

1988 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 Fifty-First Annual Session of the National Association of Free Will Baptists, Inc. when convened in Birmingham, Alabama July 19-23, 1987

Future Sessions To Be Held In

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
1997 Cincinnati, Ohio	July 20-24

Officers And Board Members

GENERAL OFFICERS

Moderator	Ralph Hampton
Assistant Moderator	Carl Cheshier
Clerk	Waldo Young
Assistant Clerk	Keith Burden
Executive Secretary-Treasurer	Melvin Worthington

General Board

1988

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

1989

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: Tommie Carlson
 Illinois: Wallace Malone
 Indiana: Archie Ratliff
 Kansas: Andrew Percy
 Kentucky: Edgar (Dick) Van Hoose
 Maryland: Lester Horton
 Mexico: Fred Jones
 Michigan: Charles Cooper
 Mississippi: J. L. Gore
 Missouri: Millard Sasser

EXECUTIVE COMMITTEE

Chairman: Ralph Hampton, 5614 Meadowcrest, Nashville, TN 37209
 Clerk: Waldo Young, 2522 Wagon Trail, Enid, OK 73703

1988

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

1989

Millard Sasser (Mo.)
 David Joslin (Ark.)
 Doice McAlister (Calif.)

Officers

Ralph Hampton (Tenn.)
 Carl Cheshier (Ark.)
 Waldo Young (Okla.)

BIBLE COLLEGE TRUSTEES

Chairman: Tom Malone, 165 Chaparrall, Florence, AL 35630
 President: Charles Thigpen, 3606 West End Ave., Nashville, TN 37205

1988

Ken Walker (Ky.)
 Bob Ketchum (Okla.)
 Tom Malone (Ala.)

1990

Sam Truett (N.C.)
 James Earl Raper (Tenn.)
 J. M. Creech (Miss.)

1992

Clarence Burton (Mo.)
 W. B. Hughes (Va.)
 Doug Little (Ark.)

FOREIGN MISSIONS BOARD

Chairman: Bill Jones, 2207 Carter Creek Parkway, Bryan, TX 77801
 Director: Eugene Waddell, P.O. Box 1088, Nashville, TN 37202

1988

Jim Walker (Mich.)
 Robert Trimble (Mich.)
 Norwood Gibson (S.C.)

1990

Dan Cronk (Tenn.)
 Archie Mayhew (Tenn.)
 Galen Dunbar (Kan.)

1992

Joe Grizzle (Okla.)
 Bill Jones (Texas)
 Dean Dobbs (N.C.)

HOME MISSIONS BOARD

Chairman: Rue Dell Smith, 900-24th S.W., Box 683, Norman, OK 73069
 Director: Roy Thomas, P.O. Box 1088, Nashville, TN 37202

1989

Gordon Sebastian (N.C.)
 James Puckett (Okla.)
 Nathan Ruble (Mo.)

1991

Milburn Wilson (Calif.)
 Glenn Thomas (Ga.)
 Larry Russell (Ark.)

1993

Richard Adams (Tenn.)
 Rue Dell Smith (Okla.)
 Wendell Walley (N.C.)

MASTER'S MEN BOARD

Chairman: Raymond Lee, 108 Prince Place, Greenville, NC 27834
 Director: James Vallance, P.O. Box 1088, Nashville, TN 37202

1989

Paul Kennedy (Calif.)
 James Orr (Ky.)
 Raymond Lee (N.C.)

1991

Howard Gwartney (Okla.)
 Tim Jordan (Ga.)
 Paul Moore (Ill.)

1993

Wendell Leckbee (Ark.)
 Dwight Fletcher (Ga.)
 Charles Denman (Texas)

BOARD OF RETIREMENT

Chairman: Ron Barber, 5829 E. 46th Place, Tulsa, OK 74135
Director: Herman Hersey, P.O. Box 1088, Nashville, TN 37202

1989

Jack Daniel (Ga.)
Robert Picirilli (Tenn.)
Wilburn Beasley (S.C.)

1991

Ron Barber (Okla.)
Roger Harwell (Okla.)
Milton Hollifield (N.C.)

1993

Billy Samms (W.Va.)
Robert Morgan (Tenn.)
Lincoln Varney (Ky.)

SUNDAY SCHOOL AND CHURCH TRAINING BOARD

Chairman: Milton Worthington, 368 Starr Drive, Troy, MI 48083
Director: Roger Reeds, P.O. Box 17306, Nashville, TN 37217

1988

Milton Worthington (Mich.)
Eugene Hales (Ala.)
Jim Shepherd (Mo.)

1990

David Sutton (Texas)
James McAllister (Calif.)
Malcolm Fry (N.C.)

1992

Connie Cariker (Okla.)
Edwin Hayes (Ohio)
Larry Clyatt (Ill.)

COMMISSION FOR THEOLOGICAL INTEGRITY

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

1988 Fred Hall (Tenn.)

1989 L. C. Johnson (Tenn.)

1990 Edwin Wade (Okla.)

1991 Lonnie Skiles (Tenn.)

1992 Leroy Forlines (Tenn.)

HISTORICAL COMMISSION

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

1988 Mary Wisehart (Tenn.)

1989 Robert Picirilli (Tenn.)

1990 Steve Hasty (Ala.)

1991 David Joslin (Ark.)

1992 Jack Williams (Tenn.)

RADIO-TELEVISION COMMISSION

Chairman: Sandy Goodfellow, P.O. Box 50117, Nashville, TN 37205

1988 Terry Boyd (Tenn.)

1989 James Vallance (Tenn.)

1990 Larry Hampton (Tenn.)

1991 Sandy Goodfellow (Tenn.)

1992 Bill Gardner (Tenn.)

Proceedings

The 51st annual convention of the National Association of Free Will Baptists met in Boutwell Municipal Auditorium, Birmingham, Alabama, July 19-23, 1987. The theme of the convention was "Grow Toward the Goal." Blaine Hughes served as music coordinator, Ted Wilbanks as organist, and Susan Forlines as pianist.

Sunday Morning

Joseph Cutler led the congregation in singing "Stand Up, Stand Up for Jesus," to begin Sunday School. Doice McAlister led in prayer and made preliminary remarks. New Life Singers from Hillsdale Free Will Baptist College sang "He Came Down To My Level."

Roger Reeds, director of the Sunday School and Church Training Department, was introduced to teach the adult Sunday School lesson from I Thessalonians 4:11-18.

Jerry Dudley led in prayer to open the morning worship service. The congregation sang "To God Be the Glory." New Life Singers sang "Does Jesus Care?", "I've Got the Feelin'" and "Abide In Me." The congregation sang "Revive Us Again." Following the offering, the congregation sang "Amazing Grace." Ruth Slaten sang "It Is Well With My Soul."

Doice McAlister introduced Larry Condit from Sacramento, California who brought the morning message from Joshua 1:7. Following the message announcements were made and the service dismissed.

Sunday Evening

Joseph Cutler introduced the Truth and Peace youth singers who presented the musical call to worship for the Sunday evening service.

The congregation sang "He Keeps Me Singing." Ralph Hampton, presiding officer, led in prayer and brought opening remarks.

A 16-member Truth and Peace ensemble sang "God Is My Rock," after which the congregation sang "Blessed Assurance."

Ralph Hampton led in prayer and received the convention offering. The Preachers, a quartet from Oklahoma, sang "I'm Free Again."

The congregation sang "Tis So Sweet To Trust in Jesus." The Ministers Quartet sang "More About Jesus." John Gibbs sang "They Sang It One More Time."

J. Delbert Akin, pastor of Westgate FWB Church, Shawnee, Oklahoma, was introduced to bring the message. He read I Peter 1:1-9 and brought the message from this passage of scripture. After announcements, the congregation sang "Oh, How I Love Jesus" to close the service.

Monday Evening

Waldo Young called the service to order at 7:00 P.M. Blaine Hughes led the congregation in singing "At the Cross." The mass choir under the direction of Doug Little sang "There is Joy in the Lord." Waldo Young led in prayer.

The Waymon Fields family sang "Triumphantly the Church Will Rise." Clerk Waldo Young called the 51st session of the National Association into official session. He introduced Moderator Bobby Jackson who brought greetings to the body.

Keith Burden, chairman of the Committee on Committees, read the names of those appointed to serve on committees for the session.

The Credentials Committee: Chairman Mark Vandivort, Raymond Riggs, Herbert Waid, Charles Cooper and Fred Hanson.

The Resolutions Committee: Chairman Dennis Wiggs, Bobby Ferguson, Nuel Brown, David Joslin and Alton Loveless.

The Nominating Committee: Chairman L. C. Johnson, Nathan Ruble, Larry Clyatt, Baily Thompson and Wilbern Beasley.

John Edwards, moderator of the Alabama State Association, brought greetings and welcomed the Association to Birmingham.

As the convention offering was received, the Free Will Baptist Bible College quartet sang "I'll Fly Away" and "Because He Lives."

The congregation sang "How Great Thou Art." Tom Hollingshead sang "The Broken Vessel."

Ken Riggs, chairman of the Teacher Education Department at Free Will Baptist Bible College, was introduced as the speaker. He read I Peter 1:15, 16 and I Thessalonians 4:3, 7, and brought the message on "Grow in Godliness." At the close of the message the congregation sang "Have Thine Own Way."

After announcements, the congregation sang "Family of God."

Tuesday Evening

Jack Richey called the service to order at 7:00 P.M. Randy Sawyer led the congregation in singing "Wonderful Grace of Jesus." Under the direction of Doug Little, the mass choir sang "Heavenly Love."

After sharing a prayer request, Jack Richey led in prayer.

The choir sang "What a Savior." The New Life Singers from Hillsdale Free Will Baptist College sang a medley of songs. The congregation sang "Saved, Saved."

Jack Richey led in prayer. As the convention offering was received, the Preachers Quartet sang "Standing on the Promises I've Found," and "Til the Storm Passes By."

Dale Skiles, pastor from Springfield, Missouri, was introduced. Bill Gardner sang "Home, Sweet Home."

Dale Skiles read II Corinthians 9:6-8 and spoke on the subject "Grow in Giving."

After announcements, the congregation sang "Amazing Grace" to close the service.

Wednesday Morning

Moderator Bobby Jackson called this first session of the business meeting to order at 9:00 A.M. He shared devotional thoughts from I Timothy 6:3-14 and led in prayer.

Clerk Waldo Young read the Credentials Committee report. A motion carried to receive the report and seat the delegates. Item #2 of the General Board report, which pertained to receiving into the Association the Capitol City FWB Church, Lincoln, Nebraska, was adopted.

The clerk read Item #1 of the General Board report. A motion carried to adopt this item.

Executive Secretary Melvin Worthington gave the reports of the Executive Office, the Target 90 Committee and the International Fellowship Study Committee. Vernon Whaley gave the Hymn Book Committee report. A motion carried to receive these reports and adopt the budgets.

Item #5 of the General Board report pertaining to December 6, 1987, being "Hymn Book Sunday," was adopted.

Director Eugene Waddell gave the Foreign Missions Department report. A motion was made and seconded to receive the report and adopt the budget. A motion was made and seconded to amend the report by adding "that the appointment of the special

committee be annulled, that the Board's action be accepted and the special committee be dismissed."

After discussion, a motion for the previous question carried. The motion to amend the report lost.

Again, a motion for the previous question was made and carried. The motion to receive the report of the Foreign Missions Department and adopt the budget was approved.

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

Director Roger Reeds gave the Sunday School and Church Training Department report. A motion carried to receive the report and adopt the budget.

A motion passed to give a rising vote of thanks to Roger Reeds and the Randall House staff, expressing the convention's gratitude and appreciation for 25 years of publication ministry. Nuel Brown, executive secretary of the California State Association, presented a plaque to Roger Reeds for 25 years of service to Randall House.

A motion carried to recess until 1:30 P.M.

Wednesday Afternoon

The moderator called the afternoon session to order at 1:30. Assistant Moderator Ralph Hampton read Ephesians 4:11-13, brought devotional thoughts and led in prayer.

Director Roy Thomas gave the Home Missions Department report. A motion carried to receive the report and adopt the budget.

The clerk read a partial report of the Nominating Committee. Richard Adams, Rue Dell Smith and Wendell Walley were elected to the Home Missions Board for six-year terms expiring in 1993.

Nathan Ruble was elected to fill the unexpired term of William Johnson who resigned from the Home Missions Board. This term expires in 1989.

Director James Vallance gave the Master's Men Department report. A motion carried to receive the report and adopt the budget. A plaque was presented to Wayne Spruill recognizing 12 years of service on the Master's Men Board. In Mr. Spruill's absence, his pastor, Luther Sanders, received the plaque.

The clerk read a partial report of the Nominating Committee. Wendell Leckbee, Dwight Fletcher and Charles Denman were elected to six-year terms on the Master's Men Board expiring in 1993.

A motion was made to give a rising vote of thanks and confidence for the Ivory Coast missionaries.

Director Herman Hersey gave the Retirement and Insurance Department report. A motion carried to receive the report and adopt the budget.

The clerk read a partial report of the Nominating Committee. Billy Samms, Robert Morgan and Lincoln Varney were elected to six-year terms on the Retirement and Insurance Board.

Herman Hersey gave the Free Will Baptist Foundation report. A motion carried to receive the report and adopt the budget.

Herman Hersey gave the Benevolent Fund Committee report. A motion carried to receive the report and adopt the recommendation to continue the operation of the fund and committee for another year, and that the moderator be authorized to appoint members from the Executive Committee should vacancies arise.

A motion was made and seconded to adopt Item #4 of the General Board report. A motion was made and seconded to amend Item #4 by adding "these funds be taken from this department's cooperative receipts and other gifts." The motion to amend was adopted. Item #4 was adopted as amended.

A motion carried that an offering and pledges be received in this meeting today toward retiring the \$17,000 note. The congregation gave an offering of \$2,191. The congregation

pledged another \$10,990.

Leroy Forlines gave the Commission for Theological Integrity report. A motion carried to receive the report.

Leroy Forlines was elected to a five-year term on the Commission for Theological Integrity.

George Lee gave the Radio-Television Commission report. A motion carried to receive the report and adopt the budget.

Bill Gardner was elected to a five-year term on the Radio-Television Commission. Terry Boyd was elected to replace George Lee, who resigned from the Radio-Television Commission. This term expires in 1988.

The final report of the General Board was considered. A motion carried to adopt Item #3. A motion carried to adopt Item #6. Item #8, recommending Cincinnati, Ohio, as the convention site for 1997, was adopted.

The following General Board members were elected to two-year terms: 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, Tommie Carlson; Illinois, Wallace Malone; Indiana, Archie Ratliff; Kansas, Andy Percy; Kentucky, Edgar (Dick) Van Hoose; Maryland, Lester Horton; Mexico, Fred Jones; Michigan, Charles Cooper; Mississippi, J. L. Gore; Missouri, Millard Sasser.

Millard Sasser, David Joslin and Doice McAlister were elected to two-year terms on the Executive Committee.

A motion carried to receive Item #7 of the General Board report as information.

A motion carried to recess the session. Bobby Jackson led in the closing prayer.

Wednesday Evening

Raymond Riggs called the service to order at 7:00 P.M. The Men's Chorale under the direction of Vernon Whaley sang "As A Volunteer."

Larry Clyatt led the congregation in singing "All Hail the Power." Raymond Riggs led in prayer.

Eugene Waddell introduced the foreign missionaries present for the service. Roy Thomas introduced the home missionaries present for the service.

A men's quartet from Mexico sang two songs.

The Men's Chorale sang "When We Get to Heaven." The congregation sang "Oh, How I Love Jesus."

The Southeastern Free Will Baptist College ensemble sang "The Unclouded Day" and "Only A Sinner Saved By Grace" as the missions offering was received. The missions offering totaled \$19,302.

The congregation sang "Because He Lives."

Howard Gwartney, missionary worker from Phoenix, Arizona, sang a medley of songs written by Free Will Baptists.

Milton Worthington, pastor from Royal Oak, Michigan, was introduced as the speaker. He read from Isaiah 6 and brought the message on the subject, "Growing in Going."

Several people responded to an invitation for dedication of lives to Christ.

After announcements, the congregation sang "Blest Be The Tie," and the service was dismissed.

Thursday Morning

The moderator called the Thursday morning session to order at 9:00 A.M. The assistant clerk, Keith Burden, read from I Kings 18 and 19, brought devotional thoughts

from events in the life of Elijah and led in prayer.

Mary Ruth Wisehart gave the Woman's National Auxiliary Convention report. A motion carried to receive the report.

David Joslin gave the report of the Historical Commission. A motion carried to receive the report.

Jack Williams was elected to a five-year term on the Historical Commission.

The clerk read the Registration Committee report. A motion carried to receive the report.

Melvin Worthington gave the Budget Committee report. A motion was made and seconded to receive the report and adopt the recommendations.

A motion was made and seconded to amend the report of the Budget Committee by taking one-half of one percent of undesignated cooperative receipts from the Foreign Missions Department, the Home Missions Department, the Retirement Department and the Historical Commission and give the two percent to the Benevolent Committee. The motion to amend lost.

The motion to receive the Budget Committee report and adopt the recommendations carried.

A motion carried to receive the Resolutions Committee report and adopt it item by item.

A motion carried to adopt Resolution #1.

A motion was made and seconded to adopt Resolution #2. A motion was made and seconded to amend Resolution #2 by adding "and exemplify compassion and sympathy toward the innocent and other victims." The previous question was moved and carried. The motion to amend carried. Resolution #2 was adopted as amended.

A motion was made and seconded to adopt Resolution #3 of the Resolutions Committee report. A motion carried to amend Resolution #3 by adding "that the clerk be authorized to send a copy of this resolution to the Supreme Court." Resolution #3 was adopted as amended.

A motion carried to adopt Resolution #4.

A motion was made and seconded to adopt Resolution #5. A motion was made and seconded to amend Resolution #5 by deleting "A T & T," and inserting "local telephone companies." A motion carried to table Resolution #5 with the proposed amendment.

A motion was made and seconded to adopt Resolution #6. A motion carried to amend Resolution #6 by deleting "Christian Leaders for Responsible Television (CLear-TV) has" and inserting "Responsible Christian leaders have."

A motion carried to amend Resolution #6 by deleting "Noxell, Inc." and adjusting the language of the resolution. Resolution #6 was adopted as amended.

A motion was made and seconded to adopt Resolution #7. A motion was made and seconded to amend Resolution #7 by inserting "that no future contracts be made with Holiday Inns" and deleting the remainder of paragraph four. A motion carried to table Resolution #7 with the proposed amendment.

A motion was made and seconded to take Resolution #7 from the table. The motion lost.

The clerk read the final report of the Nominating Committee. Keith Burden was elected assistant clerk. Waldo Young was elected clerk. Carl Cheshier was elected assistant moderator. Ralph Hampton was elected moderator. All officers were elected by acclamation.

A motion carried to give Bobby Jackson a rising vote of thanks for his service as moderator of the National Association for 10 years.

Carl Cheshier's election as an officer left a vacancy on the Sunday School and Church Training Board. David Sutton was elected to fill this position on the Sunday School and Church Training Board, the term to expire in 1990.

A motion carried to adjourn.

THE EXECUTIVE SECRETARY'S REPORT 1987

The Executive Secretary attended 17 state associations during 1986. Reports at these associations revealed continued state progress.

The Target 90 Committee began a bi-monthly newsletter with W. Irvin Hyman as editor. Hyman also serves as adult literature editor at Randall House Publications.

The revised reporting forms 501 (blue), 502 (green), 503 (yellow) and 504 (white) are available at no charge from the Executive Office and Free Will Baptist bookstores. While we appreciate Randall House Publications' offer to distribute the forms, we concluded that since the Executive Office compiled denominational statistical data, it should also distribute the reporting forms.

Four state associations voted to host future national conventions—Ohio (1997), Oklahoma (1998), Georgia (1999), California (2000). Site inspections for the July 20-24, 1997, national convention in Ohio included Columbus, Dayton, Cleveland and Cincinnati.

Executive Church Bonds continues to operate on a limited basis. Reverend Harold Critcher serves as trustee.

Contact magazine makes a positive contribution to Free Will Baptists. Complimentary copies are provided for students at Free Will Baptist Bible College, California Christian College, Hillsdale Free Will Baptist College and Southeastern Free Will Baptist College. A new feature began with the January 1987 issue giving each national agency a page each month. We are pleased that the agencies chose to participate in this giant step forward.

Randall House Publications curtailed printing operations making it necessary to put *Contact* out for bids. K & S Press of Nashville began printing *Contact* effective November 1986. We commend Randall House Publications for a fine job printing the magazine.

Randall House mailed a complimentary copy of the 1987 *Free Will Baptist Yearbook* to each church in June. Additional copies may be ordered from Randall House.

The first biannual All-Boards Conference sponsored by the national departments and the Executive Office met December 1-3, 1986, in Nashville with more than 105 attendees. Each national ministry gave an overview of its work. A spirit of harmony and unity prevailed during the conference.

The feasibility study on the possibility of an International Fellowship (Association) of Free Will Baptists is in progress. The study was assigned to the Executive Office and the Foreign Missions Department. The Management Committee is conducting another feasibility study regarding relocating the national offices.

The 1988 *Free Will Baptist Hymn Book* is scheduled for release this fall. We commend the Hymn Book Committee for its work. Committee members include Chairman Vernon Whaley, Doug Little, Blaine Hughes, Leroy Cutler, Bill Gardner, Rodney Whaley and Ted Wilbanks. Committee advisors include Robert E. Picirilli, Roger Reeds and Melvin Worthington.

The Executive Secretary represents the National Association of Free Will Baptists by participating in Religious Conference Management Association (vice president), Evangelical Press Association, National Federation for Decency (Advisory Board), Christian Stewardship Council, Citizens for Responsible Television, and Association of the Statisticians of American Religious Bodies.

Contributions through the Cooperative Channel for 1986 totaled \$1,149,458.67. Of this amount \$368,470.06 were Co-op (undesignated) gifts and \$780,988.61 were designated gifts.

Charting Contributions Through The Cooperative Channel

DESIGNATED	COOP	TOTAL
1979 \$134,692.98 56%	\$105,071.32 44%	\$239,764.30
1980 \$189,065.28 (+40.3%) 60%	\$123,740.30 (+17.7%) 40%	\$312,805.58 (+30.4%)
1981 \$279,830.55 (+48%) 59%	\$191,661.52 (+54.8%) 41%	\$471,492.07 (+50.7%)
1982 \$495,612.97 (+77%) 65%	\$263,766.24 (+37.6%) 35%	\$759,379.21 (+61%)
1983 \$487,876.30 (-1.5%) 61%	\$314,162.76 (+19.1%) 39%	\$802,039.06 (+5.6%)
1984 \$560,490.44 (+15%) 60%	\$380,000.33 (+21%) 40%	\$940,490.77 (+17%)
1985 \$563,474.05 (+.53%) 60%	\$374,804.51 (-1.367%) 40%	\$938,278.56 (-.235%)
1986 \$780,988.61 (+38.6%) 68%	\$368,470.06 (-1.69%) 32%	\$1,149,458.67 (+22.51%)

Cooperative Channel Contributions Increase From 1979-1986

Designated - 480% COOP - 251%

**Charting Contributions
Through The Cooperative Channel**

EXECUTIVE OFFICE

	<u>DESIGNATED</u>	<u>COOP</u>	<u>TOTAL</u>
1979	\$ 21,658.41	\$ 59,977.69	\$ 81,636.10
1980	30,802.50	53,719.01	84,521.51
1981	22,030.85	87,375.54	109,406.39
1982	16,619.41	109,447.70	126,067.11
1983	7,945.88	130,700.41	138,646.29
1984	1,770.14	154,384.33	156,154.47
1985	2,257.83	166,172.19	168,430.02
1986	9,528.25	167,852.99	177,381.24

FOREIGN MISSIONS

1979	\$ 44,414.83	\$ 13,257.51	\$ 57,672.34
1980	61,804.75	20,148.48	81,953.23
1981	164,680.31	26,592.81	191,273.12
1982	325,948.34	39,351.22	365,299.56
1983	344,625.52	42,196.29	386,821.81
1984	394,245.60	51,900.33	446,145.93
1985	404,689.59	47,985.31	452,674.90
1986	537,641.06	46,141.70	583,782.76

FREE WILL BAPTIST BIBLE COLLEGE

1979	\$ 25,457.15	\$ 12,184.22	\$37,641.37
1980	28,986.94	20,148.48	49,135.42
1981	33,071.94	26,592.81	59,664.75
1982	47,803.36	39,351.22	87,154.58
1983	31,836.48	42,196.29	74,032.77
1984	23,947.63	51,900.33	75,847.96
1985	25,166.41	47,985.31	73,151.72
1986	27,947.85	46,141.70	74,089.55

HOME MISSIONS

1979	\$ 25,416.61	\$ 6,123.71	\$ 31,540.32
1980	43,906.92	14,686.19	58,593.11
1981	47,108.20	19,814.37	66,922.57
1982	96,256.71	29,320.54	125,577.25
1983	96,231.01	33,023.18	129,254.19
1984	123,410.33	40,580.05	163,990.38
1985	111,277.57	37,553.90	148,831.47
1986	180,869.97	36,111.27	216,981.24

**Charting Contributions
Through The Cooperative Channel**

RETIREMENT & INSURANCE

	<u>DESIGNATED</u>	<u>COOP</u>	<u>TOTAL</u>
1979	\$ 11,094.89	\$ 8,793.21	\$ 19,888.10
1980	14,608.09	9,844.04	24,452.13
1981	8,517.88	19,292.79	27,810.67
1982	5,852.79	28,548.94	34,401.73
1983	3,882.39	27,519.44	31,401.83
1984	2,895.35	33,848.23	36,743.58
1985	1,509.93	29,205.96	30,715.89
1986	2,542.21	28,086.77	30,628.98

MASTER'S MEN

1979	\$ 5,041.22	\$ 4,509.39	\$ 9,550.61
1980	7,429.10	4,489.07	11,918.17
1981	3,374.71	10,428.77	13,803.48
1982	1,111.94	15,431.87	16,543.81
1983	511.85	23,850.21	24,362.06
1984	2,041.91	29,334.90	31,376.81
1985	753.60	27,122.71	27,876.31
1986	585.38	26,080.81	26,666.19

FREE WILL BAPTIST FOUNDATION

1979	\$.00	\$.00	\$.00
1980	.00	.00	.00
1981	.00	.00	.00
1982	.00	.00	.00
1983	1,192.06	11,007.72	12,199.78
1984	976.00	13,539.32	14,515.32
1985	935.86	12,518.03	13,453.89
1986	1,217.65	12,037.33	13,254.98

HISTORICAL COMMISSION

1979	\$.00	\$.00	\$.00
1980	.00	.00	.00
1981	.00	.00	.00
1982	.00	.00	.00
1983	137.71	1,834.61	1,972.32
1984	102.60	2,256.42	2,359.02
1985	208.88	2,086.06	2,294.94
1986	278.48	2,005.83	2,284.31

**Charting Contributions
Through The Cooperative Channel**

COMMISSION ON THEOLOGICAL LIBERALISM

	<u>DESIGNATED</u>	<u>COOP</u>	<u>TOTAL</u>
1979	\$ 1,431.52	\$ 225.59	\$ 1,657.11
1980	1,526.98	705.03	2,232.01
1981	1,046.66	1,564.43	2,611.09
1982	734.71	2,314.75	3,049.46
1983	342.00	1,834.61	2,176.61
1984	100.31	2,256.42	2,356.73
1985	236.71	2,086.06	2,322.77
1986	265.32	2,005.83	2,271.15

RADIO & TV COMMISSION

1985	\$ 382.29	\$ 2,088.98	\$ 2,471.27
1986	714.33	2,005.83	2,720.16

We encourage churches to support every local, district, state and national ministry. The Cooperative Plan, when properly understood and utilized can fairly and fully support all denominational ministries. Brochures explaining the Cooperative Program are available from writing the Executive Office, P. O. Box 1088, Nashville, TN 37202.

Contributions to national ministries in 1986 totaled \$5,826,768. Comparative figures since 1980 are:

1980	3,520,691.10
1981	4,506,067.27
1982	4,233,825.98
1983	4,627,217.56
1984	5,055,269.03
1985	5,634,007.92
1986	5,826,768.00

We commend the Executive Office staff: Bookkeeper Melody Hood, Editorial Assistant Marilyn Pritchard, Maintenance Chief Jack Trotter, Contact Circulation Manager and Receptionist Geneva Trotter, Contact Editor Jack Williams and part-time worker Anne Worthington (Church Directory). The staff is experienced and efficient.

Melvin Worthington, Th.D., CMP
Executive Secretary

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

**BALANCE SHEET
OPERATING FUND**

DECEMBER 31

	<u>1986</u>	<u>1985</u>
ASSETS		
CURRENT ASSETS		
Cash - General	\$14,867.60	\$27,116.01
- Contact Magazine	7,669.00	16,582.21
- Special projects	2,598.12	3,628.01
Accounts receivable - Contact Magazine	577.78	682.17
- Special projects	7.00	43.00
- Executive	656.43	
Prepaid insurance	2,350.87	
	<u>28,726.80</u>	<u>48,051.40</u>
FIXED ASSETS - (Note 1)		
Auto	13,157.25	13,157.25
Office equipment	50,671.51	31,478.96
	<u>63,828.76</u>	<u>44,636.21</u>
Less - accumulated depreciation	35,911.88	31,490.38
	<u>27,916.88</u>	<u>13,145.83</u>
OTHER ASSETS		
Airlines deposits	425.00	425.00
	<u>\$57,068.68</u>	<u>\$61,622.23</u>

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES		
Accounts payable - general	\$ 1,853.43	\$ 7,747.49
Loans payable - (Note 3)	10,154.88	
Payroll taxes	1,162.31	1,084.16
	<u>13,170.62</u>	<u>8,831.65</u>
FUND BALANCE		
	43,898.06	52,790.58
	<u>\$57,068.68</u>	<u>\$61,622.23</u>

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

STATEMENT OF REVENUES, EXPENSES, AND FUND BALANCE

OPERATING FUND

**YEAR ENDED
DECEMBER 31**

	<u>1986</u>	<u>1985</u>
GENERAL INCOME		
Cooperative plan	\$167,852.99	\$168,430.02
Gifts	9,528.25	7,335.58
Leadership conference	2,997.21	12,495.13
Interest	65.29	
Other income	2,705.90	1,610.30
Total income	<u>183,149.64</u>	<u>189,871.03</u>

YEAR ENDED
DECEMBER 31

GENERAL EXPENSES

	1986	1985
Accounting and legal	2,470.00	2,014.00
Executive committee - travel	4,997.12	4,177.04
Insurance - general	2,736.73	256.32
Insurance and retirement - employees	18,477.67	13,785.19
Office space rental	14,555.40	12,843.00
Office supplies and printing	4,886.12	3,615.13
Payroll taxes	3,111.74	2,859.86
Postage	1,442.72	1,681.63
Promotion	1,615.55	116.78
Leadership conference	1,532.21	17,000.00
Salaries	81,444.04	76,951.69
Housing allowances	22,267.92	20,268.00
Telephone	3,320.75	3,514.00
Travel	13,207.61	10,795.92
Repairs and maintenance	3,603.58	2,998.21
Depreciation expense	4,421.50	2,431.61
Other expenses	3,581.24	1,633.29
Total expenses	187,671.90	176,941.67
Net income (Loss) (Note 2)	(\$ 4,522.26)	\$ 12,929.36

CONTACT MAGAZINE INCOME

Sales	\$ 51,936.73	\$ 53,922.07
Less cost of sales	(54,731.62)	(54,079.09)
Less bad debts	(84.73)	
Net income (Loss)	(\$ 2,879.62)	(\$ 157.02)

SPECIAL PROJECTS INCOME

Sales	\$ 6,256.12	\$ 6,661.04
Less cost of sales	(7,746.86)	(5,610.97)
Net income (Loss)	(\$ 1,490.64)	\$ 1,050.07

Total net gain (Loss)	(\$ 8,892.52)	\$ 13,822.41
Fund balance, beginning	52,790.58	38,968.17
Fund balance, ending	\$ 43,898.06	\$ 52,790.58

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

BALANCE SHEET

PLANT FUND

YEAR ENDED
DECEMBER 31

ASSETS

CURRENT ASSETS

	1986	1985
Cash - general	\$ 4,310.46	\$ 4,012.07
Accounts receivable	85.72	106.71
Prepaid insurance	5,311.20	
Total current assets	9,707.38	4,118.78

PROPERTY, PLANT, AND EQUIPMENT (Note 1)

Land, building, and accessory equipment	298,853.35	294,660.65
Telephone equipment	37,829.40	37,829.40
Vehicle	3,482.50	3,482.50
Lawn equipment	4,016.86	1,823.90
Paving parking lot	6,947.00	6,947.00
Total capital assets	351,129.11	344,743.45
Less- accumulated depreciation	154,913.40	136,673.28
	196,215.71	208,070.17

OTHER ASSETS

Deposit	176.62	
Total assets	\$206,099.71	\$212,188.95

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Accounts payable	\$ 3,452.98	\$ 71.95
Property taxes	2,950.97	2,950.97
Payroll taxes	976.63	780.25
Board of Retirement and Insurance (Note 3)	51,974.64	64,474.64
Note payable - telephone system	20,125.68	28,322.05
Note payable - convention	500.00	4,000.00
Total current liabilities	79,980.90	100,599.86

FUND BALANCE

Total liabilities and fund balance	126,118.81	111,589.09
	\$206,099.71	\$212,188.95

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

STATEMENT OF REVENUE, EXPENSES, AND FUND BALANCE

PLANT FUND

YEAR ENDED
DECEMBER 31

GENERAL INCOME

	1986	1985
Rent	\$103,117.92	\$ 85,188.89
Telephone	28,515.33	22,647.64
Hospitalization and life insurance	60,415.42	56,171.88
Postage meter	30,482.00	35,693.95
Other income	4,479.60	1,752.50
Total income	227,010.27	201,454.86

GENERAL EXPENSES

	1986	1985
General supplies	159.01	1,117.29
Hospitalization and life insurance	60,119.14	56,042.56
Insurance - general	8,271.49	9,294.16
Interest	7,876.71	2,543.43
Janitor service and supplies	3,538.14	2,950.97
Property taxes	2,950.97	555.32
Retirement expense	737.04	657.82
Mail truck expense	738.84	1,592.34
Mail room expense	782.63	3,461.18
Maintenance - general	1,933.37	2,142.07
Payroll taxes	2,240.41	30,469.56
Salaries	31,343.32	

Telephone	21,126.56	15,375.10
Utilities	13,342.20	15,299.78
Postage	34,738.50	36,371.81
Depreciation	18,240.12	17,074.83
Other expense	4,342.10	1,692.40
Total expenses	<u>212,480.55</u>	<u>196,640.62</u>
Net income	14,529.72	4,814.24
Fund balance, beginning	111,589.09	106,774.85
Fund balance, ending	<u>\$126,118.81</u>	<u>\$111,589.09</u>

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

BALANCE SHEET

CONVENTION FUND

YEAR ENDED DECEMBER 31

ASSETS

	1986	1985
Cash	\$25,820.41	\$33,073.29
Accounts receivable	311.56	404.13
Loans receivable (Note 3)	10,654.88	4,000.00
Total assets	<u>\$36,786.85</u>	<u>\$37,477.42</u>

LIABILITIES

	1986	1985
Accounts payable	\$ 151.89	\$ 317.81
Fund balance	36,634.96	37,159.61
Total liabilities and fund balance	<u>\$36,786.85</u>	<u>\$37,477.42</u>

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

STATEMENT OF REVENUE, EXPENSES, AND FUND BALANCE

CONVENTION FUND

YEAR ENDED DECEMBER 31

GENERAL INCOME

	1986	1985
Banquet tickets	\$ 8,530.00	\$ 7,929.00
Offerings	6,189.38	5,653.08
Church fees	1,400.00	1,560.00
State fees	25,329.00	25,260.00
Booth fees	7,025.00	7,225.00
Host state gift	6,500.00	9,500.00
Interest	1,407.69	
Other income	6,203.12	1,559.92
Total income	<u>62,584.19</u>	<u>58,687.00</u>

GENERAL EXPENSES

	1986	1985
Printing and promotions	16,951.11	8,938.65
Auditorium rent and signs	13,884.75	14,685.94
Booth installations	2,892.00	4,634.75
Convention office	5,293.78	2,726.02
Honorariums	675.00	600.00
Travel expenses	13,095.65	12,971.12
Banquet tickets	8,530.00	7,929.00
Other expense	1,786.55	2,540.15
Total expenses	<u>63,108.84</u>	<u>55,025.63</u>

Net income (Loss)	(524.65)	3,661.37
Fund balance, beginning	37,159.61	33,498.24
Fund balance, ending	<u>\$36,634.96</u>	<u>\$37,159.61</u>

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

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

CONTRIBUTIONS THROUGH THE COOPERATIVE CHANNEL

YEAR ENDED DECEMBER 31

	1986	1985
RECEIPTS		
Alabama	\$ 9,544.91	\$ 6,296.94
Arizona	221.29	215.49
Arkansas	49,134.54	47,949.42
California	10,113.33	10,691.84
Canada	500.00	25.00
Florida	21,900.99	19,526.31
Georgia	60,631.23	50,418.31
Hawaii	-0-	-0-
Idaho	392.80	395.41
Illinois	86,194.89	85,501.48
Indiana	6,759.08	7,483.59
Iowa	-0-	-0-
Kansas	688.36	1,185.98
Kentucky	5,091.87	3,135.28
Maryland	-0-	180.00
Mexico	-0-	-0-
Michigan	54,278.25	46,018.76
Mississippi	5,041.06	3,409.89
Missouri	104,695.95	99,344.05
New Jersey	20.00	-0-
New Mexico	411.61	400.52
North Carolina	21,458.52	10,554.22
Northwest Association	18.00	-0-
Ohio	34,141.02	26,217.20
Oklahoma	493,815.95	398,009.89
Oregon	10.00	-0-
South Carolina	36,024.56	1,775.54
Tennessee	17,051.99	11,633.18
Texas	89,271.69	60,838.99
Virginia	5,674.12	6,730.33
West Virginia	35,358.81	39,727.43
Interest	1,013.85	613.51
Total receipts	<u>\$1,149,458.67</u>	<u>\$ 938,278.56</u>

	DESIGNATED	COOP	TOTAL 1986	TOTAL 1985
DISBURSEMENTS				
Executive Office	\$ 9,528.25	\$167,852.99	\$ 177,381.24	\$168,430.02
Foreign Mission Board	537,641.06	46,141.70	583,782.76	452,674.90
FWBBC	27,947.85	46,141.70	74,089.55	73,151.72
Home Mission Board	180,869.97	36,111.27	216,981.24	148,831.47
Board of Retirement and Insurance	2,542.21	28,086.77	30,628.98	30,715.89
Master's Men	585.38	26,080.81	26,666.19	27,876.31
FWB Foundation	1,217.65	12,037.33	13,254.98	13,453.89
Historical Commission	278.48	2,005.83	2,284.31	2,294.94
Commission for Theological Integrity	265.32	2,005.83	2,271.15	2,322.77
Hillsdale FWB College	18,000.13		18,000.13	15,339.55
Radio and TV Commission	714.33	2,005.83	2,720.16	2,471.27
Other	1,397.98		1,397.98	715.83
Total disbursements	\$780,988.61	\$368,470.06	\$1,149,458.67	\$938,278.56

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 1986

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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1986

Note 1 - Property, plant, and equipment as of December 31, 1986, was held as follows:

	OPERATING FUND	PLANT FUND
Land, building, and accessory equipment	\$	\$298,853.35
Telephone equipment		37,829.40
Vehicles	13,157.25	3,482.50
Office equipment	50,671.51	
Lawn equipment		4,016.86
Paving parking lot		6,947.00
	63,828.76	351,129.11
Less - accumulated depreciation	35,911.88	154,913.40
	<u>\$27,916.88</u>	<u>\$196,215.71</u>

Note 2 - As noted in 1985 the operating fund budget was underspent approximately \$10,000.00 and the budget for 1986 was reduced by the same. As expected the operating fund has a loss for 1986 of \$8,892.52 that has to come out of the fund balance this year.

Note 3 - Obligations of the Executive Office on notes were as follows at December 31, 1986:

Convention Fund \$10,154.88

Obligations of the Plant Fund on notes were as follows at December 31, 1986:

Convention Fund \$ 500.00
 Note payable - telephone system 20,125.68
 Board of Retirement and Insurance 51,974.64
\$72,600.32

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1986

	OPERATING FUND		
	General	Contact Magazine	Special Projects
ASSETS			
Cash	\$14,867.60	\$7,669.00	\$2,598.12
Accounts receivable	656.43	577.78	7.00
Notes receivable			
Prepaid insurance	2,350.87		
Deposits	425.00		
Land			
Buildings & accessory equipment (net)			
Telephone equipment (net)			
Office furniture (net)	27,916.88		
	<u>\$46,216.78</u>	<u>\$8,246.78</u>	<u>\$2,605.12</u>
LIABILITIES			
Accounts payable - trade	\$ 670.06	\$ 758.62	\$ 424.75
Property taxes payable			
Note payable - Convention	10,154.88		
Note payable - Ret. & Ins. Dept.			
Note payable - Telephone system	1,162.31		
Payroll taxes	34,229.53	7,488.16	2,180.37
Fund balance	<u>\$46,216.78</u>	<u>\$8,246.78</u>	<u>\$2,605.12</u>

Loans receivable and payable of \$10,654.88 in 1986, and \$4,000.00 in 1985, have been eliminated in department totals.

	PLANT FUND	CONVENTION	EXECUTIVE OFFICE TOTALS 1986	EXECUTIVE OFFICE TOTALS 1985
Total				
\$25,134.72	\$ 4,310.46	\$25,820.41	\$ 55,265.59	\$ 84,411.59
1,241.21	85.72	311.56	1,638.49	1,236.01
		10,654.88		
2,350.87	5,311.20		7,662.07	
425.00	176.62		601.62	425.00
	62,044.59		62,044.59	58,453.34
	111,473.48		111,473.48	119,353.31
	22,697.64		22,697.64	30,263.52
27,916.88			27,916.88	13,145.83
<u>\$57,068.68</u>	<u>\$206,099.71</u>	<u>\$36,786.85</u>	<u>\$289,300.36</u>	<u>\$307,288.60</u>
\$ 1,853.43	\$ 3,452.98	\$ 151.89	\$ 5,458.30	\$ 8,137.25
	2,950.97		2,950.97	2,950.97
10,154.88	500.00			
	51,974.64		51,974.64	64,474.64
	20,125.68		20,125.68	28,322.05
1,162.31	976.63		2,138.94	1,864.41
43,898.06	126,118.81	36,634.96	206,651.83	201,539.28
<u>\$57,068.68</u>	<u>\$206,099.71</u>	<u>\$36,786.85</u>	<u>\$289,300.36</u>	<u>\$307,288.60</u>

EZRA JONES

Certified Public Accountant

1161 MURFREESBORO ROAD
NASHVILLE, TENNESSEE 37217

February 20, 1987

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

I 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, 1986 and 1985, and related statements of revenues, expenses, and fund balances for the years then ended. I have also examined the balance sheets of the Convention Fund as of December 31, 1986 and 1985, and the related statements of revenues, expenses, and fund balance for the years then ended. I also examined the Cash Receipts and Disbursements of the Cooperative Plan of Support for the years then ended. My 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 I considered necessary in the circumstances.

In my opinion, the financial statements identified above present fairly the financial position of each of the aforementioned organizations at December 31, 1986 and 1985, 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

EXECUTIVE OFFICE BUDGET 1988

Administrative	\$217,748.98
Convention (1987)	55,401.42
CONTACT	70,025.00
TOTAL	<u>\$343,175.40</u>

1988 ADMINISTRATIVE BUDGET

PROJECTED EXPENSES

Salaries	\$ 96,365.31
Housing and Utilities	23,000.00
Social Security	11,523.80
Retirement	3,942.07
Employees Insurance	15,350.00
(Hospital, Life and Travel)	16,267.80
Office Rental	4,500.00
Office Supplies	4,500.00
Equipment Maintenance	3,800.00
Telephone	2,000.00
Postage	3,000.00
General Insurance	15,000.00
Travel	5,000.00
Executive Committee	3,000.00
Auditing	2,000.00
Promotion	2,000.00
Printing	1,500.00
Bi-Annual Leadership Conference	5,000.00
Equipment Purchase/Computer	<u>\$217,748.98</u>

Total

PROJECTED INCOME

Cooperative Plan	\$203,000.00
Designated Gifts	14,748.98
Total	<u>\$217,748.98</u>

CONVENTION BUDGET

National Association of Free Will Baptists
July 19-23, 1987
Birmingham, Alabama

PROJECTED EXPENDITURES

Auditorium	\$15,465.00
Printing and Promotion	13,542.00
Convention Office	4,621.00
Convention Personnel	5,747.33
Meals	\$1,342.50
Travel	1,258.00
Lodging	3,146.83
Convention Officials	4,788.20
Honorariums	700.00
Decorator Services	3,578.30
Meal Functions	1,557.00
Executive Committee	1,200.00
Meal and Motel Expenses	
Pre-Convention Expenses	4,202.59
TOTAL	\$55,401.42

PROJECT RECEIPTS

Booth Fees	\$ 8,675.00
Interest	600.00
State Association Fees	24,830.00
Church Delegate Fees	1,500.00
Host State (Alabama)	10,000.00
Offerings	9,796.42
TOTAL	\$55,401.42

1988 CONTACT BUDGET

PROJECTED EXPENSES

Printing	\$43,625.00
Postage	9,000.00
Art	1,000.00
Writers Fees and Photos	4,000.00
Promotion	1,000.00
Computer	7,000.00
Telephone	400.00

Office Supplies	1,000.00
Travel	1,400.00
Bound Copies	400.00
Other	1,000.00
(EPA dues, fees)	200.00
Free Will Baptist Press Assoc.	\$70,025.00

Total Expenses

PROJECTED INCOME

* Subscriptions

Total Income

*Based on 8,000 subscriptions
(4,350 @ \$8.00 = \$34,800.00 Church Family Plan)
(400 @ \$8.50 = \$ 3,400.00 Bundle Plan)
(3,350 @ \$9.50 = \$31,825.00 Individual Plan)

EXECUTIVE CHURCH BONDS, INC.

GENERAL FUND

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE

ARISING FROM CASH TRANSACTIONS

	1986	DECEMBER 31	1985
ASSETS			
Cash	\$5,826.65		\$7,400.20
Office equipment	2,063.70		2,063.70
Total assets	\$7,890.35		\$9,463.90
FUND BALANCE			
Fund balance	\$7,890.35		\$9,463.90

EXECUTIVE CHURCH BONDS, INC.

GENERAL FUND

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

	YEARS ENDED DECEMBER 31	
	1986	1985
REVENUES COLLECTED		
Interest on savings	\$ 293.73	\$ 282.81
Transferred from Service and Trust Fund		2,000.00
Total to be accounted for	293.73	2,282.81
EXPENSES PAID		
Advertising	46.00	47.69
Leadership and National conference	155.79	524.65
Accounting and auditing	232.50	222.60
Digest expenses		153.60
Office supplies		18.75
Payroll taxes	125.00	125.00
Repairs		75.00
Salaries, commissions and trustee fees	1,285.57	1,382.00
Telephone	22.42	4.52
Total disbursements	1,867.28	2,553.81
Excess or revenues over (expenses)	(1,573.55)	(271.00)
Cash beginning	7,400.20	7,671.20
Cash ending	\$5,826.65	\$7,400.20

SERVICE AND TRUST FUND

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE

RESULTING FROM CASH TRANSACTIONS

	DECEMBER 31	
	1986	1985
ASSETS		
Cash	\$17,442.91	\$16,544.38
FUND BALANCE		
Fund balance	\$17,442.91	\$16,544.38

STATEMENT OF REVENUE COLLECTED AND EXPENSES PAID

	YEARS ENDED DECEMBER 31	
	1986	1985
REVENUES COLLECTED		
Interest on savings	\$ 898.53	\$ 981.99
Total revenue collected	898.53	981.99
Transferred to General Fund		2,000.00
	898.53	(1,018.01)
Cash beginning	16,544.38	17,562.39
Cash ending	\$17,442.91	\$16,544.38

EZRA JONES

Certified Public Accountant

1161 MURFREESBORO ROAD
NASHVILLE, TENNESSEE 37217

April 21, 1987

Executive Church Bonds, Inc.
Nashville, Tennessee

I 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, 1986 and 1985, and the related statements of revenue collected and expenses paid 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.

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 paid 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 my 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, 1986 and 1985, 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

1988 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
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1986 Contributions to National Ministries

STATES	Executive	Foreign	FWBCC	Home	R & I	Master's	Commission for	Thru. Integrity	WNAC	FWB	Historical	Radio & TV	Totals
Alabama	\$ 3,883.61	\$ 145,173.85	\$ 51,560.43	\$ 120,326.31	\$ 934.41	\$ 2,816.25	\$ 36.28	\$ 36.28	\$ 1,418.23	\$ 217.95	\$ 36.28	\$ 36.28	\$ 330,444.21
Alaska	00	00	00	00	00	00	00	00	00	00	00	00	00
Arizona	92.92	2,715.83	800.31	1,793.96	37.97	513.77	1.29	1.29	69.00	115.32	1.29	1.29	282,951.67
Arkansas	21,944.23	131,639.76	27,085.05	82,508.80	3,858.27	8,310.72	269.50	269.50	4,156.53	1,309.50	269.50	269.50	167,212.44
California	4,576.90	48,945.68	2,979.59	102,035.10	865.14	1,770.98	52.36	52.36	2,667.77	114.20	52.36	52.36	3,345.96
Canada	224.03	00	2,049.94	8,370.54	38.63	37.11	00	00	10.00	00	00	00	18,451.59
Colorado	00	5,135.00	00	13,306.59	00	00	00	00	00	00	00	00	4,810.00
Connecticut	00	00	4,435.00	00	00	00	00	00	00	00	00	00	25.00
Delaware	00	00	00	00	00	00	00	00	00	00	00	00	00
Florida	10,074.03	81,961.18	30,651.52	57,704.84	1,935.79	2,962.50	118.26	118.26	1,014.08	739.60	118.26	118.26	187,273.92
Georgia	396.63	127,927.50	51,426.21	70,526.65	1,177.60	2,242.44	2.81	2.81	2,080.67	16.98	2.81	2.81	256,612.41
Hawaii	00	2,892.05	1,400.00	2,235.04	00	00	00	00	00	00	00	00	4,102.93
Idaho	157.19	87,559.35	1,551.55	2,235.04	33.02	3,972.05	2.35	2.35	20.00	14.13	2.35	2.35	3,607.96
Illinois	6,387.31	87,661.63	19,631.05	49,053.07	968.41	1,972.05	64.50	64.50	20.00	14.13	2.35	2.35	166,644.26
Indiana	1,368.85	28,345.96	5,675.85	11,319.77	242.59	555.45	123.76	123.76	143.67	154.39	113.55	113.55	48,362.90
Iowa	00	1,024.72	15.00	114.00	00	00	00	00	00	00	00	00	1,253.72
Kansas	320.53	14,518.14	737.64	10,339.16	51.52	935.12	3.67	3.67	106.10	22.07	3.67	3.67	26,219.00
Kentucky	2,396.45	67,138.07	9,048.48	29,327.43	469.01	55.00	25.83	25.83	862.85	155.11	25.83	25.83	110,380.11
Louisiana	00	00	00	1,459.70	00	00	00	00	00	00	00	00	1,514.70
Maine	00	00	00	00	00	00	00	00	00	00	00	00	00
Maryland	00	10,210.19	00	11,591.71	35.00	00	00	00	656.07	00	00	00	24,930.73
Massachusetts	00	00	00	00	00	00	00	00	00	00	00	00	00
Michigan	5,449.62	132,479.84	23,854.82	33,277.57	1,161.90	2,827.96	62.65	62.65	849.88	376.08	62.65	62.65	290,135.32
Minnesota	2,764.03	61,589.31	18,393.61	43,219.90	493.81	1,192.45	27.75	27.75	4,007.17	136.65	22.75	22.75	131,870.18
Mississippi	39,650.12	213,113.51	27,852.58	157,270.91	6,932.00	6,921.56	488.66	488.66	5,141.31	2,912.03	529.88	529.88	461,160.85
Missouri	00	00	00	00	00	00	00	00	00	00	00	00	4,029.25
Montana	00	1,010.00	390.00	2,609.25	00	00	00	00	00	00	00	00	13,318.00
Nebraska	00	00	120.00	00	00	00	00	00	00	00	00	00	00
Nevada	00	00	00	00	00	00	00	00	00	00	00	00	00
New Hampshire	00	00	00	00	00	00	00	00	00	00	00	00	00
New Jersey	44,895	32,850	70.14	729.04	7.04	14.07	53	53	1,174.11	13.74	13.74	13.74	912.21
New Mexico	00	00	00	00	00	00	00	00	00	00	00	00	00
New York	5,150.49	360,573.69	173,416.01	157,201.60	2,065.21	1,579.55	59.88	59.88	1,874.11	191.47	59.88	59.88	703,955.27
North Carolina	11,398.33	97,621.78	15,255.52	85,572.51	2,042.71	2,420.76	144.11	144.11	683.22	864.77	144.11	144.11	216,291.95
Ohio	45,873.08	362,767.26	24,237.82	202,617.98	7,902.35	9,470.95	509.56	509.56	1,940.27	3,186.93	531.04	531.04	659,725.80
Oklahoma	00	00	00	00	00	00	00	00	00	00	00	00	2,087.47
Oregon	00	1,009.00	00	00	00	00	00	00	00	00	00	00	1,449.00
Pennsylvania	935.58	136,714.14	46,239.44	56,212.67	60.43	292.88	00	00	1,710.47	00	00	00	344,632.51
Rhode Island	00	00	00	00	00	00	00	00	00	00	00	00	00
South Carolina	6,200.85	398,559.94	128,012.44	206,371.11	1,475.55	4,635.95	74.12	74.12	8,722.54	354.77	59.12	59.12	744,360.82
South Dakota	3,264.87	95,988.07	21,792.60	30,832.79	1,468.83	2,075.99	00	00	1,459.62	218.93	36.36	36.36	156,339.84
Tennessee	2,199.63	96,215.45	50.00	74,187.20	500.47	433.67	30.51	30.51	973.89	139.48	23.21	23.21	196,753.13
Texas	1,598.70	46,974.98	5,523.51	46,276.00	648.89	1,753.99	127.42	127.42	700.00	91.07	109.77	109.77	105,824.04
Virginia	00	00	00	00	00	00	00	00	00	00	00	00	00
Washington	00	00	00	00	00	00	00	00	00	00	00	00	00
West Virginia	00	00	00	00	00	00	00	00	00	00	00	00	00
Wisconsin	00	00	00	00	00	00	00	00	00	00	00	00	00
Wyoming	00	00	00	00	00	00	00	00	00	00	00	00	00
Mexico	6,026.61	6,026.61	00	00	1.54	1.43	00	00	275.00	00	00	00	1,320.00
Northwest Asia	6.97	2,652.45	00	00	2,182.78	00	00	00	00	00	00	00	6,026.61
North America	00	00	00	00	00	00	00	00	00	00	00	00	00
Puerto Rico	00	00	00	00	00	00	00	00	00	00	00	00	00
Virgin Islands	00	00	00	00	00	00	00	00	00	00	00	00	00
WNAC	610.48	67,334.18*	00	00	00	56.47	00	00	00	00	00	00	2,082.78
Other	00	00	00	00	00	00	00	00	00	00	00	00	4,721.10
Totals	\$177,381.24	\$2,828,032.23	\$832,296.52	\$1,830,404.26	\$38,439.85	\$55,429.20	\$2,312.12	\$2,312.12	\$47,560.03**	\$12,154.98	\$2,294.33	\$2,294.33	\$4,273.26

*Other includes interest, bank sales, donated stock, National offering, miscellaneous sources and sales.
**Other includes gifts from College Funds, Matching Gifts, Foreign Missions, Alumni and President's Council.
***Total does not include Memorial Student Loan Fund or gifts designated in other departments.

FOREIGN MISSIONS BOARD REPORT

"The people which sat in darkness saw great light;" Matthew 4:16a. Your foreign missionaries are following the example of Jesus by bringing the light of the gospel to those in heathen darkness.

Our overseas staff of 120 missionaries (including two self employed associate missionaries and two short term missionaries) gladly serve as your representatives overseas.

They report the Lord's blessings upon their ministry.

BRAZIL: Four of our 11 churches/preaching points average between 60 and 100 in attendance. Eight of these works are being led by Brazilians. Twenty-five people have been converted in Uberlandia since last July. The three Bible Institutes registered 58 students last year.

FRANCE: The Nantes church reported 13 conversions last year. They have already baptised eight this year. The congregation at St. Nazaire has outgrown their storefront building. They have raised over \$3,000 toward a new building. Pray that they can build a new building on the property they have purchased.

INDIA: More than 600 people attended the annual conference last February. Pray for God to call more national pastors into this great harvest field.

IVORY COAST: God continues to build His church. Your Free Will Baptist missionaries have witnessed hundreds of conversions. Many Ivorian believers are excited over the new Bible Institute. The medical ministry at Doropo continues to meet critical needs and open many doors to evangelism.

Our staff of 32 missionaries faces numerous obstacles. Many have had health problems. The pagans burned one church building this year. Your missionaries have been falsely accused. During their annual meeting your Board of Foreign Missions unanimously went on record expressing complete confidence in the Ivory Coast missionaries.

JAPAN: Kita Hiroshima Chapel now led by Japanese Pastor Kawasaki continues to witness conversions. A new mission has been opened in Nopporo, a suburb of Sapporo. The Iriso congregation has had many new people show an interest in the work since they moved into their new building.

PANAMA: The Panamanian Association has set a goal to establish a Free Will Baptist church in every province. Consequently, self supporting home missionaries have resettled into two key cities. In addition, new works have been started in Montero and Parita. Several people have been saved in each of these locations. The Betania church near Panama City has recently purchased their building. The congregaton was assisted by Advance Celebration funds.

SPAIN: Villalba celebrated the second anniversary of the opening of their work with 125 people in attendance. Villalba will soon have their first communion and footwashing service. Presently the new Christians are studying the ordinances in preparation for the service.

URUGUAY: The Bible Institute opened in the new downtown location March 31st with 12 students. Your missionaries are also establishing a church in that location. In addition, the new mission at Malvin Norte, a city of more

than 60,000 near Montevideo, is making good progress. Your missionaries, assisted by Bible Institute students, are holding street meetings and passing out hundreds of gospel tracts in this community which has practically no protestant witness.

CUBA: The Cuban Free Will Convention has sent representatives to this session of our National Association. We welcome Brother Gilberto Triano, president, and Brother Roberto Hernandez, secretary. They wish to report the progress our Cuban brethren are making in remodeling the Cedars of Lebanon Institute.

You will find a statistical summary of our overseas ministries on the next page.

We do appreciate your financial partnership in world missions. Income for our regular budget for 1986 was \$2,837,243. The increase of \$174,571 over our 1985 income was approximately 6.5 percent.

In addition, Advance Celebration gifts were \$158,676. The combined total of Advance and regular income was \$2,995,919, an increase of 12.5 percent over 1985. Praise God for His abundant provision.

We especially honor the following states for exceeding their suggested quotas for 1986:

Colorado, Georgia, Hawaii, Illinois, Kansas, Michigan, Mississippi, Missouri, Northeast Association, Oklahoma, and Texas.

In spite of your generosity, deficit accounts nearly doubled last year. As of April 30, 1987, missionary account deficits stood at \$88,540.10.

The primary cause for our financial squeeze is the loss of the value of the dollar as compared with most currencies overseas. A missionary wrote, "I just finished figuring my income tax for Japan. Can you believe we received \$3,400 less than we did last year because of the loss of the dollar?"

We appreciate your partnership in this growing international ministry. In the last eight years gifts to our ministries overseas have increased by \$1,079,946. During that same period of time general fund income has only increased \$110,353.

We are trying to keep our home office expenses as low as possible. However, we constantly receive requests for services from our missionaries as well as our home constituency. In an effort to cover these expenses we are encouraging all our churches to add ten percent to their missionary budget to help us meet these needs.

Sometimes we are asked if Free Will Baptists can support a growing missionary ministry. A record 1,618 churches supported foreign missions last year. When we consider there are 2,560 churches affiliated with the National Association we recognize that there are nearly 1,000 uninvolved Free Will Baptist churches who can make a big difference on the mission field.

We appreciate the generous support of our Woman's Auxiliaries. Last year WNAC channeled \$165,395.82 to foreign missions. In addition, they stock the provision closet which meets many needs of our missionary families. Our national churches are excited over the prospect of assistance through WNAC's newest project, the "Eunice Edwards Loan Fund." This fund will assist those overseas who are trying to finance a building.

STATUS OF FREE WILL BAPTIST OVERSEAS MINISTRIES

As of January 1, 1987

Field	Missionaries Assigned to Each Field	Ordained Pastors	Licensed and Lay Preachers	Bible Institutes	Students	Organized Churches	Mission Works	1986 Converts	1986 Baptisms	Average Sunday Attendance
BRAZIL	18	2	8	3	58	8	6	81	49	525
CUBA		10	4	1	36*	17		60	39	641
FRANCE	15	1	2			4		17**	5**	106
INDIA	2	12	15			16	45	91	80	1,191
IVORY COAST	39	2	18	1	3	11	32	140	46	1,875
JAPAN	18	6	2		3	8	6	21	18	180
PANAMA	6		9	1	12	4	10	170	17	405
SPAIN	11		3	1	3	3	1	13	5	84
URUGUAY	7	2	5	1	17	5	5	47	7	227
TOTALS	116	35	66	8	132	76	105	640	266	5,234

*Cuba — Four students preparing for ministry in seminary.
Thirty-two laymen studying for local church ministries.

**France — Statistics for Rennes church not available.

Master's Men continues to assist our missionaries through "Missions Projects." We look forward to involving our laymen in some work projects overseas in the future.

We appreciate the support which Free Will Baptist Bible College gives through the Foreign Missions Fellowship. Last year they gave approximately \$7,000 for the Central Bible College in Brazil.

Our board was greatly encouraged to learn that the Youth Division of Randall House Publications has adopted the Uruguayan Bible Institute as a project for 1987-1988. The new "Active In Missions" program has set a goal of \$10,000. Pray that many young people will hear God's call to foreign service as they give their money to train workers in Latin America.

We truly appreciate your participation in our 50th Anniversary Advance Celebration. Through this program we are helping our emerging churches overseas put down deep roots in their cultures. To date we have commitments totaling \$642,749. This does not include California, Kentucky and North Carolina.

The celebration has helped to start Bible institutes in Ivory Coast and Uruguay. We have also allocated money for a revolving church loan fund in Panama. These projects total \$71,563.

Advance Coordinator Jimmy Aldridge presents this challenge: "First of all, we need the participation of all our American Free Will Baptist churches. It is not too late to get involved."

Secondly, we must all follow through and fulfill our commitments. We are off to a great start. Please lead your church in fulfilling its commitment to the honor of our Lord."

As we look to 1988 we submit a budget of \$3,186,036 to meet the needs of our growing worldwide ministry. In addition, we are trusting the Lord for another \$150,000 from our Advance Celebration.

We are happy that God is still sending forth laborers. Last year the board appointed Norman and Laura McFall (Brazil), Ron and Linda Moore (Ivory Coast), Dwain and Debbie Crosby (Japan), and Jim and Evelyn Teague (Ivory Coast).

In addition, 13 young people served as student missionaries last summer. Since our last report to you Lynn and Ramona Miley have resigned from their service in France. They felt it necessary to return to the United States because of the educational needs of their children. Lynn is pastoring in Alabama.

Jim and Karen Cowart resigned from their service in Brazil to minister with Mission Aviation Fellowship.

We appreciate the service which Jerry Presley has rendered as a member of the board for the past year. He has served in the place of Archie Mayhew who went to Ivory Coast to help meet an emergency need for workers. He and Sarah made an impact on many people in the Tanda area. However, Archie suffered a severe heart attack which has disabled him. We are thankful that his health has improved some. And we are pleased to welcome him back as a member of the board.

I'm pleased to announce that Fred Warner has been appointed to serve as

Director of Church Ministries for Foreign Missions. Fred is anxious to help our pastors have an exciting program of missions education and stewardship.

We are indebted to the other members of our home office staff who serve our missionaries and home churches so effectively: Don Robirds, director of communications, Jimmy Aldridge, overseas secretary and Earl Larson, treasurer/administrative assistant. We are supported by Shirley Lauthern, secretary to the general director, Willie Midgett, secretary to the director of church ministries, Carole Ragan, secretary to the director of communications, Janie Campbell, bookkeeper and Charlie Hingst, mail clerk.

If any of us can ever assist you, please feel free to call on us.

Your Servant for Jesus' sake,
R. Eugene Waddell
General Director
REW:sjl

BOARD MEMBERS

Reverend Bill Jones, Chairman
Reverend Dan Cronk
Reverend Dean Dobbs
Reverend Galen Dunbar
Reverend Norwood Gibson, Vice Chairman
Reverend Joe Grizzle
Reverend Archie Mayhew
Reverend Bob Trimble
Reverend Jim Walker, Secretary

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

Balance Sheet

December 31, 1986

(With comparative totals for 1985)

Assets	1986			1985 Total All Funds
	Operating - Unrestricted and Restricted Funds	Plant Fund	Total All Funds	
Checking and interest-bearing deposits	\$ 805,395	-	805,395	1,004,517
Accrued interest receivable	1,880	-	1,880	3,525
Other assets	10,504	-	10,504	-
Equipment at cost, less accumulated depreciation of \$72,775 in 1986 (note 2)	-	70,655	70,655	81,472
Total assets	\$ 817,779	70,655	888,434	1,089,514

Liabilities and Fund Balance

Note payable to bank	\$ -	50,083	50,083	62,082
Accounts payable and accrued expenses	29,213	-	29,213	32,227
Restricted deferred revenue (note 3):	741,281	-	741,281	979,875
Missionary accounts	32,915	-	32,915	-
ADVANCE campaign	774,196	-	774,196	979,875
Total liabilities	803,409	50,083	853,492	1,074,184
Fund balance (deficit):	14,370	-	14,370	(4,060)
Unrestricted	-	20,572	20,572	19,390
Net investment in plant	14,370	20,572	34,942	15,330
Total fund balances	14,370	20,572	34,942	15,330
Total liabilities and fund balance	\$ 817,779	70,655	888,434	1,089,514

Commitments (note 5)

See accompanying notes to financial statements.

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

Year ended December 31, 1986

(With comparative totals for 1985)

	Unrestricted	1986		Plant Fund	Total All Funds	1985 Total All Funds
		Operating	Restricted			
		Missionaries	ADVANCE			
Support and revenue:						
Contributions (note 1a)	\$ 320,935	2,700,397	125,720	-	3,147,052	2,455,568
Investment income	53,019	-	-	-	53,019	60,095
Other	1,486	-	-	-	1,486	2,884
Total support and revenue	375,440	2,700,397	125,720	-	3,201,557	2,518,547
Expenses:						
Informational and promotional	146,628	-	-	-	146,628	119,825
Travel and board	48,925	-	-	-	48,925	28,200
Administrative	307,481	-	-	-	307,481	290,908
Missionaries	-	2,531,106	125,720	22,085	2,656,826	2,049,912
Depreciation	-	-	-	-	22,085	19,966
Total expenses	503,034	2,531,106	125,720	22,085	3,181,945	2,508,811
Excess (deficiency) of support and revenue over expenses	(127,594)	169,291	-	(22,085)	19,612	9,736
Fund balances (deficit), beginning of year	(4,060)	-	-	19,390	15,330	5,594
Transfers among funds and other changes:						
To plant funds for asset acquisitions	(11,268)	-	-	11,268	-	-
Net decrease in debt	(11,999)	-	-	11,999	-	-
Maintenance fees (note 4)	169,291	(169,291)	-	-	-	-
Fund balances, end of year	\$ 14,370	-	-	20,572	34,942	15,330

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1986

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.

(2) Plant Funds

A summary of plant fund assets is as follows:

Office furniture and equipment	\$ 32,929
Cameras and projectors	7,624
Automobile	9,162
Computer	93,714
Total plant assets	143,429
Less accumulated depreciation	72,774
Net investment in plant	\$ 70,655

Depreciation expense, computed on the straight-line method amounted to \$22,086 in 1986.

(3) Changes in Restricted Deferred Revenue

Changes in restricted deferred revenue is as follows:

	Missionary Accounts	ADVANCE Campaign	Total
Balance, beginning of year	\$ 979,875	-	979,875
Contributions	2,461,803	158,635	2,620,438
Funds available	3,441,678	158,635	3,600,313
Expenses and other changes	2,700,397	125,720	2,826,117
Balance, end of year	\$ 741,281	32,915	774,196

(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 \$53,456 in 1986.

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

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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 through 3 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 2, 1987

Schedule 1

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

Year ended December 31, 1986

(With comparative totals for 1985)

	1986		Designated Fund	Total All Funds	1985 Total All Funds
	Operating Fund Unrestricted	Restricted			
Contributions	\$ 320,935	2,461,803	158,676	2,941,414	2,599,693
Investment income	53,019	-	-	53,019	60,095
Other	1,486	-	-	1,486	2,884
	<u>\$ 375,440</u>	<u>2,461,803</u>	<u>158,676</u>	<u>2,995,919</u>	<u>2,662,672</u>

Schedule of Unrestricted Fund Expenses

Schedule 2

Year ended December 31, 1986

(With comparative totals for 1985)

	1986	1985
Informational and promotional:		
Video	\$ 116	-
Films	662	5,241
Heartbeat	31,356	34,282
Postage	43,933	36,301
Data processing	19,441	21,509
Publicity materials	33,134	12,559
Telephone	10,289	8,041
Dues	1,030	118
Paper supplies	4,666	-
Tracts and books	2,001	1,774
	<u>146,628</u>	<u>119,825</u>
Travel and board:		
Department auto	2,319	235
Board members	11,759	8,615
Honorariums	530	420
Department travel	33,362	18,498
Travelers' insurance	955	432
	<u>48,925</u>	<u>28,200</u>

Administrative:

Salaries	166,852	167,982
Housing	46,771	44,520
Social security	15,794	8,296
Retirement	6,115	6,040
Hospitalization insurance	26,535	24,206
Auditing	4,500	2,750
Office rent	24,236	21,297
Office equipment	52	1,301
Maintenance of office equipment	3,673	2,229
Office supplies	2,549	7,058
Miscellaneous	3,023	5,229
Employer payroll taxes	7,381	-
	<u>307,481</u>	<u>290,908</u>

\$ 503,034 438,933

Schedule 3

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

Schedule of Restricted Fund Expenses

Year ended December 31, 1986

(With comparative totals for 1985)

	1986	1985
Missionaries - foreign fields:		
Brazil	\$ 373,655	307,023
France	405,451	354,793
India	82,958	87,192
Ivory coast	762,271	564,663
Japan	409,726	252,051
Panama	148,209	106,596
Spain	271,581	176,152
Uruguay	204,700	138,909
Summer missionaries	24,342	21,726
Short-term missionaries	12,223	22,141
Other projects	5,281	90,636
Appointees	-	380
	<u>2,700,397</u>	<u>2,122,262</u>

Less maintenance fees transferred to
unrestricted funds for information
service production

169,291 72,350
\$ 2,531,106 2,049,912

Net expenses

ADVANCE campaign:
Expenditures

\$ 125,720 -



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(615) 665-9500

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, 1986, 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, 1986 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 2, 1987

1988 BUDGET STATE QUOTAS

STATE	QUOTA
Alabama	195,000.00
Arizona	4,500.00
Arkansas	168,000.00
California	54,000.00
Colorado	3,500.00
Florida	100,000.00
Georgia	120,000.00
Hawaii	2,500.00
Idaho	750.00
Illinois	101,000.00

Indiana	36,000.00
Iowa	1,500.00
Kansas	14,000.00
Kentucky	80,000.00
Louisiana	600.00
Maryland	15,000.00
Michigan	141,000.00
Mississippi	72,000.00
Missouri	215,000.00
Montana	1,000.00
Nebraska	1,000.00
New Mexico	500.00
Northeast Association	7,000.00
Northwest Association	5,700.00
North Carolina	385,000.00
Ohio	125,000.00
Oklahoma	378,000.00
Pennsylvania	2,000.00
South Carolina	200,000.00
Tennessee	415,000.00
Texas	97,000.00
Virginia	111,000.00
Virgin Islands	3,000.00
West Virginia	75,000.00
Miscellaneous	55,486.00
	3,186,036.00
	150,000.00

Advance Celebration Project
TOTAL REGULAR AND ADVANCE
CELEBRATION PROJECT 3,336,036.00

NORTHEAST ASSOCIATION:

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

NORTHWEST ASSOCIATION:

Alaska
Oregon
Washington

1988 BUDGET OF EXPENSE

FOREIGN FIELDS

Africa	889,149.00
Brazil	366,499.00
France	313,773.00

India	86,840.00
Japan	496,176.00
Panama	122,662.00
Spain	235,731.00
Uruguay	167,629.00
Short-term missionaries	29,400.00
Student missionaries	19,800.00
Cassette tape ministry	3,724.00
Barnard/Wilson Retirement	2,016.00
Miscellaneous projects	5,268.00
Foreign Fields Total	2,738,667.00

INFORMATIONAL AND PROMOTIONAL MATERIALS AND EQUIPMENT

Audio Visual	4,100.00
Video	12,150.00
(Equipment—5,500)	
(Supplies/Services—6,650)	
Heartbeat	36,650.00
Postage	50,000.00
Data Processing	29,671.00
Publicity Materials	42,416.00
Telephone	12,000.00
Services and Dues	2,512.00
Paper Supplies	7,000.00
Tracts/Books	1,000.00
Total	197,499.00

Less Information/Promotion

Transfers -187,697.00

Informational and Promotional Materials
and Equipment Total

9,802.00

TRAVEL AND BOARD

Department Auto	3,000.00
Department Travel	39,000.00
Traveler's Insurance	1,000.00
Board Members	12,740.00
Honorariums	1,500.00

Travel and Board Total

57,240.00

ADMINISTRATIVE

Salaries	204,963.00
Administrative Housing	62,520.00
Administrative Soc. Sec.	26,644.00
Hospitalization Insurance	30,000.00
Retirement	6,000.00
Auditing	3,000.00

Office Rent	25,000.00
Office Equipment	1,000.00
Maintenance of Office Equip.	3,700.00
Office Supplies	3,000.00
Miscellaneous	5,500.00
Employer Payroll Taxes	9,000.00
Administrative Total	380,327.00

Total Regular Foreign Missions Budget

3,186,036.00

Advance Celebration Budget

150,000.00

TOTAL REGULAR AND ADVANCE CELEBRATION BUDGETS

3,336,036.00

FREE WILL BAPTIST BIBLE COLLEGE REPORT

Recently an impressive group of educators met to determine how colleges could best prepare students for the future. By "future" they had in mind the years which yet remain in this century, as well as the early years of the next. A college should prepare students, they concluded, in the following ways:

1. Communicative skills
2. Problem solving skills
3. Value system

All of us here at Free Will Baptist Bible College are committed to these aspects of learning. We have always stressed the value of written and oral communications, problem solving and critical thinking ability, and the highest type of value system—Christian values built on the Word of God. If you observe by far the majority of our graduates, you will note that they possess each of these qualities. We agree that these characteristics best prepare a person to face life—in this century or the next.

The 1986-87 school year at Free Will Baptist Bible College will be remembered as the "Year of the Volunteer." Students, staff and faculty have all given many, many hours and performed various tasks—all for the glory of God, as a labor of love and without remuneration of any kind.

It is because of this volunteer work, the faithful gifts of God's people, careful management by everyone on the college team—and the sincere prayers of God's people, that we will finish this year in the black, financially.

The Pass the Torch Campaign is off to a good start. It will take time to complete our total network of workers—from the state and associational levels down to each local church. When this is in place, these contact persons will serve as two-way channels: from the local church, district and state to the college—and from the college to these various representatives. We want to hear from our people in order to be responsive to their needs, and we want to be responsive to their needs, and we want all of our people to be aware of the college, its prayer needs, programs of study, need for students, encouragement and financial undergirding.

It would please us for every person in the entire denomination to become a vital part in the Pass the Torch campaign. Will you pray for the success of the campaign and do your part to assure its success? We are counting on you.

Respectfully submitted,

Charles A. Thigpen
President

REGISTRATION REPORT 1986-87

Undergraduate Enrollment. 364

ENROLLMENT BREAKDOWNS

By State			
Alabama	18	Kentucky	12
Arizona	2	Massachusetts	1
Arkansas	23	Michigan	21
California	3	Mississippi	7
Delaware	1	Missouri	23
Florida	8	New York	1
Georgia	14	North Carolina	39
Idaho	1	Ohio	16
Illinois	23	Oklahoma	7
Indiana	7	South Carolina	14
		Tennessee	81
		Texas	8
		Virginia	20
		Washington	3
		West Virginia	5
		Foreign	6

(The student body represents 25 states and 5 foreign countries.)

By Classification			
Freshmen	111	Juniors	69
Sophomores	99	Seniors	65
Special	20		

Others			
Male	181	Ministerial	84
Female	183	Missionary	43
Free Will Baptist	348	Single	266
Other	16	Married	98

ENROLLMENT SUMMARY 1986-87

Undergraduate Enrollment	332
Additional Enrollment	19
Total Enrollment	351
Summer 1986 Enrollment Not Already Counted	13
Total Undergraduate Enrollment	364
Graduate School Enrollment For 1986-87: M.A.P.S.	3
Master of Ministry (Not counted elsewhere)	21
Total Annual Enrollment (Undergraduate and Graduate)	388

FINANCIAL AID REPORT

Loans Issued	192	\$131,090.63
Student Workers	108	88,241.36
Scholarship Recipients	56	12,340.00

WELCH LIBRARY

Total books, bound volumes, microforms, sound recordings, video-cassettes, instructional materials, etc.	51,303
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The May 31, 1987, 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, 1986 — May 31, 1987

States	General Fund*	Building Fund*	Torch Campaign**	Total
Alabama	36,089.87	4,020.29	10,156.66	50,266.82
Arizona	793.04	105.00	25.00	923.04
Arkansas	15,600.99	3,701.75	5,084.74	24,387.48
California	4,257.43	100.00	2,008.13	6,365.56
Connecticut	3,750.00	—0—	1,300.00	5,050.00
Delaware	—0—	—0—	89.35	89.35
Florida	12,310.80	8,311.25	4,790.19	25,412.24
Georgia	28,927.45	14,117.15	11,785.07	54,829.67
Hawaii	785.00	25.00	230.00	1,040.00
Idaho	446.86	100.00	111.50	658.36
Illinois	11,165.69	3,794.63	3,072.22	18,032.54
Indiana	3,311.04	862.63	1,030.29	5,203.96
Iowa	—0—	—0—	200.00	200.00
Kansas	597.25	—0—	89.13	686.38
Kentucky	6,840.86	460.00	1,907.10	9,207.96
Maryland	1,825.88	185.00	302.19	2,313.07
Massachusetts	300.00	25.00	—0—	325.00
Michigan	15,254.03	1,743.75	1,511.69	18,509.47
Mississippi	9,948.60	1,961.40	3,636.65	15,546.65
Missouri	20,590.59	2,853.00	4,622.37	28,065.96
Nebraska	230.00	25.00	110.00	365.00
Nevada	90.00	—0—	30.00	120.00
New Jersey	40.00	—0—	—0—	40.00
New Mexico	46.88	—0—	3.24	50.12
North Carolina	66,651.13	55,700.92	25,862.21	148,214.26
Ohio	10,945.72	760.00	2,289.40	13,995.12
Oklahoma	14,866.45	762.00	3,014.32	18,642.77
South Carolina	24,460.99	2,857.47	10,342.26	37,660.72
Tennessee	81,909.31	11,853.67	24,610.29	118,373.27
Texas	17,463.66	2,217.00	1,813.49	21,494.15
Virginia	14,166.88	2,989.00	4,823.99	21,979.87
Washington	375.00	5,000.00	50.00	5,425.00
West Virginia	4,884.08	61.00	984.10	5,929.18
Canada	63.47	417.95	66.58	548.00
WNAC	2,154.50	375.00	1,517.57	4,047.07
Virgin Islands	426.60	—0—	71.00	497.60
Other	23,122.91	9,340.00	12,372.17	44,835.08
	434,692.96	134,724.86	139,912.90	709,330.72

Alumni Project
President's Council*
Special Torch Gift (used toward Campaign costs)

11,175.00
17,740.26
100,000.00

Grand Total

838,245.98

*June 1, 1986 — March 9, 1987
**March 10, 1987 — May 31, 1987

Alabama	11,175.00
Arizona	17,740.26
Arkansas	100,000.00
California	
Colorado	
Florida	
Georgia	
Hawaii	
Idaho	
Illinois	
Indiana	
Iowa	
Kansas	
Kentucky	
Maryland	
Massachusetts	
Michigan	
Mississippi	
Missouri	
Nebraska	
Nevada	
New Jersey	
New Mexico	
North Carolina	
Ohio	
Oklahoma	
South Carolina	
Tennessee	
Texas	
Virgin Islands	
Virginia	
West Virginia	
Canada	
WNAC	
Other	
TOTAL	

23,000.00

TORCH CAMPAIGN STATE QUOTAS 1987-1989

(Quotas for 2 years)

Alabama	\$ 183,600
Arizona	3,240
Arkansas	108,000
California	21,600
Colorado	2,000
Florida	103,680
Georgia	182,520
Hawaii	5,000
Idaho	2,160
Illinois	74,520
Indiana	16,200
Iowa	2,000
Kansas	3,240
Kentucky	38,880
Maryland Ass'n (MD, NJ, PA, DE and part of VA)	12,880
Michigan	76,680
Mississippi	69,120
Missouri	99,360
Nebraska	2,160
New Mexico	216
North Carolina	571,320
Northwest Ass'n (WA, OR, AK)	1,500
Ohio	52,920
Oklahoma	86,400
South Carolina	178,200
Tennessee	459,000
Texas	43,200
Virgin Islands	2,160
Virginia	61,560
West Virginia	20,520
Canada	1,000
WNAC	9,720
Other	505,444
TOTAL	\$3,000,000

Marlin & Edmondson

CERTIFIED PUBLIC ACCOUNTANTS
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ALVA T. HARRELL
RUSSELL E. NEAL

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, 1987, and the related statements of changes in fund balances and current unrestricted funds revenues, expenditures and other changes for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of Free Will Baptist Bible College at May 31, 1987, 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 23, 1987

FREE WILL BAPTIST BIBLE COLLEGE

Balance Sheet

May 31, 1987

(with comparative figures for 1986)

Assets	1987	1986
Current funds:		
Unrestricted:		
Cash, including interest bearing deposits of \$7,973 in 1987 and \$7,869 in 1986	\$ 12,191	19,168
Investments at fair value at date of gift	4,135	5,422
Receivables:		
Students accounts	13,012	13,087
Staff and others	11,303	13,046
Note receivable - plant fund	472,606	505,905
Total accounts receivable	496,921	532,038
Inventory	15,473	19,411
Due from plant fund	55	-
Total unrestricted funds	528,775	576,039
Restricted:		
Due from current unrestricted funds	21,205	9,179
Total restricted funds	21,205	9,179
Total current funds	\$ 549,980	585,218
Loan funds:		
Interest bearing deposits	\$ 101,734	78,741
Notes receivable, less allowance for doubtful notes of \$41,400 in 1987 and \$38,000 in 1986	289,380	278,522
Due from current unrestricted funds	69,888	34,727
Total loan funds	\$ 461,002	391,990

Liabilities and Fund Balances

	1987	1986
Current funds:		
Unrestricted:	\$ 200,000	368,000
Note payable to bank	52,910	40,075
Accounts payable	19,848	19,565
Students credit balances and deposits	52,251	54,377
Accrued salaries	17,331	14,807
Deferred revenues - summer school	17,616	-
Deferred campaign revenue	-	-
Due to other funds:		
Current restricted funds	21,205	9,179
Loan funds	69,888	34,727
Agency funds	3,800	6,300
Plant funds	32,800	-
	127,693	50,206
Fund balance	41,126	29,009
Total unrestricted funds	528,775	576,039
Restricted:		
Fund balances	21,205	9,179
Total restricted funds	21,205	9,179
Total current funds	\$ 549,980	585,218
Loan funds:		
Accrued interest	\$ 3,172	2,669
Notes payable to individuals	163,348	124,490
Fund balances - private	294,482	264,831
Total loan funds	\$ 461,002	391,990

FREE WILL BAPTIST BIBLE COLLEGE

Balance Sheet, Continued

Assets	1987	1986
Endowment funds:		
Interest bearing deposits	\$ 155,324	150,000
Note receivable - plant funds	12,883	17,400
Total endowment funds	\$ 168,207	167,400
Annuity funds:		
Interest bearing deposit	\$ 5,000	-
Rental property at appraised value at date of gift	78,000	78,000
Total annuity funds	\$ 83,000	78,000
Plant funds:		
Interest bearing deposits, including \$10,937 in 1987 and \$8,978 in 1986 held by Trustee under lease obligations	\$ 11,134	10,100
Investments held by Trustee under lease obligations	82,498	108,000
Accounts receivable	-	-
Due from current unrestricted fund	32,800	-
Investment in plant:		
Land	373,069	373,000
Buildings and improvements	3,536,417	3,536,400
Equipment	773,005	759,000
Library books	90,394	90,300
Total investment in plant	4,772,885	4,759,700
Total plant funds	\$ 4,899,317	4,878,500
Agency funds:		
Cash	\$ 4,702	5,000
Due from current unrestricted fund	3,800	6,000
Accounts receivable	412	-
Total agency funds	\$ 8,914	7,689

Liabilities and Fund Balances

	1987	1986
Endowment funds:		
Fund balances:	\$ 45,641	45,041
Endowment	105,485	105,485
Quasi-endowment, unrestricted	17,081	17,081
Scholarship, restricted	-	-
Total endowment funds	\$ 168,207	167,607
Annuity funds:		
Annuity payable	\$ 22,252	22,982
Fund balance	60,748	55,018
Total annuity funds	\$ 83,000	78,000
Plant funds:		
Due to other funds:		
Note payable - current unrestricted funds	\$ 472,606	505,905
Note payable - endowment fund	12,883	17,607
Accounts payable and accrued expenses	195	613
Due to current unrestricted funds	55	-
Lease obligation	295,000	345,000
Notes payable	194,008	226,457
Fund balances:		
Unexpended	32,747	657
Net investment in plant	3,891,823	3,782,289
Total fund balances	3,924,570	3,782,946
Total plant funds	\$ 4,899,317	4,878,528
Agency funds:		
Funds held in custody for others	\$ 8,914	7,689
Total agency funds	\$ 8,914	7,689

Year ended May 31, 1987

Loan Funds	Endowment Funds	Annuity Funds	Plant Funds	
			Unexpended	Net Investment In Plant
-	-	-	-	-
8,261	600	2,610	177,589	-
4,663	-	-	7,249	-
22,902	-	-	-	-
-	-	-	-	13,546
-	-	-	-	120,473
-	-	3,120	-	-
<u>35,826</u>	<u>600</u>	<u>5,730</u>	<u>184,838</u>	<u>134,019</u>
-	-	-	-	-
-	-	-	-	-
3,400	-	-	-	-
-	-	-	115,749	-
-	-	-	81,867	-
2,775	-	-	92,760	-
-	-	-	885	-
<u>6,175</u>	<u>-</u>	<u>-</u>	<u>291,261</u>	<u>-</u>
-	-	-	81,228	-
-	-	-	32,800	-
-	-	-	24,485	(24,485)
-	-	-	138,513	(24,485)
29,651	600	5,730	32,090	109,534
<u>264,831</u>	<u>167,607</u>	<u>55,018</u>	<u>657</u>	<u>3,782,289</u>
<u>294,482</u>	<u>168,207</u>	<u>60,748</u>	<u>32,747</u>	<u>3,891,823</u>

FREE WILL BAPTIST BIBLE COLLEGE

Statement of Current Unrestricted Funds Revenues,
Expenditures and Other Changes

Year ended May 31, 1987

(with comparative figures for 1986)

	1987	1986
Revenues:		
Tuition and fees	\$ 645,270	656,973
Gifts	565,334	660,753
Endowment income	13,246	14,390
Investment income	47,758	48,158
Sales and services of auxiliary enterprises	578,287	612,452
Other sources	2,312	9,986
Total revenues	1,852,207	2,002,712
Expenditures:		
Educational and general:		
Instruction	473,453	583,980
Academic support	97,586	151,996
Student services	109,793	148,082
Operation and maintenance of plant	171,710	166,232
Institutional support	414,471	468,159
Total educational and general expenditures	1,267,013	1,518,449
Mandatory transfers for debt service	25,671	27,996
Total educational and general	1,292,684	1,546,445
Auxiliary enterprises:		
Expenditures	459,049	534,797
Mandatory transfers for debt service	55,557	84,589
Total auxiliary enterprises	514,606	619,386
Total expenditures and mandatory transfers	1,840,090	2,165,831
Other transfers, additions and (deductions):		
Transfers of unrestricted gifts to unexpended plant	32,800	-
Revenues over (under) expenditures and other changes	\$ 12,117	(163,119)

FREE WILL BAPTIST BIBLE COLLEGE

Proposed Budget
1987-88

Current Unrestricted Funds

Revenues:	\$ 643,800
Tuition and fees	740,000
Gifts - state quotas	12,000
Endowment income	43,000
Investment income	564,500
Sales and service of auxiliary enterprises	7,000
Graduate school	1,700
Other sources	
Total revenues	\$2,012,000
Expenditures:	
Educational and general:	\$ 506,300
Instruction	124,845
Academic support	119,820
Student services	193,485
Operation and maintenance of plant	532,845
Institutional support	
Total educational and general	\$1,477,295
Auxiliary enterprises	435,180
Expenditures	70,525
Mandatory provision for lease obligations	12,500
Mandatory transfer -- energy & telephone	
Total auxiliary enterprises	\$ 518,205
Graduate school	16,500
Total expenditures	\$2,012,000

SUNDAY SCHOOL AND CHURCH TRAINING DEPARTMENT REPORT

Happy Birthday Randall House

Two events occurred on June 18, 1987. Randall House Publications celebrated its twenty-fifth year as the publishing arm of the National Association of Free Will Baptists. In addition, Dr. Roger C. Reeds celebrated his twenty-fifth year as the General Director of Randall House Publications.

June 18 was set aside as a special day of celebration for these two events. The day of celebration began with an open house at 9:00 A.M. Everyone was invited to stop by for a tour of the facilities and to meet the current employees. Refreshments were served throughout the day.

At 5:30 P.M. all of our friends gathered for barbecue dinner that was provided on the front lawn of the building. Tables were arranged around a lovely magnolia tree.

There was a special service of praise and celebration at 7:00 P.M. This service was held outdoors on the lawn. The front lawn has a gentle slope that provides a natural amphitheater. Seating was provided for over four hundred people.

At 8:00 P.M. Randall House hosted Rev. John Gibbs in a sacred concert of one hour's duration. Rev. Gibbs presented the gospel in testimony and song. He is one of the most popular singers in Free Will Baptist ranks.

Randall House Publications is what it is today because of the many employees who have worked there over the years and who are working there today. For this reason this special birthday event was to honor these dedicated people. All former employees and members of the Sunday School and Church Training Board of the National Association of Free Will Baptists were invited to attend the events of the day. All of these along with present employees and board members were recognized during the evening service. Each of these received a special gift.

Randall House Publications started out as the Sunday School Department of the National Association of Free Will Baptists. Such a department was created and operated during the 40's and 50's. There was even an ill-fated venture into producing Sunday school literature in the latter part of the 50's. This led to a closing of the department in 1959.

For three years the office at Free Will Baptist headquarters stood empty and idle. In 1962 the Sunday School Board employed Rev. Roger C. Reeds of St. Louis, Missouri to serve as a full time general director. Reeds began his employment on June 18, 1962. A literature program had been launched a few months previous.

This new effort in publishing met with success and the department began to grow. What had been an empty office now spilled over into the hallways. Shipping space was occupied in an old carriage house in back of the headquarter building. The department looked forward to the move with the rest of the National offices to the 1134 Murfreesboro Road site.

The Sunday School Department outgrew two facilities at 1134 Murfreesboro Road. The move to that site took place in 1964, and the employees immediately found that their allotted space was too small. In 1967 a 10,000 square foot building was erected by the Sunday School Department. This building stands behind the main building at 1134 Murfreesboro Road.

In 1970 the Sunday School Board purchased and occupied its present location at 114 Bush Road. This building presently has 50,000 square feet. In 25 years the department has moved from occupying less than 1,000 square feet to a building of 50,000 square feet.

At the time of the move to the Bush Road location, the Sunday School Board decided that they needed a publications name and the name of Randall House Publications was decided upon. The legal title of the operation today is the Sunday School and Church Training Department of the National Association of Free Will Baptists. However, the department is known by its more popular name of Randall House Publications.

Randall House Publications is a multi-faceted ministry. In addition to a complete line of their regular curriculum, they now have a line of Spanish curriculum. They have published over 100 books and have many more in the planning stages. Work is progressing on a set of Bible commentaries.

A division of Randall House Publications promotes a host of youth activities. A full-time staff devotes all of their time and energies in such activities as a Youth Evangelistic Team, Youth Conferences, Newsletters, and a huge National Youth Conference each year that runs simultaneous with the meeting of the National Association of Free Will Baptists.

Another area of constant activity for some of the employees of Randall House is the promotion of church growth. Each year the department sponsors two enlargement campaigns that allows Sunday schools across the denomination to compete with one another in a contest for growth. Other activities are such things as Sunday school revivals, promotional items and an overall encouragement towards the growth of Free Will Baptist Sunday schools.

Randall House Publications derives all of its support from the sale of their products. The department has been able to operate in the black and support some of its satellite ministries at the same time. Sales over the years have increased from the thousands to the millions.

As the first twenty-five years of Randall House Publications draw to a conclusion, General Director Roger Reeds and the remainder of the employees are looking to the future. Steps are being taken to improve the curriculum published by the department. New book titles are on the docket for publication. They plan to continue thrust in youth activities and Sunday school growth.

In a recent interview, Dr. Roger C. Reeds said, "I am sincere in my appreciation for all of the former employees and board members who came to visit and share this day of celebration and praise. Of course it was good to see many other friends on that day."

SUNDAY SCHOOL BOARD OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Statements of Activity and Changes in Fund Balance
Years ended February 28, 1987 and 1986

	1987	1986
Revenues:		
Net sales:		
Curriculum	\$ 1,636,459	1,655,892
Randall House books	86,400	111,108
Merchandise	34,695	40,790
Bulletins	71,692	67,792
Vacation Bible school	10,174	23,892
Bookstore	96,406	51,852
Printing	66,411	139,747
Other sales	91,148	106,077
Net sales	2,093,389	2,197,150
Freight and handling	63,200	63,662
Other income	46,340	65,922
Gain on sale of assets	74,446	3,342
Total revenues	2,277,375	2,330,076
Expenses:		
Cost of sales:		
Inventory at beginning of year	390,654	360,317
Outside merchandise purchases	322,818	238,412
Printing services	521,308	562,760
Liturgical and preparation	464,982	443,272
Depreciation	29,511	27,243
Less inventory at end of year	1,729,273	1,632,004
	534,940	390,654
	1,194,333	1,241,350
Selling, general and administrative expenses:		
Sales and promotion	131,613	139,353
Administrative	78,664	70,798
Bookkeeping	81,177	83,771
Shipping	128,821	151,128
Building	120,267	124,786
General	115,156	101,478
Youth department (note 7)	105,789	103,629
Spanish department	76,705	95,271
Book store	74,356	-
Interest expense	45,523	46,591
Depreciation	85,126	71,496
	1,043,197	988,301
Total expenses	2,237,530	2,229,651
Excess of revenues over expenses	39,845	100,425
Fund balance, beginning of year	1,010,633	910,208
Fund balance, end of year	\$ 1,050,478	1,010,633

See accompanying notes to financial statements.

Statements of Changes in Financial Position
Years ended February 28, 1987 and 1986

	1987	1986
Sources of funds:		
Excess of revenues over expenses	\$ 39,845	100,425

Items which do not use (provide) working capital:		
Depreciation and amortization	114,637	98,739
Gain on sale of property, plant and equipment	(74,446)	-
Working capital provided by operations	80,036	199,164
Proceeds from sale of property, plant and equipment	80,770	-
Increase in long-term debt	46,131	18,197
	\$ 206,937	217,361
Uses of funds:		
Additions to property, plant, equipment	\$ 136,095	128,532
Current installments and repayments of long-term debt	50,760	81,130
Increase in working capital	20,082	7,699
	\$ 206,937	217,361
Changes in components of working capital:		
Increase (decrease) in current assets:		
Cash	\$ 90,302	(52,466)
Trade receivables	(155,206)	110,645
Employee and other receivables	(150)	-
Inventories	144,286	30,337
Deferred charges	(1,647)	(8,494)
	77,585	80,022
Increase (decrease) in current liabilities:		
Notes payable to bank and others	45,000	50,000
Accounts payable	58,121	18,205
Accrued expenses	(6,833)	10,538
Current portion of long-term debt	(38,785)	(6,420)
	57,503	72,323
Increase in working capital	\$ 20,082	7,699

See accompanying notes to financial statements.

Balance Sheets

February 28, 1987 and 1986

	1987	1986
Assets		
Current assets:		
Cash (note 2)	\$ 129,220	38,918
Trade accounts receivable, net of an allowance for doubtful accounts of \$8,560 in 1987 and 1986	158,641	313,847
Employee and other receivables	720	870
Inventories	534,940	390,654
Deferred charges	12,812	14,459
Total current assets	836,333	758,748
Property, plant and equipment, at cost (notes 3 and 4):		
Land	127,873	127,873
Building	613,890	580,206
Printing service equipment	286,597	352,397
Office and administrative equipment	347,248	330,545
Automotive equipment	56,986	48,279
	1,432,594	1,439,300
Less accumulated depreciation	598,714	620,554
Net property, plant and equipment	833,880	818,746
	\$ 1,670,213	1,577,494

Liabilities and Fund Balance

<u>Current liabilities:</u>		
Notes payable to bank and others	\$ 177,500	132,500
Current portion of long-term debt (notes 2 and 4)	39,364	78,149
Accounts payable	290,358	232,237
Accrued expenses	42,803	49,636
Total current liabilities	550,025	492,522
Long-term debt (notes 2 and 4)	69,710	74,339
Fund balance	1,050,478	1,010,633
	\$ 1,670,213	1,577,494

See accompanying notes to financial statements.

Notes to Financial Statements

February 28, 1987 and 1986

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 \$8,120 in 1986, which represents deposits with the paying agent for retirement of matured bonds and accrued interest on outstanding bonds.

(3) Property, Plant and Equipment

Depreciation charged to operations computed on the straight-line method was \$114,638 in 1987 and \$98,739 in 1986.

(4) Long-term Debt

A summary of long-term debt is as follows:

	1987	1986
7% mortgage payable secured by warranty deed on 3.52 acres of land	\$ -	4,000

Equipment obligations, maturing through 1989, payable monthly \$2,684 including interest secured by related equipment 65,599 71,463

14-3/4% unsecured installment note 12,256

11-1/2% unsecured installment note, payable monthly at \$466 including interest through 1991 20,923 23,918

13-1/2% unsecured installment note, payable monthly at \$1,266 including interest through 1988 22,552 33,851

9% First Mortgage Bonds, secured by a deed of trust on property - 7,000

109,074 152,488

39,364 78,149

Less current portion of long-term debt

Long-term debt, excluding current portion \$ 69,710 74,339

Maturities of long-term debt are as follows:

1988	\$ 39,364
1989	37,667
1990	17,276
1991	9,153
1992	5,614
	\$ 109,074

(5) Commitments

Operating Leases

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

Preparation	\$ 5,205
Editorial	2,505
Shipping	1,065
Building	2,680
Spanish	1,681
General	15,179
Bookstore	25,678
	\$ 53,993

Operating Leases, continued

The following is a schedule, by years of the future minimum rental payments required that have initial or remaining noncancelable lease terms in excess of one year as of February 28, 1987.

Year ending February 28:	Amount
1988	\$ 49,074
1989	47,553
1990	33,760
1991	28,906
	\$ 159,293

(6) 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 \$14,569 in 1987 and \$14,336 in 1986. 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.

(7) Youth Department

The purpose of the Youth Department of the Freewill Baptist Sunday School Board is to provide ministries and services to the youth and youth workers of the Association. The following is a summary of the department's activities:

Revenue from conferences and related services	\$ 40,873
Expenditures for conferences and related services	\$ 37,509
General and administrative expenses	68,280
	\$ 105,789

(8) Presentation

Certain reclassifications have been made in the 1986 financial statements to conform to the current year presentation.

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. MULLALY
DAVID C. WOOD
ALVA T. HARRELL
RUSSELL E. NEAL

TELEPHONE
(615) 665-9500

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

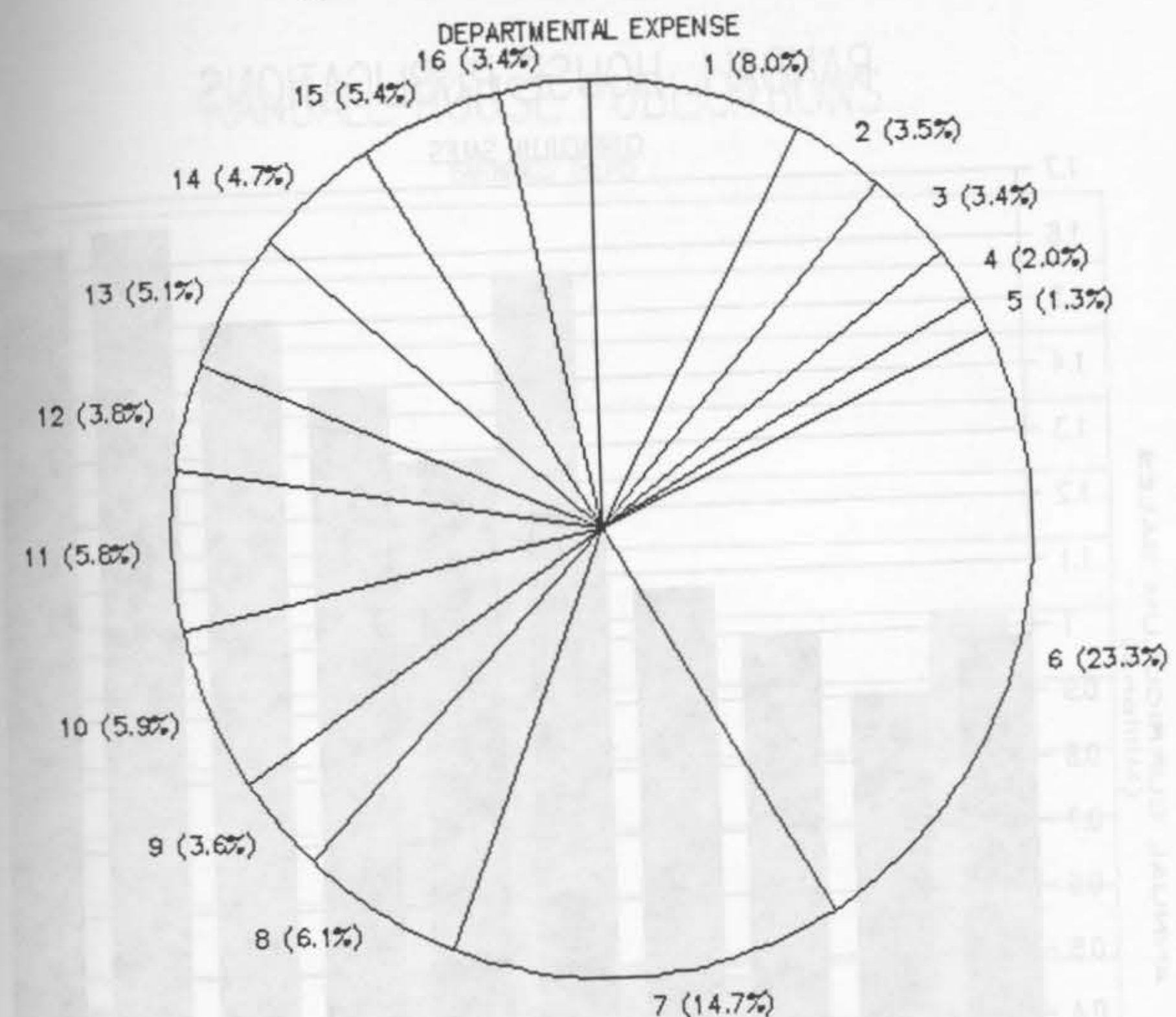
We have examined the balance sheets of the Sunday School Board of the National Association of Free Will Baptists as of February 28, 1987 and 1986, and the related statements of activity and changes in fund balance and changes in financial position for the years then ended. Our examinations were made 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, 1987 and 1986, and the results of its activity and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Marlin & Edmondson

April 3, 1987

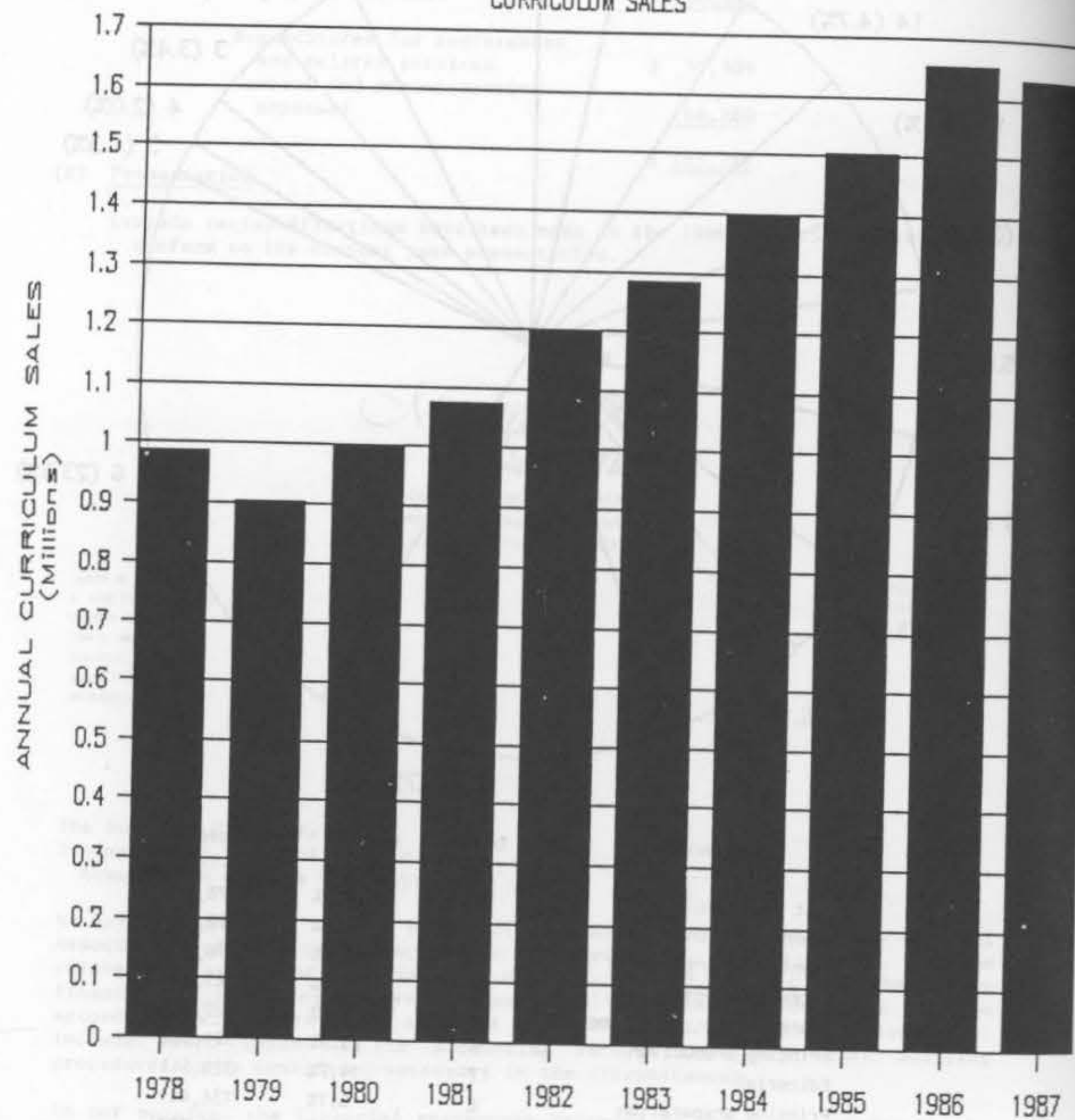
RANDALL HOUSE PUBLICATIONS



Department	Code	Percent	Expenses
Cost of sales	1	8.0%	\$178,533
Administration	2	3.5%	78,664
Spanish department	3	3.4%	76,705
Interest expense	4	2.0%	45,522
Depreciation - printing	5	1.3%	29,511
Printing production	6	23.3%	521,308
Editorial	7	14.7%	328,541
Printing preparation	8	6.1%	136,441
Bookkeeping	9	3.6%	81,177
Sales and promotion	10	5.9%	131,613
Shipping	11	5.8%	128,821
Depreciation - general	12	3.8%	85,126
General	13	5.1%	115,156
Youth division	14	4.7%	105,789
Building	15	5.4%	120,267
Bookkeeping	16	3.4%	74,356
		100.0%	\$2,237,530

RANDALL HOUSE PUBLICATIONS

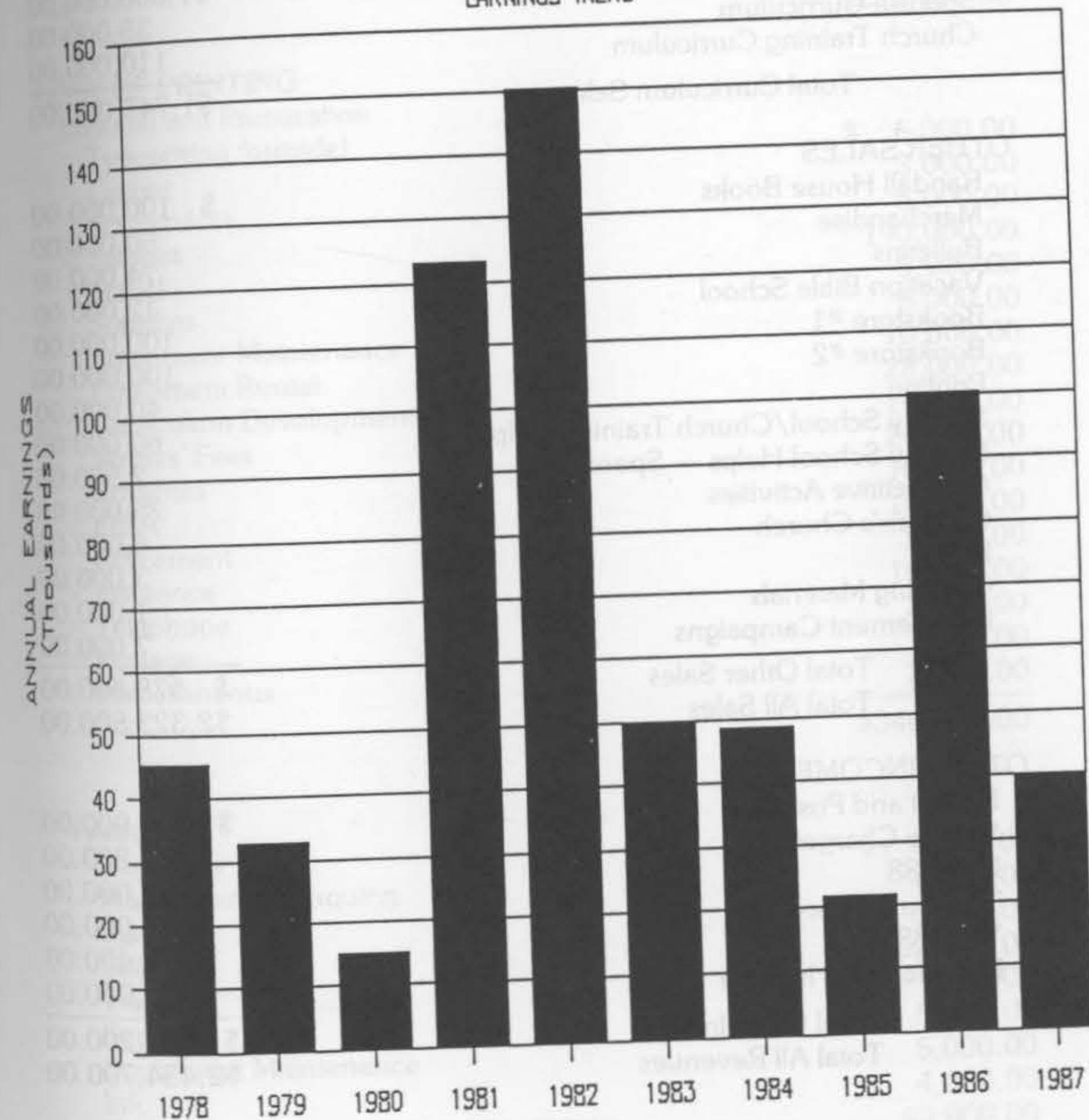
CURRICULUM SALES



FOR THE YEAR ENDED FEBRUARY 28,

RANDALL HOUSE PUBLICATIONS

EARNINGS TREND



FOR THE YEAR ENDED FEBRUARY 28,

BUDGET FOR 1988

REVENUES

CURRICULUM

Sunday School Curriculum	\$1,600,000.00
Spanish Curriculum	35,000.00
Church Training Curriculum	110,000.00
Total Curriculum Sales	\$1,745,000.00

OTHER SALES

Randall House Books	\$ 100,000.00
Merchandise	50,000.00
Bulletins	74,000.00
Vacation Bible School	12,000.00
Bookstore #1	100,000.00
Bookstore #2	100,000.00
Printing	40,000.00
Sunday School/Church Training Helps	60,000.00
Sunday School Helps — Spanish	2,500.00
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	\$ 578,500.00
Total All Sales	\$2,323,500.00

OTHER INCOME

Freight and Postage	\$ 65,000.00
Service Charges	1,800.00
NYC '88	25,000.00
Truth and Peace '88	16,000.00
YET '88	2,400.00
Miscellaneous Income	1,000.00
Total Other Income	\$ 111,200.00
Total All Revenues	\$2,434,700.00

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

Vacation Bible School Materials	18,000.00
Bulletins	58,000.00
ETTA	2,000.00
Enlargement Campaigns	5,000.00
Miscellaneous Costs	700.00
	\$220,700.00

COST OF PRINTING

Editorial and Preparation	\$ 6,000.00
Typesetting (outside)	3,000.00
Layout	5,000.00
Art Services	190,000.00
Salaries	5,000.00
Travel	8,000.00
Supplies	10,000.00
Equipment Maintenance	28,000.00
Equipment Rental	10,000.00
Curriculum Development	24,000.00
Writers' Fees	10,000.00
Royalties	14,000.00
FICA	5,000.00
Retirement	16,000.00
Insurance	2,000.00
Telephone	1,000.00
Postage	3,000.00
Miscellaneous	\$340,000.00

Production	\$ 6,000.00
Negatives	2,000.00
Masking and Opaquing	5,000.00
Plates	152,412.00
Salaries	500.00
Travel	5,000.00
Supplies	5,000.00
Equipment Maintenance	4,000.00
Ink	40,000.00
Stock	430,000.00
Outside Printing	12,000.00
Color Separation	1,000.00
Telephone	6,000.00
FICA	6,000.00
Insurance	2,000.00
Retirement	3,000.00
Miscellaneous	\$679,912.00

COST OF OPERATIONS

Administration	
Salaries	\$ 60,000.00
Housing (includes utilities)	10,000.00
Travel	10,000.00
Supplies	1,000.00
Equipment Maintenance	1,500.00
Postage	1,000.00
Telephone	1,000.00
FICA	8,000.00
Retirement	1,600.00
Insurance	5,000.00
Miscellaneous	1,000.00
	<hr/>
	\$100,100.00
Sales and Promotion	
Salaries	\$ 30,000.00
Travel	14,000.00
Supplies	4,000.00
Promotion	10,000.00
Advertising	10,000.00
Postage	1,000.00
Telephone	1,400.00
FICA	3,000.00
Retirement	1,800.00
Insurance	2,000.00
Miscellaneous	1,000.00
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	\$ 78,200.00
Bookkeeping and Order	
Salaries	\$ 78,000.00
Travel	500.00
Supplies	5,000.00
Equipment Maintenance	10,000.00
Postage	2,000.00
Telephone	2,000.00
FICA	5,000.00
Retirement	1,000.00
Insurance	6,000.00
Miscellaneous	1,000.00
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	\$110,500.00
Shipping	
Freight and Postage	\$ 60,000.00
Salaries	70,000.00
Travel	2,000.00
Supplies	10,000.00
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
	<hr/>
	\$161,500.00

Youth	\$ 55,340.00
Salaries	4,000.00
Travel	1,000.00
Supplies	25,000.00
NYC '88	16,000.00
Truth and Peace '88	2,400.00
YET '88	1,000.00
Promotion	5,000.00
FICA	1,000.00
Postage	1,000.00
Telephone	1,200.00
Retirement	4,000.00
Insurance	1,000.00
Miscellaneous	
	<hr/>
	\$117,940.00

Spanish	\$ 60,000.00
Salaries	1,000.00
Travel	1,000.00
Supplies	1,000.00
Equipment Maintenance	1,000.00
Promotion	1,000.00
Advertising	1,000.00
Postage	1,000.00
Telephone	2,000.00
FICA	2,400.00
Insurance	1,000.00
Miscellaneous	
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	\$ 72,400.00

Bookstore	\$ 32,000.00
Salaries	500.00
Travel	1,000.00
Supplies	4,000.00
Utilities	2,200.00
FICA	500.00
Retirement	1,800.00
Insurance	3,000.00
Advertising	26,000.00
Rent	

Materials for Resale	45,000.00
Miscellaneous	1,000.00
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Building	\$117,000.00
Salaries	
Supplies	\$ 54,000.00
Equipment Rental	10,000.00
Equipment Maintenance	2,000.00
Building Maintenance	2,800.00
Building Improvements	5,000.00
Utilities	2,000.00
Building Insurance	30,000.00
FICA	14,000.00
Retirement	4,000.00
Insurance	1,500.00
Telephone	5,000.00
Miscellaneous	22,000.00
	<hr/>
	1,000.00
	<hr/>
	\$153,300.00
General	
Supplies	\$ 2,500.00
Equipment Maintenance	1,500.00
Board Travel	15,000.00
Legal and Auditing	8,000.00
Automobile Expenses	25,000.00
Taxes	5,000.00
Interest Expense	40,000.00
Depreciation	75,000.00
Working Capital	111,148.00
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	\$283,148.00
TOTAL ALL REVENUES	\$2,434,700.00
TOTAL ALL EXPENDITURES	\$2,434,700.00

HOME MISSIONS BOARD REPORT

Many wonderful things happened in the Home Missions Department in 1986. Seventeen (17) families were approved for Home Missionary service. They were: Earl Hanna, Orangeburg, South Carolina; John McClure, Mexico; Tom Hunt, Tri-Cities, Washington; Butch Johns, Hanford, California; John Hibbard, Pioneer, California; Howard R. Gwartney, Phoenix, Arizona; Glenn Poston, Memphis, Tennessee; Melvin Haas, Hartford, Connecticut; Richard Hendrix, Huntsville, Alabama; James Sasser, Washington, D.C. area, Maryland; Larry Williams, Martinez, Georgia; Larry Haggard, Elk City, Oklahoma; Terry Mosley, Tecumseh, Michigan; Alvis Paul, Phoenix, Arizona; Louie Nix, Hawaii; Gwyn Pugh, Millington, Tennessee; and James Munsey, Missionary Coordinator for Mexico.

A new state was entered by sending the Haases to Connecticut. Four churches became self-supporting: Salem, Oregon; Fredericksburg, Virginia; Lawton, Oklahoma; and Montgomery, Alabama.

Twelve national pastors in Mexico received support in 1986. Property was purchased near Altamira, Tamps., Mexico for the relocation of the Free Will Baptist Institute of Mexico.

The "Aquila and Priscilla Program" was launched to assist laymen and their families in going with missionaries to start new churches. Five couples now serve.

The "Tentmaker Program" was also begun to assist church planters who have their own income or work at secular jobs to earn their income. Twelve families are serving under this program.

Bill Campbell, a layman from Tulsa, Oklahoma, was approved as Missionary Representative. He serves on a volunteer basis.

Loans were granted from the Home Missions Church Extension Loan Fund to churches in Alexandria, Louisiana and Elkhart, Indiana, and to the Home Missions Department to pay the bank for the church property in Wausau, Wisconsin.

Missionary Builder Howard E. Gwartney built church buildings in Elkhart, Indiana; Colorado Springs, Colorado; and Alexandria, Louisiana.

Nine chaplains in the armed forces served under the Home Missions Board's endorsement. Col. Gerald Mangham, Major Larry Langford, Captain James Bishop, and Major Kerry Steedley, served in the Army. Lt. David Burgess, LCDR Robert Cooper, and St. Robert Wiant, Jr. served in the Navy. Major Walter Golding and 1st Lt. Tim Sturgill both served in the Air Force. Tim Sturgill was added to our Chaplains in 1986.

The Home Missions Traveling Team, Roy Thomas, Trymon Messer, and John Gibbs, conducted 30 Revival Time Meetings on Evangelism and Church Growth. Good crowds of pastors and laymen attended each conference.

The third annual Roll Call Sunday was observed March 23, 1986 with 215,390 people in 2,590 Free Will Baptist churches.

Income was the largest in Home Missions history with \$1,833,104 given for the year.

The Home Missions Department appreciates the capable and dedicated staff who works faithfully to assist our missionaries, chaplains, pastors and churches. They are:

Roy Thomas, General Director
 Trymon Messer, Associate Director
 John Gibbs, Director of Development
 Bill Daniel, Director of Communications
 Iva Mae Bracey, Bookkeeper
 Kathy Brown, Data Processing and Secretary
 Ida Lewis, Secretary
 Joan Gardner, Evangelism Secretary
 Pat Thomas, Publications Editor and Secretary
 Howard E. Gwartney, Missionary Builder

Please remember us in prayer as we labor to place "Missionaries In Every State For Churches In Every City."

Respectfully submitted,
 Roy Thomas, General Director

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

Balance Sheet

December 31, 1986

(with comparative totals for 1985)

	1986			Total 1985
	Operating	Plant Fund	Total All Funds	
Cash and interest bearing deposits	\$ 253,812	-	253,812	310,639
Investments, at cost, (market value \$1,350)	10,238	-	10,238	10,238
Sales proceeds receivable (note 6)	138,399	-	138,399	-
Inventory	12,834	-	12,834	9,328
Equipment at cost, less accumulated depreciation of \$74,548 in 1986 and \$85,632 in 1985 (note 2)	-	73,885	73,885	55,086
Accrued interest	2,125	-	2,125	-
Notes receivable secured by real property	20,909	-	20,909	72,234
Total assets	\$ 438,317	73,885	512,202	457,525

Liabilities and Fund Balances

Accounts payable	\$ 3,570	-	3,570	5,544
Restricted deferred revenue - missionary accounts (note 3)	260,700	-	260,700	198,906
Deferred compensation (note 4)	90,795	-	90,795	113,869
Note payable (note 7)	19,913	-	19,913	20,336
Total liabilities	374,978	-	374,978	338,655

Fund balances:	63,339	-	63,339	63,784
Undesignated	-	73,885	73,885	55,086
Net investment in plant	63,339	73,885	137,224	118,870
Total fund balances				
Total liabilities and fund balances	\$ 438,317	73,885	512,202	457,525

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, 1986

(with comparative totals for 1985)

	Operating		Plant	Total	Total
	Unrestricted	Restricted	Fund	All Funds	1985
Support and revenue:					
Contributions	\$ 327,430	1,305,912	-	1,633,342	1,708,158
Printing services	23,387	-	-	23,387	28,898
Investment income	17,713	-	-	17,713	27,049
Gain on sale of assets	95,908	-	-	95,908	-
Other income	960	-	-	960	1,000
Total support and revenue	465,398	1,305,912	-	1,771,310	1,765,105
Expenses:					
Administrative expenditures	426,789	-	-	426,789	452,985
Missionary maintenance	-	1,305,912	-	1,305,912	1,276,774
Depreciation	-	-	20,255	20,255	17,236
Other expenses	-	-	-	-	1,803
Total expenses	426,789	1,305,912	20,255	1,752,956	1,748,798
Excess (deficiency) of support and revenue over expenses	38,609	-	(20,255)	18,354	16,307
Fund balances, beginning of year	63,784	-	55,086	118,870	102,563
Transfers to plant fund for acquisitions	(39,054)	-	39,054	-	-
Fund balances, end of year	\$ 63,339	-	73,885	137,224	118,870

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1986

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.

(2) Plant Funds

A summary of plant fund assets is as follows:

Furniture and equipment	\$ 109,518
Automobiles	38,915
	<u>148,433</u>
Less accumulated depreciation	74,548
Net investment in plant	<u>\$ 73,885</u>

(3) Restricted Deferred Revenue

Changes in restricted deferred revenue is as follows:

Balance, beginning of year	\$ 198,906
Contributions	<u>1,367,706</u>
Available	1,566,612
Expenses	<u>1,305,912</u>
Balance, end of year	<u>\$ 260,700</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, 1986 is as follows:

Balance, beginning of year	\$ 113,869
Contributions for benefit of:	
Missionaries	21,800
Administrative employees	<u>8,866</u>
	144,535
Terminations	<u>53,740</u>
Balance, end of year	<u>\$ 90,795</u>

(5) Commitments

The Board has contingent liabilities in the amount of approximately \$83,000 for the guarantee of debt relating to certain churches.

(6) Sale of Church Property

The Board foreclosed upon property located in Albuquerque, New Mexico, and subsequently sold all related assets as follows:

Proceeds from sale	\$ 138,399
Basis in building and land	<u>51,325</u>
Gain	<u>\$ 87,074</u>

(7) Related Party Transaction

The Church Extension Loan Fund, Inc., an affiliated organization, shares the office facilities and administrative staff of the Board of Home Missions at no cost. Also, the Board borrowed \$19,913 from this related organization at 11% interest to be repaid monthly in installments of \$274 with final payment in 1996.

Schedule 1

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

Year ended December 31, 1986

	Unrestricted Fund	Restricted Deferred Revenue	Plant Fund	Total
Contributions	\$ 327,430	1,367,706	-	1,695,136
Printing services	23,387	-	-	23,387
Investment income	17,713	-	-	17,713
Gain on sale of assets	95,908	-	-	95,908
Other	<u>960</u>	<u>-</u>	<u>-</u>	<u>960</u>
	<u>\$ 465,398</u>	<u>1,367,706</u>	<u>-</u>	<u>1,833,104</u>

CHURCH EXTENSION LOAN FUND, INC.

Balance Sheets

December 31, 1986 and 1985

Assets	1986	1985
Interest-bearing deposits		
Marketable securities, at cost (market value \$636,708 in 1986 and \$236,789 in 1985)	\$ 178,227	228,427
Notes receivable (note 2)	647,922	218,747
Accrued interest	276,991	229,616
	3,813	-
Total assets	\$ 1,106,953	676,790
Liabilities and Fund Balance		
Liabilities:		
Accrued interest	\$ 46,735	33,405
Revocable trust (note 3)	75,000	75,000
Deferred compensation (note 4)	27,654	-
Notes payable (note 4)	742,651	394,616
Total liabilities	892,040	503,021
Fund balance:		
Undesignated	70,601	29,457
Designated (note 6)	144,312	144,312
Total fund balance	214,913	173,769
Total liabilities and fund balance	\$ 1,106,953	676,790

See accompanying notes to financial statements.

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

Years ended December 31, 1986 and 1985

	1986	1985
Support and revenue:		
Contributions		
Investment income	\$ -	101,009
Interest income	46,578	36,915
Gain on sale of securities	35,473	17,404
Other	18,513	1,248
	-	67
Total support and revenue	100,564	156,643
Expenses:		
Interest expense	56,796	34,469
Miscellaneous	2,624	12
Total expenses	59,420	34,481

Excess of support and revenue
over expenses

41,144 122,162

Fund balance at beginning of year

173,769 51,607

Fund balance at end of year (note 6)

\$ 214,913 173,769

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1986 and 1985

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:

	1986	1985
First Free Will Baptist Church, Salem, Oregon, secured by first mortgage on the real estate.	\$ 36,124	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	9,459	23,031
Heritage Freewill Baptist Church, Fredricksburg, Virginia, guaranteed by the Maryland State Home Missions Board	21,365	23,025
Thompson Memorial Freewill Baptist Church, Vineland, New Jersey, secured by first mortgage on the real estate	30,283	30,600
Carried forward	97,231	116,246

Notes to Financial Statements, Continued

(2) Notes Receivable, Continued

	1986	1985
Brought forward	97,231	116,246
The Harvest Free Will Baptist Church Colorado Springs, Colorado, secured by first mortgage on the real estate	27,596	29,335
Heritage Free Will Baptist Church Elkhart, Indiana, secured by first mortgage on the real estate	60,010	59,476
Lancaster Free Will Baptist Church, Lancaster, Ohio, secured by first mortgage on the real estate	23,124	24,559
Victory Free Will Baptist Church, Pineville, Louisiana, secured by first mortgage on the real estate	49,117	-
	257,078	229,616
11% unsecured note receivable from the Board of Home Missions (note 7)	19,913	-
	\$ 276,991	229,616

(3) Revocable Trust

The Loan Fund is recipient of a revocable trust in the amount of \$75,000. The Loan Fund is required to make payments to the beneficiary for 75% of interest earned on the trust funds within certain limitations.

(4) Deferred Compensation

The Board of Home Missions of the National Association of Free Will Baptist, a related party, 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. Certain employee's balances are transferred periodically to the Loan Fund.

A summary of the liability at December 31, 1986 and 1985 is as follows:

	1986	1985
Balance, beginning of year	\$ -	-
Transfers	27,654	-
Balance, end of year	\$ 27,654	-

(5) Notes Payable

Notes payable, amounting to \$742,651 in 1986 and \$394,616 in 1985, consist of 7% to 10% demand notes to individuals and churches. Such funds will be loaned to qualifying churches to finance building projects.

(6) Designated Fund Balance

The Loan Fund received as a contribution, proceeds 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.

(7) Related Party Transaction

The Loan Fund shares office facilities and administrative staff with the Board of Home Missions at no cost. Also, as indicated in note (2) the Loan Fund loaned the Board of Home Missions \$19,913 at 11% interest to be repaid monthly in installments of \$274 with final payment in 1996.

Marlin & Edmondson

CERTIFIED PUBLIC ACCOUNTANTS
ONE BURTON HILLS BLVD., SUITE 375
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JOHN W. MARLIN
L. JOE EDMONDSON
TERRY A. HILL
TIM D. MULLALLY
DAVID C. WOOD
ALVA T. HARRELL
RUSSELL E. NEAL

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, 1986, 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, 1986, and the support and revenue, expenses, capital additions, transfers among funds and changes in fund balances for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Marlin & Edmondson

January 26, 1987

PROPOSED FAITH BUDGET FOR 1988

	1987 Budget	1988 Budget
Missionary Maintenance		
Salaries	\$1,225,000.00	\$1,240,000.00
Travel & Promotion	50,000.00	60,000.00
Employee Savings	25,000.00	25,000.00
Postage & Printing	30,000.00	30,000.00
Miscellaneous	15,000.00	15,000.00
Land & Building Fund	25,000.00	45,000.00
Total	\$1,370,000.00	\$1,415,000.00
Administrative		
Salaries	\$ 155,000.00	\$ 165,000.00
Housing	40,000.00	42,000.00
Social Security	10,000.00	10,000.00
Pay Roll Taxes	6,000.00	7,500.00
Employee Savings	9,000.00	10,000.00
Insurance	26,500.00	22,500.00
Utilities	7,500.00	6,500.00
Total	\$ 254,000.00	\$ 263,500.00
Missionary Assistance		
Printing & Postage	\$ 50,000.00	\$ 60,000.00
Telephone	10,000.00	14,000.00
Board Member Expense	9,000.00	10,000.00
Computer Service	2,500.00	2,500.00
Auditing	2,500.00	4,000.00
Miscellaneous	7,000.00	7,000.00
Total	\$ 86,000.00	\$ 97,500.00
Evangelism		
Auto & Travel	\$ 55,000.00	\$ 35,000.00
Promotion	5,000.00	5,000.00
Literature	9,000.00	14,000.00
Revivals	10,000.00	10,000.00
Roll Call Sunday	6,000.00	6,000.00
Total	\$ 85,000.00	\$ 70,000.00
Plant		
Office Space	\$ 17,500.00	\$ 19,000.00
Equipment & Supplies	20,000.00	15,000.00
Depreciation	17,500.00	20,000.00
Total	\$ 55,000.00	\$ 54,000.00
TOTAL FAITH BUDGET	\$1,850,00.00	\$1,900,000.00

PROPOSED STATE QUOTAS FOR 1988

State	1988 Quota
	\$ 130,000
Alabama	500
Alaska	9,000
Arizona	85,000
Arkansas	100,000
California	2,000
Canada	12,000
Colorado	65,000
Florida	75,000
Georgia	500
Hawaii	2,000
Idaho	55,000
Illinois	17,000
Indiana	500
Iowa	16,000
Kansas	60,000
Kentucky	2,000
Louisiana	3,500
Maine	20,000
Maryland	500
Mexico	35,000
Michigan	500
Minnesota	48,000
Mississippi	153,000
Missouri	500
Montana	5,000
Nebraska	15,000
New Hampshire	2,000
New Mexico	500
New York	160,000
North Carolina	90,000
Ohio	190,000
Oklahoma	5,000
Oregon	500
Pennsylvania	2,000
Puerto Rico	1,000
Rhode Island	60,000
South Carolina	500
South Dakota	222,000
Tennessee	31,000
Texas	500
Vermont	75,000
Virginia	27,000
Virgin Islands	5,000
Washington	

West Virginia	60,000
Wyoming	500
Other States	5,000
Other Income	50,000

TOTAL 1988 QUOTAS \$1,900,000

MASTER'S MEN DEPARTMENT REPORT

Master's Men observes 31 years of service to our denomination. Through those years programs have changed but the basic goal remains the same: to challenge the Free Will Baptist laity to reach full potential in the work of the Lord.

The denomination needs the involvement of the laymen. It is encouraging to see the accomplishments of dedicated, active, lively laymen. What a thrill to know the men care about the day to day work of the denomination! What a joy to see them participate in all phases of our ministries!

THANKS

The nine men on the Master's Men Board consider their elected positions as places of service to the denomination. And they labor to guide wisely the ministry of this Department.

Three Board positions will be filled during this Convention. It is good to recognize the men who vacate positions of service.

Wayne Spruill (Hawaii) was elected to serve in 1975. His 12 years of service included activity as Secretary of the Board. In 1983 he served in the capacity of interim Director from April until August.

Wendell Leckbee (Arkansas) has served as Vice Chairman of the Board. His involvement reaches all levels . . . local church, district, state and national. In 1986 he was chosen Layman of the Year.

Rev. Dwight Fletcher has been our only pastor on the Board the past two years. His tenure since 1983 included activity as Board Secretary.

As Director, I am thankful for the wise counsel these men have shared with me. I appreciate their service and dedication to the ideals of this aspect of Free Will Baptist ministry.

PRAISE

The Master's Men continue to show great enthusiasm for the work of the Lord. In the past two years eight new Free Will Baptist churches were built with labor in part from men through the *Master's Hands Project*.

Master's Men Board Member Howard Gwartney was hired by the Home Missions Department to construct churches. His able leadership has encouraged other laymen to travel and help him in construction efforts.

Also worthy of mention is the chapter of Eastside Church in Houston, Texas. They traveled to Reynosa, Mexico last summer to construct Las Decicias Free Will Baptist Church.

Work projects this calendar year include two *Master's Hands Projects*. In Arizona, the men labored to build Heritage Temple Church for Home Missionary Paul Thompson. And in New Hampshire, Home Missionary Jim Nason saw the men working to construct a new First Free Will Baptist Church in the city where our denomination was begun in 1727.

Tentative scheduling calls for other projects in Nebraska during 1987, and possibly one more church in Mexico.

Ushering during the National Conventions continues to be a labor of love. Headed by Ushering Chairman Raymond Lee, the men volunteer efforts to

smooth the business sessions, receive offerings and provide security through the duration of the convention.

LifeMember concept injects new excitement in the rank and file membership. LifeMembership was initiated in December, 1985 to challenge men in declaring loyalty to the denomination and the Department for life. In the last 17 months, 144 laymen, preachers, missionaries and chaplains have joined. Also seven ladies showed interest by becoming LifeFriends.

Each person has deposited a fee of \$100 to become a LifeMember or Life-Friend. That fee becomes a part of the Master's Men Endowment Trust, held by the Free Will Baptist Foundation. The Trust will provide annual revenue for the General Fund. The principal amount will never be spent. It will remain until the Lord comes back, providing help to the budget every year. This fund already exceeds \$15,000.

This membership is expected to exceed 200 by the end of 1987.

FINANCES

The ability to receive funding continues to be a problem for Master's Men Department. With only two employees travel and pleas for assistance must be restricted. The denomination needs to address the problem of consistent financing for the smaller Departments. The question is not whether we can survive, but how long we can survive with constant cuts of income.

Spendable income has dropped two years in a row. At this point, desperate pleas seem appropriate. But, we can only continue to trust the Lord will provide through the people of our denomination.

Setbacks in the economy and shifting of Co-operative Giving has caused severe difficulties in the first half of 1987. The printing of ATTACK magazine was suspended for this calendar year to conserve funds. The Department has worked with only part-time secretarial help since February.

FUTURE

The DECADE OF DISCIPLESHIP is already into the third year. The goal of these studies is to produce men who are fully yielded to the will of the Master. The 1988 theme will explore Discipleship in the Home.

Project Master's Hands will continue to build churches and facilities of service. Two possible Foreign Missions projects for 1988 are new churches in Panama and France.

The Tenth Annual National Master's Men Conference is scheduled for April 21-23 in Tennessee at Camp Linden. "Continue in the Faith" is the theme. Emphasis will be placed on Father/Son attendance.

There is a need for involvement of more men in the efforts of Master's Men. Every Free Will Baptist layman should be a part of this ministry. Following the Master is not always easy, but it is worth it. He promised a safe landing. Not an easy passage.

Your prayers and faithful financial support are necessary and appreciated.

His servant with you,

James E. Vallance
General Director

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

BALANCE SHEET December 31,

	1986	1985
ASSETS		
CURRENT ASSETS	\$ 327	\$ 2,034
Cash	12,020	800
Trust account - Lifetime membership		
Accounts receivable, net of allowance		
for doubtful accounts of \$229 for 1986	--	--
and 1985	430	100
Interest receivable	100	441
Deposits	1,146	
Inventories	--	1,391
Prepaid expenses		
Total current assets	\$ 14,023	\$ 4,766
PROPERTY AND EQUIPMENT, net (Note 2)	7,991	4,935
Total assets	\$ 22,014	\$ 9,701

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES	\$ 5,504	\$ 9,222
Accounts payable	1,365	966
Deferred revenue (Note 3)	731	666
Accrued expenses	1,414	1,230
Notes payable (Note 4)		
Total current liabilities	\$ 9,014	\$ 12,084
LONG-TERM DEBT (Note 4)	124	1,406
Total liabilities	\$ 9,138	\$ 13,490
FUND BALANCE (DEFICIT) (Note 5)	\$ (1,702)	\$ (7,372)
Unrestricted	14,578	3,583
Restricted		
Total fund balance (deficit)	\$ 12,876	\$ (3,789)
Total liabilities and fund balance	\$ 22,014	\$ 9,701

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

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

	1986		Total	1985
	Unrestricted	Restricted		Total
REVENUE	\$ 11,571	\$ --	\$ 11,571	\$ 15,000
Dues from members	26,666	--	26,666	27,876
Cooperative program	2,178	--	2,178	1,094
Merchandise sales				

Gifts and other income
(Note 6)

EXPENDITURES

Salaries and wages	\$ 28,829	\$ --	\$ 28,829	\$ 26,585
Payroll taxes and employee benefits	3,906	--	3,906	3,728
Cost of sales and printing	7,391	--	7,391	7,157
Travel expense	9,068	851	9,919	11,111
Conferences and conventions	8,447	--	8,447	10,061
Office expense	4,099	--	4,099	3,775
Postage	2,484	--	2,484	1,639
Promotion expense	36	--	36	1,288
Professional fees	675	--	675	700
Bookkeeping expense	900	--	900	900
Depreciation	1,917	--	1,917	1,358
Interest expense	880	--	880	1,035
Insurance expense	204	--	204	215
Missions projects	--	583	583	1,242
	<u>\$ 68,836</u>	<u>\$ 1,434</u>	<u>\$ 70,270</u>	<u>\$ 70,798</u>

REVENUES OVER (UNDER)
EXPENDITURES

FUND BALANCE (DEFICIT) AT
JANUARY 1, 1986

FUND BALANCE (DEFICIT) AT
DECEMBER 31, 1986

	\$ 5,670	\$ 10,995	\$ 16,665	\$ (3,081)
	(7,372)	3,583	(3,789)	(708)
	<u>\$(1,702)</u>	<u>\$ 14,578</u>	<u>\$ 12,876</u>	<u>\$(3,789)</u>

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

STATEMENT OF CHANGES IN FINANCIAL POSITION
Years ended December 31,

	1986	1985
WORKING CAPITAL PROVIDED (APPLIED)		
Revenue over (under) expenditures	\$ 16,665	\$(3,081)
Items not affecting working capital		
Depreciation	1,917	1,358
Working capital provided by (used for) operations	\$ 18,582	\$(1,723)
Additions to property and equipment	(4,973)	--
Reduction of long-term debt	(1,282)	(2,338)
INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ 12,327</u>	<u>\$(4,061)</u>
ANALYSIS OF CHANGES IN WORKING CAPITAL		
Increase (decrease) in current assets		
Cash	\$(1,707)	\$(1,154)
Trust account - Lifetime membership	11,220	800
Interest receivable	430	--
Deposits	--	50
Inventories	705	(207)
Prepaid expenses	(1,391)	1,211

Decrease (increase) in current liabilities	3,718	(6,941)
Accounts payable	(399)	686
Deferred revenue	(65)	130
Accrued expenses	(184)	1,364
Notes payable	<u>\$ 12,327</u>	<u>\$(4,061)</u>

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

NOTES TO FINANCIAL STATEMENTS
December 31, 1986

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,:

	1986	1985
Equipment and furniture	\$13,552	\$ 8,579
Less accumulated depreciation	5,561	3,644
Property and equipment, net	<u>\$ 7,991</u>	<u>\$ 4,935</u>

NOTE 3 - DEFERRED REVENUE

Deferred revenue consists of dues received for future years as of December 31, 1986 and 1985.

NOTE 4 - NOTES PAYABLE

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

	1986	1985
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 \$3,172 and \$4,229 as of December 31, 1986 and 1985, respectively	\$ 1,538	\$ 2,636
Less current portion	1,414	1,230
Long-term debt	\$ 124	\$ 1,406

NOTE 5 - RESTRICTED FUND BALANCE

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

	1986	1985
Missions projects	\$ 2,558	\$ 2,783
Lifetime Membership	12,020	800
	\$14,578	\$ 3,583

NOTE 6 - GIFTS AND OTHER INCOME

Gifts and other income for 1986 includes a discharge of debt of \$7,826 for printing and supplies in September, 1986 and the fair market value of equipment donated to the Department in 1986 of \$4,850.

MICHAEL JOHNSTON
Certified Public Accountant

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, 1986 and 1985, 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, 1986 and 1985 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.

Michael Johnston
Certified Public Accountant

Effingham, Illinois
March 18, 1987

Member of American Institute of Certified Public Accountants
Illinois Society of Certified Public Accountants

PROPOSED 1988 BUDGET

INCOME

Gifts	8,000.00
Dues	13,000.00
Life Member Dues	3,000.00
Memorial Trust	2,000.00
Master's Men Day	4,500.00
Sales	2,500.00
Co-op	35,000.00
Missions Projects	1,000.00
Travel	1,500.00
MM Conference	10,500.00
Interest Income	250.00
Other	2,000.00
Life Membership	2,500.00
MM Breakfast	85,750.00
TOTAL	

EXPENDITURES

Audit	800.00
Br. Spkr. Honorarium	150.00
Convention Booth	200.00
MM Breakfast	2,500.00
MM Conference	10,000.00
Debt Retirement	5,938.00
Cost of Sales	1,500.00
Equipment Maintenance	1,500.00
Promotion	1,000.00
Postage	2,000.00
Printing	.00
Office Supplies	5,500.00
Office Equipment	3,000.00
Telephone	1,500.00
Travel:	
Director	8,000.00
Board	2,000.00
Director's Ins. and Retirement	2,500.00
Office Insurance	200.00
Payroll Taxes	2,300.00
Salaries	31,800.00
Bd. of Ret. (Loan)	252.00
Miscellaneous	1,360.00
Missions Projects	1,000.00
Bookkeeping Fee	750.00
TOTAL	85,750.00

BOARD OF RETIREMENT AND INSURANCE REPORT

Our pension plan is 18 years old. We've had some childhood and adolescent growing pains, but we're now approaching adulthood among the departments of our National Association. Our pension plan is well established on a firm legal and fiscal foundation.

At present there are 884 members in our pension plan. Total assets on January 1, 1987 exceeded \$5.4 million dollars. Current assets are \$_____ million.

We are again making church loans; however, the requirements and procedures for obtaining a loan have been changed. Contact our office for details. We now employ three investment counselors who each invest a portion of our funds: Bell Capital & Associates of Atlanta, GA; Manning & Napier of Rochester, NY; and Brannan LeSesne & Company of Atlanta, GA.

Your pastor and church staff ought to be in our pension plan. Their families need the protection it offers now as well as in the future. Here are some reasons:

1.) Our Free Will Baptist pension plan is designed to meet the particular needs of our pastors and lay employees. For example, some plans require a fixed amount to be contributed every month. A participant is often severely penalized when he/she or the church cannot continue to contribute. But not in our plan. Contributions may be increased or decreased at the participant's option.

2.) There is the important matter of control. Delegates at the National Convention elect the trustees of the plan. They also adopt and may question the audited financial statements.

3.) Part of our funds are invested within the denomination to help our churches in building programs. Over \$2.6 million dollars is now invested in church loans.

4.) Earnings from the fund are used exclusively for the benefit of the participants in the plan. The 1986 participants' accounts earned 11 percent. There are no stockholders or agents to receive their share. Neither is there exorbitant administrative overhead expenses. Our operating budget is modest and is set by the National Association.

5.) At retirement, the pastor's pension can be designated as "housing allowance" and is tax free. This can only be arranged through a denominational plan.

6.) Finally, our plan is uniform and portable. As a pastor moves, each church is likely to be familiar with our plan and will participate more readily.

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

	Balance Sheets			
	December 31, 1986		1985	
	(with comparative totals for 1985)		Total	
	Unrestricted	Retirement	Plant	All Funds
Assets	Operations	Fund	Fund	
Checking and interest-bearing deposits				
Funds invested with the Retirement fund				
Church bonds (note 2)	\$ 7,516	880,236	-	887,752
Accrued interest receivable	44,663	-	-	-
Notes receivable from participants of the	-	332,952	-	332,952
retirement fund and churches and denominational	-	43,118	-	43,118
agencies of the National Association of Free	-	-	-	-
Will Baptists (note 3)	-	-	-	-
Premiums receivable	-	3,125,067	-	3,125,067
Investments (note 4)	-	1,019,579	-	1,019,579
Office furniture, fixtures and automobiles, at cost,	-	-	25,844	25,844
less accumulated depreciation of \$36,736 (note 5)	-	-	25,844	25,844
Total assets	\$ 52,179	\$ 5,400,952	\$ 52,844	\$ 5,434,312
Liabilities and Fund Balances				
Note payable				
Accounts payable and accrued expenses	\$ 5,761	1,000	-	1,000
Interest bearing revocable trusts	-	4,398	-	4,398
	-	931,362	-	886,699
Fund balance (deficit):				
Operations	5,761	936,760	-	897,858
Retirement fund	46,418	-	-	46,418
Designated as reserve funds	-	4,236,774	-	4,236,774
Insurance fund	-	227,418	-	227,418
Net investment in plant	-	-	25,844	25,844
Total fund balances	46,418	4,464,192	25,844	4,536,454
Total liabilities and fund balance	\$ 52,179	\$ 5,400,952	\$ 52,844	\$ 5,434,312

See accompanying notes to financial statements.

Statement of Fund Transactions and Changes in Fund Balances
Year Ended December 31, 1986
(with comparative totals for 1985)

	1986				1985
	Unrestricted Operations	Retirement Fund	Insurance Fund	Plant Fund	Total All Funds
Additions:					
Contributions from participants					
Gifts					
Investment income	34,801	432,329			467,130
Unrealized gains on investment portfolio	3,980	543,090	112		547,182
Administrative fees		19,579			19,579
Forfeitures and late charges		26,920			26,920
Miscellaneous	156				156
Total additions	38,937	1,021,918	112		1,060,967
Deductions:					
Salaries	44,155				44,155
Fringe benefits	19,891				19,891
Travel and promotion	22,735				22,735
Automobile expense					
Office supplies					
Housing	11,441				11,441
Ministry to senior adults	22,800				22,800
Equipment	5,658				5,658
Board members expense	10,730				10,730
Legal and auditing	7,638				7,638
Miscellaneous	6,702				6,702
Depreciation	2,111				2,111
Interest expense		24	2,579		2,603
Withdrawals of funds					
Forfeitures		85,788		9,717	95,505
Computer services		95,032			95,032
Insurance					
Total deductions	162,050	180,844	2,579	9,717	355,190
Net increase (decrease) in funds for the year	(123,113)	841,074	(2,467)	(9,717)	736,053
Fund balances, beginning of year	54,998	3,756,118	4,050	15,511	3,830,677
Transfers among funds and other changes:					
To plant funds for asset acquisitions, net	(20,050)			20,050	
Enrollment and administrative fees	134,583	(133,000)	(1,583)		
Fund balances, end of year	\$ 46,418	\$ 4,464,192	\$ 2,583	\$ 25,844	\$ 4,539,037

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1986

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.

(1) 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.

(2) Church Bonds

Church bonds are stated at cost. Essentially all bonds owned by the Board at December 31, 1986 were privately placed, therefore market values are not available.

(3) Notes Receivable from Participants of the Retirement Fund and Churches and Denominational Agencies of the National Association of Free Will Baptists

Following is a summary of notes receivable at December 31, 1986:

Participant notes	\$ 29,180
Church notes	1,839,034
Agency notes	1,256,853
	<u>\$ 3,125,067</u>

(3) Notes Receivable from Participants of the Retirement Fund and Churches and Denominational Agencies of the National Association of Free Will Baptists, Continued

Participant notes are secured by retirement account balances. Church and agency notes are secured by a first mortgage or similar perfected security interest in the related property. Interest included in investment income amounted to \$439,491.

4) Investments

Investments are stated at market value. At December 31, 1986 cost of these investments amounted to \$1,000,000.

(5) Office Furniture, Fixtures and Automobiles

A summary of office furniture, fixtures and automobiles is as follows:

Office furniture and fixtures	\$ 38,192
Automobiles	24,389
	62,581
Accumulated depreciation	36,737
	\$ 25,844

Depreciation expense amounted to \$9,717 in 1986.

Marlin & Edmondson

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(615) 665-9500

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

We have examined the balance sheets of the Board of Retirement and Insurance of The National Association of Free Will Baptists as of December 31, 1986 and 1985, and the related statements of fund transactions and changes in fund balances for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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, 1986 and 1985 and its fund transactions, and changes in fund balances for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Marlin & Edmondson

January 27, 1987

**BOARD OF RETIREMENT AND INSURANCE
1988 Proposed Budget**

Salaries	\$ 55,060
Employee Benefits	20,000
Housing Allowances	22,800
Travel/Promotion	23,000
Auto Purchase Expense	6,000
Plant Fund	11,000
Office Supplies & Expense	12,000
Equipment	10,000
Publications	6,500
Department's Share of Insurance Premiums	850
ALERT Ministries	5,000
Board Expense	12,000
Insurance	4,000
Legal/Auditing	10,000
Miscellaneous	1,500
TOTAL	\$199,710

FREE WILL BAPTIST FOUNDATION REPORT

The future of the Free Will Baptist Foundation has never been brighter. The Tax Reform Act of 1986 eliminated most of the tax shelters which appealed to people with excess money. The only tax shelter left for those with highly appreciated assets is a charitable remainder trust. The Foundation provides these trusts to meet the donor's needs and goals.

Assets in the Foundation increased 59% during 1986. In the first quarter of 1987 assets increased 18%. Our office now administers 13 separate endowment trusts. Most of these are "open-ended."

We also administer three gift annuities and seven revocable trusts established by Free Will Baptists to provide an income for themselves and the Lord's work. The named beneficiaries include National departments, State ministries and local churches.

We now offer a two-hour Family Financial Planning Seminar in addition to Will Clinics.

Read the Foundation page in *Contact* monthly for information and updates on stewardship and financial planning.

Your gifts underwrite the operating expenses of the Foundation. Thank you for your gifts.

FREE WILL BAPTIST FOUNDATION, INC.

Balance Sheet

December 31, 1986

(with comparative figures for 1985)

Assets	1986	1985
Cash in bank		
Certificate of deposit	\$ 7,307	1,994
Interest bearing accounts with the Board of Retirement and Insurance of the National Association of Free Will Baptists	-	100,000
Land held for investment, at contributed value	280,334	77,097
Accrued interest income	4,000	4,000
	2,168	1,401
	<u>\$ 293,809</u>	<u>184,492</u>
<u>Liabilities and Fund Balance</u>		
Interest-bearing revocable trusts	\$ 218,366	144,224
Gift annuity payable	6,000	6,000
Accrued earnings payable	294	1,149
Payroll taxes payable	238	74
Total liabilities	<u>224,898</u>	<u>151,447</u>
Fund balance:		
Operations	8,639	2,119
Endowment funds	60,272	30,926
Total fund balances	<u>68,911</u>	<u>33,045</u>
	<u>\$ 293,809</u>	<u>184,492</u>

See accompanying notes to financial statements.

Statement of Revenue, Expenses and Changes in Fund Balance

Year ended December 31, 1986

(with comparative totals for 1985)

	1986		1985	
	Operations	Endowments	Total All Funds	Total All Funds
Revenues:				
Contributions	\$ 12,155	29,346	41,501	22,995
Service fee income and other	7,943	-	7,943	1,654
Total revenues	<u>20,098</u>	<u>29,346</u>	<u>49,444</u>	<u>24,649</u>
Expenses:				
Salaries	3,442	-	3,442	2,511
Social security and retirement	550	-	550	388
Travel and promotion	2,241	-	2,241	1,458
Office expense	1,752	-	1,752	415
Publications	3,054	-	3,054	2,395
Training and education	1,925	-	1,925	1,182

Legal and auditing	448	-	448	265
Interest	72	-	72	232
Equipment	94	-	94	372
Miscellaneous	-	-	-	36
Total expenses	<u>13,578</u>	<u>-</u>	<u>13,578</u>	<u>9,254</u>
Excess of revenues over expenses	6,520	29,346	35,866	15,395
Fund balance, beginning of year	2,119	30,926	33,045	17,650
Fund balance, end of year	<u>\$ 8,639</u>	<u>60,272</u>	<u>68,911</u>	<u>33,045</u>

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1986

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.



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The Board of Directors Free Will Baptist Foundation, Inc.

We have examined the balance sheets of the Free Will Baptist Foundation, Inc. as of December 31, 1986 and 1985, and the related statements of revenue, expenses and changes in fund balance for the years then ended. Our examination 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 Free Will Baptist Foundation, Inc. as of December 31, 1986 and 1985 and the revenue, expenses, and changes in fund balance for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

January 19, 1987

Marlin & Edmondson

FREE WILL BAPTIST FOUNDATION 1988 Proposed Budget

Salary/honorariums	\$ 7,500
Travel	2,500
Publications	6,000
Training/education	3,500
Legal/auditing	600
Office expense	3,000
TOTAL	\$23,100

WOMAN'S NATIONAL AUXILIARY CONVENTION REPORT

"God's Wonders for Tomorrow," our theme for 1987 has been a challenging one. God has richly blessed as we have stepped boldly toward the future.

The following new steps have been taken since our 1986 convention:

1. We acquired an executive assistant, Yvonne Wolfenbarger.
2. We have our mailing list on our computer and now make our own corrections and print the labels for the CO-LABORER.
3. We went to a mailing service for the first issue of the magazine.
4. In January we began publication of the enlarged bimonthly CO-LABORER magazine.

Change is inevitable, but sometimes it is unsettling to some of us. Our hope is that we will all be patient and give ourselves a chance to accept the changes and come to appreciate them.

This year in addition to the magazine we have published the following:

Poetry book, GEMS FOR DIADEMS	250
WNAC Minutes	1,250
Guides: Mission Prayer Chairman	1,500
Mission Action Chairman	1,500
Mission Study Chairman	1,500
Eunice Edwards Loan Fund Leaflet	10,000
Play Booklet, Vol. IV, ELECTED TO MINISTER	500

In the Creative Arts Contest 123 women from 25 states and 2 foreign countries submitted 295 entries.

Since July, 1986 we have sent materials to 30 new Auxiliaries.

Our 1986 retreat had 662 participants. We look forward to our next retreat, September 8-10, 1988 at Ridgecrest, NC. The theme is "Asking and Receiving." We hope this date will be more convenient for everyone. Join us in the relaxed atmosphere of Ridgecrest and let us seek the Lord's face together.

The WNAC theme for 1988, "Then Also I Must Bring" suggests our desire to grow for the Lord by reaching to those who have not responded to the gospel.

Special appreciation goes to the staff: Lorene Miley, editor, Yvonne Wolfenbarger, executive assistant, Evelyn Jones, retiring bookkeeper, and Sue Hayes, present bookkeeper. They carried the work on well when I had to be absent. They encouraged and supported me. I am especially grateful to have helpers who see their work as a ministry for the Lord and to Free Will Baptist women.

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	
	1986	1985
ASSETS		
Cash	\$ 74,461.01	\$102,031.21
FUND BALANCE		
General	\$ 74,247.01	\$100,780.09
Designated - National Student	214.00	1,251.12
	<u>\$ 74,461.01</u>	<u>\$102,031.21</u>

CASH RECEIPTS AND DISBURSEMENTS

	DECEMBER 31	
	1986	1985
Cash balance, beginning	\$102,031.21	\$109,562.22
RECEIPTS		
Literature and supplies for sale	55,559.45	39,058.30
Auxiliary dues	15,467.00	8,445.00
Delegate fees	198.25	204.00
Convention dinner	9,447.00	8,096.76
Other convention receipts	1,107.00	870.72
Co-Laborer offerings	8,806.75	4,057.13
Retreat	4,129.85	
Gifts for general purposes	17,505.69	9,446.25
Eunice Edwards Fund (National project)	1,239.55	
National minutes	185.00	
Miscellaneous income	12.93	30.93
Interest income	5,211.02	3,213.49
Designated contributions:		
Foreign Missions	165,395.92	71,619.88
Home Missions	64,732.53	21,231.61
Bible Colleges	12,240.04	6,677.29
Other gifts for various missionary objectives	11,276.39	3,755.46
Total receipts	<u>372,514.37</u>	<u>176,706.82</u>
Total to be accounted for	<u>\$474,545.58</u>	<u>\$286,269.04</u>

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

CASH RECEIPTS AND DISBURSEMENTS - continued

	DECEMBER 31	
	1986	1985
DISBURSEMENTS		
Operating expenses:	\$ 24,731.41	\$ 16,890.17
Literature and supplies for sale	3,413.50	.75
Executive Committee expense	63,048.88	33,702.09
Salaries	12,219.39	6,334.51
Employee benefits	4,048.56	2,641.87
Postage	2,094.39	40.00
Retreat	5,805.13	834.55
Office supplies and equipment	5,895.97	3,034.50
Office rent	2,163.39	1,108.91
Telephone	936.89	1,128.06
Mailing supplies	175.23	
Royalties	450.00	600.00
Auditing	14,592.01	12,286.28
Convention dinner and expense	3,780.75	550.81
Miscellaneous	2,372.84	1,395.14
Travel and promotion	81.85	71.95
Subscriptions and dues	575.35	334.00
Maintenance - equipment	54.15	
Bad check		
Mission Work:	165,395.92	71,619.88
Foreign Missions	64,732.53	21,231.61
Home Missions	12,240.04	6,677.29
Bible Colleges		
Other disbursements for various missionary objectives	11,276.39	3,755.46
Total disbursements	<u>400,084.57</u>	<u>184,237.83</u>
Cash balance, ending	<u>\$ 74,461.01</u>	<u>\$102,031.21</u>

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

MEMORIAL STUDENT LOAN FUND
STATEMENT OF ASSETS AND LIABILITIES

	DECEMBER 31	
	1986	1985
ASSETS		
Cash	\$40,211.06	\$30,753.06
Loans receivable	45,587.79	47,838.81
	<u>\$85,798.85</u>	<u>\$78,591.87</u>
FUND BALANCE		
Fund balance	<u>\$85,798.85</u>	<u>\$78,591.87</u>

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

CASH RECEIPTS AND DISBURSEMENTS

	DECEMBER 31	
	1986	1985
Cash balance, beginning	\$30,753.06	\$24,981.70
RECEIPTS		
Contributions	\$ 4,052.70	\$ 1,586.63
Student loans repaid	3,854.52	3,722.87
Interest collected	6,234.42	1,161.86
Total receipts	14,141.64	6,471.36
Total to be accounted for	44,894.70	31,453.06
DISBURSEMENTS		
Student loans	3,983.40	700.00
Bad debts	700.00	
Miscellaneous	.24	
Total disbursements	4,683.64	700.00

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 Due to the fact that 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 in 1985, the comparative totals are for June 1, 1985 to December 31, 1985, not twelve months, as are the 1986 totals.

EZRA JONES

Certified Public Accountant

1161 MURFREESBORO ROAD
NASHVILLE, TENNESSEE 37217

January 22, 1987

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

I 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, 1986 and December 31, 1985, and the related statements of revenues collected and expenses paid for the periods then ended. My examinations were made in accordance with generally accepted auditing standards and, accordingly, include such tests of the accounting records and such other auditing procedures as I 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 my 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, 1986 and December 31, 1985, on the basis indicated in the preceding paragraph, which is consistent with that used in the preceding year.

Ezra Jones

GIFTS TO MISSIONS/MISSIONARY OBJECTIVES

January 1, 1986-December 31, 1986

CASH GIFTS	\$321,079.00
Foreign Missions	204,449.73
Sent through WNAC	\$165,395.92
Sent directly to department	39,053.81
Home Missions	80,686.91
Sent through WNAC	64,732.53
Sent directly to department	15,954.38
Bible Colleges	21,464.41
General Funds	12,240.04
Student Loan Funds	9,224.37
Other Gifts: missions, camps, children's homes and other mission objectives	11,276.39
Provision Closet	1,962.01
National Project: Eunice Edwards Loan	
Fund for Churches Abroad	1,239.55

NON-CASH GIFTS

Provision Closet	27,934.88
TOTAL CASH AND NON-CASH GIFTS	\$349,013.88

WNAC 1988 BUDGET

ESTIMATED EXPENSE

Printing, literature, supplies for sales	\$ 6,500.00
CO-LABORER magazine	36,500.00
Executive Committee expense	5,000.00
Salaries (four full-time)	71,232.00
Employee benefits	12,000.00
Payroll tax expense	5,000.00
Auditing	800.00
Insurance — General	600.00
Office rent	6,500.00
Telephone	2,000.00
Promotion and travel	4,000.00
Postage	8,000.00
Mailing and office supplies, equipment	5,000.00
Maintenance — office equipment	2,000.00
Convention expense	12,000.00
Retreat expense	6,500.00
Miscellaneous	500.00
Contingency fund	1,000.00
Total	\$185,132.00

ESTIMATED INCOME

Literature and supplies sales	\$ 13,000.00
Dues	21,000.00
CO-LABORER subscriptions	80,000.00
State representation fees	300.00
Designated convention gifts	6,000.00
Interest	11,500.00
CO-LABORER Fund offerings	15,800.00
WNAC Emphasis Month offerings	19,382.00
Convention offering	1,500.00
Ticket Sales	8,250.00
Retreat fees	8,400.00
Total	\$185,132.00

TEN TOP CONTRIBUTORS TO WNAC

Co-Laborer Fund

1. Arkansas
2. California
3. Georgia
4. Tennessee
5. West Virginia
6. Mississippi
7. Oklahoma
8. Missouri
9. Michigan
10. North Carolina

Emphasis Month Offering

1. North Carolina
2. Arkansas
3. Missouri
4. Oklahoma
5. Georgia
6. Alabama
7. Tennessee
8. South Carolina
9. California
10. Kentucky

WNAC RECEIPTS FOR JANUARY-DECEMBER, 1986

State	Co-Laborer Fund	Foreign Missions	Home Missions	Bible Colleges	Student Loan	Provision Closet	General Fund	Mission Objectives	Eunice Edwards	WNAC Emphasis	Totals
Alabama	\$ 240.20	\$ 5,487.00	\$ 3,004.80	\$ 260.00	\$ 481.00	\$ 5.00	\$ 300.69	\$ 1,763.60	\$	\$ 706.99	\$ 12,249.28
Arizona										69.00	69.00
Arkansas	1,826.08	22,592.46	6,311.27	547.50	840.95	45.00	3.00	35.00	34.00	1,443.50	33,678.76
California	887.33	11,531.23	2,655.69		426.66	318.86	405.06	80.00		449.86	16,754.69
Colorado	10.00	50.00	40.00								100.00
Florida	140.42	4,235.21	1,545.40	84.00	192.66	71.00	142.00	158.50		310.10	6,879.29
Georgia	879.51	11,103.26	2,252.83	556.00	257.00	35.00	140.58	64.00		713.58	16,001.76
Hawaii	10.88										10.88
Idaho		100.00					20.00				120.00
Illinois	89.10	7,702.04	720.00		103.94	46.39		140.00			8,801.47
Indiana	50.00	829.84	70.00			62.75	152.46			78.46	1,243.51
Iowa			11.00								11.00
Kansas	53.77	1,480.79	1,365.16							112.33	3,012.05
Kentucky	173.55	3,834.18	2,662.11					300.00		409.30	7,379.14
Maryland	276.82	1,497.18	940.19	328.50	25.00		165.00	80.00		111.25	3,423.94
Michigan	363.85	3,613.96	1,484.26	100.00	319.13			60.00		106.90	6,048.10
Mississippi	624.37	6,928.65	2,054.75	1,176.00	685.00		360.12	1,814.30		273.38	13,916.57
Missouri	374.31	14,092.77	5,944.51	316.92	890.47	147.50	137.78	2,631.89	100.00	934.36	25,570.51
Montana										20.00	20.00
Nebraska										20.00	20.00
New Mexico	10.74	20.35	77.00							3.00	111.09
North Carolina	335.26	16,993.81	5,544.73	3,958.37	694.32		77.80	613.16	5.55	1,653.57	29,876.57
Northwest											275.00
Ohio	195.72	8,655.23	1,290.00		209.01	5.01	55.00	275.00		107.88	10,627.85
Oklahoma	381.56	18,326.15	10,749.92	3,462.25		151.00		581.25		816.46	34,468.59
Pennsylvania			50.00				20.00				374.00
South Carolina	131.04	7,630.30	4,262.36	482.50	635.41	776.50	34.00	1,491.28	1,100.00	642.54	17,185.93
Tennessee	847.30	7,728.71	7,245.65	618.00	2,677.22	193.00	656.30	597.29		691.73	21,255.20
Texas	133.51	3,726.22	1,020.85		181.04	105.00	393.52	232.62		303.93	6,096.69
Virginia	141.43	3,636.88	653.62	110.00	605.56		16.30	178.50		32.50	5,374.79
West Virginia	630.00	3,295.70	2,776.43	240.00				70.00			7,012.13
Totals	\$8,806.75	\$165,395.92	\$64,732.53	\$12,240.04	\$9,224.37	\$1,962.01	\$3,079.61	\$11,276.39	\$1,239.55	\$10,010.62	\$287,967.79

COMMISSION FOR THEOLOGICAL INTEGRITY

The purpose of this Commission is: 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 the denomination, and 3) As the need and opportunity arise, to conduct seminars on subjects which are pertinent to the purpose of this Commission.

In keeping with our purpose, we have prepared materials on current concerns and have made them available to our people at a modest price. We have a new booklet available this year at our booth by the title, *The Battle For Integrity*, by Reverend Fred Hall.

At our last annual meeting, based on a study of questionnaires returned from a 1986 mailout, we voted to conduct seminars on areas of concern. If you would like for a seminar to be conducted in your area, please contact our secretary, Rev. Fred Hall, P. O. Box 447, Bowling Green, Kentucky 42102.

FINANCIAL REPORT

Balance in Bank, January 1, 1986 \$5,174.68

INCOME:

Gifts:

Alabama	\$ 36.28
Arkansas	269.50
Arizona	1.29
California	52.36
Florida	118.26
Georgia	2.81
Idaho	2.35
Illinois	64.50
Indiana	123.76
Kansas	3.67
Kentucky	25.83
Michigan	62.65
Mississippi	22.75
Missouri	488.66
North Carolina	56.88
New Mexico53
Ohio	144.11
Oklahoma	559.56
Oregon04
Tennessee	59.12
Texas	36.36
Virginia	30.51
West Virginia	102.47
Northwest Association11

Canada	2.76
Misc.	4.03
Other Gifts	45.00
Total Gifts	2,316.15
Sales of Literature	451.59
Refund on Nat'l. Assoc. Booth Exp.	50.00
Interest on Bank Account	41.81
TOTAL INCOME AND BALANCE	2,859.55
	\$8,034.23

EXPENDITURES:

Office Expense	\$ 195.21
Shipping Literature Expense	12.71
Salary/Bookkeeping	200.00
Printing Literature	589.52
Nat'l. Assoc. Booth Expense	450.00
Annual Meeting Expense	417.21
Mailing Expense	767.43
Writer's Expense for Manuscript	200.00
TOTAL EXPENDITURES	2,832.08

BALANCE IN BANK, December 31, 1986 \$5,202.15

Lerory Forlines, Chairman
Dari Goodfellow, Bookkeeper

RADIO AND TELEVISION COMMISSION REPORT

Established

The 1983 session of the Free Will Baptist National Convention established the Radio and Television Commission. Our goal is to broadcast plainly and powerfully the Word of God with a view to winning the lost, strengthening believers and encouraging active involvement in Free Will Baptist churches.

Working

Host Jim Vallance opens the 15-minute broadcast with a musical selection from one of our Free Will Baptist musicians. He then turns the microphone over to Rev. Bob Shockey, speaker for *Victorious Faith*. The program moves briskly with compassionate preaching and an urgent invitation to respond to the call of Christ. Mr. Vallance has 15 years broadcasting experience, eight in Christian radio. Shockey brings 30 years of preaching/pastoral experience and insight to the programs.

On The Air

The radio audience in your area can hear *Victorious Faith*. A \$39 deposit sent to the Commission gets you 13 ready-to-broadcast tapes. The tapes can be sent to you as a sponsor or directly to the radio station. You simply arrange and pay for the air time. Used tapes must be returned and the next set of tapes will be mailed to you.

We are currently heard on six stations. The Arkansas State Association of Free Will Baptists now sponsors *Victorious Faith* on station KAAY in Little Rock. This powerful 50,000-watt station has a large potential audience, in that all our people in Arkansas plus parts of Missouri, Tennessee, Mississippi, Louisiana, Texas and Oklahoma can hear the program each Saturday at 11:15 A.M.

The same program is rebroadcast Sundays at 8:00 P.M. on KAAY. The nighttime program serves as an outreach ministry. The program is capable of reaching 27 states and 13 foreign countries: Old Mexico, Canada, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Cuba, Jamaica, Panama, Ecuador, Columbia and Venezuela. KAAY is located at 1090 on the AM dial. We praise God for this open door that the Arkansas State Association has allowed us to walk through.

Funding

The radio/television ministry is funded by one percent of undesignated gifts sent through the National Cooperative Channel. We receive a small amount of support from churches and individuals. The Commission pays all costs for production of the *Victorious Faith* broadcast. Local sponsors buy air time.

The Commission questions whether you want this ministry to continue. Is it moral to birth a child and not provide for its welfare? When children are born

to parents, certain responsibilities accompany their birth and existence. One is the right to expect parents to provide financially for that offspring until the child is able to fend for himself. Your "child" is now born but is suffering malnutrition of financial support. We can be "made well" but you, our parents, must give encouragement and a financial transfusion if we make it. Through March 1987 only 12 percent of our projected budget had been forthcoming. We find this unacceptable, and we will be unable to do the work if this situation is not immediately remedied.

We urge all pastors and leaders within our fellowship to please make room for us in your system of giving. Put us in your church or state budgets. Give a gift while at the convention. Thank you to everyone who has helped thus far.

1988 Budget

Promotion.....	\$ 1,000.00
Board Expense.....	1,000.00
Part-time Help.....	400.00
Bookkeeping.....	\$200.00
Other.....	200.00
Production costs.....	1,300.00
Supplies.....	500.00
Postage.....	400.00
Equipment & Maintenance.....	300.00
Telephone.....	500.00
Printing.....	600.00
National Convention.....	1,100.00
Booth.....	150.00
Digest, Yearbook.....	150.00
Materials.....	200.00
*Speaker's Expense for Convention.....	600.00
Broadcast Air-time.....	3,380.00
Miscellaneous.....	1,500.00
Total Budget.....	\$11,980.00

*Speaker's expense to be raised as designated income by the speaker.

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

Mailing Address: Radio And TV Commission, P. O. Box 1088, Nashville,
Tennessee 37202

Mailing Address: Radio And TV Commission
P. O. Box 1088
Nashville, Tennessee 37202

GENERAL BOARD REPORT

The General Board met last Monday, July 20, in the Ramada Hotel. As a result of this meeting we offer the following information and recommendations.

1. We have heard the reports of the Executive Office, the Hymn Book Committee, the Board of Retirement, the Free Will Baptist Foundation, the Benevolent Fund, the Foreign Missions Department, the Free Will Baptist Bible College, the Sunday School and Church Training Department, the Home Missions Department, and the Master's Men Department. We recommend that these reports be received and the budgets adopted as each is presented. (adopted)
2. We recommend the acceptance into the National Association of Free Will Baptists the Capitol City Free Will Baptist Church, Lincoln, Nebraska, as a church representing directly to the National Association. (adopted)
3. We recommend that the Management Committee continue its work as authorized by the National Association in 1986, and report to the Executive Committee in December further details concerning the possibility of relocating the national offices. (adopted)
4. We recommend that Sunday, February 7, 1988 be designated as Integrity Sunday, and that an offering be received in our churches on this Sunday for the purpose of retiring the \$17,000+ note made to pay claims resulting from the default of the Garrett Street Insurance Company, and that if funds are still needed after that effort, the Retirement Department pay off the remainder of the note by July 1, 1988, these funds to be taken from this department's co-operative receipts and other gifts. (Adopted as recorded here)
5. We recommend that Sunday, December 6, 1987 be designated as a denomination wide "Hymn Book Sunday." (adopted)
6. We recommend that the Budget Committee be authorized to study the financial structure of the total ministry of the National Association of Free Will Baptists, Inc., and report its findings and recommendations to the General Board at the 1988 convention in Kansas City, Missouri. (adopted)
7. For information we report that we have heard the proposal from the Sunday School and Church Training Department concerning the creation of a Youth Department separate and apart from the Sunday School and Church Training Department. The General Board referred the proposal to the Executive Committee for study with instructions to bring back a report to the General Board in its July, 1988 meeting. (adopted)
8. We recommend Cincinnati, Ohio as the site for the July 20-24, 1997 National Convention. (adopted)

REGISTRATION COMMITTEE REPORT

National Convention	806	
Ministers	92	
State Delegates	142	
Local Church Delegates	7	
Lay Board Members	67	
Home Missionaries	41	
Foreign Missionaries	<u>2,625</u>	Total 3,780
Non-Delegates		1,417
National Youth Conference		<u>962</u>
Woman's National Auxiliary Convention		Grand Total 6,159

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, and Mexico.
2. From the following district associations with the right to three delegates each: Northeast Association, Northwest Association, Atlantic Canada Association, First Colorado District, and First Arizona Association.
3. From the following local churches reporting directly to this body with the right to one delegate each: Waipahu FWB, Hawaii; Riverview FWB, Bettendorf, Iowa; Baton Rouge FWB Church, Baton Rouge, Louisiana; Capital City FWB Church, Lincoln, Nebraska; First FWB Church, Billings, Montana; Free Will Baptist Church, Virgin Islands.
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.

J. Mark Vandivort
Herbert Waid
Fred Hanson

NOMINATING COMMITTEE REPORT

General Board Members

Terms to expire in 1989

Alabama: replacing John Edwards, John Edwards
 Arizona: replacing Mark Vandivort, Mark Vandivort
 Arkansas: replacing David Joslin, David Joslin
 Atlantic Canada: replacing Fred Hanson, Fred Hanson
 California: replacing Doice McAlister, Doice McAlister
 Colorado: replacing Bob Thomas, Bob Thomas
 Florida: replacing Robert Owen, Robert Owen
 Georgia: replacing Herbert Waid, Herbert Waid
 Idaho: replacing Russell Lowe, Tommie Carlson
 Illinois: replacing Wallace Malone, Wallace Malone
 Indiana: replacing Henry Patterson, Archie Ratliff
 Kansas: replacing Gary Mitchener, Andy Percy
 Kentucky: replacing Edgar (Dick) Van Hoose, Edgar (Dick) Van Hoose
 Maryland: replacing Lester Horton, Lester Horton
 Mexico: replacing Fred Jones, Fred Jones
 Michigan: replacing Charles Cooper, Charles Cooper
 Mississippi: replacing Al Hamm, J. L. Gore
 Missouri: replacing Millard Sasser, Millard Sasser

Executive Committee (2-year terms)

Replacing Millard Sasser (Mo.), Millard Sasser
 Replacing Robert Owen (Fla.), David Joslin (Ark.)
 Replacing Doice McAlister (Calif.), Doice McAlister

Nominees to Home Missions Board (6-year terms)

Replacing Richard Adams (Tenn.), Richard Adams
 Replacing Rue Dell Smith (Okla.), Rue Dell Smith
 Replacing Hobart Ashby (Ohio), Wendell Walley (N.C.)
 Replacing William Johnson who resigned, Nathan Ruble (Mo.)

Nominees to Master's Men Board (6-year terms)

Replacing Wendell Leckbee (Ark.), Wendell Leckbee
 Replacing Dwight Fletcher, Dwight Fletcher (Ga.)
 Replacing Wayne Spruill (Hawaii), John Zuber (Mich.)

Nominees to Board of Retirement (6-year terms)

Replacing Billy Samms (W.Va.), Billy Samms
 Replacing N. R. Smith (Okla.), Robert Morgan (Tenn.)
 Replacing Lincoln Varney (Ky.), Lincoln Varney

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

Replacing Leroy Forlines (Tenn.), Leroy Forlines

Nominees to Historical Commission (5-year term)

Replacing Jack Williams (Tenn.), Jack Williams

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

Replacing Guy Owens (N.C.), Bill Gardner (Tenn.)
 Replacing George Lee (N.C.) who resigned, Terry Boyd (Tenn.)

General Officers

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

HISTORICAL COMMISSION REPORT

Commission members completed editorial work on the *50-Year Record*. We plan to typeset the manuscript for printing, then publish and distribute copies of the book by December 1987.

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.

Financial Report July 1, 1986-June 30, 1987

Balance on Hand: June 30, 1986 \$ 7,916.47

INCOME:

Gifts (Co-op, Designated & Undesignated)	\$1,976.21		
Interest (Savings, First American Bank, Nashville)	482.82		
Royalties (Randall House)	9.75		
TOTAL	2,468.78	+	2,468.78
			10,385.25

EXPENDITURES:

Book Purchases	39.50	(39.50)
Balance on Hand: June 30, 1987		\$10,345.75

RESOLUTIONS COMMITTEE REPORT

I. BE IT RESOLVED that we encourage all our training institutions and denominational agencies to reinforce the emphasis on denominational loyalty.

II. WHEREAS, Free Will Baptists believe that obedience to God's laws of chastity before marriage and faithfulness in marriage is God's plan for the sanctity of marriage and the prevention of many diseases, including acquired immune deficiency syndrome (AIDS);

THEREFORE, BE IT RESOLVED that we oppose advertising and educational endeavors which appear to accept adultery, fornication, infidelity, homosexuality and promiscuity;

BE IT FURTHER RESOLVED that we condemn and deplore any distribution of birth control devices which seem to encourage and condone immoral behavior; and exemplify compassion and sympathy toward the innocent and other victims.

BE IT FURTHER RESOLVED that we encourage the teaching of biblical principles by our parents, churches and pastors concerning sexual conduct.

III. WHEREAS, we as Free Will Baptists believe that God's Word teaches the creation of man by the act of God;

and WHEREAS, we do not condone the teaching of evolution in our public schools;

THEREFORE, BE IT RESOLVED that due to our dismay and alarm at the recent 7-2 decision by the Supreme Court of the United States that prohibits the teaching of creation in our public schools;

THEREFORE, WE REAFFIRM our belief in the creation act of God and strongly urge our church families, churches and ministers to combat the fallacy of the theory of evolution by clear scriptural teaching of the creation of man.

IV. WHEREAS, the Alabama State Association of Free Will Baptists and the convention leaders have hosted the 51st Annual Convention in Birmingham, Alabama, July 19-23, 1987;

THEREFORE, WE EXPRESS our gratitude to everyone whose efforts contributed to make this association enjoyable and effective, and we recommend a rising vote of thanks by this body.

V. WHEREAS, American Telephone and Telegraph Company makes available Dial-a-Porn service which provides sexually explicit messages. These telephone recordings are often heard by children who dial these numbers.

THEREFORE, BE IT RESOLVED that the National Association of Free Will Baptists express our concern to AT&T and encourage their disallowance of said services.

FURTHERMORE, WE ENCOURAGE our people to use telephone services that do not provide Dial-a-Porn.

VI. WHEREAS, responsible Christian leaders have determined that Mazda Motors is one of the leading sponsors of sex, violence and profanity in television programming;

BE IT RESOLVED that we call upon our Free Will Baptist people to boycott Mazda Motors and Noxell products; and that our Executive Secretary inform these companies of this action and keep our people informed of the effect of the boycott.

VII. WHEREAS, the Holiday Inns chain of motels has become the largest distributor of in-room adult movies in the world;

and WHEREAS, a number of respected Christian organizations have called for a boycott of Holiday Inns;

and WHEREAS, our National Association regularly enters into contracts with Holiday Inns;

BE IT RESOLVED that future contracts with Holiday Inns be limited to those franchises which do not carry adult in-room movies;

BE IT FURTHER RESOLVED that we encourage all our Free Will Baptist people to join this boycott and that this resolution be printed in CONTACT, and that a copy of this resolution be sent to Holiday Inns' headquarters.

Clerk's Note: Please see the proceedings for action taken on the above resolutions.



Post Office Box 1088, 1134 Murfreesboro Road, Nashville, Tennessee 37202, Phone 615 361-1010

TARGET 90 REPORT FOR THE NATIONAL ASSOCIATION

Since July of last year the Target 90 Committee has sought to enlist more churches in the Target 90 thrust. More state coordinators have been engaged and a special banquet was held for them during the Target 90 Conference sponsored by Free Will Baptist Bible College in February of this year.

At that banquet Herbert Waid shared information and the means of implementing the Target 90 program in the state of Georgia. Dr. Worthington then challenged the group to take up similar or new approaches in their states. He requested the sharing of "success stories" so that the Target 90 Committee might make these available to challenge and help other churches in their growth plans.

To convey helpful information and share the success stories, the Target 90 Committee launched a bimonthly newsletter called "Target 90 Report" and enlisted Irvin Hyman to edit the paper. Two editions have been printed and mailed to those on the Target 90 mailing list.

To broaden the interest and to help pastors and churches even further, the committee planned a Church Growth Seminar for Tuesday, July 21, at the National Association in Birmingham. Those on the program include these successful pastors: Jim McAllister, Rue Dell Smith, Gordon Sebastian, and Dale Burden. Roy Thomas was selected to direct a panel discussion and field questions during the seminar.

The 1986 statistics from the various states indicate an increase in denominational membership of some 4,738. This is very close to the target set for that period and the goal may have been reached without our having the records to prove it. Unfortunately, the reports from the states do not show the number of new churches started in 1986. Efforts are being implemented to gather this information for next year's report.

All in all, the Target 90 program has sparked some enthusiasm in various areas of the denomination. The committee feels certain that the success of some will stimulate greater excitement in those who have not yet launched their Target 90 plan or experienced success in their particular church growth efforts.

With the prospects of a fruitful year from 1987 to 1988, the committee is continuing to work for greater participation and implementation of this program.

Report of the Hymnal Committee

Rejoice, Give Thanks and . . . Sing! The task is nearly complete. After years of waiting, a fresh, new comprehensive Free Will Baptist Hymn Book is finished and ready for the printers.

In July 1985, the National Association of Free Will Baptists appointed a seven-member Hymn Book Committee and charged them with the responsibility of providing "a hymn book that will meet the diverse demands of Free Will Baptists." More than 125 people from across the denomination have labored to fulfill this mandate. And, we believe that *REJOICE: The Free Will Baptist Hymn Book* (1988) will serve as encouragement, worship, praise, testimony and outreach well into the 21st century. Publication is set for October with distribution to local churches by Randall House the last of November.

The Hymn Book Committee met in an extended series of meetings February 1-6, 1987, at Nashville. During those meetings a final plan of organization was established for hymnal compilement and 556 songs from a variety of sources selected. It was decided that the book would be manufactured and marketed by MacKenzie and Associates, a music publishing firm in Nashville with experience in producing hymnals. Later, more than 150 more songs were selected by a mail ballot.

The new hymnal will be approximately 728 pages with more than 600 selections—hymns, gospel songs, choruses, praise and worship songs, and more. Over 100 readings, including responsive readings of scripture, calls to worship, benedictions and the Free Will Baptist Church Covenant augment the diverse hymn tune selections.

The book is easy to read. Each selection has brackets to indicate instrumental introductions. The author's name, date of composition, metrical rhythm and tune name are provided with each selection. A scripture verse relating to the hymn text is included under each title. Plus, the book is divided into chapter-like headings and sub-headings. Seven indexes apply to the hymns and three to the scripture readings. The book is available in both round and shaped note editions.

The hymnal will be bound in a handsome wear-resistant, high-grade linen cloth cover with durable *Smythe-sewn* binding. Three colors—Sky Blue, Spring Freen and Cardinal Red—will be offered in regular (pew), accompanist-looseleaf and morocan leather versions.

Securing MacKenzie and Associates has proven to be one of the most productive decisions the Committee has made. Not only has their company been responsible for manufacturing and marketing the book, but they have secured copyright permissions and obtained royalty agreements for hundreds of songs. Under their leadership, the Hymnal Committee is able to produce a book competitive with anything now available.

Initial printing of *REJOICE: The Free Will Baptist Hymn Book* (1988) will be shipped to all participating churches during the week of November 23-27. All churches will receive their shipment on Thursday or Friday, December 3 or 4.

The Hymnal Committee requests that Sunday, December 6, be designated as *REJOICE 87: HYMN BOOK DEDICATION SUNDAY*. For the first time in 23 years—since the introduction of *Free Will Baptist Hymn Book* (1964)—all Free Will Baptists will raise one united voice of praise, worship and testimony simultaneously to God from the same book. Special bulletins and other materials will be supplied to each church participating in the celebration.

With a deep sense of gratitude and praise to God, a sincere commitment to the instructions for a diverse denominational book, a joyous excitement and anticipation for what this ministry tool can mean in the life of our Free Will Baptist family, a belief that this hymnal will be our denomination's most significant contribution to American hymnody in this century, and renewed appreciation for our heritage as "a singing people of God," the

Hymn Book Committee presents to the denomination—*REJOICE: The Free Will Baptist Hymn Book* (1988).

Respectfully,
Vernon M. Whaley, Chairman
Doug Little
Rodney Whaley
Leroy Cutler
Blaine Hughes
Bill Gardner
Ted Wilbanks

International Fellowship Study Committee Report

The Committee corresponded with other denominations requesting information regarding the international organizational structure of their denominations. Denominations contacted include the Church of God, Anderson, Indiana; Church of the Nazarene, Kansas City, Missouri; Conservative Baptist Association of America, Wheaton, Illinois; Southern Baptist Convention, Nashville, Tennessee; American Baptist Churches in USA, Valley Forge, Pennsylvania; Brethren Church, Ashland, Ohio; Assemblies of God, Springfield, Missouri; Evangelical Free Church, Minneapolis, Minnesota; Christian Church, Indianapolis, Indiana and Christian Missionary Alliance, Nyack, New York.

The Committee also corresponded with the fields where we have works. We received favorable response from Brazil, Panama, Cuba, India, Japan and Uruguay. Ivory Coast Free Will Baptists have not yet formally organized due to the Palmer controversy, but we anticipate their participation. The work in France and Spain is small. The missionaries working in these two countries accept the concept but believe the idea to be premature for their field at the present time. All favor the name "International Fellowship of Free Will Baptists" since this has a much lower profile politically in the different languages.

The Committee is studying the materials it has received from our mission fields and the other denominations. When this study is completed it will present recommendations based on our findings.

Respectfully Reported,

Melvin Worthington, Executive Secretary
Eugene Waddell, Director of Foreign Missions
Jimmy Aldridge, Overseas Secretary of Foreign Missions

BENEVOLENT FUND REPORT

July 1, 1987

The Benevolent Fund continues to receive and distribute designated gifts to those ministers with unpaid medical claims caused by the bankruptcy of the Christian Organizations Medical Society (COMS). In the last year we received and disbursed \$18,468.58 to those pastors.

The Benevolent Fund has an outstanding debt of \$17,000.00 which was borrowed to finish paying the claims of those covered by Garrett-Street and Associates. In the past 12 months we received \$4,096.08 on this note. We will appreciate any suggestions on how to raise funds to retire this note to First American National Bank.

We recommend the Benevolent Committee to be continued another year to receive and disburse designated funds for those with unpaid claims with COMS and to solicit funds to retire the bank note.

Herman L. Hersey, trustee
Melvin L. Worthington, trustee

BENEVOLENT FUND FINANCIAL STATEMENTS

BENEVOLENT FUND OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Balance Sheets

December 31, 1986 and 1985

Assets	1986	1985
Cash in bank	\$ 248	2,158
<u>Liabilities and Fund Deficit</u>		
Notes payable to Board of Retirement and Insurance of National Association of Free Will Baptists	\$ 13,259	18,000
Accrued interest	2,743	1,206
	16,002	19,206
Fund deficit	(15,754)	(17,048)
	\$ 248	2,158

See accompanying note to financial statements.

Statements of Revenue, Expenses and Changes in Fund Balance

Years ended December 31, 1986 and 1985

Revenues - Contributions	\$ 28,692	3,489
Expenses:		
Claims paid	24,655	44,254
Interest expense	2,743	1,206
Total expenses	27,398	45,460
Excess of expenses over revenues	1,294	(41,971)
Fund balance (deficit), beginning of year	(17,048)	24,923
Fund deficit, end of year	\$ (15,754)	(17,048)

See accompanying note to financial statements.

Note to Financial Statements

December 31, 1986 and 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 restrictions 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.

Income Taxes

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

Respectfully Submitted, Your Servants,
Melvin Worthington, Executive Secretary
Charles Thompson, President of Free Will Baptist College
R. Eugene Wedel, 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 Ministerial Department
Roger Rood, General Director of Sunday School and Church Training Department

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) 665-9500

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

We have examined the balance sheets of the Benevolent Fund of the National Association of Free Will Baptists as of December 31, 1986 and 1985, and the related statement of revenue, expenses and changes in fund balance 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 Benevolent Fund of the National Association of Free Will Baptists as of December 31, 1986 and 1985 and its revenue, expenses, and changes in fund balance for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Marlin & Edmondson

January 20, 1987

BUDGET COMMITTEE REPORT

The National Association of Free Will Baptists, Inc. has approved in this convention the following budget for 1988:

Executive Office	\$ 343,175.40
Executive Church Bonds	10,000.00
Free Will Baptist Bible College	2,012,000.00
Foreign Missions	3,336,036.00
(Includes \$150,000.00 Advance Budget)	
Home Missions and Church Extension	1,900,000.00
Master's Men	85,750.00
Retirement and Insurance	199,710.00
Free Will Baptist Foundation	23,100.00
Sunday School and Church Training	2,434,700.00
Radio and Television Commission	11,980.00
TOTAL	\$10,356,451.40

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

States	Executive	Foreign Missions	FWBBC	Home Missions	R & I	Master's Men	Commission for Theo. Integrity	WNAC	FWB Found.	Historical Commission	Radio & TV	Totals
	\$ 2,042.75	\$ 127,713.20	\$ 52,657.00	\$ 165,747.27	\$ 347.67	\$ 2,270.12	\$ 6.68	\$ 1,856.66	\$ 40.08	\$ 6.69	\$ 106.69	\$ 352,814.81
Alabama	0.00	0.00	0.00	705.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	705.00
Alaska	0.00	0.00	0.00	705.00	0.00	914.02	0.07	120.00	0.43	0.07	0.00	12,739.96
Arizona	42.76	2,496.67	1,171.67	7,943.19	51.01	6,069.78	176.17	4,090.94	1,048.72	176.17	376.17	290,143.16
Arkansas	33,109.03	139,276.41	25,289.78	77,983.59	2,546.40	4,365.34	34.86	1,965.44	207.53	34.87	34.87	144,909.32
California	6,921.14	43,777.73	6,530.69	84,365.34	583.37	49.00	0.00	0.00	0.00	0.00	0.00	21,302.41
Canada	0.00	0.00	241.57	800.57	0.00	0.00	0.00	109.50	0.00	0.00	0.00	5,825.00
Colorado	0.00	3,185.40	0.00	18,007.51	800.00	0.00	0.00	0.00	0.00	0.00	10.57	2,958.64
Connecticut	0.00	0.00	5,025.00	0.00	148.13	137.54	10.57	0.00	63.49	10.57	80.16	161,744.29
Delaware	2,407.44	0.00	170.33	0.00	1,426.13	2,098.23	80.15	1,086.44	479.47	80.16	37.05	285,773.18
Florida	13,449.16	61,109.96	21,629.72	60,224.23	623.06	4,375.47	37.05	2,457.89	245.94	37.05	0.00	4,087.66
Georgia	7,236.03	135,730.95	66,513.51	68,479.18	0.00	0.00	0.00	55.71	0.00	0.00	2.19	5,155.25
Hawaii	0.00	2,365.95	1,041.00	550.00	0.00	17.69	2.19	0.00	75.00	12.65	0.00	156,403.70
Idaho	463.74	690.82	550.61	3,382.49	30.68	1,908.79	42.94	617.85	270.49	143.20	0.00	2,839.79
Illinois	8,626.06	81,214.88	18,750.56	44,175.83	671.41	765.70	143.20	463.15	157.98	0.00	101.73	26,915.05
Indiana	1,424.48	32,777.18	3,970.64	25,136.73	228.40	500.50	0.00	206.00	50.00	2.00	6.50	139,790.06
Iowa	0.00	1,560.00	483.92	12,309.75	28.19	25.55	2.00	917.44	36.98	6.23	0.00	1,147.77
Kansas	412.05	13,331.95	10,808.38	48,238.76	99.31	735.06	6.23	0.00	0.00	0.00	0.00	565.12
Kentucky	1,418.88	77,516.29	40.00	1,002.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,668.43
Louisiana	0.00	0.00	0.00	565.12	172.09	145.91	11.19	1,172.67	67.17	11.19	0.00	188,115.16
Maine	2,002.73	10,774.27	3,157.90	15,342.12	737.11	3,678.43	32.00	835.12	188.00	32.00	0.00	144.00
Maryland	7,835.33	113,815.53	17,630.29	43,074.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	122,899.35
Michigan	0.00	0.00	0.00	144.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	460,855.22
Minnesota	3,338.49	45,893.55	15,391.47	53,235.66	223.17	2,005.97	13.07	2,694.15	77.66	13.08	0.00	931.00
Mississippi	15,632.75	251,318.78	28,001.34	155,725.35	893.66	3,581.44	484.46	3,584.04	284.11	493.62	0.00	3,454.50
Missouri	0.00	510.00	0.00	421.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	255.00
Montana	0.00	980.00	350.00	2,099.00	0.00	0.00	0.00	25.50	0.00	0.00	0.00	1,528.28
Nebraska	0.00	0.00	255.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,110.00
Nevada	0.00	0.00	0.00	12,585.40	0.00	0.00	0.00	0.00	0.00	0.10	0.10	1,528.28
New Hampshire	0.00	0.00	0.00	917.43	1.44	1.33	0.00	229.44	0.00	0.62	0.00	1,110.00
New Jersey	0.00	136.35	218.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	682,722.84
New Mexico	23.32	0.00	0.00	1,110.00	1,936.44	1,643.96	28.89	3,486.64	261.29	28.89	228.89	223,123.13
New York	7,917.13	379,495.50	122,279.73	165,415.48	1,307.41	1,590.95	89.44	1,321.12	544.11	89.44	189.44	571,914.47
North Carolina	17,136.77	107,633.26	12,938.47	80,282.72	4,553.95	5,900.04	325.16	4,224.74	1,799.36	298.44	0.00	4,635.46
Ohio	58,602.41	331,509.36	16,183.50	4,634.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,643.72
Oklahoma	0.00	0.00	0.91	622.22	0.00	0.00	0.00	13.50	0.00	0.00	0.00	491.00
Oregon	0.00	1,008.00	0.00	491.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	292,331.55
Pennsylvania	0.00	0.00	0.00	85,048.92	54.97	171.56	0.00	2,904.48	0.00	0.00	0.00	4,505.14
Rhode Island	0.00	0.00	41,644.74	0.00	0.00	0.00	0.00	3,075.14	0.00	0.00	0.00	831,381.79
South Carolina	1,510.69	160,996.19	10.00	1,420.00	1,630.56	7,009.67	66.36	1,672.59	603.02	66.31	1,201.22	139,819.34
South Dakota	0.00	0.00	131,721.14	33,751.71	4,137.25	4,137.25	22.89	0.00	136.22	22.89	132.89	1,197.72
Tennessee	12,935.28	428,660.81	9,504.19	37,751.71	342.15	0.00	0.00	1,162.72	0.00	0.00	0.00	200,741.68
Texas	4,468.39	87,300.76	35.00	67,942.24	279.76	608.70	13.89	81.00	668.70	13.89	0.68	7,681.13
Vermont	0.00	0.00	20,593.25	6,442.68	10.80	8.35	0.00	768.50	0.00	4.62	0.00	101,272.66
Virginia	1,816.50	109,295.08	318.67	29,102.81	276.00	2,647.25	90.56	0.00	25.66	90.56	90.55	101,272.66
Washington	125.47	62,392.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	419.06
West Virginia	0.00	0.00	0.00	419.06	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00
Wisconsin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,002.00
Wyoming	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	3,617.45
Mexico	0.00	3,002.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	3,616.40
Northeast Assoc.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31,483.81
Northwest Assoc.	24.36	3,592.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,384.39
Puerto Rico	0.00	0.00	0.00	28,829.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	179,900.07
Virgin Islands	0.00	2,135.92	518.85	4,577.29	807.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WNAC	0.00*	65,572.31**	73,287.43	41,040.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$4,374.29
Other	0.00	0.00	0.00	\$20,810.75	\$53,560.74	\$1,720.90	\$41,280.86***	\$6,700.99	\$1,703.34			\$5,797,896.42
Totals	\$211,913.99	\$2,888,795.12	\$719,524.03	\$1,847,521.41	\$20,810.75	\$53,560.74	\$1,720.90	\$41,280.86***	\$6,700.99	\$1,703.34		\$5,797,896.42

* Other includes interest, book sales, National offering, miscellaneous sources and states.

**Other includes gifts from College Family, University Fund, Eunie Edwards Fund, Eunice Edwards Fund, National Student Loan Fund, Memorial Student Loan Fund.

1987 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	185				185	569	987	548	19,850	497	288	39	46	17,455,530	
Arizona	1	3	3			3	12	26	28	188	7	9		2	688,000	2
Arkansas	16	227	79	137	11	216	554	1,163	623	19,595	626	384	63	59	19,819,500	65
California	7	74	65	9		74	456	589	267	4,578	163	125	30	39	19,153,033	43
Canada	1	16	4	12		16	20	35	9	273		6	5	3		4
Colorado	1	7	7			7	20	35	5	220		8			950,000	1
Florida	9	75	40	35		75	215	429	249	5,381	156	110	28	37	8,378,860	51
Georgia	10	123	50	73		115	259	372	225	7,514	342	159	19	56	13,036,250	94
Hawaii		1	1			1	1		4	31	3	2		1	3,000,000	1
Idaho	1	4	3			3	10	20	4	78		2	2	1	415,000	
Illinois	6	43	25	18		43	112	208	108	4,285	111	74	16	16	8,070,000	20
Indiana	4	25	21	4		25	100	182	54	1,406	51	47	25	6	2,230,000	11
Iowa	1	1	1			1	3	6	6	71		1		1	280,000	1
Kansas	2	10	10			10	49	74	29	595	7	8	1	3	1,345,000	8
Kentucky	10	143	20	86	37	384		221	29	10,569	283	382	24	3		49
Louisiana		1	1			1	5	10		60		2				
Maryland	3	26	10	15	1	25	104	113	100	1,620	38	40	11	8	4,335,100	15
Mexico		30				30				3,000		22				
Michigan	5	5	47	38	6	42	190	253	430	4,029	80	81	34	16	6,782,000	32
Mississippi	4	4	54		54		300			4,800		85	15	15		
Missouri	16	16	94	73		167	569	961	494	16,990	383	266	42	41	18,302,596	85
Montana		1	1			1	1	1	2	40		1			150,000	1
Nebraska		1	1			1										
New Jersey																
New Mexico	2	7	6	1		7		14	10	190	7	6	2	2	595,000	1
North Carolina	8	194	35	51	5	167	710	1,139	577	16,046	357	189	54	42	23,905,350	84
Northwest Assoc.	1	3		3		2		11	4	100	1	2	1	1		3
Ohio	1	7	5	2		5	65	104	10	564	3	10	2	2	669,000	4
Oklahoma	18	144	53	90	1	144	511	772	758	9,962	298	390	24	23	15,113,441	37
Pennsylvania	24	258	152	106		245	1,283	1,734	645	23,043	684	448	104	91	41,483,900	161
Puerto Rico																
South Carolina	6	114	43	44	27	63	297	386	123	6,165	189	112	17	27	7,752,900	49
Tennessee	7	207	71	100	36	162	690	1,020	459	16,135	520	38	61	56	22,409,020	101
Texas	7	62	40	18	4	58	225	412	168	4,097	121	77	15	17	9,789,150	29
Virginia	5	95	11	84		95	48	262	207	7,019	250	234	12	4	6,334,942	8
Virgin Islands	1	1	1			1			3	153		1			3,500,000	1
West Virginia	21	184	18	166		184	645	595	403	11,740	448	458	26	17	11,214,000	84
Wyoming																
TOTALS	219	212	2,540	999	1,133	2,099	2,154	12,134	6,381	290,387	4,627	4,162	407	830	992,187,817	1,388

	Part-Time Pastors	Day Cares	Kindergartens	Christian Day Schools	Colleges	Bible Institutes	Sunday School Enrollment	CTS Enrollment	WMC Enrollment	Master's Men Enrollment	Combined Income of all Churches	Number of Churches With Budgets	Value of Associational Property
Alabama	1						12,295	3,790	774	298	77,327	2	600,000
Arizona	162	2	3	3			137	58	16	20	3,188,311	13	525,000
Arkansas	31	4	5	6	1		12,854	3,138	1,265	337	2,861,282	39	250,000
California	12						5,274	104	525	91		4	
Canada	6						601		28	27	101,000		
Colorado	24	9	6	5		2	3,746	1,189	313	189	1,843,845	28	715,000
Florida	29	1	1	1		1	5,456	1,666	815	259	2,229,821	1	3,000,000
Georgia							50	34	14	9	32,389	1	
Hawaii	3						91		6	5	44,403	1	500,000
Idaho	23	1	1	2			3,164	350	369	102	990,679	18	150,000
Illinois	13	1	1	2			1,732	244	167	107	740,287	8	
Indiana							50		13		210,834	3	1,345,000
Iowa							728	138	54	17	576,220	2	
Kansas							5,443		353		40,000		
Kentucky	1						1,464	81	194	28	498,814	38	
Louisiana	11										1,034,158	2	
Maryland							3,837	411	441	86			
Mexico	13	1					3,000	1,200	300	150	3,798,152	38	990,000
Michigan							13,346	1,431	939	46	7,749		
Mississippi	82	4	2	4			20						
Missouri													
Montana													
Nebraska													
New Jersey	4						183		10	34	37,762	63	974,180
New Mexico	6	9	14	14			10,733	1,356	1,065	190	284,082		
North Carolina							75		16				
Northwest Assoc.	3	1	3	3			335			23	98,367	4	
Ohio	101	8	1	2			10,246	511	375	105	1,867,116	13	321,196
Oklahoma	82						18,519	2,440	1,467	356	8,569,115	37	7,242,289
Pennsylvania													
Puerto Rico	11	3	3	3			5,672						
South Carolina	69	7	4	5			13,908	1,914	912	281	1,260,677	37	
Tennessee	33						3,277	735	453	96	1,259,154	18	
Texas							6,654	1,193	685	67	1,499,241	2	
Virginia							125		15	10	15,000	1	
Virgin Islands							16,075	1,608	700	43	1,217,436	26	
West Virginia	95												
Wyoming													
TOTALS	815	55	48	58	2	9	159,390	24,775	13,143	3,157	34,727,813	428	16,612,665

REPORTING PERIOD 1986-1987