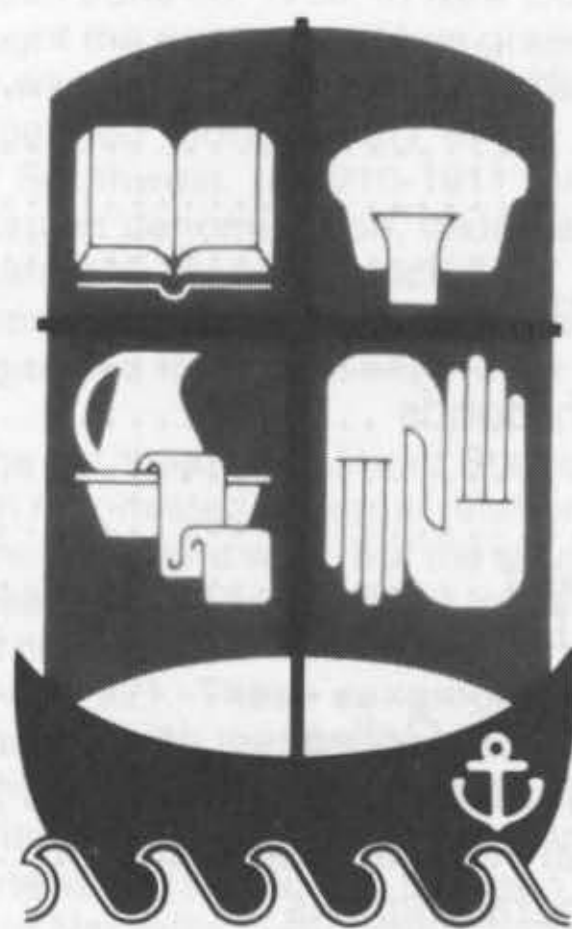


1989 Free Will Baptist Yearbook



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-Second Annual Session of the National Association of Free Will Baptists, Inc. when convened in Kansas City, Missouri July 17-21, 1988

Future Sessions To Be Held In

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
1998 Tulsa, Oklahoma	July 12-16

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

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: Warner Collier
 Kentucky: Edgar (Dick) Van Hoose
 Maryland: Lester Horton
 Mexico: Fred Jones
 Michigan: Charles Cooper
 Mississippi: J. L. Gore
 Missouri: Dale Skiles

1990

New Mexico: Earl Jenkins
 North Carolina: Tom Lilly
 Northeast Association: Jim Nason
 Northwest Association: Mike Mutchler
 Ohio: Delmar Sparks
 Oklahoma: Jack Richey
 South Carolina: Earl Hendrix
 Tennessee: Raymond Riggs
 Texas: Ron Parker
 Virginia: Jeff Crabtree
 West Virginia: Carl Vallance

EXECUTIVE COMMITTEE

Chairman: Ralph Hampton, 5614 Meadowcrest, Nashville, TN 37209
 Clerk: Waldo Young, 1101 E. Cammack, Shawnee, OK 74801

1989

Dale Skiles (Mo.)
 David Joslin (Ark.)
 Doice McAlister (Calif.)

1990

Raymond Riggs (Tenn.)
 Jack Richey (Okla.)
 Carl Vallance (W.Va.)

Officers

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

BIBLE COLLEGE TRUSTEES

Chairman: James Earl Raper, Rt. 1, Box 406, Turbeville, SC 29162
President: Charles Thigpen, 3606 West End Ave., Nashville, TN 37205

1990	1992	1994
Sam Truett (N.C.)	Clarence Burton (Mo.)	Ken Walker (Ky.)
James Earl Raper (S.C.)	W. B. Hughes (Va.)	Bob Ketchum (Okla.)
J. M. Creech (Miss.)	Douglas Little (Ark.)	Howard Price (Ga.)

FOREIGN MISSIONS BOARD

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

1990	1992	1994
Dan Cronk (Tenn.)	Joe Grizzle (Okla.)	William Reagan (Canada)
Archie Mayhew (Calif.)	Bill Jones (Texas)	Robert Trimble (Md.)
Galen Dunbar (Kan.)	Dean Dobbs (N.C.)	Norwood Gibson (S.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	1991	1993
Gordon Sebastian (N.C.)	Milburn Wilson (Calif.)	Richard Adams (Tenn.)
James Puckett (Okla.)	Glenn Thomas (Ga.)	Rue Dell Smith (Okla.)
Nathan Ruble (Mo.)	Larry Russell (Ark.)	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	1991	1993
Paul Kennedy (Calif.)	Howard Gwartney (Okla.)	Wendell Leckbee (Ark.)
James Orr (Ky.)	Tim Jordan (Ga.)	Dwight Fletcher (Ga.)
Raymond Lee (N.C.)	Paul Moore (Ill.)	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	1991	1993
Jack Daniel (Ga.)	Ron Barber (Okla.)	Billy Samms (W.Va.)
Robert Picirilli (Tenn.)	Roger Harwell (Okla.)	Robert Morgan (Tenn.)
Wilburn Beasley (S.C.)	Milton Hollifield (N.C.)	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

1990	1992	1994
David Sutton (Texas)	Connie Cariker (Okla.)	Milton Worthington (Mich.)
James McAllister (Calif.)	Edwin Hayes (Ohio)	Billy Hanna (Ga.)
Malcolm Fry (N.C.)	Larry Clyatt (Ill.)	Jim Shepherd (Okla.)

COMMISSION FOR THEOLOGICAL INTEGRITY

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

1989 L. C. Johnson (Tenn.)	1991 Lonnie Skiles (Mo.)
1990 Edwin Wade (Okla.)	1992 Leroy Forlines (Tenn.)
	1993 Fred Hall (Tenn.)

HISTORICAL COMMISSION

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

1989 Robert Picirilli (Tenn.)	1991 David Joslin (Ark.)
1990 Steve Hasty (Ala.)	1992 Jack Williams (Tenn.)
	1993 Mary Wisehart (Tenn.)

RADIO-TELEVISION COMMISSION

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

1989 James Vallance (Tenn.)	1991 Sandy Goodfellow (Tenn.)
1990 Larry Hampton (Tenn.)	1992 Bill Gardner (Tenn.)
	1993 Terry Boyd (Tenn.)

MUSIC COMMISSION

Chairman: Bill Gardner, 2518 Una-Antioch Pike, Antioch, TN 37013

1989 Blaine Hughes (N.C.) 1991 Rodney Whaley (Tenn.)
 1990 Vernon Whaley (Okla.) 1992 Douglas Little (Ark.)
 1993 Bill Gardner (Tenn.)

Proceedings

The 52nd annual convention of the National Association of Free Will Baptists met in the Municipal Auditorium, Kansas City, Missouri, July 17-21, 1988. The theme of the convention was "Back to Basics." Blaine Hughes served as music coordinator with Randy Carr as organist and Clint Lewis as pianist.

Sunday Morning

The adult Sunday School met in Municipal Auditorium. Blaine Hughes directed the congregation in singing "Isn't He Wonderful" and "King of Kings," after which Jon Forlines led in prayer. A duet from Hillsdale Free Will Baptist College sang "He Came Down to My Level."

Milton Fields taught the adult Sunday School lesson which was based on John 10:1-29, and entitled "The Good Shepherd."

The morning worship was called to order at 11:00 a.m. by David Joslin who presided. He led in prayer after which Blaine Hughes directed the congregation in singing "Brethren, We Have Met To Worship." The Hillsdale duet sang "I've Been Changed" and "Just a Closer Walk." David Joslin read from the Psalms after which the congregation sang "Great is Thy Faithfulness."

An offering for convention expenses was received. The congregation sang "He Hideth My Soul." Gwen Aylor from Hillsdale College sang "Broken and Spilled Out."

Wallace Malone, pastor from Decatur, Illinois, was introduced to bring the message. His subject was "Praise in the Worship of God." He read John 4:20-24 as his text.

After the message, David Joslin led in the closing prayer.

Sunday Evening

Jack Richey presided over the Sunday evening service and called the service to order at 7:00 p.m. The youth groups Truth and Peace provided music as a call to worship.

Randy Kinnick led the congregation in singing "Set My Soul Afire" and the chorus of "Heaven Came Down." Truth and Peace provided other songs after which the congregation sang "What a Savior."

Jack Richey led in prayer and the congregation sang "It is No Secret."

Tom Mercer from Greenville, North Carolina, sang "In the Image of God."

Larry Hughes, pastor from Walnut Ridge, Arkansas, was introduced to bring the message. He read from I Kings 17, and spoke on the subject "Praying in the Will of God."

After the message and announcements, the service was closed with prayer by Earl Hendrix.

Monday Evening

Carl Cheshier called the service to order at 7:00 p.m. and served as presider for the service.

Phil Cooper led the congregation in singing "To God be the Glory." *Witness*, a quartet composed of Vernon Whaley, Ed Pack, Bob Thomas and Jerry Pilgrim, sang "I Can Tell You the Time" and "I Sit Me Down at Jesus' Feet." Carl Cheshier led in prayer.

The congregation sang "He's Been So Good to Me." The Mass Choir under the direction of Douglas Little sang "Majesty."

Clerk Waldo Young called the 52nd annual convention of the National Association of Free Will Baptists into official session and introduced Moderator Ralph Hampton, dean of the Graduate School of Free Will Baptist Bible College, Nashville, Tennessee.

The moderator read the report of the Committee on Committees appointing the Credentials Committee, Nominating Committee and Resolutions Committee.

Those appointed to serve on the Credentials Committee were Chairman Dale Skiles, Delmar Sparks, John Edwards, Wallace Malone and Bob Thomas.

The Nominating Committee was composed of Chairman Larry Hughes, Archie Ratliff, Nuel Brown, Billy Hanna and Dan Runion.

Those appointed to serve on the Resolutions Committee were Chairman George Lee, Bill Ezell, Fred Jones, Fred Hansen and Ron Parker.

The welcome address was given by Clarence Burton, promotional director of the Missouri State Association of Free Will Baptists.

The congregation sang "He Touched Me." *Witness* sang "That Glad Reunion Day."

An offering for convention expenses was received. A men's quartet from Southeastern FWB College sang "Sing Me a Song About Jesus" and "Restore My Soul in the Valley" as the offering was received.

In behalf of the convention body, Melvin Worthington presented Bobby Jackson with a watch and a plaque as a token of appreciation for ten years of service as moderator.

Carl Cheshier introduced the speaker, Bob Thompson, pastor of First FWB Church, Poteau, Oklahoma.

Bobby Lee Thomas sang a solo, "Heaven Will Surely Be Worth It All."

Bob Thompson read Matthew 3:1-2 and brought the message on the subject "Preach the Word of God."

After announcements, the congregation sang "What a Day" to close the service.

Tuesday Evening

Tom Lilly presided at the Tuesday evening service. The service was called to order at 7:00 p.m.

Charles Hampton led the congregation in singing "Rejoice, Ye Pure in Heart," after which Tom Lilly led in prayer.

Douglas Little directed the Mass Choir in singing "Lord of Me." The duet from Hillsdale College sang "They Who Wait Upon the Lord." The congregation sang "How Great Thou Art." The choir sang "Great is Thy Faithfulness."

After prayer by Tom Lilly, the convention offering was received. Again music was provided by the Hillsdale College duet.

The congregation sang "The Banner of the Cross." Vernon Whaley sang "God's Own Lamb."

Glenn Rehkop was introduced as the speaker of the evening. He read Isaiah 6:1-9 and brought the message on "Participate in the Work of God."

After the message, Tom Lilly made announcements and led in prayer to close the service.

Wednesday Morning

Moderator Ralph Hampton called the first business session to order at 9:00 a.m. Wednesday morning, July 20. He read I John 1:3-10, brought devotional thoughts and led in prayer.

Clerk Waldo Young read the report of the Credentials Committee. A motion carried to receive the report and seat the delegates.

The clerk read items #1 and #2 of the General Board report. A motion carried to adopt Item #1.

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

The Executive Secretary also gave the report of the Hymn Book Committee. A motion carried to receive the report and consider the recommendations item by item. Item #1 of the report was adopted calling for October 2, 1988, to be set as Hymn Book Dedication Day. Item #2 of the Hymn Book Committee report was adopted, calling for the establishment of a Free Will Baptist Music Commission. Item #2 of the General Board report, which recommended nominees for this commission, was read. Nominations from the Nominating Committee, dealing with the Music Commission, were read.

A motion carried that the nominees coming from the Hymn Book Committee, also recommended by the General Board, be considered first and that any other nominations must come from the floor.

Those elected to serve on the newly-created Music Commission were Blaine Hughes (5 years), Vernon Whaley (4 years), Rodney Whaley (3 years), R. Douglas Little (2 years) and Bill Gardner (1 year).

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

Director James Vallance gave the report of the Master's Men Department. A motion carried to receive the report and adopt the budget.

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

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

Herman Hersey also gave the report of the Benevolence Committee. A motion carried to receive the report.

The clerk read Item #3 of the General Board report calling for the continuance of the work of the Benevolence Committee until all unpaid claims are settled. Item #3 was adopted.

Director Eugene Waddell gave the report of the Foreign Missions Department. Melvin Worthington gave the report of the Foreign Missions investigative committee. A motion was made and seconded to receive the report and adopt the budget.

Because of the time, the meeting was recessed for lunch. Keith Burden led in prayer, remembering several prayer requests and dismissing the meeting for a lunch break.

Wednesday Afternoon

The moderator called the afternoon session to order at 1:30. Assistant Moderator Carl Cheshier read II Timothy 3:1, 12-17, brought devotional thoughts and led in prayer.

Business resumed on the motion to receive the report and adopt the budget of the Foreign Missions Department. After lengthy discussion, the previous question was moved and carried. The motion to receive the report and adopt the budget was approved.

The clerk read Item #4 of the General Board report. A motion carried to adopt Item #4.

Bill Reagan, Bob Trimble and Norwood Gibson were elected to the Foreign Missions Board for six-year terms.

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

A motion was made and seconded that the body rescind the action of the Free Will Baptist Bible College Board of Trustees concerning wearing regulation basketball uniforms and forbid the wearing of the uniforms.

The previous question was moved and carried. The motion to rescind the action carried.

Ken Walker, Bob Ketchum and Howard Price were elected to the Board of Trustees of Free Will Baptist Bible College for six-year terms expiring in 1994.

Director Roger Reeds gave the report of the Sunday School and Church Training Department. A motion carried to receive the report, adopt the budget, and adopt the proposed constitutional changes to the constitution of this department.

Those elected to the Sunday School and Church Training Board for terms expiring in 1994 were Milton Worthington, Billy Hanna and Jim Shepherd.

A motion carried to adopt Item #6 of the General Board report.

A motion carried to adopt Item #5 of the General Board report.

The following men were elected to the General Board: For one year, replacing Andy Percy from Kansas, Warner Collier. For one year, replacing Millard Sasser from Missouri, Dale Skiles. For two-year terms: New Mexico, Earl Jenkins; North Carolina, Tom Lilly; Northeast Association, Jim Nason; Northwest Association, Mike Mutchler; Ohio, Delmar Sparks; Oklahoma, Jack Richey; South Carolina, Earl Hendrix; Tennessee, Raymond Riggs; Texas, Ron Parker; Virginia, Jeff Crabtree; West Virginia, Carl Vallance.

Three men were elected to two-year terms on the Executive Committee: Raymond Riggs, Jack Richey and Carl Vallance. Dale Skiles was elected to the Executive Committee replacing Millard Sasser who resigned after moving to another state.

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

Fred Hall was elected to a five-year term on the Commission for Theological Integrity.

Bob Shockey gave the report of the Radio and Television Commission. A motion carried to receive the report and adopt the budget. Terry Boyd was elected to serve a five-year term on this commission.

The meeting was recessed until Thursday morning.

Wednesday Evening

Waldo Young presided over the Wednesday evening service. He called it to order at 7:00 and opened the service with prayer.

The Men's Chorale under the direction of Vernon Whaley sang "Heavenly Love."

Danny Thomas led the congregation in singing "Who Is On The Lord's Side." The Mexican Quartet sang "Oh, How I Love Jesus" and "Do You Know My Jesus?"

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

Danny Thomas led the congregation in singing "I Have Decided to Follow Jesus." The Men's Chorale sang "Peace in the Midst of the Storm."

An offering for missions was received in the amount of \$23,133.18. All undesignated gifts received in the offering will be divided between the Home Missions and Foreign Missions Departments. Rejoice, an ensemble from Free Will Baptist Bible College, sang several songs as the offering was received.

The congregation sang "People Need the Lord" and "I Will Serve Him."

Diann Henson sang "My House Is Full, But My Field Is Empty."

Fred Warner, director of church ministries with the Foreign Missions Department, was introduced to bring the message. He read II Timothy 4:6-8 for his text and preached on the subject, "Perceive Our Welcome by God." An invitation was extended for people to come and dedicate their lives to

God and His work. Several came forward to pray in response to the invitation.

The congregation sang "Set My Soul Afire" to dismiss the service.

Thursday Morning

The moderator called the session to order at 9:00 a.m., shared a prayer request and introduced the devotion. Keith Burden read Luke 24:25-32 and led in prayer.

Jim Lauthern gave the report of the National Youth Conference. A motion carried to receive the report.

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

Chairman David Joslin gave the report of the Historical Commission. A motion carried to receive the report. Mary Ruth Wisehart was elected to the Historical Commission for a five-year term.

The clerk read the report of the Registration Committee. It reported 5,866 registered for the combined National Convention, Woman's National Auxiliary Convention and the National Youth Conference.

Executive Secretary Melvin Worthington gave the report of the Budget Committee. A motion carried to adopt the report.

Herman Hersey gave the report of the Budget Committee as a study committee. A motion carried to adopt the recommendations presented by the committee.

The report of the Resolutions Committee was considered as it was distributed in printed form.

A motion was made and seconded to adopt Resolution #1. A motion carried to insert the statement, "Be it further resolved that we express our displeasure economically by refusing to support financially all other Universal-MCA owned operations including, but not limited to, Universal Studio Tours, LJM toys, Spencer Gifts and Intrigue stores."

Resolution #1 was adopted as amended.

A motion carried to adopt Resolution #2.

A motion carried to adopt Resolution #3.

A motion was made and seconded to adopt Resolution #4. A motion carried to refer Resolution #4 to the Historical Commission with instructions for them to keep in mind the statement made by Wade Jernigan about also memorializing the site where Free Will Baptists began in North Carolina. The Historical Commission was requested to bring back a report to the 1989 convention.

A motion was made and seconded to adopt Resolution #5. A motion carried to amend the resolution by addition "and the Board of Foreign Missions." Resolution #5 was adopted as amended.

A motion was made from the floor as follows:

Whereas, our national board members are elected by this body; and whereas, they labor diligently on our behalf seeking to make wise decisions,

Therefore, be it resolved that we express our confidence in our elected board members in whom we extend our trust to make policy decisions.

The motion was seconded. After lengthy discussion the previous question was moved and carried. The motion was adopted.

The clerk read the report of the Nominating Committee concerning the general officers. A motion carried to adopt the report and elect those nominated by the committee.

Ralph Hampton, Tennessee, was elected as moderator.

Carl Cheshier, Arkansas, was elected as assistant moderator.

Waldo Young, Oklahoma, was elected as clerk.

Keith Burden, Oklahoma, was elected as assistant clerk.

A motion carried to adjourn. Carl Young led in the closing prayer.

The Executive Secretary's Report 1988

The Executive Secretary attended 18 state associations during 1987. A spirit of harmony prevailed; reports at these meetings indicated continued progress.

The Target 90 Committee continues to monitor the Target 90 Campaign. Statistics reflect a measure of success. Records for 1987 show a net membership increase of 5,553. We urge local, district and state clerks to complete the report forms. Form 501 (blue), 502 (green), 503 (yellow) and 504 (white) are available at no cost from the Executive Office or from Free Will Baptist bookstores.

Oklahoma (1998), Georgia (1999) and California (2000) voted to host the National Convention. Site inspections for the July 19-23, 1998, convention include Tulsa and Oklahoma City.

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

Contact provides inspiration, information and instruction for Free Will Baptists. We are pleased to give one page each month to each national agency. Complimentary copies are provided for students at Free Will Baptist Bible College, California Christian College, Hillsdale FWB College, and Southeastern FWB College. Subscription rates are: Church Family Plan \$8.00; Bundle Plan \$8.50; Individual \$9.50.

Randall House mailed a complimentary copy of the 1988 Free Will Baptist Yearbook to each church in April. Additional copies may be ordered from Randall House.

The biennial All-Boards Conference will meet December 5-6, 1988, in Nashville. Participants include all national board members, commission members, General Board members and WNAC Executive Committee members.

The biennial Leadership Conference, sponsored by the national departments met November 30-December 1, 1987, in Nashville with more than 125 attending. Speakers developed the theme "Leading in Loyalty."

The feasibility study regarding the possibility of arranging an International Association (Fellowship) of Free Will Baptists continues. The study was assigned to the Executive Office and the Foreign Missions Department.

The Management Committee continues its feasibility study regarding relocating the National Offices.

The Foreign Missions Study Committee completed its investigation and gave a final report detailing its findings to the Foreign Missions Board.

The 1988 *Free Will Baptist Hymn Book*, plagued by publication delays and problems, was released this spring. We apologize for the delay and the inconvenience it caused. 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 the Religious Conference Management Association (vice president), Evangelical Press Association, American Federation for Decency (Advisory Board), Christian Stewardship Council, Citizens for Responsible Television (National Board), Association of the Statisticians of American Religious Bodies, Christian Ministries Management Association, and Religious Alliance Against Pornography.

Cooperative Channel gifts for 1987 totaled \$1,165,925.85. Of this amount \$289,547.31 was undesignated (Co-op) and \$876,378.54 was designated. We appreciate your faithful support of national ministries through this method.

Charting Contributions Through the Cooperative Channel

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

Charting Contributions Through the Cooperative Channel

1987		
\$876,378.54 (+12.21%)	\$289,547.31 (-21.42%)	\$1,165,925.85 (+1.43%)
75%	25%	

Cooperative Channel Contributions Increase From 1979-1987

Designated - 550% COOP - 175%

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
1987	23,900.46	188,013.53	211,913.99

FOREIGN MISSIONS

	<u>DESIGNATED</u>	<u>COOP</u>	<u>TOTAL</u>
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
1987	592,450.15	23,352.50	615,802.65

Charting Contributions Through the Cooperative Channel

FREE WILL BAPTIST BIBLE COLLEGE

	<u>DESIGNATED</u>	<u>COOP</u>	<u>TOTAL</u>
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
1987	51,479.96	23,352.50	74,832.46

HOME MISSIONS

	<u>DESIGNATED</u>	<u>COOP</u>	<u>TOTAL</u>
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
1987	172,901.51	18,276.22	191,177.73

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
1987	2,349.53	14,215.04	16,564.57

Charting Contributions Through the Cooperative Channel

MASTER'S MEN

	<u>DESIGNATED</u>	<u>COOP</u>	<u>TOTAL</u>
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
1987	3,617.10	13,199.87	16,816.97

FREE WILL BAPTIST FOUNDATION

	<u>DESIGNATED</u>	<u>COOP</u>	<u>TOTAL</u>
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
1987	840.23	6,092.41	6,932.64

HISTORICAL COMMISSION

	<u>DESIGNATED</u>	<u>COOP</u>	<u>TOTAL</u>
1979	\$.00	\$.00	\$.00
1980	.00	.00	.00
1981	.00	.00	.00
1982	.00	.00	.00
1983	137.71	1,834.61	1,792.32
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
1987	688.28	1,015.06	1,703.34

Charting Contributions Through the Cooperative Channel

RADIO & TV COMMISSION

	<u>DESIGNATED</u>	<u>COOP</u>	<u>TOTAL</u>
1985	\$ 382.29	\$ 2,088.98	\$ 2,471.27
1986	714.33	2,005.83	2,720.16
1987	1,585.32	1,015.06	2,600.38

COMMISSION FOR THEOLOGICAL INTEGRITY

	<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
1987	705.84	1,015.06	1,720.90

We encourage churches to support every local, district, state and national ministry. The Cooperative Plan, when properly understood and prayerfully implemented can fairly and fully support all denominational ministries. Brochures explaining the Cooperative Program are available from the Executive Office.

Contributions to national ministries in 1987 totaled \$5,797,896.42. We commend you for your systematic and sacrificial support which made this possible. 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
1987	\$5,797,896.42

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

	<u>OPERATING FUND</u>		<u>YEAR ENDED</u> <u>DECEMBER 31</u>	
			1987	1986
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash - General		\$	25,767.94	\$ 14,867.60
- Contact Magazine			1,107.89	7,669.00
- Special projects			43,495.80	2,598.12
Accounts receivable - Contact Magazine			549.20	577.78
- Special projects			157.00	7.00
- Executive			407.24	656.43
Prepaid insurance			3,061.40	2,350.87
			<u>74,546.47</u>	<u>28,726.80</u>
<u>FIXED ASSETS - (Note 1)</u>				
Auto			15,985.25	13,157.25
Office equipment			61,001.46	50,671.51
			<u>76,986.71</u>	<u>63,828.76</u>
Less - accumulated depreciation			30,696.49	35,911.88
			<u>46,290.22</u>	<u>27,916.88</u>
<u>OTHER ASSETS</u>				
Airlines deposits			425.00	425.00
			<u>\$121,261.69</u>	<u>\$ 57,068.68</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>CURRENT LIABILITIES</u>				
Accounts payable - General		\$	218.00	\$ 1,853.43
- Contact Magazine			104.89	
- Special projects			75.90	
Loans payable - (Note 2)			16,985.25	10,154.88
Payroll taxes			1,539.36	1,162.31
			<u>18,923.40</u>	<u>13,170.62</u>
<u>FUND BALANCE</u>				
			102,338.29	43,898.06
			<u>\$121,261.69</u>	<u>\$ 57,068.68</u>

STATEMENT OF REVENUES, EXPENSES, AND FUND BALANCE

OPERATING FUND

	<u>YEAR ENDED</u> <u>DECEMBER 31</u>	
	1987	1986
<u>GENERAL INCOME</u>		
Cooperative Plan	\$188,013.53	\$167,852.99
Gifts	23,900.46	9,528.25
Leadership Conference	5,777.76	2,997.21
Interest	273.06	65.29
Other income	13,381.99	2,705.90
Total income	<u>231,346.80</u>	<u>183,149.64</u>

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

STATEMENT OF REVENUES, EXPENSES, AND FUND BALANCE (Continued)

OPERATING FUND

YEAR ENDED
DECEMBER 31

	1987	1986
<u>GENERAL EXPENSES</u>		
Accounting and legal	2,520.00	2,470.00
Bad debts	1,813.07	
Executive Committee - travel	5,186.47	4,997.12
Insurance - general	3,529.03	2,736.73
Insurance and retirement - employees	14,202.15	18,477.67
Office space rental	15,411.60	14,555.40
Office supplies and printing	7,915.28	4,886.12
Payroll taxes	3,472.91	3,111.74
Postage	1,603.35	1,442.72
Promotion	635.07	1,615.55
Leadership Conference	7,000.55	1,532.21
Salaries	87,818.88	81,444.04
Housing allowances	23,000.04	22,267.92
Telephone	5,185.15	3,320.75
Travel	11,193.56	13,207.61
Repairs and maintenance	767.01	3,603.58
Depreciation expense	7,941.86	4,421.50
Other expenses	8,171.16	3,581.24
Total expenses	<u>207,367.14</u>	<u>187,671.90</u>
Net income (Loss)	<u>\$ 23,979.66</u>	<u>(\$ 4,522.26)</u>
<u>CONTACT MAGAZINE INCOME</u>		
Sales	\$ 53,765.90	\$ 51,936.73
Less cost of sales	60,701.86	(54,731.62)
Less bad debts		(84.73)
Net income (Loss)	<u>(\$ 6,935.96)</u>	<u>(\$ 2,879.62)</u>
<u>SPECIAL PROJECTS INCOME</u>		
Sales	\$104,514.24	\$ 6,256.22
Less cost of sales	(63,117.71)	(7,746.86)
Net income (Loss)	<u>\$ 41,396.53</u>	<u>(\$ 1,490.64)</u>
Total net gain (Loss)	<u>\$ 58,440.23</u>	<u>(\$ 8,892.52)</u>
Fund balance, beginning	43,898.06	52,790.58
Fund balance, ending	<u>\$102,338.29</u>	<u>\$ 43,898.06</u>

BALANCE SHEET

PLANT FUND

YEAR ENDED
DECEMBER 31

	1987	1986
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash - general	\$ 18,922.93	\$ 4,310.46
Accounts receivable	371.22	85.72
Prepaid insurance	6,836.94	5,311.20
Total current assets	<u>26,131.09</u>	<u>9,707.38</u>

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

PROPERTY, PLANT, AND EQUIPMENT (Note 1)		
Land, building, and accessory equipment	298,853.35	298,853.35
Telephone equipment	37,829.40	37,829.40
Vehicle	3,482.50	3,482.50
Lawn equipment	4,016.86	4,016.86
Paving parking lot	8,147.00	6,947.00
Total capital assets	352,329.11	351,129.11
Less-accumulated depreciation	173,551.47	154,913.40
	<u>178,777.64</u>	<u>196,215.71</u>
OTHER ASSETS		
Deposit	176.62	176.62
Total assets	<u>\$205,085.35</u>	<u>\$206,099.71</u>
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	\$ 6,227.31	\$ 3,452.98
Property taxes	2,950.97	2,950.97
Payroll taxes	1,215.33	976.63
Board of retirement and insurance (Note 2)	41,406.96	51,974.64
Note payable - telephone system	12,559.80	20,125.68
Note payable - convention		500.00
Total current liabilities	<u>64,360.37</u>	<u>79,980.90</u>
FUND BALANCE	140,724.98	126,118.81
Total liabilities and fund balance	<u>\$205,085.35</u>	<u>\$206,099.71</u>

STATEMENT OF REVENUE, EXPENSES, AND FUND BALANCE

PLANT FUND

	YEAR ENDED DECEMBER 31	
	1987	1986
GENERAL INCOME		
Rent	\$107,198.64	\$103,117.92
Telephone	29,945.62	28,515.33
Hospitalization and life insurance	71,326.78	60,415.42
Postage meter	33,856.37	30,482.00
Other income	1,849.47	4,479.60
Total income	<u>244,176.88</u>	<u>227,010.27</u>
GENERAL EXPENSES		
General supplies	683.67	159.01
Hospitalization and life insurance	72,248.22	60,119.14
Insurance - general	5,311.20	8,271.49
Interest	6,405.16	7,876.71
Janitor service and supplies	3,099.47	3,538.14
Property taxes	2,950.97	2,950.97
Retirement expense	921.90	737.04
Mail truck expense	725.35	738.84
Mail room expense	2,401.49	782.63
Maintenance - general	4,773.17	1,933.37
Payroll taxes	2,350.29	2,240.41
Salaries	33,010.07	31,343.32
Telephone	23,389.90	21,126.56
Utilities	14,832.06	13,342.20
Postage	34,203.97	34,738.50
Depreciation	18,638.07	18,240.12
Other expense	3,625.75	4,342.10
Total expenses	<u>229,570.71</u>	<u>212,480.55</u>

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

Net income	14,606.17	14,529.72
Fund balance, beginning	126,118.81	111,589.09
Fund balance, ending	<u>\$140,724.98</u>	<u>\$126,118.81</u>

BALANCE SHEET

CONVENTION FUND

	YEAR ENDED DECEMBER 31	
	1987	1986
ASSETS		
Cash	\$24,515.39	\$25,820.41
Accounts receivable	509.24	311.56
Loans receivable (Note 2)	15,985.25	10,654.88
Total assets	<u>\$41,009.88</u>	<u>\$36,786.85</u>
LIABILITIES		
Accounts payable	\$ 35.00	\$ 151.89
Fund balance	40,974.88	36,634.96
Total liabilities and fund balance	<u>\$41,009.88</u>	<u>\$36,786.85</u>

STATEMENT OF REVENUE, EXPENSES, AND FUND BALANCE

CONVENTION FUND

	YEAR ENDED DECEMBER 31	
	1987	1986
GENERAL INCOME		
Banquet tickets	\$ 6,300.00	\$ 8,530.00
Offerings	5,220.85	6,189.38
Church fees	1,460.00	1,400.00
State fees	25,110.00	25,329.00
Booth fees	6,950.00	7,025.00
Host state gift	10,496.63	6,500.00
Interest	1,306.69	1,407.69
Other income	14,502.17	6,203.12
Total income	<u>71,346.34</u>	<u>62,584.19</u>
GENERAL EXPENSES		
Printing and promotions	11,819.85	16,951.11
Auditorium rent and signs	16,945.68	13,884.75
Booth installations	2,869.70	2,892.00
Convention office	2,463.66	5,293.78
Insurance	400.00	
Honorariums	1,100.00	675.00
Travel expenses	10,180.55	13,095.65
Banquet tickets	6,300.00	8,530.00
Other expense	14,926.98	1,786.55
Total expenses	<u>67,006.42</u>	<u>63,108.84</u>
Net income (Loss)	4,339.92	(524.65)
Fund balance, beginning	36,634.96	37,159.61
Fund balance, ending	<u>\$40,974.88</u>	<u>\$36,634.96</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	
	1987	1986
<u>RECEIPTS</u>		
Alabama	\$ 4,181.06	\$ 9,544.91
Arizona	50.00	221.29
Arkansas	50,874.30	49,134.54
California	10,409.32	10,113.33
Canada	-0-	500.00
Delaware	3,465.50	-0-
Florida	21,467.39	21,900.99
Georgia	94,454.81	60,631.23
Hawaii	-0-	-0-
Idaho	682.88	392.80
Illinois	100,247.39	86,194.89
Indiana	8,808.64	6,759.08
Iowa	-0-	-0-
Kansas	613.23	688.36
Kentucky	2,679.78	5,091.87
Maryland	3,124.74	-0-
Mexico	-0-	-0-
Michigan	57,188.27	54,278.25
Mississippi	4,735.24	5,041.06
Missouri	97,484.30	104,695.95
New Jersey	-0-	20.00
New Mexico	144.58	411.61
North Carolina	16,622.96	21,458.52
Northwest Association	-0-	18.00
Ohio	34,396.30	34,141.02
Oklahoma	418,890.13	493,815.95
Oregon	-0-	10.00
South Carolina	82,338.13	36,024.56
Tennessee	24,065.56	17,051.99
Texas	93,604.74	89,271.69
Virginia	4,846.69	5,674.12
West Virginia	30,312.86	35,358.81
Interest	237.05	1,013.85
Total receipts	<u>\$1,165,925.85</u>	<u>\$1,149,458.67</u>
<u>DISBURSEMENTS</u>		
	<u>DESIGNATED</u>	<u>COOP</u>
Executive Office	\$ 23,900.46	\$188,013.53
Foreign Missions	592,450.15	23,352.50
FWBBC	51,479.96	23,352.50
Home Missions	172,901.51	18,276.22
Retirement & Insurance	2,349.53	14,215.04
Master's Men	3,617.10	13,199.87
FWB Foundation	840.23	6,092.41
Historical Commission	688.28	1,015.06
Commission for Theological Integrity	705.84	1,015.06
Hillsdale FWB College	23,384.79	
Radio and TV Commission	1,585.32	1,015.06
Other	2,475.37	.06
Total disbursements	<u>\$876,378.54</u>	<u>\$289,547.31</u>
	<u>\$1,165,925.85</u>	<u>\$1,149,458.67</u>

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 1987

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, 1987

Note 1 - Property, plant, and equipment as of December 31, 1987, was held as follows:

	<u>OPERATING FUND</u>	<u>PLANT FUND</u>
Land, building, and accessory equipment	\$	\$298,853.35
Telephone equipment		37,829.40
Vehicles	15,985.25	3,482.50
Office equipment	61,001.46	
Lawn equipment		4,016.86
Paving parking lot		8,147.00
	<u>76,986.71</u>	<u>352,329.11</u>
Less - accumulated depreciation	<u>30,696.49</u>	<u>173,551.47</u>
	<u>\$ 46,290.22</u>	<u>\$178,777.64</u>

Note 2 - Obligations of the Executive Office on notes were as follows at December 31, 1987:

Contact	\$ 1,000.00
Convention Fund	15,985.25
	<u>\$16,985.25</u>

Obligations of the Plant Fund on notes were as follows at December 31, 1987:

Note payable - telephone system	\$12,559.80
Board of Retirement and Insurance	41,406.96
	<u>\$53,966.76</u>

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1987

	OPERATING FUND		
	GENERAL	CONTACT MAGAZINE	SPECIAL PROJECTS
<u>ASSETS</u>			
Cash	\$25,767.94	\$ 1,107.89	\$43,493.80
Accounts receivables	407.24	549.20	157.00
Notes receivable			
Prepaid insurance	3,061.40		
Deposits	425.00		
Land			
Buildings & accessory equipment (net)			
Telephone equipment (net)			
Office furniture (net)	30,837.81		
Autos (net)	15,452.41		
	<u>\$75,951.80</u>	<u>\$ 1,657.09</u>	<u>\$43,652.80</u>
<u>LIABILITIES</u>			
Accounts payable - trade	\$ 218.00	\$ 104.89	\$ 75.90
Property taxes payable			
Note payable- Convention	15,985.25		
Note payable- RET. & Ins. Dept.			
Note payable- Telephone system			
Note payable- Contact			1,000.00
Payroll taxes	1,539.36		
Fund balance	58,209.19	1,552.20	42,576.90
	<u>\$75,951.80</u>	<u>\$ 1,657.09</u>	<u>\$43,652.80</u>

Loans receivable and payable of \$15,985.25 in 1987 and \$10,654.88 in 1986, have been eliminated in department totals.

EZRA JONES

Certified Public Accountant

1161 MURFREESBORO ROAD
NASHVILLE, TENNESSEE 37217

February 11, 1988

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, 1987 and 1986, 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, 1987

TOTAL	PLANT FUND	CONVENTION	EXECUTIVE OFFICE TOTALS	EXECUTIVE OFFICE TOTALS
			1987	1986
\$ 70,371.63	\$ 18,922.93	\$ 24,515.39	\$113,809.95	\$ 55,265.59
1,113.44	371.22	509.24	1,993.90	1,638.49
		15,985.25		
3,061.40	6,836.94		9,898.34	7,662.07
425.00	176.62		601.62	601.62
	62,044.59		62,044.59	62,044.59
	101,601.29		101,601.29	111,473.48
	15,131.76		15,131.76	22,697.64
30,837.81			30,837.81	27,916.88
15,452.41			15,452.41	
<u>\$121,261.69</u>	<u>\$205,085.35</u>	<u>\$ 41,009.88</u>	<u>\$351,371.67</u>	<u>\$289,300.36</u>
\$ 398.79	\$ 6,227.31	\$ 35.00	\$ 6,661.10	\$ 5,458.30
15,985.25	2,950.97		2,950.97	2,950.97
	41,406.96		41,406.96	51,974.64
	12,559.80		12,559.80	20,125.68
1,000.00			1,000.00	
1,539.36	1,215.33		2,754.69	2,138.94
102,338.29	140,724.98	40,974.88	284,038.15	206,651.83
<u>\$121,261.69</u>	<u>\$205,085.35</u>	<u>\$ 41,009.88</u>	<u>\$351,371.67</u>	<u>\$289,300.36</u>

and 1986, 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, 1987 and 1986, 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 1989

Administrative	\$225,448.36
Convention (1988)	62,038.16
Contact	78,100.00
TOTAL	\$365,586.52

1989 Administrative Budget

PROJECTED EXPENSES

Salaries	\$100,341.22
Housing and Utilities	23,833.31
Social Security	12,623.95
Retirement	4,095.00
Employees Insurance	14,737.08
(Dental, Hospital, Life, Travel)	
Office Rental	16,267.30
Office Supplies	5,000.00
Equipment Maintenance	4,500.00
Telephone	4,000.00
Postage	2,500.00
General Insurance	3,500.00
Travel	15,000.00
Executive Committee	5,500.00
Auditing	3,000.00
Promotion	2,000.00
Printing	2,000.00
Bi-Annual Leadership Conference	1,500.00
Equipment Purchase/Computer	5,000.00

TOTAL \$225,448.36

PROJECTED INCOME

Cooperative Plan	\$201,547.90
Designated Gifts	23,900.46

TOTAL \$225,448.36

Convention Budget

National Association of Free Will Baptists, Inc.
July 17-21, 1988
Kansas City, Missouri

PROJECTED EXPENDITURES

Auditorium	\$ 16,125.00
Printing and Promotion	13,844.70
Convention Office	6,298.00
Convention Personnel	6,754.37
Meals	1,728.00
Travel	1,623.00
Lodging	3,403.37
Convention Officials	6,911.83
Honorariums	700.00
Decorator Services	4,048.00
Meal Functions	1,989.00
Executive Committee	1,200.00
Meal and Motel Expenses	
Pre-Convention Expenses	4,167.26

TOTAL \$ 62,038.16

PROJECTED RECEIPTS

Booth Fees	\$ 8,750.00
State Association Fees	25,040.00
Church Delegate Fees	1,500.00
Host State (Missouri)	6,200.00
Offerings	20,548.16

TOTAL \$ 62,038.16

1989 Contact Budget

PROJECTED EXPENSES

Printing	\$ 48,500.00
Postage	12,200.00
Art	1,000.00
Writer's 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 (EPA dues, fees)	1,000.00
Free Will Baptist Press Assoc.	200.00
TOTAL EXPENSES	\$ 78,100.00

PROJECTED INCOME

*Subscriptions	\$ 78,100.00
TOTAL INCOME	\$ 78,100.00

*Based on 8,000 subscriptions

(4,350 @ \$8.00 = \$34,800.00 Church Family Plan)

(400 @ \$8.50 = \$ 3,400.00 Bundle Plan)

(4,200 @ \$9.50 = \$39,900.00 Individual Plan)

EXECUTIVE CHURCH BONDS, INC.

GENERAL FUND

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE ARISING FROM CASH TRANSACTIONS

	<u>DECEMBER 31</u>	
	<u>1987</u>	<u>1986</u>
ASSETS		
Cash	\$3,963.97	\$5,826.65
Office equipment	2,063.70	2,063.70
Total assets	\$6,027.67	\$7,890.35
FUND BALANCE		
Fund balance	\$6,027.67	\$7,890.35

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

	<u>DECEMBER 31</u>	
	<u>1987</u>	<u>1986</u>
REVENUES COLLECTED		
Interest on savings	\$ 204.52	\$ 293.73
Total to be accounted for	204.52	293.73

EXPENSES PAID

Advertising	22.50	46.00
Leadership & National Conference	217.41	155.79
Accounting and auditing	250.00	232.50
Digest expenses	98.85	
Payroll taxes	125.00	125.00
Salaries, commissions & trustee fees	1,201.24	1,285.57
Telephone	152.20	22.42
Total disbursements	2,067.20	1,867.28
Excess or revenues over (expenses)	(1,862.68)	(1,573.55)
Cash beginning	5,826.65	7,400.20
Cash ending	\$3,963.97	\$5,826.65

SERVICE AND TRUST FUND

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE

RESULTING FROM CASH TRANSACTIONS

	<u>DECEMBER 31</u>	
	<u>1987</u>	<u>1986</u>
ASSETS		
Cash	\$18,394.56	\$17,442.91

FUND BALANCE

Fund Balance	\$18,394.56	\$17,442.91
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SERVICE AND TRUST FUND

STATEMENT OF REVENUE COLLECTED AND EXPENSES PAID

	<u>DECEMBER 31</u>	
	<u>1987</u>	<u>1986</u>
REVENUES COLLECTED		
Interest on savings	\$ 951.65	\$ 898.53
Cash beginning	17,442.91	16,644.38
Cash ending	\$18,394.56	\$17,442.91

EZRA JONES
Certified Public Accountant
 1161 MURFREESBORO ROAD
 NASHVILLE, TENNESSEE 37217

May 5, 1988

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, 1987 and 1986, 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, 1987 and 1986, 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

1989 Executive Church Bonds Budget

PROJECTED EXPENSES

Salaries and Commissions	\$3,000.00
Social Security	300.00
Travel Expenses	1,000.00
Printing	1,000.00
Telephone	200.00
Legal Fees	150.00
Office Expenses	400.00
(Supplies, postage, etc.)	
Promotion	100.00
Payroll Taxes	150.00
Auditing	200.00
Other	150.00
TOTAL	\$6,650.00

PROJECTED INCOME

Service Fees	\$6,650.00
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1987 Contributions to National Ministries

States	Executive	Foreign Missions	FWBCC	Home Missions	R & I	Master's Men	Commission for Theo. Integrity	WNAC	FWB Found.	Historical Commissions	Radio & TV	Totals
Alabama	\$ 2,042.75	\$ 127,733.20	\$ 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
Alaska	0.00	0.00	0.00	705.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	705.00
Arizona	42.76	2,496.67	1,171.67	7,943.19	51.01	914.02	0.07	120.00	0.43	0.07	0.07	12,739.96
Arkansas	33,109.03	139,276.41	25,289.78	77,983.59	2,546.40	6,069.78	176.17	4,090.94	1,048.72	176.17	376.17	290,143.16
California	6,921.14	43,777.73	6,530.69	84,365.34	583.37	453.48	34.86	1,965.44	207.53	34.87	34.87	144,909.32
Canada	0.00	0.00	241.57	800.57	0.00	49.00	0.00	0.00	0.00	0.00	0.00	1,091.14
Colorado	0.00	3,185.40	0.00	18,007.51	0.00	0.00	0.00	109.50	0.00	0.00	0.00	21,302.41
Connecticut	0.00	0.00	5,025.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	5,825.00
Delaware	2,407.44	0.00	170.33	0.00	148.13	137.54	10.57	0.00	63.49	10.57	10.57	2,958.64
Florida	13,449.16	61,109.96	21,629.72	60,224.23	1,426.61	2,098.23	80.15	1,086.44	479.47	80.16	80.16	161,744.29
Georgia	7,236.03	135,730.95	66,513.51	68,479.18	623.06	4,375.47	37.05	2,457.89	245.94	37.05	37.05	285,773.18
Hawaii	0.00	2,365.95	1,041.00	550.00	0.00	75.00	0.00	55.71	0.00	0.00	0.00	4,087.66
Idaho	463.74	690.82	550.61	3,382.49	30.68	17.69	2.19	0.00	12.65	2.19	2.19	5,155.25
Illinois	8,626.06	81,214.88	18,750.56	44,175.83	671.41	1,908.79	42.94	617.84	270.49	42.95	81.95	156,403.70
Indiana	1,424.48	32,777.18	3,970.64	25,136.73	228.40	765.70	143.20	463.15	157.98	143.20	143.20	65,353.86
Iowa	0.00	1,560.08	460.00	186.71	0.00	500.50	0.00	82.50	50.00	0.00	0.00	2,839.79
Kansas	412.05	13,331.95	483.92	12,309.75	28.19	25.55	2.00	206.00	11.91	2.00	101.73	26,915.05
Kentucky	1,418.88	77,516.29	10,808.38	48,238.76	99.31	735.06	6.23	917.44	36.98	6.23	6.50	139,790.06
Louisiana	0.00	5.00	40.00	1,002.77	0.00	0.00	0.00	0.00	0.00	0.00	100.00	1,147.77
Maine	0.00	0.00	0.00	565.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	565.12
Maryland	2,002.73	10,774.27	3,157.90	15,342.12	172.09	145.91	11.19	1,172.67	67.17	11.19	11.19	32,868.43
Michigan	7,835.33	113,815.53	17,630.29	43,074.35	737.11	3,678.43	32.00	835.12	188.00	32.00	257.00	188,115.16
Minnesota	0.00	0.00	0.00	144.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	144.00
Mississippi	3,338.49	45,893.55	15,391.47	53,255.66	223.17	2,005.97	13.07	2,694.15	77.66	13.08	13.08	122,899.35
Missouri	15,632.75	251,318.78	28,061.34	155,725.35	893.66	3,581.44	484.46	3,584.04	284.11	493.62	855.67	460,855.22
Montana	0.00	510.00	0.00	421.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	931.00
Nebraska	0.00	980.00	0.00	2,099.00	0.00	0.00	0.00	25.50	0.00	0.00	0.00	3,454.50
Nevada	0.00	0.00	255.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	255.00
New Hampshire	0.00	0.00	0.00	12,385.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,385.40
New Jersey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Mexico	23.32	136.35	218.05	917.43	1.44	1.33	0.10	229.44	0.62	0.10	0.10	1,528.28
New York	0.00	0.00	0.00	1,110.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,110.00
North Carolina	7,917.13	379,495.50	122,279.73	165,415.48	1,936.44	1,643.96	28.89	3,486.64	261.29	28.89	228.89	682,722.84
Ohio	17,136.77	107,633.26	12,938.47	80,282.72	1,307.41	1,590.95	89.44	1,321.12	544.11	89.44	189.44	223,123.13
Oklahoma	58,602.41	331,509.36	16,183.50	148,189.07	4,553.95	5,930.04	325.16	4,224.74	1,799.36	298.44	298.44	571,914.47
Oregon	0.00	0.00	0.91	4,634.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,635.46
Pennsylvania	0.00	1,008.00	0.00	622.22	0.00	0.00	0.00	13.50	0.00	0.00	0.00	1,643.72
Rhode Island	0.00	0.00	0.00	491.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	491.00
South Carolina	1,510.69	160,996.19	41,644.74	85,048.92	54.97	171.56	0.00	2,904.48	0.00	0.00	0.00	292,331.55
South Dakota	0.00	0.00	0.00	1,420.00	0.00	0.00	0.00	3,075.14	0.00	0.00	0.00	4,505.14
Tennessee	12,935.28	428,660.81	131,721.14	245,514.83	1,630.56	7,009.67	66.36	1,672.59	603.02	66.31	1,201.22	831,381.79
Texas	4,468.39	87,300.76	9,504.19	33,751.71	342.15	4,137.25	22.89	0.00	136.22	22.89	132.89	139,819.34
Vermont	0.00	0.00	35.00	0.00	0.00	0.00	0.00	1,162.72	0.00	0.00	0.00	1,197.72
Virginia	1,816.50	109,295.08	20,593.25	67,942.24	279.76	608.70	13.89	83.48	83.48	13.89	13.89	200,741.68
Washington	125.47	0.00	318.67	6,442.68	10.80	8.35	0.68	768.50	4.62	0.68	0.68	7,681.13
West Virginia	990.85	62,392.09	5,572.33	29,102.81	276.00	2,641.25	90.56	0.00	25.66	90.56	90.55	101,272.66
Wisconsin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wyoming	0.00	0.00	0.00	419.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	419.06
Mexico	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Northeast Assoc.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	3,617.45
Puerto Rico	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Virgin Islands	0.00	2,135.92	0.00	3,616.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,616.40
WNAC	0.00	0.00	518.85	28,029.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31,483.81
Other	0.00*	0.00	4,577.39	0.00	807.00	0.00	0.00	0.00	0.00	0.00	0.00	5,384.39
		65,572.31**	73,287.43	41,040.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	179,900.07
Totals	\$211,913.99	\$2,888,795.12	\$719,524.03	\$1,847,521.41	\$20,810.75	\$53,550.74	\$1,720.90	\$41,280.86***	\$6,700.99	\$1,703.34	\$4,374.29	\$5,797,896.42

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

**Other includes gifts from College Family, Matching Gifts, Foreign Missions, Alumni Project and President's Council

***Total does not include Memorial Student Loan Fund, Eunice Edwards Fund, National Student Fund or gifts designated to other departments

HOME MISSIONS BOARD REPORT

Many wonderful things happened in the Home Missions Department in 1987.

*62 families of missionaries and associate missionaries served.

*7 "tentmakers" planted churches.

*22 national pastors in Mexico organized and pastored churches.

*8 Free Will Baptist chaplains ministered to the men and women in the military. These were Chaplain James Bishop, U.S. Army; Chaplain Bill Conlon, U.S. Army; Chaplain Robert Cooper, U.S. Navy; Chaplain Walter Golding, U.S. Air Force; Chaplain Larry Langford, U.S. Army; Chaplain Gerald Manghum, U.S. Army; Chaplain Kerry Steedley, U.S. Army; and Chaplain Tim Sturgill, U.S. Air Force.

*3 staff members, Roy Thomas, Trymon Messer, and John Gibbs, conducted 28 Revival Time Meetings on Evangelism and Church Growth. A total of 204 preachers and their wives made up the Home Missions Family.

Missionary Builder, Howard E. Gwartney, assisted four churches with new buildings.

The Church Extension Loan Fund (CELf) grew to \$1,612,759.00. A total of 22 loans have been made to mission churches, and some have already been paid off completely.

A retreat was held at Free Will Baptist Bible College for all National Home Missionaries in June, 1987 with a sweetheart banquet aboard a riverboat. The retreat was followed by a giant walk-a-thon at Pleasant View Christian School near Nashville.

The Home Missions Traveling Team conducted an "Ole Time Camp Meetin'" at the National Association with a large number attending.

The income for the year was \$1,845,290.00. We regret the loss of Kathy Brown who was our CELf bookkeeper, and John Gibbs, Director of Development. We wish them well in their new fields of service.

I thank God for the faithful missionaries, board members, and staff who served. I am deeply grateful to the pastors, churches, and individuals who faithfully gave and prayed. Please pray for the National Home Missions Department as we send "Missionaries To 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, 1987

(with comparative totals for 1986)

	1987		1986	
	Operating	Plant Fund	Total All Funds	Total All Funds
Cash and interest bearing deposits	\$ 373,203	-	373,203	253,812
Investments	-	-	-	10,238
Sales proceeds receivable	-	-	-	138,399
Inventory	9,417	-	9,417	12,834
Equipment at cost, less accumulated depreciation of \$89,802 in 1987 (note 2)	-	46,200	46,200	73,885
Accrued interest receivable	-	-	-	2,125
Real property held for sale	32,819	-	32,819	20,909
Total assets	\$ 415,439	46,200	461,639	512,202

Liabilities and Fund Balances

Accounts payable	\$ 2,626	-	2,626	3,570
Restricted deferred revenue - missionary accounts (note 3)	283,874	-	283,874	260,700
Deferred compensation (note 4)	101,239	-	101,239	90,795
Notes payable (note 7)	30,627	-	30,627	19,913
Total liabilities	418,366	-	418,366	374,978
Fund balances:				
Undesignated	(2,927)	-	(2,927)	63,339
Net investment in plant	-	46,200	46,200	73,885
Total fund balances	(2,927)	46,200	43,273	137,224
Total liabilities and fund balances	\$ 415,439	46,200	461,639	512,202

Commitments (note 5)

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

Year ended December 31, 1987

(with comparative totals for 1986)

	1987		Plant Fund	Total All Funds	Total 1986
	Unrestricted	Restricted			
Support and revenue:					
Contributions	\$ 332,915	1,427,994	-	1,760,909	1,633,342
Printing services	19,500	-	-	19,500	23,387
Investment income	30,825	-	-	30,825	17,713
Gain on sale of assets	-	-	-	-	95,908
Other income	10,882	-	-	10,882	960
Total support and revenue	394,122	1,427,994	-	1,822,116	1,771,310

See accompanying notes to financial statements.

Expenses:

Administrative expenditures	453,299	-	-	453,299	426,789
Missionary maintenance	-	1,427,994	-	1,427,994	1,305,912
Depreciation	-	-	24,239	24,239	20,255
Loss on sale of investments	8,551	-	-	8,551	-
Loss on sale of assets	1,984	-	-	1,984	-
Total expenses	463,834	1,427,994	24,239	1,916,067	1,752,956
Excess (deficiency) support and revenue over expenses	(69,712)	-	(24,239)	(93,951)	18,354
Fund balances, beginning of year	63,339	-	73,885	137,224	118,870
Transfer to unrestricted fund from sale of plant assets	8,983	-	(8,983)	-	-
Transfer to plant fund for acquisitions	(5,537)	-	5,537	-	-
Fund balances, end of year	\$ (2,927)	-	46,200	43,273	137,224

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1987

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:

- 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.

Notes to Financial Statements, Continued

- 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	\$ 115,055
Automobiles	20,947
	136,002
Less accumulated depreciation	89,802
Net investment in plant	\$ 46,200

(3) Restricted Deferred Revenue

Changes in restricted deferred revenue is as follows:

Balance, beginning of year	\$ 260,700
Contributions	1,451,168
Available	1,711,868
Expenses	1,427,994
Balance, end of year	\$ 283,874

(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, 1987 is as follows:

Balance, beginning of year	\$ 90,795
Contributions for benefit of:	
Missionaries	22,666
Administrative employees	9,660
	123,121
Terminations	21,882
Balance, end of year	\$ 101,239

(5) Commitments

The Board has contingent liabilities in the amount of approximately \$79,700 for the guarantee of debt relating to certain churches.

Notes to Financial Statements, Continued

(6) Notes Payable - Related Party Transaction

The Church Extension Loan Fund, Inc., an affiliated organization, shares the office facilities and administrative staff of the Board of Home Mission at no cost. 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. The balance of such loan at December 31, 1987 amounts to \$18,755.

(7) Notes Payable

Notes payable consists of the following:

Note payable secured by real property in Armory, Mississippi	\$ 11,872
11% note payable to related party (see note 6)	18,755
	<u>\$ 30,627</u>

CHURCH EXTENSION LOAN FUND, INC.

Balance Sheets

December 31, 1987 and 1986

Assets	1987	1986
Interest-bearing deposits	\$ 257,259	178,227
Marketable securities, at cost (market value \$960,957 in 1987 and \$636,708 in 1986)	1,021,164	647,922
Notes receivable (note 2)	323,233	276,991
Accrued interest	11,103	3,813
Total assets	\$ 1,612,759	1,106,953
Liabilities and Fund Balance		
Liabilities:		
Accrued interest	\$ 20,957	46,735
Revocable trust (note 3)	75,000	75,000
Deferred compensation (note 4)	35,322	27,654
Notes payable (note 5)	1,229,820	742,651
Total liabilities	1,361,099	892,040
Fund balance:		
Undesignated	107,348	70,601
Designated (note 6)	144,312	144,312
Total fund balance	251,660	214,913
Total liabilities and fund balance	\$ 1,612,759	1,106,953

See accompanying notes to financial statements.

CHURCH EXTENSION LOAN FUND, INC.

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

Years ended December 31, 1987 and 1986

	1987	1986
Support and revenue:		
Contributions	\$ -	-
Investment income	90,874	46,578
Interest income	43,776	35,473
Gain on sale of securities	-	18,513
Total support and revenue	134,650	100,564
Expenses:		
Interest expense	97,689	56,796
Miscellaneous	214	2,624
Total expenses	97,903	59,420
Excess of support and revenue over expenses	36,747	41,144
Fund balance at beginning of year	214,913	173,769
Fund balance at end of year (note 6)	\$ 251,660	214,913

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1987 and 1986

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:

	1987	1986
First Free Will Baptist Church, Salem, Oregon, secured by first mortgage on the real estate.	\$ 32,410	36,124

Notes to Financial Statements, Continued

Grace Free Will Baptist Church, Memphis, Tennessee secured by first mortgage on the real estate	76,959	-
First Freewill Baptist Church, Fort Collins, Colorado, secured by first mortgage on the real estate	12,781	9,459
Heritage Freewill Baptist Church, Fredricksburg, Virginia, guaranteed by the Maryland State Home Missions Board	19,495	21,365
Thompson Memorial Freewill Baptist Church, Vineland, New Jersey, secured by first mortgage on the real estate	5,283	30,283
The Harvest Free Will Baptist Church Colorado Springs, Colorado, secured by first mortgage on the real estate	25,637	27,596
Heritage Free Will Baptist Church Elkhart, Indiana, secured by first mortgage on the real estate	59,438	60,010
Lancaster Free Will Baptist Church, Lancaster, Ohio, secured by first mortgage on the real estate	-	23,124
Victory Free Will Baptist Church, Pineville, Louisiana, secured by first mortgage on the real estate	-	49,117
Heritage Free Will Baptist Church, Gilbert, Arizona, Unsecured	47,475	-
Tri-Cities Free Will Baptist Church, Kennewick, Washington, secured by First Mortgage Real Estate.	25,000	-
11% unsecured note receivable from the Board of Home Missions (note 7)	304,478 18,755 \$ 323,233	275,078 19,913 276,991

(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 Baptists, 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, 1987 and 1986 is as follows:

Notes to Financial Statements, Continued

	1987	1986
Balance, beginning of year	\$ 27,654	-
Transfer from Home Missions	7,668	27,654
Balance, end of year	\$ 35,322	27,654

(5) Notes Payable

Notes payable, amounting to \$1,229,820 in 1987 and \$742,651 in 1986, consist of 5% to 8% 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.

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. The balance at December 31, 1987 amounted to \$18,755.

As indicated in note (4), The Board of Home Mission of the National Association of Freewill Baptists transferred \$7,668 in 1987 and \$27,654 in 1986 to fund deferred compensation arrangements.

JOHN W. MARLIN
L. JOE EDMONDSON
TERRY A. HILL
TIM D. MULLALLY
ALVA T. MARRELL
RUSSELL E. NEAL

Marlin & Edmondson

CERTIFIED PUBLIC ACCOUNTANTS
ONE BURTON HILLS BLVD., SUITE 375
NASHVILLE, TENNESSEE 37215

TELEPHONE
(615) 665-9500

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

We have examined the balance sheet of the Board of Home Missions of The National Association of Free Will Baptists as of December 31, 1987, 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, 1987, and the support and revenue, expenses, capital additions, transfers among funds and changes in fund balances for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

February 8, 1988

Marlin & Edmondson

Proposed Faith Budget For 1989

Missionary Maintenance	1988 Budget	1989 Budget
Salaries	\$1,240,000.00	\$1,265,000.00
Travel & Promotion	60,000.00	65,000.00
Employee Savings	25,000.00	25,000.00
Postage & Printing	30,000.00	30,000.00
Miscellaneous	15,000.00	20,000.00
Land & Building Fund	45,000.00	60,000.00
Total	\$1,415,000.00	\$1,465,000.00
*Administrative		
Salaries	\$ 165,000.00	\$ 140,000.00
Housing	42,000.00	30,000.00
Social Security	10,000.00	10,000.00
Pay Roll Taxes	7,500.00	9,000.00
Employee Savings	10,000.00	7,000.00
Insurance	22,500.00	20,000.00
Utilities	6,500.00	5,000.00
Total	\$ 263,500.00	\$ 221,000.00
*Missionary Assistance		
Printing & Postage	\$ 60,000.00	\$ 71,000.00
Telephone	14,000.00	12,000.00
Board Member Expense	10,000.00	10,000.00
Computer Service	2,500.00	3,000.00
Auditing	4,000.00	3,000.00
Miscellaneous	7,000.00	7,000.00
Total	\$ 97,500.00	\$ 106,000.00
*Evangelism		
Auto & Travel	\$ 35,000.00	\$ 25,000.00
Promotion	5,000.00	8,000.00
Literature	14,000.00	10,000.00
Revivals	10,000.00	6,000.00
Roll Call Sunday	6,000.00	6,000.00
Total	\$ 70,000.00	\$ 55,000.00
*Plant		
Office Space	\$ 19,000.00	\$ 18,000.00
Equipment & Supplies	15,000.00	15,000.00
Depreciation	20,000.00	20,000.00
Total	\$ 54,000.00	\$ 53,000.00
*TOTAL GENERAL FUND BUDGET	\$ 480,000.00	\$ 435,000.00
TOTAL FAITH BUDGET	\$1,900,000.00	\$1,900,000.00

Proposed State Quotas For 1989

STATE	1989 QUOTA
Alabama	\$ 130,000
Alaska	500
Arizona	9,000
Arkansas	85,000
California	100,000
Canada	2,000
Colorado	12,000
Florida	65,000
Georgia	75,000
Hawaii	500
Idaho	2,000
Illinois	55,000
Indiana	17,000
Iowa	500
Kansas	16,000
Kentucky	60,000
Louisiana	2,000
Maine	3,500
Maryland	20,000
Mexico	500
Michigan	35,000
Minnesota	500
Mississippi	48,000
Missouri	153,000
Montana	500
Nebraska	5,000
New Hampshire	15,000
New Mexico	2,000
New York	500
North Carolina	160,000
Ohio	90,000
Oklahoma	190,000
Oregon	5,000
Pennsylvania	500
Puerto Rico	2,000
Rhode Island	1,000
South Carolina	60,000
South Dakota	500
Tennessee	222,000
Texas	31,000
Vermont	500
Virginia	75,000
Virgin Islands	27,000
Washington	5,000

West Virginia.....	60,000
Wyoming.....	500
Other States	5,000
Other Income	50,000
TOTAL 1989 QUOTAS	\$1,900,000

MASTER'S MEN DEPARTMENT REPORT

The ministry of Master's Men Department continues to serve the Master and Free Will Baptists through this 32nd year. Lay involvement in denominational efforts increase. The men show an awareness of the need for concerted effort in accomplishing tasks for the Master.

Reasons

The reasons for the existence of this work are as valid now as they were in 1957. Much has been written about those reasons. They are good. The men in our local churches need what Master's Men organizations offer:

1. To produce servants for the Master.
2. To produce leaders . . . local and national.
3. To serve laymen.
4. To serve the denomination.

Through various programs and organized activities the men give back to God their "reasonable service". Their increased activities in local churches as well as the accomplishments on the national level demonstrate their understanding of "total commitment to the Lord."

By National Convention time our Master's Men will have been involved in 16 major Master's Hands Projects building churches and denominational structures. This work saved construction costs of over \$400,000. These savings are not necessarily money in the bank. Rather, they make it possible to use the funds in other ways in our denomination.

The men give back to Free Will Baptists their time and talent . . . and they help stretch the investment of tithes and offerings. In 1984 only one project was completed. During the first five months of 1988, the Department received seven requests for assistance.

Responsive

Master's Men respond to the needs of the denomination. They are quick to offer abilities and time to further the cause of Christ.

Dedicated laymen are sensitive to the leadership of the Holy Spirit. They channel creative efforts through their chapters into the national projects.

The DECADE OF DISCIPLESHIP studies are into the fourth year. "Homestyle Discipleship" banners the monthly lessons this year. 1989 theme highlights "Disciples Under Construction".

Responsibility

Master's Men recognize and accept the need to act in a responsible manner when working for the Master within the framework of the denomination. Their determination to help this ministry resulted in a \$10,000 increase in General Fund gifts in 1987.

The LifeMembership plan resulted in a total of 183 laymen, preachers and missionaries at year's end. Thirteen women registered as LifeFriends. Over 40 men pay monthly deposits to complete the \$100 fee for Life-

Membership. All fees received enter the Master's Men Endowment Trust held by the Free Will Baptist Foundation. These funds totaled almost \$21,000 on December 31, 1987.

The Department introduced a new idea in April to obtain future financing. Men are encouraged to begin a "perpetual gift" by purchasing a life insurance policy. The policy develops enough cash value in the first ten years so further contributions will not be necessary. Each man assigns the policy to the Master's Men Department, which becomes owner and beneficiary.

When a Supporter dies the Department receives the "living gift" which becomes a part of the Endowment Trust. That gift will provide interest to the General Fund "forever" (until the Lord returns).

The laymen also feel the denomination (local churches) has a responsibility to Master's Men Department. Fiscal support by the denomination helps the department function. Several states have cut their Cooperative giving, causing a 1987 drop for Master's Men of over \$10,000. In spite of the great efforts of the laymen, during 1987 income dropped nearly \$20,000 from the previous year.

The resulting shortage made it impossible to have an office secretary for most of the year. ATTACK magazine was discontinued for the same reason. The magazine proved itself to be a major force in maintaining the ministry of the Department. Therefore, the Board gave permission to print ATTACK again when funding is adequate.

Reconsider Resources

For centuries, people believed that Aristotle was right when he said that the heavier an object, the faster it would fall to earth. Aristotle was regarded as the greatest thinker of all times and surely he could not be wrong.

All it would have taken was for one brave person to take two objects, one heavy and one light, and drop them from a great height to see whether or not the heavier object landed first. But no one stepped forward until nearly 2,000 years after Aristotle's death.

In 1589, Galileo summoned learned professors to the base of the leaning Tower of Pisa. Then he went to the top and pushed off a ten-pound and a one-pound weight. Both landed at the same time. But the power of belief in the conventional wisdom was so strong that the professors denied what they had seen. They continued to say Aristotle was right.

For years many Free Will Baptists have stated Co-operative Giving will not work. Those opponents to the plan have never studied the possibilities. It's about time to realize the denomination needs unity and cohesiveness in a plan to finance all the ministries.

For the past year the Department Directors worked to achieve better understanding of the national structure for financing Free Will Baptist ministries. Their studies bring better understanding of the need to increase stewardship in the denomination. A unified method for giving is needed and vital.

The approved method is Co-op. It will work.

Reality

Master's Men Department exists to serve . . . The Master, the denomination, the local churches, the laity. In order to serve well, the Department needs the participation of all those just mentioned. The Director and the Board depend on the Master to help plan and lead. The Director and the Board expect and need the life-giving forces of the denomination, the churches and the laity.

Efforts are being made to bring more organization to all levels of Master's Men work. Further efforts are underway to coordinate more construction of churches, camps, and other new structures for the denomination. A campaign is being designed to increase awareness, excite membership and incite growth in the number of chapters. It all happens because individuals are willing to join in and work . . .

All
Together
To
Advance
Christ's
Kingdom.

Respectfully submitted,

James E. Vallance
General Director

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

BALANCE SHEET December 31,

	1987	1986
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,285	\$ 327
Trust account - Lifetime membership	20,064	12,020
Interest receivable	813	430
Deposits	--	100
Inventories	1,324	1,146
Total current assets	\$ 24,486	\$ 14,023
PROPERTY AND EQUIPMENT, net (Note 2)	5,767	7,991
Total assets	\$ 30,253	\$ 22,014
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	\$ 2,632	\$ 5,504
Deferred revenue (Note 3)	120	1,365
Accrued expenses	480	731
Notes payable (Note 4)	3,813	1,414
Total current liabilities	\$ 7,045	\$ 9,014

LONG-TERM DEBT (Note 4)		--	124
Total liabilities	\$ 7,045	\$ 9,138	
FUND BALANCE (DEFICIT) (Note 5)			
Unrestricted	\$ 251	\$ (1,702)	
Restricted	22,957	14,578	
Total fund balance (deficit)	\$ 23,208	\$ 12,876	
Total liabilities and fund balance	\$ 30,253	\$ 22,014	

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

	1987			1986
	Unrestricted	Restricted	Total	Total
REVENUE				
Dues from members	\$ 10,215	\$ --	\$ 10,215	\$ 11,571
Cooperative program	16,817	--	16,817	26,666
Merchandise sales	1,241	--	1,241	2,178
Gifts and other income	28,014	11,041	39,055	46,520
	\$ 56,287	\$ 11,041	\$ 67,328	\$ 86,935
EXPENDITURES				
Salaries and wages	\$ 24,448	\$ --	\$ 24,448	\$ 28,829
Payroll taxes and employee benefits	4,426	--	4,426	3,906
Cost of sales and printing	1,628	--	1,628	7,391
Travel expense	6,639	1,990	8,629	9,919
Conferences and conventions	6,989	--	6,989	8,447
Office expense	3,246	--	3,246	4,099
Postage	1,990	--	1,990	2,484
Promotion expense	344	--	344	36
Professional fees	713	--	713	675
Bookkeeping expense	975	--	975	900
Depreciation	2,224	--	2,224	1,917
Interest expense	494	--	494	880
Insurance expense	218	--	218	204
Missions projects	--	672	672	583
	\$ 54,334	\$ 2,662	\$ 56,996	\$ 70,270
REVENUES OVER (UNDER) EXPENDITURES	\$ 1,953	\$ 8,379	\$ 10,332	\$ 16,665
FUND BALANCE (DEFICIT) AT JANUARY 1, 1987	(1,702)	14,578	12,876	(3,789)
FUND BALANCE (DEFICIT) AT DECEMBER 31, 1987	\$ 251	\$ 22,957	\$ 23,208	\$ 12,876

STATEMENT OF CHANGES IN FINANCIAL POSITION
Years ended December 31,

	1987	1986
WORKING CAPITAL PROVIDED (APPLIED)		
Revenue over (under) expenditures	\$ 10,332	\$ 16,665
Items not affecting working capital		
Depreciation	2,224	1,917

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

Working capital provided by (used for) operations	\$ 12,556	\$ 18,582
Additions to property and equipment	--	(4,973)
Reduction of long-term debt	(124)	(1,282)
INCREASE (DECREASE) IN WORKING CAPITAL	\$ 12,432	\$ 12,327
ANALYSIS OF CHANGES IN WORKING CAPITAL		
Increase (decrease) in current assets		
Cash	\$ 1,958	\$ (1,707)
Trust account - Lifetime membership	8,044	11,220
Interest receivable	383	430
Deposits	(100)	--
Inventories	178	705
Prepaid expenses	--	(1,391)
Decrease (increase) in current liabilities		
Accounts payable	2,872	3,718
Deferred revenue	1,245	(399)
Accrued expenses	251	(65)
Notes payable	(2,399)	(184)
	\$ 12,432	\$ 12,327

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

NOTES TO FINANCIAL STATEMENTS
December 31, 1987

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1987

NOTE 2 - PROPERTY AND EQUIPMENT

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

	1987	1986
Equipment and furniture	\$13,552	\$13,552
Less accumulated depreciation	<u>7,785</u>	<u>5,561</u>
Property and equipment, net	<u>\$ 5,767</u>	<u>\$ 7,991</u>

NOTE 3 - DEFERRED REVENUE

Deferred revenue consists of dues received for future years as of December 31, 1987 and 1986.

NOTE 4 - NOTES PAYABLE

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

	1987	1986
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 \$2,115 and \$3,172 as of December 31, 1987 and 1986, respectively	\$ 313	\$ 1,538
Note payable to the First American Bank, Nashville, TN; interest at 9.75%; dated 12/19/87; payable at \$210 monthly thru 5/19/89; unsecured	<u>3,500</u>	<u>--</u>
	\$ 3,813	\$ 1,538
Less current portion	<u>3,813</u>	<u>1,414</u>
Long-term debt	<u>\$ --</u>	<u>\$ 124</u>

NOTE 5 - RESTRICTED FUND BALANCE

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

	1987	1986
Missions projects	\$ 2,118	\$ 2,558
Lifetime Membership	<u>20,839</u>	<u>12,020</u>
	<u>\$22,957</u>	<u>\$14,578</u>

MICHAEL JOHNSTON
Certified Public Accountant

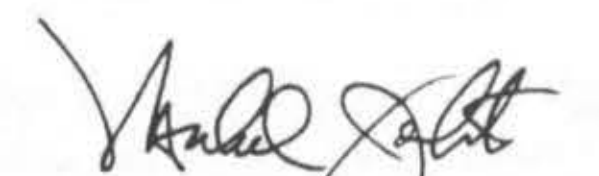
106 N. Fifth, P.O. Box 1403
Effingham, Illinois 62401

Telephone: (217)342-9632

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

I have examined the balance sheets of The Master's Men, a Department of the National Association of Free Will Baptists, as of December 31, 1987 and 1986, 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, 1987 and 1986 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.


Certified Public Accountant

Effingham, Illinois
April 19, 1988

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

Proposed 1989 Budget

INCOME

Gifts	\$15,000.00
Dues	18,150.00
Master's Men Day	4,500.00
Sales	1,500.00
Co-op	20,000.00
Travel	2,000.00
MM Conference	11,000.00
Interest Income	
Other	250.00
Life Membership	2,500.00
MM Breakfast	2,500.00
TOTAL	\$77,400.00

EXPENDITURES

Audit	\$ 700.00
Convention Booth	200.00
MM Breakfast	2,150.00
MM Conference	8,000.00
Leadership Conference	1,500.00
Cost of Sales	1,000.00
Equipment Maintenance	500.00
Promotion	1,000.00
Postage	2,000.00
Printing	6,000.00
Office Supplies	2,500.00
Telephone	1,000.00
Travel:	
Director	8,000.00
Board	2,000.00
Director's Insurance and Retirement	3,000.00
Office Insurance	500.00
Payroll Taxes	2,300.00
Salaries	31,800.00
Miscellaneous	500.00
Bookkeeping Fee	750.00
TOTAL	\$77,400.00

REPORT OF THE FREE WILL BAPTIST BOARD OF RETIREMENT

This session of our National marks the beginning of our 20th year. Twenty years ago we were dreaming about what could be done. Today we rejoice in what has been done.

The total assets of the Board of Retirement increased over one million dollars in 1987. That says it all. We had an excellent year. We enrolled 45 new pension plan members during the year and a number of churches increased their deposits to their pastors' accounts. Almost one-half million dollars was loaned to our churches for building and expansion programs.

There must be a continued vision for the future. Challenges for the years ahead include:

1. Enrolling every Free Will Baptist minister and lay employee in our pension plan.
2. Involving every church in contributing to their minister's pension account.
3. Increasing the retirement account contributions from employees.
4. Designing a disability plan.
5. Upgrading our life insurance coverage.
6. Giving scholarships to children of deceased ministers.
7. Providing supplements to include a relocation check at retirement and a minimum pension check.
8. Studying need for housing and health care facilities.
9. Underwriting our operating expenses with gifts so that all earnings will directly benefit the members of the plan.

We thank you for your gifts to our operating fund. It is encouraging to know you care.

Our Board and office staff pledge to faithfully provide the best possible retirement provisions for those who serve us. With your continued help greater things can be accomplished.

Herman L. Hersey
Director

Balance Sheets

December 31, 1987 and 1986

Assets	1987			1986	
	Unrestricted Operations	Retirement Fund	Plant Fund	Total All Funds	Total All Funds
Interest-bearing deposits and investments (note 2)					
Funds invested with the retirement fund	\$ 8,149	3,469,941	-	3,478,090	2,240,283
Accrued interest receivable	55,813	-	-	-	-
Notes receivable from participants of the retirement fund and churches and denominational agencies of the National Association of Free Will Baptists (note 3)	-	41,641	-	41,641	43,118
Office furniture, equipment and automobiles, at cost, less accumulated depreciation of \$35,334 (note 4)	-	2,906,485	-	2,906,485	3,125,067
	-	-	26,887	26,887	25,844
Total assets	\$ 63,962	6,418,067	26,887	6,453,103	5,434,312
Liabilities and Fund Balances					
Note payable	\$ -	1,000	-	1,000	1,000
Accounts payable and accrued expenses	8,115	4,239	-	12,354	10,159
Interest-bearing revocable trusts	-	1,242,495	-	1,186,682	886,699
Total liabilities	8,115	1,247,734	-	1,200,036	897,858
Fund balance:					
Operations	55,847	-	-	55,847	46,418
Retirement fund	-	5,094,921	-	5,094,921	4,236,774
Designated as reserve funds	-	75,412	-	75,412	227,418
Net investment in plant	-	-	26,887	26,887	25,844
Total fund balances	55,847	5,170,333	26,887	5,253,067	4,536,454
Total liabilities and fund balances	\$ 63,962	6,418,067	26,887	6,453,103	5,434,312

See accompanying notes to financial statements.

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

Statements of Fund Transactions and Changes in Fund Balances
Years Ended December 31, 1987 and 1986

	1987			1986	
	Unrestricted Operations	Retirement Fund	Plant Fund	Total All Funds	Total All Funds
Additions:					
Contributions from participants					
Gifts	20,811	501,912	-	501,912	432,329
Investment income	4,305	495,215	-	20,811	34,801
Realized and unrealized losses of investment portfolio	-	46,251	-	499,520	547,182
Forfeitures and late charges	-	18,986	-	46,251	19,579
Miscellaneous	1,013	-	-	18,986	26,920
				1,013	156
Total additions	26,129	1,062,364	-	1,088,493	1,060,967
Deductions:					
Salaries	49,904	-	-	49,904	44,155
Fringe benefits	20,650	-	-	20,650	19,891
Travel and promotion	25,636	-	-	25,636	22,735
Office supplies	9,357	-	-	9,357	11,441
Housing	22,800	-	-	22,800	22,800
Ministry to senior adults	11,239	-	-	4,442	5,658
Occupancy	4,995	-	-	11,239	10,730
Board members expense	5,156	-	-	4,995	7,638
Legal and auditing	1,433	-	-	5,156	6,702
Miscellaneous	-	-	-	1,440	4,714
Depreciation	-	-	8,547	8,547	9,717
Interest expense	-	93,063	-	93,063	85,788
Withdrawals of funds	-	111,153	-	111,153	95,032
Computer services	3,183	-	-	3,183	5,519
Insurance	315	-	-	315	2,670
Total deductions	159,110	204,223	8,547	371,880	355,190
Net increase (decrease) in funds for the year	(132,981)	858,141	(8,547)	716,613	705,777
Fund balances, beginning of year	46,418	4,464,192	25,844	4,536,454	3,830,677
Transfers among funds and other changes:					
To plant fund for assets acquisitions, net	(9,590)	-	9,590	-	-
Enrollment and administrative fees	152,000	(152,000)	-	-	-
Fund balances, end of year	\$ 55,847	5,170,333	26,887	5,253,067	4,536,454

See accompanying note to financial statements.

Note to Financial Statements

December 31, 1987 and 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) Interest-Bearing Deposits and Investments

Interest-bearing deposits and investments consist of the following:

	Market Value	Cost
Interest-bearing accounts	\$ 272,897	272,897
Church bonds (at stated value)	267,772	267,772
Certificates of deposit	198,000	198,000
Mutual funds	1,933,378	1,845,052
Common stocks	517,117	541,236
U. S. Treasury notes	288,926	297,746
	<u>\$ 3,478,090</u>	<u>3,422,703</u>

(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, 1987:

Participants notes	\$ 27,562
Church and agency notes	<u>2,878,923</u>
	<u>\$ 2,906,485</u>

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 \$344,110.

Note to Financial Statements, Continued

(4) Office Furniture, Fixtures, and Automobiles

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

Office furniture and fixtures	\$ 14,439
Automobiles	<u>47,782</u>
	<u>62,221</u>
Accumulated depreciation	<u>35,334</u>
	<u>\$ 26,887</u>

Depreciation expenses amounted to \$8,547 in 1987.

Marlin & Edmondson

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TERRY A. HILL
TIM D. MULLALY
ALVA T. HARRELL
RUSSELL E. NEAL

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, 1987 and 1986, 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, 1987 and 1986 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, 1988

Proposed Budget for 1989

Salaries	\$ 65,060
Employee Benefits	23,500
Housing	24,000
Travel & Promotion	25,000
Auto Maintenance	3,500
Auto Purchase Expense	6,000
Plant Fund	12,000
Office Supplies & Expense	12,000
Equipment & Maintenance	6,000
Publications	12,000
Dept's share of insurance premiums	500
ALERT Ministries	2,000
Board Expense	12,000
Insurance	4,000
Legal & Auditing	10,000
Miscellaneous	1,500
TOTAL	\$219,060

FREE WILL BAPTIST FOUNDATION REPORT

Several years ago I heard an officer of one of America's leading Christian ministries say, "Our ministry could not survive without the giving of the dead." The dead were giving through their wills, life insurance policies, gift annuities, or trusts they had established to help the Lord's work.

If the dead were giving to our Free Will Baptist ministries, our departments would not be hurting for funds as badly as they are now. Our missionaries might not have to travel as much to get back to their fields of service. Our youth would probably have more scholarships available for their education.

But let's not criticize the dead. What are we doing to assure that when we can no longer write that check, our gifts will continue because we made provisions while we were still living?

The Free Will Baptist Foundation was established to help our people plan their affairs so that the Lord's work, as well as their families, is provided for in the future. Let the Foundation show you what you can do. Call or write today.

Herman L. Hersey
Executive Secretary-Treasurer

FREE WILL BAPTIST FOUNDATION, INC.

Balance Sheets

December 31, 1987 and 1986

	1987	1986
Assets		
Cash in bank	\$ 986	7,307
Interest bearing accounts with the Board of Retirement and Insurance of the National Association of Free Will Baptists	351,386	280,334
Land held for investment, at contributed value	4,000	4,000
Accrued interest income	7,134	2,168
	<u>\$ 363,506</u>	<u>293,809</u>
Liabilities and Fund Balance		
Interest-bearing revocable trusts	\$ 260,349	218,366
Gift annuity payable	6,000	6,000
Accrued earnings payable	327	294
Payroll taxes payable	-	238
Total liabilities	<u>266,676</u>	<u>224,898</u>
Fund balance:		
Operations	7,793	8,639
Endowment funds	89,037	60,272
Total fund balances	<u>96,830</u>	<u>68,911</u>
	<u>\$ 363,506</u>	<u>293,809</u>

Statements of Revenue, Expenses and Changes in Fund Balance

Years ended December 31, 1987 and 1986

	1987		1986	
	Operations	Endowments	Total All Funds	Total All Funds
Revenues:				
Contributions	\$ 6,243	28,765	35,008	41,501
Service fee income and other	5,519	-	5,519	7,943
Total revenues	<u>11,762</u>	<u>28,765</u>	<u>40,527</u>	<u>49,444</u>
Expenses:				
Salaries	4,562	-	4,562	3,442
Social security and retirement	685	-	685	550
Travel and promotion	1,768	-	1,768	2,241
Office expense	1,811	-	1,811	1,752
Publications	538	-	538	3,054
Training and education	1,312	-	1,312	1,925
Legal and auditing	400	-	400	448
Equipment	1,477	-	1,477	72
Miscellaneous	55	-	55	94
Total expenses	<u>12,608</u>	<u>-</u>	<u>12,608</u>	<u>13,578</u>

See accompanying notes to financial statements.

Excess of revenues over (under) expenses	(846)	28,765	27,919	35,866
Fund balance, beginning of year	8,639	60,272	68,911	33,045
Fund balance, end of year	\$ 7,793	89,037	96,830	68,911

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1987 and 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.

JOHN W. MARLIN
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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, 1987 and 1986, 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, 1987 and 1986 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 27, 1988

Marlin & Edmondson

Proposed Budget for 1989

Salary/Honorarium.....	\$10,000
Travel.....	3,000
Publications.....	7,500
Training/Education.....	3,500
Legal/Auditing.....	1,000
Office Expense.....	3,500
TOTAL.....	\$28,500

FOREIGN MISSIONS BOARD REPORT

Earlier this year in Conselheiro Lafaiete, Brazil, my heart was stirred as I heard Eliete's story. She had been distraught. She had no peace of mind, though a member of a devout Roman Catholic family.

One day when Eliete's situation seemed unbearable, she stepped into the small rented quarters of the Free Will Baptist church in Lafaiete. Missionary Earnie Deeds sought to comfort her. As Eliete dried her tears she heard of God's power to forgive sin and give her a purpose for living.

Earnie and Jean Deeds began regular Bible study with her. Soon, Eliete opened her life to the wonderful love and power of God. Now, with her radiant smile she stands before her Sunday school class sharing the wonderful message of salvation by grace.

Similar testimony might be heard from people in the more than 180 churches and missions around the world where Free Will Baptist missionaries minister. We join the psalmist in saying, "O magnify the Lord with me, and let us exalt His name together" (Psalm 34:3).

Here are a few highlights of God's blessings.

Overseas Ministries

Brazil: The work in Uberlandia, Brazil, thrived under national leadership while Tom and Nancy Hughes were home on furlough. Over 20 people were saved during that time. The Brazil association recently opened a central Bible college in Jaboticabal with 12 students. In addition, local Bible institute programs are training at least 88 other leaders for local church ministries, etc.

France: The church in St. Nazaire, France, more than doubled in attendance this past year with several people being saved. Through some dedicated men and the cooperative efforts of many, God wonderfully supplied their need for space and enabled them to move into their new building on Easter (see "Construction Teams" in this report). John Murray baptized five people at Nantes just prior to furlough and five people have been saved since they left France. Eight more people are waiting to be baptized as soon as the Murrays return to France. John reported a goal of five churches in the Nantes area by the year 2000.

India: Those attending the annual conference in North India witnessed a number of decisions for Christ. A new hostel (boarding house for young students) was completed in 1987. Carlisle and Marie Hanna completed 36 years serving in India. Carlisle has effectively used a film on the life of Christ produced by Dayspring International with Indian actors. Thousands have been converted all over India through this film.

Ivory Coast: The new Bible institute in Bouna, Ivory Coast, was officially dedicated and opened in October with 10 African students. The Jim Teagues were sent out to serve as dorm parents at Ivory Coast Academy in Bouake. Conversions were regularly reported in most areas throughout the year. Thirty-five were saved during one evangelistic campaign at Bouna and at one point Sherwood Lee reported at least 30 were saved in villages near the clinic at Doropo. Jimmy and Janie Aldridge and Eddie Payne

served special tours of duty during 1987. An investigative committee visited the field and cleared all missionaries of charges levied by former missionary Lonnie Palmer (see the report in this digest).

Japan: After months spent remodeling a building for church services and an upstairs apartment for the Dale Bishops, the Christians at Noporo, Japan, are in their new building which seats 75 to 100. Over 60 people from the Hokkaido Free Will Baptist Association met in the new facilities in January 1987. A new church building was constructed in Ai No Sato, Japan, on the northern island of Hokkaido. Four men from the U.S. donated approximately three weeks of their time to help in construction (see "Construction Teams").

Panama: Panama has been the scene of much political unrest, but many people have been saved amid the turmoil. In May of 1987 the Betania congregation took a big step of faith and purchased the property they had rented for years. They have remodeled and God is blessing their efforts. The Stan Bunches opened up a new work in Parita, a town with no protestant church, and at least two new works were launched by national leaders. During the economic crisis the Betania church had a week-long missions conference. On Foreign Missions Sunday April 24 they received a missions offering of \$407 and faith promise commitments totaling \$5,000! Six Panamanians publicly announced their call to serve as missionaries.

Spain: In Villalba, Spain, large crowds numbering 500 to 1,000 gathered day and night for a two-week evangelistic crusade conducted by the Turnboughs and the Owens last fall. A total of 13,000 attended the campaign in this city of over 30,000 people with no other protestant church. The opening of a Christian day school by the church in Alcala de Henares, a Madrid suburb, was another first for Free Will Baptists in Spain.

Uruguay: The Sower Bible Institute in Montevideo had a fruitful year. Vacation Bible schools in the Rivera area were very successful. Fifty-one children professed faith in Christ. The average attendance in the Rivera area churches for 1987 was 219. During a recent campaign in Malvin Norte, a new work in a Montevideo suburb, 20 people received Christ as their Savior.

Cuba: The Free Will Baptist churches are growing in this communist-controlled land. They reported 91 conversions and 40 baptisms during 1987. The Christians succeeded in getting permission to remodel the buildings at Cedars of Lebanon Seminary, and they launched the project. They plan to reopen the institution to full-time students in September of this year.

Cooperating U.S. Churches

The Lord has been working in our churches here in the United States also. We thank God for 1,749 churches who sent at least one offering for foreign missions during 1987. This compares to 1,560 churches contributing in 1986.

These churches gave in excess of \$10,000 during 1987:

Central, Royal Oak, Michigan	\$39,378
Donelson, Nashville, Tennessee	\$24,789
Fellowship, Kingsport, Tennessee	\$21,544
Cofer's Chapel, Nashville, Tennessee	\$21,140
Bethel, Kinston, North Carolina	\$19,538
First, Locust Grove, Oklahoma	\$19,149
Bethlehem, Ashland City, Tennessee	\$18,097
Ina, Ina, Illinois	\$15,673
Southern Oaks, Oklahoma City, Oklahoma	\$15,529
Horse Branch, Turbeville, South Carolina	\$13,674
Cross Timbers, Nashville, Tennessee	\$13,315
First, Raleigh, North Carolina	\$13,320
Sherwood Forest, New Bern, North Carolina	\$13,269
First, Russellville, Arkansas	\$13,031
First, Monett, Missouri	\$12,844
First, Savannah, Georgia	\$12,482
Good Springs, Joelton, Tennessee	\$12,308
First, Newport News, Virginia	\$11,322
First, Darlington, South Carolina	\$10,849
Friendship, Flint, Michigan	\$10,570
Piney Grove, Chipley, Florida	\$10,445
Bellview, Colquitt, Georgia	\$10,443
First, Norman, Oklahoma	\$10,080

Three states exceeded their suggested goal for 1987: Colorado, Georgia and Missouri (see the complete list of giving by states).

We praise the Lord for the response to the Advance Celebration. Gifts totalled \$190,646 and permitted successful projects in five countries. The Advance Celebration helped make possible the church building projects mentioned under "Construction Teams."

This summer three student missionaries are serving in Ivory Coast. Paul and Rhoda Creech served 11 months on special assignment in Sapporo, Japan. They returned home on April 3.

The Lord has been gracious to our appointees. The Norman McFalls left recently for Brazil, and we expect the Ron Moores (Ivory Coast), Glennnda Leatherbury (Ivory Coast) and Jalayn Martens (Ivory Coast) to leave for language study soon.

The Paynes will not be returning to Ivory Coast. After 25 years of overseas missionary service, Eddie and Sandra will be involved in a stateside ministry.

Neil and Sheila Gilliland are also exchanging their ministry in Ivory Coast for a place of service in the U.S. They served for the past five years as dorm parents at Ivory Coast Academy.

Dave and Sharon Filkins resigned from the mission in 1987.

All of us grieved over the sudden death of Sam Wilkinson on April 11. Sam and June served 19 years in Brazil. At the time of his death he was the head of the missions department at Hillsdale Free Will Baptist College.

Our hearts also went out in sympathy to the family of Frank Cousineau who died on February 9. Frank and Marie served five years in Ivory Coast. The Cousineaus' son, Mike, is director of the Free Will Baptist Bible Institute in Bouna, Ivory Coast.

God provided \$2,888,822 toward regular missionary expenses in 1987 plus \$190,646 in Advance Celebration gifts. This combined total represents an increase of 2.8 percent over 1986 receipts. In spite of this increase, rising costs and dollar devaluation abroad have plunged many missionary accounts into the deficit. Several missionary furlough times have been changed due to financial needs: The Bowlings and Owens have been forced to begin furlough early due to monetary needs. The Crowsons had to come home in the middle of their term and the Hollands had to return to the States after language study to regather support before proceeding to Ivory Coast as planned.

Several missionaries have been forced to extend their furlough beyond the normal length because they lack adequate support to return to the field: The Murrays, the McLains, the Riggs, the Bryans, the Sturgills, the Gibbs, the Baileys, the Banks, and possibly the Ellisons.

We are submitting a regular budget of \$3,279,414 for 1989. In addition, we are trusting God to provide \$150,000 through our Advance Celebration fund to meet other pressing needs among our overseas churches.

April is foreign missions month. We appreciate the churches which had a month-long emphasis as well as those which received special offerings on Foreign Missions Sunday. "Thank you" to all of you who called in your offering on April 24.

Construction Teams

The success we have enjoyed this year is due to the prayers, support and assistance of many people. Two construction teams rendered valuable assistance in finishing church buildings overseas earlier this year. Board members Bob Trimble and Galen Dunbar, Master's Men Director Jim Vallance and James Orr helped the Ai No Sato congregation in Japan finish the inside of their church building. Estimates indicated their labor, combined with some volunteer Japanese labor, had saved approximately \$40,000.

Tommy Sanders, Dan Farber, Dan Harmon, and Mr. and Mrs. Fred Haney went to St. Nazaire, France. For three weeks they worked with French Christians, French missionaries and construction workers to turn the bare walls into a beautifully decorated, well-equipped auditorium. Their witness proved to be a valuable tool for evangelism as many barriers were broken down and doors of opportunity flung open.

The Master's Men continues to render valuable service through their "Missions Projects." We are grateful for their missions emphasis.

Through the years the Woman's National Auxiliary Convention has assisted us with many projects. During 1987 WNAC channeled \$173,990 into foreign missions. In addition, many state women's conventions supported missionary projects such as travel, equipment, etc. The provision

closet also continues to meet very practical household needs of missionary families.

During this convention the National Youth Conference is completing their first "Active in Missions" project as they "Aim for Uruguay." They are seeking to raise \$10,000 toward the Bible institute property in Montevideo, Uruguay.

Retired pastor Reverend Dewey Bernard has volunteered his time and service to work as a Special Projects Representative. He is informing people of the great opportunity to multiply our ministry in Uruguay through the Bible institute program. He is assisting us in raising funds to liquidate the indebtedness on the property in Montevideo. Brother Bernard is a good example of what volunteers can accomplish on behalf of world missions.

The service of missionary representatives Don and Billie Sexton continues to be very valuable to our department. Their deputational ministry, missionary conference participation and revival efforts have been fruitful.

Our home office staff serves our constituency as well as our missionary family. We commend Mrs. Shirley Lauthern, Mrs. Willie Midgett, Mrs. Carole Ragan, Mrs. Janie Campbell, Mrs. Kay Hampton and Charlie Hingst for their faithful and effective service.

We appreciate the service of Reverend Jim Walker, our board member, who cannot be reelected. For the past 10 years Jim has served as secretary.

The members of the administrative staff—Don Robirds, Jimmy Aldridge, Earl Larson, Fred Warner, and I—are also pleased to serve you. If we can assist in conducting services or providing materials to help you in your own program of missionary education, please contact us.

Respectfully yours,

R. Eugene Waddell, General Director

BOARD MEMBERS

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

FOREIGN MISSIONS STUDY COMMITTEE REPORTS IVORY COAST FINDINGS

NASHVILLE, TN—Ivory Coast problems which surfaced in 1971 came to a head in 1977 and resulted in the Foreign Missions Board recalling Lonnie Palmer's commission during the national convention in Detroit, Michigan.

However, problems continued to exist until 1984, at which time Lonnie Palmer announced plans to return to the Ivory Coast. Attempts during the 1984 national convention in Little Rock, Arkansas, to reconcile differences between Lonnie Palmer and the Foreign Missions Department in order to prevent disruption in Ivory Coast upon his return were unsuccessful.

In early 1987 Lonnie Palmer circulated a letter with accusations against former and present Ivory Coast Missionaries.

Some concerned pastors appeared before the Foreign Missions Board during its Spring 1987 meeting and requested that a committee be appointed to investigate Ivory Coast problems. The Foreign Missions Board authorized a five-member committee to study Lonnie Palmer's accusations, the attitude he displays and the effects of his presence in Ivory Coast.

The committee met July 7-9, 1987; October 5-7, 1987; and with the Foreign Missions Board December 2, 1987. The Foreign Missions Board authorized the committee's April 3-26, 1988, trip to Ivory Coast to complete its work.

These are our findings:

- I. The Accusations Presented by Lonnie Palmer Against Former and Present Free Will Baptist Missionaries.
 - A. The accusation that Free Will Baptist missionaries baptized and received polygamists into the fellowship of the church is false.
 - B. The accusation that Free Will Baptist missionaries used or condoned the use of alcoholic beverages in communion service or in any other way is false.
 - C. The accusation regarding nudity and improper dress—We find that Free Will Baptist missionaries have conducted themselves honorably. We did find that three male missionaries have, on occasion, worn shorts. We suggest that the Foreign Missions Board deal with this matter.
 - D. The accusations by African pastors and evangelists Djingus Anany Victor, Adou Koffi David, Kowakou Kowadio Jacques and Diatte Etienne that Free Will Baptist missionaries baptized and received polygamists into the fellowship of the church were based on hearsay and are false.
- II. The attitude of Lonnie Palmer Toward Our Missionaries and Mission Program.

We find that Lonnie Palmer's attitude is combative, condemning, judgmental, unforgiving, arrogant, coercive, unchristian and totally unacceptable.

III. The Effect of Lonnie Palmer's Presence in Ivory Coast.

We find that Lonnie Palmer's presence is divisive and disruptive, has created chaos and brought discord, disunity and disorder among the brethren and in the churches.

His continued presence will intensify discord among the brethren and disorder among the churches.

Conclusion

This committee faithfully labored to reach the truth in this matter. We present this report with the hope that it will lay to rest the problems caused in Ivory Coast and in America. Also, that it will enable us to unite our efforts in fulfilling the Great Commission.

STUDY COMMITTEE MEMBERS

Melvin Worthington, Chairman

Earl Hendrix

Clarence Burton

Jack Richey

Dean Dobbs

May 2, 1988

BOARD OF FOREIGN MISSIONS RESPONSE TO REPORT OF SPECIAL COMMITTEE

NASHVILLE, TN—Upon hearing the final report of the special Foreign Missions Study Committee on May 2, 1988, the Board of Foreign Missions voted to receive the report, authorize its public release, and commend the committee for their diligent work.

In response to the suggestion of the committee regarding the wearing of shorts by three male missionaries, the board commended the administrative staff for having already handled the matter. Shorts will not be worn by male missionaries.

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

Balance Sheet

December 31, 1987

(With comparative totals for 1986)

	1987			1986
	Operating - Unrestricted and Restricted Funds	Plant Fund	Total All Funds	Total All Funds
Assets				
Checking and interest-bearing deposits	\$ 844,869	-	844,869	805,395
Accrued interest receivable	3,638	-	3,638	1,880
Other assets	11,970	-	11,970	10,504
Equipment at cost, less accumulated depreciation of \$94,496 in 1987 (note 2)	-	56,949	56,949	70,655
Total assets	\$ 860,477	56,949	917,426	888,434
Liabilities and Fund Balance				
Note payable to bank	\$ -	38,083	38,083	50,083
Accounts payable and accrued expenses	39,343	-	39,343	29,213
Restricted deferred revenue (note 3):				
Missionary accounts	637,079	-	637,079	741,281
ADVANCE campaign	187,179	-	187,179	32,915
Total restricted deferred revenue	824,258	-	824,258	774,196
Total liabilities	863,601	38,083	901,684	853,492
Fund balance:				
Unrestricted	(3,124)	-	(3,124)	14,370
Net investment in plant	-	18,866	18,866	20,572
Total fund balances	(3,124)	18,866	15,742	34,942
Total liabilities and fund balance	\$ 860,477	56,949	917,426	888,434

Commitments (note 5)

See accompanying notes to financial statements.

Year ended December 31, 1987

(With comparative totals for 1986)

	1987			1986	
	Unrestricted	Operating Missionaries	Restricted ADVANCE	Plant Fund	Total All Funds
Support and revenue:					
Contributions (note 1a)	\$ 320,126	2,628,907	36,382	-	3,147,052
Investment income	43,163	-	-	-	53,019
Other	826	-	-	-	1,486
Total support and revenue	364,115	2,628,907	36,382	-	3,201,557
Expenses:					
Informational and promotional	148,255	-	-	-	148,255
Travel and board	55,029	-	-	-	55,029
Administrative	332,668	-	-	-	332,668
Missionaries	-	2,454,548	36,382	-	2,490,930
Depreciation	-	-	-	21,722	21,722
Total expenses	535,952	2,454,548	36,382	21,722	3,048,604
Excess (deficiency) of support and revenue over expenses	(171,837)	174,359	-	(21,722)	(19,200)
Fund balances, beginning of year	14,370	-	-	20,572	34,942
Transfers among funds and other changes:					
To plant funds for asset acquisitions	(8,016)	-	-	8,016	-
Net increase in debt	(12,000)	-	-	12,000	-
Maintenance fees (note 4)	174,359	(174,359)	-	-	-
Fund balances end of year	\$ (3,124)	-	-	18,866	15,742
					34,942

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1987

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:

- 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.
- 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	\$ 32,928
Cameras and projectors	15,641
Automobile	9,162
Computer	93,714
Total plant assets	151,445
Less accumulated depreciation	94,496
Net investment in plant	\$ 56,949

Depreciation expense, computed on the straight-line method amounted to \$21,722 in 1987.

(3) Changes in Restricted Deferred Revenue

Changes in restricted deferred revenue is as follows:

	Missionary Accounts	ADVANCE Campaign	Total
Balance, beginning of year	\$ 741,281	32,915	774,196
Contributions	2,524,706	190,646	2,715,352
Funds available	3,265,987	223,561	3,489,548
Expenses and other changes	2,628,908	36,382	2,665,290
Balance, end of year	\$ 637,079	187,179	824,258

(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 \$47,950 in 1987.

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.

JOHN W. MARLIN
L. JOE EDMONDSON
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ALVA T. HARRELL
RUSSELL E. NEAL

Marlin & Edmondson

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ACCOUNTANTS' REPORT ON SUPPLEMENTARY DATABoard of TrusteesBoard of Foreign Missions of

The National Association of Free Will Baptists:

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

February 3, 1988

Marlin & Edmondson

Schedule 1Schedule to Combine Unrestricted Fund Support and Revenues and Additions to Restricted Deferred Revenues

Year ended December 31, 1987

(With comparative totals for 1986)

	1987			1986
	<u>Missionary</u>	<u>ADVANCE</u>	<u>Total</u>	<u>Total</u>
	<u>Unrestricted</u>	<u>Accounts</u>	<u>Campaign</u>	<u>All Funds</u>
Contributions	\$ 320,126	2,524,707	190,646	3,035,479
Investment income	43,163	-	-	43,163
Other	826	-	-	826
	<u>\$ 364,115</u>	<u>2,524,707</u>	<u>190,646</u>	<u>3,079,468</u>
				<u>2,995,919</u>

Schedule 2Schedule of Unrestricted Fund Expenses

Year ended December 31, 1987

(With comparative total for 1986)

	1987	1986
Informational and promotional:	\$ 453	116
Video	140	662
Films	35,418	31,356
Heartbeat	44,531	43,933
Postage	15,748	19,441
Data processing	35,707	33,134
Publicity	10,821	10,289
Telephone	935	1,030
Dues	3,962	4,666
Paper supplies	540	2,001
Tracts and books		
	\$ 148,255	146,628
Travel and board:		
	2,191	2,319
Department auto	12,388	11,759
Board members	927	530
Honorariums	39,091	33,362
Department travel	432	955
Traveler's insurance		
	55,029	48,925
Administrative:		
Salaries	176,521	166,852
Housing	57,595	46,771
Social Security	20,261	15,794
Retirement	5,675	6,115
Hospitalization	24,127	26,535
Auditing	1,600	4,500
Office rent	25,612	24,236
Office equipment	612	52
Maintenance of office equipment	2,798	3,673
Office supplies	2,978	2,549
Miscellaneous	6,081	3,023
Employer payroll taxes	8,808	7,381
	332,668	307,481
Total unrestricted fund expenses	\$ 535,952	503,034

Schedule 3

Schedule of Restricted Fund Expenses

Year ended December 31, 1987

(With comparative total for 1986)

	1987	1986
Missionaries - foreign fields:		
Brazil	\$ 328,899	373,655
France	355,172	405,451
India	74,176	82,958
Ivory coast	882,178	762,271
Japan	391,666	409,726
Panama	131,057	148,209
Spain	264,057	271,581
Uruguay	160,241	204,700
Summer missionaries	15,145	24,342
Short-term missionaries	6,876	12,223
Other projects	10,902	5,281
Special investigative committee	8,538	-
	2,628,907	2,700,397
Less maintenance fees transferred to unrestricted funds for information service production	174,359	169,291
Net restricted fund expenses	\$ 2,454,548	2,531,106
ADVANCE campaign expenditures:		
General expenses	\$ 4,623	53,523
Project expenses	31,759	46,377
Coordinator expenses	-	25,802
Total expenses	\$ 36,382	125,720

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

We have examined the balance sheet of the Board of Foreign Missions of The National Association of Free Will Baptists as of December 31, 1987, 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, 1987 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.

February 3, 1988

Marlin & Edmondson

1989 State Goals
With 1987 Comparisons

STATE	1987 GOAL	1987 ACTUAL	1989 GOAL
ALABAMA	205,000	127,733	185,000
ARIZONA	5,000	2,497	4,500
ARKANSAS	175,000	139,276	173,000
CALIFORNIA	57,000	43,778	55,500
COLORADO	3,000	3,185	3,500
FLORIDA	105,000	61,110	85,000
GEORGIA	120,000	135,731	145,000
HAWAII	2,500	2,366	2,500
IDAHO	1,100	691	750
ILLINOIS	105,000	81,215	102,000
INDIANA	36,000	32,777	38,000
IOWA	2,000	1,560	1,750
KANSAS	14,000	13,332	15,000
KENTUCKY	91,000	77,516	88,000
LOUISIANA	600	5	500
MARYLAND	17,000	10,774	15,000
MICHIGAN	140,000	113,816	140,000
MISSISSIPPI	72,000	45,894	62,000
MISSOURI	210,000	251,319	240,000
MONTANA	1,200	510	1,000
NEBRASKA	1,200	980	1,100
NEW MEXICO	600	136	500
NORTHEAST ASSOCIATION	7,500	3,002	5,000
NORTHWEST ASSOCIATION	6,000	3,593	5,000
NORTH CAROLINA	400,000	379,495	410,000
OHIO	135,000	107,633	125,000
OKLAHOMA	395,000	331,509	380,000
PENNSYLVANIA	2,500	1,008	1,750
SOUTH CAROLINA	225,000	160,996	195,000
TENNESSEE	450,000	428,661	440,000
TEXAS	95,000	87,301	100,000
VIRGINIA	115,000	109,295	115,000
VIRGIN ISLANDS	3,500	2,136	3,000
WEST VIRGINIA	80,000	62,392	72,500
MISCELLANEOUS	80,200	71,615	67,564
TOTALS	3,358,900	2,894,837	3,279,414
Advance Celebration Project			150,000
TOTAL REGULAR AND ADVANCE CELEBRATION PROJECT			3,429,414

NORTHEAST ASSOCIATION:

Maine
New Hampshire
Rhode Island

NORTHWEST ASSOCIATION:

Alaska
Oregon
Washington

1989 Budget Of Expense

FOREIGN FIELDS

Africa	\$ 858,696.00	
Brazil	407,274.00	
France	350,205.00	
India	62,547.00	
Japan	545,626.00	
Panama	143,321.00	
Spain	292,077.00	
Uruguay	148,815.00	
Short-term missionaries	10,000.00	
Student missionaries	15,000.00	
Cassette tape ministry	3,000.00	
Barnard/Wilson Retirement	2,016.00	
Miscellaneous projects	10,000.00	
Foreign Fields total		2,848,577.00

INFORMATIONAL AND PROMOTIONAL MATERIALS AND EQUIPMENT

Video	10,800.00	
Film/Filmstrips	6,175.00	
Heartbeat	33,264.00	
Postage	60,000.00	
Data Processing	30,000.00	
Publicity Materials	46,638.00	
Telephone	12,000.00	
Services and Dues	3,800.00	
Paper Supplies	6,000.00	
Tracts/Books	1,000.00	
Total	209,677.00	
Less Information/Promotion Transfers	-186,127.00	
Informational and Promotional Materials and Equipment Total		23,550.00

TRAVEL AND BOARD

Department Auto	3,000.00	
Department Travel	39,000.00	
Traveler's Insurance	500.00	
Board Members	13,000.00	
Honorariums	1,500.00	
Travel and Board Total		57,000.00

ADMINISTRATIVE

Salaries	186,405.00	
Administrative Housing	57,420.00	
Administrative Soc. Sec.	22,342.00	
Hospitalization Insurance	27,000.00	
Retirement	6,120.00	

Auditing	4,000.00	
Office Rent	26,000.00	
Office Equipment	500.00	
Maintenance of Office Equip.	3,000.00	
Office Supplies	3,000.00	
Miscellaneous	6,000.00	
Employer Payroll Taxes	8,500.00	
Administrative Total		350,287.00
Total Regular Foreign Missions Budget		3,279,414.00
Advance Celebration Budget		150,000.00
TOTAL REGULAR AND ADVANCE CELEBRATION BUDGETS		\$3,429,414.00

FREE WILL BAPTIST BIBLE COLLEGE REPORT

One of the many denominational leaders who received training at Free Will Baptist Bible College said recently: "The vanguard for Free Will Baptists was, is, and will continue to be, Free Will Baptist Bible College. The emphasis for righteousness and purity remains unchanged since its inception. The influential impact upon the Free Will Baptist denomination and our entire nation can never be fully measured"—(David Joslin, Promotional Director, Arkansas State Association).

The college has always sought to combine a commitment to holy living and academic excellence. This two-fold thrust has not always been easy to achieve, but the record will show that hundreds of graduates, throughout the 46-year history of the college, will testify to both influences molding their lives while students here.

The college year was begun in the fall with Brother Trymon Messer bringing the opening messages. Brother Hughes Ellis led in the fall student revival. This year we had a home missions emphasis for missionary conference. Brothers James Munsey, Kerry Steedley and Glen Poston, together with the department staff, all challenged our hearts for the Lord. The Bible Conference speakers were Brothers Billy Hanna and Larry Powell, Doctors Stanley Outlaw and John Whitcomb. Each speaker was enlightening and helpful. Many decisions of commitment and surrender were made as these various speakers opened the Word of God to us.

This has been a most excellent year—student morale, together with faculty and staff morale, has never been better. The serious upheaval and tension that has been in the denomination for the past several years took its toll on morale here at the college. It seems that now we are finally over that dark specter that has affected all of us. We thank God for the outstanding "school spirit" that has again flourished.

As you know, Brother Frank Breeden resigned in November. Brother Bob Shockey, who was chosen to be the new Director of Student Support and give leadership to the Pass the Torch campaign, has done really well. Of course, some of the momentum was lost as we shifted from one leader to another. The overall financial results are still not up to the level where we need them. Pray with us and let all of us work hard to make this new year (1988-89) the best year for our Pass the Torch campaign.

Student enrollment needs are still very evident. This year the total head count of students was 349. We are concentrating all of our efforts on student recruitment—through traveling music and drama groups—as well as the annual major choir, drama and band tours.

The three needs of the college continue to be the prayers of our people, more dedicated young people to enroll as students here, and sufficient financial undergirding of this part of the Lord's work.

Respectfully submitted,

CHARLES A. THIGPEN
President

Registration Report 1987-88

Enrollment Breakdowns

By State

Alabama	18	Kentucky	16	Tennessee	74
Arkansas	18	Louisiana	2	Texas	11
California	4	Massachusetts	1	Virginia	12
Delaware	2	Michigan	20	Washington	1
Florida	7	Mississippi	5	West Virginia	4
Georgia	15	Missouri	20		
Idaho	1	North Carolina	36		
Illinois	17	Ohio	12		
Indiana	8	Oklahoma	4		
Iowa	1	South Carolina	17	Foreign	3

(The student body represents 25 states and 2 foreign countries.)

By Classification

Freshmen	102	Juniors	67
Sophomores	80	Seniors	57
Special	23		

Others

Male	168	Ministerial	80
Female	161	Missionary	29
Free Will Baptist	316	Single	228
Other	13	Married	101

Enrollment Summary 1987-88

Undergraduate Enrollment	First Semester	300
Additional Enrollment	Second Semester	21
Total Enrollment	First and Second Semesters	321
Summer 1987 Enrollment Not Already Counted		8
Total Undergraduate Enrollment		329
Graduate School Enrollment for 1987-88:		
Master of Ministry (Not counted elsewhere)		20
Total Annual Enrollment (Undergraduate and Graduate)		349

Financial Aid Report

Loans Issued	227	\$152,263.31
Student Workers	78	95,001.02
Scholarship Recipients	181	50,837.40

Welch Library

Total books, bound volumes, microforms, sound recordings, video-cassettes, instructional materials, etc.52,918

The May 31, 1988, 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.

Torch Campaign Gift Report

States	6/1/87- 5/31/88	Campaign Total
Alabama	\$ 54,345.74	\$ 64,502.40
Arizona	1,288.67	1,313.67
Arkansas	33,579.91	38,664.65
California	6,077.59	8,085.72
Colorado	150.00	150.00
Connecticut	5,200.00	6,500.00
Delaware	80.98	170.33
Florida	25,138.99	29,929.18
Georgia	71,295.34	83,080.41
Hawaii	831.00	1,061.00
Idaho	405.83	517.33
Illinois	22,232.70	25,304.92
Indiana	4,622.56	5,652.85
Iowa	290.00	490.00
Kansas	683.18	772.31
Kentucky	12,063.63	14,570.73
Louisiana	115.00	115.00
Maryland	4,112.04	4,414.23
Michigan	21,436.94	22,948.63
Mississippi	17,568.25	21,204.90
Missouri	33,582.02	38,954.39
Nebraska	325.00	435.00
Nevada	280.00	310.00
New Mexico	217.39	220.63
North Carolina	129,463.47	155,325.68
Ohio	11,992.24	14,281.64
Oklahoma	20,126.92	23,341.24
South Carolina	46,087.76	56,430.02
South Dakota	10.00	10.00
Tennessee	155,971.47	180,581.76
Texas	7,830.36	9,643.85
Vermont	35.00	35.00
Virginia	24,072.58	28,896.57

Washington	850.96	900.96
West Virginia	5,618.83	6,602.93
Canada	32.92	99.50
WNAC	5,346.48	6,864.05
Virgin Islands	701.92	772.92
Other	73,926.62	86,298.79
	<u>\$797,990.29</u>	<u>\$ 939,453.19</u>

Alumni Project	9,080.00	
Special Gift		100,000.00
GRAND TOTAL	<u>\$807,070.29</u>	<u>\$1,039,453.19</u>

TORCH CAMPAIGN

STATE QUOTAS 1987-1989

(Quotas for 2 years)

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



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The Board of Trustees
Free Will Baptist Bible College:

We have examined the balance sheet of Free Will Baptist Bible College as of May 31, 1988, 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, 1988, 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 22, 1988

FREE WILL BAPTIST BIBLE COLLEGE

Balance Sheet

May 31, 1988

(with comparative figures for 1987)

	1988	1987
<u>Assets</u>		
Current funds:		
Unrestricted:		
Cash, including interest bearing deposits of \$13,560 in 1988 and \$7,973 in 1987	\$ 19,735	12,191
Investments at fair value at date of gift	4,250	4,135
Prepaid expenses	3,115	-
Receivables:		
Students accounts	13,393	13,012
Staff and others	6,282	11,303
Note receivable - plant fund	436,311	472,606
Total accounts receivable	455,986	496,921
Inventory	21,731	15,473
Due from plant fund	-	55
Total unrestricted funds	504,817	528,775
Restricted:		
Due from current unrestricted funds	17,631	21,205
Total restricted funds	17,631	21,205
Total current funds	\$ 522,448	549,980
Loan funds:		
Interest bearing deposits	\$ 114,628	101,734
Notes receivable, less allowance for doubtful notes of \$15,000 in 1988 and \$41,400 in 1987	288,517	289,380
Due from current unrestricted funds	62,880	69,888
Total loan funds	\$ 466,025	461,002

Liabilities and Fund Balances

1988

Current funds:

Unrestricted:

Note payable to bank
Accounts payable
Students' credit balances and deposits
Accrued salaries
Deferred revenues - summer school and other
Deferred campaign revenue

\$ 248,000
22,246
25,900
66,901
15,491
-

Due to other funds:

Current restricted funds
Loan funds
Agency funds
Plant funds

17,631
62,880
3,800
-

Fund balance

41,968

Total unrestricted funds

504,817

Restricted:

Fund balances

17,631

Total restricted funds

17,631

Total current funds

\$ 522,448

Loan funds:

Accrued interest
Notes payable to individuals
Fund balances - private

\$ 4,596
159,191
302,238

Total loan funds

\$ 466,025

FREE WILL BAPTIST BIBLE COLLEGE

Balance Sheet, Continued

Assets

1988

1987

Endowment funds:

Interest bearing deposits
Note receivable - plant funds

\$ 188,186
7,686

155,324
12,883

Total endowment funds

\$ 195,872

168,207

Annuity funds:

Interest bearing deposit
Rental property at appraised value at date of gift

\$ 55,000

5,000

Total annuity funds

\$ 55,000

83,000

Plant funds:

Interest bearing deposits, including \$95,630 in 1988 and \$93,435 in 1987 held by Trustee under lease obligations
Due from current unrestricted fund
Investment in plant:
Land
Buildings and improvements
Equipment
Library books

\$ 95,630
-
373,069
3,536,417
782,758
90,394

93,632
32,800
373,069
3,536,417
773,005
90,394

Total investment in plant

4,782,638

4,772,885

Total plant funds

\$ 4,878,268

4,899,317

Agency funds:

Cash
Due from current unrestricted fund
Accounts receivable

\$ 4,496
3,800
412

4,702
3,800
412

Total agency funds

\$ 8,708

8,914

Liabilities and Fund Balances

1988

1987

Endowment funds:

Fund balances:

Endowment

Quasi-endowment, unrestricted

Scholarship, restricted

Total endowment funds

Annuity funds:

Annuity payable

Fund balance

Total annuity funds

Plant funds:

Due to other funds:

Note payable - current unrestricted funds

Note payable - endowment fund

Due to current unrestricted funds

Accounts payable and accrued expenses

Lease obligation

Notes payable

Fund balances:

Unexpended

Net investment in plant

Total fund balances

Total plant funds

Agency funds:

Funds held in custody for others

Total agency funds

FREE WILL BAPTIST BIBLE COLLEGE

Statement of Changes in Fund Balances

Year ended May 31, 1988

Current Funds

Unrestricted

Restricted

Revenues and other additions:

Unrestricted current funds revenues

Gifts

Endowment income

Investment income - restricted

Interest on student loans

Additions to plant facilities including \$4,268 from current funds

Retirement of indebtedness, including

\$5,197 from current funds

Adjustment of computed annuity liability

Total revenues and other additions

Expenditures and other deductions:

Educational and general expenditures

Auxiliary enterprises expenditures

Provision for doubtful notes

Expansion of plant facilities

Noncapitalized expenditures - roof repair

Retirement of indebtedness

Expansion campaign expense and promotion

Interest expense

Other

Loss on sale of rental property

Total expenditures and other deductions

Transfers among funds and other changes -

additions (deductions):

Mandatory transfers for debt service

Change in funds held by trustee under lease obligations

Total transfers

Net increase (decrease) for the year

Fund balance at beginning of year

Fund balance at end of year

\$ 1,877,982

-

16,010

2,503

-

-

-

-

-

-

-

-

1,877,982

18,513

-

1,382,353

22,087

390,236

-

-

-

-

-

-

-

-

-

1,772,589

22,087

-

-

(104,551)

-

-

-

(104,551)

-

842

(3,574)

41,126

21,205

41,968

17,631

Loan Funds	Endowment Funds	Annuity Funds	Plant Funds	
			Unexpended	Net Investment In Plant
-	-	-	-	-
6,155	27,665	-	167,850	-
-	-	-	-	-
5,060	-	-	4,283	-
20,123	-	-	-	-
-	-	-	-	9,753
-	-	-	-	123,954
-	-	3,645	-	-
<u>31,338</u>	<u>27,665</u>	<u>3,645</u>	<u>172,133</u>	<u>133,707</u>
-	-	-	-	-
-	-	-	-	-
4,725	-	-	-	-
-	-	-	5,485	-
-	-	-	32,800	-
-	-	-	118,757	-
-	-	-	66,811	-
18,457	-	-	82,818	-
400	-	-	564	-
-	-	28,000	-	-
<u>23,582</u>	<u>-</u>	<u>28,000</u>	<u>307,235</u>	<u>-</u>
-	-	-	104,551	-
-	-	-	(2,196)	2,196
-	-	-	102,355	2,196
7,756	27,665	(24,355)	(32,747)	135,903
<u>294,482</u>	<u>168,207</u>	<u>60,748</u>	<u>32,747</u>	<u>3,891,823</u>
<u>302,238</u>	<u>195,872</u>	<u>36,393</u>	<u>-</u>	<u>4,027,726</u>

FREE WILL BAPTIST BIBLE COLLEGE

Statement of Current Unrestricted Funds Revenues, Expenditures and Other Changes

Year ended May 31, 1988

(with comparative figures for 1987)

	1988	1987
Revenues:		
Tuition and fees	\$ 616,472	645,270
Gifts	666,734	565,334
Endowment income	13,945	13,246
Interest income	43,315	47,758
Sales and services of auxiliary enterprises	534,472	578,287
Other sources	3,044	2,312
Total revenues	1,877,982	1,852,207
Expenditures:		
Educational and general:		
Instruction	503,075	473,453
Academic support	116,984	97,586
Student services	124,813	109,793
Operation and maintenance of plant	182,468	171,710
Institutional support	455,013	414,471
Total educational and general expenditures	1,382,353	1,267,013
Mandatory transfers for debt service	24,036	25,671
Total educational and general	1,406,389	1,292,684
Auxiliary enterprises:		
Expenditures	390,236	459,049
Mandatory transfers for debt service	80,515	55,557
Total auxiliary enterprises	470,751	514,606
Total expenditures and mandatory transfers	1,877,140	1,807,290
Other transfers, additions and (deductions):		
Transfers of unrestricted gifts to unexpended plant	-	32,800
Revenues over expenditures and other changes	\$ 842	12,117

FREE WILL BAPTIST BIBLE COLLEGE

Proposed Budget 1988-89

Current Unrestricted Funds

Revenues:

Tuition and fees	\$ 650,000
Gifts - state quotas	725,000
Endowment income	13,000
Investment income	40,000
Sales and service of auxiliary enterprises	562,000
Graduate school	9,000
Other sources	7,000

Total revenues \$2,006,000

Expenditures:

Educational and general:

Instruction	\$ 496,250
Academic support	119,910
Student services	151,280
Operation and maintenance of plant	223,225
Institutional support	477,440

Total educational and general \$1,468,105

Auxiliary enterprises

Expenditures	441,775
Mandatory provision for lease obligations	71,320
Mandatory transfer -- energy & telephone	10,500

Total auxiliary enterprises \$ 523,595

Graduate school 14,300

Total expenditures \$2,006,000

SUNDAY SCHOOL AND CHURCH TRAINING REPORT

It has been my happy privilege to present a report to this body on twenty-eight previous occasions. In that time our department has moved from a budget of \$11,000.00 to one of \$2,500,000.00. God has surely blessed us as we have tried to champion His word. We call our products "Bible-based" and we mean it. We make no apology for it.

I am thankful for all of the Free Will Baptists that use our products. I am complimented by the many non-Free Will Baptists who use our materials. They contribute many thousands of dollars to our sales.

Our commitment is to strive to improve our products continuously. We will be introducing a new cycle of Teen and Adult curriculum in the fall of 1989. We continue to produce our commentaries and other books.

Sales of our Spanish curriculum continues to increase. We have completed two cycles of translation and we are half way through two other cycles. Some books are being translated into Spanish. Please help us pray that some day we may be able to translate our materials into some other languages.

Please continue to pray for us. Ours is a spiritual ministry and stands in need of prayer.

Yours in His service,
Dr. Roger C. Reeds, General Director
Randall House Publications

SUNDAY SCHOOL AND CHURCH TRAINING BOARD

AND RANDALL HOUSE PUBLICATIONS

BALANCE SHEETS

	February	
	29, 1988	28, 1987
ASSETS		
Current assets		
Cash	\$ 166,879.73	\$ 129,220.25
Accounts receivable		
Trade - net of an allowance for doubtful accounts of \$8,717.88 in 1988 and \$8,500.00 in 1987 - note 1(b)	184,074.35	158,641.00
Related company - note 5	42,511.10	-0-
Employees	55.00	720.00
Inventory - at lower of cost (first-in, first-out method) or market	700,036.63	534,939.57
Deferred charges	17,278.34	12,812.09
Total current assets	1,110,835.15	836,332.91

	February	
	29, 1988	28, 1987
Property plant and equipment - at cost - notes 1(c), 2 and 3		
Land	127,873.12	127,873.12
Building	637,601.52	613,890.05
Printing service equipment	214,699.18	286,596.76
Office and administrative equipment	370,189.51	347,248.57
Automobiles and trucks	53,609.05	56,985.62
Property held under capital leases	272,402.00	-0-
	1,676,374.38	1,432,594.12
Less accumulated depreciation	(689,540.52)	(598,713.53)
	986,833.86	833,880.59
	<u>\$2,097,669.01</u>	<u>\$1,670,213.50</u>

LIABILITIES AND FUND BALANCE

Current liabilities		
Current maturities of long-term debt	\$ 96,527.61	\$ 39,364.00
Notes payable to bank - 9%	200,000.00	105,000.00
Notes payable to related party - 13.5% - note 2	-0-	72,500.00
Accounts payable	317,530.68	290,358.21
Accrued expenses	42,352.65	42,802.88
Customer deposits - note 5	145,349.06	-0-
Total current liabilities	801,760.00	550,025.09
Long-term debt - net of current maturities shown above - notes 2 and 3	359,792.29	69,710.43
Long-term leases - note 4	-0-	-0-
Fund balance	936,116.72	1,050,477.98
	<u>\$2,097,669.01</u>	<u>\$1,670,213.50</u>

STATEMENTS OF ACTIVITY AND CHANGES IN FUND BALANCE

	Year Ended February	
	29, 1988	28, 1987
Revenues		
Sales		
Curriculum	\$1,686,069.63	\$1,636,458.79
Randall House books	84,098.48	86,400.11
Bulletins	76,198.72	71,691.55
Bookstore	125,956.54	96,405.93
Other	130,529.31	202,431.84
Total sales	2,102,852.68	2,093,388.22
Freight and handling	66,963.49	63,199.81
Other income	7,429.33	5,467.93
Gain on sale of property, plant and equipment	3,547.74	74,445.92
Total revenues	<u>2,180,793.24</u>	<u>2,236,501.88</u>
Expenses		
Cost of goods sold		
Inventory - beginning	534,939.57	390,654.33
Merchandise purchases	276,507.99	322,818.22
Depreciation	38,006.72	29,511.18
Editorial and preparation	396,346.51	464,981.25
Printing production	693,542.87	521,308.17
Spanish department	91,232.98	76,705.05
	2,030,576.64	1,805,978.20
Less inventory - ending	(700,036.63)	(534,939.57)
Total cost of goods sold	<u>1,330,540.01</u>	<u>1,271,038.63</u>

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

Selling, general and administrative		
Administrative	85,346.77	78,664.28
Bookstore	84,526.98	74,355.22
Bookkeeping	114,941.63	81,176.59
Building	128,237.77	120,267.32
Depreciation	106,156.91	85,126.49
General	105,240.02	115,155.53
Interest expense	70,080.08	45,522.09
Sales and promotion	67,973.96	131,613.41
Shipping	133,583.55	128,821.15
	<u>896,087.67</u>	<u>860,702.08</u>

Total expenses	2,226,627.68	2,131,740.71
Excess (deficit) of revenues over expenses before Youth Department	(45,834.44)	104,761.17
Youth department - note 6	(68,526.82)	(64,916.24)
Excess (deficit) of revenues over expenses	(114,361.26)	39,844.93
Fund balance - beginning	1,050,477.98	1,010,633.05
Fund balance - ending	<u>\$ 936,116.72</u>	<u>\$1,050,477.98</u>

STATEMENTS OF CHANGES IN FINANCIAL POSITION

	Year Ended February	
	29, 1988	28, 1987
Resources provided		
From operations:		
Excess (deficit) of revenues over expenses	\$ (114,361.26)	39,844.93
Expenses (income) not requiring outlay of working capital		
Depreciation	144,163.63	114,637.67
Gain on sale of property, plant and equipment	(3,547.74)	(74,445.92)
Total from operations	26,254.63	80,036.68
Proceeds from sale of property, plant and equipment	68,000.00	80,770.00
Proceeds from long-term borrowings	427,461.80	46,131.00
Total resources provided	<u>521,716.43</u>	<u>206,937.68</u>
Resources applied		
Acquisition of property, plant and equipment	361,569.16	136,095.75
Reduction of long-term debt	137,379.94	50,760.00
Total resources applied	<u>498,949.10</u>	<u>186,855.75</u>
Increase in working capital	<u>\$ 22,767.33</u>	<u>\$ 20,081.93</u>
Changes in components of working capital		
Current assets - increase (decrease)		
Cash	\$ 37,659.48	\$ 90,302.17
Receivables	67,279.45	(155,355.92)
Inventory	165,097.06	144,285.24
Deferred charges	4,466.25	(1,646.91)
	<u>274,502.24</u>	<u>77,584.58</u>

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

Current liabilities - increase (decrease)		
Current maturities of long-term debt	57,163.61	(38,785.00)
Notes payable	22,500.00	45,000.00
Accounts payable	27,172.47	58,120.74
Accrued expenses	(450.23)	(6,833.09)
Customer deposits	145,349.06	-0-
	<u>251,734.91</u>	<u>57,502.65</u>
Increase in working capital	<u>\$ 22,767.33</u>	<u>\$ 20,081.93</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of significant accounting policies

(a) Nature of business activity

The Board operates under the auspices of the National Association of Free Will Baptists and is governed by a board of directors. The Board provides Bible - based curriculum and related products for Free Will Baptists activities and operates a retail book store.

(b) Allowance for uncollectable accounts

The allowance for uncollectable accounts is based on management's estimate of what will become uncollectable in accounts receivable at February 29, 1988 and February 28, 1987.

(c) Property and depreciation

Properties are reported at cost and include improvements that significantly add to productive capacities or extend useful lives. Costs of maintenance and repairs are charged to expense. When depreciable property is sold or retired, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in earnings for the period.

Properties are being depreciated by the straight-line method. Depreciation is calculated to allocate the cost of assets over their estimated useful lives and totaled \$144,163.63 for 1988 and \$114,637.67 for 1987. The estimated useful lives is 10 years for building and 5 to 15 years for other properties.

(d) Retirement plan

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 expense amounted to \$16,055.00 in 1988 and \$14,569.35 in 1987. 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.

(e) Income taxes

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

Note 2 - Long-term debt

A summary of long-term debt is as follows:

	1988	1987
Equipment obligations (8.03% to 14.38%) payable in monthly installments of \$2,832.89, including interest, through 1990, secured by related equipment	\$ 60,979.45	\$65,599.05
11.5% unsecured installment note, payable in monthly installments of \$465.93, including interest, through January of 1992	17,564.96	20,923.31
13.5% unsecured installment note, payable in monthly installments of \$1,265.55, including interest through October of 1988	9,629.82	22,552.07
Installment notes related party (10.75% to 13.875%) unsecured, payable in monthly installments of \$2,738.66, including interest, through May of 1993. *	122,500.00	-0-
	210,674.23	109,074.43
Obligations under capital leases - see note 3	245,645.67	-0-
	456,319.90	109,074.43
	(96,527.61)	(39,364.00)
Less current maturities	<u>\$359,792.29</u>	<u>\$69,710.43</u>

Following are maturities for long-term debt:

Year Ended February 28,	Amount
1989	\$ 56,149.99
1990	43,529.13
1991	41,126.60
1992	31,989.95
1993	29,828.98
Subsequent to 1993	8,049.58
	<u>\$210,674.23</u>

Note 3 - Capitalized leases

The Board is leasing printing service equipment and office equipment which qualifies for capital lease treatment. Equipment under capital leases follows:

	1988	1987
Printing service equipment	\$205,879.00	\$ -0-
Office equipment	66,523.00	-0-
	<u>272,402.00</u>	<u>-0-</u>
Less accumulated depreciation	(23,095.60)	-0-
	<u>\$249,306.40</u>	<u>\$ -0-</u>

* This debt was converted from short-term to long-term in May 1988.

Minimum annual rentals in the aggregate are:

Year ended February 28,	Amount
1989	\$ 65,311.44
1990	65,311.44
1991	65,311.44
1992	65,311.44
1993	32,312.24
Subsequent to 1993	26,049.30
	<u>319,607.30</u>
Less amount representing interest	(73,961.63)
Present value of net minimum lease payments	<u>\$245,645.67</u>

The interest rate on the capitalized leases was imputed to be from 9.80% to 15.76% and was based on the lessor's implicit rate of return.

Note 4 - Long-term leases

The Board is leasing certain land, building and equipment under a number of non-cancelable leases. A summary of rent expense under operating leases follows:

	1988	1987
Editorial and preparation	\$ 7,502.83	\$ 7,710.00
Printing production	367.55	-0-
Spanish department	1,547.74	1,681.00
Administrative	1,404.42	-0-
Bookstore	29,775.43	25,678.00
Bookkeeping	480.32	-0-
Building	2,621.43	2,680.00
General	14,308.06	15,179.00
Shipping	1,624.69	1,065.00
	<u>\$59,632.47</u>	<u>\$53,993.00</u>

Minimum future rental payments under non-cancelable operating leases for each of the next five years and in the aggregate are:

Year ended December 31,	Amount
1989	\$ 63,519.84
1990	51,702.94
1991	43,447.68
1992	6,401.64
	<u>\$165,072.10</u>

Note 5 - Hymnal agreement

The Board agreed to bill, collect and remit amounts for the sale of 100,000 Free Will Baptist Hymn Books (1988 addition) for and to the Executive Committee of National Association of Free Will Baptists, Inc. The Board is to receive a nominal fee for these services. At February 29, 1988, the Board had received customer deposits (advance payments) of \$145,349.06 of which \$42,511.10 has been remitted to the Executive Committee.

Note 6 - Youth Department

The purpose of the Youth Department of the Free Will 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:

	1988	1987
Revenue from conferences and related services	\$ 43,469.61	\$ 40,872.81
Expenses for conferences and related services	35,509.62	37,508.67
General and administrative	76,486.81	68,280.38
	<u>111,996.43</u>	<u>105,789.05</u>
Excess of (expenses) over revenues	<u>\$(68,526.82)</u>	<u>\$(64,916.24)</u>

Note 7 - Presentation

Certain reclassifications and changes in presentation have been made in the 1987 financial statements to conform to the current year.

EMERY & FENTRESS, P.C.

Certified Public Accountants

C. David Emery, CPA
Irving Fentress, CPA, MBA, JD

R. J. Ottarson, PA
Avery K. Gardner, MAcc, CPA
Dan H. Hyde, CPA

Baker Building, Suite 802
110 21st Avenue South
Nashville, Tennessee 37203
(615) 327-2323

The Board of Directors
Sunday School and Church Training Board
and Randall House Publications

We have examined the balance sheets of the Sunday School and Church Training Board and Randall House Publications as of February 29, 1988 and February 28, 1987, 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 and Church Training Board and Randall House Publications at February 29, 1988 and February 28, 1987, 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.

May 24, 1988

Emery & Fentress, P.C.

Members: American Institute of Certified Public Accountants • Tennessee Society of Certified Public Accountants

Budget For 1989

REVENUES

CURRICULUM

Sunday School Curriculum	\$2,032,210.00
Spanish Curriculum	40,000.00
Church Training Curriculum	164,158.00
Total Curriculum Sales	\$2,236,368.00
Less Discount to Bookstores	336,000.00
	\$1,900,368.00

OTHER SALES

Randall House Books	\$ 100,000.00
Merchandise	40,000.00
Bulletins	80,000.00
Vacation Bible School	8,000.00
Bookstore Sales	165,000.00
Printing Sales	20,000.00
Sunday School/Church Training Helps	50,000.00
Sunday School Helps — Spanish	2,000.00
Competitive Activities	25,000.00
Children's Church	4,000.00
ETTA	2,000.00
Camping Materials	1,000.00
Enlargement Campaigns	6,000.00
Total Other Sales	\$ 503,000.00
Total All Sales	\$2,403,368.00

OTHER INCOME

Freight and Postage	\$ 65,000.00
Service Charges	1,800.00
NYC '89	25,000.00
Truth and Peace '89	16,000.00
YET '89	2,400.00
Miscellaneous Income	20,000.00
Total Other Income	\$ 130,200.00
Total All Revenues	\$2,533,568.00

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 Activities	5,000.00

Vacation Bible School Materials	18,000.00
Bulletins	58,000.00
ETTA	1,500.00
Enlargement Campaigns	4,000.00
Miscellaneous Costs	800.00
	\$ 219,300.00

COST OF PRINTING

Editorial	\$ 82,132.00
Salaries	30,790.00
50% of Youth Division Salaries	8,000.00
Travel	4,000.00
Supplies	2,000.00
Equipment Maintenance	12,000.00
Royalties	8,500.00
FICA	3,000.00
Retirement	9,600.00
Insurance	2,000.00
Telephone	2,000.00
Postage	3,000.00
Miscellaneous	
	\$ 167,022.00

Preparation

Salaries	\$ 90,584.00
Art Services	5,000.00
Travel	2,000.00
Supplies	6,000.00
Equipment Maintenance	8,000.00
Equipment Rental	30,000.00
FICA	7,000.00
Retirement	1,500.00
Insurance	7,000.00
Telephone	2,000.00
Postage	500.00
Miscellaneous	2,000.00
	\$ 161,584.00

Production

Salaries	\$ 140,608.00
Negatives	8,000.00
Plates	10,000.00
Ink	8,000.00
Stock	150,000.00
Outside Printing	200,000.00
Color Separation	12,000.00
Equipment Rental	24,000.00

Equipment Maintenance	12,000.00
Travel	2,000.00
Telephone	1,000.00
FICA	11,000.00
Insurance	10,800.00
Retirement	3,500.00
Miscellaneous	3,000.00
	<u>\$ 595,908.00</u>
COST OF OPERATIONS	
Administration	
Salaries	\$ 45,812.00
Housing	7,500.00
Utilities	2,500.00
Travel	10,000.00
Supplies	1,000.00
Equipment Maintenance	1,000.00
Postage	1,000.00
Telephone	1,000.00
FICA	7,500.00
Retirement	1,650.00
Insurance	3,000.00
Board Travel	9,000.00
Auditing and Legal	7,000.00
Miscellaneous	1,000.00
	<u>\$ 98,962.00</u>
Sales and Promotion	
Salaries	\$ 33,006.00
Travel	14,000.00
Supplies	2,000.00
Promotion	10,000.00
Advertising	10,000.00
Postage	5,000.00
Telephone	2,000.00
FICA	4,000.00
Retirement	1,080.00
Insurance	1,200.00
Miscellaneous	1,000.00
	<u>\$ 83,286.00</u>
Bookkeeping and Order	
Salaries	\$ 81,776.00
Travel	1,000.00
Supplies	6,000.00
Equipment Maintenance	10,000.00
Equipment Lease	15,000.00

Postage	5,000.00
Telephone	3,000.00
FICA	6,200.00
Retirement	2,500.00
Insurance	7,200.00
Miscellaneous	1,000.00
	<u>\$ 138,676.00</u>
Shipping	
Salaries	\$ 68,744.00
Freight and Postage	60,000.00
Travel	5,000.00
Supplies	10,000.00
Equipment Maintenance	2,000.00
Equipment Rental	6,000.00
Telephone	1,000.00
FICA	5,200.00
Retirement	2,400.00
Insurance	6,000.00
Miscellaneous	2,000.00
	<u>\$ 168,344.00</u>
Youth	
Salaries (½ in Editorial)	\$ 30,790.00
Travel	4,000.00
Supplies	1,000.00
NYC '89	22,000.00
Truth and Peace '89	14,000.00
YET '89	2,000.00
Promotion	1,000.00
FICA	2,400.00
Postage	2,000.00
Telephone	1,500.00
Retirement	1,800.00
Insurance	4,800.00
Miscellaneous	1,000.00
	<u>\$ 88,290.00</u>
Spanish	
Salaries	\$ 59,000.00
Travel	1,000.00
Supplies	1,000.00
Postage	1,000.00
Telephone	1,000.00
FICA	4,400.00
Insurance	4,800.00
Miscellaneous	1,000.00
	<u>\$ 73,200.00</u>

Bookstore	
Salaries	\$38,968.00
Travel	1,000.00
Supplies	1,000.00
Utilities	4,000.00
FICA	2,950.00
Retirement	800.00
Insurance	2,400.00
Advertising	3,000.00
Rent	26,000.00
Miscellaneous	1,000.00
	<hr/>
	\$ 81,118.00
Building	
Salaries	\$ 34,736.00
Supplies	10,000.00
Equipment Rental	2,000.00
Equipment Maintenance	2,800.00
Building Maintenance	5,000.00
Building Improvements	5,000.00
Utilities	32,000.00
Building Insurance	15,000.00
FICA	2,700.00
Retirement	1,300.00
Insurance	3,600.00
Telephone	10,000.00
Miscellaneous	2,000.00
	<hr/>
	\$ 126,136.00
General	
Taxes	\$ 8,000.00
Interest	70,000.00
Depreciation	140,000.00
Reduction of Capital Obligations	156,871.00
Working Capital	156,871.00
	<hr/>
	\$ 531,742.00
TOTAL ALL REVENUES	\$2,533,568.00
TOTAL ALL EXPENSES	\$2,533,568.00

Changes in the Constitution of the Sunday School and Church Training Department

Article Four

Delete the words following officers "who shall serve as an Executive Committee."

Articles V and VI shall become Articles VI and VII and a new Article V shall be added that shall read:

ARTICLE V Standing Committees

There shall be three (3) standing committees of three (3) members each. These committees shall be elected for a period of one (1) year. (The duties of these three committees are spelled out in the by-laws.)

WOMAN'S NATIONAL AUXILIARY CONVENTION REPORT

Reaching out to others and growing for God's glory is the goal for WNAC in 1988. Our theme, "Them Also I Must Bring," reminds us of Christ's desire and ours to win more to His kingdom.

Since July, 1987 we have received notice of 25 Auxiliaries which have disbanded. The Lord has blessed, however, so that we sent 64 complimentary packets to new or reorganizing Auxiliaries. We increased by 39 additional local Auxiliaries.

In addition gifts to missions increased about \$23,000 in 1987. The Creative Arts contest attracted 129 women from 25 states and 3 foreign countries. Contestants submitted 361 entries.

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

National Minutes	1,315
Supplies Leaflet	1,700
Play Booklet, Vol. V,	
<i>There's A Skeleton in My Closet</i>	500
<i>A Time For Everything</i> (revised)	1,500

Special gratitude goes to the office staff—Lorene Miley, editor; Yvonne Wolfenbarger, executive assistant; and Sue Hayes, Bookkeeper—for their faithful work.

Our 1989 theme, "Arise and Build," continues our emphasis on growth. We are thankful that God has given us a part in his harvest. We look forward to building more and better in the years ahead.

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	
	1988	1987
ASSETS		
Cash		
	<u>\$87,594.55</u>	<u>\$74,461.01</u>
FUND BALANCE		
General		
Designated - National Student	\$77,475.31	\$73,007.46
- Eunice Edwards Fund	249.00	214.00
	<u>9,870.24</u>	<u>1,239.55</u>
	<u>\$87,594.55</u>	<u>\$74,461.01</u>

GENERAL FUND

CASH RECEIPTS AND DISBURSEMENTS

DECEMBER 31

	1987	1986
Cash balance, beginning	\$ 74,461.01	\$102,031.21
RECEIPTS		
Printing & supplies for sale		
Magazine	\$103,105.52	
Literature	7,288.25	
Literature & ptg. refund	22.76	
Postage on literature	1,047.44	
Postage refund	106.53	
Auxiliary dues	16,061.75	15,467.00
Delegate fees	190.00	198.25
Convention dinner tickets	8,198.00	9,447.00
Other convention expenses	1,058.40	1,107.00
Offering	908.50	
Executive committee refund	29.90	
Petty cash	120.00	
Co-Laborer offerings	7,788.96	8,806.75
Gifts for general purposes	20,666.77	17,505.69
General fund	12,633.71	
Provision closet	4,033.06	
Convention gift from Alabama	4,000.00	
Retreat		4,129.85
Eunice Edwards Fund (National Project)	8,630.69	1,239.55
National minutes	212.00	185.00
Miscellaneous income	85.74	12.93
Interest income	4,388.75	5,211.02
Stamp money - general fund	758.23	
National Student Fund	593.78	
Exchange checks - student loan	332.77	
Total office receipts	<u>180,536.34</u>	<u>118,869.49</u>
Designated contributions:		
Foreign Missions	173,915.81	165,395.92
Home Missions	69,790.99	64,732.53
Bible Colleges	10,629.57	12,240.04
Other gifts for various missionary objectives	8,947.27	11,276.39
Total designated contributions	<u>263,283.64</u>	<u>253,644.88</u>
Total receipts	<u>443,819.98</u>	<u>372,514.37</u>
Total to be accounted for	<u>\$518,280.99</u>	<u>\$474,545.58</u>
DISBURSEMENTS		
Operating expenses:		
Printing & supplies for sale		
Printing	\$ 8,116.20	
Literature refund	272.61	
Supplies for resale	1,718.82	
Executive committee expense	3,280.09	3,413.50
Salaries	70,725.79	63,048.88
Employee benefits	14,138.33	12,219.39
Postage	5,302.23	4,048.56
Retreat		2,094.39
Office supplies & equipment	1,381.88	5,805.13
Office rent	6,242.40	5,895.97
Telephone	2,108.27	2,163.39
Mailing supplies	740.70	936.89
Royalties		175.23
	\$ 10,107.63	\$ 24,731.41

CASH RECEIPTS AND DISBURSEMENTS - continued

	DECEMBER 31	
	1987	1986
Auditing	750.00	450.00
Convention dinner & expenses	11,055.16	14,592.01
Miscellaneous	724.10	3,780.75
Travel & promotion	1,422.15	2,372.84
Subscriptions & dues	139.54	81.85
Maintenance - equipment	1,377.29	575.35
Bad check		54.15
Continuing education	473.46	
National Student Fund	558.78	
1988 Convention expense	179.26	
Target 90	238.01	
Stamp money - office equipment	90.00	
Provision closet	276.76	
Magazine expenses	35,300.03	
Magazine art	47.00	
Magazine forms	233.51	
Magazine mailing	1,302.94	
Magazine prints	3.72	
Magazine printing	32,789.00	
Magazine refund	823.86	
Magazine mailing supplies	100.00	
Designated refund	22.00	
Exchange check - student loan	332.77	
Insurance - general office	436.17	
Total operating expenses	167,402.80	146,439.69
<u>DISBURSEMENTS</u>		
Designated Mission Work:		
Foreign Missions	\$173,915.81	\$165,395.92
Home Missions	69,790.99	64,732.53
Bible Colleges	10,629.57	12,240.04
Other disbursements for various missionary objectives	8,947.27	11,276.39
Total designated mission work	263,283.64	253,644.88
Total disbursements	430,686.44	400,084.57
Cash balance, ending	\$ 87,594.55	\$ 74,461.01

MEMORIAL STUDENT LOAN FUND

STATEMENT OF ASSETS AND LIABILITIES

	DECEMBER 31	
	1987	1986
<u>ASSETS</u>		
Cash	\$48,970.86	\$40,211.06
Loans receivable	42,912.61	45,587.79
	<u>\$91,833.47</u>	<u>\$85,798.85</u>
<u>FUND BALANCE</u>		
Fund Balance	<u>\$91,833.47</u>	<u>\$85,798.85</u>

MEMORIAL STUDENT LOAN FUND

CASH RECEIPTS AND DISBURSEMENTS

	DECEMBER 31	
	1987	1986
Cash balance, beginning	\$40,211.06	\$30,753.06
<u>RECEIPTS</u>		
Contributions	4,046.81	4,052.70
Student loans repaid	5,300.18	3,854.52
Interest collected	2,546.96	6,234.42
Total receipts	11,893.95	14,141.64
Total to be accounted for	52,105.01	44,894.70
<u>DISBURSEMENTS</u>		
Student loans	2,625.00	3,983.40
Bad debts	500.00	700.00
Miscellaneous	9.15	.24
Total disbursements	3,134.15	4,683.64
Cash balance, ending	\$48,970.86	\$40,211.06

EZRA JONES

Certified Public Accountant

1161 MURFREESBORO ROAD
NASHVILLE, TENNESSEE 37217
January 31, 1988

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, 1987 and 1986, 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, 1987 and 1986, on the basis indicated in the preceding paragraph, which is consistent with that used in the preceding year.

Gifts To Missions/Missionary Objectives

January 1, 1987-December 31, 1987

CASH GIFTS		\$362,481.74
Foreign Missions		221,949.78
Sent through WNAC	173,965.81	
Sent direct to department	47,983.97	
Home Missions		86,598.07
Sent through WNAC	69,790.99	
Sent direct to department	16,807.08	
Bible Colleges		11,389.77
General Funds	10,629.57	
Loan Funds	760.20	
Other Gifts: missions, camps, children's homes and other mission objectives		9,610.98
Provision Closet		4,033.06
National Project: Eunice Edwards		
Loan Fund for Churches Abroad		8,474.23
*WNAC Operating Expense		21,186.05

NON-CASH

Provision Closet	30,690.00
TOTAL CASH AND NON-CASH GIFTS	\$393,171.74

*Co-Laborer Fund and Emphasis Offerings, included for the first time this year.

WNAC 1989 Budget

ESTIMATED EXPENSE

Salaries	\$ 71,400.00
Employee Benefits	14,500.00
Payroll Tax Expense	5,500.00
Employee Retirement	3,500.00
Insurance—Health & Life	5,500.00
Insurance—General & Comp.	700.00
Audit	2,000.00
Convention Expense	10,000.00
Executive Committee Expense	2,000.00
Literature and Printing	3,500.00
CO-LABORER Magazine Expense	37,500.00
Magazine Forms	200.00
Magazine Mailing	1,500.00
Magazine Printing	35,800.00
Mailing Supplies	1,000.00
Maintenance—Office Equipment	750.00
Office Rent	6,500.00
Office Supplies and Equipment	1,500.00

Phone	2,000.00
Postage	6,000.00
Promotion	500.00
Service Contracts	1,000.00
Subscriptions	100.00
Supplies for Resale	500.00
Travel	2,000.00
Miscellaneous	500.00
TOTAL EXPENSE	\$163,950.00

ESTIMATED INCOME

CO-LABORER Fund Offerings	\$ 17,290.00
Convention Expense Gifts	4,000.00
Convention Offering	1,000.00
Delegate Fees	300.00
Dinner Ticket Sales	8,250.00
Dues	20,500.00
Interest Income	5,500.00
Literature Sales	12,000.00
Magazine Subscriptions	76,000.00
Miscellaneous	200.00
National Minutes	120.00
WNAC Emphasis Month Offerings	17,290.00
Travel	1,500.00
TOTAL INCOME	\$163,950.00

Ten Top Contributors To WNAC

Co-Laborer Fund

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

Emphasis Month Offering

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

WNAC Receipts For January-December, 1987

State	Bible Colleges	Co-Laborer Fund	Dues	Eunice Ed. Fund	Emphasis Offering	General Fund	Home Missions	Foreign Missions	National Student	Provision Closet	Retirement & Insurance	Missions Objectives	Student Loan	Totals
Alabama	\$ 150.00	\$ 283.34	\$ 841.50	\$ 80.34	\$ 592.82	\$ 94.00	\$ 3,599.89	\$ 3,236.54	\$ 20.00	\$ 45.00	\$ 105.00	\$ 1,598.13	\$ 40.00	\$ 10,686.56
Arizona		70.00		75.00	40.00	10.00		150.00						345.00
Arkansas	278.50	1,374.06	1,567.50	351.00	1,011.79	112.59	5,054.16	20,783.06		25.00		320.67	197.00	31,075.33
California	5.00	517.93	597.00	1,067.45	477.39	123.12	2,518.80	5,879.73		250.00	25.00			11,461.42
Colorado			61.50				61.00	30.00		48.00		20.00		220.50
Florida	72.00	89.80	322.50	244.21	411.50	262.64	1,731.88	4,425.03			30.00	145.00	66.60	7,801.00
Georgia	501.00	664.22	952.50	263.00	605.17	211.00	1,183.10	10,365.20		25.00		3.00		14,773.19
Hawaii		20.66	21.00	75.00		14.05		69.13						199.84
Idaho							255.00							255.00
Illinois	732.00	245.84	342.00	145.00	10.00	20.00	921.11	7,112.11	23.85			120.00		9,671.91
Indiana		50.00	180.00	160.00		166.15		806.22		67.00				1,429.37
Iowa			22.50				28.00	18.05		60.00				128.55
Kansas		32.15	81.00	14.00	90.15	2.70	967.83	1,383.49						2,571.32
Kentucky		128.19	439.25	75.00	290.00		2,492.33	4,547.15	55.00	60.00		250.00		8,336.92
Maryland	527.64	178.50	148.50		680.67	165.00	555.50	1,190.03				25.00		3,470.84
Michigan		258.18	490.50	25.00	61.00	25.44	741.50	3,362.14	10.00				20.00	4,993.76
Mississippi	22.50	488.32	424.00	144.00	208.60	203.23	6,681.98	2,003.23		1,370.00	55.00	1,622.00		13,167.86
Missouri	575.23	609.93	1,257.00	4,077.70	1,315.57	121.54	14,379.60	26,564.67		280.00		1,899.85	325.50	51,461.59
Nebraska			7.50	10.00	18.00		100.00							135.50
New Mexico		39.44	54.00	4.00	36.00	100.00	73.05	40.00						346.49
North Carolina	2,986.49	275.22	1,761.00	141.00	1,224.92	180.50	5,802.06	11,744.75	62.93	45.00	100.00	415.00		24,738.87
Northwest														1,158.58
Ohio	303.52	355.58	562.50	10.00	123.31	37.23	1,498.00	8,408.09	50.00	242.50	50.00	234.60		11,875.33
Oklahoma	3,277.97	507.70	2,050.50	169.75	1,113.04	63.45	9,273.38	23,980.38	25.00	490.05		578.70		41,529.92
Pennsylvania			13.50				106.17	382.00						501.67
South Carolina	100.00	188.38	1,087.50		740.34		1,109.87	11,520.51		888.26	250.00			15,884.86
Tennessee	805.72	501.00	1,419.50	878.25	489.02	628.37	4,796.27	8,664.88	347.00	37.25	25.00	480.15		19,072.41
Texas	50.00	204.70	532.50	260.73	777.79	117.60	2,140.45	5,424.36		40.00	132.00	82.40	111.10	9,873.63
Virginia	2.00	375.72	460.50	203.80	271.50		1,652.55	7,251.25		55.00	35.00	235.70		10,543.02
Washington			81.00				453.51	783.49						1,318.00
West Virginia	240.00	380.00	283.50			100.00	1,614.00	2,681.74		5.00		180.00		5,484.24
Totals	\$10,629.57	\$7,838.86	\$16,061.75	\$8,474.23	\$10,588.58	\$2,758.61	\$69,790.99	\$173,965.81	\$593.78	\$4,033.06	\$807.00	\$8,210.20	\$760.20	\$314,512.64

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 for a modest cost. We have two new booklets available at our booth, one dealing with the cults by Reverend Randy Corn and one dealing with the New Age movement by Reverend Bill Jones.

The Commission will also conduct seminars on subjects of concern. If you would like to have a seminar conducted in your area, please contact our secretary, Reverend Fred Hall, 210 South 10th Street, Nashville, Tennessee 37206.

Financial Report

Balance in Bank, January 1, 1987 \$5,202.15

INCOME:

Gifts:

Alabama	\$ 6.68
Arkansas	176.17
Arizona07
California	34.86
Delaware	10.57
Florida	80.15
Georgia	37.05
Idaho	2.19
Illinois	42.94
Indiana	143.20
Kansas	2.00
Kentucky	6.23
Maryland	11.19
Michigan	32.00
Mississippi	13.07
Missouri	484.46
North Carolina	28.89
New Mexico10
Ohio	89.44

Oklahoma	325.16	
Tennessee	66.36	
Texas	22.89	
Virginia	13.89	
West Virginia	90.56	
Northwest Association78	
Other Gifts	26.07	
Total Gifts	1,746.97	
Sales of Literature	256.99	
Refund on Nat'l. Assn. Booth Expense	50.00	
Interest on Bank Account	255.67	2,309.63
TOTAL INCOME AND BALANCE		\$7,511.78
EXPENDITURES:		
Office Expense	\$ 121.69	
Shipping Literature Expense	6.86	
Salary/Bookkeeping	200.00	
Printing Literature	1,026.00	
Nat'l. Assn. Booth Expense	450.00	
Annual Meeting Expense	449.65	
Writer's Expense for Manuscript	175.00	
Nat'l. Assn. Seminar Speakers Expense	150.00	
TOTAL EXPENDITURES		2,579.20
BALANCE IN BANK, December 31, 1987		\$4,932.58
Leroy Forlines, Chairman		
Dari Goodfellow, Bookkeeper		

RADIO AND TELEVISION COMMISSION REPORT

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.

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 16 years broadcasting experience, nine in Christian radio. Shockey brings 30 years of preaching/pastoral experience and insight to the programs.

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 ten stations.

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.

Getting our churches to give to the Radio and Television Commission has been a problem since very little effort has been made to personally contact each church. Since this commission does not have any full time employees, it would be so helpful if individuals and churches could see the need and be willing to share the burden to get the gospel out to so many at such a low cost. Please share this burden with us as we seek to reach the world for Christ through the means of radio.

We would like to challenge every pastor and the 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 this great cause.*

Treasurer's Report

January 1, 1987 - December 31, 1987

Receipts

Cooperative Plan	\$ 2,600.43
Gifts	1,773.86
Interest on Savings Account	130.01
Transfer from Savings	200.00
TOTAL	\$ 4,704.30

Disbursements

Commission Expenses	\$ 151.51
Part-time Help	250.00
Radio Production Costs	1,236.49
Postage	114.57
Equipment & Maintenance	300.00
Printing & Supplies	139.81
National Convention	1,074.58
Miscellaneous	274.34
TOTAL	\$ 3,541.30
Actual Income over Expenses	\$ 1,163.00
Current Checking Account Balance (12/31/87)	982.01
Current Savings Account Balance (12/31/87)	1,984.41
TOTAL	\$ 2,966.42

1989 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	900.00
Booth	150.00
Digest, Yearbook	150.00
Materials	200.00
*Speaker's Expense for Convention	400.00
Broadcast Air-time	3,380.00
Miscellaneous	1,500.00
TOTAL BUDGET	\$11,780.00

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

Sandy Goodfellow, Chairman
 Jim Vallance, Secretary-Treasurer
 Larry Hampton
 Bill Gardner
 Terry Boyd

Mailing Address: Radio and TV Commission
 P.O. Box 1088
 Nashville, TN 37202

HISTORICAL COMMISSION REPORT

The Commission published the *50-Year Record*, a publication that includes a general history of the National Association (1935-1985), minutes from the 1985 convention, national department histories, the three major 1985 convention addresses and appropriate pictures.

The Commission contracted for 3,200 copies of the book. Copies were shipped to state promotional offices for distribution to the churches. Each local church received one complimentary copy. The Commission has approximately 700 copies available for sale at cost to interested buyers.

The Commission's 1989 project is to print an updated index of minutes in the Historical Collection. The update will be supervised by Robert Picirilli and will be published in time for distribution at the 1989 national convention.

1987 Financial Report

Balance on hand: January 1, 1987	\$ 9,243.35
Income for 1987:	
Gifts (Co-op, designated & undesignated) ...	\$1,666.60
Interest (Savings, First Amer. Bank)	542.93
Royalties (Randall House)	9.75
	2,219.28
Balance on hand: December 31, 1987	\$11,462.63

GENERAL BOARD REPORT

The General Board met Monday, July 18, 1988, in the Allis Plaza Hotel, Kansas City, Missouri. As a result of that meeting we offer the following information and recommendations.

1. We have heard the reports of the Executive Office, the Hymnal Committee, Home Missions Department, Master's Men Department, Retirement Department, Free Will Baptist Foundation, Benevolent Fund, Foreign Missions Department, Free Will Baptist Bible College, Sunday School and Church Training Department, and a special report of the Budget Committee. We recommend that these reports be received and the budgets adopted as each is presented.

2. The report of the Hymnal Committee contains two recommendations. We recommend the adoption of these two recommendations.

The General Board also recommends the election to the Music Commission the five men nominated by the Hymnal Committee. They are Blaine Hughes (5 years), Vernon M. Whaley (4 years), Rodney D. Whaley (3 years), R. Douglas Little (2 years) and Bill Gardner (1 year).

3. We recommend that the Benevolence Committee continue its work until all unpaid medical claims are settled.
4. We recommend that the Executive Secretary of the National Association be authorized to inform appropriate governmental agencies of the Ivory Coast, and any other country considered related, that Lonnie Palmer is not affiliated with the Board of Foreign Missions of the National Association of Free Will Baptists.
5. We recommend that Tulsa, Oklahoma be the site of the National Association to be held July 12-16, 1998.
6. In regards to item 7 of the 1987 General Board report which concerns establishing a Youth Department separate and apart from the Sunday School and Church Training Department, we recommend no changes.

REGISTRATION COMMITTEE REPORT

National Convention		
Ministers	658	
State Delegates	103	
Local Church Delegates	129	
Lay Board Members	12	
Home Missionaries	70	
Foreign Missionaries	30	
National Officers	4	
Non-Delegates	<u>2,566</u>	
		Total 3,572
National Youth Conference		1,402
Woman's National Auxiliary Convention		<u>892</u>
		Grand Total 5,866

REPORT OF COMMITTEE ON COMMITTEES

Credentials Committee:

Dale Skiles, Chairman, Mo.
 Delmar Sparks, Ohio
 John Edwards, Ala.
 Wallace Malone, Ill.
 Bob Thomas, Colo.

Nominating Committee:

Larry Hughes, Chairman, Ark.
 Archie Ratliff, Ind.
 Nuel Brown, Calif.
 Billy Hanna, Ga.
 Dan Runion, Mich.

Resolutions Committee:

George Lee, Chairman, N.C.
 Bill Ezell, Tenn.
 Fred Jones, Mexico
 Fred Hanson, Canada
 Ron Parker, Texas

Committee on Committees:

Chairman, Rue Dell Smith
 Bill Robinson
 Luther Sanders
 John Smith
 Walter Ellison

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: Arizona, Alabama, Arkansas, California, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Maryland, Michigan, Mississippi, Missouri, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia.
2. From the following district associations with the right to three delegates each: Atlantic Canada Association, First Colorado District, Northeast Association, Northwest Association.
3. From the following local churches reporting directly to this body with the right to one delegate each: Riverview Church, Bettendorf, Iowa; First Church, Billings, Montana; First Church, Virgin Islands; Waipahu Church, Hawaii.
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.

Committee:

John Edwards
Dale Skiles
Delmar Sparks
Wallace Malone
Bob Thomas

REPORT OF THE NOMINATING COMMITTEE

General Board Members

Terms to expire in 1989

Kansas: replacing Andy Percy, Warner Collier
Missouri: replacing Millard Sasser, Dale Skiles

Terms to expire in 1990

New Mexico: replacing Lloyd Morris, Earl Jenkins
North Carolina: replacing Tom Lilly, Tom Lilly
Northeast Association: replacing Jim Nason, Jim Nason
Northwest Association: replacing Paul Wood, Mike Mutchler

Ohio: replacing Delmar Sparks, Delmar Sparks
Oklahoma: replacing Jack Richey, Jack Richey
South Carolina: replacing Earl Hendrix, Earl Hendrix
Tennessee: replacing Raymond Riggs, Raymond Riggs
Texas: replacing Bobby Ferguson, Ron Parker
Virginia: replacing Dale Burden, Jeff Crabtree
West Virginia: replacing Carl Vallance, Carl Vallance

Executive Committee (2-year terms)

Replacing Raymond Riggs (Tenn.), Raymond Riggs
Replacing Jack Richey (Okla.), Jack Richey
Replacing Tom Lilly (N.C.), Carl Vallance (W. Va.)

(1-year term)

Replacing Millard Sasser (Mo.), Dake Skiles (Mo.)

Nominees to Bible College Trustees (6-year terms)

Replacing Ken Walker (Ky.), Ken Walker
Replacing Bob Ketchum (Okla.), Bob Ketchum
Replacing Tom Malone (Ala.), Howard Price (Ga.)

Nominees to Foreign Missions Board (6-year terms)

Replacing Jim Walker (Mich.), Bill Reagan (Canada)
Replacing Norwood Gibson (S.C.), Norwood Gibson
Replacing Robert Trimble (Mich.), Robert Trimble

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

Replacing Milton Worthington (Mich.), Milton Worthington
Replacing Eugene Hales (Ala.), Billy Hanna (Ga.)
Replacing Jim Shepherd (Mo.), Jim Shepherd

Nominee to Commission for Theological Integrity (5-year term)

Replacing Fred Hall (Tenn.), Fred Hall

Nominee to Historical Commission (5-year term)

Replacing Mary Wisehart (Tenn.), Mary Wisehart

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

Replacing Terry Boyd (Tenn.), Terry Boyd

Nominees to Music Commission

Bill Gardner (Tenn.), 5-year term
Blaine Hughes (N.C.), 4-year term
Vernon Whaley (Okla.), 3-year term
Danny Thomas (Ga.), 2-year term
Leroy Cutler (Fla.), 1-year term

General Officers

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

RESOLUTIONS COMMITTEE REPORT

Resolution #1

Whereas, Universal Studios has produced a \$10 million film entitled "The Last Temptation of Christ" and

Whereas, the film is blasphemy against Christ and presents Christ in a manner that is offensive to believers everywhere (i.e. 1. He is unsure about His purpose in life. 2. He has physical relations with Mary Magdalene while an angel watches. 3. He has to convince Judas to betray Him. 4. Mary, His mother, says that Jesus "is not well in the head" and many other blasphemous statements.) and

Whereas, the information concerning this film is reliable and documented by Tim Penland (a Christian hired by Universal to help market the film, but who recently left Universal after learning the true contents of the film) and by men such as Dr. James Dobson, Donald Wildmon and Bill Bright (all who have read the script);

Be it therefore resolved that we as a denomination pray and ask God to show Himself in a powerful way, convincing the key figures at MCA-Universal to kill this film.

Be it also resolved that we inform our people of this attack against our Lord and encourage them to write or call Universal and protest this blasphemy.

Be it further resolved that we express our displeasure economically by refusing to support financially all other Universal-MCA owned operations including, but not limited to, Universal Studio Tours, LMJ toys, Spencer Gifts and Intrigue Stores.

Be it further resolved that our clerk send a copy of this resolution to MCA-Universal informing them of our displeasure.

Be it further resolved that if the film is released, Universal will be showing it through the Cineplex Odeon theaters and other chains. Write, call or meet personally with the manager of your local theater(s) requesting that he not feature the film. Present to him a petition signed by concerned individuals in your neighborhood or church who agree that the film should not be shown. (As amended and adopted.)

Resolution #2

Whereas, Americans enjoy the precious privilege of participation in the political process through the casting of ballots, and

Whereas, the future direction of our country may be determined by the elections this year; therefore,

Be it resolved that we encourage our people to register to vote and to support those candidates that they feel best stand for Christian ideals and freedom. (Adopted)

Resolution #3

Whereas, the Missouri State Association of Free Will Baptists have so graciously hosted our fifty-second annual convention, therefore,

Be it resolved that we express our appreciation to them with a standing vote of thanks. (Adopted)

Resolution #4

Whereas, a significant part of Free Will Baptist history took place in and around New Durham, New Hampshire, and

Whereas, there stands today some historical landmarks of special interest to Free Will Baptists, and

Whereas, it is important to help preserve these landmarks for our posterity, and

Whereas, it is right that we share the responsibility with the New Durham FWB Church,

Therefore, be it resolved that a committee be appointed by the moderator to work with the pastor of the New Durham FWB Church to devise a plan to preserve and maintain these landmarks and to report their findings to the convention in 1989. (Referred to Historical Commission)

Resolution #5

Whereas, a group of godly, dedicated men from among our ranks, appointed by our Foreign Missions Board has devoted untold hours of prayerful investigation into the Ivory Coast circumstances,

Therefore, be it resolved that the National Association hereby extends grateful gratitude to the men who served on this committee,

And be it further resolved that the National Association expresses confidence in our Ivory Coast missionaries, Foreign Missions staff and departmental personnel, and the Board of Foreign Missions. (Adopted as amended)

TARGET 90 COMMITTEE REPORT

The Target 90 Committee has met regularly during the past year in an effort to keep abreast of growth progress throughout the denomination. Special efforts have been made to inform interested leaders, pastors and church groups of what is available in the way of aids to promote growth.

A quarterly news bulletin, *Target 90 Report*, has been published including articles aimed at promoting growth. It also included reports of success from various churches, groups and individuals.

Plans have been made to print four posters and to produce four 10-minute video tapes to help pastors and churches plan for and promote growth. These should be available in the near future.

A Target 90 seminar is scheduled for the National Association in Kansas City. The seminar is to be held at Bartle Hall in Room 215 and will feature pastors Claudie Hames of California, David Crowe of Tennessee, and Brian Atwood of Indiana.

In order to better evaluate the growth of the denomination, continued efforts have been made to get better reports from churches, districts and states. While these have improved in some areas, much more improvement and better cooperation are essential for proper evaluation and concentrated thrusts.

A number of pastors and churches have signed up to participate in the Target 90 program. Some of these have already reported significant growth. Only a small percentage of the denomination has manifested interest in this program. We would like to encourage every church in the denomination to set growth goals and make a concentrated effort to reach those goals in 1988 and 1989.

Target 90 Committee
Dr. Melvin Worthington, Chairman

HYMNAL COMMITTEE REPORT

In 1977, initial work on a new Free Will Baptist hymnal began. A Hymn Book Feasibility Committee was appointed in 1984 to investigate denominational needs in music. Finally, in April 1988, eight tractor trailer trucks arrived at Randall House Publishers with 100,000 copies—all editions, all colors, round and shaped versions of *REJOICE: The Free Will Baptist Hymn Book* (1988). How exciting! After years of wishing, working and waiting, our denomination has a most distinctive—truly remarkable—hymn book that will dramatically impact Free Will Baptists and, hopefully, the wider church for the next decade and beyond.

The Product & Process

The Hymnal Committee met seven times for official business since 1985. In September 1987, a tune list for *REJOICE* was finalized. After considering hundreds, perhaps thousands of tunes, 728 hymns, gospel songs, choruses, scripture readings and more were selected for the book. Our careful selection of tunes has been rewarded by a broad, wonderfully positive acceptance of the book. Frankly, the tune list is one thing that makes *REJOICE* unique.

Due to unexpected printing errors, our original delivery of December 1987 was delayed five months. Correcting these errors was tedious and time consuming but well worth the extra effort. We now have a book with binding and printing quality equal to anything available. MacKenzie and Associates, Nashville, Tennessee, the company used for manufacturing, copyright management and product delivery, should be commended for their commitment to produce a product thoroughly Free Will Baptist in every sense of the word.

More than 33,500 books were sold in the first 2½ months of publication (April 15-June 30, 1988). Over 17,100 round note and 15,400 shaped note books have been shipped. Loose leaf and leather bound editions account for the remaining sales.

We believe these numbers illustrate an overwhelmingly positive response. We are optimistic the remaining 66,000 books will be sold by year's end.

Three areas of advertizing were utilized by MacKenzie and Associates: (1) A very attractive four-color brochure detailing benefits of our new hymnal; (2) A mini-hymnal presented at the National Convention in Birmingham; (3) Letters, news releases and promotion through denominational agencies. One effort designed initially by the committee was Hymn Book Dedication Day. Obviously, because of publication delays, the original deadline for Dedication Sunday was not met. We need to set aside a day for Hymn Book Dedication.

Another mailing to pastors and music directors is needed. Perhaps a special reference copy (@\$7.95) could be offered to those returning a postage free card.

The Potential

REJOICE: The Free Will Baptist Hymn Book (1988) is comparable to, and in some cases superior to, most hymnal publications marketed today, independent or denominational. The scope of our hymn tune inclusions provide diversity seldom seen in a book of this quality. Inquiries as to the availability of *REJOICE* have already been made by other evangelical groups. We believe a definite market exists for *REJOICE* as an independent body. Publication of such a book could give us opportunity to influence other groups' worship and singing for years to come.

Assessing the needs and developing appropriate product for a denominational hymnal is an on-going process. Generally, the practical life of a hymn book is ten years. In view of the fact it took 11 years to successfully develop and publish *REJOICE: The Free Will Baptist Hymn Book* (1988), work needs to begin immediately towards complement and publication of *Free Will Baptist Hymn Book* (1999).

Free Will Baptists have a wonderfully promising resource of song writers. Literally hundreds of songs written by our denominational colleagues were submitted for consideration by our committee. While many songs were not immediately appropriate for the present book, it is obvious talent in this

discipline can be developed. Avenues of music publishing, recording and distribution should be encouraged. Additionally, music curriculum and training of Free Will Baptists in church music skills must be a priority.

The Proposals

Based on the committee's work over the last four years, the Hymnal Committee makes the following recommendations:

(1) October 2, 1988, be designated as Hymn Book Dedication Day. Printed program suggestions and bulletin covers should be made available.

(2) Establish a Free Will Baptist Music Commission for the following purposes:

- (a) To *Preserve* Free Will Baptist hymnody by guiding and developing creative hymn text and tune writing, evaluating regional demands for gospel music needs; encouraging creative congregational singing in our worship and evangelistic services, and enlisting congregations to use Free Will Baptist hymnals.
- (b) To *Promote* Free Will Baptist hymnody by encouraging denominational songwriters and composers to publish and distribute their own materials.
- (c) To *Prepare* *REJOICE: The Free Will Baptist Hymn Book* (1988) for publication as an independent book.
- (d) To *Publish and Produce* choral music and related recordings for use by choirs, youth groups and music ministries.
- (e) To *Publish* music curriculum to meet the diverse demands identified with Free Will Baptist children, teens and adults.
- (f) To *Present* music workshops/seminars for the training of children, teens and adults in singing, playing of instruments, accompanying, choral conducting and worship leading.

Respectfully Submitted,
The Hymnal Committee
REJOICE: The Free Will Baptist Hymn Book (1988)

Vernon M. Whaley, Chairman
R. Douglas Little, Secretary
W. Blaine Hughes
Leroy Cutler
Bill Gardner
Ted Wilbanks
Rodney D. Whaley

BENEVOLENT FUND FINANCIAL STATEMENTS

BENEVOLENT FUND OF THE NATIONAL ASSOCIATION
OF FREE WILL BAPTISTS

Balance Sheets

December 31, 1987 and 1986

	1987	1986
<u>Assets</u>		
Cash in bank	\$ 354	248
<u>Liabilities and Fund Deficit</u>		
9.5 note payable to bank, due July, 1988	\$ 8,530	-
Notes payable to Board of Retirement and Insurance of National Association of Free Will Baptists	-	13,259
Accrued interest	-	2,743
	8,530	16,002
	(8,176)	(15,754)
Fund deficit	\$ 354	248

Statements of Revenue, Expenses and Changes in Fund Balance

Years ended December 31, 1987 and 1986

	1987	1986
Revenues - Contributions	\$ 21,735	28,692
Expenses:		
Claims paid	12,425	24,655
Interest expense	1,732	2,743
	14,157	27,398
Total expenses	7,578	1,294
Excess of revenues over expenses	(15,754)	(17,048)
Fund deficit, beginning of year	\$ 8,176	(15,754)
Fund deficit, end of year		

See accompanying note to financial statements.

Note to Financial Statements

December 31, 1987 and 1986

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

Summary of Significant Accounting Policies

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

Fund Accounting

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

Income Taxes

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

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

Marlin & Edmondson
CERTIFIED PUBLIC ACCOUNTANTS
ONE BURTON HILLS BLVD., SUITE 375
NASHVILLE, TENNESSEE 37215

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, 1987 and 1986, and the related statements 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, 1987 and 1986, and its revenue, expenses, and changes in fund balance for the years then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

January 27, 1988

Marlin & Edmondson

BUDGET COMMITTEE REPORT

The National Association of Free Will Baptists, Inc. has approved in this convention the following budget for 1989:

Executive Office	\$ 365,586.52
Executive Church Bonds	6,650.00
Free Will Baptist Bible College.....	2,006,000.00
Foreign Missions	3,429,414.00
(Includes \$150,000.00 Advance Budget)	
Home Missions and Church Extension	1,900,000.00
Master's Men	77,400.00
Retirement and Insurance	219,060.00
Free Will Baptist Foundation	28,500.00
Sunday School and Church Training	2,533,568.00
Radio and Television Commission.....	11,780.00
TOTAL	\$10,577,958.52

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.....	14%
Free Will Baptist Foundation	6%
Commission for Theological Integrity	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

REPORT OF BUDGET COMMITTEE TO GENERAL BOARD

The committee met several times during the year and discussed the financial situation of our national departments and agencies. One of our greatest needs is stewardship education.

We recommend that each September be set aside as Stewardship Month and that the Budget Committee plan and implement the emphasis each year.

We further recommend that the last Sunday of September be known as National Ministries Sunday to be divided according to the Co-op percentages. It is understood that the Executive Office will not share in this offering since its budget is underwritten by regular Co-op gifts.

1988 Gift Goals For National Ministries

	Membership	Executive	FM	FWBBC	HM	R & I	MM	Foundation	Radio/TV	Totals	%
1988 BUDGETS		217,749.00	3,336,036.00	740,000.00	1,900,000.00	199,710.00	85,750.00	23,100.00	11,980.00	6,514,325.00	100%
STATES											
Alabama	19,850	21,569.85	330,462.13	73,303.16	188,210.81	19,782.94	8,494.25	2,288.25	1,186.72	645,298.10	9.91%
Arizona	188	204.29	3,129.82	694.26	1,782.55	187.36	80.45	21.67	11.24	6,111.64	0.09%
Arkansas	19,595	21,292.75	326,216.90	72,361.48	185,792.99	19,528.80	8,385.13	2,258.85	1,171.47	637,008.38	9.78%
California	4,578	4,974.65	76,214.39	16,905.89	43,407.01	4,562.53	1,959.03	527.74	273.69	148,824.92	2.28%
Canada	273	296.65	4,544.89	1,008.15	2,588.49	272.08	116.82	31.47	16.32	8,874.88	0.14%
Colorado	220	239.06	3,662.55	812.43	2,085.96	219.26	94.14	25.36	13.15	7,151.92	0.11%
Florida	5,381	5,847.22	89,582.71	19,871.25	51,020.77	5,362.82	2,302.65	620.31	321.70	174,929.43	2.69%
Georgia	7,514	8,165.03	125,092.82	27,748.11	71,245.14	7,488.61	3,215.41	866.19	449.22	244,270.53	3.75%
Hawaii	31	33.69	516.09	114.48	293.93	30.90	13.27	3.57	1.85	1,007.77	0.02%
Idaho	78	84.76	1,298.54	288.04	739.57	77.74	33.38	8.99	4.66	2,535.68	0.04%
Illinois	4,285	4,656.26	71,336.54	15,823.88	40,628.88	4,270.52	1,833.65	493.96	256.18	139,299.87	2.14%
Indiana	1,406	1,527.82	23,407.04	5,192.15	13,331.20	1,401.25	601.66	162.08	84.06	45,707.26	0.70%
Iowa	71	77.15	1,182.01	262.19	673.20	70.76	30.38	8.18	4.24	2,308.12	0.04%
Kansas	595	646.55	9,905.54	2,197.25	5,641.58	592.99	254.61	68.59	35.57	19,342.69	0.30%
Kentucky	10,569	11,484.72	175,952.35	39,029.78	100,211.59	10,533.29	4,522.71	1,218.36	631.86	343,584.67	5.27%
Louisiana	60	65.20	998.88	221.57	568.90	59.80	25.68	6.92	3.59	1,950.52	0.03%
Maryland	1,620	1,760.36	26,969.71	5,982.42	15,360.28	1,614.53	693.23	186.75	96.85	52,664.13	0.81%
Mexico	3,000	3,259.93	49,943.90	11,078.56	28,444.96	2,989.86	1,283.77	345.83	179.35	97,526.16	1.50%
Michigan	4,029	4,378.08	67,074.66	14,878.51	38,201.58	4,015.39	1,724.10	464.45	240.87	130,977.64	2.01%
Mississippi	4,800	5,215.88	79,910.24	17,725.70	45,511.93	4,783.78	2,054.03	553.33	286.96	156,041.86	2.40%
Missouri	16,990	18,462.05	282,848.95	62,741.60	161,093.28	16,932.60	7,270.39	1,958.56	1,015.74	552,323.16	8.48%
Montana	40	43.47	665.92	147.71	379.27	39.86	17.12	4.61	2.39	1,300.35	0.02%
Nebraska	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
New Jersey	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
New Mexico	190	206.46	3,163.11	701.64	1,801.51	189.36	81.31	21.90	11.36	6,176.66	0.09%
North Carolina	16,046	17,436.26	267,133.27	59,255.54	152,142.60	15,991.79	6,866.44	1,849.73	959.30	521,634.93	8.01%
Northwest Assoc.	100	108.66	1,664.80	369.29	948.17	99.66	42.79	11.53	5.98	3,250.87	0.05%
Ohio	564	612.87	9,389.45	2,082.77	5,347.65	562.09	241.35	65.02	33.72	18,334.92	0.28%
Oklahoma	9,962	10,825.13	165,847.04	36,788.21	94,456.23	9,928.34	4,262.96	1,148.39	595.57	323,851.87	4.97%
Pennsylvania	23,043	25,039.50	383,619.08	85,094.44	218,485.73	22,965.15	9,860.61	2,656.33	1,377.61	749,098.45	11.50%
Puerto Rico	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
South Carolina	6,165	6,699.15	102,634.71	22,766.45	58,454.39	6,144.17	2,638.14	710.68	368.57	200,416.26	3.08%
Tennessee	16,135	17,532.97	268,614.93	59,584.20	152,986.47	16,080.49	6,904.52	1,859.99	964.62	524,528.21	8.05%
Texas	4,097	4,451.97	68,206.72	15,129.62	38,946.33	4,083.16	1,753.20	472.29	244.94	133,188.23	2.04%
Virginia	7,019	7,627.14	116,852.07	25,920.14	66,551.72	6,995.29	3,003.58	809.13	419.63	228,178.71	3.50%
Virgin Islands	153	166.26	2,547.14	565.01	1,450.69	152.48	65.47	17.64	9.15	4,973.83	0.08%
West Virginia	11,740	12,757.18	195,447.12	43,354.11	111,314.61	11,700.34	5,023.80	1,353.35	701.87	381,652.38	5.86%
Wyoming	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Totals	200,387	217,749.00	3,336,036.00	740,000.00	1,900,000.00	199,710.00	85,750.00	23,100.00	11,980.00	6,514,325.00	100.00%

Gift Goals
Per Person

32.51

0.06

0.12

0.43

1.00

9.48

3.69

16.65

1.09

1.09

1.09

Gift Goals
Per Person

143

1988 STATISTICAL REPORT

	Associations	Number Reporting	Churches	Number Reporting	City	Rural	Full-Time Pastors	Part-Time Pastors	Baptisms	Members Added	Members Lost	Total Membership	Combined Income of all Churches	Number of Churches with Budgets	Parsonages
Alabama	15	15	182	179	65	108	90	49	570	1,083	534	19,318			15
Arizona	2	2	4	4	4		4		24	19	68	283	175,636		
Arkansas	16	16	224	217	80	144	87	137	646	1,020	606	20,772	4,248,221	31	70
California	7	7	76	75	65	10	43	32	427	579	495	4,556	2,666,509	25	32
Canada	1	1	15	13	2	13	8	5	19	14	4	500		3	
Colorado	1	1	8	8	8		8		25	20	7	225	102,000	4	
Florida	9	9	75	75	39	34	39	12	243	516	144	5,697	1,386,237	37	
Georgia	10	10	124	116	46	72	103	14	247	455	301	9,477	2,266,525	33	65
Hawaii			1	1	1		1		4	6	6	31	39,325	1	1
Idaho	1	1	3	3	3		3		2	9		90	36,851	1	3
Illinois	6	6	41	40	16	19	20	15	148	187	80	3,960	1,094,925	17	17
Indiana	4	4	25	25	20	5	12	12	103	204	94	1,909	506,296	7	5
Iowa	1	1	1	1	1		1		3	3		74	37,354	1	1
Kansas	2	2	9	9	9		9		40	47	27	426	236,393	3	2
Kentucky	10	10	145	145			10	97	537	238		11,160	211,867		
Louisiana															
Maryland	3	3	26	26	11	15	17	9	40	99	59	1,752	633,063	12	9
Mexico															
Michigan	5	5	43	42	39	4	28	14	171	271	222	3,880	116,221	5	14
Mississippi	4	4	57	43	15	42	30	13	81	169	136	2,675			16
Missouri	16	16	170	164	97	73	90	80	421	810	415	17,385	3,341,666	33	42
Montana			1	1	1		1		3		1	39			
Nebraska															
New Jersey															
New Mexico	2	2	5	5	5		4		14	39	10	196	9,447	2	
North Carolina	8	8	191	165	35	89	99	9	444	1,021	448	15,633	3,305,316	54	59
Northeast Assoc.	1	1	3	3	1	2	2	1	1	5	2				
Northwest Assoc.	1	1	10	7	6	1	4	3	71	93	7	460	146,017	4	1
Ohio	17	17	143	143	67	76	46	95	514	729	593	9,782	1,912,436	10	21
Oklahoma	24	24	258	238	153	92	140	89	823	1,664	643	23,414	6,903,484	50	86
Pennsylvania															
Puerto Rico															
South Carolina	6	6	113	88	30	66	77	18	492	718	275	9,762	1,817,878	42	51
Tennessee	7	7	203	170	71	106	109	64	785	1,071	678	19,915	4,564,863	42	62
Texas	7	7	62	59	42	17	31	28	142	403	159	3,162	988,668	12	23
Virginia	5	5	95	95	11	13			24	381	107	7,028	1,553,336	2	10
Virgin Islands			1	1	1		1								
West Virginia	21	21	182	182	29	153	73	105	846	563	333	11,021	1,841,488	17	19
Wyoming															
TOTALS	218	218	3,046	3,043	973	1,143	1,192	978	7,810	17,946	6,474	84,438	815,447,000	826	707

REPORTING PERIOD 1987-1988

	Value of Church and Parsonage Property	Sunday School Enrollment	CTS Enrollment	WNAC Enrollment	MM Enrollment	Ordained Ministers	Licensed Ministers	Deacons	Day Cares	Kindergartens	Christian Day Schools	Bible Institutes	Colleges	Value of Associational Property
Alabama	19,688,903	11,562	3,339	845	253	285	55	581					1	
Arizona	2,023,500	279	195			10		10						600,000
Arkansas	31,090,900	13,378	3,351	1,364	335	378	42	623	3	4	3	1		500,000
California	20,323,028	5,138	515	552	27	131	24	161	4	6	6	1	1	250,000
Canada		546				7	1							
Colorado	950,000	270		30	20	8	1							
Florida	10,055,025	4,117	1,120	397	156	111	12	172	7	5	5			607,400
Georgia	15,648,750	5,284	1,472	871	232	154	11	422	3	2	2			3,000,000
Hawaii	3,000,000	44	26	12	7	2	2	3						
Idaho	330,000	102		6	5	4	1	3						
Illinois	7,823,500	2,902	663	338	105	73	10	106	1	1	2			
Indiana	2,330,000	2,433	135	159	58	47	27	45	1	2	2			
Iowa	280,000	50		13	10									
Kansas	1,471,000	581		59		9	1	4				1		
Kentucky	6,680,300	5,830	740	310	21	399	29	279	1					
Louisiana														
Maryland	4,821,800	1,447	56	233	25	47	6	40		1	1	1		
Mexico														
Michigan	3,495,000	3,594	88	418	93	75	22	86	1					
Mississippi	4,701,500	2,736	938	390	146	51	22	111	3	3	3			940,000
Missouri	20,063,285	11,880	1,362	940	82	275	43	404	3	4	5			
Montana	150,000	17				1			1					
Nebraska														
New Jersey														
New Mexico	555,000	139	10	41	8	5		7						
North Carolina	14,410,000	13,434	1,624	1,142	130	218	68	396	7	12	11		1	412,486
Northeast Assoc.			20	30	14	7	2	2						
Northwest Assoc.	380,000	480		413	74	357	20	290	1	1	2			375,000
Ohio	22,274,741	10,442	709	413	74	357	20	290	1	1	2			7,242,289
Oklahoma	40,619,600	18,660	4,073	1,394	255	437	75	661	8	2	2		1	
Pennsylvania														
Puerto Rico	10,839,000	6,865	1,575	1,120	520	130	30	294	3	5	5	4		
South Carolina	22,717,400	13,266	2,207	1,466	620	284	102	546	5	5	5	1	1	
Tennessee	8,685,798	2,767	687	347	44	85	17	126				2		
Texas	9,688,741	4,478	752	275	54	235	10	256	3	3	2	2		
Virginia		90		15	8	1			1	1	1			
Virgin Islands														
West Virginia	7,033,430	12,855	771	584	98	447	28	463			4	2		
Wyoming														
TOTALS	292,130,201	155,666	26,428	13,764	3,400	4,276	661	6,085	56	61	60	13	5	13,927,175