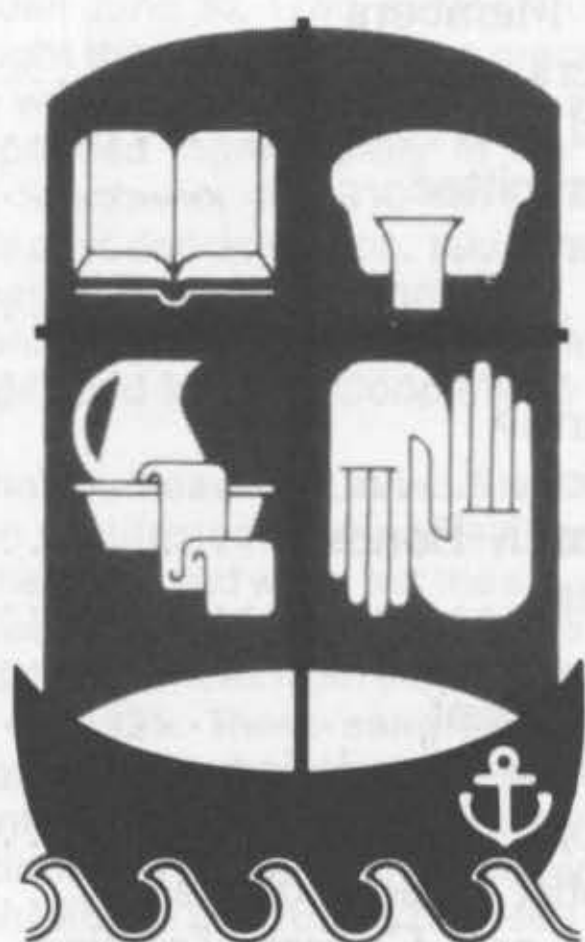


1987 Free Will Baptist Yearbook



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** **FIFTIETH ANNUAL SESSION** **of the** **NATIONAL ASSOCIATION** **of** **FREE WILL BAPTISTS, INC.** **when convened in** **Tulsa, Oklahoma** **July 20-24, 1986**

FUTURE SESSIONS TO BE HELD IN

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
1996 Fort Worth, Texas	July 21-25

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: Mark Vandivort
 Arkansas: David Joslin
 Atlantic Canada: Fred Hanson
 California: Doice McAlister
 Colorado: Bob Thomas
 Florida: Robert Owen
 Georgia: Herbert Waid
 Idaho: Russell Lowe
 Illinois: Wallace Malone
 Indiana: Henry Patterson
 Kansas: Gary Mitchener
 Kentucky: Edgar (Dick) Van Hoose
 Maryland: Lester Horton
 Mexico: Fred Jones
 Michigan: Charles Cooper
 Mississippi: Al Hamm

1988

Missouri: Millard Sasser
 New Mexico: Lloyd Morris
 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: Bobby Ferguson
 Virginia: Dale Burden
 West Virginia: Carl Vallance

EXECUTIVE COMMITTEE

Chairman: Bobby Jackson, 1412 East 14th St., Greenville, N.C. 27834
 Clerk: Waldo Young, 2522 Wagon Trail, Enid, Okla. 73703

1987

Millard Sasser (Mo.)
 Robert Owen (Fla.)
 Doice McAlister (Calif.)

1988

Raymond Riggs (Tenn.)
 Jack Richey (Okla.)
 Tom Lilly (N.C.)

OFFICERS

Bobby Jackson (N.C.)
 Ralph Hampton, Jr. (Tenn.)
 Waldo Young (Okla.)

FREE WILL BAPTIST BIBLE COLLEGE

Balance Sheet, Continued

Assets	1986	1985
Endowment funds		
Interest bearing deposits	\$ 150,000	141,124
Note receivable - plant funds	17,607	21,902
Total endowment funds	\$ 167,607	163,026
Annuity funds:		
Rental property at appraised value at date of gift	\$ 78,000	78,000
Total annuity funds	\$ 78,000	78,000
Plant funds:		
Interest bearing deposits, including \$8,978 in 1986 and \$12,043 in 1985 held by Trustee under lease obligations	\$ 10,115	13,233
Investments, including \$108,940 in 1986 and \$83,425 in 1985 held by Trustee under lease obligations	108,940	83,925
Accounts receivable	133	491
Investment in plant:		
Land	373,069	373,069
Land off campus	-	40,000
Buildings and improvements	3,536,417	3,431,727
Equipment	759,460	726,948
Library books	90,394	87,306
Construction in progress	-	89,766
Total investment in plant	4,759,340	4,748,816
Total plant funds	\$ 4,878,528	4,846,465
Agency funds:		
Cash	\$ 977	383
Due from current unrestricted fund	6,300	4,300
Accounts receivable	412	75
Total agency funds	\$ 7,689	4,758

OFFICERS AND BOARD MEMBERS

GENERAL OFFICERS

Liabilities and Fund Balances		1986	1985
Endowment funds:			
Fund balances			
Endowment	\$	45,041	40,460
Quasi-endowment, unrestricted		105,485	105,485
Scholarship, restricted		17,081	17,081
Total endowment funds	\$	<u>167,607</u>	<u>163,026</u>
Annuity funds:			
Fund balance			
Annuity payable	\$	22,982	24,018
Fund balance		55,018	53,982
Total annuity funds	\$	<u>78,000</u>	<u>78,000</u>
Plant funds:			
Due to other funds:			
Note payable - current unrestricted funds	\$	505,905	462,802
Note payable - endowment fund		17,607	23,000
Accounts payable and accrued expenses		613	1,696
Lease obligation		345,000	390,000
Notes payable		226,457	279,311
Fund balances			
Unexpended (deficit)		657	(485,317)
Net investment in plant		3,782,289	4,174,973
Total fund balances		<u>3,782,946</u>	<u>3,689,656</u>
Total plant funds	\$	<u>4,878,528</u>	<u>4,846,465</u>
Agency funds:			
Funds held in custody for others			
	\$	<u>7,689</u>	<u>4,758</u>
Total agency funds	\$	<u>7,689</u>	<u>4,758</u>

FREE WILL BAPTIST BIBLE COLLEGE

Statement of Changes in Fund Balances

Year ended May 31, 1986

	Current Funds	
	Unrestricted	Restricted
Revenues and other additions:		
Unrestricted current funds revenues	\$ 2,002,712	-
Gifts	-	7,949
Endowment income	-	1,661
Investment income - restricted	-	-
Interest on student loans	-	-
Additions to plant facilities including		
\$35,601 from current funds	-	-
Retirement of indebtedness, including		
\$4,295 from current funds	-	-
Adjustment of computed annuity liability	-	-
Gain on sale of investments	-	-
Total revenues and other additions	<u>2,002,712</u>	<u>9,610</u>
Expenditures and other deductions:		
Educational and general expenditures	1,518,449	14,272
Auxiliary enterprises expenditures	534,797	-
Provision for doubtful notes	-	-
Additions to plant facilities	-	-
Retirement of indebtedness	-	-
Expansion campaign expense and promotion	-	-
Interest expense	-	-
Other	-	-
Total expenditures and other deductions	<u>2,053,246</u>	<u>14,272</u>
Transfers among funds and other changes -		
additions (deductions):		
Mandatory transfers for debt service	(112,585)	-
Conversion to long-term note payable	-	-
Contributed land returned to donor	-	-
Change in funds held by trustee under lease obligations	-	-
Total transfers among funds and other changes	<u>(112,585)</u>	<u>-</u>
Net increase (decrease) for the year	<u>(163,119)</u>	<u>(4,662)</u>
Fund balance (deficit) at beginning of year	<u>192,128</u>	<u>13,841</u>
Fund balance at end of year	\$ <u>29,009</u>	\$ <u>9,179</u>

Loan Funds	Endowment Funds	Annuity Funds	Plant Funds	
			Unexpended	Net Investment In Plant
-	-	-	-	-
8,406	4,581	-	130,897	-
-	-	-	-	-
484	-	-	3,908	-
28,510	-	-	-	-
-	-	-	-	50,525
-	-	-	-	80,246
-	-	1,036	-	-
-	-	-	21,175	-
<u>37,400</u>	<u>4,581</u>	<u>1,036</u>	<u>155,980</u>	<u>130,771</u>
-	-	-	-	-
-	-	-	-	-
5,000	-	-	-	-
-	-	-	14,924	-
-	-	-	75,951	-
-	-	-	72,277	-
7,706	-	-	102,115	-
18	-	-	779	-
<u>12,724</u>	<u>-</u>	<u>-</u>	<u>266,046</u>	<u>-</u>
-	-	-	112,585	-
-	-	-	505,905	(505,905)
-	-	-	-	(40,000)
-	-	-	(22,450)	22,450
-	-	-	596,040	(523,455)
<u>24,676</u>	<u>4,581</u>	<u>1,036</u>	<u>485,974</u>	<u>(392,684)</u>
<u>240,155</u>	<u>163,026</u>	<u>53,982</u>	<u>(485,317)</u>	<u>4,174,973</u>
<u>264,831</u>	<u>167,607</u>	<u>55,018</u>	<u>657</u>	<u>3,782,289</u>

FREE WILL BAPTIST BIBLE COLLEGE

Statement of Current Unrestricted Funds Revenues, Expenditures and Other Changes

Year ended May 31, 1986

(with comparative figures for 1985)

	1986	1985
Revenues:		
Tuition and fees	\$ 656,973	717,595
Gifts	660,753	632,883
Endowment income	14,390	15,015
Investment income	48,158	47,039
Sales and services of auxiliary enterprises	612,452	731,007
Other sources	9,986	5,132
Total revenues	<u>2,002,712</u>	<u>2,148,671</u>
Expenditures:		
Educational and general:		
Instruction	583,980	579,294
Academic support	151,996	169,297
Student services	148,082	136,176
Operation and maintenance of plant	166,232	187,545
Institutional support	468,159	458,190
Total educational and general expenditures	<u>1,518,449</u>	<u>1,530,502</u>
Mandatory transfers for debt service	<u>27,996</u>	<u>23,330</u>
Total educational and general	<u>1,546,445</u>	<u>1,553,832</u>
Auxiliary enterprises:		
Expenditures	534,797	609,999
Mandatory transfers for debt service	84,589	84,315
Total auxiliary enterprises	<u>619,386</u>	<u>694,314</u>
Total expenditures and mandatory transfers	<u>2,165,831</u>	<u>2,248,146</u>
Revenues under expenditures and other changes	\$ <u>(163,119)</u>	<u>(99,475)</u>

FREE WILL BAPTIST BIBLE COLLEGE

Proposed Budget
1986-87

Current Unrestricted Funds

Revenues:

Tuition and fees	\$ 577,300
Gifts - state quotas	660,000
Gifts - special	50,000
Endowment income	10,000
Investment income	45,000
Sales and service of auxiliary enterprises	501,200
Graduate school	17,500
Other sources	2,000
Total revenues	\$1,863,000

Expenditures:

Educational and general:	
Instruction	\$ 459,700
Academic support	96,650
Student services	116,925
Operation and maintenance of plant	169,450
Institutional support	471,500
Total educational and general	\$1,314,225

Auxiliary enterprises:

Expenditures	440,900
Mandatory provision for lease obligations	71,050
Mandatory transfer -- energy & telephone	12,800
Total auxiliary enterprises	\$ 524,750

Graduate school

	24,025
Total expenditures	\$1,863,000

SUNDAY SCHOOL AND CHURCH TRAINING BOARD OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Dr. Roger C. Reeds, General Director

REPORT OF THE GENERAL DIRECTOR

It is hard to realize it but we are ready to begin our twenty-fifth year. From July of 1986 through July of 1987 we will celebrate our silver anniversary. The climatic event will be during the National Association at Birmingham in 1987. It has been my privilege to share in these years. I count it a high honor and privilege to have served our denomination during these years.

YESTERDAY

1985 is history. Our fiscal year concluded on February 28, 1986. It began on March 1 of 1985. Our audit and financial report covers that period of time. Our sales were the highest ever. We had a good year.

SOME CHANGES MADE

1985 was a time of transition in the editorial staff. Rev. Jonathan Thigpen came to work for us. He has been a God-send. He is knowledgeable about computers and much of our editorial work is done on computers. He is helping tremendously in this area.

We introduced three major new products in 1985. They were our Randall House Maps, the Free Will Baptist History Book, and the blue hymn book. The hymn book is not new but the color is.

These new products represent a sizeable investment for us. The inventory on these items at the time of the audit revealed the following investment:

Bible Maps	-	\$37,684.74
Hymn books	-	37,552.75
History books	-	7,682.40
		<u>\$82,919.89</u>

All of these items are timeless and will generate good income for us for years to come.

TODAY

Randall House Publications stands at the threshold of its best years. It is my goal to see us as computerized as we possibly can be. We have leased some new typesetting equipment that will take a giant step in that direction. Here is what it will do:

1. All typesetting will be done by a computer disk that will come to typesetting from editorial.
2. The units that are used by the typesetters are called GTO's or Graphic Text Organizers. The typesetters will spend most of their time doing layout work on the GTO. The old system of doing layout by clipping and pasting is passe'.

SALES

Our sales in all levels have shown some gain over the years. Bill Foster is now in charge of sales. I think he is doing a splendid job. We have added a staff member here who works on a limited salary plus commission. I believe that this move will help to increase our sales both within and without our denomination. By the time that I retire I would like to see our sales reach \$5,000,000.00. It should and should go beyond that. Increased sales mean a greater amount of profit. A greater amount

of profit means increased service that we can render to our denomination.

THE AUDIT

In the pages that follow you will find our audit and financial statement for the year. Our auditor tells us that we have had a good year. His audit also tells us that we have had a good year.

The audit brings down the curtain on 1985-86. It is time now for us to move on to

TOMORROW

Our yesterdays and todays help to shape our tomorrows. One of our tomorrows is our budget. In the pages that follow the audit, you will find our budget for 1987.

THE BUDGET

We have tried to bring the budget more in line with our financial statement.

The one factor that does not appear in the budget for next year is what we have been calling interdepartmental expenses. This was strictly a book figure and always appeared as an in and out figure.

THE BOOK

Our commentaries will begin to appear at sometime near the end of this year. I trust that these will be a monument to Free Will Baptists.

IN CONCLUSION

Let me say that I continue to enjoy my work. I praise the Lord for this opportunity to serve Him and our denomination at the same time.

SUNDAY SCHOOL BOARD OF THE NATIONAL
ASSOCIATION OF FREE WILL BAPTISTS

Financial Statements

February 28, 1986 and 1985

(With Accountants' Report Thereon)

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, 1986 and 1985, 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 financial statements referred to above present fairly the financial position of the Sunday School Board of the National Association of Free Will Baptists at February 28, 1986 and 1985, 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.

April 2, 1986

SUNDAY SCHOOL BOARD OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Balance Sheets

February 28, 1986 and 1985

Assets	1986	1985
Current assets:		
Cash (note 2)	\$ 38,918.08	91,384.31
Receivables:		
Customer accounts	322,346.92	211,951.88
Employee and other	870.00	620.00
	323,216.92	212,571.88
Less allowance for doubtful accounts	8,500.00	8,500.00
Net receivables	314,716.92	204,071.88

Inventories	390,654.33	360,317.37
Deferred charges	14,459.00	22,952.96
Total current assets	758,748.33	678,726.52
Property, plant and equipment, at cost (notes 3 and 4):		
Land	127,873.12	127,873.12
Building	580,206.09	568,491.36
Printing service equipment	352,396.80	332,836.75
Office and administrative equipment	330,545.49	241,825.16
Automotive equipment	48,278.75	49,458.13
	1,439,300.25	1,320,484.52
Less accumulated depreciation	620,553.74	538,062.42
Net property, plant and equipment	818,746.51	782,422.10
Capital leases:		
Office and administrative equipment	-	10,160.03
	-	10,160.03
Less accumulated amortization	-	3,628.58
Net capital leases	-	6,531.45
	\$ 1,577,494.84	1,467,680.07

See accompanying notes to financial statements.

Liabilities and Fund Balance	1986	1985
Current liabilities:		
Notes payable to bank and others	\$ 132,500.00	82,500.00
Current portion of long-term debt (notes 2 and 4)	78,148.97	83,703.78
Current portion of obligations under capital leases	-	864.72
Accounts payable	232,277.47	214,052.09
Accrued expenses	49,635.97	39,098.38
Total current liabilities	492,522.41	420,198.97
Long-term liabilities:		
Long-term debt (notes 2 and 4)	74,339.38	137,273.00
Total long-term debt	74,339.38	137,273.00
Fund balance	1,010,633.05	910,208.10
	\$ 1,577,494.84	1,467,680.07

SUNDAY SCHOOL BOARD OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Statements of Activity and Changes in Fund Balance
Years ended February 28, 1986 and 1985

	1986	1985
Revenues:		
Net sales:		
Curriculum	\$ 1,655,891.65	1,505,552.32
Randall House books	111,108.19	74,284.08
Merchandise	40,789.83	44,829.61
Bulletins	67,792.54	68,777.85
Vacation Bible school	23,891.97	22,259.60
Bookstore	51,852.08	47,894.77
Printing	139,747.08	134,371.71
Other sales	106,076.64	80,927.67
Net sales	2,197,149.98	1,978,897.61
Freight and handling	63,661.56	56,321.94
Other income	65,922.08	50,606.18
Gain on exchange of assets	3,341.90	-
Interdepartmental sales (note 5)	754,168.32	651,218.05
Total revenues	3,084,243.84	2,737,043.78
Expenses:		
Cost of sales:		
Inventory at beginning of year	360,317.37	341,423.51
Outside merchandise purchases	238,411.92	247,632.86
Cost of printing:		
Preparation	282,204.36	284,148.73
Production	562,760.38	466,235.05
Editorial	161,067.64	151,468.62
Depreciation	27,243.02	26,787.32
	1,632,004.69	1,517,696.09
Less inventory at end of year	390,654.33	360,317.37
	1,241,350.36	1,157,378.72
Interdepartmental purchases (note 5)	754,168.32	651,218.05
Selling, general and administrative expenses:		
Sales and promotion	139,352.93	144,318.75
Administrative	70,798.39	58,583.30
Bookkeeping	83,770.70	79,993.98
Shipping	151,128.37	144,087.64
Building	124,785.77	129,846.95
General	101,477.61	92,601.41
Church growth and youth	103,628.90	87,609.92
Spanish department	95,270.93	51,495.07
Interest expense	46,590.97	49,472.45
Depreciation	71,495.64	68,744.25
	988,300.21	906,753.72
Total expenses	2,983,818.89	2,715,350.49
Excess of revenues over expenses	100,424.95	21,693.29
Fund balance, beginning of year	910,208.10	888,514.81
Fund balance, end of year	\$ 1,010,633.05	910,208.10

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, 1986 and 1985

	1986	1985
Sources of funds:		
Excess of revenues over expenses	\$ 100,424.95	21,693.29

Items which do not use working capital:	98,738.66	95,531.57
Depreciation and amortization	199,163.61	117,224.86
Working capital provided by operations		
Increase in long-term debt, including capital lease obligations	18,196.54	37,495.00
Decrease in working capital	-	6,934.11
	\$ 217,360.15	161,653.97
Uses of funds:		
Additions to property, plant, equipment and capital leases	\$ 128,531.62	72,233.89
Current installments and repayment of long-term debt and obligations under capital leases	81,130.16	89,420.08
Increase in working capital	7,698.37	-
	\$ 217,360.15	161,653.97
Changes in components of working capital:		
Increase (decrease) in current assets:		
Cash	\$ (52,466.23)	34,765.26
Receivables	110,645.04	43,874.78
Inventories	30,336.96	18,893.86
Deferred charges	(8,493.96)	3,084.03
	80,021.81	100,617.93
Increase (decrease) in current liabilities:		
Notes payable to bank and others	50,000.00	45,000.00
Accounts payable	18,205.38	74,411.40
Accrued expenses	10,537.59	7,609.43
Current portion of long-term debt and obligations under capital leases	(6,419.53)	(19,468.79)
	72,323.44	107,552.04
Increase (decrease) in working capital	\$ 7,698.37	(6,934.11)

See accompanying notes to financial statements.

SUNDAY SCHOOL BOARD OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Notes to Financial Statements

February 28, 1986 and 1985

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 \$8,119.52 in 1986 and \$16,446.76 in 1985, which represents deposits with the paying agent for retirement of matured bonds and accrued interest on outstanding bonds.

(3) Property, Plant and Equipment

Depreciation and amortization charged to operations computed on the straight-line method was \$98,738.66 in 1986 and \$95,531.57 in 1985.

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:

	1986	1985
7% mortgage payable at \$2,000.00 annually secured by warranty deed on 3.52 acres of land	\$ 4,000.00	6,000.00
Equipment obligations, maturing through 1989, payable monthly \$6,388.26 including interest secured by equipment with a depreciated basis of \$121,716.19 in 1986 and \$131,323.07 in 1985	71,462.60	92,111.85
14-3/4% unsecured installment note, payable monthly at \$1,183.00 including interest through 1987	12,256.35	24,044.81
11-1/2% unsecured installment note, payable monthly at \$465.93 including interest through 1991	23,918.45	26,589.68
13-1/2% unsecured installment note, payable monthly at \$1,265.55 including interest through 1988	33,850.95	43,730.44
9% First Mortgage Bonds, secured by a deed of trust on property with a depreciated basis of \$400,636.21 in 1986 (see note 2)	7,000.00	28,500.00
	152,488.35	220,976.78
	78,148.97	83,703.78
Less current portion of long-term debt		
Long-term debt, excluding current portion	\$ 74,339.38	137,273.00

(5) Interdepartmental Transactions

The accompanying financial statements include interdepartmental revenues and expenses of \$54,168.32 in 1986 and \$651,218.05 in 1985, which result from transfers of publications from production to sales departments.

(6) Commitments

Operating Leases

Total auto and equipment rent charged to operations is summarized by department as follows:

Preparation	\$ 1,358.00
Shipping	612.98

Building	2,483.04
Spanish	5,431.18
General	9,460.94
	\$ 19,346.14

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

(6) Commitments, Continued

Operating Leases, continued

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, 1986.

Year ending February 28:	Amount
1987	\$ 43,337.00
1988	40,185.70
1989	35,878.96
1990	27,431.60
	\$ 146,833.26

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 \$14,336.41 in 1986 and \$13,692.50 in 1985. The pension plan is a defined contribution annuity plan. Under the plan, participants actuarial values are equal to or less than the accumulated value of the assets. There is no unfunded actuarial prior service or past service benefits and no unfunded value of accrued plan benefits.

BUDGET FOR 1987

BUDGET FOR 1987

REVENUES

CURRICULUM

Sunday School Curriculum	\$1,700,000.00
Spanish Curriculum	65,000.00
Church Training Curriculum	110,000.00
Total Curriculum Sales	\$1,875,000.00

OTHER SALES

Randall House Books	\$ 100,000.00
Merchandise	50,000.00
Bulletins	70,000.00
Vacation Bible School	24,000.00
Bookstore	100,000.00
Printing	140,000.00
Sunday School/Church Training Helps	70,000.00

Sunday School Helps - Spanish	3,000.00
Competitive Activities	25,000.00
Children's Church	4,000.00
ETTA	3,000.00
Camping Materials	1,000.00
Enlargement Campaigns	7,000.00
Total Other Sales	\$ 597,000.00
Total All Sales	\$2,472,000.00

OTHER INCOME

Freight and Postage	\$ 60,000.00
Interest	1,500.00
Service Charges	1,800.00
Computer Services	6,000.00
NYC '87	25,000.00
Truth and Peace	16,000.00
YET	2,400.00
Recreation Fund	800.00
Miscellaneous Income	1,000.00
Total Other Income	\$ 114,500.00
Total All Revenues	\$2,586,500.00

EXPENSES

COST OF SALES

Merchandise Purchases	
Sunday School	\$ 50,000.00
Sunday School/Church Training Helps	12,000.00
Randall House Books	40,000.00
Merchandise	30,000.00
Competitive Activity	5,000.00
Bookstore (Materials for Resale)	60,000.00
Bookstore (Lease Payments)	26,400.00
Vacation Bible School Materials	18,000.00
Bulletins	55,000.00
ETTA	2,000.00
Enlargement Campaigns	5,000.00
Miscellaneous Costs	600.00
	\$ 304,000.00

COST OF PRINTING

Production	
Negatives	\$ 18,000.00
Masking and Opaquing	5,000.00
Plates	10,000.00
Salaries	246,984.00
Travel	2,000.00
Supplies	20,000.00
Equipment Maintenance	20,000.00
Ink	14,000.00
Stock	220,000.00
Outside Printing	60,000.00
Outside Color Separation	5,000.00
Telephone	1,000.00
FICA	18,000.00
Insurance	18,000.00

Total assets	\$37,477.42	\$33,618.24
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LIABILITIES

Accounts payable	\$ 317.81	\$ 120.00
Fund balance	37,159.61	33,498.24
Total liabilities and fund balance	\$37,477.42	\$33,618.24

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	
	1985	1984
GENERAL INCOME		
Banquet tickets	\$ 7,929.00	\$ 3,633.50
Offerings	5,653.08	6,043.69
Church fees	1,560.00	20.00
State fees	25,260.00	24,810.00
Booth fees	7,225.00	7,025.00
Host state gifts	9,500.00	7,000.00
Miscellaneous	1,559.92	937.18
Total income	58,687.00	49,469.37

GENERAL EXPENSES

Printing and promotions	8,938.65	7,451.07
Auditorium rent and signs	14,685.94	13,492.50
Booth installations	4,634.75	1,200.00
Convention office, publicity and advertising	2,726.02	2,866.80
Honorariums	600.00	350.00
Travel expenses	12,971.12	11,654.33
Banquet tickets	7,929.00	3,633.50
Miscellaneous	2,540.15	636.10
Insurance		120.00
Total expenses	55,025.63	41,404.30
Net income	3,661.37	8,065.07
Fund balance, beginning	33,498.24	25,433.17
Fund balance, ending	\$ 37,159.61	\$ 33,498.24

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

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
CONTRIBUTIONS THROUGH THE COOPERATIVE CHANNEL

	YEAR ENDING DECEMBER 31	
	1985	1984
RECEIPTS		
Alabama	\$ 6,296.94	\$ 11,336.30
Arizona	215.49	327.48
Arkansas	47,949.42	47,327.16
California	10,691.84	12,773.72
Canada	25.00	10.00
Florida	19,526.31	17,382.42
Georgia	50,418.31	37,777.49
Hawaii	-0-	-0-
Idaho	395.41	346.15
Illinois	85,501.48	87,016.08
Indiana	7,483.59	6,471.55
Iowa	-0-	-0-
Kansas	1,185.98	1,926.38
Kentucky	3,135.28	3,282.34
Maryland	180.00	360.00
Mexico	-0-	-0-
Michigan	46,018.76	57,048.50
Mississippi	3,409.89	6,772.08
Missouri	99,344.05	91,002.39
New Mexico	400.52	981.78
North Carolina	10,554.22	10,313.13
Northwest Association	-0-	53.11
Ohio	26,217.20	32,166.47
Oklahoma	398,009.89	374,982.10
South Carolina	1,775.54	909.89
Tennessee	11,633.18	18,272.80
Texas	60,838.99	59,296.80
Virginia	6,730.33	5,606.50
West Virginia	39,727.43	54,697.88
Interest	613.51	2,098.53
Total receipts	\$938,278.56	\$940,539.03

EXECUTIVE OFFICE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (Continued)
CONTRIBUTIONS THROUGH THE COOPERATIVE CHANNEL

	DESIGNATED	COOP	TOTAL 1985	TOTAL 1984
DISBURSEMENTS				
Executive Office	\$ 2,257.83	\$166,172.19	\$168,430.02	\$156,154.47
Foreign Mission Board	404,689.59	47,985.31	452,674.90	446,145.93

Bible College	25,166.41	47,985.31	73,151.72	75,847.96
Home Mission Board	111,277.57	37,553.90	148,831.47	163,990.38
Board of Retirement and Insurance	1,509.93	29,205.96	30,715.89	36,743.58
Master's Men	753.60	27,122.71	27,876.31	31,376.81
FWB Foundation	935.86	12,518.03	13,453.89	14,515.32
Historical Commission	208.88	2,086.06	2,294.94	2,359.02
Commission for Theological Integrity	236.71	2,086.06	2,322.77	2,356.73
Hillsdale FWB College	15,339.55		15,339.55	9,692.60
Radio and TV Commission	382.29	2,088.98	2,471.27	
Miscellaneous	715.83		715.83	1,307.97
Total disbursements	\$563,474.05	\$374,804.51	\$938,278.56	\$940,490.77

EXECUTIVE OFFICE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 1985

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 accrual basis except where indicated.

Property, plant, and equipment consisting of major items (land, building, and accessory equipment, telephone equipment and certain other equipment) are handled through the Plant Fund. The Plant Fund charges other departments with a proportional part of the expenses.

EXECUTIVE OFFICE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1985

NOTE 1 - Property, plant, and equipment as of December 31, 1985, was held as follows:

	OPERATING FUND	PLANT FUND
Land, building, and accessory equipment	\$	\$294,660.65
Telephone equipment		37,829.40
Vehicles	13,157.25	3,482.50

Office equipment	31,478.96	
Lawn equipment		1,823.90
Paving parking lot		6,947.00
	44,636.21	344,743.45
Less - accumulated depreciation	31,490.38	136,673.28
	<u>\$ 13,145.83</u>	<u>\$208,070.17</u>

NOTE 2 - Net income for 1985 in the operating fund was \$12,929.36, which was approximately \$10,000.00 underspent. The 1986 budget has been reduced by \$10,000.00 which will have to come out of the fund balance in 1986 as expended.

NOTE 3 - Obligations of the Executive Office, Plant Fund, on notes were as follows at December 31, 1985:

	AMOUNT
Convention Fund	\$ 4,000.00
Note payable - telephone system	28,322.05
Board of Retirement and Insurance	64,474.64
	<u>\$ 96,796.69</u>

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

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1985

	OPERATING FUND		
	General	Contact Magazine	Special Projects
<u>ASSETS</u>			
Cash	\$27,116.01	\$16,582.21	\$3,628.01
Accounts receivable		682.17	43.00
Notes receivable			
Deposits	425.00		
Land			
Buildings & accessory equipment (net)			
Telephone equipment (net)			
Office furniture (net)	13,145.83		
	<u>\$40,686.84</u>	<u>\$17,264.38</u>	<u>\$3,671.01</u>
<u>LIABILITIES</u>			
Accounts payable - trade	\$ 7,747.49	\$	\$
Property taxes payable			
Note payable - Convention			
Note payable - Ret. & Ins. Dept.			
Note payable - telephone system			
Payroll taxes	1,084.16		
Fund balance	31,855.19	17,264.38	3,671.01
	<u>\$40,686.84</u>	<u>\$17,264.38</u>	<u>\$3,671.01</u>

Loans receivable and payable of \$4,000.00 in 1985, and \$5,620.75 in 1984, have been eliminated in department totals.

	PLANT FUND	CONVENTION	EXECUTIVE OFFICE TOTALS 1985	EXECUTIVE OFFICE TOTALS 1984
Total				
\$47,326.23	\$ 4,012.07	\$33,073.29	\$ 84,411.59	\$ 66,030.86
725.17	106.71	404.13	1,236.01	2,027.95
		4,000.00		
425.00			425.00	425.00
	58,453.34		58,453.34	58,453.34
	119,353.31		119,353.31	117,784.87
	30,263.52		30,263.52	37,829.40
13,145.83			13,145.83	15,226.70
<u>\$61,622.23</u>	<u>\$212,188.95</u>	<u>\$37,477.42</u>	<u>\$307,288.60</u>	<u>\$297,778.12</u>
\$ 7,747.49	\$ 71.95	\$ 317.81	\$ 8,137.25	\$ 11,860.08
	2,950.97		2,950.97	2,386.37
	4,000.00			
	64,474.64		64,474.64	66,708.82
	28,322.05		28,322.05	35,887.93
1,084.16	780.25		1,864.41	1,693.66
52,790.58	111,589.09	37,159.61	201,539.28	179,241.26
<u>\$61,622.23</u>	<u>\$212,188.95</u>	<u>\$37,477.42</u>	<u>\$307,288.60</u>	<u>\$297,778.12</u>

EZRA JONES & ASSOCIATES

Certified Public Accountants

1151 MURFREESBORO ROAD
NASHVILLE, TENNESSEE 37217

February 14, 1986

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 Plant Fund of the Executive Office of the National Association of Free Will Baptists, Inc., as of December 31, 1985 and 1984, and 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, 1985 and 1984, 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, 1985 and 1984, and the results of their operations and the changes in the 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
1987**

Administrative	\$213,384.86
Convention (1986)	56,503.45
CONTACT	<u>65,150.00</u>
TOTAL	<u>\$335,038.31</u>

**1987
ADMINISTRATIVE BUDGET**

PROJECTED EXPENSES

Salaries	\$ 94,786.21
Housing and Utilities	23,000.00
Social Security	11,323.83
Retirement	3,640.52
Employees Insurance	
(Hospital, Life and Travel)	20,578.90
Office Rental	14,555.40
Office Supplies	4,500.00
Equipment Maintenance	2,500.00
Telephone	3,800.00
Postage	2,000.00
General Insurance	2,200.00
Travel	13,500.00
Executive Committee	4,000.00
Auditing	2,500.00
Contingency Fund	1,000.00
Promotion	1,500.00
Printing	1,500.00
Bi-Annual Leadership Conference	1,500.00
Equipment Purchase	2,000.00
Hymn Book Committee Meeting	<u>3,000.00</u>

Total \$213,384.86

PROJECTED INCOME

Cooperative Plan	\$203,000.00
Designated Gifts	<u>10,384.86</u>

Total \$213,384.86

CONVENTION BUDGET

National Association of Free Will Baptists
July 20-24, 1986
Tulsa, Oklahoma

PROJECTED EXPENDITURES

Auditorium	\$15,700.00
Printing and Promotion	12,662.42
Convention Office	<u>4,305.00</u>

Convention Personnel	6,399.62
Meals	\$1,432.50
Travel	2,156.00
Lodging	2,811.12
Convention Officials	4,999.56
Honorariums	675.00
Decorator Services	3,735.00
Meal Functions	1,539.65
Executive Committee	1,050.00
Meal and Motel Expenses	
Pre-Convention Expenses	<u>5,437.20</u>
TOTAL	<u>\$56,503.45</u>

PROJECTED RECEIPTS

Booth Fees	\$ 7,075.00
State Association Fees	25,480.00
Church Delegate Fees	1,500.00
Host State (Oklahoma)	6,500.00
Offerings	<u>15,948.45</u>
TOTAL	<u>\$56,503.45</u>

1987 CONTACT BUDGET

PROJECTED EXPENSES

Printing	\$40,000.00
Postage	9,000.00
Art	1,000.00
Writers Fees and Photos	4,450.00
Promotion	1,500.00
Computer	5,000.00
Telephone	600.00
Office Supplies	1,000.00
Travel	1,400.00
Bound Copies	400.00
Other	600.00
(EPA dues, fees)	
Free Will Baptist Press Assoc.	<u>200.00</u>
Total Expenses	<u>\$65,150.00</u>

PROJECTED INCOME

*Subscriptions	<u>\$65,150.00</u>
Total Income	<u>\$65,150.00</u>

*Based on 8,000 subscriptions
 (4,300 @ \$7.50 = \$32,250.00 Church Family Plan)
 (400 @ \$8.00 = \$ 3,200.00 Bundle Plan)
 (3,300 @ \$9.00 = \$29,700.00 Individual Plan)

EXECUTIVE CHURCH BONDS, INC.

GENERAL FUND

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE

ARISING FROM CASH TRANSACTIONS

	<u>DECEMBER 31</u>	
	<u>1985</u>	<u>1984</u>
ASSETS		
Cash	\$7,400.20	\$7,671.20
Office equipment	<u>2,063.70</u>	<u>2,063.70</u>
Total assets	<u>\$9,463.90</u>	<u>\$9,734.90</u>
FUND BALANCE		
Fund balance	<u>\$9,463.90</u>	<u>\$9,734.90</u>

EXECUTIVE CHURCH BONDS, INC.

GENERAL FUND

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

	<u>YEARS ENDED DECEMBER 31</u>	
	<u>1985</u>	<u>1984</u>
REVENUES COLLECTED		
Interest on savings	\$ 282.81	\$ 268.33
Transferred from Service and Trust Fund	<u>2,000.00</u>	
Total to be accounted for	<u>2,282.81</u>	<u>268.33</u>

<u>EXPENSES PAID</u>		
Advertising	47.69	
Leadership and National conference	524.65	567.80
Accounting and auditing	222.60	210.00
Miscellaneous		242.72
Digest expenses	153.60	
Office supplies	18.75	
Payroll taxes	125.00	125.00
Repairs	75.00	
Salaries, commissions and trustee fees	1,382.00	1,205.00
Telephone	4.52	19.47
Travel		35.00
Total disbursements	<u>2,553.81</u>	<u>2,404.99</u>
Excess of revenues over (expenses) paid before capital expenditures	(271.00)	(2,136.66)
Cash beginning	<u>7,671.20</u>	<u>9,807.86</u>
Cash ending	<u>\$7,400.20</u>	<u>\$7,671.20</u>

EXECUTIVE CHURCH BONDS, INC.

SERVICE AND TRUST FUND

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE

RESULTING FROM CASH TRANSACTIONS

	<u>DECEMBER 31</u>	
	<u>1985</u>	<u>1984</u>
<u>ASSETS</u>		
Cash	<u>\$16,544.38</u>	<u>\$17,562.39</u>
<u>FUND BALANCE</u>		
Fund balance	<u>\$16,544.38</u>	<u>\$17,562.39</u>

EXECUTIVE CHURCH BONDS, INC.

SERVICE AND TRUST FUND

STATEMENT OF REVENUE COLLECTED AND EXPENSES PAID

	<u>YEARS ENDED DECEMBER 31</u>	
	<u>1985</u>	<u>1984</u>
<u>REVENUES COLLECTED</u>		
Interest on savings	<u>\$ 981.99</u>	<u>\$ 905.23</u>

Total revenue collected	981.99	905.23
Transferred to General Fund	<u>2,000.00</u>	
	(1,018.01)	905.23
Cash beginning	<u>17,562.39</u>	<u>16,657.16</u>
Cash ending	<u>\$16,544.38</u>	<u>\$17,562.39</u>

EZRA JONES & ASSOCIATES

Certified Public Accountants

1161 MURFREESBORO ROAD
NASHVILLE, TENNESSEE 37217

April 21, 1986

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, 1985 and 1984, and the related statements of revenue collected and expenses paid 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.

The corporation's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. 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, 1985 and 1984, and the revenues collected and expenses paid during the years then ended, on the basis indicated in the preceding paragraph, which is consistent with that used in the preceding year.

Ezra Jones & Associates

1987 EXECUTIVE CHURCH BONDS BUDGET

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.)	
Promotion	100.00
Payroll Taxes	150.00
Auditing	200.00
Other	400.00

TOTAL

\$10,000.00

PROJECTED INCOME

Service Fees

\$10,000.00

1985 Contributions to National Ministries

States	Executive	Foreign Missions	FWBDC	Home Missions	R & I	Master's Men	Comm. for Theo. Integrity	WNAC	FWB Found.	Historical Commission	Radio & TV Commission	Totals
Alabama	\$ 3,995.86	\$ 173,453.81	\$ 46,812.87	\$ 128,693.45	\$ 1,044.19	\$ 2,530.41	\$ 86.49	\$ 1,125.50	\$ 171.81	\$ 68.85	\$ 40.33	\$ 350,023.57
Alaska	00	00	00	224,950.91	00	00	00	00	00	00	00	224,950.91
Arizona	87.54	3,483.82	1,156.28	1,951.03	17.91	232.64	1.27	102.24	5.94	1.27	1.27	7,041.21
Arkansas	20,758.85	132,338.33	28,699.48	55,912.63	4,136.72	7,810.13	212.14	820.90	1,621.90	229.78	280.30	252,821.18
California	4,748.16	30,015.74	6,620.03	71,902.73	1,746.15	946.75	59.41	464.40	356.64	59.41	159.01	117,078.43
Canada	14.37	1,515.81	52.40	347.54	1.47	00	11	00	64	11	11	1,932.56
Colorado	00	1,859.00	00	9,104.07	00	70.00	00	00	00	00	00	11,033.07
Connecticut	00	00	3,210.00	00	640.00	00	00	00	00	00	00	3,850.00
Delaware	00	00	235.00	00	00	00	00	00	00	00	00	235.00
Florida	8,724.56	84,958.05	28,086.70	68,694.71	1,990.35	2,592.56	110.03	1,028.66	660.16	110.03	179.03	197,134.84
Georgia	28.49	99,991.53	47,633.42	73,433.58	354.45	2,595.21	36	811.92	2.20	36	5.36	224,856.88
Hawaii	00	1,310.00	678.00	00	00	201.00	00	10.00	14.46	2.41	2.41	3,687.08
Idaho	154.05	1,125.70	635.56	1,661.69	56.99	31.38	2.41	335.52	438.44	73.06	83.06	178,255.41
Illinois	5,654.78	94,337.96	23,226.61	50,647.75	1,135.57	2,249.60	73.06	161.17	149.31	138.10	147.21	50,039.00
Indiana	1,028.46	31,466.08	4,780.97	11,241.85	212.49	575.26	138.10	00	00	00	00	2,210.17
Iowa	00	1,739.34	65.00	316.52	89.31	89.31	6.46	37.05	38.79	6.46	6.46	24,511.33
Kansas	539.29	8,890.14	931.89	13,873.10	90.57	91.12	6.46	420.00	106.37	17.73	17.73	119,235.68
Kentucky	1,321.77	65,701.88	11,169.28	39,358.25	362.31	742.63	17.73	00	00	00	00	1,405.19
Louisiana	00	480.80	325.00	599.00	00	00	00	00	00	00	00	268.00
Maine	00	00	00	00	00	00	00	00	00	00	00	30,683.02
Maryland	72.12	11,895.65	3,495.54	14,294.16	25.09	14.03	1.08	876.73	6.46	1.08	1.08	210.00
Massachusetts	00	00	210.00	00	00	00	00	00	00	00	00	174,855.64
Michigan	5,214.18	108,293.29	24,033.11	33,082.58	1,194.93	2,232.84	65.05	219.19	390.37	65.05	65.05	22,036.80
Minnesota	00	00	00	22,036.80	00	1,088.49	18.40	4,389.65	110.52	18.40	68.40	130,908.31
Mississippi	2,008.83	58,523.62	19,656.10	43,948.01	477.89	1,088.49	475.63	3,168.76	2,853.90	475.63	606.55	387,153.98
Missouri	36,372.81	184,484.04	28,679.44	116,833.63	6,690.15	6,511.44	00	00	00	00	00	1,235.00
Montana	00	1,080.00	00	155.00	00	00	00	00	00	00	00	9,487.87
Nebraska	00	954.35	574.20	7,959.32	00	00	00	00	00	00	00	170.00
Nevada	00	00	170.00	00	00	00	00	00	00	00	00	12,573.41
New Hampshire	00	00	110.41	12,463.00	00	00	00	00	00	00	00	235.00
New Jersey	00	00	235.00	00	00	00	00	00	00	00	00	1,297.00
New Mexico	58.90	246.19	71.66	845.36	10.49	16.70	7.4	41.00	4.48	7.4	7.4	223.00
New York	00	00	118.00	105.00	00	00	00	00	00	00	00	1,555.52
North Carolina	5,937.47	333,582.16	131,728.16	148,791.33	2,145.71	1,116.16	35.52	3,156.59	213.23	35.52	1,555.52	627,797.37
Ohio	9,701.57	97,547.49	15,337.77	96,201.51	1,664.46	1,700.95	117.10	245.27	702.66	117.10	117.10	223,453.20
Oklahoma	54,554.62	302,434.26	25,420.93	151,766.73	9,921.57	11,285.43	692.66	2,070.37	3,989.19	664.83	798.83	563,599.42
Oregon	00	00	00	11,001.47	00	91.00	00	20.00	00	00	00	11,112.47
Pennsylvania	00	1,603.00	91.10	361.58	00	49.00	00	00	00	00	00	2,104.68
Rhode Island	00	00	00	25.00	00	327.12	00	00	00	00	00	25.00
South Carolina	712.16	162,997.97	44,940.83	47,986.59	107.37	327.12	00	1,964.85	00	00	00	259,136.89
South Dakota	00	00	10.00	810.00	00	00	00	00	00	00	00	820.00
Tennessee	6,432.74	377,921.21	115,336.42	201,928.87	1,965.90	3,491.14	51.40	1,720.77	308.48	51.40	1,432.86	710,812.21
Texas	2,841.15	61,062.94	25,469.41	28,608.64	623.96	1,397.07	34.57	305.19	207.40	34.57	264.57	120,849.49
Vermont	00	00	180.21	10.00	00	00	00	00	00	00	00	190.21
Virginia	3,313.74	89,191.84	17,136.22	114,005.83	633.75	687.01	32.75	754.00	196.58	32.75	182.75	226,167.22
Washington	00	00	100.00	785.00	00	00	00	00	00	00	00	885.00
West Virginia	1,242.76	51,238.07	6,124.39	45,915.80	445.25	1,318.39	86.63	150.00	81.89	86.63	23.97	106,913.78
Wisconsin	00	00	00	00	00	00	00	00	00	00	00	6,004.87
Northwest Assoc.	00	00	00	00	00	00	00	00	00	00	00	3,262.61
Northeast Assoc.	00	00	00	00	00	00	00	00	00	00	00	1,540.92
Puerto Rico	00	00	00	1,540.92	00	00	00	00	00	00	00	28,790.84
Virgin Islands	00	00	00	24,775.67	00	00	00	00	00	00	00	2,964.60
WNAC	00	00	00	30,030.30	51.40	700.21	3.67	00	22.03	3.67	108.67	186,310.60
Miscellaneous	246.37	74,705.50*	80,538.78**	1,908,626.93	51.40	\$3,184.96	\$2,322.77	\$24,999.73***	\$12,653.89	\$2,294.94	\$5,764.78	\$5,634,007.92
TOTALS	\$175,765.50	\$2,463,426.86	\$747,131.13	\$1,908,626.93	\$38,232.31	\$53,184.96	\$2,322.77	\$24,999.73***	\$12,653.89	\$2,294.94	\$5,764.78	\$5,634,007.92

* Miscellaneous includes interest and National Offering.
** Miscellaneous includes gifts from College Family, Matching Gifts, Foreign Missions, Alumni, Graduate School and President's Council.
*** Total does not include Co-Laborer, Student Loan or Provision Closet Funds.

HOME MISSIONS BOARD REPORT

I am rejoicing over the tremendous year God gave the Home Missions Department in 1985! A total of 58 missionary families served in Canada, Mexico, the Virgin Islands, Puerto Rico, and in 53 cities in 29 states. The Department recorded more than 1,500 conversions during 1985. Five missionaries went self-supporting. There were 15 missionaries who built new buildings, and 13 purchased property. Missionary Builder, Howard Gwartney, helped with the construction of two buildings. An "Associate Missionary Program" and a "Tentmaker Program" were begun.

We have supported 7 national pastors starting new Free Will Baptist churches in Mexico. One church went self supporting, and 2 new national pastors were appointed. So we now have 16 churches in Mexico. Eight of these are self supporting and 8 look to us for support for their pastor.

Eight Free Will Baptist chaplains served the men and women in the military.

Capt. James Bishop, U.S. Army; LT David Burgess, U.S. Navy; LCDR Robert Cooper, U.S. Navy; Major Walter Golding, U.S. Air Force; Capt. Larry Langford, U.S. Army; LTC Gerald Mangham, U.S. Army; Major Kerry Steedley, U.S. Army; LT Robert Wiant, U.S. Navy

The Division of Evangelism and Church Growth of the Home Missions Department had a fruitful and rewarding year in 1985. The men on our Traveling Team logged more than 100,000 road miles. The majority of these were in the van as the Team traveled together conducting Revival Time Meetings on Evangelism and Church Growth.

- * The Team conducted 26 Revival Time Meetings on Evangelism and Church Growth.
- * Thousands of tracts and evangelism materials were distributed.
- * "Roll Call Sunday" was observed on March 31, 1985 with 2,598 churches recording a total attendance of 208,049, which was an increase of 10,057 over 1984.
- * The Team conducted an "Ole Time Camp Meeting" at the National Association which several hundred people attended.

We regret the loss of Rev. Connie Cariker, our Director of Evangelism and Church Growth, who resigned to become Executive Secretary for the Oklahoma State Association January 1, 1986. We wish him the very best in his new position.

Last year was another record year for gifts. \$1,799,406.55 was received, which was an increase of \$122,895.57 over 1984. Our Church Extension Loan Fund grew to \$700,000.

The National Association has adopted a program of growth goals called "Target 90." The Home Missions Department welcomes the challenge of these goals, and plans to work to see that they are reached.

My heart is filled with gratitude to the Lord and to our faithful pastors who have pushed Home Missions in your churches. Please remember us in prayer as we labor to place "A Missionary In Every State For A Church In Every City."

In His Service,

Roy Thomas
General Director

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

Balance Sheet

December 31, 1985

(with comparative totals for 1984)

	1985		Total All Funds	Total 1984
	Operating	Plant Fund		
Cash and interest bearing deposits	\$ 310,639	-	310,639	251,689
Investments, at cost, which approximates market	10,238	-	10,238	12,500
Gift receivable	9,328	-	9,328	6,720
Inventory	-	-	-	-
Equipment at cost, less accumulated depreciation of \$85,632 in 1985 and \$68,396 in 1984 (note 2)	-	55,086	55,086	52,076
Other asset	72,234	-	72,234	20,910
Notes receivable secured by real property	-	-	-	53,029
Total assets	\$ 402,439	55,086	457,525	418,961

Liabilities and Fund Balances				
Accounts payable	\$ 5,544	-	5,544	4,245
Restricted deferred revenue - missionary accounts (note 3)	198,906	-	198,906	186,871
Deferred compensation (note 4)	113,869	-	113,869	104,372
Note payable	20,336	-	20,336	20,910
Total liabilities	338,655	-	338,655	316,398
Fund balances:				
Undesignated	63,784	-	63,784	50,487
Net investment in plant	-	55,086	55,086	52,076
Total fund balances	63,784	55,086	118,870	102,563
Total liabilities and fund balances	\$ 402,439	55,086	457,525	418,961

Commitments (note 5)

See accompanying notes to financial statements.

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

Year ended December 31, 1985

(with comparative totals for 1984)

	Operating		Plant	Total	Total
	Unrestricted	Restricted	Fund	All Funds	1984
Support and revenue:					
Contributions	\$ 431,384	1,276,774	-	1,708,158	1,634,412
Printing services	28,898	-	-	28,898	33,539
Investment income	27,049	-	-	27,049	15,996
Other income	1,000	-	-	1,000	-
Total support and revenue	<u>488,331</u>	<u>1,276,774</u>	<u>-</u>	<u>1,765,105</u>	<u>1,683,947</u>
Expenses:					
Administrative expenditures	452,985	-	-	452,985	413,418
Missionary maintenance	-	1,276,774	-	1,276,774	1,273,419
Depreciation	-	-	17,236	17,236	17,748
Other expenses	1,803	-	-	1,803	6,460
Total expenses	<u>454,788</u>	<u>1,276,774</u>	<u>17,236</u>	<u>1,748,798</u>	<u>1,711,045</u>
Excess (deficiency) of support and revenue over expenses before capital additions	<u>33,543</u>	<u>-</u>	<u>(17,236)</u>	<u>16,307</u>	<u>(27,098)</u>
Capital additions:					
Donated assets	-	-	-	-	6,000
Total capital additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Excess (deficiency) of support and revenue over expenses after capital additions	<u>33,543</u>	<u>-</u>	<u>(17,236)</u>	<u>16,307</u>	<u>(21,098)</u>
Fund balances, beginning of year	50,487	-	52,076	102,563	123,661
Transfers to plant fund for acquisitions	(20,246)	-	20,246	-	-
Fund balances, end of year	<u>\$ 63,784</u>	<u>-</u>	<u>55,086</u>	<u>118,870</u>	<u>102,563</u>

See accompanying notes to financial statements.

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

Notes to Financial Statements

December 31, 1985

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) Plant Funds

A summary of plant fund assets is as follows:

Furniture and equipment	\$ 99,678
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Automobiles	41,040
	<u>140,718</u>
Less accumulated depreciation	85,632
Net investment in plant	\$ <u>55,086</u>

(3) Restricted Deferred Revenue

Changes in restricted deferred revenue is as follows:

Balance, beginning of year	\$ 186,871
Contributions	<u>1,288,809</u>
Available	1,475,680
Expenses	<u>1,276,774</u>
Balance, end of year	\$ <u>198,906</u>

(4) 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.

A summary of the liability at December 31, 1985 is as follows:

Balance, beginning of year	\$ 104,372
Contributions for benefit of:	
Missionaries	21,776
Administrative employees	<u>8,526</u>
	134,674
Terminations	<u>20,805</u>
Balance, end of year	\$ <u>113,869</u>

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

Notes to Financial Statements, Continued

(5) Commitments

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

(6) 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, 1985

	Unrestricted Fund	Restricted Deferred Revenue	Plant Fund	Total
Contributions	\$ 431,384	1,288,809	-	1,720,193
Printing services	28,898	-	-	28,898
Investment income	27,049	-	-	27,049
Other	<u>1,000</u>	-	-	<u>1,000</u>
	\$ <u>488,331</u>	<u>1,288,809</u>	-	<u>1,777,140</u>

CHURCH EXTENSION LOAN FUND, INC.

Balance Sheets

December 31, 1985 and 1984

	1985	1984
<u>Assets</u>		
Interest-bearing deposits	\$ 228,427	112,958
Marketable securities, at cost (market value \$236,789 in 1985 and \$157,401 in 1984)	218,747	162,327
	<u>229,616</u>	<u>113,130</u>
Notes receivable (note 2)	\$ <u>676,790</u>	<u>388,415</u>
Total assets		
<u>Liabilities and Fund Balance</u>		
Liabilities:	\$ 33,405	19,733
Accrued interest	75,000	75,000
Revocable trust (note 3)	<u>394,616</u>	<u>242,075</u>
Notes payable (note 4)		
Total liabilities	<u>503,021</u>	<u>336,808</u>
Fund balance (deficit):	29,457	8,294
Undesignated	<u>144,312</u>	<u>43,313</u>
Designated (note 5)		
Total fund balance	<u>173,769</u>	<u>51,607</u>
Total liabilities and fund balance	\$ <u>676,790</u>	<u>388,415</u>

See accompanying notes to financial statements.

CHURCH EXTENSION LOAN FUND, INC.

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

Years ended December 31, 1985 and 1984

	1985	1984
Support and revenue:		
Contributions (note 5)	\$ 101,009	16,285
Investment income	36,915	35,846
Interest income	17,404	9,758
Gain on sale of securities	1,248	1,862
Other	67	-
Total support and revenue	156,643	63,751
Expenses:		
Interest expense	34,469	32,591
Miscellaneous	12	323
Total expenses	34,481	32,914
Excess of support and revenue over expenses	122,162	30,837
Fund balance at beginning of year	51,607	20,770
Fund balance at end of year (note 5)	\$ 173,769	51,607

See accompanying notes to financial statements.

CHURCH EXTENSION LOAN FUND, INC.

Notes to Financial Statements

December 31, 1985 and 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

12% notes receivable are as follows:

First Free Will Baptist Church, Salem, Oregon, secured by first mortgage on the real estate.	\$ 38,968
First Free Will Baptist Church, North Kingston, Rhode Island, secured by first mortgage on the real estate	622
First Freewill Baptist Church, Fort Collins, Colorado, secured by first mortgage on the real estate	23,031
Heritage Freewill Baptist Church, Fredricksburg, Virginia, guaranteed by the Maryland State Home Missions Board	23,025
Thompson Memorial Freewill Baptist Church, Vineland, New Jersey, secured by first mortgage on the real estate	30,600
Carried forward	116,246

CHURCH EXTENSION LOAN FUND, INC.

Notes to Financial Statements, Continued

(2) Notes Receivable, Continued

Brought forward	116,246
The Harvest Free Will Baptist Church Colorado Springs, Colorado, secured by first mortgage on the real estate	29,335
Heritage Free Will Baptist Church Elkhart, Indiana, secured by first mortgage on the real estate	59,476
Lancaster Free Will Baptist Church, Lancaster, Ohio, secured by first mortgage on the real estate	24,559
	\$ 229,616

(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.

(4) Notes Payable

Notes payable, amounting to \$394,616, 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 \$100,999, 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

CERTIFIED PUBLIC ACCOUNTANTS
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TELEPHONE
(615) 665-9500

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, 1985, 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, 1985, 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.

February 21, 1986

Marlin & Edmondson

PROPOSED FAITH BUDGET FOR 1987

	1986 Budget	1987 Budget
<u>Missionary Maintenance</u>		
Salaries	\$1,165,000.00	\$1,225,000.00
Travel & Promotion	60,000.00	50,000.00
Employee Savings	25,000.00	25,000.00
Postage & Printing	30,000.00	30,000.00
Miscellaneous	20,000.00	15,000.00
Land & Building Fund	25,000.00	25,000.00
Total	\$1,325,000.00	\$1,370,000.00
<u>Administrative</u>		
Salaries	\$ 160,000.00	\$ 155,000.00
Housing	40,000.00	40,000.00
Social Security	10,000.00	10,000.00
Pay Roll Taxes	6,500.00	6,000.00
Employee Savings	8,000.00	9,000.00
Insurance	22,500.00	26,500.00
Utilities	6,500.00	7,500.00
Total	\$ 253,500.00	\$ 254,000.00
<u>Missionary Assistance</u>		
Printing & Postage	\$ 50,000.00	\$ 55,000.00
Telephone	10,000.00	10,000.00
Board Member Expense	9,000.00	9,000.00
Computer Service	2,500.00	2,500.00
Auditing	2,500.00	2,500.00
Miscellaneous	7,500.00	7,000.00
Total	\$ 81,500.00	\$ 86,000.00
<u>Evangelism</u>		
Auto & Travel	\$ 49,000.00	\$ 55,000.00
Promotion	5,000.00	5,000.00
Literature	20,000.00	9,000.00
Revivals	10,000.00	10,000.00
Roll Call Sunday	6,000.00	6,000.00
Total	\$ 90,000.00	\$ 85,000.00
<u>Plant</u>		
Office Space	\$ 15,000.00	\$ 17,500.00
Equipment & Supplies	17,500.00	20,000.00

Depreciation	17,500.00	17,500.00
Total	\$ 50,000.00	\$ 55,000.00
TOTAL FAITH BUDGET	\$1,800,000.00	\$1,850,000.00

PROPOSED STATE QUOTAS FOR 1987

STATE	1987 QUOTA
Alabama	\$ 130,000
Alaska	500
Arizona	9,000
Arkansas	70,000
California	80,000
Canada	6,000
Colorado	12,000
Florida	65,000
Georgia	75,000
Hawaii	500
Idaho	2,000
Illinois	60,000
Indiana	17,000
Iowa	500
Kansas	20,000
Kentucky	70,000
Louisiana	2,000
Maine	7,000
Maryland	22,000
Mexico	500
Michigan	35,000
Minnesota	500
Mississippi	48,000
Missouri	120,000
Montana	500
Nebraska	8,000
New Hampshire	15,000
New Mexico	5,000
New York	500
North Carolina	150,000
Ohio	95,000
Oklahoma	165,000
Oregon	10,000
Pennsylvania	500
Puerto Rico	1,500
Rhode Island	1,000
South Carolina	50,000
Tennessee	222,500
Texas	31,000

Vermont	500
Virginia	100,000
Virgin Island	27,000
Washington	5,000
West Virginia	75,000
Wisconsin	500
Wyoming	500
Other States	3,500
Other Income	30,000
TOTAL 1987 Quotas	\$1,850,000

REPORT OF MASTER'S MEN DEPARTMENT

"Paul, an apostle of Jesus Christ by the will of God, according to the promise of life which is in Christ Jesus," 2 Timothy 1:1.

DISCIPLELIFE serves as the theme for 1986, the 30th Anniversary of the beginning of Master's Men labor. It seems fitting to celebrate this event in Tulsa, Oklahoma. In 1955, Executive Secretary Stan Mooneyham declared a need existed for a layman's organization. That convention met at the Will Rogers High School auditorium in this city. So, part of Master's Men roots are firmly embedded in the lives of Free Will Baptists from this great state.

Since that time this organization has sought to challenge every layman to join "All Together To Advance Christ's Kingdom." Every church needs men of strength, courage, vision and energy to aid in its ministry. With the men, every pastor is strengthened, every work load is lightened, every job more easily accomplished.

When the laymen rise to the challenge to be more like the Master, there will be no shortage of pastors, missionaries and laborers in the harvest.

OBEDIENCE

In obedience to the command of our Lord and Savior, Jesus Christ, to be His disciples, the Master's Men involved themselves in the ministry of the denomination in 1985.

January marked the beginning of the DECADE OF DISCIPLESHIP as the men began studying the theme, "Committed to Christ's Commission." Monthly studies emphasized the attributes of disciples.

April brought men together for the Seventh Annual Master's Men Conference. "Be My Disciple" bannered the theme as Oklahoma Pastor Keith Burden ministered to the gathering with two messages titled, "The Essence of Discipleship—Self Denial," and "The Evidence of Discipleship—Suffering."

June heralded the first Master's Hands Project as Missionary Builder Howard Gwartney and a group of Oklahoma men visited Colorado Springs, Colorado. During one week the men built Harvest Free Will Baptist Church. When they finished working the new church building was ready for plumbing and electrical inspectors.

July witnessed men involved in building and ushering. A group of Indiana Master's Men, again led by Howard Gwartney, erected Heritage Free Will Baptist Church in Elkhart. Texas layman, Charles Denman received a plaque in appreciation for his leadership as Chairman of Ushering during the last four National Association meetings. The men gave many hours of hard work in Nashville.

July and August found the Department dispensing over \$1,200 to missionaries of four countries. Project Tool Shed funds enabled the purchases of much needed equipment.

October heard the plea for financial help from the National Master's Men Department. Letters reached over 2,800 preachers requesting a special once-a-year gift. The response netted over \$2,000. This National "Men"istry needs about \$2,000 more income per month to achieve the budgeted goals.

December completed a busy year as the National Master's Men Board convened. A landmark decision was made to institute a new form of membership. LifeMember status became a goal for men who intend to remain Free Will Baptists until the Lord calls them home. Six Board Members joined that day. They also gave \$100 to pay for LifeMember status for the Director!

OBSERVATIONS

The National Association is almost totally governed by ministers. Laymen are given minor roles in the work of the denomination. But, increasing numbers of laymen now attend and are active in the Convention.

The bedrock of this denomination must be founded upon the Lord. Yet the support structure has to be the laity. The laymen are the ones who are challenged to give of themselves and their substance to further the work. From the laymen come the next generation of preachers and missionaries. Therefore, discipling laymen is an important task for the denomination. More emphasis must be given to the task of discipling men.

Lack of finances continues to plague the ministry of Master's Men Department through these 30 years. Perhaps part of the problem is related to a lack of awareness of the importance of ministering to the laymen. A wise man once wrote, "What laymen are, preachers once were. What preachers are, laymen may become."

Master's Men Department appreciates the support given through the Cooperative Plan. The 13% received from undesignated gifts has been a life-giving part of the budget. This Department has issued many statements in support of the Cooperative Plan. It is inconceivable that Free Will Baptists fail to see the potential of this method of giving.

This Department needs about \$2,000 more per month in giving to achieve the budgeted goals. That means the plans for this National Department cannot be achieved now. The Department survived on less than one-half of one percent of all money given to the denominational ministries in 1985. Something needs to be done to assure this Department of adequate operating funds.

Dr. Roger Reeds and the Sunday School and Church Training Board have provided office space for Master's Men through ten years. This Department appreciates their generosity. However, we do believe that office space with the other departments would provide more visibility and recognition for Master's Men as one of seven National Departments.

Master's Men are men alive! It is exciting to see their accomplishments in local ministries. It is a challenge to seek to minister to 30,000 to 50,000 laymen. Help us achieve the goal of reaching men for the Master. Join and support Master's Men.

Indebted to Him and in service to you,

Jim Vallance
General Director

PROPOSED 1987 BUDGET

INCOME

Gifts	\$ 6,500.00
Dues	16,000.00
Master's Men Day	4,500.00
Sales	2,000.00
Co-op	35,000.00

Projects:	1,000.00
Master's Hands	
Missions	
Tool Shed	
Book Shelf	
Travel	1,500.00
MM Conference	12,500.00
Director's Club & Checkbook	1,500.00
Interest Income	
MM Trust Funds	1,200.00
Revocable	
Irrevocable (LifeMember)	
Other	250.00
MM Breakfast	2,500.00
TOTAL	\$84,450.00

EXPENDITURES

Audit	\$ 800.00
Honorarium	150.00
Convention Expenses	
Booth, Travel	500.00
MM Breakfast	2,000.00
MM Conference	8,620.00
Cost of Sales	1,500.00
Equipment Maintenance	500.00
Promotion	1,000.00
Postage	2,000.00
Printing	6,000.00
Office Supplies	2,500.00
Office Equipment	1,500.00
Rent	5,400.00
Telephone	1,480.00
Travel:	
Director	8,000.00
Board	3,000.00
Director's Retirement	300.00
Insurance	
Director	2,500.00
Office	200.00
Payroll Taxes (7.05)	2,000.00
Salaries	30,000.00
Board of Retirement (Loan)	1,600.00
Projects	1,000.00
Missions (Tool Shed, Book Shelf)	
Master's Hands	
Bookkeeping Fee	900.00
Miscellaneous	1,000.00
TOTAL	\$84,450.00

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

BALANCE SHEET December 31,

	1985	1984
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,034	\$ 3,188
Trust Account-Lifetime membership	800	---
Accounts receivable, net of allowance for doubtful accounts of \$229 for 1985 and 1984	---	---
Deposits	100	50
Inventories	441	648
Prepaid expenses	1,391	180
Total current assets	\$ 4,766	\$ 4,066
PROPERTY AND EQUIPMENT, net (Note 2)	4,935	6,293
Total assets	\$ 9,701	\$10,359
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	\$ 9,222	\$ 2,281
Deferred revenue (Note 3)	966	1,652
Accrued expenses	666	796
Notes payable (Note 4)	1,230	2,594
Total current liabilities	\$12,084	\$ 7,323
LONG-TERM DEBT (Note 4)	1,406	3,744
Total liabilities	\$13,490	\$11,067
FUND BALANCE (DEFICIT) (Note 5)		
Unrestricted	\$ (6,572)	\$ (3,532)
Restricted	2,783	2,824
Total fund balance (deficit)	\$ (3,789)	\$ (708)
Total liabilities and fund balance	\$ 9,701	\$10,359

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,

	1985			1984
	Unrestricted	Restricted	Total	Total
REVENUE				
Dues from Members	\$ 15,000	\$ --	\$15,000	\$15,839
Cooperative Program	27,876	--	27,876	30,092
Merchandise Sales	1,094	--	1,094	1,407
Gifts/Other Income	20,310	3,437	23,747	27,180
Gain/Equipment Sale	--	--	--	889

	\$ 64,280	\$ 3,437	\$67,717	\$75,407
EXPENDITURES				
Salaries/Wages	\$ 26,585	\$ --	\$26,585	\$24,590
Taxes/Benefits	3,728	--	3,728	2,337
Cost-Sales/Printing	7,157	--	7,157	7,179
Travel Expense	9,575	1,536	11,111	8,519
Conferences/conventions	10,061	--	10,061	8,220
Office Expense	3,779	--	3,779	4,323
Postage	1,639	--	1,639	1,959
Promotion Expense	1,288	--	1,288	1,617
Professional Fees	700	--	700	852
Bookkeeping Expense	900	--	900	675
Depreciation	1,358	--	1,358	925
Interest Expense	335	700	1,035	712
Insurance Expense	215	--	215	150
Project "Brazil"	--	--	--	7,878
Project "Tool Shed"	--	1,242	1,242	900
	\$ 67,320	\$ 3,478	\$70,798	\$70,836
REVENUES OVER (UNDER) EXPENDITURES	\$ (3,040)	\$ (41)	\$ (3,081)	\$ 4,571
FUND BALANCE (DEFICIT) JANUARY 1, 1985	\$ (3,532)	\$ 2,824	\$ (708)	\$ (5,279)
FUND BALANCE (DEFICIT) DECEMBER 31, 1985	\$ (6,572)	\$ 2,783	\$ (3,789)	\$ (708)

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,

WORKING CAPITAL PROVIDED (APPLIED)	1985	1984
Revenue over (under) expenditures	\$ (3,081)	\$ 4,571
Items not affecting working capital		
Depreciation	1,358	925
Working capital provided by (used for) operations	(1,723)	5,496
Proceeds from long-term debt	--	3,674
Dispositions of property and equipment	--	2,169
Additions to property and equipment	--	5,732
Reduction of long-term debt	(2,338)	(2,445)
INCREASE (DECREASE) IN WORKING CAPITAL	\$ (4,061)	\$ (3,162)
ANALYSIS OF CHANGES IN WORKING CAPITAL		
Increase (decrease) in current assets		
Cash	\$ (1,154)	\$ 296
Trust account--lifetime membership	800	--
Deposits	50	--
Inventories	(207)	(658)
Prepaid expenses	1,211	180

Decrease (increase) in current liabilities	(6,941)	1,307
Accounts payable	686	1,605
Deferred revenue	130	(796)
Accrued expenses	1,364	1,228
Notes payable		
	\$ (4,061)	\$ (3,162)

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, 1985

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Following is a summary of the significant 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,:

	1985	1984
Equipment and furniture	\$ 8,579	\$ 8,579
Less accumulated depreciation	3,644	2,286
Property and equipment, net	\$ 4,935	\$ 6,293

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1985

NOTE 3 - DEFERRED REVENUE

Deferred revenue consists of dues received for future years as of December 31, 1985 and 1984.

NOTE 4 - NOTES PAYABLE

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

	1985	1984
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
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 \$4,229 and \$5,286 as of December 31, 1985 and 1984 respectively	2,636	3,674
Less current portion	\$ 2,636	\$ 6,338
	1,230	2,594
Long-term debt	\$ 1,406	\$ 3,744
	-----	-----

NOTE 5 - RESTRICTED FUND BALANCE

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

	1985	1984
Project "Book Shelf"	\$ 176	\$ 176
	2,607	2,648
	\$ 2,783	\$ 2,824
	-----	-----

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, 1985 and 1984, 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, 1985 and 1984 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

Effingham, Illinois
March 12, 1986

REPORT OF THE BOARD OF RETIREMENT AND INSURANCE

The Board of Retirement and Insurance is the channel through which Free Will Baptists can provide retirement and insurance benefits for our pastors, missionaries and employees of our churches, schools and denominational agencies. This is our reason for being.

Last year was an excellent one for our department. Pension fund assets increased 22.7% or \$15,410 a week. Forty-two new members were enrolled in the pension plan. Deposits to members' accounts increased by 77%.

Another 1½% good experience bonus was given on June 30th. This is the fourth consecutive year a bonus has been given.

The attitude of our churches toward providing benefits to pastors is changing since this ministry began in 1969. The Bible says, "But if anyone not provide for his own, and especially for those of his household, he has denied the faith and is worse than an unbeliever." (1 Timothy 5:8) This is not only referring to a man providing for his family, but to a denomination (church) providing for those who serve them. This is not an optional ministry. There is as much scriptural basis to provide for those in the "household of faith" as there is to take the Gospel to the heathen.

We are thankful for the number of churches who send monthly deposits for their pastor's (employees') retirement accounts. Many churches are giving \$50 to \$100 a month. Your church ought to be involved in this ministry.

The Board turned over the administration of our hospitalization plan to the Allen Agency in Nashville. This was done because so few of our pastors enrolled in the program. For information contact Mitch Beverly, 2146 Belcourt Avenue, Nashville, TN 37212. The telephone number is (615) 385-3721.

We are praying that this 1986 session in Tulsa will be remembered as one of the best ever.

Herman L. Hersey

Director

1985 State Gifts

Alabama	\$ 1,037.09
Arkansas	4,137.72
California	1,841.15
Connecticut	640.00
Florida	2,015.35
Georgia	344.45
Idaho	56.99
Illinois	1,140.07
Indiana	212.49
Kansas	90.57
Kentucky	359.31
Maryland	25.09
Michigan	1,194.93
Mississippi	477.89
Missouri	6,689.15
North Carolina	2,155.71
Ohio	1,689.66
South Carolina	82.37
Oklahoma	9,874.57
Tennessee	1,954.90
Texas	573.98
Virginia	633.75
West Virginia	445.25
Canada	1.47
Arizona	42.91
New Mexico	10.49
WNAC	495.00

TOTAL

\$38,222.31

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

Balance Sheet

December 31, 1985

Assets

	Unrestricted Operations	Retirement Fund	Insurance Fund	Plant Fund	Total All Funds
Checking and interest-bearing deposits					
Funds invested with the Retirement fund	\$ 23,165	483,530	2,025	-	508,720
Church bonds, at cost	36,704	-	-	-	-
Accrued interest receivable	-	408,586	-	-	408,586
Notes receivable from churches and denominational agencies of the National Association of Free Will Baptists	-	40,161	-	-	40,161
Premiums receivable	-	3,353,053	-	-	3,353,053
Office furniture, fixtures and automobiles, at cost, less accumulated depreciation of \$27,144	-	-	2,025	-	2,025
Total assets	\$ 59,869	4,285,330	4,050	15,511	4,328,056

Liabilities and Fund Balances

Note payable					
Accounts payable and accrued expenses	4,871	1,000	-	-	1,000
Interest bearing revocable trusts	-	(512)	-	-	4,359
	-	528,724	-	-	492,020
Fund balance (deficit):					
Operations	4,871	529,212	-	-	497,379
Retirement fund	54,998	-	-	-	54,998
Designated as reserve funds	-	3,528,724	-	-	3,528,724
Insurance fund	-	227,394	-	-	227,394
Net investment in plant	-	-	4,050	-	4,050
Total fund balances	54,998	3,756,118	4,050	15,511	15,511
Total liabilities and fund balance	\$ 59,869	4,285,330	4,050	15,511	4,328,056

See accompanying note to financial statements.

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

Statement of Fund Transactions and Changes in Fund Balances

Year Ended December 31, 1985

	Unrestricted Operations	Retirement Fund	Insurance Fund	Plant Fund	Total All Funds
Additions:					
Contributions from participants	\$ 38,232	416,373	-	-	416,373
Gifts	5,799	478,624	1,190	-	38,232
Investment income	-	-	9,967	-	485,613
Administrative fees	-	36,963	-	-	9,967
Forfeitures and late charges	-	8,424	-	-	36,963
Gain on sale of property	-	-	-	-	8,424
Total additions	44,031	940,384	11,157	-	995,572
Deductions:					
Salaries	44,770	-	-	-	44,770
Fringe benefits	17,702	-	-	-	17,702
Travel and promotion	16,157	-	-	-	16,157
Automobile expense	1,603	-	-	-	1,603
Office supplies	30,868	-	-	-	30,868
Housing	22,800	-	-	-	22,800
Ministry to senior adults	4,807	-	-	-	4,807
Equipment	1,506	-	-	-	1,506
Board members expense	8,185	-	-	-	8,185
Legal and auditing	3,937	-	-	-	3,937
Miscellaneous	2,939	-	-	-	2,939
Depreciation	-	-	-	4,487	4,487
Interest expense	-	45,365	-	-	45,365
Withdrawals of funds	-	54,149	-	-	54,149
Forfeitures	-	244	-	-	244
Total deductions	155,274	99,758	-	4,487	259,519
Net increase (decrease) in funds for the year	(111,243)	840,626	11,157	(4,487)	736,053
Fund balances, beginning of year as reported	59,824	3,023,992	5,250	28,216	3,117,282
To restate for the omission of depreciation on plant fund assets in prior years	-	-	-	(22,658)	(22,658)
Fund balances, beginning of year as restated	59,824	3,023,992	5,250	5,558	3,094,624
Transfers among funds and other changes:					
To plant funds for asset acquisitions	(14,440)	-	-	14,440	-
Enrollment and administrative fees	120,857	(108,500)	(12,357)	-	-
Fund balances, end of year	\$ 54,998	3,756,118	4,050	15,511	3,830,677

See accompanying note to financial statements.

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

Note to Financial Statements

December 31, 1985

Board of Retirement and Insurance is operated under the auspices of the National Association of Free Will Baptists. The purpose of the Board is to maintain contributory retirement accounts for licensed or ordained ministers and lay employees of churches, schools and denominational agencies of the National Association of Free Will Baptists.

Summary of Significant Accounting Policies

The major accounting principles and practices followed by the Board are presented below to assist the reader in evaluating the financial statements.

Fund Accounting

In order to ensure observance of limitations and restriction placed on the use of resources available to the Board, the accounts 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 accompanying financial statements are presented on the accrual method of accounting.

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

Marlin & Edmondson

Certified Public Accountants

ONE BURTON HILLS BLVD SUITE 375
NASHVILLE, TENNESSEE 37215

JOHN W. MARLIN
L. JOE EDMONDSON
TERRY A. HILL
TIM D. MULLALLY
DAVID C. WOOD
ALVA T. HARRELL
RUSSELL E. NEAL

TELEPHONE
(615) 665-1031

The Board of Directors
Board of Retirement and Insurance of
The National Association of Free Will Baptists:

We have examined the balance sheet of the Board of Retirement and Insurance of The National Association of Free Will Baptists as of December 31, 1985, and the

related statement of fund transactions 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 Retirement and Insurance of The National Association of Free Will Baptists as of December 31, 1985 and its fund transactions, 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

February 21, 1986

BOARD OF RETIREMENT
PROPOSED 1987 BUDGET

Department's Share of Insurance Premiums	\$ 750
Salaries	52,040
Housing Allowances	22,800
Employee Benefits	19,000
Office Expenses and Supplies	16,000
Computer Service	7,500
Plant Fund	10,500
Travel and Promotion	19,000
Auto Fund	6,000
Publications	6,000
Legal and Auditing	10,000
ALERT Ministries	5,000
Equipment and Maintenance	10,500
Board Travel	10,000
Miscellaneous	1,500
Insurance	4,000

TOTAL

\$200,590

REPORT OF THE
FREE WILL BAPTIST FOUNDATION

We Free Will Baptists can no longer carry out our God-given ministries by sporadic, emotional giving to emergency appeals and favorite causes or persons. Yearly we change, enlarge and expand our ministries locally, nationally and internationally. Month by month our vision and outreach broaden. So must our giving and the way we give.

We must establish equitable and continuing support through planned giving. We must unite in respect and concern for all the ministries of the church. The support of all is the concern of all.

And as we move ahead, a base of support must be maintained at every level of growth. That demands greater stewardship and continuing support, even beyond our lifetime.

The Free Will Baptist Foundation serves as the vehicle through which we can build such support. It fills a neutral role as a supportive agency for our church ministries. It exists to serve them all.

This means the Foundation promotes no ministry above another. It treats all causes alike, whether national, state, district or local. It considers no ministry above or below another in God's plan for His Church. It places no scriptural obligation secondary to another.

The Foundation helps donors to fulfill their stewardship obligations or wishes and to carry through with their good intentions, now and after death.

In these hurried times few people have time to write out monthly checks for a dozen causes. Through one gift to the Foundation, however, a donor can support as many causes as he or she chooses. One gift through a will or trust with instructions for its distribution is easy and efficient.

The work of the Foundation may be summarized in its two fold purpose:

- (1) To enable our people to better fulfill their stewardship obligation;
- (2) To accomplish together as a denomination what we cannot individually for a continuing support of the Lord's work.

Herman L. Hersey

Executive Secretary

FREE WILL BAPTIST FOUNDATION, INC.

Balance Sheet

December 31, 1985

Assets

Cash in bank	
Certificate of deposit	\$ 1,994
Interest bearing accounts with the Board of Retirement and Insurance of the National Association of Free Will Baptist	100,000
Land held for investment, at contributed value	77,097
Accrued interest income	4,000
	<u>1,401</u>
	\$ <u>184,492</u>

Liabilities and Fund Balance

Revocable trusts	
Gift annuity payable	\$ 144,224
Accrued earnings payable	6,000
Payroll taxes payable	1,149
	<u>74</u>
Total liabilities	<u>151,447</u>

Fund balance:	2,119
Operations	<u>30,926</u>
Endowment funds	<u>33,045</u>
Total fund balances	\$ <u>184,492</u>

See accompanying note to financial statements.

FREE WILL BAPTIST FOUNDATION, INC.

Statement of Revenue, Expenses and Changes in Fund Balance

Year ended December 31, 1985

	Operations	Endowments	Total All Funds
Revenues:			
Contributions	\$ 12,654	10,341	22,995
Service fee income and other	<u>1,654</u>	<u>-</u>	<u>1,654</u>
Total revenues	<u>14,308</u>	<u>10,341</u>	<u>24,649</u>
Expenses:			
Salaries	2,511	-	2,511
Social security and retirement	388	-	388
Travel and promotion	1,458	-	1,458
Office expense	415	-	415
Publications	2,395	-	2,395
Training and education	1,182	-	1,182
Legal and auditing	265	-	265
Interest expense	232	-	232
Equipment	372	-	372
Miscellaneous	<u>36</u>	<u>-</u>	<u>36</u>
Total expenses	<u>9,254</u>	<u>-</u>	<u>9,254</u>
Excess of revenues over expenses	5,054	10,341	15,395
Fund balance (deficit), beginning of year	(2,935)	20,585	17,650
Fund balance, end of year	\$ <u>2,119</u>	<u>30,926</u>	<u>33,045</u>

See accompanying note to financial statements.

FREE WILL BAPTIST FOUNDATION, INC.

Note to Financial Statements

December 31, 1985

Free Will Baptist Foundation, Inc. is operated under the auspices of the National Association of Free Will Baptists.

Summary of Significant Accounting Policies

The major accounting principles and practices followed by the Foundation 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 restriction placed on the use of resources available to the Foundation, the accounts 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.

Income Taxes

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

Marlin & Edmondson

Certified Public Accountants

ONE BURTON HILLS BLVD. SUITE 375
NASHVILLE, TENNESSEE 37215

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RUSSELL E. NEAL

TELEPHONE
(615) 665-1031

The Board of Directors
Free Will Baptist Foundation, Inc.

We have examined the balance sheet of the Free Will Baptist Foundation, Inc. as of December 31, 1985, and the related statement of revenue, expenses and changes in fund balance 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 Free Will Baptist Foundation, Inc. as of December 31, 1985 and the revenue, expenses, and changes in fund balance for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

February 21, 1986

Marlin & Edmondson

FREE WILL BAPTIST FOUNDATION Proposed Budget for 1987

Salary/Honorarium	\$ 5,000
Travel	2,250
Printing	6,000
Training/Education	4,000
Legal/Auditing	500
Office Expense	2,000

TOTAL

\$19,750

FOREIGN MISSIONS BOARD REPORT

As this convention focuses its attention on growth, we are pleased to report what God is doing through your foreign missions department. Last year your missionaries witnessed 818 conversions. They, along with the 30 national pastors, baptized 345 of these. An average of more than 5,000 people attended services each Sunday at the 162 churches and missions in the nine countries we represent.

Your missionaries are witnessing growth on almost every field:

PANAMA: During 1985, 116 people professed their faith in Christ as a result of the Free Will Baptist witness. Eighty-three of these have already been baptized. Two more Panamanians are serving as pastors. Twelve students are enrolled in the Bible Institute. Three congregations plan to be officially organized this year.

SPAIN: Your missionaries rejoice that in spite of the oppressive influence of Romanism, 24 were converted last year. A Bible Institute was started in which three promising young leaders are studying.

JAPAN: The Higashi Church in Sapporo is successfully using a kindergarten ministry as an outreach for the gospel. The Association has purchased property to build a summer camp. At Aino Sato, a new church has been received into our association. A new church is being established in a suburb of Sapporo. The Iryo church near Tokyo, recently purchased property to erect their own building.

BRAZIL: Sixty-eight students are enrolled in three Bible Institutes. Our missionaries recorded nearly 100 conversions last year. The First Church and the Bandeirantes congregation in Campinas have become self-supporting. Recently a third mission was begun in Campinas. Twenty-five young people made decisions during the recent camps. The Jaboticabal Church is planning to call a Brazilian pastor soon. The church at Uberlandia has recently completed a beautiful new building. The First Church in Ribeirao Preto now has more than 120 members. In addition, a second mission congregation is being formed there.

CUBA: News from Cuba is scarce. We do rejoice that approximately three dozen students are enrolled in Bible studies through the "Cedars of Lebanon" Institute. These study at home and spend one day each month at the Institute. Please pray that the government will permit the Institute to be re-opened on a full-time basis.

FRANCE: The St. Nazaire Church has purchased an excellent lot upon which to build. The congregation in Nantes has finished redecorating the building where they worship.

INDIA: In spite of stiff opposition, the gospel continues to penetrate this great country. Free Will Baptists are worshipping in 47 churches and mission locations. During my visit to the field last winter I rejoiced to witness six conversions, eight baptisms and 24 new members received into our churches. Many of the believers are proving their dedication through severe trials.

URUGUAY: The Bible Institute which began last August now has 14 students enrolled. The 11 churches and missions reported 62 conversions last year.

IVORY COAST: Several new villages have opened to the gospel during the last year. The 372 converts have burned their idols as evidence of their repentance. The first building for our Bible Institute in Bouna has been complete through Advance Celebration funds. Ten students were enrolled in the training program last year.

The Doropo hospital staff report seeing 11,240 patients between August and March. This means an average of 67 patients were treated each day the clinic was open. Five people prayed to receive Christ as a result of the hospital outreach.

The table on the next page summarizes our ministry last year.

STATUS OF FREE WILL BAPTIST OVERSEAS MINISTRIES

As of January 1, 1986

Field	Missionaries Assigned to Each Field	Ordained Pastors	Licensed and Lay Preachers	Bible Institutes	Students	Organized Churches	Mission Works	1985 Converts	1985 Baptisms	Average Sunday Attendance
BRAZIL	18		11	3	68	8	6	96	32	460
CUBA		5	83	1	31	16	3	40	22	899
FRANCE	18	1	2			4		24	7	223
INDIA	2	12	13			16	31	114	73	1,163
IVORY COAST	36	2	15	1	10	10	34	372	127	1,541
JAPAN	16	6	1		1	8	3	10	7	134
PANAMA	6		9	1	14	3	8	116	83	465
SPAIN	11		3	1	3	3	1	24		85
URUGUAY	7	2	3	1	14	5	6	62	16	235
TOTALS	114	28	140	8	141	73	92	858	367	5,205

*1984—last figure available

During 1985, the following missionaries left for the field or language study: The families of Jim Combs (Brazil); Dr. Kenneth Eagleton (Ivory Coast); Dave Filkins (Ivory Coast); Robert West (Ivory Coast); Rick Bowling (Uruguay) and Stan Bunch (Panama).

Last year the board appointed Debbie Griffin to serve in Japan, Jalayn Martens and Glenda Leatherbury to serve in Ivory Coast and Steve and Linda Reeves to serve in Spain.

During the last year we have had four short-term missionaries serving in Brazil and France. Last summer 13 young people served as student missionaries in five countries.

As God supplies the financial needs, the following missionaries hope to return to the field soon: The Richards, Robinsons, Turnboughs, Crowsons, Lees and Morgans.

These new missionaries plan to leave for their fields of service this year: Debbie Griffin, the Hollands, McDonalds, and Reeves.

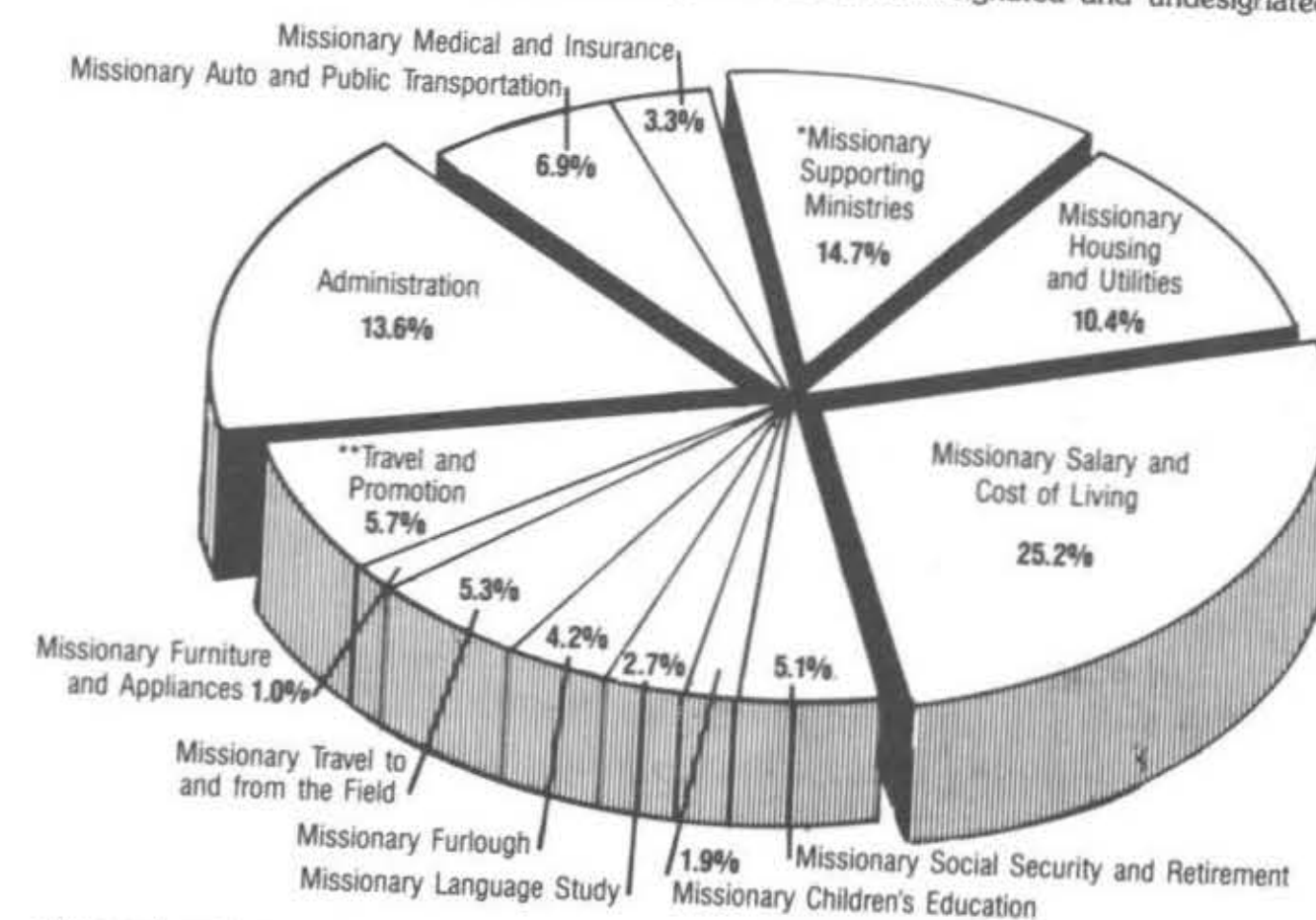
The following missionaries are beginning their furlough this summer: Cathy Crawford, Charolette Tallent, Arilla Wode, Alice Smith, the Fergusons, Callaways, Lyles, Deeds, Sparks and Cousineaus.

Our history-making first Candidate School is in progress. Since May 26, eleven missionary appointees have been receiving intensive orientation to Free Will Baptist missions overseas. Dr. LaVerne Miley is the director. Our own staff members, furloughing missionaries and six Nashville pastors serve as the faculty. The school coupled with our own internship program is expected to help equip future missionaries for their ministry.

Last year the Lord blessed our work with an income of \$2,518,547. This was an increase of \$153,053 over 1984. Our department received \$47,985 from the Cooperative plan of support. The following graph illustrates how your 1985 foreign missions gifts were spent.

Foreign Missions Expenditures for 1985

This graph shows the category percentages of the total designated and undesignated expenditures in 1985.



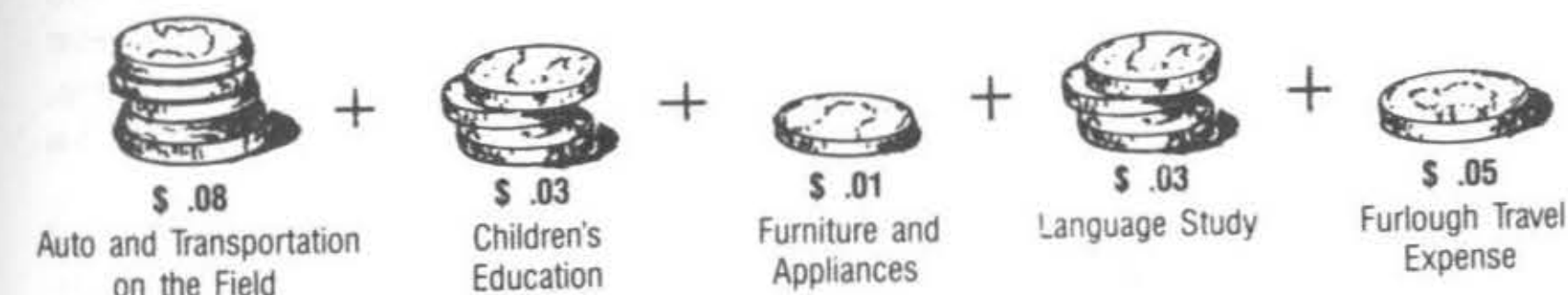
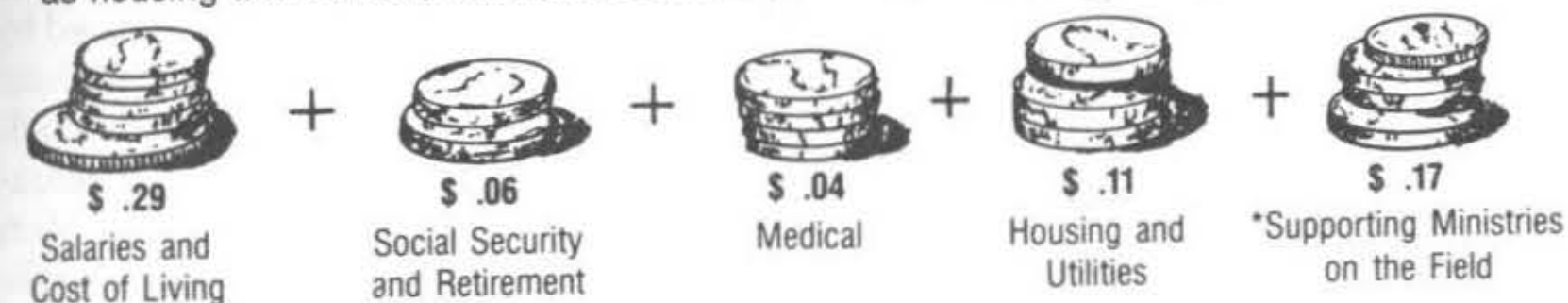
*Supporting Ministries on the Field: literature, radio, cassette ministry, films, etc.
 **Travel and Promotion: Department and board travel, promotional literature, Heartbeat magazine, audio-visual materials, informational services, etc.

Our 1986 budget is \$2,976,884. Several missionaries have lost much of their buying power because the dollar has weakened against world currencies. We propose a regular budget for 1987 of \$3,358,900. In addition we propose an Advance Budget of \$160,000.

From time to time we are asked about the cost of various items in a missionary's total support. The following illustration shows how the typical dollar sent for an individual missionary's account is spent.

The Missionary Dollar

This breakdown indicates the way each dollar designated to a missionary is spent. It shows the average of all missionaries although these costs would sometimes vary greatly in such items as housing and utilities, children's education, medical costs, supporting ministries, etc.



*Supporting ministries include literature, radio, films, evangelistic campaigns, etc.

As you read this, 14 states with a combined membership of over 140,000 will have celebrated 50 years of God's faithfulness to us in our overseas ministries. You have enthusiastically embraced the Advance Celebration.

The following states have set their own goals:

South Carolina	\$ 75,000	Georgia	\$ 75,000
Michigan	50,000	Mississippi	30,000
Missouri	100,000	Alabama	75,000
West Virginia	60,000	Florida	50,000
Virginia	240,000	Tennessee	200,000
Texas	50,000	Oklahoma	200,000
Kentucky	50,000	Illinois	45,000
Ohio	5% over budget	Indiana	10,000
Arkansas	75,000		

Other states are preparing for their celebration.

"The Advance Celebration has given me the opportunity to work closely with a broad segment of our leaders over the past two years. I am greatly encouraged by

their commitment to Christ and their desire to see our people more deeply involved in world evangelization than ever before," states Jimmy Aldridge, Advance Coordinator. Pastor Larry Cox, Buffalo Springs, Texas, says, "The Advance Celebration has helped our church to win several new families to work with us."

Pastor Raymond Getz, Conroe, Texas, added, "The organization of the celebration was superb in informing and educating our people of the opportunities of our missionaries."

The Advance Celebration is designed to meet special opportunities for helping develop our young overseas Free Will Baptist churches. The monies will be used to (1) provide more evangelistic tools, (2) make possible the training of more national workers, (3) make available additional funds for church buildings (in most instances revolving loan funds), and (4) supply some of the initial money needed for 30 new missionaries by 1990.

World missions is an enormous task. Success requires the participation of many people here at home as well as a dedicated staff of missionaries. We are indebted to many people. We appreciate our pastors who arrange mission services and lead their churches in fulfilling the Great Commission. Last year, the Woman's National Auxiliary Convention channelled \$138,639 to Foreign Missions. They also provided valuable help to our missionary families through the provision closet. The Master's Men continue to assist our missionaries through "project tool shed" and "project bookshelf." The Foreign Missions Fellowship at Free Will Baptist Bible College gave \$7,000 last year to help build a residence for nurses at Doropo, Ivory Coast. They also gave \$5,000 to help send the Dr. Kenneth Eagleton, Jr. family to the medical station there. Many other groups and individuals have sacrificially given and served to make 1985 a great year. All of us thank all of you.

I am especially indebted to Brother Rolla Smith for assisting me during this time of transition. I also appreciate the capable service of Don Robirds, Director of Communications, Jimmy Aldridge, Overseas Secretary, and Earl Larson, Treasurer/Administrative Assistant. The Sextons continue to serve effectively as deputational missionaries. Mrs. Mabel "Mom" Willey accepts a limited number of speaking engagements. Together with the secretaries, bookkeepers and shipping clerk, we stand ready to serve you and our missionaries in any way we can.

Respectfully submitted,
R. Eugene Waddell

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

Balance Sheet

December 31, 1985

(With comparative totals for 1984)

Assets	1985			1984
	Operating - Unrestricted and Restricted Funds	Plant Fund	Total All Funds	Total All Funds
Checking and interest-bearing deposits	\$ 1,004,517	-	1,004,517	829,486
Accrued interest receivable	3,525	-	3,525	4,400

Equipment at cost, less accumulated depreciation of \$50,690 in 1985 (note 2)	-	81,472	81,472	73,175
Total assets	\$ 1,008,042	81,472	1,089,514	907,061

Liabilities and Fund Balance

Note payable to bank	\$ -	62,082	62,082	50,700
Accounts payable and accrued expenses	32,227	-	32,227	15,017
Restricted deferred revenue (note 3)	979,875	-	979,875	835,750
Total liabilities	1,012,102	62,082	1,074,184	901,467
Fund balance (deficit):				
Undesignated	(4,060)	-	(4,060)	(16,881)
Net investment in plant	-	19,390	19,390	22,475
Total fund balances	(4,060)	19,390	15,330	5,594
Total liabilities and fund balance	\$ 1,008,042	81,472	1,089,514	907,061

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, 1985

(With comparative totals for 1984)

	1985		Plant Fund	Total All Funds	1984
	Operating Unrestricted	Restricted			Total All Funds
Support and revenue:					
Contributions (note 1a)	\$ 331,706	2,122,262	1,600	2,455,568	2,298,216
Investment income	60,095	-	-	60,095	67,278
Other	2,884	-	-	2,884	-
Total support and revenue	394,685	2,122,262	1,600	2,518,547	2,365,494
Expenses:					
Travel and promotional	103,683	-	-	103,683	145,886
Administrative	335,250	-	-	335,250	337,302
Foreign fields	-	2,049,912	-	2,049,912	1,944,870
Depreciation	-	-	19,966	19,966	8,377
Total expenses	438,933	2,049,912	19,966	2,508,811	2,436,435

Excess (deficiency) of support and revenue over expenses	(44,248)	72,350	(18,366)	9,736	(70,941)
Fund balances (deficit), beginning of year	(16,881)	-	22,475	5,594	76,535
Transfers among funds and other changes:					
To plant funds for asset acquisitions	(26,664)	-	26,664	-	-
Net increase in debt	11,383	-	(11,383)	-	-
Maintenance fees (note 4)	72,350	(72,350)	-	-	-
Fund balances (deficit), end of year	\$ (4,060)	-	19,390	15,330	5,594

See accompanying notes to financial statements.

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

Notes to Financial Statements

December 31, 1985

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	\$ 31,434
Cameras and projectors	5,899
Automobile	9,162
Computer	85,667
Total plant assets	132,162
Less accumulated depreciation	50,690
Net investment in plant	\$ 81,472

Depreciation expense, computed on the straight-line method amounted to \$19,966

(3) Changes in Restricted Deferred Revenue

Changes in restricted deferred revenue is as follows:

	Operating Fund	Plant Fund
Balance, beginning of year	\$ 834,150	1,600
Contributions	2,267,987	-
Funds available	3,102,137	1,600
Expenses and other changes	2,122,262	1,600
Balance, end of year	\$ 979,875	-

(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 \$48,044 in 1985.

The pension plan is a defined contribution plan. Under the plan, participant values are equal to or less than the accumulated value of assets. There is no unfunded actuarial prior service or past service benefits and no unfunded value of accrued plan benefits.

Marlin & Edmondson
Certified Public Accountants
ONE BURTON HILLS BLVD., SUITE 375
NASHVILLE, TENNESSEE 37215

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ALVA T. HARRELL
RUSSELL E. NEAL

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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

February 21, 1986

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, 1985

(With comparative totals for 1984)

	1985			1984
	Unrestricted Fund	Restricted Fund	Plant Fund	Total All Funds
Contributions	\$ 331,706	2,267,987	-	2,599,693
Investment income	60,095	-	-	60,095
Other	2,884	-	-	2,884
	<u>\$ 394,685</u>	<u>2,267,987</u>	<u>-</u>	<u>2,662,672</u>

Schedule 2

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

Schedule of Unrestricted Fund and Restricted
Fund Expenses

Year ended December 31, 1985

(With Comparative Total for 1984)

	1985	1984
Unrestricted fund expenses:		
Travel and promotion:	\$ 5,241	10,030
Audio visual	235	2,138
Department auto expense	8,615	13,572
Board members expense	420	2,250
Honorariums	68,468	81,977
Information service production	18,498	34,972
Department itinerary expense	1,774	747
Tracts and books	432	200
Insurance	<u>103,683</u>	<u>145,886</u>
Administrative:	167,982	163,419
Salaries	44,520	44,520
Housing	24,206	22,618
Hospitalization	6,040	5,760
Retirement	36,301	15,753
Department postage	2,750	2,500
Auditing	-	473
Employee compensation	8,296	6,947
Employee payroll tax liability	21,297	17,961
Office rent	8,041	12,566
Telephone	2,229	3,170
Maintenance/office equipment	8,359	16,277
Office equipment and supplies	5,229	265
Miscellaneous	-	7,173
Contingency	<u>335,250</u>	<u>319,402</u>

Total unrestricted fund expenses	\$ 438,933	465,288
Restricted fund expenses:		
Foreign fields:		
Brazil	\$ 307,023	300,706
France	354,793	321,902
India	87,192	75,844
Ivory coast	564,663	590,345
Japan	252,051	218,334
Panama	106,596	112,334
Spain	176,152	162,086
Uruguay	138,909	116,823
Summer missionaries	21,726	30,120
Short-term missionaries	22,141	19,147
Other projects	90,636	62,327
Appointees	380	-
Cassette project	-	777
Total restricted fund expenses	2,122,262	2,010,745
Less maintenance fees transferred to unrestricted funds for information service production	72,350	65,875
Net restricted fund expenses	\$ 2,049,912	1,944,870

Marlin & Edmondson

Certified Public Accountants

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

We have examined the balance sheet of the Board of Foreign Missions of The National Association of Free Will Baptists as of December 31, 1985, and the related statement of support and revenue, expenses, 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 Foreign Missions of The National Association of Free Will Baptists as of December 31, 1985 and the support and revenue, expenses, 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

February 21, 1986

BUDGET OF INCOME STATE QUOTAS - 1987

STATE	QUOTAS
ALABAMA	205,000.00
ARIZONA	5,000.00
ARKANSAS	175,000.00
CALIFORNIA	57,000.00
COLORADO	3,000.00
FLORIDA	105,000.00
GEORGIA	120,000.00
HAWAII	2,500.00
IDAHO	1,100.00
ILLINOIS	105,000.00
INDIANA	36,000.00
IOWA	2,000.00
KANSAS	14,000.00
KENTUCKY	91,000.00
LOUISIANA	600.00
MARYLAND	17,000.00
MICHIGAN	140,000.00
MISSISSIPPI	72,000.00
MISSOURI	210,000.00
MONTANA	1,200.00
NEBRASKA	1,200.00
NEW MEXICO	600.00
NORTHEAST ASSOCIATION	7,500.00
NORTHWEST ASSOCIATION	6,000.00
NORTH CAROLINA	400,000.00
OHIO	135,000.00
OKLAHOMA	395,000.00
PENNSYLVANIA	2,500.00
SOUTH CAROLINA	225,000.00
TENNESSEE	450,000.00
TEXAS	95,000.00
VIRGINIA	115,000.00
VIRGIN ISLANDS	3,500.00
WEST VIRGINIA	80,000.00
MISCELLANEOUS	80,200.00
	3,358,900.00
ADVANCE CELEBRATION PROJECT	160,000.00
TOTAL REGULAR AND ADVANCE CELEBRATION PROJECT	3,518,900.00
NORTHEAST ASSOCIATION:	
New Hampshire	
Vermont	
New Jersey	
Maine	

Connecticut
Washington, D.C.
Massachusetts
New York

NORTHWEST ASSOCIATION:

Alaska
Oregon
Washington

1987 BUDGET OF EXPENSE

FOREIGN FIELDS

Africa	1,047,423.00	
Brazil	414,507.00	
France	409,599.00	
India	86,682.00	
Japan	300,864.00	
Panama	131,968.00	
Spain	251,631.00	
Uruguay	171,698.00	
Short-term missionaries	30,000.00	
Student missionaries	40,000.00	
Miscellaneous Projects	2,016.00	
Foreign Fields Total		2,886,388.00

INFORMATIONAL AND PROMOTIONAL MATERIALS

Audio Visual	3,600.00	
Video	8,350.00	
Equipment (3,450.00)		
Supplies/Services (4,900.00)		
Films	4,050.00	
Heartbeat	35,050.00	
Postage	50,000.00	
Data Processing	30,000.00	
Publicity Materials	25,900.00	
Services and Dues	4,412.00	
Paper	10,000.00	
Tracts and Books	1,000.00	
Cassette Tape Ministry	5,100.00	
Total	177,462.00	
Less Information/Promotion Transfers	-184,573.00	
Informational and Promotional Materials Total		(7,111.00)

TRAVEL

Department Auto	18,000.00
Department Travel	39,000.00
Board Members	13,000.00
Honorariums	1,500.00

Traveler's Insurance	500.00	
Travel Total		72,000.00

ADMINISTRATIVE

Salaries	214,056.00	
Administrative Housing	62,520.00	
Administrative Social Security	20,600.00	
Hospitalization Insurance	30,000.00	
Retirement	7,000.00	
Auditing	3,000.00	
Office Rent	25,000.00	
Telephone	12,000.00	
Office Equipment	5,000.00	
Maintenance of Office Equipment	3,500.00	
Office Supplies	6,000.00	
Employee Compensation	500.00	
Miscellaneous	8,000.00	
Employer Payroll Taxes	10,447.00	
Administrative Total		407,623.00

TOTAL REGULAR FOREIGN MISSIONS BUDGET	3,358,900.00
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ADVANCE CELEBRATION BUDGET	160,000.00
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TOTAL REGULAR AND ADVANCE CELEBRATION BUDGETS	3,518,900.00
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FREE WILL BAPTIST BIBLE COLLEGE REPORT

Surely everyone would agree that our greatest need is genuine revival. Real revival would make us love the Lord more and put Him first in all that we do. It would cause our churches to be more concerned about soul-winning, separated Christian living and total world outreach. A revival would cause more young people to enroll at Free Will Baptist Bible College, surrender to God's will, answer God's call to preach, go to the mission field, or accept God's call to faithful, active service as a dedicated layman in the local church.

As the Lord sent out the seventy in Luke 10, He said, "The harvest truly is great, but the laborers are few: pray ye therefore the Lord of the harvest, that He would send forth laborers into His harvest." When revival comes, those who respond will pray for more laborers. More workers always respond during times of revival and refreshing.

Our homes are blessed when revival comes. Bible teaching and prayer become central in Christian homes when there is revival. Our homes need this touch from Heaven, this time of refreshing revival.

The needs are great at Free Will Baptist Bible College. We need more effectual, fervent prayer. We need more young people to attend the college. We need more financial response by all of God's people. We need more words of good will as pastors, Sunday school teachers, deacons and parents urge young people to attend the Bible College.

Please remember that as you give to the college, your gifts are multiplied over and over. With your financial support, young people are trained for the Lord's service. These, in turn, go out and win and teach others. Paul said that we are to "commit . . . to faithful men, who shall be able to teach others also" (II Tim. 2:2). So your gifts continue working and producing for God's glory—from one generation—to another—to another. It is tremendously exciting to give a gift that goes so far and touches so many lives—and continues to do so until the end of the age! Join us in this wonderful and thrilling cause!

Sincerely,

Charles A. Thigpen

President

REGISTRATION REPORT 1985-86

Enrollment

404

ENROLLMENT BREAKDOWNS

By State

Alabama	15	Kansas	2	South Carolina	10
Arizona	1	Kentucky	12	Tennessee	86
Arkansas	17	Michigan	17	Texas	6

California	2	Mississippi	8	Virginia	16
Delaware	1	Missouri	21	Washington	3
Florida	13	New Mexico	1	West Virginia	12
Georgia	20	New York	2		
Idaho	1	North Carolina	57		
Illinois	29	Ohio	13		
Indiana	29	Oklahoma	2	Foreign	8

(The student body represents 26 states and 5 foreign countries.)

By Classification

Freshmen	116	Juniors	76
Sophomores	107	Seniors	85
Special	20		

Others

Male	191	Ministerial	97
Female	213	Missionary	47
Free Will Baptist	388	Single	290
Other	16	Married	114

ENROLLMENT SUMMARY 1985-86

Enrollment	First Semester	358
Additional Enrollment	Second Semester	35
Total Enrollment	First and Second Semesters	393
Summer 1985 Enrollment Not Already Counted		11
Total Undergraduate Enrollment		404
Graduate School Enrollment For 1985-86: M.A.P.S.		8
Master of Ministry (Not counted elsewhere)		16
Total Annual Enrollment (Undergraduate and Graduate)		428

FINANCIAL AID REPORT

Loans Issued	227	\$144,116.18
Student Workers	114	115,286.33
Scholarship Recipients	26	5,760.00

WELCH LIBRARY Report for 1985-86

Total books, bound volumes, microforms, sound recordings, video-cassettes, instructional materials, etc. 50,341

The May 31, 1986, 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, 1985 - MAY 31, 1986

STATES	GENERAL FUND	BUILDING FUND	TOTAL
Alabama	\$ 48,078.16	\$ 2,283.25	\$ 50,361.41
Arizona	749.84	100.00	849.84
Arkansas	23,911.21	5,846.28	29,757.49
California	5,401.14	550.00	5,951.14
Connecticut	3,645.00		3,645.00
Florida	25,354.02	3,110.00	28,464.02
Georgia	37,469.17	12,669.07	50,138.24
Hawaii	1,440.00		1,440.00
Idaho	656.29		656.29
Illinois	17,141.97	3,445.00	20,586.97
Indiana	4,056.29	260.00	4,316.29
Kansas	999.74		999.74
Kentucky	10,224.04	362.00	10,586.04
Maryland	2,750.72	165.00	2,915.72
Massachusetts	260.00		260.00
Michigan	20,759.47	300.00	21,059.47
Mississippi	16,668.65	2,240.00	18,908.65
Missouri	26,433.16	735.00	27,168.16
Nebraska	524.20	50.00	574.20
New Jersey	285.00		285.00
New Mexico	69.09		69.09
North Carolina	99,552.29	57,277.53	156,829.82
Ohio	13,865.01	623.36	14,488.37
Oklahoma	23,554.57	315.00	23,869.57
South Carolina	42,568.16	6,448.97	49,017.13
Tennessee	118,794.96	7,292.69	126,087.65
Texas	10,694.39	1,030.00	11,724.39
Virginia	15,218.22	1,769.16	16,987.38
Washington	177.54		177.54
West Virginia	5,669.48	35.00	5,704.48
W.N.A.C.	2,636.71	75.00	2,711.71
Virgin Islands	475.36	65.15	540.51
Canada	49.95	1,710.59	1,760.54
Other	43,451.59	8,801.28	52,252.87
TOTALS	\$623,585.39	\$117,559.33	\$741,144.72
Alumni			13,338.00
President's Council			36,167.66
GRAND TOTAL			\$790,650.38

GENERAL FUND

STATES	1985-86 QUOTA	1986-87 QUOTA
Alabama	\$54,500.00	\$50,000.00
Arizona	1,500.00	1,000.00
Arkansas	20,500.00	25,000.00
California	10,500.00	6,000.00
Colorado	1,000.00	.00
Florida	18,000.00	23,000.00
Georgia	44,000.00	34,000.00
Hawaii	500.00	1,500.00
Idaho	750.00	750.00
Illinois	19,000.00	19,000.00
Indiana	6,500.00	3,500.00
Kansas	2,000.00	1,000.00
Kentucky	12,000.00	12,000.00
Maryland	5,000.00	3,000.00
Michigan	24,000.00	20,000.00
Mississippi	16,000.00	17,000.00
Missouri	30,000.00	27,500.00
Montana	150.00	.00
Nebraska	400.00	500.00
New Mexico	1,000.00	350.00
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	38,000.00
Tennessee	96,000.00	125,000.00
Texas	15,000.00	15,000.00
Virgin Islands	800.00	500.00
Virginia	15,000.00	17,500.00
Washington	400.00	400.00
West Virginia	12,000.00	10,000.00
W.N.A.C.	3,000.00	3,000.00
Other	61,500.00	54,000.00
TOTALS	\$660,000.00	\$660,000.00



CERTIFIED PUBLIC ACCOUNTANTS
ONE BURTON HILLS BLVD., SUITE 375
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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, 1986, 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.

The College has incurred net decreases in the unrestricted current fund balance of \$163,119 in 1986 and \$99,475 in 1985.

In our opinion, the aforementioned financial statements present fairly the financial position of Free Will Baptist Bible College at May 31, 1986, 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 27, 1986

FREE WILL BAPTIST BIBLE COLLEGE

Balance Sheet

May 31, 1986

(with comparative figures for 1985)

Assets	1986	1985
Current funds:		
Unrestricted:		
Cash, including interest bearing deposits of \$7,869 in 1986 and \$7,687 in 1985	\$ 19,168	8,837
Investments at fair value at date of gift	5,422	4,739
Real estate held for sale	-	10,000
Receivables:		
Students accounts	13,087	16,968
Staff and others	13,046	12,535
Note receivable - plant fund	505,905	462,802
Total accounts receivable	532,038	492,305
Inventory	19,411	22,929
Total unrestricted funds	576,039	538,810
Restricted:		
Due from current unrestricted funds	9,179	13,841
Total restricted funds	9,179	13,841
Total current funds	\$ 585,218	552,651
Loan funds		
Interest bearing deposits	\$ 78,741	19,705
Notes receivable, less allowance for doubtful notes of \$38,000 in 1986 and \$33,000 in 1985	278,522	266,833
Due from other funds:		
Current unrestricted funds	34,727	26,095
Plant funds	-	23,000
Total loan funds	\$ 391,990	335,633

<u>Liabilities and Fund Balances</u>			1986	1985
Current funds:				
Unrestricted:				
Note payable to bank			\$ 368,000	175,000
Accounts payable			40,075	41,793
Students' credit balances and deposits			19,565	23,925
Accrued salaries			54,377	47,960
Deferred revenues - summer school			14,807	13,768
Due to other funds:				
Current restricted funds			9,179	13,841
Loan funds			34,727	26,095
Agency funds			6,300	4,300
Fund balance				
Total unrestricted funds			50,206	44,236
			29,009	192,128
Restricted:			576,039	538,810
Fund balances			9,179	13,841
Total restricted funds			9,179	13,841
Total current funds			\$ 585,218	552,651
Loan funds				
Accrued interest			\$ 2,669	2,429
Notes payable to individuals			124,490	93,049
Fund balances - private			264,831	240,155
Total loan funds				
			\$ 391,990	335,633

FREE WILL BAPTIST BIBLE COLLEGE

Balance Sheet, Continued

<u>Assets</u>	1986	1985
Endowment funds		
Interest bearing deposits	\$ 150,000	141,124
Note receivable - plant funds	17,607	21,902
Total endowment funds	\$ 167,607	163,026
Annuity funds:		
Rental property at appraised value at date of gift	\$ 78,000	78,000
Total annuity funds	\$ 78,000	78,000
Plant funds:		
Interest bearing deposits, including \$8,978 in 1986 and \$12,043 in 1985 held by Trustee under lease obligations	\$ 10,115	13,233
Investments, including \$108,940 in 1986 and \$83,425 in 1985 held by Trustee under lease obligations	108,940	83,925
Accounts receivable	133	491
Investment in plant:		
Land	373,069	373,069
Land off campus	-	40,000
Buildings and improvements	3,536,417	3,431,727
Equipment	759,460	726,948
Library books	90,394	87,306
Construction in progress	-	89,766
Total investment in plant	4,759,340	4,748,816
Total plant funds	\$ 4,878,528	4,846,465
Agency funds:		
Cash	\$ 977	383
Due from current unrestricted fund	6,300	4,300
Accounts receivable	412	75
Total agency funds	\$ 7,689	4,758

FREE WILL BAPTIST BIBLE COLLEGE
Statement of Changes in Fund Balances

Year ended May 31, 1986

<u>Liabilities and Fund Balances</u>	<u>1986</u>	<u>1985</u>
Endowment funds:		
Fund balances		
Endowment	\$ 45,041	40,460
Quasi-endowment, unrestricted	105,485	105,485
Scholarship, restricted	17,081	17,081
Total endowment funds	<u>\$ 167,607</u>	<u>163,026</u>
Annuity funds:		
Annuity payable	\$ 22,982	24,018
Fund balance	55,018	53,982
Total annuity funds	<u>\$ 78,000</u>	<u>78,000</u>
Plant funds:		
Due to other funds:		
Note payable - current unrestricted funds	\$ 505,905	462,802
Note payable - endowment fund	17,607	23,000
Accounts payable and accrued expenses	613	1,696
Lease obligation	345,000	390,000
Notes payable	226,457	279,311
Fund balances		
Unexpended (deficit)	657	(485,317)
Net investment in plant	<u>3,782,289</u>	<u>4,174,973</u>
Total fund balances	<u>3,782,946</u>	<u>3,689,656</u>
Total plant funds	<u>\$ 4,878,528</u>	<u>4,846,465</u>
Agency funds:		
Funds held in custody for others	<u>\$ 7,689</u>	<u>4,758</u>
Total agency funds	<u>\$ 7,689</u>	<u>4,758</u>

	<u>Current Funds</u>	<u>Unrestricted</u>	<u>Restricted</u>
Revenues and other additions:			
Unrestricted current funds revenues	\$ 2,002,712	-	-
Gifts	-	-	7,949
Endowment income	-	-	1,661
Investment income - restricted	-	-	-
Interest on student loans	-	-	-
Additions to plant facilities including	-	-	-
\$35,601 from current funds	-	-	-
Retirement of indebtedness, including	-	-	-
\$4,295 from current funds	-	-	-
Adjustment of computed annuity liability	-	-	-
Gain on sale of investments	-	-	-
Total revenues and other additions	<u>2,002,712</u>	<u>2,002,712</u>	<u>9,610</u>
Expenditures and other deductions:			
Educational and general expenditures	1,518,449	14,272	-
Auxiliary enterprises expenditures	534,797	-	-
Provision for doubtful notes	-	-	-
Additions to plant facilities	-	-	-
Retirement of indebtedness	-	-	-
Expansion campaign expense and promotion	-	-	-
Interest expense	-	-	-
Other	-	-	-
Total expenditures and other deductions	<u>2,053,246</u>	<u>2,053,246</u>	<u>14,272</u>
Transfers among funds and other changes -			
additions (deductions):			
Mandatory transfers for debt service	(112,585)	-	-
Conversion to long-term note payable	-	-	-
Contributed land returned to donor	-	-	-
Change in funds held by trustee under lease	-	-	-
obligations	<u>-</u>	<u>-</u>	<u>-</u>
Total transfers among funds and other	<u>(112,585)</u>	<u>(112,585)</u>	<u>-</u>
changes			
Net increase (decrease) for the year	<u>(163,119)</u>	<u>(163,119)</u>	<u>(4,662)</u>
Fund balance (deficit) at beginning of year	192,128	192,128	13,841
Fund balance at end of year	<u>\$ 29,009</u>	<u>\$ 29,009</u>	<u>9,179</u>

Loan Funds	Endowment Funds	Annuity Funds	Plant Funds	
			Unexpended	Net Investment In Plant
-	-	-	-	-
8,406	4,581	-	130,897	-
484	-	-	-	-
28,510	-	-	3,908	-
-	-	-	-	50,525
-	-	-	-	80,246
-	-	1,036	-	-
-	-	-	21,175	-
<u>37,400</u>	<u>4,581</u>	<u>1,036</u>	<u>155,980</u>	<u>130,771</u>
-	-	-	-	-
-	-	-	-	-
5,000	-	-	-	-
-	-	-	14,924	-
-	-	-	75,951	-
-	-	-	72,277	-
7,706	-	-	102,115	-
18	-	-	779	-
<u>12,724</u>	<u>-</u>	<u>-</u>	<u>266,046</u>	<u>-</u>
-	-	-	112,585	-
-	-	-	505,905	(505,905)
-	-	-	-	(40,000)
-	-	-	(22,450)	22,450
-	-	-	596,040	(523,455)
<u>24,676</u>	<u>4,581</u>	<u>1,036</u>	<u>485,974</u>	<u>(392,684)</u>
<u>240,155</u>	<u>163,026</u>	<u>53,982</u>	<u>(485,317)</u>	<u>4,174,973</u>
<u>264,831</u>	<u>167,607</u>	<u>55,018</u>	<u>657</u>	<u>3,782,289</u>

FREE WILL BAPTIST BIBLE COLLEGE

Statement of Current Unrestricted Funds Revenues,
Expenditures and Other Changes

Year ended May 31, 1986

(with comparative figures for 1985)

	1986	1985
Revenues:		
Tuition and fees	\$ 656,973	717,595
Gifts	660,753	632,883
Endowment income	14,390	15,015
Investment income	48,158	47,039
Sales and services of auxiliary enterprises	612,452	731,007
Other sources	9,986	5,132
Total revenues	<u>2,002,712</u>	<u>2,148,671</u>
Expenditures:		
Educational and general:		
Instruction	583,980	579,294
Academic support	151,996	169,297
Student services	148,082	136,176
Operation and maintenance of plant	166,232	187,545
Institutional support	468,159	458,190
Total educational and general expenditures	<u>1,518,449</u>	<u>1,530,502</u>
Mandatory transfers for debt service	<u>27,996</u>	<u>23,330</u>
Total educational and general	<u>1,546,445</u>	<u>1,553,832</u>
Auxiliary enterprises:		
Expenditures	534,797	609,999
Mandatory transfers for debt service	84,589	84,315
Total auxiliary enterprises	<u>619,386</u>	<u>694,314</u>
Total expenditures and mandatory transfers	<u>2,165,831</u>	<u>2,248,146</u>
Revenues under expenditures and other changes	\$ <u>(163,119)</u>	<u>(99,475)</u>

FREE WILL BAPTIST BIBLE COLLEGE

Proposed Budget
1986-87

Current Unrestricted Funds

Revenues:

Tuition and fees	\$ 577,300
Gifts - state quotas	660,000
Gifts - special	50,000
Endowment income	10,000
Investment income	45,000
Sales and service of auxiliary enterprises	501,200
Graduate school	17,500
Other sources	2,000
Total revenues	\$1,863,000

Expenditures:

Educational and general:

Instruction	\$ 459,700
Academic support	96,650
Student services	116,925
Operation and maintenance of plant	169,450
Institutional support	471,500

Total educational and general \$1,314,225

Auxiliary enterprises:

Expenditures	440,900
Mandatory provision for lease obligations	71,050
Mandatory transfer -- energy & telephone	12,800

Total auxiliary enterprises \$ 524,750

Graduate school

24,025

Total expenditures \$1,863,000

SUNDAY SCHOOL AND CHURCH TRAINING BOARD OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Dr. Roger C. Reeds, General Director

REPORT OF THE GENERAL DIRECTOR

It is hard to realize it but we are ready to begin our twenty-fifth year. From July of 1986 through July of 1987 we will celebrate our silver anniversary. The climatic event will be during the National Association at Birmingham in 1987. It has been my privilege to share in these years. I count it a high honor and privilege to have served our denomination during these years.

YESTERDAY

1985 is history. Our fiscal year concluded on February 28, 1986. It began on March 1 of 1985. Our audit and financial report covers that period of time. Our sales were the highest ever. We had a good year.

SOME CHANGES MADE

1985 was a time of transition in the editorial staff. Rev. Jonathan Thigpen came to work for us. He has been a God-send. He is knowledgeable about computers and much of our editorial work is done on computers. He is helping tremendously in this area.

We introduced three major new products in 1985. They were our Randall House Maps, the Free Will Baptist History Book, and the blue hymn book. The hymn book is not new but the color is.

These new products represent a sizeable investment for us. The inventory on these items at the time of the audit revealed the following investment:

Bible Maps	-	\$37,684.74
Hymn books	-	37,552.75
History books	-	7,682.40
		<u>\$82,919.89</u>

All of these items are timeless and will generate good income for us for years to come.

TODAY

Randall House Publications stands at the threshold of its best years. It is my goal to see us as computerized as we possibly can be. We have leased some new typesetting equipment that will take a giant step in that direction. Here is what it will do:

1. All typesetting will be done by a computer disk that will come to typesetting from editorial.
2. The units that are used by the typesetters are called GTO's or Graphic Text Organizers. The typesetters will spend most of their time doing layout work on the GTO. The old system of doing layout by clipping and pasting is passe'.

SALES

Our sales in all levels have shown some gain over the years. Bill Foster is now in charge of sales. I think he is doing a splendid job. We have added a staff member here who works on a limited salary plus commission. I believe that this move will help to increase our sales both within and without our denomination. By the time that I retire I would like to see our sales reach \$5,000,000.00. It should and should go beyond that. Increased sales mean a greater amount of profit. A greater amount

of profit means increased service that we can render to our denomination.

THE AUDIT

In the pages that follow you will find our audit and financial statement for the year. Our auditor tells us that we have had a good year. His audit also tells us that we have had a good year.

The audit brings down the curtain on 1985-86. It is time now for us to move on to

TOMORROW

Our yesterdays and todays help to shape our tomorrows. One of our tomorrows is our budget. In the pages that follow the audit, you will find our budget for 1987.

THE BUDGET

We have tried to bring the budget more in line with our financial statement.

The one factor that does not appear in the budget for next year is what we have been calling interdepartmental expenses. This was strictly a book figure and always appeared as an in and out figure.

THE BOOK

Our commentaries will begin to appear at sometime near the end of this year. I trust that these will be a monument to Free Will Baptists.

IN CONCLUSION

Let me say that I continue to enjoy my work. I praise the Lord for this opportunity to serve Him and our denomination at the same time.

SUNDAY SCHOOL BOARD OF THE NATIONAL
ASSOCIATION OF FREE WILL BAPTISTS

Financial Statements

February 28, 1986 and 1985

(With Accountants' Report Thereon)

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, 1986 and 1985, 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 financial statements referred to above present fairly the financial position of the Sunday School Board of the National Association of Free Will Baptists at February 28, 1986 and 1985, 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.

April 2, 1986

SUNDAY SCHOOL BOARD OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Balance Sheets

February 28, 1986 and 1985

<u>Assets</u>	<u>1986</u>	<u>1985</u>
Current assets:		
Cash (note 2)	\$ 38,918.08	91,384.31
Receivables:		
Customer accounts	322,346.92	211,951.88
Employee and other	870.00	620.00
	323,216.92	212,571.88
Less allowance for doubtful accounts	8,500.00	8,500.00
Net receivables	314,716.92	204,071.88

Inventories	390,654.33	360,317.37
Deferred charges	14,459.00	22,952.96
Total current assets	758,748.33	678,726.52
Property, plant and equipment, at cost (notes 3 and 4):		
Land	127,873.12	127,873.12
Building	580,206.09	568,491.36
Printing service equipment	352,396.80	332,836.75
Office and administrative equipment	330,545.49	241,825.16
Automotive equipment	48,278.75	49,458.13
	1,439,300.25	1,320,484.52
	620,553.74	538,062.42
Less accumulated depreciation	818,746.51	782,422.10
Net property, plant and equipment		10,160.03
Capital leases:		
Office and administrative equipment	-	10,160.03
	-	3,628.58
Less accumulated amortization	-	6,531.45
Net capital leases	\$ 1,577,494.84	1,467,680.07

See accompanying notes to financial statements.

<u>Liabilities and Fund Balance</u>	<u>1986</u>	<u>1985</u>
Current liabilities:	\$ 132,500.00	82,500.00
Notes payable to bank and others		
Current portion of long-term debt (notes 2 and 4)	78,148.97	83,703.78
Current portion of obligations under capital leases	232,217.47	861.72
Accounts payable	49,635.97	214,052.09
Accrued expenses		39,098.38
Total current liabilities	492,522.41	420,198.97
Long-term liabilities:	74,339.38	137,273.00
Long-term debt (notes 2 and 4)		
Total long-term debt	74,339.38	137,273.00
Fund balance	1,010,633.05	910,208.10
	\$ 1,577,494.84	1,467,680.07

SUNDAY SCHOOL BOARD OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Statements of Activity and Changes in Fund Balance
Years ended February 28, 1986 and 1985

	1986	1985
Revenues:		
Net sales:		
Curriculum	\$ 1,655,891.65	1,505,552.32
Randall House books	111,108.19	74,284.08
Merchandise	40,789.83	44,829.61
Bulletins	67,792.54	68,777.85
Vacation Bible school	23,891.97	22,259.60
Bookstore	51,852.08	47,894.77
Printing	139,747.08	134,371.71
Other sales	106,076.64	80,927.67
Net sales	2,197,149.98	1,978,897.61
Freight and handling	63,661.56	56,321.94
Other income	65,922.08	50,606.18
Gain on exchange of assets	3,341.90	-
Interdepartmental sales (note 5)	754,168.32	651,218.05
Total revenues	3,084,243.84	2,737,043.78
Expenses:		
Cost of sales:		
Inventory at beginning of year	360,317.37	341,423.51
Outside merchandise purchases	238,411.92	247,632.86
Cost of printing:		
Preparation	282,204.36	284,148.73
Production	562,760.38	466,235.05
Editorial	161,067.64	151,468.62
Depreciation	27,243.02	26,787.32
	1,632,004.69	1,517,696.09
Less inventory at end of year	390,654.33	360,317.37
	1,241,350.36	1,157,378.72
Interdepartmental purchases (note 5)	754,168.32	651,218.05
Selling, general and administrative expenses:		
Sales and promotion	139,352.93	144,318.75
Administrative	70,798.39	58,583.30
Bookkeeping	83,770.70	79,993.98
Shipping	151,128.37	144,087.64
Building	124,785.77	129,846.95
General	101,477.61	92,601.41
Church growth and youth	103,628.90	87,609.92
Spanish department	95,270.93	51,495.07
Interest expense	46,590.97	49,472.45
Depreciation	71,495.64	68,744.25
	988,300.21	906,753.72
Total expenses	2,983,818.89	2,715,350.49
Excess of revenues over expenses	100,424.95	21,693.29
Fund balance, beginning of year	910,208.10	888,514.81
Fund balance, end of year	\$ 1,010,633.05	910,208.10

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, 1986 and 1985

	1986	1985
Sources of funds:		
Excess of revenues over expenses	\$ 100,424.95	21,693.29

Items which do not use working capital:		
Depreciation and amortization	98,738.66	95,531.57
Working capital provided by operations	199,163.61	117,224.86
Increase in long-term debt, including capital lease obligations	18,196.54	37,495.00
Decrease in working capital	-	6,934.11
	\$ 217,360.15	161,653.97
Uses of funds:		
Additions to property, plant, equipment and capital leases	\$ 128,531.62	72,233.89
Current installments and repayment of long-term debt and obligations under capital leases	81,130.16	89,420.08
Increase in working capital	7,698.37	-
	\$ 217,360.15	161,653.97
Changes in components of working capital:		
Increase (decrease) in current assets:		
Cash	\$ (52,466.23)	34,765.26
Receivables	110,645.04	43,874.78
Inventories	30,336.96	18,893.86
Deferred charges	(8,493.96)	3,084.03
	80,021.81	100,617.93
Increase (decrease) in current liabilities:		
Notes payable to bank and others	50,000.00	45,000.00
Accounts payable	18,205.38	74,411.40
Accrued expenses	10,537.59	7,609.43
Current portion of long-term debt and obligations under capital leases	(6,419.53)	(19,468.79)
	72,323.44	107,552.04
Increase (decrease) in working capital	\$ 7,698.37	(6,934.11)

See accompanying notes to financial statements.

SUNDAY SCHOOL BOARD OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Notes to Financial Statements
February 28, 1986 and 1985

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 \$8,119.52 in 1986 and \$16,446.76 in 1985, which represents deposits with the paying agent for retirement of matured bonds and accrued interest on outstanding bonds.

(3) Property, Plant and Equipment

Depreciation and amortization charged to operations computed on the straight-line method was \$98,738.66 in 1986 and \$95,531.57 in 1985.

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:

	1986	1985
7% mortgage payable at \$2,000.00 annually secured by warranty deed on 3.52 acres of land	\$ 4,000.00	6,000.00
Equipment obligations, maturing through 1989, payable monthly \$6,388.26 including interest secured by equipment with a depreciated basis of \$121,716.19 in 1986 and \$131,323.07 in 1985	71,462.60	92,111.85
14-3/4% unsecured installment note, payable monthly at \$1,183.00 including interest through 1987	12,256.35	24,044.81
11-1/2% unsecured installment note, payable monthly at \$465.93 including interest through 1991	23,918.45	26,589.68
13-1/2% unsecured installment note, payable monthly at \$1,265.55 including interest through 1988	33,850.95	43,730.44
9% First Mortgage Bonds, secured by a deed of trust on property with a depreciated basis of \$400,636.21 in 1986 (see note 2)	7,000.00	28,500.00
	152,488.35	220,976.78
Less current portion of long-term debt	78,148.97	83,703.78
Long-term debt, excluding current portion	\$ 74,339.38	137,273.00

(5) Interdepartmental Transactions

The accompanying financial statements include interdepartmental revenues and expenses of \$54,168.32 in 1986 and \$651,218.05 in 1985, which result from transfers of publications from production to sales departments.

(6) Commitments

Operating Leases

Total auto and equipment rent charged to operations is summarized by department as follows:

Preparation	\$ 1,358.00
Shipping	612.98

Building	2,483.04
Spanish	5,431.18
General	9,460.94
	<u>\$ 19,346.14</u>

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

(6) Commitments, Continued

Operating Leases, continued

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, 1986.

Year ending February 28:	Amount
1987	\$ 43,337.00
1988	40,185.70
1989	35,878.96
1990	27,431.60
	<u>\$ 146,833.26</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 \$14,336.41 in 1986 and \$13,692.50 in 1985. The pension plan is a defined contribution annuity plan. Under the plan, participants actuarial values are equal to or less than the accumulated value of the assets. There is no unfunded actuarial prior service or past service benefits and no unfunded value of accrued plan benefits.

BUDGET FOR 1987

BUDGET FOR 1987

REVENUES

CURRICULUM	
Sunday School Curriculum	\$1,700,000.00
Spanish Curriculum	65,000.00
Church Training Curriculum	110,000.00
Total Curriculum Sales	<u>\$1,875,000.00</u>

OTHER SALES

Randall House Books	\$ 100,000.00
Merchandise	50,000.00
Bulletins	70,000.00
Vacation Bible School	24,000.00
Bookstore	100,000.00
Printing	140,000.00
Sunday School/Church Training Helps	70,000.00

Sunday School Helps - Spanish	3,000.00
Competitive Activities	25,000.00
Children's Church	4,000.00
ETTA	3,000.00
Camping Materials	1,000.00
Enlargement Campaigns	7,000.00
Total Other Sales	\$ 597,000.00
Total All Sales	\$2,472,000.00

OTHER INCOME

Freight and Postage	
Interest	\$ 60,000.00
Service Charges	1,500.00
Computer Services	1,800.00
NYC '87	6,000.00
Truth and Peace	25,000.00
YET	16,000.00
Recreation Fund	2,400.00
Miscellaneous Income	800.00
Total Other Income	1,000.00
Total All Revenues	\$ 114,500.00
	\$2,586,500.00

EXPENSES

COST OF SALES

Merchandise Purchases	
Sunday School	\$ 50,000.00
Sunday School/Church Training Helps	12,000.00
Randall House Books	40,000.00
Merchandise	30,000.00
Competitive Activity	5,000.00
Bookstore (Materials for Resale)	60,000.00
Bookstore (Lease Payments)	26,400.00
Vacation Bible School Materials	18,000.00
Bulletins	55,000.00
ETTA	2,000.00
Enlargement Campaigns	5,000.00
Miscellaneous Costs	600.00
	\$ 304,000.00

COST OF PRINTING

Production	
Negatives	\$ 18,000.00
Masking and Opaquing	5,000.00
Plates	10,000.00
Salaries	246,984.00
Travel	2,000.00
Supplies	20,000.00
Equipment Maintenance	20,000.00
Ink	14,000.00
Stock	220,000.00
Outside Printing	60,000.00
Outside Color Separation	5,000.00
Telephone	1,000.00
FICA	18,000.00
Insurance	18,000.00

Retirement	5,000.00
Miscellaneous	\$ 5,000.00
	\$ 667,984.00

Editorial and Make Ready

Typesetting	\$ 6,000.00
Layout	3,000.00
Art Services	5,000.00
Salaries	190,794.00
Travel	5,000.00
Supplies	8,000.00
Equipment Maintenance	10,000.00
Equipment Rental	26,400.00
Curriculum Development	10,000.00
Writer's Fees	24,000.00
Royalty Payments	9,000.00
FICA	12,000.00
Retirement	4,000.00
Insurance	14,000.00
Telephone	2,000.00
Postage	1,000.00
Miscellaneous	3,000.00
	\$ 333,194.00

COST OF OPERATIONS

Administration	
Salaries	\$ 51,628.00
Travel	10,000.00
Supplies	2,000.00
Equipment Maintenance	2,000.00
Postage	1,000.00
Telephone	1,000.00
FICA	5,000.00
Retirement	1,500.00
Insurance	4,000.00
Miscellaneous	3,000.00
	\$ 81,128.00

Sales and Promotion

Salaries	\$ 80,192.00
Travel	14,000.00
Supplies	4,000.00
Equipment Maintenance	1,000.00
Promotion	10,000.00
Advertising	10,000.00
Postage	1,000.00
Telephone	1,400.00
FICA	7,000.00
Retirement	3,500.00
Insurance	7,000.00
Miscellaneous	2,000.00
	\$ 141,092.00

Bookkeeping and Order

Salaries	\$ 132,412.00
Travel	1,000.00
Supplies	5,000.00

Equipment Maintenance	10,000.00
Postage	1,000.00
Telephone	1,000.00
FICA	6,000.00
Retirement	1,500.00
Insurance	\$ 6,000.00
Miscellaneous	1,000.00
	<u>\$ 164,912.00</u>

Shipping	
Freight and Postage	\$ 55,000.00
Salaries	73,888.00
Travel	2,000.00
Supplies	10,000.00
Equipment Rental	1,000.00
Equipment Maintenance	1,500.00
Postage	5,000.00
Telephone	1,000.00
FICA	5,000.00
Retirement	1,000.00
Insurance	5,000.00
Miscellaneous	1,000.00
	<u>\$ 161,388.00</u>

Youth	
Salaries	\$ 49,872.00
Travel	4,000.00
Supplies	1,000.00
NYC '87	25,000.00
Truth and Peace '87	16,000.00
YET Ministries	2,400.00
Promotion	1,000.00
FICA	4,000.00
Postage	1,000.00
Telephone	1,000.00
Retirement	1,200.00
Insurance	4,000.00
Miscellaneous	1,000.00
	<u>\$ 111,472.00</u>

Spanish	
Salaries	\$ 21,580.00
Travel	2,000.00
Supplies	1,000.00
Equipment Maintenance	1,000.00
Promotion	1,000.00
Advertising	1,000.00
Postage	1,000.00
Telephone	1,000.00
FICA	1,800.00
Insurance	2,400.00
Miscellaneous	1,000.00
	<u>\$ 34,780.00</u>

Building	
Salaries	\$ 44,720.00
Supplies	10,000.00
Equipment Rental	2,000.00

Equipment Maintenance	2,800.00
Building Maintenance	6,000.00
Building Improvements	25,000.00
Utilities	35,000.00
Building Insurance	14,000.00
FICA	3,500.00
Retirement	1,000.00
Insurance	4,000.00
Telephone	30,000.00
Miscellaneous	1,000.00
	<u>\$ 179,020.00</u>

General	\$ 2,500.00
Supplies	1,500.00
Equipment Maintenance	12,000.00
Board Travel	8,000.00
Legal and Auditing	20,000.00
Automobile Expenses	1,200.00
Employees' Recreational Fund	4,000.00
Taxes	45,000.00
Interest Expense	98,000.00
Depreciation	70,000.00
Debt Retirement	145,330.00
Working Capital	<u>\$ 407,530.00</u>

TOTAL ALL REVENUES
TOTAL ALL EXPENDITURES

\$2,586,500.00
\$2,586,500.00

WOMAN'S NATIONAL AUXILIARY CONVENTION REPORT

We just celebrated our 50th Anniversary with the theme "A Past to Remember, a Future to Mold." We are now molding WNAC as the women of tomorrow will perceive the organization.

Some changes have been made recently. You will notice that the reports this year are included in the Digest of Reports and that they reflect only the last seven months of 1985. With the agreement of the executive committee and the auditors, we changed the fiscal year to agree with the calendar year. Now we can get into the Digest of Reports and relieve some of the pressure of getting ready for the National Convention. Next year the reports will reflect all our activities for 1986.

Also, we now have in the office a computer which will help us maintain our mailing list, prepare manuscripts for CO-LABORER and other publications, do our billing and other jobs more efficiently.

We have published this year the following:

CO-LABORER	18,000	quarterly
Leader's Packet	800	quarterly
COMMUNICATOR	1,500	annually
Poetry book, <i>Frosting on the Cake</i>	250	
THE MINISTER'S WIFE newsletter	3,000	
WNAC Minutes	1,250	
Seminar Program	500	
Computer labels	1,185	
Emblem seals (small)	3,000	
President and Vice President Guide	1,500	
Leaflet, "Step into Tomorrow"	1,500	
Calendar Key	1,500	
Membership card	3,000	
Invitation card	5,000	
Play booklets	750	

You will notice among the publications the new poetry book. "Frosting on the Cake" and a series of three play booklets for your use. The creative arts contest attracted 143 women from 23 states and 2 foreign countries who submitted 402 entries.

Our national retreat is August 27-29 at Ridgecrest, North Carolina. In 1984 we had 1405 registered. This year let's make it 1500 at least. Our theme is "Rejoice with Joy" and we want the women to share in the joy and go away better prepared to share the joy with others.

Special gratitude goes to Lorene Miley, editor; Evelyn Jones, bookkeeper; and Peggy Outland, general office worker for their patience and forbearance with me. Also I appreciate the officers of the convention and the members at large of the executive committee for sharing their time, wisdom, counsel and enthusiasm for the work.

Then to all of our women, I say thank you for your acceptance and encouragement of me in my new work. You have made it a special joy. I appreciate your enthusiasm and willingness to serve.

We look forward to God's blessings for tomorrow. In 1987 we are emphasizing the wonders which God wishes to do among us. I believe that He is inviting us to step

forward with Him into new paths of service and ministry. Let's seek God's face and then follow His direction into new challenges and opportunities.

Mary R. Wisehart
Executive Secretary-Treasurer
Woman's National Auxiliary Convention

WOMAN'S NATIONAL AUXILIARY CONVENTION NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

GENERAL FUND

STATEMENT OF ASSETS AND LIABILITIES

	December 31 1985	May 31 1984
ASSETS		
Cash	<u>\$102,031.21</u>	<u>\$109,562.22</u>
FUND BALANCE		
General	\$100,780.09	\$108,525.10
Designated - National Student	<u>1,251.12</u>	<u>1,037.12</u>
	<u>\$102,031.21</u>	<u>\$109,562.22</u>

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

WOMAN'S NATIONAL AUXILIARY CONVENTION NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

GENERAL FUND

CASH RECEIPTS AND DISBURSEMENTS

	December 31 1985	May 31 1985
Cash balance, beginning	<u>\$109,562.22</u>	<u>\$ 94,811.39</u>
RECEIPTS		
Literature and supplies for sale	39,058.30	69,082.18
Auxiliary dues	<u>8,445.00</u>	<u>15,571.92</u>

Delegate fees	204.00	301.00
Convention dinner	8,096.76	7,948.00
Other convention receipts	870.72	1,066.11
Co-Laborer offerings	4,057.13	7,815.70
Retreat		7,272.36
Gifts for general purposes	9,446.25	20,313.00
Miscellaneous income	30.93	224.79
Interest income	3,213.49	6,789.51
Designated contributions:		
Foreign Missions	71,619.29	131,446.32
Home Missions	21,231.61	58,986.75
Bible Colleges	6,677.29	11,209.30
Other gifts for various missionary objectives	3,516.85	13,611.40

Total receipts	176,467.62	351,638.34
Total to be accounted for	\$286,029.84	\$446,449.73

The accompanying notes are integral part of the financial statements.

WOMAN'S NATIONAL AUXILIARY CONVENTION
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
GENERAL FUND

CASH RECEIPTS AND DISBURSEMENTS - continued

	December 31 1985	May 31 1985
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DISBURSEMENTS

Operating expenses:		
Literature and supplies for sale	\$ 16,890.17	\$ 21,683.69
Executive Committee expense	.75	2,919.19
Salaries	33,702.09	54,439.87
Employee benefits	6,334.51	10,925.00
Postage	2,641.87	4,399.64
Retreat	40.00	3,029.26
Office supplies and equipment	834.55	2,868.93
Office rent	3,034.50	4,595.10
Telephone	1,108.91	1,514.49
Mailing supplies	1,128.06	956.63
Insurance - general		245.52
Auditing	600.00	550.00
Convention dinner & expense	12,286.28	9,911.91
Miscellaneous	550.81	354.94
Travel and promotion	1,395.14	2,622.39
Subscriptions and dues	71.95	64.90
Maintenance - equipment	334.00	491.80
N.C. State Tax		60.48
Mission Work:		
Foreign Missions	71,619.29	131,446.32

Home Missions	21,231.61	58,986.75
Bible Colleges	6,677.29	11,209.30
Other disbursements for various missionary objectives	3,516.85	13,611.40
Total disbursements	184,998.63	336,887.51

Cash balance, ending	\$102,031.21	\$109,562.22
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The accompanying notes are an integral part of the financial statements.

WOMAN'S NATIONAL AUXILIARY CONVENTION
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
MEMORIAL STUDENT LOAN FUND
STATEMENT OF ASSETS AND LIABILITIES

	December 31 1985	May 31 1985
<u>ASSETS</u>		
Cash	\$30,753.06	\$24,981.70
Loans receivable	47,838.81	50,861.68
	<u>\$78,591.87</u>	<u>\$75,843.38</u>
<u>FUND BALANCE</u>		
Fund balance	<u>\$78,591.87</u>	<u>\$75,843.38</u>

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

WOMAN'S NATIONAL AUXILIARY CONVENTION
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
MEMORIAL STUDENT LOAN FUND
CASH RECEIPTS AND DISBURSEMENTS

	December 31 1985	May 31 1985
Cash balance, beginning	\$ 24,981.70	\$ 13,949.16

RECEIPTS

Contributions	1,586.63	5,312.23
Student loans repaid	3,722.87	7,374.12
Interest collected	1,161.86	2,702.37
Total receipts	6,471.36	15,388.72
Total to be accounted for	31,453.06	29,337.88

DISBURSEMENTS

Student loans	700.00	2,319.00
Bad debts		2,037.18
Total disbursements	700.00	4,356.18
Cash balance, ending	\$ 30,753.06	\$ 24,981.70

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

WOMAN'S NATIONAL AUXILIARY CONVENTION
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
NOTES TO FINANCIAL STATEMENTS

NOTE 1

During the year under review the Executive Committee of the Woman's National Auxiliary Convention of National Association of Free Will Baptists changed their fiscal year to the calendar year. This required a statement that covered the period of June 1, 1985 to December 31, 1985.

EZRA JONES & ASSOCIATES

*Certified Public Accountants*1161 MURFREESBORO ROAD
NASHVILLE, TENNESSEE 37217

March 7, 1986

Woman's National Auxiliary Convention
National Association of Free Will Baptists
Nashville, Tennessee

We have examined the statements of assets and liabilities arising from cash transactions of the General Fund and the Memorial Student Loan Fund of the Woman's National Auxiliary Convention of National Association of Free Will Baptists as of December 31, 1985 and May 31, 1985, and the related statements of revenues collected and expenses paid for the periods then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, include such test of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The financial statements are prepared 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 the Woman's National Auxiliary Convention of National Association of Free Will Baptists during the periods ended December 31, 1985 and May 31, 1985, on the basis indicated in the preceding paragraph, which is consistent with that used in the preceding year.

Ezra Jones & Associates

GIFTS TO MISSIONS/MISSIONARY OBJECTIVES

June 1, 1985-December 31, 1985

CASH GIFTS

\$140,075.72

Foreign Missions

\$ 95,320.69

Sent through WNAC	\$ 71,619.29
*Sent directly to department	23,701.40

Home Missions		32,028.75	
Sent through WNAC	21,231.61		
*Sent directly to department	10,797.14		
Bible Colleges		8,263.92	
General funds	6,677.29		
Student loan fund	1,586.63		
Other Gifts to missions, camps, retirement, children's homes		3,517.65	
Provision Closet		944.71	
<u>NON CASH GIFTS</u>			5,735.11
Provision Closet		5,735.11	
TOTAL CASH AND NON CASH GIFTS			\$145,810.83

*Verified by mission departments.

WNAC 1987 BUDGET OF EXPENSE

Printing, literature, supplies for sale	\$ 6,000
Co-Laborer magazine	33,520
Executive Committee expense	5,000
Salaries (four full time)	63,735
Employee benefits	10,000
Payroll tax expense	4,750
Auditing	600
Insurance - General	270
Office rent	6,000
Telephone	1,750
Promotion and travel	5,000
Postage	7,000
Mailing and office supplies, equipment	4,000
Maintenance - office equipment	1,000
Convention expense	12,500
Retreat expense	8,400
Miscellaneous	500
Contingency fund	1,000
	<u>\$171,025</u>

ESTIMATED INCOME

Literature and supplies sales	\$ 12,000
Dues	18,500
Co-Laborer subscriptions	86,000
State representation fees	250
Designated convention gifts	6,000
Interest	5,600
Co-Laborer Fund offerings	9,000
WNAC Emphasis Month offerings	15,000
Convention offering	1,000
Ticket sales	9,275
Retreat fees	8,400
	<u>\$171,025</u>

COMMISSION FOR THEOLOGICAL INTEGRITY REPORT

At the 1985 meeting of the National Association of Free Will Baptists, our name was changed from "Commission on Theological Liberalism" to "Commission For Theological Integrity." Along with the name change, the Association voted to adopt the following "Purpose and Scope" for the Commission.

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 arise 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.

In order for us to be able to more effectively fulfill our purpose, as a commission, we have sought input from our pastors on how we can best serve our people. This was done by having them fill out a questionnaire concerning what they perceive to be the areas of need and how we, as a commission, can best minister to those needs. We also welcome input from other denominational leaders and laymen.

At our next annual meeting, we will be assessing the information from these questionnaires and will seek to step up our activity in serving our people as it relates to maintaining our theological integrity as a denomination. We solicit your prayers.

FINANCIAL REPORT

Balance in Bank, January 1, 1985 \$3,864.02

INCOME:

Gifts:

Alabama	\$ 28.61
Arkansas	270.30
Arizona99
California	59.41
Florida	110.03
Georgia36
Idaho	2.41

Illinois	73.06	
Indiana	138.10	
Kansas	6.46	
Kentucky	17.73	
Maryland	1.08	
Michigan	65.05	
Mississippi	18.40	
Missouri	475.63	
North Carolina	35.52	
New Mexico74	
Ohio	117.10	
Oklahoma	692.66	
Tennessee	51.40	
Texas	34.57	
Virginia	32.75	
West Virginia	86.63	
Miscellaneous	3.78	
Total Gifts	2,322.77	
Sales of Literature	1,242.25	
Refund on Nat'l Assoc. Booth Exp.	50.00	
		3,615.02
TOTAL INCOME AND BALANCE		\$7,479.04

EXPENDITURES:

Office Expense	\$ 160.60
Shipping Literature Expense	74.07
Mailing Expense	611.47
Printing Literature	513.50
National Association Booth Expense	600.00
Annual Meeting Expense	344.72

TOTAL EXPENDITURES	2,304.36
BALANCE IN BANK, December 31, 1985	\$5,174.68

Leroy Forlines, Chairman
Dari Goodfellow, Bookkeeper

RADIO AND TELEVISION COMMISSION

The Radio and Television Commission has met twice since our last convention. We are happy to report some progress being made but not what we would like to see.

The most significant changes in our ministry has been a change in format on "Victorious Faith." Rev. Tom Malone asked to be replaced as speaker because of pastoral obligations. The Commission wishes to express its appreciation to Brother Malone for his help in getting the weekly radio ministry established and on the air.

Rev. Robert (Bob) Shockley agreed to become the speaker and assumed that duty on December 1, 1985. Rev. Shockley is a native of Kentucky and graduate of Free Will Baptist Bible College. He served as General Director of the National Home Missions Department. He has preached extensively across our denomination during the past twenty years. Currently he is serving as Christian Service Director at Free Will Baptist Bible College. We believe that Bob's compassion, uniqueness, and love for preaching will make him a valuable asset to this ministry and to those who hear him.

The second change we would like to acquaint you with is the change from thirty to fifteen minutes in program length. The shorter format will be less expensive to air and will allow more flexibility in finding station air time. This change was made when Rev. Shockley became our speaker.

The "Victorious Faith" program is available to any individual, church or group of churches who wish to sponsor the broadcast. At this point the Commission does not purchase air time. We only provide the programs. This is because we lack funds to buy air time. Anyone wishing to place "Victorious Faith" on a station in your area should contact us at P.O. Box 1088, Nashville, Tennessee 37202.

When the Commission was recreated several years ago, we were asked to provide a program that would be acceptable to the needs of our people. We believe we have done that. The program is a credit to the music and preaching ministry of Free Will Baptists. But, we cannot advance further until we have the support of Free Will Baptists across this land. Our hands are tied unless you are willing to give. The Radio and Television Commission is a child of the National Association of Free Will Baptists. If we are a part of the family, do we not deserve to be supported by our parents? We cannot advance at all until more of our pastors, Sunday schools and churches see the need to aid. There are a number of denominations much smaller than ours who have extensive radio ministries. They get the job done because they have broad support from their people. We have almost none. There are only two churches that send regular monthly support to us. We appeal to you to begin regular support of this new ministry.

You can further "Victorious Faith" in several ways:

1. Begin immediately to give financially.
2. Place the program on a station in your area.
3. Get together with several other churches and sponsor the program on some mission station location where some of our pastors are laboring to get a new work established.
4. You can certainly pray that God will bless and anoint this young ministry.

If "Victorious Faith" is worth having, it is worth supporting! You must make the decision. If you want the ministry of Free Will Baptists on the air, you must come to our assistance. We will be happy to work and provide the programs but you must pay for them.

The members of the Commission want to express their sincere appreciation to all the churches and individuals who have supported this 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 1987 and our financial report follows.

Commission Members,

George C. Lee, Chairman
Guy F. Owens, Vice-Chairman
Jim Vallance, Secretary-Treasurer
Sandy Goodfellow
Larry Hampton

Radio & Television Commission Treasurer's Report January 1, 1985—December 31, 1985

Receipts

Cooperative Plan	\$ 2,471.27
Gifts	3,307.14
Interest on Savings Account	110.13
Transfer from Savings for Equipment	4,750.00
Total	\$10,638.54

Disbursements

Equipment and Tape Supplies	\$ 5,444.87
Bank Charges	38.17
Commission Expenses	1,166.08
Postage	115.82
Printing	392.62
Promotion	525.00
Promotion	2,251.65
Production Costs	941.72
Miscellaneous	\$10,875.93
Total	

Balance (December 31, 1985)	\$ 537.65
Savings Account Balance (December 31, 1985)	1,984.57
Total	\$ 2,522.22

1987 Proposed Budget

Board Expenses	\$ 1,800.00
Part-Time Help	600.00
Radio Production Cost	2,000.00
Speaker	\$ 1,300.00
Supplies	700.00
Postage	500.00

Equipment & Maintenance		300.00
Telephone		500.00
Printing & Supplies		600.00
National Convention		1,100.00
Booth	\$ 150.00	
Digest, Yearbook	150.00	
Materials	200.00	
*Speaker's Expense to National Convention ...	600.00	
Miscellaneous		1,500.00
TOTAL		\$8,900.00

*Speaker's expenses to be raised by himself as designated income.

WNAC RECEIPTS FOR JUNE 1, 1985-DECEMBER 31, 1985

State	Co-Laborer Fund	WNAC Emphasis	Foreign Missions	Home Missions	Bible Colleges	Student Loan	Provision Closet	General Fund	Other Gifts For Missions	Totals
Alabama	\$ 70.00	\$ 221.43	\$ 864.56	\$ 960.34	\$	\$ 70.00	\$ 93.64	\$ 15.00	\$ 154.74	\$ 2,449.71
Arizona		84.24								84.24
Arkansas	723.63	488.51	10,841.39	841.01	50.00	199.75	25.00	311.35		13,455.64
California		50.00	105.00							180.00
Colorado			35.00	45.00						80.00
Florida	46.59	346.18	2,138.19	661.53	.50	96.20	125.00	112.50	217.70	3,744.39
Georgia	437.38	563.00	5,265.49	82.25	560.70	124.00	62.00	70.00	14.00	7,178.82
Hawaii	11.23								10.00	21.23
Idaho	20.00		114.00	35.00			15.00			184.00
Illinois	97.75	110.52	3,406.89	215.00		10.00		106.11	40.00	3,880.16
Indiana		70.71	80.00			27.50				284.32
Iowa			10.00							10.00
Kansas	43.48	37.05	443.28	458.58					215.00	1,197.39
Kentucky		65.00	2,210.17	2,158.10				50.00		4,483.27
Maryland	43.55	216.05	480.36	150.00					45.00	934.96
Michigan	60.00	49.19	740.00	455.50		80.00		5.00	65.00	1,454.69
Mississippi	523.12	161.05	5,834.31	322.10	20.00	97.00	40.00	59.53	324.82	7,381.93
Missouri	45.14	37.40	1,460.06	313.15	1.95	53.43			130.50	2,041.63
New Mexico	33.55	41.00	7.35	173.37						255.27
North Carolina	130.45	941.72	6,845.24	1,072.16	1,070.78	361.00	50.00	7.50	646.37	11,125.22
Ohio	228.18	80.02	4,204.22	443.25		50.00	25.00		75.00	5,105.67
Oklahoma	699.44	968.84	19,792.48	8,489.34	4,014.25	30.00	347.57	10.00	844.17	35,196.09
Pennsylvania			90.00	21.58						111.58
South Carolina		50.00	2,270.96	200.00		53.00	120.00		185.00	2,878.96
Tennessee	289.19	629.50	1,595.96	843.50	323.00	299.75		278.70	247.74	4,507.35
Texas	28.65	40.01	468.26	76.22	471.11		41.50		113.60	1,239.35
Virginia	150.80	169.00	1,085.41	1,650.73		35.00		25.00	129.00	3,244.94
West Virginia	375.00		1,230.71	1,563.90	165.00				60.00	3,394.61
	\$4,057.13	\$5,420.42	\$71,619.29	\$21,231.61	\$6,677.29	\$1,586.63	\$944.71	\$1,050.69	\$3,517.65	\$116,105.42

THE REPORT OF THE GENERAL BOARD

The General Board of the National Association of Free Will Baptists met July 21, 1986 in the Excelsior Hotel. As a result of this meeting we offer the following report and recommendations.

1. We have heard the reports of the Executive Office, Home Missions Department, Master's Men Department, Retirement and Insurance Department, the Free Will Baptist Foundation, the Benevolent Committee, Foreign Missions Department, Free Will Baptist Bible College, and the Sunday School and Church Training Department. We recommend that these reports be received and the budgets adopted as each is presented.
2. We recommend that the Management Committee be authorized to investigate the possibility of selling the present national office property, relocating and building new facilities without any indebtedness to the National Association of Free Will Baptists, Inc., and report back to the Executive Committee in its December meeting. We further recommend that the Executive Committee, with the General Board, be authorized to act upon the recommendation of the study.
3. We recommend that the Executive Office in cooperation with the Foreign Missions Department be authorized to do a feasibility study concerning the possibility of organizing an International Fellowship of Free Will Baptists.
4. We recommend that Fort Worth, Texas be the site of the 1996 convention of the National Association of Free Will Baptists.

BENEVOLENT FUND OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Note to Financial Statements

December 31, 1985

The Benevolent Fund is operated under the auspices of the National Association of Free Will Baptists. The purpose of the Fund is to pay medical claims which were defaulted on by an insurance company which had contracted to provide coverage to participants under the Free Will Baptist Hospitalization Plan in prior periods. Claims paid are to be funded by contributions.

Summary of Significant Accounting Policies

The major accounting principles and practices followed by the Fund 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 restriction placed on the use of resources available to the Fund, the accounts 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 Fund are reported in self-balancing fund groups as follows:

Operating Funds - Such funds include unrestricted funds available for support of Board operations. Unrestricted funds are reported as revenue in the year received or accrued.

Income Taxes

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

Marlin & Edmondson
Certified Public Accountants

ONE BURTON HILLS BLVD. SUITE 375
NASHVILLE, TENNESSEE 37215

JOHN W. MARLIN
L. JOE EDMONDSON
TERRY A. HILL
TIM D. MULLALLY
DAVID C. WOOD
ALVA T. HARRELL
RUSSELLE NEAL

TELEPHONE
(615) 665-1031

The Board of Directors Benevolent Fund of the National Association of Free Will Baptists:

We have examined the balance sheet of the Benevolent Fund of the National Association of Free Will Baptists as of December 31, 1985, and the related statement of revenue, expenses and changes in fund balance 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 Benevolent Fund of the National Association of Free Will Baptists as of December 31, 1985 and the revenue, expenses, and changes in fund balance 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

February 21, 1986

REGISTRATION COMMITTEE REPORT

National Convention		
Ministers	833	
State Delegates	106	
Local Church Delegates	139	
Lay Board Members	17	
Home Missionaries	45	
Foreign Missionaries	32	
Non-Delegates	<u>3,035</u>	
	Total	4,207
National Youth Conference		1,330
Woman's National Auxiliary Convention		<u>1,008</u>
	Grand Total	6,545

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, West Virginia.
2. From the following district associations with the right to three delegates each: Arizona, Atlantic Canada, First Colorado, Idaho, Mexico, Northeast, Northwest.
3. From the following local churches reporting directly to this body with the right to one delegate each: Hawaii (Waipahu), Iowa (Riverview), Louisiana (First, Baton Rouge), Montana (First, Billings), Pennsylvania (First, Washington).
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.

John A. Edwards
Fred D. Hanson
Lester Horton
Charles Cooper
V. Paul Wood

NOMINATING COMMITTEE REPORT

General Board Members Terms to expire in 1988

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

Terms to expire in 1987

Colorado: replacing Gary Riley, Bob Thomas
Idaho: replacing Pat Burtram, Russell Lowe
Arizona: replacing Charles Marshall, Mark Vandivort
Mexico: replacing Jerry Barron, Fred Jones

Executive Committee (2-year terms)

Replacing Billy Walker, Bobby Ferguson (Texas)
Replacing Jack Richey, Jack Richey (Okla.)
Replacing Tom Lilley, Tom Lilley (N.C.)

Nominees To Bible College Trustees (6-year terms)

Replacing Clarence Burton (Mo.), Clarence Burton
Replacing W.B. Hughes (Va.), W.B. Hughes
Replacing Douglas Simpson (Tenn.), Doug Little (Ark.)

Nominees To Foreign Missions Board (6-year terms)

Replacing Fred Warner (Ark.), Joe Grizzle (Okla.)
Replacing Bill Jones (Texas), Bill Jones
Replacing Bill Fulcher (Texas), Jerry Presley (Ill.)

Nominees To Sunday School and Church Training Board (6-year terms)

Replacing Connie Cariker (Okla.), Connie Cariker
Replacing Alton Loveless (Ohio), Edwin Hayes (Ohio)
Replacing Dale Burden (Va.), Larry Clyatt (Ill.)

Nominees to Commission For Theological Integrity (5-year term)

Replacing Lonnie Skiles (Tenn.), Lonnie Skiles

Nominees To Historical Commission (5-year term)

Replacing David Joslin (Ark.), David Joslin

Nominees To Radio-Television Commission (5-year term)

Replacing Sandy Goodfellow (Tenn.), Sandy Goodfellow

Nominees To Board of Retirement

Replacing Francis Boyle who resigned, Lincoln Varney (Ky.)
Replacing Glen Wright who resigned, Roger Harwell (Mo.)

General Officers

Assistant Clerk: replacing Keith Burden (Okla.), Keith Burden
 Clerk: replacing Waldo Young (Okla.), Waldo Young
 Assistant Moderator: replacing Ralph Hampton, Jr. (Tenn.), Ralph Hampton, Jr.
 Moderator: replacing Bobby Jackson (N.C.), Bobby Jackson

HISTORICAL COMMISSION REPORT

Even though the Commission was unable to meet 1985-1986 editorial and printing deadlines necessary to publish the *50-Year Record* as scheduled, we do plan to publish and distribute the publication before the 1987 National Convention.

The *50-Year Record* (1935-1985) will include a general history of the National Association since 1935, minutes from the 1985 convention, individual department and agency histories, the three major 1985 convention addresses and appropriate pictures.

Randall House Publications will print 3,200 copies of the book, which will be approximately 150 pages in length. We plan to ship copies to state promotional offices for distribution. Each local church will receive one complimentary copy, which will leave approximately 700 copies for sale at cost to interested buyers. The commission's 1987 project is to complete editorial work on and publish the *50-Year Record*.

Financial Report July 1, 1985-June 30, 1986

Balance on Hand: June 30, 1985

INCOME:

Gifts (Co-op, Designated & Undesignated)	\$2,399.72	
Interest (Savings, First American Bank, Nashville)	347.00*	
Royalties (Randall House)	10.85	
	<u>2,757.57</u>	
		2,757.57
		<u>8,226.83</u>

EXPENDITURES:

Mrs. Francen: materials for 1985 display	62.02	
Steve Hasty: travel expenses to Commission meeting	248.00	
	<u>310.00</u>	

Balance on Hand: June 30, 1986

-310.02
7,916.81

*The interest to be credited June 30, 1986 has been estimated. This figure is correct within \$3 or so.

RESOLUTIONS COMMITTEE REPORT

I. WHEREAS, our Free Will Baptist Church Covenant prohibits the sale and use of intoxicating beverages, and

WHEREAS, the use of such is a major factor in crimes and accidents in our nation, and

WHEREAS, our legislators are considering more stringent laws regarding the use of intoxicating beverages;

THEREFORE, BE IT RESOLVED that we the National Association of Free Will Baptists encourage our people and lead our churches to send letters and petitions to our legislators (both state and national), and the President of the United States, asking for:

1. Tougher laws against drunk driving;
2. More strict enforcement of said laws;
3. All advertising and containers of alcohol bear a strong warning as to the disastrous effects of its use;
4. All advertising of intoxicating products to be eliminated from television and radio; and

BE IT FURTHER RESOLVED that we encourage other denominations to follow suit.

II. WHEREAS, the Oklahoma State Association has shown every courtesy and extended gracious hospitality in hosting this 50th annual convention of the National Association of Free Will Baptists,

THEREFORE, BE IT RESOLVED that we express our hearty appreciation with a rising vote of thanks.

REPORT OF THE BENEVOLENT FUND

The Benevolent Fund was originally established to raise money to pay the unpaid claims because of the failure and bankruptcy of Garrett-Street Associates. Last July the Benevolent Fund borrowed \$18,000 to finish paying these claims. The Benevolent Fund was continued another year to raise gifts to pay this indebtedness.

The results of these fund raising efforts have been disappointing. First, an appeal was sent to our pastors; then a letter was sent to those individuals who gave when we first established the Benevolent fund. We applied \$1,850 on the debt as a result of these mailings. The Benevolent Fund Committee welcomes your suggestions for ways to pay this debt.

Then another frustrating development occurred with the failure of the Christian Organizations Medical Society (COMS). The Board of Retirement detailed this in a report published in the January, 1986 issue of CONTACT. This quotation summarized what happened:

"According to newspaper reports the insurance commissioner and attorney general of Texas sought and obtained criminal indictments against the officers of COMS and five related companies. Brought to light was the fact that the failure involved much more than excess of claims over premiums. The reinsurance originally

held by COMS (and which we had carefully confirmed) had been quietly dropped. Allegations of fraud and misuse of funds have been lodged by the state. The company's claims and underwriting manager, in a sworn affidavit, had indicated that more than half the checks issued were made out directly to a company official. The courts have appointed a receiver for the company.

"The situation is therefore somewhat different from that with Garrett-Street. In that case, bankruptcy plus the failure of Garrett-Street's suit against Pilot Life, left the "trust" without funds and with no abiding legal obligation to pay. In this case, however, there is some hope. If court proceedings find the COMS officials guilty, there is the good possibility that the personal wealth of some of them will be used to pay claims. Obviously, no one can say at this time whether that will in fact happen or when."

The Benevolent Fund has received and disbursed designated gifts from individuals toward the payment of these claims. To date we have paid \$15,021.94 on these claims. We recommend the Benevolent Fund be continued to raise gifts to pay the \$18,000 debt and continue to disburse designated gifts to our pastors whose claims with COMS were left unpaid.

BENEVOLENT FUND OF THE NATIONAL ASSOCIATION
OF FREE WILL BAPTISTS

Balance Sheet

December 31, 1985

Assets

Cash in bank \$ 2,158

Liabilities and Fund Balance

Notes payable to Board of Retirement
and Insurance of National
Association of Free Will Baptists \$ 18,000
Accrued interest 1,206

19,206

Fund balance (deficit) (17,048)

\$ 2,158

See accompanying note to financial statements.

BENEVOLENT FUND OF THE NATIONAL ASSOCIATION
OF FREE WILL BAPTISTS

Statement of Revenue, Expenses and
Changes in Fund Balance

Year ended December 31, 1985

	\$ <u>3,489</u>
Revenues - Contributions	
Expenses:	44,254
Claims paid	<u>1,206</u>
Interest expense	45,460
Total expenses	(41,971)
Excess of expenses over revenues	<u>24,923</u>
Fund balance, beginning of year	\$ <u>(17,048)</u>
Fund balance (deficit), end of year	

See accompanying note to financial statements.

BUDGET COMMITTEE REPORT

The National Association of Free Will Baptists, Inc. has approved in this convention the following budget for 1987:

Executive Office	\$ 335,038.31
Executive Church Bonds	10,000.00
Free Will Baptist Bible College	1,863,000.00
Foreign Missions	3,518,900.00
(Includes \$160,000.00 Advance Budget)	
Home Missions and Church Extension	1,850,000.00
Master's Men	84,450.00
Retirement and Insurance	200,590.00
Free Will Baptist Foundation	19,750.00
Sunday School and Church Training	2,586,500.00
Radio and Television Commission	9,900.00
TOTAL	\$10,478,128.31

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 for Theological Integrity	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
R. Eugene Waddell, 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

1986 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 & Parsonage Property	Full-Time Pastors
Alabama	15	15	184	184				504	1,153	597	20,925	435	273	50	51	16,605,210	
Arizona	1	1	3	3				5	10	8	183	8	10		2	575,000	2
Arkansas	16	16	235	70	165		213	463	1,031	459	17,839	660	395	40	66	20,399,869	78
California	7	7	73				73	420	685	381	4,326	162	120	32	33	18,029,956	46
Canada	1	1	13		13		13										
Colorado	1	1	5	5													
Florida	9	9	76	35	37	4	76	242	406	259	5,344	162	103	22	40	935,000	1
Georgia	10	10	122	50	72		117	359	608	398	10,435	391	159	11	60	7,982,100	45
Hawaii			1	1			1	6	15		35	2	3	3	1	13,149,250	97
Idaho			4	4			4	5	10	24	105	5	3	1	1	3,000,000	1
Illinois	6	6	44	24	19		44	123	106	88	4,255	118	73	13	16	444,000	
Indiana	4	4	26	18	7	1	26	167	237	87	1,882	42	47	7	5	7,027,500	23
Iowa	2	2	11	11			11	66	70	23	616	8	9	2	1	3,120,800	10
Kansas	10	10	139	19	84		139	609		250	8,484	280	390	24	2	1,505,000	9
Kentucky	3	3	24	10	13	1	24	85	146	57	1,590	35	42	11	7	7,014,016	12
Louisiana	1	1	13	13			13	2			771	25	4	12	1	3,770,000	14
Maryland	5	5	51	51			48	201	299	186	4,785	101	86	29	21	250,000	2
Michigan	4	4	58	23	35											9,118,000	31
Mississippi	16	16	161	85	64	12	169	433	884	461	16,523	371	263	48	38	10,995,300	106
Missouri			1	1			1	5			31	1	1			150,000	1
Montana																	
Nebraska																	
New Jersey																	
New Mexico	2	2	5	5			5	27	14		205	9	5		2	510,000	3
North Carolina	8	8	167	71	91	5	167	1,170	1,411	659	18,814	538	244	97	75	18,738,700	110
Northeast Assn.	1	1	6	3	2	1	3		2	2	205	4	3	1			
Northwest Assn.	1	1	9	8	1		7	37	65	17	389	3	12	3	2	334,800	5
Ohio	18	18	148	59	80	9	141	593	637	538	10,213	295	373	39	31	14,996,924	43
Oklahoma	24	24	261	154	98	9	261	390	1,692	626	23,751	667	448	76	72	31,896,659	132
Pennsylvania																	
Puerto Rico																	
South Carolina	6	5	90	51	36	3	80	421	668	370	9,867	233	124	33	37	9,328,000	61
Tennessee	7	7	206				206	726	997	704	20,024	474	301	93	61	20,697,400	111
Texas	7	6	64	49	14	1	62	223	554	238	3,933	119	76	9	18	13,164,000	30
Virginia	5		94	94					297	23	7,562	194	135	4	4	7,644,014	
Virgin Islands																	
West Virginia	21	21	188				188	1,217	855	12,154	469	465	24	13	13	13,135,127	
Wyoming																	
TOTALS	211	204	2,483	1,102	831	47	2,100	8,517	7,314	205,546	5,811	4,181	688	663	254,801,625	976	

	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	1						12,189		3,867		858		218			2	35,000
Arizona							127		52		6		14		82,472	16	490,000
Arkansas	157	3	3	3			14,202	10,194	3,158	2,772	1,354	995	408	291	3,152,166	26	510,000
California	27	3	4	6	1	2	4,915	4,179	537	488	589	458	70	51	2,132,813		
Canada																	
Colorado	4						71	57		28	7	27	7	7	98,168	4	
Florida	21	6	4	4			3,593	2,938	1,080	833	470	353	163	134	1,339,126	7	
Georgia	24			2		1	6,258	4,760	1,858	1,184	845	628	268	196	2,407,456	26	650,000
Hawaii							52	49	32	28	16	13	9	9	34,410	1	3,000,000
Idaho	4						141	80		13		5	5	5		2	
Illinois	21	1	1	3			3,437	2,636	900	546	362	199	116	59	1,132,415	14	
Indiana	5	1	2	2			2,174	2,027	216	144	198	140	110	73		6	200,000
Iowa							50	48		6	4				30,732		
Kansas							806	533			60	44			272,037	4	
Kentucky	91			1		1		5,796		500		246			332,322		
Louisiana																	
Maryland	10						1,558	1,184	145	128	257	191	51	35	558,067	11	
Mexico	12					1	771		400								12,000
Michigan	15	1					4,331	3,213	327	248	469	312	175	136	913,134	10	
Mississippi																	
Missouri	63	4	1	3		1	12,866	7,572	838	705	714	467	56	51	3,462,676	69	1,115,000
Montana							25	21							14,000		
Nebraska																	
New Jersey																	
New Mexico	1						213	175	7	7	29	29	8	8	53,366	1	
North Carolina	55	18	18	18		2	17,149	13,960	1,601	1,490	1,783	1,454	602	523	2,760,323	64	
Northeast Assn.							155	150	30	28							
Northwest Assn.	4						377	236									
Ohio	84			2		2	10,922	53	465	6	319	5	96	2	110,407	4	
Oklahoma	79	7		1	1		18,496		2,151		1,148		304		1,495,895	11	271,788
Pennsylvania															13,094,853	38	2,525,442
Puerto Rico																	
South Carolina	26	2	3	3		2	7,684	5,957	1,606	1,238	944	693	348		1,329,666	37	
Tennessee	87	5	3	4		1	11,427	69	1,853	1,105	1,105	25	251		20,697,400	31	
Texas	33	2					3,702	2,851	753	550	347	274	80	60	1,709,176	22	
Virginia							5,590		1,074		333		85		4,080,050		
Virgin Islands																	
West Virginia							12,485	9,820	732	441	879	490	73	57	3,563,042		
Wyoming																	
TOTALS	824	54	39	52	2	13	155,766	78,685	23,682	11,336	13,157	7,045	3,537	1,956	64,856,172	406	8,809,230

REPORTING PERIOD 1986-1987