Travel	2,000
Printing	5,000
Training/Education	3,500
Legal/Auditing	500
Office Expense	2,500
Total	<u>17,000</u>

EZRA JONES & ASSOCIATES

Certified Public Accountants

1161 MURFREESBORO ROAD
NASHVILLE, TENNESSEE 37217

February 12, 1985

The Board of Trustees
Free Will Baptist Foundation, Inc.
Nashville, Tennessee

We have examined the balance sheet of Free Will Baptist Foundation, Inc. as of December 31, 1984 and 1983, and the related statements of revenues, expenses and fund balance for the years then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Free Will Baptist Foundation, Inc., at December 31, 1984 and 1983, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Ezra Jones & Associates

REPORT OF BENEVOLENT FUND

The Benevolent Fund Committee consists of two members from the Executive Committee, appointed by the moderator; two members from the Board of Retirement and Insurance, appointed by the chairman; the Executive Secretary and the Director of the Board of Retirement and Insurance. The members are: Ralph Hampton, Tom Lilly, Wilburn Beasley, Robert Picirilli, Melvin Worthington and Herman Hersey.

Brother Norwood Gibson was asked to be an advisor to the committee representing those with unpaid claims from Garrett-Street/REA.

The committee met in Nashville on July 30, 1984 and made the following decisions:

1. The details of the fund-raising effort were discussed and approved.
2. Authorization will be sought from claimants allowing us to negotiate a settlement with doctors and hospitals.
3. It was agreed to attempt to settle claims at 50%.

The fund-raising effort realized \$39,602.14 as of May 10th.

In November the Nashville members of the committee met and agreed to:

1. Pay the members what we would have paid the doctor or hospital had they accepted our offer.
2. Borrow funds, if necessary, to complete this. This out-of-town members of the committee agreed to this action by telephone.

There are several who had unpaid claims who did not apply to us for assistance. Recently an appeal was sent to our pastors asking for another gift.

We recommend the Benevolent Fund become a permanent fund to take care of future emergencies. At times our Free Will Baptist people are in the midst of a disaster such as tornado, flood or hurricane. Others are victims of a fire or catastrophic illness and their expenses go beyond insurance coverage. Each church is encouraged to include the Benevolent Fund in their annual budget.

BOARD OF RETIREMENT AND INSURANCE OF

THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

STATEMENT OF REVENUES AND EXPENSES OF THE BENEVOLENT FUND

FOR THE YEAR ENDED DECEMBER 31, 1984

REVENUES

Gifts

\$35,335.24

EXPENSES

Members expenses paid

Total expenses

\$14,407.60

14,407.60

\$20,927.64

The Benevolent Fund was organized in August 1984, to aid members who had sustained losses when the Garrett Insurance Agency went bankrupt.

Contributions may be made by members.

The fund is administered by the Executive Department and the Board of Retirement and Insurance.

MASTER'S MEN DEPARTMENT REPORT

"Ye call me Master and Lord: and ye say well; for so I am." John 13:13

Master's Men Department is 29 years old at this 1985 National Association of Free Will Baptists. For that period of time, the purposes of Master's Men has remained the same: To aid every Free Will Baptist layman to become all he can be for his Master.

The denomination seems to have a greater awareness of the potential of its men than ever before. Every pastor needs men of strength, courage, vision and energy to aid in his ministry to the local church. Without the men the work is crippled. Every pastor should desire to disciple men to be like the Master.

APPRECIATION

Master's Men Department is guided by the Master's Men Board, laymen and preachers chosen from the ranks of the member churches. They diligently seek to lead the men into greater areas of service for the Lord. Their task has not been easy. But, they have continued to labor for an established, well-grounded, well-financed ministry.

Three Board member positions will be filled this year. It is appropriate to express appreciation for the work performed by those men whose time of service has expired.

Reverend W. C. Combs (WV) has fulfilled his duties to the Master's Men Board for two periods of service. His twelve years of duty have seen the Department rise from bare existence to the present period of heightened service. Pastor Combs was elected to the board in 1973. That year the proposed budget totaled \$5,400. In 1985, as he leaves the Board, the proposed budget totals \$83,821.

Brother Combs is commended for his wisdom and leadership as a pastor. He has helped steady the work. Master's Men Department gives thanks for W. C. Combs, and more than a decade of dedicated and able service.

Mr. Don Elkins (OK) served as a Board member since 1975. He served as Chairman four years. Board by-laws prevented further service in that capacity. His quiet competence guided the work through an exciting, turbulent period of expansion. He has declined to accept renomination to the Board for further service.

Mr. Paul Moore (IL) was elected in 1982 to fill an unexpired term. He has worked with dedication in that time.

ACCOMPLISHMENTS

1984 proved to be exciting for Master's Men. "Sharing the Load" became the watchword as men studied ways to do more for the Master. Every involved layman and pastor are responsible for the work accomplished.

Master's Men, Woman's Auxiliaries, youth groups, churches and individuals responded to a plea from our missionaries in Brazil. The Metcalf Memorial Dormitory was built by funds given through Master's Men Department and Foreign Missions Department. Master's Men Department received \$8,113.65, with a total of \$8,849.80 given.

The 52 bed dormitory was named to honor the desire of John and Kay Metcalf to serve in Brazil. Their work was ended by a fatal car accident on February 27, 1984. Their desire to serve remains as a testimony in the structure used to house men, women and children who want to learn about the Savior.

Through Project Tool Shed, funds were given to purchase a \$900 memory typewriter for use in Ivory Coast, Africa. Mike Cousineau requested the equipment. Two funds are available for aiding missionaries: Project Tool Shed and Project Book Shelf.

Twenty-seven new groups joined the National Master's Men Department as active chapters. Only God knows what could be accomplished if every Free Will Baptist layman belonged to Master's Men.

Countless thousands of dollars were given through local chapters to fund the work of their churches. Men are highly involved in meeting the needs of their churches. As local chapters, they are free to work in each church as needs dictate.

MONIES

Faithful Free Will Baptists have given of their income to help Master's Men Department record the best financial year in its history. 1984 receipts totaled \$75,407. Undesignated and designated Cooperative giving totaled \$31,376.81. That's a one year increase of over \$7,000. Master's Men needed those funds for survival. Thank you.

Cooperative giving is the only feasible way to meet the needs of each Department. All denominational agencies should support and promote this method of giving as adopted by the National Association. As a denomination, we need to learn to give to the ministry, not to the moment.

Master's Men Department ended the year with a Fund Balance Deficit of \$708, noted in the 1984 audit. If the National Association had voted to close this Department, the total deficit would have been that figure. Careful financial management made the debt reduction possible. Curtailment of outreach was one sacrifice in reaching this figure.

The December 28, 1984 purchase of an IBM Personal Computer with accessories has enhanced the work capabilities of the office. A greater amount of work is now accomplished in less time. With a trade-in of an IBM Memory Typewriter, the new equipment cost \$3,722. Monthly payments of \$125 is \$50 more than maintenance costs of the former typewriter.

FUTURE

1985 brought new possibilities of service. January began the first year of the DECADE OF DISCIPLESHIP. "Committed to Christ's Commission" is the theme. Study programs analyze the characteristics of a disciple.

Project Tool Shed assistance requests include three missionaries; Dale Bishop (Japan) needs a drill, Fred Hersey (Japan) needs a memory typewriter, and Jerry Pinkerton (Africa) needs welding hoses. At the time this report was written, all requests had received approval.

A new area of ministry is the Master's Hands Project. This ongoing project will enable both Home Missions Department and Foreign Missions Department to save on building construction costs.

Last month Oklahoma Master's Men traveled to Colorado to help construct a church for the congregation of Home Missionary Bob Lewis. This activity could be repeated across our denomination. A dozen Home Missions churches have plans to begin construction this year. Thousands of dollars could be saved if men will take time

to go help build churches. Master's Men Department hopes to become a clearing house for matching men to materials, and tasks to times of service.

Free Will Baptist Master's Men are committed to Christ's Commission. There is a desire to accomplish great things for the Master. Every Free Will Baptist layman should be part of the work. Come with us as we follow and serve the Master.

Thank you for your prayer and faithful financial support.

Indebted to Him and in service to you,
Jim Vallance
General Director

PROPOSED BUDGET 1986

INCOME

Gifts	\$6,500.00
Dues	16,000.00
Master's Men Day	3,572.00
Sales	2,000.00
Co-op	35,000.00
Projects	1,000.00
Book Shelf	
Master's Hands	
Tool Shed	1,000.00
Travel	12,500.00
MM Conference	1,500.00
Director's Club & Checkbook	250.00
Interest Income	5,000.00
MM Breakfast	84,322.00
TOTAL	

EXPENDITURES

Honorarium	\$150.00
Audit	800.00
Convention Exp	2,000.00
Booth, Travel	
MM Breakfast	2,000.00
MM Conference	8,000.00
Cost of Sales	1,500.00
Equipment Rental	
Equipment Maintenance	500.00
Promotion	2,000.00
Postage	3,000.00
Printing	6,500.00
Office Supplies	2,500.00
Office Equipment	2,000.00
Rent	5,400.00

Telephone	1,480.00
Travel	10,500.00
Director	8,000.00
Board	2,500.00
Director's Insurance	2,641.00
Director's Retirement	120.00
Insurance on Office	200.00
Salaries	26,801.00
Payroll Taxes (7.05)	2,000.00
Board of Retirement (Loan)	1,600.00
Miscellaneous	880.00
Projects (Tool, Book)	1,000.00
Bookkeeping Fee	750.00
TOTAL	84,322.00

**MASTER'S MEN BUDGET QUOTAS 1986
PLANNED PROPORTIONATE PARTICIPATION**

Budget computed at \$.396 per church member in denomination.

Alabama	\$8,752.00
Arizona	49.00
Arkansas	9,741.60
California	1,989.90
Canada	197.21
Colorado	50.00
Florida	2,199.78
Georgia	3,769.13
Hawaii	20.20
Idaho	55.84
Illinois	1,631.52
Indiana	788.44
Iowa	15.84
Kansas	251.06
Kentucky	5,830.31
Louisiana	20.00
Maryland	682.31
Mexico	316.80
Michigan	1,722.20
Mississippi	2,061.97
Missouri	4,913.96
Montana	15.44
New Mexico	45.94
North Carolina	6,544.69
Northeast	91.08

Northwest	145.13
Ohio	4,011.08
Oklahoma	9,432.72
Pennsylvania	78.41
South Carolina	2,056.82
Tennessee	7,969.50
Texas	1,522.11
Virginia	2,749.43
Virgin Islands	20.00
West Virginia	4,575.38
Wyoming	5.00
TOTAL	\$84,322.00

THE MASTER'S MEN, A DEPARTMENT OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

BALANCE SHEET
December 31,

	1984	1983
ASSETS		
CURRENT ASSETS		
Cash	\$ 3,188	\$ 2,892
Accounts receivable, net of allowance for doubtful accounts of \$229 for 1984 and 1983	--	--
Deposits	50	50
Inventories	648	1,306
Prepaid expenses	180	--
Total current assets	\$ 4,066	\$ 4,248
PROPERTY AND EQUIPMENT, net (Note 2)	6,293	3,655
Total assets	\$ 10,359	\$ 7,903
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	\$ 2,281	\$ 3,588
Deferred revenue (Note 3)	1,652	3,257
Accrued expenses	796	--
Notes payable (Note 4)	2,594	3,822
Total current liabilities	\$ 7,323	\$ 10,667
LONG-TERM DEBT (Note 4)	3,744	2,515
Total liabilities	\$ 11,067	\$ 13,182

FUND BALANCE (DEFICIT) (Note 5)			
Unrestricted		\$(3,249)	\$(8,064)
Restricted		<u>2,541</u>	<u>2,785</u>
Total fund balance (deficit)		\$(<u>708</u>)	\$ <u>5,279</u>)
Total liabilities and fund balance		\$ <u>10,359</u>	\$ <u>7,903</u>

The accompanying notes are an integral part of the financial statements.

THE MASTER'S MEN, A DEPARTMENT OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
Years ended December 31,

	1984			1983
	Unrestricted	Restricted	Total	Total
REVENUE				
Dues from members	\$ 15,839	\$ --	\$ 15,839	\$ 16,250
Cooperative program	30,092	--	30,092	24,362
Merchandise sales	1,407	--	1,407	1,827
Gifts and other income	18,179	9,001	27,180	23,283
Gain on sale of equipment	889	--	889	--
	<u>\$ 66,406</u>	<u>\$ 9,001</u>	<u>\$ 75,407</u>	<u>\$ 65,722</u>
EXPENDITURES				
Salaries and wages	\$ 24,590	\$ --	\$ 24,590	\$ 24,068
Payroll taxes and employee benefits	2,337	--	2,337	1,613
Cost of sales and printing	7,179	--	7,179	6,916
Travel expense	8,060	459	8,519	4,790
Conferences and conventions	8,220	--	8,220	8,872
Office expense	4,323	--	4,323	4,808
Postage	1,959	--	1,959	2,820
Promotion expense	1,617	--	1,617	1,524
Professional fees	852	--	852	1,000
Bookkeeping expense	675	--	675	620
Depreciation	925	--	925	1,056
Interest expense	704	8	712	1,160
Insurance expense	150	--	150	--
Honorariums	--	--	--	100
Provision for doubtful accounts	--	--	--	(171)
Project "Brazil"	--	7,878	7,878	--
Project "Tool Shed"	--	900	900	60
	<u>\$ 61,591</u>	<u>\$ 9,245</u>	<u>\$ 70,836</u>	<u>\$ 59,236</u>
REVENUES OVER (UNDER) EXPENDITURES				
	\$ 4,815	\$ (244)	\$ 4,571	\$ 6,486
FUND BALANCE (DEFICIT) AT JANUARY 1, 1984				
	(8,064)	(2,785)	(5,279)	(11,765)

FUND BALANCE (DEFICIT) AT DECEMBER 31, 1984	\$ (3,249)	\$ 2,541	\$ (708)	\$ (5,279)
--	-------------	----------	-----------	-------------

The accompanying notes are an integral part of the financial statements.

THE MASTER'S MEN, A DEPARTMENT OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

STATEMENT OF CHANGES IN FINANCIAL POSITION
Years ended December 31,

	1984	1983
WORKING CAPITAL PROVIDED	\$ 4,571	\$ 6,486
Revenue over expenditures		
Items not affecting working capital		
Depreciation	<u>925</u>	<u>1,056</u>
Working capital provided by operations	\$ 5,496	\$ 7,542
Proceeds from long-term debt	3,674	--
Dispositions of property and equipment	<u>2,169</u>	<u>--</u>
	\$ <u>11,339</u>	\$ <u>7,542</u>
WORKING CAPITAL APPLIED		
Additions to property and equipment	\$ 5,732	\$ 149
Reduction of long-term debt	<u>2,445</u>	<u>3,843</u>
	\$ <u>8,177</u>	\$ <u>3,992</u>
INCREASE IN WORKING CAPITAL	\$ <u>3,162</u>	\$ <u>3,550</u>
ANALYSIS OF CHANGES IN WORKING CAPITAL		
Increase (decrease) in current assets		
Cash	\$ 296	\$ 2,320
Accounts receivable	--	(1,077)
Inventories	(658)	531
Prepaid expenses	180	--
Decrease (increase) in current liabilities		
Accounts payable	1,307	1,251
Deferred revenue	1,605	583
Accrued expenses	(796)	--
Notes payable	<u>1,228</u>	<u>(58)</u>
	\$ <u>3,162</u>	\$ <u>3,550</u>

The accompanying notes are an integral part of the financial statements.

THE MASTER'S MEN, A DEPARTMENT OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

NOTES TO FINANCIAL STATEMENTS
December 31, 1984

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Following is a summary of the insignificant accounting policies of the Master's Men, a Department of the National Association of Free Will Baptists, hereafter referred to as the Department.

GOVERNMENT - The Department operates under the auspices of the National Association of Free Will Baptists and is governed by a Board of Directors.

RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS - Accounts receivable are presented in the financial statements at the amount deemed collectible by management. Any provision for doubtful accounts is recognized using the allowance method.

INVENTORIES - The inventories are valued at the lower of cost or market, with cost being determined by using the first-in, first-out method.

PROPERTY AND EQUIPMENT AND DEPRECIATION - Property and equipment are presented in the financial statements at cost and are depreciated by the straight-line method over the estimated useful lives of the assets of 3-10 years.

INCOME TAXES - The Department is exempt from Federal and State income taxes; accordingly, no provision for income taxes is made in the financial statements.

NOTE 2 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment owned by the Department at December 31,:

	1984	1983
Equipment and furniture	\$ 8,579	\$ 6,655
Motorhome	--	1,000
	-----	-----
Less accumulated depreciation	\$ 8,579	\$ 7,655
	2,286	4,000
	-----	-----
Property and equipment, net	\$ 6,293	\$ 3,655
	-----	-----

THE MASTER'S MEN, A DEPARTMENT OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1984

NOTE 3 - DEFERRED REVENUE

Deferred revenue consists of dues received for future years as of December 31, 1984 and 1983.

NOTE 4 - NOTES PAYABLE

The Department had notes payable summarized as follows as of December 31,:

	1984	1983
Note payable to First American Bank, Nashville, TN; interest at 2% above the Bank's index rate; dated 9/5/82; payable at \$300 monthly thru 9/5/85; unsecured	\$ 2,664	\$ 5,663
Note payable to the Board of Retirement and Insurance, a Department of the National Association of Free Will Baptists; interest at 13.5%; dated 12/28/84; payable at \$126 monthly thru 1/1/88; secured by equipment with a basis of \$5,286 as of December 31, 1984	3,674	--
Note payable to IBM; interest at 17.5%; dated 7/1/80; payable at \$111 monthly thru 7/1/84; secured by equipment with a basis of \$2,438 as of December 31, 1983	--	674
	-----	-----
	\$ 6,338	\$ 6,337
Less current portion	2,594	3,822
	-----	-----
Long-term debt	\$ 3,744	\$ 2,515
	-----	-----

NOTE 5 - RESTRICTED FUND BALANCE

The restricted fund balance is revenue designated for specific projects and consists of the following as of December 31,:

	1984	1983
Project "Book Shelf"	\$ 176	\$ 152
Project "Tool Shed"	2,648	2,791
Project "Equipment and Furniture"	(283)	(283)
Project "Brazil"	--	125
	-----	-----
	\$ 2,541	\$ 2,785
	-----	-----

106 N. Fifth, P. O. Box 1403
Effingham, IL 62401
Telephone: (217) 342-9632

The Board of Directors
The Master's Men, a Department of the
National Association of Free Will Baptists
Nashville, Tennessee

I have examined the balance sheets of The Master's Men, a Department of the National Association of Free Will Baptists, as of December 31, 1984 and 1983, and the related statements of revenue, expenditures and changes in fund balance and changes in financial position for the years then ended. My examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the aforementioned financial statements present fairly the financial position of The Master's Men, a Department of the National Association of Free Will Baptists, at December 31, 1984 and 1983 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Certified Public Accountant

Michael Johnston, CPA

Effingham, Illinois
February 7, 1985

WOMAN'S NATIONAL AUXILIARY REPORT

The 50th annual session of the Woman's National Auxiliary Convention was held July 23, 1985, in this auditorium.

Total registration was 1,237. Present enrollment is 9,924 representing 23 state conventions, 2 districts, and 4 locals. Missionaries were present from 7 countries.

Speakers were Agnes B. Frazier, charter member of WNAC and Laura Belle Barnard, veteran missionary to India. Our theme was "A Past to Remember . . . A Future to Mold."

Pre-convention activities Monday included a seminar and a meeting of presidents and field workers which were well attended.

On Monday evening, the Foreign Missions Department and WNAC jointly sponsored a banquet celebrating 50 years of missions advance. Nine hundred thirty people attended and viewed the film produced by the Foreign Missions Department, "From Victory Unto Victory."

Looking Back

One of our theme Scriptures was 1 Samuel 7:12. Samuel urged the Israelis to look back to a particular time when God miraculously delivered them from their enemies. He took a stone and set it up and called it Ebenezer ("the Stone of Help"), saying, "Hitherto has the Lord helped us."

It is fitting in this anniversary year, for us to look back to the beginning of our Auxiliary work and give praise to our "Stone of Help." "We've come this far by faith, leaning on the Lord. Trusting in His holy Word, He's never failed us yet."

Also we pay tribute to the early leaders of WNAC, who brought together women from the East, the West, the North and the South, and united the Home Mission Circles, the Ladies Aids, and the Female Missionary Societies, under one name and for one purpose.

Looking Around

We not only have a rich past but we have a rewarding present.

Woman's Auxiliary work has spread from the seven original states into 34 states and seven foreign countries.

One year after WNAC's organization, 2000 women were reported participating in Auxiliary work. Today we have approximately 18,000.

Growth in literature and supplies has been phenomenal. From a meager beginning, sufficient only in its day, the WNAC has extended the printed page into every possible area of endeavor.

A history of WNAC, written by Dr. Mary R. Wisheart, entitled "Sparks Into Flame," has just been released.

One year after WNAC's organization, approximately 2000 women were reported participating in Woman's Auxiliary work. Today we have approximately 18,000.

Cash gifts to missions, Christian education, youth work, childrens' homes and retired ministers have increased from \$1,009 in 1936 to \$291,317 this past fiscal year.

Non-cash gifts, including approximately \$40,000 in gifts to the missionary provision closet, make total cash and non-cash gifts to missions and missionary objectives, a record \$358,000.

In recent years, WNAC has sponsored an annual creative arts contest which develops the talents of Free Will Baptist women in the fields of art and journalism and enables them to contribute to the literature ministry of WNAC.

Our third national retreat was held September 6-8, 1984, at Ridgecrest, NC. It was a glorious occasion with 1405 registering. The theme, "To Know Him and to Make Him Known," was carried out in the services and nine seminars. Our missionary offering of almost \$4,000 was divided equally among the accounts of the missionaries present.

The 1986 retreat is scheduled for August 27-29, at Ridgecrest, beginning Wednesday evening and concluding Friday noon. Rates will be released this fall.

A Time for Looking Ahead

We not only have a rich past and a rewarding present, but a radiant future. It is a time for looking ahead. The past and the present inspire and challenge us but we must move on to greater victories.

Rose and Clarence Bowen wrote (W.A. Manual, 1955), "Only God actually knows what lies in store for the women of our church . . . But we may well surmise that with the illustrious beginning we have had, and with the gratifying growth we have seen, we may be assured that the best is yet to be."

I appreciate the fine staff with whom I have been privileged to work—Lorene Miley, editor, Evelyn Jones, bookkeeper, Peggy Outland, general office worker, and Dr. Mary Ruth Wisheart, field worker, who will assume the office of executive secretary-treasurer, August 1st. Also the various, dedicated executive committees.

My heartfelt thanks and appreciation to all of you with whom I have labored these 22 years. Your love, fellowship and hospitality, have meant much to me. You are my family. Thanks for everything.

Last, but certainly not least, my sincere thanks to the management committee and directors of the national departments who have always been helpful and considerate of the only woman among them.

God bless each of you.

Cleo Pursell
Executive Secretary-Treasurer
WNAC

GIFTS TO MISSIONS/MISSIONARY OBJECTIVES

CASH GIFTS	\$291,781.91
Foreign Missions	\$158,633.25
Sent through WNAC	\$131,446.32
*Sent directly to department	27,186.93
Home Missions	71,496.30
Sent through WNAC	58,986.75
*Sent directly to department	12,509.55
Bible Colleges	27,395.91
Sent through WNAC	11,209.30
*Sent directly to Colleges	3,767.88
Student loan fund	12,348.73
National Student fund	70.00

Other Gifts to missions, youth camps, retired ministers, childrens' homes
Sent through WNAC
*Sent directly to homes

NON CASH GIFTS

Missionary Provision Closet
Childrens' Homes
Retired Ministers
Other Gifts

TOTAL CASH AND NON CASH GIFTS

***Verified by missions departments**

COMPARATIVE REPORTS CASH RECEIPTS AND DISBURSEMENTS (Sent through WNAC)

Year	Receipts	Disbursements
1983-'84	337,632.98	332,749.64
1984-'85	351,638.34	336,887.51

STUDENT LOAN FUND

1983-'84	13,573.77	4,850.00
1984-'85	15,388.72	4,356.18

Larry Henderson, Secretary
Sandy Goodenow
Jim Valance

George C. Lee, Chairman
Guy F. Owens, Vice-Chairman

RADIO AND TELEVISION COMMISSION

The Radio and Television Commission has held several meetings since our last convention. We are happy to report that progress is being made in several areas of this ministry but not as quickly as we would like to see it.

We are sorry that we were unable to present the television pilot program at this convention. However, you will recall that we made it very clear at Little Rock last year that should insufficient funds come in, we would not proceed with the project; it was determined by the Commission that it would be unwise to go into debt to fund it. We are grateful to all those who helped with the proposed project and should the association wish this pilot to be pursued in the future, we shall be happy to do so, providing funding is made possible.

You must understand that the Commission was created and given a job to perform with no funds to operate on. It could be likened to a farmer being instructed by his landlord to plow, fertilize and plant a field, doing it all by hand, using no equipment. This past year we have tried to operate like this and it has been very difficult, if not almost impossible. Therefore, we have used some of our funds to purchase some first grade, professional quality sound equipment for this ministry. With funds we had we have purchased the following pieces of radio production equipment: A Tascam mixer, two Tascam reel-to-reel recorders, three Sharp cassette decks, two Technics turntables, and two AKG microphones.

The purchase of this equipment was absolutely essential if we are serious about being in radio and continuing this work. Our goal is to add to this equipment each year until we have what we need to give the best quality program for our Lord's work.

We are thankful that several areas are now broadcasting "Victorious Faith." The program is being aired in Perry, Florida (WGKR), Farmington, Missouri (KFMO), Fredericktown, Missouri (KFTW), Holdenville, Oklahoma (KVYI), and Ashland City, Tennessee (WJAN). We would like to see it reach into all parts of our land. Perhaps several churches could work together to place the program in their areas. Please contact the Commission for information regarding this.

We sincerely urge all our pastors to include the work of "Victorious Faith" in their church budgets. Send a gift each month, please. We have only two churches doing this. They are Cofer's Chapel in Nashville, Tennessee, and Victory in Goldsboro, North Carolina. Good Springs church in Pleasant View, Tennessee, sends us a gift each quarter.

If 500 churches, Sunday school classes, or individuals gave a \$10 gift each month, we would receive \$60,000 a year to broadcast the gospel. Won't you give \$5, \$10, \$25 or more each month to help underwrite this ministry?

We feel that the messages of Rev. Tom Malone will be very helpful to our listeners. The theme song for "Victorious Faith," which is "Faith Is The Victory," was arranged and recorded for us by Doug Little. Jim Vallance gives us good sound as he announces and puts our programs together each week.

The members of the Commission want to express their sincere appreciation to all the churches and individuals who have supported this young ministry thus far. We ask for your continued and broadened support as we seek to move forward as the Lord leads and provides. Our budget for 1986 and our financial report follow.

Commission Members,

George C. Lee, Chairman
Guy F. Owens, Vice-Chairman

Larry Hampton, Secretary-Treasurer
Sandy Goodfellow
Jim Vallance

Radio-Television Commission Treasurer's Report January 1, 1984—December 31, 1984

Receipts

Cooperative Plan (Designated Giving)	\$900.00
Churches	5,060.83
District Associations	200.00
Individuals	1,190.00
Unreceipted Gifts	385.00
Woman's Auxiliary	69.13
Interest on Savings Account	117.62
TOTAL	\$7,922.58

Deposited to Checking Account	\$3,059.13
Deposited to Savings Account	4,745.83

Disbursements

Bank Charges	\$ 15.29
Commission Expenses	959.04
Postage	334.32
Printing	474.86
Promotion	150.00
Production Costs	712.00
Telephone	12.00
TOTAL	\$2,657.51

Previous Balance	\$ 667.68
Deposits	3,059.13
Disbursements	2,657.51
On hand in checking account	\$1,069.30

Previous Balance	\$1,010.99
Deposits	4,745.83
Interest	117.62
On hand in savings account	\$5,874.44

Checking Account	\$1,069.30
Savings Account	5,874.44
Total on hand	\$6,943.74

1986 Proposed Budget

Board Expenses	\$ 2,000
Part-Time Help	1,200
Radio Production Cost	4,800

Speaker	\$2,600
Supplies (Tapes)	1,100
Master Tapes	600
Tape Handling & Postage	500
Equipment & Maintenance	10,000
Phone	500
Office Expense (Mailings, etc.)	800
National Convention Booth & Materials	500
Miscellaneous	2,500
	<u>\$22,300</u>

THE GENERAL BOARD REPORT

The General Board met July 22, 1985 in the Sheraton Hotel, Nashville, Tennessee. From this meeting we offer the following report and recommendations.

1. We heard the reports of the Executive Office, the Foreign Missions Department, Free Will Baptist Bible College, the Sunday School and Church Training Department, the Home Missions Department, the Master's Men, the Retirement and Insurance Department, and the Free Will Baptist Foundation. We recommend these reports, with their budgets, for adoption as each one is presented.
2. We heard the report of the Hymn Book Study Committee. We recommend that the report of this committee, along with the recommendations for publishing a new Free Will Baptist Hymn Book, be adopted.
3. We heard the report of the Target 90 Committee. We recommend that the Target 90 Committee be authorized by the National Association and that the Target 90 Campaign be adopted.
4. We recommend the following sites for the National Conventions on the dates listed.

Charleston, West Virginia	July 21-25, 1991
Indianapolis, Indiana	July 19-23, 1992
Louisville, Kentucky	July 18-22, 1993
Little Rock, Arkansas	July 17-21, 1994
Charlotte, North Carolina	July 16-20, 1995

REGISTRATION COMMITTEE REPORT

National Convention	4,283	5,447
Visitors	800	
Ministers	92	
Missionaries	103	
State Delegates	161	
Local Delegates	8	
Standing Delegates		1,656
National Youth Convention		1,237
WNAC		8,340
Total		

CREDENTIALS COMMITTEE REPORT

We, the Credentials Committee, have examined the letters and find them in order as stated below.

1. From the following state associations with the right to five delegates each: Alabama, Arkansas, California, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Maryland, Michigan, Mississippi, Missouri, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
2. From the following district associations with the right to three delegates each: Colorado, Pennsylvania, Northwest, Northeast, Arizona, Atlantic Canada.
3. From the following local churches reporting directly to this body with the right to one delegate each: Waipahu, Hawaii; Riverview, Iowa; First Billings, Montana.
4. We recommend that the delegates from the three above mentioned categories be seated. We further recommend that all other delegates properly registered from local churches comprising the above associations be seated.
5. We recommend that all legally appointed lay delegates of standing boards be seated, if properly registered.

Al Hamm
Tom Malone
David Joslin
Milton Worthington
Bill Jones

NOMINATING COMMITTEE REPORT

GENERAL BOARD (2-Year Terms)

Alabama, replacing John Edwards, John Edwards
Arizona, replacing Charles Marshall, Charles Marshall
Arkansas, replacing David Joslin, David Joslin
Atlantic Canada, replacing Fred Hanson, Fred Hanson
California, replacing Doice McAlister, Doice McAlister
Colorado, replacing Randy Bishop, Gary Riley
Florida, replacing Robert Owen, Robert Owen
Georgia, replacing Herbert Waid, Herbert Waid
Idaho, replacing Harley Bennett, Pat Burttram
Illinois, replacing Wallace Malone, Wallace Malone
Indiana, replacing Henry Patterson, Henry Patterson
Kansas, replacing Nathan Eason, Gary Mitchener
Kentucky, replacing Edgar (Dick) Van Hoose, Edgar (Dick) Van Hoose
Maryland, replacing Lester Horton, Lester Horton
Mexico, replacing Jerry Barron, Jerry Barron
Michigan, replacing Charles Cooper, Charles Cooper
Mississippi, replacing Al Hamm, Al Hamm
Missouri, replacing Millard Sasser, Millard Sasser

EXECUTIVE COMMITTEE (2-Year Terms)

Replacing David Joslin, Millard Sasser (MO)
Replacing Herbert Waid, Robert Owen (FL)
Replacing Wallace Malone, Doice McAlister (CA)

NOMINEES TO HOME MISSIONS BOARD (6-Year Terms)

Replacing Claudie Hames, Milburn Wilson (CA)
Replacing J. E. Blanton, Glen Thomas (GA)
Replacing Leroy Cutler, Larry Russell (LA)

NOMINEES TO MASTER'S MEN BOARD (6-Year Terms)

Replacing Don Elkins, Howard Gwartney (OK)
Replacing W. C. Combs, Tim Jordan (GA)
Replacing Paul Moore, Paul Moore (KY)

NOMINEES TO BOARD OF RETIREMENT (6-Year Terms)

Replacing Lawnie Coffman, Ron Barber (OK)
Replacing Harold Critcher, Glen Wright (TN)
Replacing Gene Outland, Milton Hollifield (NC)
Replacing Dennis Kern, Jack Daniel (GA) Term expiring in 1989

NOMINEES TO COMMISSIONS (5-Year Terms)

Commission For Theological Integrity, Edwin Wade (OK)
Historical Commission, Steve Hasty (FL)
Radio-TV Commission, Larry Hampton (TN)

FWBBC BOARD OF TRUSTEES

Replacing J. D. O'Donnell, J. M. Creech (MS)

GENERAL OFFICERS

Moderator, replacing Bobby Jackson, Bobby Jackson (NC)
Assistant Moderator, Replacing Ralph Hampton, Jr., Ralph Hampton, Jr. (TN)
Clerk, replacing Waldo Young, Waldo Young (OK)
Assistant Clerk, replacing Keith Burden, Keith Burden (OK)

COMMISSION ON THEOLOGICAL LIBERALISM REPORT

The Commission on Theological Liberalism came into existence in 1959 by a vote of the National Association. The first report was given in 1960. At this time a vote was taken which made this Commission a permanent commission.

In 1959 the theological climate was such that it created a concern among our people. By that time most of the large denominations had already suffered from the inroads of liberalism and neo-orthodoxy. While we had been spared from liberalism and neo-orthodoxy, it was felt that in the best interest of the continued preservation of our commitment to the fundamentals of the faith a commission should be elected. It was to be the responsibility of this Commission to address any concerns which may threaten our historic commitment to orthodox doctrine.

It has always been understood that this Commission had no investigative powers. We have defined the scope of our concern as extending to any area of thought that either denies or endangers the basic doctrines of our faith or any error which may be termed heresy. We have sought to fulfill our responsibility by providing educational materials that would contribute to the preservation of orthodox doctrine within our denomination. We have also conducted seminars to help us achieve our goals.

Our basic approach has been to employ the services of qualified men in our denomination to prepare booklets for distribution at minimal cost to our people. At last year's National Association we made available a book entitled *Contending For the Faith*. This book is composed of 14 booklets on issues of current concern.

Over the years many people have wondered about the meaning of the name "Commission on Theological Liberalism." It did not convey a clear message concerning the purpose and responsibility of the Commission. In fact, it does not tell an outsider whether we are for or against liberalism.

At our meeting in December 1984, we discussed the possibility of a name change. We voted to recommend that the name be changed from the Commission on Theological Liberalism to the Commission for Theological Integrity. We recommend that this name along with the purpose and scope of this Commission's responsibility be placed in the by laws of the National Association to read as follows:

Name
Commission For Theological Integrity
Purpose and Scope

The purpose of this Commission shall be: (1) To alert our people of theological trends that could threaten our theological integrity as a denomination. (2) To prepare materials that will contribute to the continued preservation of the theological integrity of our denomination. (3) As the need and opportunity arises to conduct seminars on subjects which are pertinent to the purpose of this Commission.

The scope of the responsibility of this Commission shall be to address significant theological concerns such as: (1) Trends and influences that would threaten orthodox doctrine. (2) That which would threaten our theological distinctives as a denomination.

It shall not be within the scope of this Commission's responsibility: (1) To investigate the theological integrity of any individual, organization or institution in the denomination, or (2) To address points of theology upon which difference of opinion has been permitted in the denomination.

FINANCIAL REPORT

Balance in Bank, January 1, 1984	\$3,813.26
INCOME:	
Gifts:	\$ 47.57
Alabama	279.50
Arkansas	1.83
Arizona	67.16
California	102.83
Florida	6.18
Georgia	2.19
Idaho	110.67
Illinois	24.53
Indiana	11.63
Kansas	18.47
Kentucky	2.21
Maryland	62.12
Michigan	31.83
Mississippi	499.47
Missouri	27.76
North Carolina61
New Mexico	167.31
Ohio	670.85
Oklahoma	52.54
Tennessee	57.08
Texas	33.21
Virginia	65.43
West Virginia	65.43
Misc.	2,356.73
Total Gifts	472.26
Sales of Literature	50.00
Refund on Nat'l. Assoc. Booth Exp.	2,878.99
TOTAL INCOME AND BALANCE	\$6,692.25
EXPENDITURES:	
Office Expense	\$ 154.22
Mailing Expense	5.87
Printing Literature	1,900.00
Nat'l. Assoc. Booth Expense	425.00
Annual Meeting Expense	343.14
TOTAL EXPENDITURES	2,828.23
BALANCE IN BANK, December 31, 1984	\$3,864.02
Leroy Forlines, Chairman E. B. McDonald, Bookkeeper	

HISTORICAL COMMISSION REPORT

The Commission's 1985-86 projects are: (1) to complete editorial work on and publish the *50-Year Record* by December 1985, and (2) to investigate the possibility of starting a Free Will Baptist Historical Society in 1986.

The *50-Year Record* will include a general history of the National Association since 1935, individual department and agency histories, the three major convention addresses and appropriate photographs. Randall House Publications will print the book; it will be a maximum of 150 pages in length.

The Commission operated an exhibit at the 1985 convention and displayed materials of historical significance.

We commend the efforts of Georgia Free Will Baptists who established the Georgia FWB Historical Society in 1985. The Society published the first edition of *The Timemachine*, Occasional Newsletter of Georgia Free Will Baptist Historical Society, this summer. The first edition included an article by Steven Hasty on Zion Bible School.

Those interested in the Society should write:

Georgia Free Will Baptist Historical Society
c/o Georgia Association of Free Will Baptists
P.O. Box 1844
Moultrie, GA 31776

Financial Report July 1, 1984-June 30, 1985

Balance on Hand June 30, 1984		\$3,212.47
INCOME		
Gifts (Co-op, Designated and Undesignated)	\$2,322.22	
Interest (Savings at First American Bank, Nashville)	234.57	
	\$2,556.79	
EXPENSES		
Booth rental for 1985 convention	300.00	
Balance on Hand June 30, 1985		\$5,769.26

RESOLUTIONS COMMITTEE REPORT

I. WHEREAS, Mrs. Cleo Pursell has given exemplary and unselfish service to the Woman's National Auxiliary Convention for twenty-two years as Executive Secretary-Treasurer, and

WHEREAS, the work of the WNAC has grown significantly under her leadership, and

WHEREAS, 1985 marks her retirement from this position, therefore,

BE IT RESOLVED that this delegation of the National Association of Free Will Baptists give a standing vote of thanks to Mrs. Pursell in honor of her faithfulness to the WNAC and the National Association of Free Will Baptists.

II. WHEREAS, there has been an increase in offensive material on television, and

WHEREAS, television continually holds fundamental Christianity and its preachers up to ridicule and scorn, and

WHEREAS, the National Association stands in opposition to such programming, and

WHEREAS, the National Association of Free Will Baptists opposes the advertisement, use of and promotion of alcoholic beverages on television, and

WHEREAS, we appreciate the work of the Reverend Donald Wildmon and the National Federation for Decency in promoting fundamental Christianity on television, therefore,

BE IT RESOLVED that the clerk of this body send a letter to the Reverend Donald Wildmon and the National Federation for Decency informing them of our support for their work in this area, and

BE IT FURTHER RESOLVED that the clerk of this body send a copy of this resolution and a letter to each house of the U.S. Congress encouraging them to enact legislation appropriate to the position expressed in this resolution.

III. BE IT RESOLVED, that this body give a standing vote of appreciation to the Tennessee State Association of Free Will Baptists for their hosting this Golden Anniversary celebration of the National Association of Free Will Baptists.

BUDGET COMMITTEE REPORT

The National Association of Free Will Baptists, Inc. has approved in this convention the following budget for 1986:

Executive Office	304,786.86
Executive Church Bonds	10,000.00
Free Will Baptist Bible College	2,297,000.00
Foreign Missions	3,148,471.00
(Includes \$201,526.00 Advance Budget)	
Home Missions and Church Extension	1,800,000.00
Master's Men	84,322.00
Retirement and Insurance	178,456.00
Free Will Baptist Foundation	17,000.00
Sunday School and Church Training	3,258,000.00
Radio and Television Commission	22,300.00
TOTAL	\$11,120,335.86

All these ministries receive funds through the Cooperative Plan except for Executive Church Bonds, and the Sunday School and Church Training Department which are self-sustaining.

The Budget Committee recommends that gifts received through the Cooperative Plan be allocated to the national ministries on the following basis:

1. Underwrite the Executive Office Administration Budget above those gifts received directly.
2. Disburse the balance of undesignated funds to the following national ministries according to these percentages:

Free Will Baptist Bible College	23%
Foreign Missions	23%
Home Missions	18%
Board of Retirement and Insurance	14%
Master's Men	13%
Free Will Baptist Foundation	6%
Commission on Theological Liberalism	1%
Historical Commission	1%
Radio and Television Commission	1%
TOTAL	100%

Respectfully Submitted, Your Servants,
 Melvin Worthington, Executive Secretary
 Charles Thigpen, President of Free Will Baptist Bible College
 Rolla Smith, General Director of Foreign Missions Department
 Roy Thomas, General Director of Home Missions Department
 Herman Hersey, General Director of Retirement and Insurance Department
 James Vallance, General Director of Master's Men Department
 Roger Reeds, General Director of Sunday School and Church Training Department

1985 STATISTICAL REPORT

Area	1984	1985	% Change
Executive Office			
Executive Church Bonds			
Free Will Baptist Bible College			
Foreign Missions			
Home Missions and Church Extension			
Master's Men			
Retirement and Insurance			
Free Will Baptist Foundation			
Sunday School and Church Training			
Radio and Television Commission			
TOTAL			

REPORTING PERIOD 1984-1985

1985 STATISTICAL REPORT

	Associations	Number Reporting Churches	City	Rural	Other	Number Reporting	Baptisms	Members Added	Members Lost	Total Membership	Deacons	Ordained Ministers	Licensed Ministers	Parsonages	Value of Church & Property	Full-Time Pastors
Alabama	15	186	186				366	951	526	21,661	527	291	51		11,932,116	
Arizona	1	4				6				323	10	9	2		879,000	
Arkansas	16	235				235	1,975	2,100	1,900	24,600	550	424	30	55	18,360,000	
California	6	74				74	460	582	330	4,470	151	120	24	31	15,438,086	31
Canada	1	13		13								7	4			
Colorado	1	5	5								1	6	1			3
Florida	9	76	42	34		76	159	382	370	5,085	184	108	23	33	6,994,100	38
Georgia	10	124	46	78		124	354	260		10,609	437	170	24	59	12,752,200	101
Hawaii		1	1			1	4		29	20	2	2	2	1	3,000,000	1
Idaho		4	4			4	2	12	18	98	4	5	1	1	480,000	1
Illinois	6	46	28	18		46	186	255	196	3,339	100	74	11	15	6,028,000	20
Indiana	4	25	19	6		25				1,939	44	55	15	6	2,555,000	9
Iowa	2	2	12			11	44	41	38	437	7	10	1	3	267,000	1
Kansas	10	10	141			141			155	14,543	286	391	25	6	11,002,000	8
Kentucky	4	4	1			1	15	25	10	80		3			500,000	1
Louisiana	4	4	29	6	17	29	76	118	121	806	42	43	11	6	3,956,700	16
Maryland	4	4	15													
Mexico	4	4	51	43	8	48	239	325	191	4,507	90	81	22	18	10,274,500	31
Michigan	4	4	58			56	165	213	142	5,132		72	9	20	338,000	
Mississippi	16	16	168			168	556	1,065	518	16,017	352	255	35	39	11,891,820	
Missouri	1	1	1			3	6	4	3	40		1			140,000	
Montana																
Nebraska	2	2	7			7					8	9	1			3
New Jersey	2	2	7			7										
New Mexico	8	187	57	102	5	156	1,078	1,433	658	19,582	444	289	63	71	15,017,500	120
North Carolina	3	3	1	2		3	25	35		350	6	3	1			3
Northeast Assn.	9	9	7	2		5	25	98	9	354	5	10	3			3
Northwest Assn.	16	16	146	53	81	12	142	563	608	10,664	296	340	52	24	20,218,240	5
Ohio	23	21	267			241	836	2,073	830	23,217	676	422	72	32	32,645,400	35
Oklahoma	1	1	3			3				98		3	2		300,000	
Pennsylvania	6	4	112			100	400	542	347	8,856	252	126	34	36	10,087,900	55
Puerto Rico	7	7	194	78	116	175	788	1,261	661	21,378	464	369	93	62	20,709,100	95
South Carolina	7	7	63	44	19	40	192	307	102	1,583	118	85	12	16	9,569,000	28
Tennessee	5	5	97	97						5,056	149	215	25	4		
Texas	21	21	184			184				12,919	461	459	19	17	12,166,400	
Virginia	205	201	2,548	738	496	79	2,093	8,515	12,858	7,765	5,666	4,458	590	602	2,387,664,162	605
Virgin Islands																
West Virginia																
Wyoming																
TOTALS																

	Part-Time Pastors	Day Cares	Kindergartens	Christian Day Schools	Colleges	Bible Institutes	Sunday School Enrollment	Average Attendance	CTS Enrollment	Average Attendance	WNAAC Enrollment	Average Attendance	Master's Men Enrollment	Average Attendance	Combined Income of All Churches	Number of Churches With Budgets	Value of Associational Property
Alabama							11,972	4,360	796	250	796	250	250	143,176			
Arizona							239	98	20	18	20	18	21	20			
Arkansas				2			25,250	5,600	1,076	1,022	341	324	341	3,750,000		490,000	
California	43	5	3	4	1	2	5,137	992	434	330	48	42	48	2,121,353	22	1,510,000	
Canada																	
Colorado	2																
Florida	32	3	4	4		1	3,848	1,218	415	315	191	154	191	1,353,126	30	422,000	
Georgia	23	1	2	2			6,536	4,981	995	680	352	248	352	2,393,764	1	3,000,000	
Hawaii							34	23	7	7	9	7	9	33,254	1		
Idaho	3						95	85	20	18				44,988	2		
Illinois	16	1		2			2,805	61	20	23		14		807,542	13		
Indiana	16	1	2	2			2,148	1,644	235	174	54	42	54	348,954	1	150,000	
Iowa							75	58	9	6	7	6	7	30,534	1		
Kansas	1						480	431	61	44				299,465	2		
Kentucky						1				751		69					
Louisiana							100	80	15	8				40,000	1		
Maryland	13						1,821	1,340	243	152	26	16	26	538,913	11		
Mexico																	
Michigan	9						3,405	3,459	391	310	112	93	112	932,689	10		
Mississippi				2			2,104	2,337	332	269	126	105	126	437,044			
Missouri							9,983	6,196	633	365	71	54	71	895,099		680,000	
Montana	1	1					35	25									
Nebraska																	
New Jersey																	
New Mexico	1																
North Carolina	51	14	19	17		4	17,410	10,965	1,371	2,384	149	99	149	984,302	46		
Northwest Assn.							250	200									
Northwest Assn.	4						378	126	31	8	35	17	35				
Ohio	102	1	3	3		3	9,719	684	342	4	85		85	3,222,484	8	235,000	
Oklahoma							20,409	2,766	1,419					7,474,921		2,507,801	
Pennsylvania							74	60									
Puerto Rico																	
South Carolina	9	4	4	5		1	6,960	5,334	910	689	312	236	312	931,843	31		
Tennessee	86	3	4	8		3	10,636	7,239	1,182	550	373	255	373	2,069,631	36		
Texas	35	2					2,299	1,647	234	162	20	18	20	1,182,371	30		
Virginia						1	6,587	976	238		56		56	1,766,684			
Virgin Islands																	
West Virginia																	
Wyoming							12,546	11,000	1,163		48		48				
TOTALS	447	44	43	55	3	15	163,335	94,333	28,003	16,781	12,572	8,289	2,686	1,819	31,802,137	244	8,994,801

REPORTING PERIOD 1984-1985