

1990 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-Third Annual Session
of the
National Association
of
Free Will Baptists, Inc.
when convened in
Tampa, Florida
July 16-20, 1989**

Future Sessions To Be Held In

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
1999 Atlanta, Georgia	July 18-22

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

1991

Alabama: John Edwards
 Arizona: Paul Thompson
 Arkansas: David Joslin
 Atlantic Canada: Oral McAfee
 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: Tim York
 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 Criswell
 Ohio: Delmar Sparks
 Oklahoma: Jack Richey
 South Carolina: Joe Cagle
 Tennessee: Raymond Riggs
 Texas: Bill Jones
 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

1990

1991

Officers

Raymond Riggs (Tenn.)	Charles Cooper (Mich.)	Ralph Hampton (Tenn.)
Jack Richey (Okla.)	J.L. Gore (Miss.)	Carl Cheshier (Ark.)
Carl Vallance (W.Va.)	Bob Thomas (Colo.)	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 (Ga.)	Dean Dobbs (N.C.)	Norwood Gibson (S.C.)

HOME MISSIONS BOARD

Chairman: Rue Dell Smith, 209 East Robinson, Springdale, AR 72764
 Director: Roy Thomas, P.O. Box 1088, Nashville, TN 37202

1991

1993

1995

Milburn Wilson (Calif.)	Richard Adams (Tenn.)	Fred Hanson (Canada)
Glenn Thomas (Ga.)	Rue Dell Smith (Ark.)	Earl Hendrix (S.C.)
Larry Russell (La.)	Wendell Walley (N.C.)	J.D. Norris (Fla.)

MASTER'S MEN BOARD

Chairman: Wendell Leckbee, 1 Amber Lane, N. Little Rock, AR 72118
 Director: James Vallance, P.O. Box 1088, Nashville, TN 37202

1991

1993

1995

Howard Gwartney (Okla.)	Wendell Leckbee (Ark.)	Johnny Fowlkes (Ark.)
Tim Jordan (Ga.)	Dwight Fletcher (Ga.)	James Orr (Ky.)
Thurman Pate, Jr. (Tenn.)	Charles Denman (Texas)	Waymon Ray (Okla.)

BOARD OF RETIREMENT

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

1991

1993

1995

Ron Barber (Okla.)	Robert Morgan (Tenn.)	Jack Daniel (Ga.)
Roger Harwell (Okla.)	Lincoln Varney (Ky.)	Waymon Fields (Ala.)
Milton Hollifield (N.C.)	To Be Filled	Wilburn Beasley (S.C.)

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.)
Larry D. Hughes (Ark.)	Larry Clyatt (Ill.)	Jim Shepherd (Okla.)

COMMISSION FOR THEOLOGICAL INTEGRITY

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

1990 Edwin Wade (Okla.)	1991 Lonnie Skiles (Mo.)
1992 Leroy Forlines (Tenn.)	1993 Fred Hall (Tenn.)
1994 L.C. Johnson (Tenn.)	

HISTORICAL COMMISSION

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

1990 Steve Hasty (Ala.)	1991 David Joslin (Ark.)
1992 Jack Williams (Tenn.)	1993 Mary Wisehart (Tenn.)
1994 Robert Picirilli (Tenn.)	

RADIO-TELEVISION COMMISSION

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

1990 Larry Hampton (Tenn.)	1991 Sandy Goodfellow (Tenn.)
1992 Bill Gardner (Tenn.)	1993 Terry Boyd (Tenn.)
1994 James Vallance (Tenn.)	

MUSIC COMMISSION

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

1990 Vernon Whaley (Okla.)	1991 Rodney Whaley (Tenn.)
1992 Douglas Little (Ark.)	1993 Bill Gardner (Tenn.)
1994 Blaine Hughes (N.C.)	

Proceedings

The 53rd annual convention of the National Association of Free Will Baptists met July 16-20, 1989 in Curtis Hixon Convention Center, Tampa, Florida. The theme of the convention was "Growing Through Scriptural Stewardship." Blaine Hughes served as music coordinator with Jerry Caraway, organist, and Rebecca Williams, pianist.

Sunday Morning—Sunday School

Blaine Hughes led the congregation in singing "Isn't He Wonderful," "King of Kings" and the chorus of "Because He Lives," to begin Adult Sunday School. Leroy Cutler presided over both the Sunday School and morning worship. He led in prayer. An ensemble from Free Will Baptist Bible College sang "Savior, Like a Shepherd."

Sam Truett was introduced to teach the Sunday School lesson: The subject was "Nahum: God's Wrath on Nineveh."

Morning Worship

Blaine Hughes led the congregation in singing "What A Savior," "He's Been So Good to me" and "He Touched Me," to begin morning worship. Leroy Cutler led in prayer. The Rejoice Ensemble from Free Will Baptist Bible College presented special music. The congregation sang "Take My Life and Let it Be." An offering for convention expense was received.

The congregation sang "It Is No Secret." Scott Bullman sang "Arise." Pastor Larry Montgomery from Hollywood, Florida, was introduced to bring the message. His subject was "Stewardship of Our Testimony." He read Hebrews 11:5 as a text and delivered the message. After announcements, Nathan Snow led the closing prayer.

Monday Evening Worship—July 17, 1989

Doug Little led the congregation in singing "Heaven Came Down and Glory Filled My Soul," after which Melvin Worthington led in prayer and brought greetings.

Clerk Waldo Young called the 53rd annual session of the National Association of Free Will Baptists into official session and introduced Moderator Ralph Hampton.

The moderator announced the appointment of committees to serve during the convention. Those appointed to the Resolutions Committee were Randy Corn (Georgia), A.B. Brown (North Carolina), Berton Perry (Oklahoma), Leroy Forlines (Tennessee) and Thurmon Murphy (Texas). The Nominating Committee consisted of John Edwards (Alabama), Gene Outland (Illinois), Bobby Shepherd (Arkansas), Tom Lilly (North Carolina) and Bob Thompson (Oklahoma). Those appointed to the Credentials

Committee were Doice McAlister (California), Carl Vallance (West Virginia), Fred Jones (Mexico), J.L. Gore (Mississippi) and Robert Owen (Florida).

The Florida state moderator, Leroy Cutler, brought greetings and welcomed those attending the convention to Florida.

Doug Little led worshipers in a sing-a-long of several choruses and favorite hymns.

An ensemble from Hillsdale FWB College sang "In the Name of The Lord." The Mass Choir under the direction of Doug Little sang "There Is No Other Name." The congregation sang "Great Is Thy Faithfulness."

Melvin Worthington led in prayer and called for ushers to receive the convention offering. The Gospeliers Quartet sang "Where Could I Go" and "He Bought My Soul," as the offering was received.

Pastor Waldo Young from Shawnee, Oklahoma, was introduced to bring the message. Prior to the message, Bill Gardner sang a medley of songs about Jesus. Pastor Young read Genesis 43:23 as his text and brought the message on "Stewardship of Our Treasure." The congregation sang a verse of "Take My Life and Let It Be" as an invitation. Melvin Worthington made announcements and led in the closing prayer.

Tuesday Evening Worship—July 18, 1989

Raymond Lee led the congregation in singing "I'll Fly Away" to open the Tuesday evening worship service. The Rejoice Ensemble from Free Will Baptist Bible College sang "His Word Will Stand."

Presider Earl Hendrix brought greetings, shared prayer requests and led in prayer.

Doug Little led the Mass Choir in singing "The Song of the Nations" and "Worthy Is The Lamb." Raymond Lee led the congregation in singing "Since Jesus Came In" and "O, I Want to See Him."

The convention offering was received as the Oklahoma Ministers Quartet sang "Happy Day" and "The Sun's Coming Up," ending with a medley of songs about Heaven.

The Men's Quartet from Southeastern FWB College backed up Randy Sawyer as he sang "God Will Provide Himself a Lamb."

Pastor Delmar Sparks from Westerville, Ohio, was introduced to bring the message. He read Genesis 1:1, Revelation 22:21 and brought the message on "Stewardship of our Text."

The congregation sang the chorus of "How Great Thou Art" for the benediction and the service was dismissed.

Wednesday Morning—July 19, 1989

Moderator Ralph Hampton called the business session to order at 9:00 a.m. He read Matthew 27:38-54, brought devotional thoughts and led in prayer to open the morning session.

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

The clerk read Item #1 of the General Board report. A motion carried to receive Item #1 and hear the reports of the boards, departments, commissions and committees.

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

Director R. Eugene Waddell gave the report of the Foreign Missions Department. A motion carried to receive the report and adopt the budget.

President Charles A. 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 to adopt the following resolution:

Whereas, the Board of Trustees of Free Will Baptist Bible College recommended in 1988 that the boys' basketball team (Flames) be allowed to wear regulation uniforms when playing basketball, and Whereas, this decision was disapproved by the 1988 national convention, and,

Whereas, we believe the nine men composing the Board of Trustees are men of integrity and spiritual discernment with the best interest of our college in mind, and,

Whereas, practically all other Christian schools and Bible colleges play basketball and other sports in approved regulation uniforms,

Therefore, be it resolved that we refer this matter back to the Bible College Board of Trustees to be handled at their discretion and that this body abide by this decision.

A motion was made and seconded to amend the resolution by deleting the phrase, "and that this body abide by this decision." A motion was made and seconded to postpone the resolution and the amendment until the final report of the Resolutions Committee. The motion to postpone failed.

The motion to amend by deletion failed.

A motion was made and seconded to amend the resolution by substituting the following:

Be it resolved that we rescind our previous action on this matter and give our Bible College Board of Trustees full approval, thus allowing our Bible College basketball team to play ball in regular regulation uniforms.

The motion to amend by substitution carried. After lengthy discussion on the motion, the previous question was moved and carried. The resolution as amended was adopted.

The Wednesday morning session was recessed for lunch.

Wednesday Afternoon

Assistant Moderator Carl Cheshier read II Timothy 4:1-8 and led in prayer to open the afternoon session.

Director Roger C. Reeds gave the report of the Sunday School and

Church Training Department. A motion carried to give Harrold Harrison a rising vote of thanks and appreciation for his service at Randall House Publications. He is retiring.

A motion carried to receive the report of the Sunday School and Church Training Department and adopt the budget.

Item #5 of the General Board report pertaining to NYC dress codes was considered and adopted.

The resignation of Malcolm Fry from the Sunday School and Church Training Board was noted. Larry D. Hughes (Arkansas) was elected to fill this term which expires in 1990.

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

L.C. Johnson (Tennessee) was elected to the Commission for Theological Integrity for a five-year term expiring in 1994.

The clerk read a partial report of the Nominating Committee, those nominees for standing boards.

Chairman Larry Hampton gave the report of the Radio-TV Commission. James Vallance was elected to a five-year term expiring in 1994.

Director Roy Thomas gave the report of the Home Missions Department. A plaque was presented to Rev. and Mrs. Ron Parker for establishing a self-supporting church in Tyler, Texas. A plaque was also presented to Rev. and Mrs. E.R. Mayo for their service as interim workers in Portland, Oregon.

A motion carried to receive the report of the Home Missions Department and adopt the budget.

J.D. Norris (Florida), Fred Hanson (Canada) and Earl Hendrix (South Carolina) were elected to six-year terms on the Home Missions Board, terms expiring in 1995.

Director James Vallance gave the report of the Master's Men Department. Plaques of appreciation were presented to Raymond Lee and Paul Kennedy for their service on the board. A plaque was also presented to Earl Larson in appreciation of his service as conference director for Master's Men.

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

Johnny Fowlkes (Arkansas), James Orr (Kentucky) and Waymon Ray (Oklahoma) were elected to the Master's Men Board for six-year terms expiring in 1995.

Thurman Pate, Jr. (Tennessee) was elected to fill the unexpired term of Paul Moore (Illinois) who resigned from the Master's Men Board. This term expires in 1991.

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

Jack Daniel (Georgia), Waymon Fields (Alabama) and Wilburn Beasley (South Carolina) were elected to the Retirement Board for six-year terms expiring in 1995.

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

Proposed changes in the Foundation's Charter and in the By-Laws of the National Association were distributed in printed form, and attention called to them. Item #2 of the General Board report also pertained to these proposed changes. A motion carried that these be tabled.

Bill Gardner gave the report of the Music Commission. A motion carried to receive the report and adopt the budget. Blaine Hughes (North Carolina) was elected to a five-year term on this commission expiring in 1994.

A motion carried to receive Item #3 of the General Board report and table it.

A motion carried to receive Item #4 of the General Board report and table it.

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

Item #7 of the General Board report was read. A motion carried to adopt Item #7. Items #8, #9 and #10 of the General Board report were also adopted.

Mike Criswell (Northwest Association), Thurmon Murphy (Texas) and Joe Cagle (South Carolina) were elected to the General Board for one-year terms, replacing men who had resigned from the board.

Those elected to the General Board for two-year terms were John Edwards (Alabama), Paul Thompson (Arizona), David Joslin (Arkansas), Oral McAfee (Atlantic-Canada), Doice McAlister (California), Bob Thomas (Colorado), Robert Owen (Florida), Herbert Waid (Georgia), Tommie Carlson (Idaho), Wallace Malone (Illinois), Archie Ratliff (Indiana), Warner Collier (Kansas), Tim York (Kentucky), Lester Horton (Maryland), Fred Jones (Mexico), Charles Cooper (Michigan), J.L. Gore (Mississippi) and Dale Skiles (Missouri).

Charles Cooper (Michigan), J.L. Gore (Mississippi) and Bob Thomas (Colorado) were elected to two-year terms on the Executive Committee of the General Board.

A motion carried to recess the business until Thursday morning.

Wednesday Evening Worship Service

Dale Skiles called the Wednesday evening worship service to order at 7:00 p.m. and led in prayer.

Music Director Vernon Whaley introduced the Hispanic instrumental ensemble from Miami, Florida. The ensemble played "Onward Christian Soldiers."

The Men's Quartet from Southeastern FWB College sang "The Midnight Cry," after which Vernon Whaley led the congregation in singing "I Have Decided to Follow Jesus."

Eugene Waddell asked the congregation to stand in respect for the memory of missionary Paul Woolsey. Mr. Waddell also led in prayer. He

introduced the foreign missionaries who were present. Roy Thomas recognized and introduced the home missionaries who were present.

Thomas Willey directed the Hispanic choir in singing several songs.

Vernon Whaley led the congregation in singing "To God Be the Glory" and "He Is Lord."

Dale Skiles called for ushers to receive the annual missionary offering. The amount of the offering was \$21,501.76.

Janis Williams sang "Christians Arise."

Pastor Milburn Wilson of the Sherwood Forest FWB Church, El Sobrante, California, was introduced to bring the message. He read Matthew 28:19-20, Mark 16:15, and brought the message on the subject "Stewardship of our Territory."

After announcements, the congregation sang "Blest Be The Tie" as the benediction.

Thursday Morning—July 20, 1989

Moderator Ralph Hampton called the Thursday morning business session to order at 9:00 a.m. Keith Burden, assistant clerk, read Psalm 103:8-14 and led in prayer.

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

WNAC Executive Secretary/Treasurer Mary R. Wisheart gave the report of the Woman's National Auxiliary Convention. A motion carried to receive the report.

David Joslin gave the report of the Historical Commission. A motion carried to receive the report and adopt the budget. Robert Picirilli (Tennessee) was elected to a five-year term on the Historical Commission, term expiring in 1994.

The clerk read the report of the Registration Committee. This report was received as information.

Melvin Worthington gave the report of the Budget Committee. A motion carried to receive the report and adopt the budgets.

Herman Hersey gave a report concerning Stewardship Emphasis Month. A motion carried to receive the report.

Herman Hersey gave the report of the Committee for Benevolence. A motion carried to receive the report and adopt the financial statements.

The report of the Resolutions Committee which was distributed Wednesday night in printed form was considered. Resolution #1 was read by the clerk. A motion carried to adopt this resolution.

Resolution #2 was read and adopted.

Resolution #3 was read and adopted.

Resolution #4 was read and adopted.

A motion was made from the floor that the Executive Committee draw up a statement of clarification to be used by our national departments when acting as plaintiffs in litigation. After discussion, the previous question was moved and carried. The motion was defeated.

A motion carried to remove Item #2 of the General Board report from the table. A motion carried to adopt Item #2.

A motion carried to remove Item #3 of the General Board report from the table. A motion carried to refer this item back to the General Board for further study.

A motion carried to remove Item #4 of the General Board report from the table. After discussion, the previous question was moved and carried. Item #4 was adopted.

The final report of the Nominating Committee was read, nominating those to serve as officers.

Keith Burden (Oklahoma) was elected assistant clerk.

Waldo Young (Oklahoma) was elected clerk.

Carl Cheshier (Arkansas) was elected assistant moderator.

Ralph Hampton (Tennessee) was elected moderator.

A motion carried to adjourn.

1989

THE EXECUTIVE SECRETARY'S REPORT

The Executive Secretary attended 18 state associations during 1988. Reports at these meetings indicate continued progress. A spirit of unity, unselfishness and understanding prevailed.

The Target 90 Committee continues to monitor the Target 90 Campaign. Statistics for 1988 indicate 7,910 baptisms; 12,436 members added and 6,454 members lost—a 5,982 net gain in membership. The campaign's 1986-1988 net membership goal was 22,500. Actual gains fell 6,227 short of the campaign goal with 16,273 net membership increase. The campaign's 1986-1988 church planting goal was 45. Free Will Baptists planted 103 new churches, exceeding the goal.

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.

Executive Church Bonds continues to operate on a limited basis. No new bond programs are being accepted. Harold Critcher serves as trustee.

Contact provides information, inspiration and interesting insights 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, Hillsdale FWB College, Southeastern FWB College and California Christian College. Escalating printing costs require an increase in subscription rates effective January 1990: Individual \$10; Bundle Plan \$9; Church Family Plan \$8. The 1990 *Contact* budget reflects this increase.

Randall House mailed a complimentary copy of the 1989 *Free Will Baptist Yearbook* to Free Will Baptist churches in early spring. Additional copies may be ordered from Randall House.

The biennial All-Boards Conference met December 5-6, 1988 in Nashville. Participants included members from the national boards, commissions, General Board and WNAC Executive Committee.

The biennial Leadership Conference, sponsored by the national departments will meet December 4-5, 1989, in Nashville, Tennessee. Seven speakers will develop the theme: "Accountability."

The Executive Office and Foreign Missions Department continued to study the possibility of organizing an International Association (Fellowship) of Free Will Baptists. Tentative plans will be presented to the delegates during the 1989 convention in Tampa, Florida.

Site inspection visits for the July 18-22, 1999, convention included Savannah and Atlanta, Georgia. We recommend Atlanta, Georgia as the site for our 1999 national convention.

The doctoral program (Ed.D.) in religious education at Vanderbilt University is going well. The course requirements total 87 semester hours. All course work will be completed at the end of the 1989 spring semester. Plans are to take the qualifying exams during the 1989-1990 school year and complete the doctoral dissertation in the spring of 1992.

The Management Committee continues to explore the possibility of re-locating the National Offices.

Sales of *Rejoice: The Free Will Baptist Hymn Book* as of December 31, 1988, totaled 52,353. The response to this new hymnal has been positive. Effective April 15, 1989, the hymn book will cost: \$9.98 (regular); \$21.98 (loose leaf) and \$51.98 (leather). This price increase is necessary to pay interest costs on the hymn book loan.

The Executive Secretary represents the National Association of Free Will Baptists, Inc. by participating in the Religious Conference Management Association (President), Evangelical Press Association, American Family Association (Advisory Board), Christian Stewardship Association, Citizens for Responsible Television (National Board), Association of the Statisticians of American Religious Bodies, Christian Ministries Management Association, Religious Alliance Against Pornography, and International Bible Reading Association (Advisory Board).

Cooperative Channel gifts for 1988 totaled \$1,268,244.15. Of this amount \$323,295.09 was Co-op (undesignated) and \$944,949.06 was designated. We commend your sacrificial and systematic support of national ministries through this program.

Charting Contributions Through the Cooperative Channel

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

Charting Contributions Through the Cooperative Channel

1986	\$780,988.61 (+38.6%) 68%	\$368,470.06 (-1.69%) 32%	\$1,149,458.67 (+22.51%)
1987	\$876,378.54 (+12.21%) 75%	\$289,547.31 (-21.42%) 25%	\$1,165,925.85 (+1.43%)
1988	\$944,949.06 (+7.82%) 75%	\$323,295.09 (+11.66%) 25%	\$1,268,244.15 (+8.78%)

Cooperative Channel Contributions Increase From 1979-1988

Designated 601.56% COOP 207.69%

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
1988	24,646.15	193,102.83	217,748.98

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
1988	661,447.78	29,944.15	691,391.93

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
1988	57,775.58	29,944.15	87,719.73

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
1988	160,944.26	23,434.61	184,378.87

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
1988	2,322.02	18,226.89	20,548.91

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
1988	4,859.96	16,924.93	21,784.89

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
1988	3,878.10	7,811.61	11,689.71

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
1988	676.30	1,301.90	1,978.20

Charting Contributions Through the Cooperative Channel

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
1988	719.71	1,301.90	2,021.61

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
1988	1,188.13	1,162.12	2,350.25

We encourage churches to support local, district, state and national ministries. The Cooperative Plan, when properly 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 1988 totaled \$6,428,621.22. We commend you for your faithful support. Comparative figures since 1980 are:

1980	\$3,520,691.10	1985	\$5,634,007.92
1981	\$4,506,067.27	1986	\$5,826,768.00
1982	\$4,233,825.98	1987	\$5,797,896.42
1983	\$4,627,217.56	1988	\$6,428,621.22
1984	\$5,055,269.03		

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 and Executive Assistant Jack Williams and part-time workers, Anne Worthington and Sue Larson. The staff is experienced and efficient.

Melvin Worthington, Th.D., CMP
Executive Secretary

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

BALANCE SHEET

OPERATING FUND

	YEAR ENDED DECEMBER 31	
	1988	1987
ASSETS		
CURRENT ASSETS		
Cash - General	\$ 27,679.20	\$ 25,767.94
- Contact Magazine	678.02	1,107.89
- Special Projects	5,716.06	43,495.80
Accounts receivable - Contact Magazine	391.74	549.20
- Special Projects	71.16	157.00
- Executive	11,678.46	407.24
Note receivable - Plant Fund	500.00	
Prepaid insurance	2,317.59	3,061.40
	<u>49,032.23</u>	<u>74,546.47</u>
FIXED ASSETS - (Note 1)		
Auto	15,985.25	15,985.25
Office equipment	62,466.18	61,001.46
	<u>78,451.43</u>	<u>76,986.71</u>
Less - accumulated depreciation	42,685.06	30,696.49
	<u>35,766.37</u>	<u>46,290.22</u>
OTHER ASSETS		
Airlines deposits		425.00
	<u>\$ 84,798.60</u>	<u>\$121,261.69</u>
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable - General	\$ 623.86	\$ 218.00
- Contact Magazine		104.89
- Special Projects		75.90
Loans payable - Contact	10,400.00	
- Special Projects	472,693.10	16,985.25
Payroll taxes	1,702.65	1,539.36
	<u>485,419.61</u>	<u>18,923.40</u>
FUND BALANCE	(400,621.01)	102,338.29
	<u>\$ 84,798.60</u>	<u>\$121,261.69</u>

STATEMENT OF REVENUES, EXPENSES, AND FUND BALANCE

OPERATING FUND

	YEAR ENDED DECEMBER 31	
	1988	1987
GENERAL INCOME		
Cooperative Plan	\$193,102.83	\$188,013.53
Gifts	24,646.15	23,900.46
Leadership Conference	3,415.54	5,777.76
Interest		273.06
Target 90	2,191.20	
Other income	3,320.56	13,381.99
Total income	<u>226,676.28</u>	<u>231,346.80</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

	1988	1987
GENERAL EXPENSES		
Accounting and legal	2,500.00	2,520.00
Bad debts	407.24	1,813.07
Executive Committee - travel	4,272.02	5,186.47
Insurance - general	4,292.44	3,529.03
Insurance and retirement - employees	16,499.24	14,202.15
Office space rental	15,411.60	15,411.60
Office supplies and printing	9,320.42	7,915.28
Payroll taxes	3,608.47	3,472.91
Postage	996.05	1,603.35
Promotion	607.71	635.07
Leadership Conference	2,718.95	7,000.55
Salaries	91,667.36	87,818.88
Housing allowances	23,000.04	23,000.04
Telephone	3,446.81	5,185.15
Travel	12,295.27	11,193.56
Target 90 expenses	1,837.01	
Repairs and maintenance	4,094.19	767.01
Depreciation expense	11,988.57	7,941.86
Other expenses	1,247.53	7,171.16
Total expenses	<u>210,210.92</u>	<u>206,367.14</u>
Net income (Loss)	<u>\$ 16,465.36</u>	<u>\$ 24,979.66</u>
CONTACT MAGAZINE INCOME		
Sales	\$ 54,686.29	\$ 53,765.90
Less cost of sales	64,507.63	60,701.86
Less bad debts	61.10	
Net income (Loss)	<u>(\$ 9,882.44)</u>	<u>(\$ 6,935.96)</u>
SPECIAL PROJECTS INCOME		
Sales	\$227,788.62	\$104,514.24
Less cost of sales	738,330.84	(63,117.71)
Net income (Loss)	<u>(\$510,542.22)</u>	<u>\$ 41,396.53</u>
Total net gain (Loss)	<u>(\$503,959.30)</u>	<u>\$ 59,440.23</u>
Fund balance, beginning	103,338.29	43,898.06
Fund balance, ending	<u>(\$400,621.01)</u>	<u>\$103,338.29</u>

BALANCE SHEET

PLANT FUND

YEAR ENDED
DECEMBER 31

	1988	1987
ASSETS		
CURRENT ASSETS		
Cash - general	\$ 1,367.10	\$ 18,922.93
Accounts receivable	142.62	371.22
Prepaid insurance	6,287.31	6,836.94
Total current assets	<u>7,797.03</u>	<u>26,131.09</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	5,091.73	3,482.50
Lawn equipment	4,016.86	4,016.86
Paving parking lot	8,147.00	8,147.00
Total capital assets	353,938.34	352,329.11
Less-accumulated depreciation	189,612.21	173,551.47
	164,326.13	178,777.64
OTHER ASSETS		
Deposit	176.62	176.62
Total assets	\$172,299.78	\$205,085.35
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	\$ 710.09	\$ 6,227.31
Property taxes	3,620.97	2,950.97
Payroll taxes	1,212.76	1,215.33
Board of Retirement and Insurance (Note 2)	27,222.68	41,406.96
Note payable - telephone system	5,624.41	12,559.80
Note payable - Executive	500.00	
Total current liabilities	38,890.91	64,360.37
FUND BALANCE	133,408.87	140,724.98
Total liabilities and fund balance	\$172,299.78	\$205,085.35

STATEMENT OF REVENUE, EXPENSES, AND FUND BALANCE

PLANT FUND

	YEAR ENDED DECEMBER 31	
	1988	1987
GENERAL INCOME		
Rent	\$ 85,265.28	\$107,198.64
Telephone	24,994.34	29,945.62
Hospitalization and life insurance	79,630.35	71,326.78
Postage meter	35,654.08	33,856.37
Other income	3,258.20	1,849.47
Total income	228,802.25	244,176.88
GENERAL EXPENSES		
General supplies	975.53	683.67
Hospitalization and life insurance	82,137.65	72,248.22
Insurance - general	8,747.76	5,311.20
Interest	4,705.41	6,405.16
Janitor service and supplies	3,555.69	3,099.47
Property taxes	3,620.97	2,950.97
Retirement expense	867.12	921.90
Mail truck expense	800.55	725.35
Mail room expense	3,044.62	2,401.49
Maintenance - general	5,797.13	4,773.17
Payroll taxes	2,463.78	2,350.29
Salaries	32,854.70	33,010.07
Telephone	16,430.11	23,389.90
Utilities	12,365.89	14,832.06
Postage	34,994.13	34,203.97
Depreciation	19,543.24	18,638.07
Other expenses	3,214.08	3,625.75
Total expenses	236,118.36	229,570.71

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

Net income	(7,316.11)	14,606.17
Fund balance, beginning	140,724.98	126,118.81
Fund balance, ending	\$133,408.87	\$140,724.98

BALANCE SHEET

CONVENTION FUND

YEAR ENDED
DECEMBER 31

	1988	1987
ASSETS		
Cash	\$35,469.57	\$24,515.39
Accounts receivable	509.24	509.24
Loans receivable (Note 2)		15,985.25
Total assets	\$35,978.81	\$41,009.88
LIABILITIES		
Accounts payable	\$	\$ 35.00
Fund balance	35,978.81	40,974.88
Total liabilities and fund balance	\$35,978.81	\$41,009.88

STATEMENT OF REVENUE, EXPENSES, AND FUND BALANCE

CONVENTION FUND

YEAR ENDED
DECEMBER 31

	1988	1987
GENERAL INCOME		
Banquet tickets	\$ 6,710.00	\$ 6,300.00
Offerings	6,408.15	5,220.85
Church fees	20.00	1,460.00
State fees	25,200.00	25,110.00
Booth fees	7,175.00	6,950.00
Host state gift	6,371.00	10,496.63
Interest	3,057.33	1,306.69
Other income	4,397.07	14,502.17
Total income	59,338.55	71,346.34
GENERAL EXPENSES		
Printing and promotions	12,269.58	11,819.85
Auditorium rent and signs	18,743.07	16,945.68
Booth installations		2,869.70
Convention office	7,840.09	2,463.66
Insurance	175.00	400.00
Honorariums	700.00	1,100.00
Telephone	613.21	
Truck expenses	988.71	
Postage	537.62	
Travel expenses	12,914.53	10,180.55
Banquet tickets	8,372.54	6,300.00
Other expenses	1,180.27	14,926.98
Total expenses	64,334.62	67,006.42
Net income (Loss)	(4,996.07)	4,339.92
Fund balance, beginning	40,974.88	36,634.96
Fund balance, ending	\$35,978.81	\$40,974.88

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	
	1988	1987
<u>RECEIPTS</u>		
Alabama	\$ 7,110.80	\$ 4,181.06
Arizona	1,638.17	50.00
Arkansas	54,876.72	50,874.30
California	18,219.32	10,409.32
Canada	545.98	-0-
Delaware	3,348.36	3,465.50
Florida	24,664.89	21,467.39
Georgia	101,150.25	94,454.81
Hawaii	-0-	-0-
Idaho	760.97	682.88
Illinois	96,761.98	100,247.39
Indiana	7,344.72	8,808.64
Iowa	-0-	-0-
Kansas	946.25	613.23
Kentucky	1,436.86	2,679.78
Maryland	5,806.57	3,124.74
Mexico	-0-	-0-
Michigan	72,067.18	57,188.27
Mississippi	6,965.97	4,735.24
Missouri	84,956.28	97,484.30
New Jersey	-0-	-0-
New Mexico	257.30	144.58
North Carolina	22,998.68	16,622.96
Northwest Association	233.45	-0-
Ohio	51,656.75	34,396.30
Oklahoma	428,152.09	418,890.13
South Carolina	124,422.01	82,338.13
Tennessee	27,532.12	24,065.56
Texas	93,347.36	93,604.74
Virginia	4,906.36	4,846.69
West Virginia	26,136.29	30,312.86
Interest	-0-	237.05
Other	.47	-0-
Total receipts	<u>\$1,268,244.15</u>	<u>\$1,165,925.85</u>

	DESIGNATED	COOP	TOTAL 1988	TOTAL 1987
<u>DISBURSEMENTS</u>				
Executive Office	\$ 24,646.15	\$193,102.83	\$ 217,748.98	\$ 211,913.99
Foreign Missions	661,447.78	29,944.15	691,391.93	615,802.65
FWBBC	57,775.58	29,944.15	87,719.73	74,832.46
Home Missions	160,944.26	23,434.61	184,378.87	191,177.73
Retirement & Insurance	2,322.02	18,226.89	20,548.91	16,564.57
Master's Men	4,859.96	16,924.93	21,784.89	16,816.97
FWB Foundation	3,878.10	7,811.61	11,689.71	6,932.64
Historical Commission	676.30	1,301.90	1,978.20	1,703.34
Commission for Theological Integrity	719.71	1,301.90	2,021.61	1,720.90
Hillsdale FWB College	22,220.83		22,220.83	23,384.79
Radio and TV Commission	1,188.13	1,162.12	2,350.25	2,600.38
Other	4,410.02	.22	4,410.24	2,475.43
Total Disbursements	<u>\$945,088.84</u>	<u>\$323,155.31</u>	<u>\$1,268,244.15</u>	<u>\$1,165,925.85</u>

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 1988

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, 1988

Note 1 - Property, plant, and equipment as of December 31, 1988, was held as follows:

	OPERATING FUND	PLANT FUND
Land, building, and accessory equipment	\$	\$298,853.35
Telephone equipment	15,985.25	5,091.73
Vehicles	62,466.18	
Office equipment		4,016.86
Lawn equipment		8,147.00
Paving parking lot	78,451.43	353,938.34
	42,685.06	189,612.21
Less - accumulated depreciation	<u>\$35,766.37</u>	<u>\$164,326.13</u>

Note 2 - Obligations of the Executive Office on notes were as follows at December 31, 1988:

Contact	\$ 10,400.00
Special Projects	472,693.10
	<u>\$483,093.10</u>

Obligations of the Plant Fund on notes were as follows at December 31, 1988:

Note payable - Executive	\$ 500.00
Note payable - telephone system	5,624.41
Board of Retirement and Insurance	27,222.68
	<u>\$33,347.09</u>

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1988

ASSETS	OPERATING FUND		
	GENERAL	CONTACT MAGAZINE	SPECIAL PROJECTS
Cash			
Accounts receivable	\$27,679.20	\$ 678.02	\$ 5,716.06
Notes receivable	1,278.46	391.74	71.16
Prepaid insurance	10,900.00		
Deposits	2,317.59		
Land			
Buildings & accessory equipment (net)			
Telephone equipment (net)			
Office furniture (net)			
Autos (net)			
	23,511.01		
	12,255.36		
	<u>\$77,941.62</u>	<u>\$ 1,069.76</u>	<u>\$ 5,787.22</u>
LIABILITIES			
Accounts payable - trade			
Property taxes payable	\$ 623.86		
Note payable - Ret. & Ins. Dept.			
Note payable - Telephone system			472,693.10
Note payable - Executive			
Payroll taxes		10,400.00	
Fund balance			
	1,643.21		59.44
	75,674.55	(9,330.24)	(466,965.32)
	<u>\$77,941.62</u>	<u>\$ 1,069.76</u>	<u>\$ 5,787.22</u>

Loans receivable and payable of \$10,900.00 in 1988 and \$15,985.25 in 1987, have been eliminated in department totals.

EZRA JONES

Certified Public Accountant

1161 MURFREESBORO ROAD
NASHVILLE, TENNESSEE 37217

February 16, 1989

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, 1988 and 1987, and related statements of revenues, expenses, and fund

TOTAL	PLANT FUND	CONVENTION	EXECUTIVE OFFICE TOTALS	EXECUTIVE OFFICE TOTALS
			1988	1987
\$ 34,073.28	\$ 1,367.10	\$35,469.57	\$ 70,909.95	\$113,809.95
1,741.36	142.62	509.24	2,393.22	1,993.90
10,900.00				
2,317.59	6,287.31		8,604.90	9,898.34
	176.62		176.62	601.62
	62,044.59		62,044.59	62,044.59
	89,545.78		89,545.78	101,601.29
	7,565.88		7,565.88	15,131.76
23,511.01			23,511.01	30,837.81
12,255.36	5,169.88		17,425.24	15,452.41
<u>\$ 84,798.60</u>	<u>\$172,299.78</u>	<u>\$35,978.81</u>	<u>\$282,177.19</u>	<u>\$351,371.67</u>
\$ 623.86	\$ 710.09	\$	\$ 1,333.95	\$ 6,661.10
	3,620.97		3,620.97	2,950.97
472,693.10	27,222.68		499,915.78	41,406.96
	5,624.41		5,624.41	12,559.80
10,400.00	500.00			1,000.00
1,702.65	1,212.76		2,915.41	2,754.69
(400,621.01)	133,408.87	35,978.81	(231,233.33)	284,038.15
<u>\$ 84,798.60</u>	<u>\$172,299.78</u>	<u>\$35,978.81</u>	<u>\$282,177.19</u>	<u>\$351,371.67</u>

balances for the years then ended. I have also examined the balance sheets of the Convention Fund as of December 31, 1988 and 1987, 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, 1988 and 1987, 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

**1990
Executive Office Budget**

Administrative	
Convention (1989)	\$242,000.00
CONTACT	70,429.26
	82,575.00
Total	<u>\$395,004.26</u>

**1990
Administrative Budget**

<u>Projected Expenses</u>	
Salaries	\$106,754.57
Housing and Utilities	25,450.00
Social Security	15,041.15
Retirement	4,420.53
Employees Insurance	18,081.60
(Dental, Hospital, Life, Travel)	
Office Rental	17,124.00
Office Supplies	4,000.00
Equipment Maintenance	5,000.00
Telephone	4,000.00
Postage	2,128.15
General Insurance	4,000.00
Travel	15,500.00
Executive Committee	6,500.00
Auditing	3,000.00
Promotion/Printing	4,500.00
Biennial Leadership Conference	1,500.00
Equipment Purchase/Computer	5,000.00
Total	<u>\$242,000.00</u>

<u>Projected Income</u>	
Cooperative Plan	\$216,000.00
Designated Gifts	26,000.00
Total	<u>\$242,000.00</u>

Convention Budget

National Association of Free Will Baptists, Inc.
July 16-20, 1989
Tampa, Florida

Projected Expenditures

Auditorium	\$ 21,975.00
Printing and Promotion	15,243.00
Convention Office	5,199.00
Convention Personnel	7,381.00
Meals	1,744.00
Travel	2,149.00
Lodging	3,488.00
Convention Officials	6,093.65
Honorariums	600.00
Decorator Services	6,795.00
Meal Functions	2,027.05
Executive Committee	1,200.00
Meal and Motel Expenses	
Pre-Convention Expenses	3,915.56
Total	<u>\$ 70,429.26</u>

Projected Receipts

Booth Fees	\$ 10,325.00
State Association Fees	24,960.00
Church Delegate Fees	1,000.00
Host State (Florida)	10,000.00
Offerings	24,144.26
Total	<u>\$ 70,429.26</u>

**1990
Contact Budget**

Projected Expenses

Printing	\$ 50,675.00
Postage	13,000.00
Art	1,000.00
Writer's Fees and Photos	4,000.00
Promotion	1,000.00
Computer	2,500.00
Mail Services	6,000.00
Telephone	400.00
Office Supplies	1,000.00

Travel	1,400.00
Bound Copies	400.00
Other	200.00
Books, Dues, Registrations	1,000.00
Total Expenses	<u>\$ 82,575.00</u>

Projected Income

*Subscriptions	<u>\$ 82,575.00</u>
Total Income	<u>\$ 82,575.00</u>

*Based on 8,000 subscriptions

(4,350 @ \$8.50 = \$36,975.00 Church Family Plan)

(400 @ \$9.00 = \$ 3,600.00 Bundle Plan)

(4,200 @ \$10.00 = \$42,000.00 Individual Plan)

EXECUTIVE CHURCH BONDS, INC.

SERVICE AND TRUST FUND

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE

RESULTING FROM CASH TRANSACTIONS

	DECEMBER 31	
	1988	1987
<u>ASSETS</u>		
Cash	<u>\$18,039.76</u>	<u>\$18,394.56</u>
<u>FUND BALANCE</u>		
Fund balance	<u>\$18,039.76</u>	<u>\$18,394.56</u>

STATEMENT OF REVENUE COLLECTED AND EXPENSES PAID

	DECEMBER 31	
<u>REVENUES COLLECTED</u>		
Interest on savings	\$ 1,007.95	\$ 951.65
Transfer to Regular Fund	1,362.75	
Cash beginning	<u>18,394.56</u>	<u>17,442.91</u>
Cash ending	<u>\$18,039.76</u>	<u>\$18,394.56</u>

EXECUTIVE CHURCH BONDS, INC.

GENERAL FUND

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE

ARISING FROM CASH TRANSACTIONS

	DECEMBER 31	
	1988	1987
<u>ASSETS</u>		
Cash	<u>\$3,219.98</u>	<u>\$3,963.97</u>
Office equipment	<u>2,063.70</u>	<u>2,063.70</u>
Total assets	<u>\$5,283.68</u>	<u>\$6,027.67</u>
<u>FUND BALANCE</u>		
Fund balance	<u>\$5,283.68</u>	<u>\$6,027.67</u>

GENERAL FUND

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

	DECEMBER 31	
	1988	1987
<u>REVENUES COLLECTED</u>		
Interest on savings	\$ 152.40	\$ 204.52
Transferred from Service & Trust Fund	<u>1,362.75</u>	
Total to be accounted for	<u>1,515.15</u>	<u>204.52</u>
<u>EXPENSES PAID</u>		
Advertising	374.00	22.50
Leadership & National Conference	250.00	217.41
Accounting and auditing	91.80	250.00
Digest expenses	125.00	98.85
Payroll taxes	2.78	125.00
Postage	1,104.71	1,201.24
Salaries, commissions & trustee fees	<u>310.85</u>	<u>152.20</u>
Telephone	<u>2,259.14</u>	<u>2,067.20</u>
Total disbursements	<u>(743.99)</u>	<u>(1,862.68)</u>
Excess of revenues over (expenses)	<u>3,963.97</u>	<u>5,826.65</u>
Cash beginning	<u>\$3,219.98</u>	<u>\$3,963.98</u>
Cash ending		

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

May 15, 1989

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, 1988 and 1987, 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, 1988 and 1987, 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

1990 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
--------------	-------------

1988 Gift Goals For National Ministries

1988 BUDGETS	Membership	Executive	FM	FWBBC	HM	R & I	MM	Foundation	Radio/TV	Totals	%
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	2,192.86	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	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%
Oklahoma	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%
Pennsylvania	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
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	38,846.33	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

1988 Contributions to National Ministries

States	Executive	Foreign Missions	FWBBC	Home Missions	B&I	Master's Men	Thero. Integrity	WNAC	FWB Found.	Historical Commission	Radio & TV Commission	Totals
Alabama	\$ 4,253.16	\$ 154,723.95	\$ 53,691.05	\$ 150,192.24	\$ 648.71	\$ 2,034.49	\$ 22.37	\$ 886.81	\$ 134.23	\$ 22.37	\$ 141.65	\$ 366,751.03
Alaska	0.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00
Arizona	822.53	5,331.77	1,286.09	7,139.18	75.97	462.17	5.43	173.00	32.56	5.43	5.43	15,339.56
Arkansas	32,644.88	154,354.98	29,736.74	78,416.58	3,276.25	6,388.57	220.80	1,304.17	1,304.17	220.80	228.66	312,381.25
California	9,822.03	65,573.98	9,375.44	90,657.00	1,039.80	2,119.80	66.06	3,179.70	396.39	66.06	66.06	182,362.45
Canada	311.44	0.00	53.94	985.16	32.84	30.49	2.35	0.00	14.08	2.35	2.35	1,435.00
Colorado	0.00	3,840.24	150.00	17,501.80	0.00	0.00	0.00	72.50	0.00	0.00	0.00	21,564.54
Connecticut	0.00	0.00	5,925.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	6,625.00
Delaware	1,999.48	0.00	0.00	0.00	188.85	175.36	13.48	0.00	80.94	13.48	13.48	2,485.07
Florida	14,352.80	90,304.81	25,191.77	71,240.75	1,780.33	2,004.45	102.62	697.38	615.78	102.62	127.62	206,500.93
Georgia	9,562.94	142,014.05	54,243.86	57,849.83	1,145.56	3,614.81	102.62	1,109.88	368.10	102.62	109.48	270,142.37
Hawaii	0.00	0.00	730.00	25.00	0.00	0.00	0.00	28.43	0.00	0.00	0.00	2,468.43
Idaho	492.56	838.23	408.49	2,225.89	37.58	34.89	2.69	0.00	16.11	2.69	2.69	4,061.82
Illinois	8,255.26	94,449.30	20,305.96	50,597.97	1,054.51	1,954.30	53.50	320.95	320.95	53.50	55.34	177,900.08
Indiana	1,126.51	32,117.30	5,979.53	23,699.53	217.43	765.13	135.88	618.39	146.73	135.88	135.88	65,078.19
Iowa	0.00	2,522.70	150.00	828.00	0.00	307.50	0.00	19.50	0.00	0.00	0.00	3,827.70
Kansas	556.03	17,569.73	1,429.35	7,021.05	54.63	50.72	3.91	198.23	23.42	3.91	3.91	26,914.89
Kentucky	724.42	72,499.48	10,733.79	53,623.47	100.34	613.83	4.52	762.25	27.16	4.52	4.52	139,098.30
Louisiana	0.00	50.00	75.00	2,208.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,333.00
Maine	0.00	0.00	0.00	790.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	790.00
Maryland	3,277.04	16,482.03	4,963.68	9,553.72	379.14	328.83	25.29	1,209.35	151.77	25.29	25.29	36,421.43
Michigan	9,904.74	130,049.98	18,986.59	55,416.64	1,647.24	3,403.43	68.81	974.50	412.82	68.81	218.81	221,152.37
Minnesota	0.00	0.00	0.00	328.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	328.00
Mississippi	3,643.16	61,309.01	18,499.77	37,188.09	329.05	2,099.15	19.93	1,217.10	119.61	19.93	19.93	124,464.73
Missouri	12,105.30	246,775.06	35,697.59	134,059.75	436.60	3,099.32	432.18	2,774.15	2.87	432.18	493.88	438,308.88
Montana	0.00	425.00	0.00	480.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	905.00
Nebraska	0.00	848.00	395.00	3,687.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	4,937.50
Nevada	0.00	0.00	215.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	215.00
New Hampshire	0.00	0.00	0.00	14,955.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,065.00
New Jersey	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
New 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
New York	18.25	378.91	22.60	808.51	1.57	1.47	0.10	34.50	0.68	0.10	0.10	1,266.79
North Carolina	9,268.93	427,905.22	130,584.44	2,562.51	2,562.51	1,558.00	50.07	6,195.40	300.37	45.77	293.07	724,627.72
Ohio	18,429.88	99,079.62	10,746.09	85,698.96	1,974.18	1,920.79	120.15	1,417.15	720.93	120.15	120.15	220,348.05
Oklahoma	55,100.16	346,095.19	20,045.73	133,236.00	5,423.51	6,825.33	381.04	3,712.89	2,151.59	358.16	358.16	573,688.21
Oregon	0.00	0.00	0.00	5,863.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,863.90
Pennsylvania	0.00	1,973.47	0.00	1,021.00	0.00	0.00	0.00	18.00	0.00	0.00	0.00	3,012.47
Rhode Island	0.00	0.00	0.00	2,314.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,314.50
South Carolina	1,747.86	173,934.47	47,785.83	91,669.37	417.95	288.51	0.00	3,311.61	0.00	0.00	0.00	319,155.60
South Dakota	0.00	0.00	0.00	3,680.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,680.00
Tennessee	12,128.18	484,943.68	149,177.17	248,468.07	2,431.93	9,821.65	97.04	4,864.93	470.40	84.23	725.84	913,233.12
Texas	4,724.98	104,658.86	7,959.74	31,391.28	446.35	3,788.04	27.83	904.06	167.06	27.83	27.83	154,123.85
Vermont	0.00	0.00	20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00
Virginia	1,538.84	130,231.87	22,472.51	61,023.94	356.46	176.26	9.16	1,065.47	55.04	9.16	9.16	216,948.92
Washington	0.00	0.00	878.76	2,589.82	0.00	0.00	0.00	88.50	0.00	0.00	0.00	3,557.08
West Virginia	794.17	70,484.69	5,485.87	8,888.41	417.78	1,825.14	91.87	804.57	19.89	91.87	91.87	88,996.13
Wisconsin	0.00	0.00	0.00	1,373.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,373.40
Wyoming	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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
Northwest Assoc.	0.00	3,501.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,501.30
Northwest Assoc.	143.45	3,152.82	0.00	0.00	12.59	11.70	0.89	0.00	5.41	0.89	0.89	3,328.64
Puerto Rico	0.00	0.00	0.00	2,325.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,325.00
Virgin Islands	0.00	2,004.00	612.25	27,665.83	0.00	0.00	0.00	115.00	0.00	0.00	0.00	30,397.08
WNAC	0.00	0.00	6,214.14	***46,287.91	438.75	0.00	0.00	0.00	212.51	0.00	0.00	4,652.89
Totals	\$217,748.98	\$3,226,758.82	\$767,857.64	\$1,772,389.57	\$7,628.51	\$55,844.13	\$2,021.61	\$***42,809.40	\$8,292.22	\$1,978.20	\$1,282.30	\$6,616,602.36

*Other includes interest, book sales, national offerings, miscellaneous sources and states.

**Other includes gifts from College Family, Matching Gifts, Foreign Missionaries and Alumni Project.

***Other includes interest, miscellaneous sources and states.

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

1989 Gift Goals for National Ministries

Gift Goals for National Ministries											
	Membership	Executive	FM	FWBBC	HM	R & I	MM	Foundation	Radio/TV	Totals	%
		\$225,488.36	\$3,429,414.00	\$725,000.00	\$1,900,000.00	\$219,060.00	\$77,400.00	\$28,500.00	\$11,780.00	\$6,616,602.36	100%
Budgets											
Alabama	19,318	\$ 21,309.17	\$ 324,145.08	\$ 68,526.34	\$ 179,586.26	\$ 20,705.35	\$ 7,315.78	\$ 2,693.79	\$ 1,113.43	\$ 625,395.20	9.45%
Arizona	283	312.17	4,748.58	1,003.88	2,630.86	303.32	107.17	39.46	16.31	9,161.75	0.14%
Arkansas	20,772	22,913.04	348,542.37	73,684.08	193,103.11	22,263.77	7,866.41	2,896.55	1,197.24	672,466.57	10.16%
California	4,556	5,025.60	76,447.10	16,161.40	42,354.02	4,883.20	1,725.37	635.31	262.59	147,494.59	2.23%
Canada	300	330.92	5,033.83	1,064.18	2,788.90	321.54	113.61	41.83	17.29	9,712.10	0.15%
Colorado	225	248.19	3,775.37	798.14	2,091.67	241.16	85.21	31.38	12.97	7,284.09	0.11%
Florida	5,697	6,284.21	95,592.43	20,208.85	52,961.12	6,106.14	2,157.47	794.42	328.36	184,433.00	4.63%
Georgia	9,477	10,453.83	159,018.68	33,617.56	88,101.20	10,157.60	3,588.96	1,321.52	546.23	306,805.58	4.63%
Hawaii	31	34.20	520.16	109.97	288.19	33.23	11.74	4.32	1.79	1,003.60	0.02%
Idaho	90	99.28	1,510.15	319.26	836.67	96.46	34.08	12.55	5.19	2,913.64	0.04%
Illinois	3,960	4,368.17	66,446.55	14,047.23	36,813.42	4,244.39	1,499.66	552.20	228.24	128,199.86	1.94%
Indiana	1,909	2,105.77	32,031.94	6,771.76	17,746.67	2,046.10	722.94	266.20	110.03	61,801.41	0.93%
Iowa	74	81.63	1,241.68	262.50	687.93	79.31	28.02	10.32	4.27	2,395.66	0.04%
Kansas	426	469.91	7,148.04	1,511.14	3,960.23	456.59	161.33	59.40	24.55	13,791.19	0.21%
Kentucky	11,160	12,310.30	187,258.47	39,587.63	103,746.91	11,961.47	4,226.32	1,556.20	643.23	361,290.53	5.46%
Louisiana	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Maine	0	1,932.58	29,397.57	6,214.83	16,287.15	1,877.82	663.49	244.31	100.98	56,718.73	0.86%
Maryland	1,752	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Massachusetts	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Michigan	3,880	4,279.93	65,104.20	13,763.44	36,069.71	4,158.65	1,469.37	541.05	223.63	125,609.98	1.90%
Minnesota	2,675	2,950.72	44,884.98	9,488.97	24,867.65	2,867.11	1,013.03	373.01	154.18	86,599.65	1.31%
Mississippi	17,385	19,176.93	291,710.44	61,669.45	161,616.48	18,633.53	6,583.75	2,424.25	1,002.03	562,816.86	8.51%
Missouri	39	43.02	654.40	138.34	362.56	41.80	14.77	5.45	2.25	1,262.59	0.02%
Montana	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
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	196	216.20	3,288.77	695.27	1,822.08	210.08	74.23	27.33	11.30	6,345.26	0.09%
North Carolina	15,633	17,244.35	262,312.87	55,454.61	145,329.33	16,755.71	5,920.26	2,179.94	901.04	506,098.11	7.65%
Northwest Assoc.	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Northwest Assoc.	460	507.41	7,718.54	1,631.75	4,276.31	493.05	174.20	64.14	26.51	14,891.91	0.22%
Northwest Assoc.	0	10,790.26	164,136.41	34,699.48	90,936.58	10,484.51	3,704.47	1,364.05	563.81	316,679.57	4.79%
Northwest Assoc.	9,782	25,827.36	392,873.64	83,055.99	217,663.97	25,095.51	8,866.94	3,264.96	1,349.52	777,997.89	11.46%
Oklahoma	23,414	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Oklahoma	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Oklahoma	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Puerto Rico	9,762	10,768.20	163,800.82	34,628.54	90,750.65	10,463.07	3,696.90	1,361.26	562.65	316,032.09	4.78%
South Carolina	19,915	21,967.71	334,162.40	70,644.06	185,136.17	21,345.23	7,541.86	2,777.04	1,147.84	644,722.31	9.74%
Tennessee	3,162	3,487.92	53,056.57	29,394.96	3,389.08	1,197.46	440.92	980.02	182.25	102,365.67	1.55%
Texas	7,028	7,752.40	117,925.83	24,930.28	65,334.52	7,532.73	2,661.52	980.02	405.07	227,522.37	3.44%
Virginia	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Virgin Islands	11,021	12,156.98	184,926.13	39,094.56	102,454.72	11,812.49	4,173.68	1,536.82	635.22	356,790.60	5.39%
West Virginia	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Wyoming	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Totals	204,382	\$225,488.36	\$3,429,414.00	\$725,000.00	\$1,900,000.00	\$219,060.00	\$77,400.00	\$28,500.00	\$11,780.00	\$6,616,602.36	100.00%
		</									

FOREIGN MISSIONS BOARD REPORT

"DECLARE HIS GLORY . . . AMONG ALL NATIONS"

This is our theme for this year taken from 1 Chronicles 16:24. David's prophetic command is an Old Testament version of our Lord's great commission. The text captures the spirit and objective of our foreign missions team. We who know and enjoy His glory gladly go out to the people who haven't heard of Him. We believe this is the best way for us to glorify God.

Global Report

We are excited over seeing the Lord glorified around the world. Last year our missionaries and national preachers saw 685 people turn from Hinduism, Animism, Shintoism, Buddhism, Islam, Romanism and superstition to serve the true and living God.

On Roll Call Sunday, March 26, our churches overseas reported: Brazil — 760; Cuba — 1,400; France — 128; India — 1,716; Ivory Coast — 1,603; Japan — 193; Panama — 534; Spain — 103; Uruguay — 200. This year's total of 6,637 is an increase of 1,060 over last year.

Our brothers in these countries are assuming responsibility for evangelizing their own people. Nationals played important roles in opening new mission works in India, Ivory Coast, Panama, Brazil and Uruguay within the last year.

The 10 overseas Free Will Baptist Bible institutes have 165 students enrolled. The Sower Bible Institute in Montevideo, Uruguay, graduated six in its first commencement exercise last December. The Cedars of Lebanon Seminary in Cuba reopened last September after being closed for 30 years.

We appointed our first missionary affiliates, Sgt. Dennis Heath and his wife, Mary, who are establishing a Free Will Baptist church for U.S. military personnel and dependents in Ramstein, West Germany.

Our medical staff in Ivory Coast treated 11,523 patients in the Doropo clinic, admitted 335 patients to the hospital and delivered 199 babies. The new X-ray equipment is a great asset to the medical work. This ministry of mercy has been instrumental in opening many villages to the gospel.

Our missionary family of 194, including dependents, gladly serve as ambassadors of the Lord and you. Although some have battled illnesses and others have worked amid civil unrest during the past year, they continue to serve faithfully and victoriously. (See the statistical summary of the status of our overseas ministries elsewhere in this report.)

Missionary Stewardship

1988 was a record-breaking year for Free Will Baptist Foreign Missions. For the first time since 1981 we were able to meet our budget. The total income of our department was \$3,399,114 including \$172,347 for the Advance Celebration.

We are grateful that missionary account deficits were reduced last year from \$116,994 at the beginning of January to \$60,743 in December.

Status of Free Will Baptist Overseas Ministries As of January 1, 1989

Field	Missionaries Assigned to Each Field	Ordained Pastors	Licensed and Lay Preachers	Bible Institutes	Students	Organized Churches	Mission Works	1988 Converts	1988 Baptisms	Average Sunday Attendance
Brazil	18	4	25	4	92	8	6	128	43	614
Cuba		10	4	1	5	17		115	42	1,000app.
France	15	1	2			4		7*	5*	124*
India	2	12	8		1	16	41	128	121	1,381
Cote d'Ivoire	39	2	19	1	10	11	34	141	42	1,603
Japan	18	4	6		7	8	4	19	17	193
Panama	6		15	1	29	5	10	121	55	534
Spain	11		6	2	10	3	1	16	7	103
Uruguay	7	2	10	1	11	6	5	10	3	200
Totals	116	35	95	10	165	78	101	685	335	5,752

*France—Statistics for Rennes church not available.

Although we shall not be satisfied until all the deficits are eliminated, we are thankful for the progress that has been made.

This good report is possible because of your generosity. We especially commend those states which exceeded their suggested goals for 1988: Arizona, California, Colorado, Georgia, Iowa, Idaho, Kansas, Maryland, Missouri, North Carolina, Tennessee, Texas and Virginia.

I wish I could list all of the 1,575 churches which sent at least one offering last year because we appreciate every gift. Although space will not permit a complete listing, I do want to honor those churches which gave most generously to foreign missions. The following churches gave between \$10,000 and \$15,000:

Cross Timbers—TN - \$14,547	Faith, Windsor—VA - \$11,471
Southern Oaks—OK - \$14,524	Great Bridge—VA - \$11,276
Horse Branch—SC - \$13,321	Pleasant Acres—NC - \$11,165
Johnston City—IL - \$12,971	Mt. Olive—AL - \$11,068
Horton Heights—TN - \$12,961	Statesboro—GA - \$11,000
Good Springs—TN - \$12,812	Goshen—NC - \$10,457
New Home—OK - \$12,809	Piney Grove—FL - \$10,444
Trinity, Greenville—NC - \$12,386	Friendship—MI - \$10,434
First, Savannah—GA - \$12,238	Bellview—GA - \$10,360
First, Florence—AL - \$12,132	Bethany—OK - \$10,302
Limestone—TN - \$12,094	Garner—NC - \$10,189
Cramerton—NC - \$12,000	Liberty, Durham—NC - \$10,155
First, Henderson—TX - \$11,727	Sherwood Forest—CA - \$10,040
Sherwood Forest—NC - \$11,670	

These churches gave between \$15,000 and \$20,000:

Ina—IL - \$19,548	First, Raleigh—NC - \$15,571
Bethlehem—TN - \$17,755	First, Locust Grove—OK - \$15,446
First Russellville—AR - \$15,326	

These churches gave between \$20,000 and \$30,000:

Cofer's Chapel—TN - \$23,711	Donelson—TN - \$22,508
Bethel—NC - \$21,610	

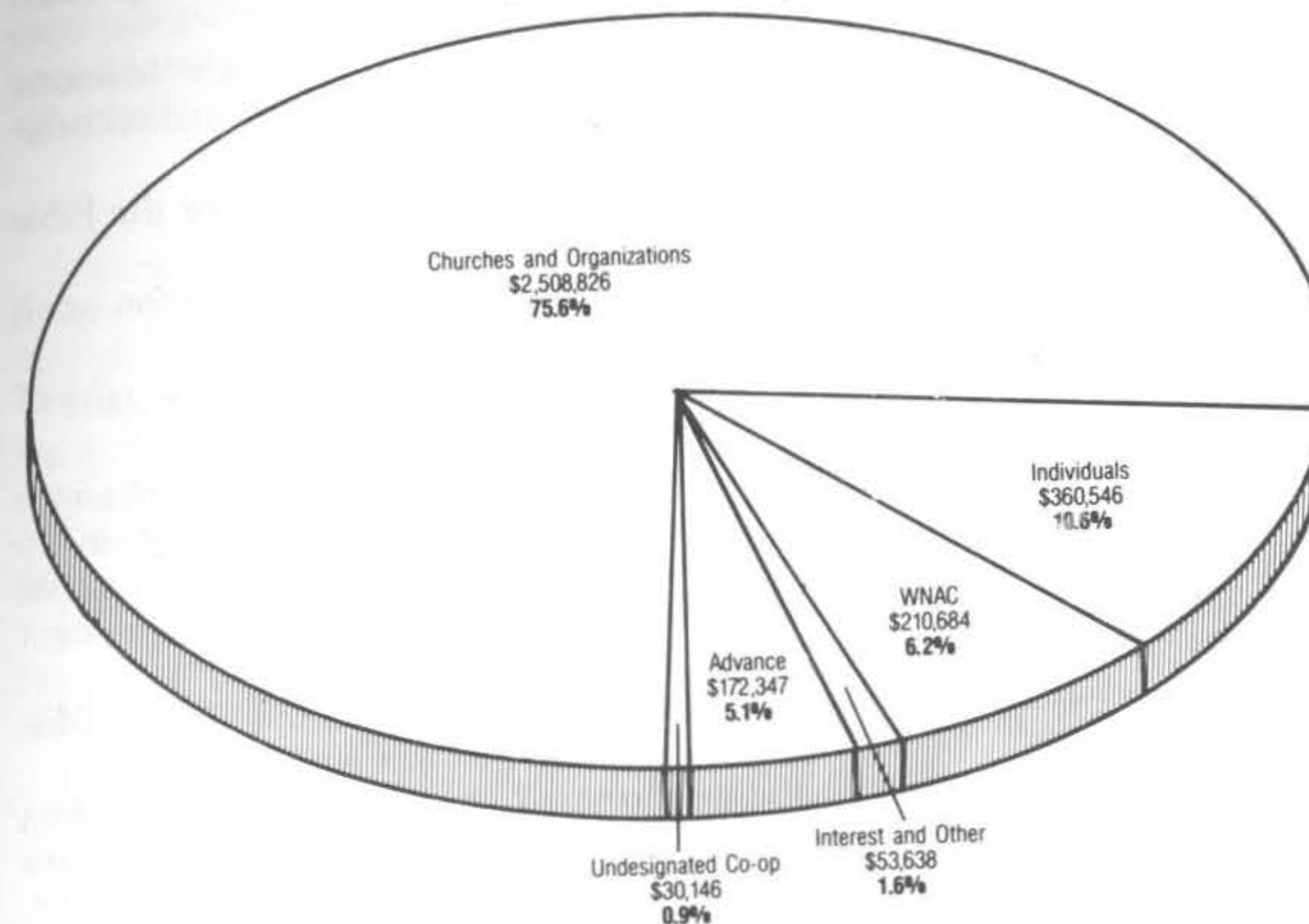
The churches which gave the most to advance the gospel overseas in 1988 were Central of Royal Oak, Michigan (\$50,140) and Fellowship of Kingsport, Tennessee (\$39,270). We commend the members of these two fine congregations for their outstanding example of missionary stewardship.

Next year, we plan to list the top supporting churches per capita. If you are willing to be considered for this list, please watch HEARTBEAT magazine for details or contact our office.

Since we believe missions is at the heart of God's purpose for us, we welcome and appreciate the strong partnership of other organizations in our Free Will Baptist family. For more than 50 years WNAC has been leading the way. During 1988, they channelled \$210,683 into foreign missions. In addition, they assist our missionaries by supplying many household necessities through their provision closet.

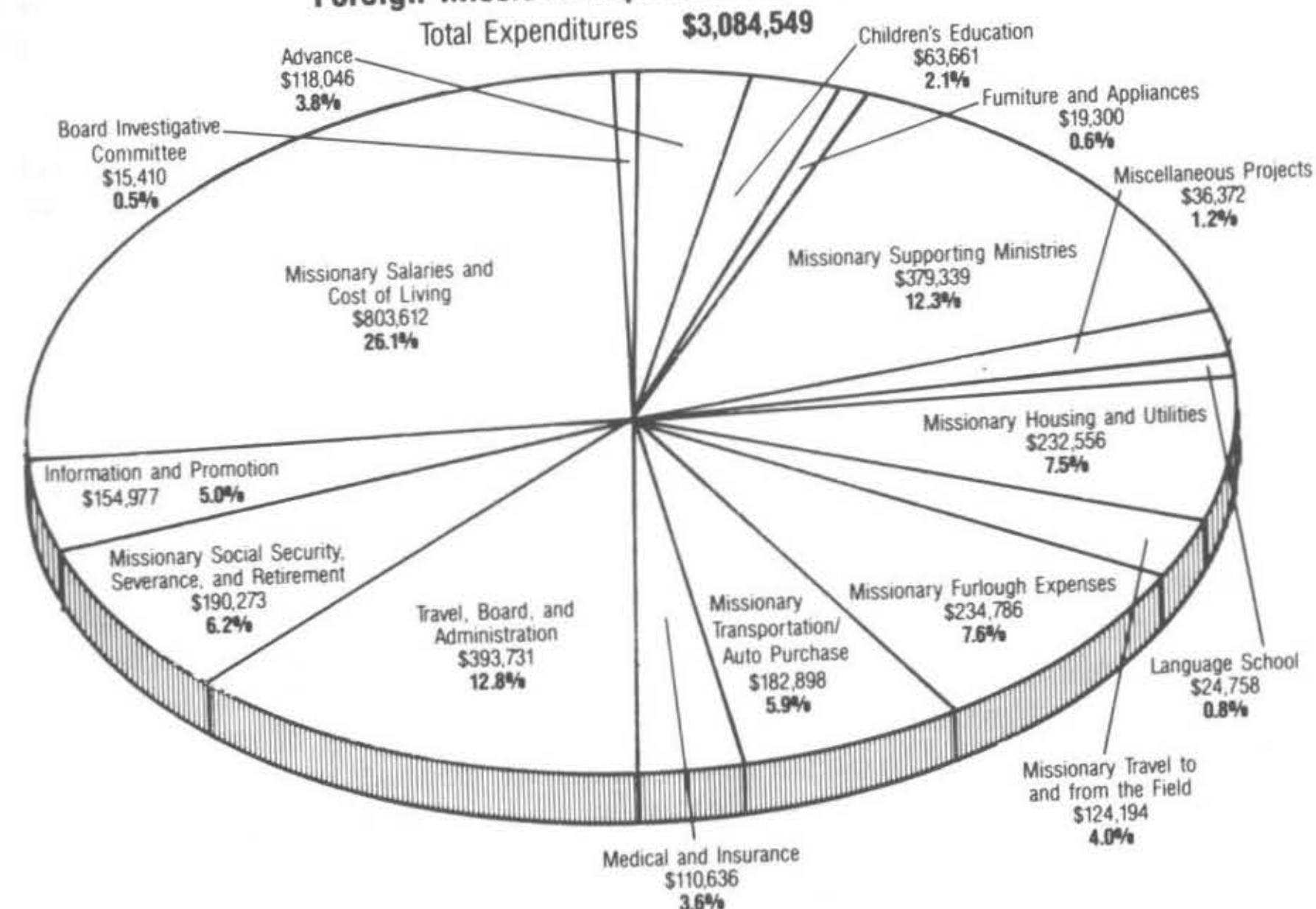
Foreign Missions Income for 1988

Total Income \$3,399,114



Foreign Missions Expenditures for 1988

Total Expenditures \$3,084,549



Last year, the Student Foreign Missions Fellowship at Free Will Baptist Bible College took the St. Nazaire, France church building as a project. They raised almost \$12,000.

The Master's Men continue to assist our missionaries through "Missions Projects." They also encourage laymen to participate in construction projects overseas.

The National Youth Conference raised more than \$15,000 for the Bible institute in Uruguay in 1988.

There are three main pillars which support our foreign missions work financially.

1. For over 30 years we have depended upon the *faith-promise* gifts of our people to underwrite a large portion of our ministry.

2. We also recognize that many congregations support foreign missions through their *church budgets*. This is very helpful. I challenge every church to set a goal of five percent above their cooperative and/or other giving to get the gospel overseas. Perhaps you could increase one percent each year until you reach the goal.

3. We are excited over the response of our people to the "*World Missions Offering*."

For the past 25 years we have encouraged you to receive an offering and report the amount on "Call-a-thon Sunday." During the last two years we have stepped up our efforts to assist our churches in emphasizing foreign missions during April, "Foreign Missions Month." We have provided filmstrips, videos, literature, coin folders and speakers. We asked that our churches climax the month-long emphasis by receiving a generous offering on "Foreign Missions Sunday," the last Sunday in April.

We salute the 54 churches which had sent in their "*World Missions Offering*" at the time this report went to press. You will find the names of all who participated posted at our booth.

Our board is submitting a regular budget of \$3,517,152 for 1990. In addition, we hope to send \$150,000 for Advance Celebration projects. You will find detailed categories of the budgets, as well as suggested goals for the states, at the end of our report.

Advance Celebration

The Advance Celebration is coming to a close in several states. This nationwide observance of our fiftieth anniversary was historic. Many pastors have testified to the blessing of the celebration in their churches. Through April 1989 the gifts have totaled \$556,914. Your generosity has resulted in the purchase of a Bible institute/church building in downtown Montevideo, Uruguay; the construction of a Bible institute in Ivory Coast; the equipping of a Bible college in Brazil; the purchase or construction of church buildings in France, Panama, Japan, Spain and India; the purchase of evangelistic films in Ivory Coast and India; and helping 22 new missionaries get to the field. On behalf of the Free Will Baptists in the eight countries where our missionaries serve, we say a big "THANK YOU."

Since the observance just began in North Carolina this year, the celebration will conclude in March of 1992.

I want to encourage all who have made commitments to follow through. There are many needs yet to be met. Other struggling new congregations need revolving church loan funds, other Bible institutes need libraries and equipment and other fields need evangelistic films. Pray with us that God will supply these needs.

New Missionaries

During 1988 and early 1989 the following missionaries left for the field: Ernest and Elaine Holland, Glenda Leatherbury, Norman and Laura McFall, Jalayn Martens, and Ron and Linda Moore.

Since our last convention, these have been appointed: Bobby and Sue Aycock, Paul and Rhoda Creech, Dennis and Mary Heath (missionary affiliates), Dan and Nina Huddleston and Mark and Juli Riggs.

This year 10 young people have served or are serving as student missionaries.

Dr. and Mrs. LaVerne Miley taught during the fall quarter at Ivory Coast Free Will Baptist Bible Institute. Eddie Payne returned to teach during the winter quarter.

Free Will Baptist Foreign Missions needs dedicated people to serve the Lord overseas. There are opportunities for people of differing gifts in different life situations. In addition to church-planting missionaries (our greatest need), we welcome those who want to work as "tentmaking" missionaries through our missionary affiliate and associate missionary programs. For those specialists who can only stay for a limited period, we have a short-term missionary program. From time to time, we need construction workers to help in overseas building projects. If you are interested in an exciting opportunity to serve the Lord overseas, pray about it and give me a call.

Like the soldier who goes to battle, our missionaries need someone on the home front to support them. All of us are indebted to you. I am personally grateful for a dedicated home staff whose aim is to serve missionaries overseas and the church here at home. If we can assist you, please contact us.

Respectfully submitted,
R. Eugene Waddell
General Director

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

Balance Sheet

December 31, 1988
(with comparative totals for 1987)

Assets	1988			1987
	Operating - Unrestricted and Restricted Funds	Plant Fund	Total All Funds	Total All Funds
Cash and interest bearing deposits (note 2)	\$ 1,155,020	-	1,155,020	844,869
Accrued interest receivable	4,005	-	4,005	3,638
Other assets	15,524	-	15,524	11,970
Equipment at cost, less accumulated depreciation of \$118,634 in 1988 (note 3)	-	-	-	-
Total assets	\$ 1,174,549	52,605	1,227,154	917,426
Liabilities and Fund Balance				
Notes payable to bank (note 2)	\$ -	36,083	36,083	38,083
Accounts payable and accrued expenses	60,643	-	60,643	39,343
Restricted deferred revenue (note 4):				
Missionary accounts	883,711	-	883,711	637,079
ADVANCE campaign	206,414	-	206,414	187,179
Total restricted deferred revenue	1,090,125	-	1,090,125	824,258
Total liabilities	1,150,768	36,083	1,186,851	901,684
Fund balance:				
Unrestricted	23,781	-	23,781	(3,124)
Net invested in plant	-	16,522	16,522	18,866
Total fund balances	23,781	16,522	40,303	15,742
Total liabilities and fund balance	\$ 1,174,549	52,605	1,227,154	917,426

Commitments (note 6)

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

Year ended December 31, 1988
(with comparative totals for 1987)

Support and revenue:	1988			1987
	Unrestricted	Restricted Missionaries ADVANCE	Plant Fund	Total All Funds
Contributions (note 1a)	\$ 345,042	2,581,455	153,112	3,079,609
Investment income	49,981	-	-	49,981
Other	3,657	-	-	3,657
Total support and revenue	398,680	2,581,455	153,112	3,133,247
				3,029,404

See accompanying notes to financial statements.

Expenses:						
Informational and promotional	154,977	-	-	-	154,977	148,255
Travel and board	45,652	-	-	-	45,652	55,029
Administrative	348,079	-	-	-	348,079	332,668
Missionaries	-	2,417,795	119,046	-	2,535,841	2,490,930
Depreciation	-	-	-	24,137	24,137	21,722
Total expenses	548,708	2,417,795	118,046	24,137	3,108,686	3,048,604
Excess (deficiency) of support and revenue over expenses	(150,028)	163,660	35,066	(24,137)	24,561	(19,200)
Fund balances, beginning of year	(3,124)	-	-	18,866	15,742	34,942
Transfers among funds and other changes:						
To plant fund for asset acquisition	(19,793)	-	-	19,793	-	-
Net decrease in debt	(2,000)	-	-	2,000	-	-
Informational and promotional material and equipment transfers (note 5)	198,726	(198,726)	-	-	-	-
Uruguay capital project	-	35,066	(35,066)	-	-	-
Fund balances, end of year	\$ 23,781	-	-	16,522	40,303	15,742

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1988

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

Notes to Financial Statements, continued

(2) Notes Payable

Notes payable consists of the following:

8.9% note payable to bank due January 29, 1989 (see below for security)	\$ 26,083
10% installment note payable to bank, payable monthly at \$283 with final payment due June, 1992. (see below for security)	10,000
	<u>\$ 36,083</u>

To secure the above mentioned notes, the Board has pledged as collateral a \$70,000 Certificate of Deposit.

(3) Plant Funds

A summary of plant fund assets is as follows:

Office furniture and equipment	\$ 32,928
Cameras and projectors	24,734
Automobiles	19,862
Computer equipment	93,715
	<u>171,239</u>
Less accumulated depreciation	118,634
Net invested in plant	<u>\$ 52,605</u>

Depreciation expense, computed on the straight-line method amounted to \$24,137 in 1988.

(4) Restricted Deferred Revenue

Changes in restricted deferred revenue is as follows:

	Missionary Accounts	ADVANCE Campaign	Total
Balance, beginning of year	\$ 637,079	187,179	824,258
Contributions	2,828,087	172,347	3,000,434
Funds available	3,465,166	359,526	3,824,692
Expenses and other changes	2,581,455	153,112	2,734,567
Balance, end of year	<u>\$ 883,711</u>	<u>206,414</u>	<u>1,090,125</u>

(5) Information and Promotional Material and Equipment Transfers

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

(6) Pension

The Board participates in the master pension plan of the Board of Retirement and Insurance of the National Association of Free Will Baptist. The plan is contributory. The policy is to fund pension cost accrued. Pension expenses amounted to \$54,490.

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 of past service benefits and no unfunded value of accrued plan benefits.



Hill, Neal & Allen, P.C.

Independent Auditors' Report on Supplementary Data

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

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

Hill, Neal & Allen, P.C.

February 10, 1989

Schedule 1

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

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

Year ended December 31, 1988

(With comparative totals for 1987)

	1988			1987
	Unrestricted	Missionary Accounts	ADVANCE Campaign	Total All Funds
Contributions	\$ 345,042	2,828,087	172,347	3,345,476
Investment income	49,981	-	-	49,981
Other	3,657	-	-	3,657
Total support and revenue	<u>\$ 398,680</u>	<u>2,828,087</u>	<u>172,347</u>	<u>3,399,114</u>

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

Schedule 2

December 31, 1988

(with comparative totals for 1987)

	1988	1987
Unrestricted fund expenses		
Informational and promotional:		
Video and audio visual	\$ 3,215	453
Films	157	140
Heartbeat	37,517	35,418
Postage	53,187	44,531
Data processing	16,140	15,748
Publicity	27,350	35,707
Telephone	10,250	10,821
Dues	555	935
Paper supplies	3,769	3,962
Retreat	1,192	-
Tracts and books	1,645	540
Travel and board:	154,977	148,255
Department auto	2,411	2,191
Board members	11,519	12,388
Honorariums	350	927
Department travel	30,832	39,091
Travelers' insurance	540	432
Administrative:	45,652	55,029
Salaries	185,985	176,521
Housing	57,420	57,595
Social security	22,523	20,261
Retirement	5,740	5,675
Hospitalization	29,039	24,127
Auditing	3,800	1,600
Office rent	25,612	25,612
Office equipment	-	612
Maintenance of office equipment	1,167	2,798
Office supplies	3,577	2,978
Miscellaneous	5,002	6,081
Employer payroll taxes	8,214	8,808
Total unrestricted fund expenses	348,079	332,668
Restricted fund expenses		
Missionaries - Foreign Fields	\$ 548,708	535,952
Ivory coast	802,050	882,178
France	363,322	355,172
India	81,607	74,176
Brazil	324,068	328,899
Japan	443,222	391,666
Panama	131,753	131,057
Spain	246,236	264,057
Uruguay	167,557	160,241
Summer missionaries	8,422	15,145
Short-term missionaries	12,300	6,876
Other projects	20,574	10,902
Special investigative committee	15,410	8,538
Less maintenance fees transferred to unrestricted funds	2,616,521	2,628,907
information service production	198,726	174,359
Net missionary expenses	2,417,795	2,454,548
ADVANCE campaign expenditures:		
General expenses	7,266	4,623
Project expenses	110,780	31,759
Total ADVANCE campaign expenses	118,046	36,382
Total restricted fund expenses	\$ 2,535,841	2,490,930



Hill, Neal & Allen, P.C.
Certified Public Accountants

Independent Auditors' Report

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

We have audited the balance sheet of Board of Foreign Missions of The National Association of Free Will Baptists as of December 31, 1988, and the related statement of support and revenue, expenses, transfers among funds and changes in fund balances for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Board of Foreign Missions of The National Association of Free Will Baptists as of December 31, 1987, were audited by other auditors whose report dated February 3, 1988, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 1988 financial statements referred to above present fairly, in all material respects, the financial position of Board of Foreign Missions of the National Association of Free Will Baptists as of December 31, 1988, 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.

Hill, Neal & Allen, P.C.

February 10, 1989

**1990 State Goals
With 1988 Comparisons**

State	1988 Goal	1988 Actual	1990 Goal
Alabama	195,000	154,724	180,000
Arizona	4,500	5,332	6,000
Arkansas	168,000	154,355	180,000
California	54,000	65,574	70,000
Colorado	3,500	3,840	4,000
Florida	100,000	90,305	96,000
Georgia	120,000	142,014	158,000
Hawaii	2,500	1,685	2,000
Idaho	750	838	1,000
Illinois	101,000	94,449	107,000
Indiana	36,000	32,117	43,000
Iowa	1,500	2,523	2,000
Kansas	14,000	17,570	18,000
Kentucky	80,000	72,499	87,000
Louisiana	600	50	300
Maryland	15,000	16,482	17,000
Michigan	141,000	130,050	142,000
Mississippi	72,000	61,309	66,000
Missouri	215,000	248,775	257,000
Montana	1,000	425	750
Nebraska	1,000	848	1,000
New Mexico	500	379	500
Northeast Association	7,000	3,501	5,000
Northwest Association	5,700	3,153	5,000
North Carolina	385,000	427,905	445,000
Ohio	125,000	99,080	125,000
Oklahoma	378,000	346,095	394,000
Pennsylvania	2,000	1,973	2,100
South Carolina	200,000	173,934	195,000
Tennessee	415,000	484,944	499,000
Texas	97,000	104,659	110,000
Virginia	111,000	130,232	140,000
Virgin Islands	3,000	2,004	3,000
West Virginia	75,000	70,485	76,000
Miscellaneous	55,486	82,659	79,502
Totals	<u>3,186,036</u>	<u>3,226,767</u>	<u>3,517,152</u>
Advance Celebration Project			150,000
Total Regular and Advance Celebration Project			<u>3,667,152</u>
Northeast Association:		Northwest Association:	
Maine		Alaska	
New Hampshire		Oregon	
Rhode Island		Washington	

1989 Budget Of Expense

Foreign Fields	\$ 964,786.00	
Africa	464,178.00	
Brazil	389,077.00	
France	82,900.00	
India	487,410.00	
Japan	133,285.00	
Panama	336,488.00	
Spain	150,485.00	
Uruguay	10,000.00	
Short-term missionaries	20,000.00	
Student missionaries	2,800.00	
Cassette tape ministry	2,016.00	
Barnard/Wilson Retirement	17,200.00	
Miscellaneous projects		
Foreign Fields Total		3,060,625.00
Informational and Promotional Materials and Equipment		
Video	13,850.00	
Audio-visuals	7,100.00	
Heartbeat	36,800.00	
Postage	65,000.00	
Data Processing	30,000.00	
Publicity Materials	51,380.00	
Telephone	12,000.00	
Services and Dues	600.00	
Paper Supplies	4,500.00	
Tracts/Books	2,000.00	
Foreign Missions Retreat	1,000.00	
Total	224,230.00	
Less Information/Promotion	-198,333.00	
Transfers		
Informational and Promotional Materials and Equipment Total		25,897.00
Travel and Board		
Department Auto	6,000.00	
Department Travel	35,000.00	
Traveler's Insurance	600.00	
Board Members	17,500.00	
Honorariums	750.00	
Travel and Board Total		59,850.00
Administrative		
Salaries	197,815.00	
Administrative Housing	57,420.00	
Administrative Soc. Sec.	24,425.00	
Hospitalization Insurance	35,800.00	
Retirement	6,120.00	

Auditing	3,500.00	
Office Rent	27,000.00	
Office Equipment	.00	
Maintenance of Office Equip.	1,000.00	
Office Supplies	3,600.00	
Miscellaneous	5,500.00	
Employer Payroll Taxes	8,600.00	
Administrative Total		370,780.00
Total Regular Foreign Missions Budget		3,517,152.00
Advance Celebration Budget		150,000.00
Total Regular and Advance Celebration Budgets		<u>\$3,667,152.00</u>

FREE WILL BAPTIST BIBLE COLLEGE REPORT

This college takes seriously its task of shaping and molding young lives for the service of the Lord. The business of "committing to faithful men who shall be able to teach others" is the vital ministry of Free Will Baptist Bible College. It has now concluded 47 years of continuous service.

There were 345 who enrolled at the college for the 1988-89 school year. This includes the undergraduate (319) and the graduate (26) enrollments. Morale among students, faculty and staff has been excellent. This year was designated "the year of prayer" and we have sensed the Lord's blessings and presence throughout the year.

Special thanks to *everyone who prayed, everyone who gave and everyone who encouraged a student to enroll*. This ministry is teamwork—with prayers, givers, promoters, encouragers, administrators, teachers and staff workers—all combining efforts to produce the "faithful men" that Paul speaks of.

Your investment is paying off. Joining the hundreds who have graduated in past years are the 66 who graduated this year. They will serve as preachers, teachers, missionaries, church musicians, secretaries, accountants, housewives and mothers. We are counting on your prayers to accompany them as they go forth.

Please help us get the word to all of our people that we are still enlarging the offerings of the college. Baccalaureate degrees are available with the following majors: Bible, Pastoral Training, Missions, Church Music, Christian Education, Elementary (or Kindergarten) Education, Secondary Education and Physical Education. There are many combinations that may be worked out in the above, such as a Church Music and Christian Education major. We also offer three associates degrees in Christian Ministries, Arts and Business—as well as the Master of Ministry degree. This latter is a modular approach with the student attending eight separate weeks of courses. Three of these one-week courses are offered annually.

New programs are being investigated. We hope to offer a major in some aspect of Business—such as Business Administration—and a major in Counseling. Public announcements will be made when these programs of study are available.

Please pray with us as we seek to enlarge the gift income for the college. Every effort is being made to increase salaries at the college for faculty and staff personnel. A modest raise is envisioned for the 1989-90 school year. We must keep in mind that "the laborer is worthy of his hire" and that we have an obligation to the Lord to do what is right and fair toward each faculty and staff person—our most valuable asset.

Recruitment efforts are becoming more prominent. Neil Gilliland is now devoting his full-time effort as Director of Recruitment. All traveling groups are for recruitment. Of course, they are expected to cover their expenses through fund raising—but their main thrust is recruitment. This includes the College Choir, Band, Drama, Ensemble and Evangel Players. Next to the prayers of God's people, our greatest need is for students to attend the college.

A new financial approach is being begun. We are seeking to totally underwrite the gift budget of the college by December of this year. We will ask every present supporter to commit to continue—and hopefully increase—his giving to the college. At the same time, we will ask new churches and new individuals to begin to give to the college on a regular basis. Pray with us that this new approach will be honored by the Lord and supported by our people.

The prospects for the 1989-90 school year are good. Pray with us that this will be a truly outstanding year for God's glory.

Respectfully submitted,
Charles A. Thigpen
President

1988-89 Registration Report

Enrollment Breakdowns

By State

Alabama	18	Louisiana	1	South Carolina	16
Arkansas	21	Massachusetts	1	Tennessee	57
California	3	Michigan	13	Texas	6
Delaware	3	Mississippi	5	Virginia	15
Florida	9	Missouri	21	West Virginia	6
Georgia	16	New Mexico	1		
Illinois	23	New York	1		
Indiana	6	North Carolina	29		
Kansas	2	Ohio	14		
Kentucky	15	Oklahoma	7	Foreign	10

(The student body represents 25 states and 7 foreign countries.)

By Classification

Freshmen	106	Juniors	59
Sophomores	68	Seniors	61
Special	25		

Others

Male	163	Ministerial	71
Female	156	Missionary	27
Free Will Baptist	309	Single	240
Other	10	Married	79

Enrollment Summary 1988-89

Undergraduate Enrollment	First Semester	286
Additional Enrollment	Second Semester	26
Total Enrollment	First and Second Semesters	312
Summer 1988 Enrollment Not Already Counted		7
Total Undergraduate Enrollment		319
Graduate School Enrollment for 1988-89:		
Master of Ministry (Not counted elsewhere)		26
Total Annual Enrollment (Undergraduate and Graduate)		345

Financial Aid Report

Loans Issued	219	\$169,743.54
Student Workers	110	93,682.59
Scholarship Recipients	168	62,395.00

Welch Library

Total books, bound volumes, microforms, sound recordings, video-cassettes, instructional materials, etc. 52,508

The May 31, 1989, 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	6/1/88- 5/31/89	Campaign Total
Alabama	\$ 52,929.10	\$ 117,431.50
Arizona	1,669.71	2,983.38
Arkansas	21,768.28	60,432.93
California	9,972.42	18,058.14
Colorado	.00	150.00
Connecticut	6,075.00	12,575.00
Delaware	.00	170.33
Florida	21,711.47	51,640.65
Georgia	51,476.38	134,556.79
Hawaii	645.00	1,706.00
Idaho	381.05	898.38
Illinois	21,258.60	46,563.52
Indiana	8,537.11	14,189.96
Iowa	170.00	660.00
Kansas	1,296.61	2,068.92
Kentucky	10,562.28	25,133.01

Louisiana	.00	115.00
Maryland	4,903.99	9,318.22
Michigan	22,218.24	45,166.87
Mississippi	16,725.97	37,930.87
Missouri	35,596.66	74,551.05
Nebraska	320.00	755.00
Nevada	260.00	570.00
New Jersey	100.00	100.00
New Mexico	16.97	237.60
North Carolina	117,549.49	272,875.17
Ohio	15,040.60	29,322.24
Oklahoma	17,566.43	40,907.67
South Carolina	47,395.56	103,825.58
South Dakota	3.00	13.00
Tennessee	140,536.56	321,118.32
Texas	7,726.07	17,369.92
Vermont	20.00	55.00
Virginia	21,021.26	49,917.83
Washington	894.76	1,795.72
West Virginia	5,571.35	12,174.28
Canada	53.94	153.44
WNAC	5,347.01	12,211.06
Virgin Islands	830.00	1,602.92
College Family	19,529.89	46,704.95
Matching Gifts	24,805.00	67,872.08
Foreign Missionaries	3,155.08	5,606.44
Other (Misc.)	2,023.98	15,629.27
Total	\$717,664.82	\$1,657,118.01
Alumni Project	11,098.00	
Special Gift	.00	100,000.00
Grand Total	\$728,762.82	\$1,757,118.01

1989-90 Gift Income Budget

Alabama	\$ 55,000.00
Arizona	3,000.00
Arkansas	25,500.00
California	10,000.00
Colorado	1,000.00
Connecticut	7,000.00
Delaware	200.00
Florida	26,000.00
Georgia	50,000.00
Hawaii	2,000.00
Idaho	500.00
Illinois	28,000.00
Indiana	14,000.00
Iowa	300.00
Kansas	2,000.00
Kentucky	12,000.00
Louisiana	200.00
Maryland	10,000.00
Michigan	26,000.00
Mississippi	26,000.00
Missouri	35,000.00
Nebraska	1,000.00
Nevada	300.00
New Jersey	1,000.00
New Mexico	1,000.00
North Carolina	125,000.00
Ohio	17,000.00
Oklahoma	25,000.00
South Carolina	53,000.00
South Dakota	1,000.00
Tennessee	175,000.00
Texas	15,000.00
Vermont	1,000.00
Virginia	25,000.00
Washington	2,000.00
West Virginia	10,000.00
W.N.A.C.	12,000.00
Canada	1,000.00
Virgin Islands	1,000.00
Other	65,000.00
Alumni	10,000.00
Designated Gifts	30,000.00
Special Gifts	20,000.00
Total	\$925,000.00

FREE WILL BAPTIST BIBLE COLLEGE

1988-89 FINANCIAL REPORT



Hill, Neal & Allen, P.C.
Certified Public Accountants

Independent Auditors' Report

Jerry A. Hill
Russell E. Neal
Nancy S. Allen

The Board of Trustees
Free Will Baptist Bible College:

Brentwood Executive Office
761 Old Hickory Boulevard
Suite 103
Brentwood, TN 37027
615-377-3485

We have audited the balance sheet of the Free Will Baptist Bible College as of May 31, 1989, and the related statements of changes in fund balances and current unrestricted funds revenue, expenditures and other changes for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Free Will Baptist Bible College as of May 31, 1989, and the 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.

Hill, Neal & Allen, P.C.

June 23, 1989

FREE WILL BAPTIST BIBLE COLLEGE

Balance Sheet

May 31, 1989

(with comparative figures for 1988)

	1989	1988
Assets		
Current funds:		
Unrestricted:		
Cash and interest bearing deposits	\$ 36,820	19,735
Investments at fair value at date of gift	3,000	4,250
Prepaid expenses	2,471	3,115
Accounts receivable:		
Students accounts	13,691	13,393
Staff and others	14,464	6,282
Note receivable - plant fund	396,749	436,311
Total accounts receivable	424,904	455,986
Inventories	23,768	21,731
Total unrestricted funds	490,963	504,817
Restricted:		
Due from current unrestricted funds	24,240	17,631
Total restricted funds	24,240	17,631
Total current funds	\$ 515,203	522,448
Loan funds:		
Interest bearing deposits	\$ 118,189	114,628
Loans to students, less allowance for doubtful loans of \$30,000 in 1989 and \$15,000 in 1988	331,781	288,517
Due from current unrestricted funds	35,120	62,880
Total loan funds	\$ 485,090	466,025
Endowment funds:		
Interest bearing deposits	\$ 177,027	188,186
Note receivable - plant funds	1,968	7,686
Total endowment funds	\$ 178,995	195,872
Annuity funds:		
Interest bearing deposits	\$ 55,000	55,000
Total annuity funds	\$ 55,000	55,000
Plant funds:		
Interest bearing deposits held by Trustee under lease obligation	\$ 101,176	95,630
Investment in plant:		
Land	373,069	373,069
Buildings and improvements	3,539,614	3,536,417
Equipment	809,178	782,758
Library books	93,324	90,394
Total investment in plant	4,815,185	4,782,638
Total plant funds	\$ 4,916,361	4,878,268
Agency funds:		
Cash	\$ 431	4,496
Due from current unrestricted fund	10,800	3,800
Accounts receivable	412	412
Total agency funds	\$ 11,643	8,708

	<u>Liabilities and Fund Balances</u>		<u>1989</u>	<u>1988</u>
Current funds:				
Unrestricted:				
Note payable to bank				
Accounts payable	\$	215,000	248,000	
Students' credit balances and deposits		40,760	22,246	
Accrued salaries		29,580	25,900	
Deferred revenues - summer school and other		68,493	66,901	
Due to other funds:		10,325	15,491	
Current restricted funds				
Loan funds		24,240	17,631	
Agency funds		35,120	62,880	
		10,800	3,800	
		<u>70,160</u>	<u>84,311</u>	
Fund balance		56,645	41,968	
Total unrestricted funds		490,963	504,817	
Restricted:				
Fund balances - private		24,240	17,631	
Total restricted funds		24,240	17,631	
Total current funds	\$	<u>515,203</u>	<u>522,448</u>	
Loan funds:				
Accrued interest	\$	4,707	4,596	
Notes payable to individuals		167,880	159,191	
Fund balances - private		312,503	302,238	
Total loan funds	\$	<u>485,090</u>	<u>466,025</u>	
Endowment funds:				
Fund balances:				
Endowment	\$	46,466	46,466	
Quasi-endowment, unrestricted		85,867	105,485	
Scholarship, restricted		46,662	43,921	
Total endowment funds	\$	<u>178,995</u>	<u>195,872</u>	
Annuity funds:				
Annuity payable	\$	14,400	18,607	
Fund balance		40,600	36,393	
Total annuity funds	\$	<u>55,000</u>	<u>55,000</u>	
Plant funds:				
Due to other funds:				
Note payable - current unrestricted funds	\$	396,749	436,311	
Note payable - endowment funds		1,968	7,686	
Lease obligation		190,000	245,000	
Notes payable		128,774	161,545	
Fund balances:				
Unexpended		4,198,870	4,027,726	
Net investment in plant		4,198,870	4,027,726	
Total fund balances	\$	<u>4,916,361</u>	<u>4,878,268</u>	
Total plant funds				
Agency funds:	\$	<u>11,643</u>	<u>8,708</u>	
Funds held in custody for others				
Total agency funds	\$	<u>11,643</u>	<u>8,708</u>	

FREE WILL BAPTIST BIBLE COLLEGE

Statement of Current Unrestricted Funds Revenues, Expenditures and Other Changes

Year ended May 31, 1989

(with comparative figures for 1988)

	<u>1989</u>	<u>1988</u>
Revenues:		
Tuition and fees	\$ 664,489	616,472
Gifts	637,579	666,734
Endowment income	11,960	13,945
Investment income	40,410	43,315
Sales and services of auxiliary enterprises	605,570	534,472
Other sources	6,819	3,044
Total revenues	<u>1,966,827</u>	<u>1,877,982</u>
Expenditures:		
Educational and general:		
Instruction	493,550	503,075
Academic support	104,858	116,984
Student services	181,311	124,813
Operation and maintenance of plant	204,153	182,468
Institutional support	431,808	455,013
Total educational and general expenditures	<u>1,415,680</u>	<u>1,382,353</u>
Mandatory transfers for debt service	22,252	24,036
Total educational and general	<u>1,437,932</u>	<u>1,406,389</u>
Auxiliary enterprises:		
Expenditures	432,063	390,236
Mandatory transfers for debt service	82,155	80,515
Total auxiliary enterprises	<u>514,218</u>	<u>470,751</u>
Total expenditures and mandatory transfers	<u>1,952,150</u>	<u>1,877,140</u>
Revenues over expenditures and other changes	\$ <u>14,677</u>	<u>842</u>

FREE WILL BAPTIST BIBLE COLLEGE

Statement of Changes in Fund Balances

Year ended May, 31, 1989

	Current Funds		Loan Funds	Endowment Funds	Annuity Funds	Plant Funds	
	Unrestricted	Restricted				Unexpended	Net Investment In Plant
Revenues and other additions:							
Unrestricted current funds revenues	\$ 1,966,827	-	-	-	-	-	-
Gifts	-	28,486	1,974	2,740	-	146,184	-
Endowment income	-	3,769	-	-	-	-	-
Investment income - restricted	-	-	6,781	-	-	5,976	-
Interest on student loans	-	-	28,729	-	-	-	32,546
Additions to plant facilities from current funds	-	-	-	-	-	-	-
Retirement of indebtedness, including \$ 5,718 from current funds	-	-	-	-	-	-	133,052
Adjustment of computed annuity liability	-	-	-	-	4,207	-	-
Total revenues and other additions	1,966,827	32,255	37,484	2,740	4,207	152,160	165,598
Expenditures and other deductions:							
Educational and general expenditures	1,415,680	25,646	-	-	-	-	-
Auxiliary enterprises expenditures	432,063	-	-	-	-	-	-
Provision for doubtful notes	-	-	15,000	-	-	127,334	-
Retirement of indebtedness	-	-	-	-	-	50,814	-
Expansion campaign expense and promotion	-	-	-	-	-	72,305	-
Interest expense	-	-	11,819	-	-	568	-
Other	-	-	400	-	-	-	-
Loss on sale of investments	-	-	-	19,617	-	-	-
Total expenditures and other deductions	1,847,743	25,646	27,219	19,617	-	251,021	-
Transfers among funds and other changes - additions (deductions):							
Mandatory transfers for debt service	(104,407)	-	-	-	-	104,407	-
Change in funds held by trustee under lease obligations	-	-	-	-	-	(5,546)	5,546
Total transfers and other changes	(104,407)	-	-	-	-	98,861	5,546
Net increase (decrease) for the year	14,677	6,609	10,265	(16,877)	4,207	-	171,144
Fund balance at beginning of year	41,968	17,631	302,238	195,872	36,393	-	4,027,726
Fund balance at end of year	\$ 56,645	24,240	312,503	178,995	40,600	-	4,198,870

**Proposed Budget
1989-1990**

Current Unrestricted Funds

Revenues:

Tuition and fee		\$715,000
Gifts:		
Together Campaign	\$925,000	
Less Building Fund	<u>150,000</u>	
Net Operating Gifts	\$775,000	
Endowment income		775,000
Investment income		11,500
Sales and services of auxiliary enterprises		38,000
Graduate school		635,500
Other sources		10,000
Total revenues		<u>19,300</u>
		<u>2,204,300</u>

Expenditures:

Education and general:		
Instruction		533,625
Academic support		123,980
Student services		179,800
Operation and maintenance of plant		242,400
Institutional support		<u>483,225</u>
Total educational and general expenditures		<u>1,563,030</u>
Mandatory transfer for energy and telephone system		<u>5,725</u>
Total educational and general		<u>1,568,755</u>
Auxiliary enterprises:		
Expenditures		476,700
Mandatory provision for lease obligations		<u>71,325</u>
Total auxiliary enterprises		<u>548,025</u>
Graduate school		16,975
Contingency fund		<u>70,545</u>
Total expenditures and mandatory transfers		<u>87,520</u>
		<u>\$2,204,300</u>

**FREE WILL BAPTIST BIBLE COLLEGE
Proposed Budget
1989-1990**

Current Unrestricted Funds

Revenues:

Tuition and fee		\$715,000
Gifts:		
Together Campaign	\$925,000	
Less Building Fund	<u>150,000</u>	
Net Operating Gifts	\$775,000	
Endowment income		775,000
Investment income		11,500
Sales and services of auxiliary enterprises		38,000
Graduate school		635,500
Other sources		10,000
Total revenues		<u>19,300</u>
		<u>2,204,300</u>

Expenditures:

Education and general:		
Instruction		533,625
Academic support		123,980
Student services		179,800
Operation and maintenance of plant		242,400
Institutional support		<u>483,225</u>
Total educational and general expenditures		<u>1,563,030</u>
Mandatory transfer for energy and telephone system		<u>5,725</u>
Total educational and general		<u>1,568,755</u>
Auxiliary enterprises:		
Expenditures		476,700
Mandatory provision for lease obligations		<u>71,325</u>
Total auxiliary enterprises		<u>548,025</u>
Graduate school		16,975
Contingency fund		<u>70,545</u>
Total expenditures and mandatory transfers		<u>87,520</u>
		<u>\$2,204,300</u>

Free Will Baptist Bible College
Statement About Research Study
July 14, 1989

At its December 1988 meeting the Board of Trustees of FWBBC approved the idea of a serious research study of the educational interests of Free Will Baptist young people. Such a study had already been given some consideration by Executive Secretary Dr. Melvin Worthington and the Executive Committee. Discussions between the college administration and Dr. Worthington led to the making of this recommendation to the Board. We intend for this study to satisfy the concerns not only of the college board but also of other denominational agencies and leaders about the educational needs (at the college level) of the denomination. To this end we will include input from the Executive Secretary and others who represent these broader interests.

We propose that this research study cover the entire denomination and attempt to discover, in summary, the college-level programs of study that really are needed by Free Will Baptist young people. To that end, the study should answer such questions as:

1. How many FWB Young people graduate from high school each year?
2. How many go on to college anywhere, for any kind of post high school study?
3. What various programs of study do they actually (or plan to) take?
4. What factors play significant roles in influencing their choice of a college?
5. Would they attend FWBBC if we had the programs they desire? Why? Why not?
6. What factors are important to those who influence the young people (like parents and pastors, etc.)?

Answering such questions as these can help us, and others in the denomination, know exactly what kinds of programs of study we can offer at the college level and expect enough students to make the offering of those programs feasible. Such a study will therefore be of great importance in helping us give direction to the further development of curriculum at FWBBC or in any other kind of formal educational effort.

After considerable investigation, we have determined that the best way to go about this is to employ a professional marketing research agency with experience in educational research. We have worked with three such agencies to produce bids on the study and have almost reached a conclusion about the agency we propose employing. The cost of such a study will be about \$25,000, more or less. We believe this is the best way for at least three reasons: (1) The results will be more objective. Were we to do the study ourselves, the conclusions might be subject to "political" interpreta-

tions. (2) We think people will respond more openly and objectively to an impartial agency. (3) We simply do not have the time or manpower to do this as well as it needs to be done. Furthermore, the professionals understand the requirements of such research better than we do.

Our plans are that this study will be carried out during the fall, with results available by mid/spring of 1990.

Our most important need is for full cooperation on the part of the denomination, especially by our pastors. The researchers will depend on pastors as the way of obtaining the names and addresses of young people in their churches, for example—the only way they can get this information. We call on our pastors, therefore, to help us in these ways:

1. When contacted, please cooperate by giving the information requested and completing promptly any survey forms sent to you.
2. Urge the young people in your churches to cooperate by responding promptly to survey forms.
3. Urge the parents of the young people involved to cooperate in this same way.

With everyone's help we can obtain precise information that all of us have desired for a long time, information that will keep us from guessing and enable us to speak accurately about the denomination's educational programs.

SUNDAY SCHOOL AND CHURCH TRAINING REPORT

Randall House Publications is now beginning its twenty-eighth year of operation. God has certainly blessed us during these years. We continue to try to fulfill our commitment to produce the best literature available anywhere.

The Lord has blessed us with a good year. I am pleased with the progress our department is making. We have moved from a minus in our sales to a plus. Our curriculum plans for this winter are progressing well. We are introducing our new teen materials at this National Convention. A number of new products will be ready for the winter quarter.

Our commentary on the Gospel of John is ready for your purchase. This is the fourth in our set of Randall House Bible Commentaries that are being prepared with our doctrinal persuasion. Other volumes will be coming forth in future years.

The decade of the 90's is upon us. If the Lord tarries it will bring a great deal of change to our denomination. We need to seek the face of God and pray that a revival fire will carry us into the next century.

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 28, 1989 and February 29, 1988

Assets	1989	1988
Current assets:		
Cash and interest bearing deposits		
Accounts receivable:	\$ 76,279	166,880
Trade, net of allowance for doubtful accounts of \$8,000 in 1989 and \$8,718 in 1988	169,696	184,074
Due from affiliated organization (note 7)	-	42,511
Employees	1,911	55
Total receivables	171,607	226,640
Inventory, at lower of cost (first-in, first-out method) or market	849,532	700,037
Deferred charges	17,613	17,278
Total current assets	1,115,031	1,110,835
Property, plant and equipment and capitalized leases (notes 2 and 3):		
Land	127,873	127,873
Building	638,195	637,602
Printing service equipment	483,139	420,578
Office and administrative equipment	273,243	436,713
Automobiles and trucks	68,401	53,609
Less accumulated depreciation and amortization	1,590,851	1,676,375
Net property, plant and equipment and capitalized leases	691,100	689,541
	899,751	986,834
	\$ 2,014,782	2,097,669

Liabilities and Fund Balance

Current liabilities:	\$ 150,000	200,000
Notes payable to bank	107,046	96,528
Current installments of long-term debt and capitalized lease obligations (note 3)	234,673	317,530
Accounts payable	46,717	42,353
Accrued expenses	105,360	-
Due to affiliated organization (note 7)	-	145,349
Customer deposits	643,796	801,760
Total current liabilities	367,173	359,792
Long-term debt and capitalized lease obligations (note 3)	1,003,813	936,117
Fund balance	\$ 2,014,782	2,097,669
Commitments (notes 4, 5 and 7)		

Statements of Activity and Changes in Fund Balance

Years ended February 28, 1989 and February 29, 1988

	1989	1988
Revenues:		
Net sales:	\$ 1,723,027	1,686,070
Curriculum	86,546	84,098
Randall House books	22,037	34,166
Merchandise	80,900	76,199
Bulletins	10,571	6,959
Vacation Bible School	147,930	125,957
Bookstore	10,436	8,619
Printing	80,263	80,785
Other sales	2,161,710	2,102,853
Net sales	97,219	66,963
Freight and handling	4,725	7,180
Other income	41,372	249
Commission income on hymnal sales (note 7)	6,591	3,548
Gain on disposition of assets	2,311,617	2,180,793
Expenses:		
Cost of sales:	700,037	534,940
Inventory at beginning of year	265,328	276,507
Merchandise purchases	48,612	38,007
Depreciation	371,870	396,347
Editorial and printing preparation	631,622	693,543
Printing production	75,763	91,233
Spanish department	2,093,232	2,030,577
Less inventory at end of year	849,532	700,037
	1,243,700	1,330,540
Selling, general and administrative:	86,858	85,347
Administrative	99,881	84,527
Bookstore	136,178	114,942
Bookkeeping	137,064	128,238
Building	86,741	106,157
Depreciation	56,779	105,240
General	82,457	70,080
Interest expense	82,997	67,973
Sales and promotion	166,921	133,583
Shipping	935,876	896,087
Total expenses	2,179,576	2,226,627

See accompanying notes to financial statements.

Excess of revenues over (under) expenses
before Youth Department
Youth Department (note 6)
Excess of revenues over (under) expenses
Fund balance, beginning of year
Fund balance, end of year

132,041	(45,834)
(64,345)	(68,527)
67,696	(114,361)
936,117	1,050,478
<u>\$ 1,003,813</u>	<u>936,117</u>

Statements of Cash Flows

Years ended February 28, 1989 and February 29, 1988

	1989	1988
<u>Cash Flows from Operating Activities</u>		
Net earnings (loss)		
Adjustments to reconcile net earnings to net cash provided by operating activities	\$ 67,696	(114,361)
Depreciation and amortization		
Gain on disposal of equipment	135,353	144,164
(Increase) decrease in:	(6,591)	(3,548)
Receivables		
Inventories	55,033	(67,279)
Deferred charges	(149,495)	(165,097)
Increase (decrease) in:	(335)	(4,466)
Accounts payable		
Accrued expenses	(82,857)	27,172
Due from affiliated organization	4,364	(450)
Customer deposits	105,360	-
Net cash used by operating activities	(145,349)	145,349
<u>Cash flows from Investing Activities</u>		
Purchase of equipment	(16,821)	(38,516)
Proceeds from disposition of equipment	(60,529)	(361,569)
Net cash used by investing activities	18,850	68,000
<u>Cash flows from Financing Activities</u>		
Proceeds from:		
Short-term debt	-	295,000
Long-term debt	103,611	355,062
Repayments of:	(50,000)	(200,000)
Short-term debt	(85,712)	(80,317)
Long-term debt	(32,101)	369,745
Net cash provided (used) by financing activities	(90,601)	37,660
Net increase (decrease) in cash	166,880	129,220
Cash at beginning of year	<u>\$ 76,279</u>	<u>166,880</u>

See accompanying notes to financial statements.

Notes to Financial Statements

February 28, 1989 and February 29, 1988

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

(1) Summary of Significant Accounting Policies

Notes to Financial Statements, continued

Inventories

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

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is provided using the straight-line method. Expenditures for maintenance and repairs, renewals, and betterments that do not significantly extend the useful lives of assets are expensed as incurred.

Income Taxes

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

Change in Presentation

The 1989 financial statements include a statement of cash flows showing cash and cash equivalents provided and used by operating, investing and financing activities in place of a statement of changes in financial position as presented in prior years. Amounts for 1988 have been restated to conform with the 1988 presentation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Board considers all cash funds, cash bank accounts and highly liquid debt instruments purchased with a maturity within three months of the balance sheet date to be cash and cash equivalents.

(2) Property, Plant and Equipment and Capitalized Leases (see note 3)

	1989	1988
Components of capitalized leases are as follows:		
Printing service equipment	\$ 205,879	205,879
Office and administrative equipment	66,523	66,523
	272,402	272,402
Less accumulated amortization	56,988	23,096
	<u>\$ 215,414</u>	<u>249,306</u>

Depreciation and amortization charged to operations computed on the straight-line method was \$135,353 in 1989 and \$144,164 in 1988.

(3) Long-term debt and Capitalized Lease Obligations

A summary of long-term debt and capitalized lease obligations is as follows:

	1989	1988
Long-term debt:		
8% to 14.4% equipment obligations, maturing through January 1993 payable monthly \$3,290 including interest, secured by related equipment.	\$ 63,043	60,979
11.5% unsecured installment note, payable monthly at \$466 including interest through January 1992.	13,799	17,565
13.5% unsecured installment note.	-	9,630
10.75% to 13.875% installment obligations payable to the Board of Retirement and Insurance of the National Association of Free Will Baptists, payable in monthly installments of \$4,242 including interest, through February 1994.	192,109	122,500
Total long-term debt	268,951	210,674
Capitalized lease obligations:		
9.1% to 15.8% obligations under capital leases payable monthly \$5,443 - see note 2	205,268	245,646
	<u>474,219</u>	<u>456,320</u>

Notes to Financial Statements, continued

Less current maturities of long-term debt and capital lease obligations

	107,046	96,528
	<u>\$ 367,173</u>	<u>359,792</u>

Maturities of long-term debt and capitalized leases are as follows:

Long-term debt:

1990	\$ 61,887
1991	60,298
1992	51,463
1993	47,397
1994	47,906
	<u>\$ 268,951</u>

Capitalized leases:

The Board leases certain equipment under capital leases (see note 2). The obligations are being amortized by that portion of annual rentals in excess of interest. Interest was imputed using rates ranging from 9.1% to 15.8% based on the lessor's implicit rate of return.

The following is a schedule, by years, of future minimum lease payments under capital leases as of February 28, 1989.

1990	\$ 65,311
1991	65,311
1992	65,311
1993	32,312
1994	26,049

Less amount representing interest

254,294

Present value of net minimum lease payments

\$ 49,026
\$ 205,268

(4) Operating Leases

The Board leases certain equipment under a number of operating leases. Rent expense under such operating leases amounted to \$74,349 for the year ended February 28, 1989.

Minimum annual rentals under noncancelable operating leases are as follows:

1990	\$ 60,281
1991	52,026
1992	9,860
1993	2,018
	<u>124,185</u>

(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 and employees with two years of service are covered. The policy is to fund pension cost accrued. Pension expenses amounted to \$17,690 in 1989 and \$16,055 in 1988. 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.

(6) Youth Department

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

	1989	1988
Revenue from conferences and related services	\$ 62,433	43,470
Expenditures for conferences and related services	52,856	35,510
General and administrative expenses	73,922	76,487
	<u>126,778</u>	<u>111,997</u>
Excess of expenses over revenue	<u>\$ (64,345)</u>	<u>(68,527)</u>

(7) Agreement with Affiliated Organization to Distribute Hymnals

The Board has agreed to warehouse and distribute hymnals for the Executive Board of the National Association of Free Will Baptists. Further, the Board will invoice the customer, collect funds and remit such collections, net of commissions of \$.795 per hymnal sold, to the Executive Board. As of February 28, 1989 the Board was warehousing approximately 52,000 hymnals with an estimated replacement value of \$455,000. The following summarizes the transactions under this agreement as of February 28, 1989.

Total sales of hymnals	\$ 436,981
Less total commissions earned	(41,621)
Less remittances made to the Executive Board	<u>(290,000)</u>
Amount due to Executive Board	<u>\$ 105,360</u>

(8) Presentation

Certain reclassifications have been made in the 1988 financial statements to conform to the current year presentation.



Hill, Neal & Allen, P.C.
Certified Public Accountants

Independent Auditors' Report

Jerry A. Hill
Russell E. Neal
Nancy S. Allen

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

Brentwood Executive Center
761 Old Hickory Boulevard
Suite 103
Brentwood, TN 37027
615/377-3485

We have audited the balance sheet of Sunday School and Church Training Board and Randall House Publications as of February 28, 1989, and the related statements of activity and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Sunday School and Church Training Board and Randall House Publications as of February 29, 1988, were audited by other auditors whose report dated May 24, 1988, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 1989 financial statements referred to above present fairly, in all material respects, the financial position of Sunday School and Church Training Board and Randall House Publications as of February 28, 1989, and the results of its activity and changes in fund balances and cash flows for the year then ended in conformity with generally accepted accounting principles.

Hill, Neal & Allen, P.C.

April 19, 1989

1990 Budget

Revenues	
<u>Curriculum</u>	
Sunday School Curriculum	\$2,118,730.00
Spanish Curriculum	40,000.00
Church Training Curriculum	145,005.00
Total Curriculum Sales	\$2,303,735.00
Less Discount to Bookstores	350,000.00
	\$1,953,735.00
<u>Other Sales</u>	
Randall House Books	\$ 110,000.00
Merchandise	40,000.00
Bulletins	80,000.00
Vacation Bible School	8,000.00
Bookstore Sales	170,000.00
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	\$ 518,000.00
Total All Sales	\$2,471,735.00
<u>Other Income</u>	
Freight and Postage	\$ 65,000.00
Service Charges	1,800.00
NYC '90	25,000.00
Truth and Peace '90	18,000.00
YET '90	2,400.00
Miscellaneous Income	20,000.00
Total Other Income	\$132,200.00
Total All Revenues	\$2,603,935.00
Expenses	
<u>Cost of Sales</u>	
Merchandise Purchases	
Sunday School	\$ 55,000.00
Sunday School/Church Training Helps	12,000.00
Randall House Books	40,000.00
Merchandise	60,000.00
Competitive Activities	5,000.00
Vacation Bible School Materials	20,000.00

Bulletins	60,000.00
ETTA	2,500.00
Enlargement Campaigns	4,000.00
Miscellaneous Costs	5,000.00
	\$ 263,500.00
<u>Cost of Printing</u>	
Editorial	\$ 87,000.00
Salaries	12,264.00
Youth Division Salaries	10,000.00
Travel	6,000.00
Housing	8,000.00
FICA	1,000.00
Supplies	2,000.00
Equipment Rental	8,000.00
Royalties	32,000.00
Writer's Fees	3,000.00
Retirement	8,000.00
Insurance	1,000.00
Postage	8,000.00
Curriculum Development	1,000.00
Telephone	1,000.00
Miscellaneous	
	\$ 188,264.00
<u>Preparation</u>	
Salaries	\$ 93,548.00
Travel	1,000.00
Supplies	7,000.00
Equipment Rental	38,000.00
Art Services	7,500.00
Free Lance Layout	2,500.00
Maintenance	10,000.00
Outside Typesetting	2,000.00
Postage	1,000.00
Telephone	1,000.00
FICA	9,000.00
Retirement	1,000.00
Insurance	9,000.00
Miscellaneous	2,000.00
	\$ 184,548.00
<u>Production</u>	
Salaries	\$ 151,268.00
Travel	2,000.00
Equipment Rental	19,000.00
Negatives	7,000.00
Plates	5,000.00
Ink	5,000.00

Stock	125,000.00
Outside Printing	200,000.00
Color Separation	12,000.00
Equipment Maintenance	10,000.00
Telephone	1,000.00
Supplies	8,000.00
Insurance	12,000.00
FICA	11,000.00
Retirement	4,000.00
Miscellaneous	1,000.00
	<u>\$ 573,268.00</u>
<u>Cost of Operations</u>	
Administration	
Salaries	\$ 51,584.00
Housing and Utilities	12,000.00
Travel	9,000.00
Supplies	1,000.00
Equipment Maintenance	200.00
Equipment Rental	500.00
Postage	500.00
Telephone	1,200.00
FICA	8,500.00
Insurance	2,800.00
Retirement	2,000.00
Miscellaneous	500.00
	<u>\$ 89,784.00</u>
Sales and Promotion	
Salaries	\$ 63,406.00
Travel	10,000.00
Supplies	1,000.00
Advertising	8,000.00
Promotion	9,000.00
Postage	7,000.00
Telephone	1,000.00
FICA	2,000.00
Retirement	1,200.00
Insurance	2,500.00
Miscellaneous	1,000.00
	<u>\$ 106,106.00</u>
Bookkeeping and Order	
Salaries	\$ 84,240.00
Travel	1,000.00
Supplies	3,000.00
Equipment Rental	12,000.00
Equipment Maintenance	10,000.00

Postage	5,000.00
Telephone	8,000.00
FICA	7,000.00
Retirement	2,000.00
Insurance	8,000.00
Miscellaneous	1,000.00
	<u>\$ 141,240.00</u>
Shipping	\$ 73,112.00
Salaries	60,000.00
Freight and Postage	4,000.00
Travel	10,000.00
Supplies	3,000.00
Equipment Rental	10,000.00
Equipment Maintenance	1,000.00
Telephone	5,200.00
FICA	2,000.00
Retirement	4,000.00
Insurance	1,000.00
Miscellaneous	
	<u>\$ 173,312.00</u>
Youth	\$ 50,056.00
Salaries (12,264.00 in Editorial)	4,000.00
Travel	500.00
Supplies	25,000.00
NYC '90	18,000.00
Truth and Peace '90	2,500.00
YET '90	1,000.00
Postage	1,000.00
Telephone	4,000.00
FICA	1,800.00
Retirement	5,200.00
Insurance	2,000.00
Miscellaneous	
	<u>\$ 115,056.00</u>
Spanish	\$ 43,888.00
Salaries	2,000.00
Travel	2,000.00
Equipment Rental	3,000.00
Translation	800.00
Postage	800.00
Telephone	800.00
Supplies	3,400.00
FICA	1,200.00
Retirement	4,000.00
Insurance	1,000.00
Miscellaneous	
	<u>\$ 62,888.00</u>

Bookstore	
Salaries	
Travel	\$ 41,184.00
Supplies	1,000.00
Equipment Rental	1,000.00
Equipment Maintenance	200.00
Postage	300.00
Utilities	200.00
Rent	4,500.00
Advertising	32,000.00
FICA	6,000.00
Retirement	3,000.00
Insurance	900.00
Miscellaneous	2,600.00
	1,000.00
	\$ 93,884.00
Building	
Salaries	
Travel	\$ 50,960.00
Supplies	1,800.00
Equipment Rental	5,000.00
Equipment Maintenance	9,000.00
Building Maintenance	5,000.00
Building Improvements	6,000.00
Utilities	10,000.00
Building Insurance	30,000.00
Telephone	20,000.00
FICA	600.00
Retirement	3,500.00
Insurance	1,500.00
Miscellaneous	6,000.00
	2,000.00
	\$ 151,360.00
General	
Taxes	
Board Travel	\$ 9,000.00
Legal and Auditing	12,000.00
Interest Expense	10,000.00
Miscellaneous	50,000.00
Depreciation	10,000.00
Reduction of Capital Obligations	140,000.00
Working Capital	160,000.00
	69,725.00
	\$ 460,725.00
Total All Revenues	
Total All Expenses	\$2,603,935.00
	\$2,603,935.00

The Sunday School and Church Training Board respectfully requests that the following change be granted:

That a change in the National Youth Conference dress code be allowed. The change involves Section 1, Point B, Item 1, from "Boys and men are to wear coats and slacks," to "Boys and men are to wear a shirt, tie and slacks (coats are optional)."

National Youth Conference, 1989

Theme: SonShine '89

Registration—1380

Bible Competition entries—109

Music and Arts Competition entries—614

Total entries—723

Keynote Service Speaker—Kent Hubbard

Organized TEAM Youth Congress Officers

President—Chris Truett (North Carolina)

Vice President—Donald Myers (Colorado)

Secretary—Charity VanWinkle (Mississippi)

1990 National Youth Evangelistic Team Announced

1. Larae Clyatt, Illinois

2. Melissa White, Alabama

3. Diane Walls, Missouri

4. Jamie Harris, Texas

5. Paula King, Oklahoma

6. Angie Wolfenbarger, Tennessee

7. Donald Myers, Colorado

8. Chad Shockley, Kentucky

9. Mark Stone, Tennessee

10. Greg Cavett, Oklahoma

11. Donnie Price, Illinois

12. Eric Thomeson, Florida

HOME MISSIONS BOARD REPORT

The year 1988 was a fruitful and rewarding one for the National Home Missions Department. Seventy (70) families of missionaries, associate missionaries, and tentmakers, plus 20 Mexican pastors made a total of 90 families who served in planting Free Will Baptist churches.

Three missionaries led their churches to become self supporting. These were: Steve Cannon in Richmond, Virginia, John Hollis in Effingham, Illinois, and Norris Hawkins in Anderson, South Carolina.

Eight Free Will Baptist chaplains ministered to the men and women of the military. They 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 Mangham, U. S. Army; Chaplain Kerry Steedley, U. S. Army; and Chaplain Tim Sturgill, U. S. Air Force. Chaplain Walter Golding retired from the Air Force during 1988 after over 20 years of service.

The Home Missions Traveling Team conducted 27 Revival Time Meetings on Evangelism and Church Growth in many areas of the country.

Missionary Builder Howard Gwartney has assisted 16 Home Missions churches with new buildings thus far. The construction crew called "Masters Hands" continues to grow. These volunteer workers assist the Missionary Builder without pay.

The Church Extension Loan Fund has made 23 loans to Home Missions churches thus far.

Five sets of church blueprints have been drawn by Mr. B. H. Price of Columbia, Tennessee. These plans have been reduced to 8½" by 11" size and put in a booklet. The booklets are sent to the missionaries who then choose the building they want to construct. The only cost of the plans to the mission church is the cost of the architect's seal.

The new Bible Institute school building in Mexico was dedicated debt free. It provides boys' and girls' dormitories, classrooms, offices, cafeteria, chapel, library, and apartments for two teachers.

The Free Will Baptist churches in Mexico were united during 1988 into one association.

Roll Call Sunday, 1988 saw a record 226,231 attendance with 571 conversions.

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

The income for 1988 was \$1,774,312, which was \$125,000 below the budget. A "Church Planters Program" was adopted by the National Home Missions Board to encourage giving to the General Fund. Those churches which place the General Fund of the Home Missions Department in their budget for \$50 per month or more will receive a beautiful plaque for display.

I thank God for the faithful missionaries, chaplains, board members, and staff who served during 1988. I am deeply grateful to the pastors, churches, and individuals who faithfully gave and prayed for our work. 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, 1988

(with comparative totals for 1987)

	1988		1987	
	Operating	Plant Fund	Total All Funds	Total All Funds
Assets				
Cash and interest bearing deposits	\$ 350,928	-	350,928	373,203
Inventory	8,042	-	8,042	9,417
Equipment at cost, less accumulated depreciation of \$95,278 in 1988 (note 2)	-	45,404	45,404	46,200
Accrued interest receivable	286	-	286	-
Note receivable (note 5)	15,576	-	15,576	-
Real property held for sale, at cost	11,909	-	11,909	32,819
Total assets	\$ 386,741	45,404	432,145	461,639
Liabilities and Fund Balances				
Accounts payable	\$ 3,344	-	3,344	2,626
Restricted deferred revenue - missionary accounts (note 3)	306,905	-	306,905	283,874
Deferred compensation (note 4)	121,619	-	121,619	101,239
Notes payable (note 8)	25,778	-	25,778	30,627
Total liabilities	457,646	-	457,646	418,366
Fund balances:				
Undesignated	(70,905)	-	(70,905)	(2,927)
Net Investment in plant	-	45,404	45,404	46,200
Total fund balances	(70,905)	45,404	(25,501)	43,273
Total liabilities and fund balances	\$ 386,741	45,404	432,145	461,639

Commitments (note 6)

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

Year ended December 31, 1988

(with comparative totals for 1987)

	1988		1987	
	Operating Unrestricted	Operating Restricted	Plant Fund	Total All Funds
Support and revenue:				
Contributions	\$ 301,731	1,409,891	-	1,711,622
Printing services	10,197	-	-	10,197
Investment income	29,462	-	-	29,462
Other income	-	-	-	-
Total support and revenue	341,390	1,409,891	-	1,751,281

See accompanying note to financial statements.

Expenses:					
Administrative expenditures	389,329	-	-	389,329	453,299
Missionary maintenance	-	1,409,891	-	1,409,891	1,427,994
Depreciation	-	-	15,176	15,176	24,239
Loss on sale of investments	-	-	-	-	8,551
Loss on sale of assets	5,659	-	-	5,659	1,984
Total expenses	394,988	1,409,891	15,176	1,820,055	1,916,067
Excess (deficiency) support and revenue over expenses	(53,598)	-	(15,176)	(68,774)	(93,951)
Fund balances, beginning of year	(2,927)	-	46,200	43,273	137,224
Transfer to plant for acquisitions	(14,380)	-	14,380	-	-
Fund balances, end of year	\$ (70,905)	-	45,404	(25,501)	43,273

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1988

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 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.

- 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.

Notes to Financial Statements, continued

(2) Plant Funds

A summary of plant fund assets is as follows:

Furniture and Equipment	\$ 119,935
Automobiles	20,747
	140,682
Less accumulated depreciation	95,278
Net invested in plant	\$ 45,404

(3) Restricted Deferred Revenue

Changes in restricted deferred revenue is as follows:

Balance, beginning of year	\$ 283,874
Contributions	1,432,922
	1,716,796
Funds available	1,409,891
Expenses	306,905
Balance, end of year	\$ 1,109,891

(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 when employment is terminated.

A summary of the liability at December 31, 1988 is as follows:

Balance, beginning of year	\$ 101,239
Contributions for benefit of:	
Missionaries	21,980
Administrative employees	8,229
	131,448
Terminations	9,829
Balance, end of year	\$ 121,619

(5) Note Receivable

The note receivable amounting to \$15,576 relates to property sold in Wisconsin. Such note bears 14% interest and is repayable at \$251 per month including interest. A final payment of \$14,715 is required in January, 1990. The note is secured by the real property.

(6) Commitments

The Board has contingent liabilities in the amount of approximately \$43,000 for the guarantee of debt relating to certain churches.

(7) Related Party Transactions

The Church Extension Loan Fund, Inc., an affiliated organization, shares the office facilities and administrative staff of the Board of Home Missions at no cost. Also, the Board has an 11% note payable in the amount of \$17,462 to this related organization to be repaid monthly in installments of \$274 with final payment in 1996.

(8) Notes Payable

Notes payable consists of the following:

Note payable secured by real property in Amory, Mississippi	\$ 8,316
11% note payable to related party (see note 7)	17,462
	\$ 25,778

**Schedule of Unrestricted Fund and Restricted Fund Expenses
as Compared to Budget**

Year ended December 31, 1988

Schedule 2

	Budget	Actual Expenses	Actual (Over) Under Budget
Unrestricted Fund Expenses:			
Administrative			
Salaries	\$ 165,000	149,738	15,262
Computer service	2,500	1,076	1,424
Rent	19,000	18,284	716
Printing and postage	60,000	69,788	(9,788)
Office supplies and equipment	15,000	11,811	3,189
Housing allowance	42,000	30,079	11,921
Payroll taxes	17,500	7,732	9,768
Legal and audit	4,000	3,900	100
Telephone	14,000	8,604	5,396
Miscellaneous	7,000	6,454	546
Employee savings	10,000	8,228	1,772
Insurance	22,500	22,988	(488)
Board member expense	10,000	8,887	1,113
Automobile and travel	35,000	20,784	14,216
Promotion	5,000	1,900	3,100
Literature	14,000	5,983	8,017
Personal revivals	16,000	6,000	10,000
Utilities	6,500	4,160	2,340
Interest expense	-	2,933	(2,933)
Total unrestricted fund expense	\$ 465,000	389,329	75,671
Restricted fund expense:			
Missionary maintenance:			
Salaries	\$ 1,240,000	1,224,552	15,448
Travel and promotion	60,000	64,246	(4,246)
Employee savings expense	25,000	21,980	3,020
Postage and printing	30,000	25,314	4,686
Miscellaneous	15,000	16,892	(1,892)
Land and building	45,000	56,907	(11,907)
Total restricted fund expense	\$ 1,415,000	1,409,891	5,109
Plant fund:			
Depreciation	\$ 20,000	15,176	4,824

CHURCH EXTENSION LOAN FUND, INC.

Balance Sheets

December 31, 1988 and 1987

Assets	1988	1987
Interest bearing deposits		
Marketable securities, at cost (market value \$941,500 in 1988 and \$960,957 in 1987)	\$ 19,160	257,259
Notes receivable (note 6)	966,806	1,021,164
Accrued interest	602,647	323,233
	4,890	11,103
Total assets	\$ 1,593,503	1,612,759

See accompanying notes to financial statements.

Liabilities and Fund Balance

Liabilities:	\$ 20,459	20,957
Accrued interest	75,000	75,000
Revocable trust (note 2)	31,943	35,322
Deferred compensation (note 3)	1,178,155	1,229,820
Notes payable (note 4)	1,305,557	1,361,099
Total liabilities		
	143,634	107,348
Fund balance:	144,312	144,312
Undesignated		
Designated (note 5)	287,946	251,660
Total fund balance	\$ 1,593,503	1,612,759
Total liabilities and fund balance		

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

Years ended December 31, 1988 and 1987

	1988	1987
Support and revenue:	\$ 700	-
Contributions	102,523	90,874
Investment income	45,883	43,776
Interest income	149,106	134,650
Total support and revenue		
	109,647	97,689
Expenses:		
Interest expense	3,173	214
Miscellaneous	112,820	97,903
Total expenses		
	36,286	36,747
Excess of support and revenues over expenses	251,660	214,913
Fund balance at beginning of year	\$ 287,946	251,660
Fund balance at end of year (note 5)		

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1988 and 1987

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.

Notes to Financial Statements, Continued

(2) 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 of 75% of interest earned on the trust funds within certain limitations.

(3) Deferred Compensation

The Board of Home Missions, a related party (see note 7), 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, 1988 and 1987 is as follows:

	1988	1987
Balance, beginning of year		
Transfer from the Board of Home Missions	\$ 35,322	27,654
Withdrawals	5,080	7,668
	8,459	-
Balance, end of year	\$ 31,943	35,322

(4) Notes Payable

Notes payable, amounting to \$1,178,155 in 1988 and \$1,229,820 in 1987, consist of 5% to 8% demand notes to individuals and churches. Such funds will be loaned to qualifying churches to finance building projects.

(5) Designated Fund Balance

The Loan Fund received as a contribution, 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.

(6) Notes Receivable

10% to 12% notes receivable are as follows:

Secured by first mortgage on the real estate:

	1988	1987
First Free Will Baptist Church - Salem, Oregon	\$ 28,797	32,410
Grace Free Will Baptist Church - Memphis, Tennessee	27,014	76,959
First Free Will Baptist Church - Fort Collins, Colorado	47,694	12,781
Thompson Memorial Free Will Baptist Church - Vineland, New Jersey	54,146	5,283
The Harvest Free Will Baptist Church - Colorado, Springs	33,499	25,637
Heritage Free Will Baptist Church - Elkhart, Indiana	76,249	59,438
Tri-Cities Free Will Baptist Church - Kennewick, Washington	23,600	25,000
Maranatha Free Will Baptist Church - Omaha, Nebraska	99,270	-
Heartland Free Will Baptist Church - Elizabethtown, Kentucky	44,448	-
Maryland State Mission Board	80,000	-
Heritage Free Will Baptist Church - Fredericksburg, Virginia guaranteed by the Maryland State Home Missions Board	17,387	19,495
Unsecured notes payable:		
Heritage Free Will Baptist Church - Gilbert, Arizona	49,133	47,475
Alabama State Mission Board	3,948	-
Board of Home Missions (note 7)	17,462	18,755
	\$ 602,647	323,233

(7) Related Party Transactions

The Loan Fund Shares office facilities and administrative staff with the Board of Home Missions at no cost.

As indicated in note (6), the Loan Fund has a 11% note receivable from the Board of Home Missions to be repaid monthly in installments of \$274 with final payment in 1996. The balance at December 31, 1988 amounted to \$17,462.

As indicated in note (3), The Board of Home Missions transferred \$5,080 in 1988 and \$7,668 in 1987 to fund deferred compensation arrangements.



Hill, Neal & Allen, P.C.
Certified Public Accountants

Independent Auditors' Report

Terry A. Hill
Russell E. Neal
Nancy S. Allen

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

Brentwood Executive Center
761 Old Hickory Boulevard
Suite 103
Brentwood, TN 37027
615/377-3485

We have audited the balance sheet of Board of Home Missions of The National Association of Free Will Baptists as of December 31, 1988, and the related statement of support and revenue, expenses, capital additions, transfers among funds and changes in fund balances for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Board of Home Missions of The National Association of Free Will Baptists as of December 31, 1987, were audited by other auditors whose report dated February 8, 1988, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 1988 financial statements referred to above present fairly, in all material respects, the financial position of Board of Home Missions of The National Association of Free Will Baptists as of December 31, 1988, 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.

Hill, Neal & Allen, P.C.

February 10, 1989

Proposed Faith Budget For 1990

	1989 Budget	1990 Budget
<u>Missionary Maintenance</u>		
Salaries	\$1,265,000.00	\$1,265,000.00
Travel & Promotion	65,000.00	65,000.00
Employee Savings	25,000.00	25,000.00
Postage & Printing	30,000.00	30,000.00
Miscellaneous	20,000.00	20,000.00
Land & Building Fund	60,000.00	60,000.00
Total	\$1,465,000.00	\$1,465,000.00
<u>*Administrative</u>		
Salaries	\$ 140,000.00	\$ 145,000.00
Housing	30,000.00	35,000.00
Social Security	10,000.00	10,000.00
Pay Roll Taxes	9,000.00	6,500.00
Employee Savings	7,000.00	8,000.00
Insurance	20,000.00	22,500.00
Utilities	5,000.00	4,500.00
Total	\$ 221,000.00	\$ 231,500.00
<u>*Missionary Assistance</u>		
Printing & Postage	\$ 71,000.00	\$ 65,000.00
Telephone	12,000.00	9,000.00
Board Member Expense	10,000.00	10,000.00
Computer Service	3,000.00	
Auditing	3,000.00	4,000.00
Miscellaneous	7,000.00	7,000.00
Total	\$ 106,000.00	\$ 95,000.00
<u>*Evangelism</u>		
Auto & Travel	\$ 25,000.00	\$ 25,000.00
Promotion	8,000.00	8,000.00
Literature	10,000.00	10,000.00
Revivals	6,000.00	6,000.00
Roll Call Sunday	6,000.00	6,500.00
Total	\$ 55,000.00	\$ 55,500.00
<u>*Plant</u>		
Office Space	\$ 18,000.00	\$ 20,000.00
Equipment & Supplies	15,000.00	15,000.00
Depreciation	20,000.00	18,000.00
Total	\$ 53,000.00	\$ 53,000.00
<u>*Total General Fund Budget</u>	\$ 435,000.00	\$ 435,000.00
Total Faith Budget	\$1,900,000.00	\$1,900,000.00

Proposed State Quotas For 1990

State	1990 Quota
Alabama	\$150,000
Alaska	500
Arizona	9,000
Arkansas	85,000
California	100,000
Canada	2,000
Colorado	17,000
Florida	70,000
Georgia	70,000
Hawaii	500
Idaho	2,500
Illinois	55,000
Indiana	25,000
Iowa	1,000
Kansas	15,000
Kentucky	60,000
Louisiana	2,500
Maine	2,500
Maryland	20,000
Mexico	500
Michigan	55,000
Minnesota	500
Mississippi	48,000
Missouri	150,000
Montana	500
Nebraska	5,000
New Hampshire	15,000
New Mexico	500
New York	500
North Carolina	150,000
Ohio	90,000
Oklahoma	150,000
Oregon	6,000
Pennsylvania	1,000
Puerto Rico	2,500
Rhode Island	2,000
South Carolina	90,000
South Dakota	3,000
Tennessee	245,000
Texas	31,000
Vermont	500
Virginia	65,000
Virgin Islands	27,000
Washington	3,000
West Virginia	15,000

Wyoming	1,000
Other States	5,000
Other Income	50,000
Total 1990 Quotas	\$1,900,000

MASTER'S MEN DEPARTMENT REPORT

The major goal of Master's Men remains the same since 1956: to bring the Master and men closer together. Every layman should mirror the image of the Master. We challenge our laity to achieve their God-given potential in His service.

Our Executive Secretary, Dr. Melvin Worthington recently stated, "The organization is designed to help laymen find their niche in the Lord's work . . . Every Free Will Baptist church needs an active Master's Men chapter. The benefits are well worth the effort . . ."

The laymen supply our denomination with a wealth of resources, including talent, time, willingness, as well as tithe. They affect all denominational ministries. Their achievements in witness, mission and ministry will provide further growth in Master's Men and Free Will Baptist denomination.

Appreciation

Raymond Lee (NC), elected in 1977, has served 12 years, the last 6 years as Chairman of the Board. His leadership as a Board Member began during the years the Department labored for growth and expansion with our first full-time Director, Brother Loyd Olsan (1975-1983). I appreciate his patience and guidance while I struggled to learn the work as a new Director. Lee has given double duty to Master's Men work the past four years (1986-1989), also serving as Chairman of Ushering at our National Conventions.

Paul Kennedy (CA), elected in 1977, has served 12 years. Kennedy brought to the Board experience from another term. He served as a Board Member from 1967-1971. His duties in California gave opportunities to promote our ministry while serving as State Executive Secretary, State Paper Editor, and later as State Moderator.

James R. Orr (KY), elected in 1983, has served 6 years. His "retired" status has enabled Jim to promote Master's Men in several states. He remains active building new churches, traveling with Home Missionary Builder Howard Gwartney to the Master's Hands Projects. Orr is also Chaplain of a group of Avion Owners and Campers. His winter trips to warmer states have resulted in several new Master's Men chapters.

Paul Moore (IL), was elected to the Board in 1982 to an unexpired term and again in 1985, serving a total of 6 years. His letter of intent to resign was accepted by the Board in the December, 1988 meeting. Moore's involvement continues in our work in Illinois.

Accomplishments

LifeMembers and LifeFriends

LifeMembership has shown impressive growth since its introduction in December, 1985. During 1988 the total climbed to 275 LifeMembers, and 25 LifeFriends among our women. At the time this report is written (May 15) there are 312 LifeMembers, 30 LifeFriends and 65 men and women making monthly payments to achieve Life-status.

The funds generated by the LifeMember fees are deposited in the Master's Men Endowment Trust, held by the Free Will Baptist Foundation. The Trust now totals \$34,400. It will provide annual revenue for the Master's Men General Fund. The principal amount will never be spent. It will remain until the Lord comes back, providing help to the budget every year.

A growing number of laity have included Master's Men as beneficiaries for insurance policies, bequests from wills and as recipient of portions of Living Trusts. Future income is projected to be over \$250,000 through these methods of giving. *A few sentences in your will could make a difference in the ministry of Master's Men in the future. The future is also a part of the work of God.*

Master's Hands Projects

During 1988, Master's Men continued to help construct new churches. Since 1984 our men helped in 22 known Master's Hands Projects. Their efforts saved an estimated \$500,000 in construction costs. Five requests for assistance have been received in 1989. It is conceivable men could be involved in a project every month within the next two years. More planning is needed to provide work opportunities in areas as annual weather patterns permit.

These projects give evidence of the great blessing and accomplishment the laymen can provide in Free Will Baptist work. These men simply apply their gifts and talents in positive ways to aid the planting and growth of churches.

"Above All . . . Take the Shield"

Membership enlistment has been a problem through the 33-year history of Master's Men. Records in the office show about 2,000 laymen participating in the program. Records from State Associations show 3,400 men involved. Such a disparity portrays the need for Men's Fellowship groups, prayer groups, etc. to join in the Master's Men national ministry. On a practical note, dues from those 1,400 men would have prevented a deficit in our budget in three of the past four years.

Men need to realize their service is to the Master, through Master's Men. We all need to learn to ask, "What can I do for Him," rather than, "What's in it for me."

In the first 19 weeks of 1989, the enlistment campaign added 16 new chapters with 164 new members. Other increases include 37 new LifeMembers, 5 new LifeFriends and at least 30 new LifeCommitments.

Eleventh National Conference

"A PERFECT MAN" headlined this year's gathering of 120 men from 15 states and Japan. Loyd Olsan did a tremendous job as he directed the Conference. Dr. Melvin Worthington helped define, delineate and develop our theme. He joined nearly two dozen laymen on the program. Workshop

topics, keynote messages and devotions were handled very well by these men. The date for our twelfth Conference is April 26-28, 1990 at Camp Linden. Bring a group and share the blessings!

1985 — Decade of Discipleship — 1995

This year marks the halfway point for our focus on discipleship. The 1989 theme, "Disciples Under Construction" points out the opportunity for abundant living available by cultivating the fruits of the spirit in each life. Studies in 1990 will center around the lives of the disciples who walked with Jesus. Our theme "Disciples In Deed!" will help show the change Jesus brought to a group of men He called to follow Him from hilly Judea to heaven. His promise "Greater works than me shall ye do!" still echoes in the minds and actions of His disciples today.

Appeal

A lack of finances continues to hamper ministry efforts. The past lean years have been a trial for office workers. Fatigue abounds. Your prayers and faithful support are a vital necessity.

As Director, I am thankful for the Undesignated Co-op (14%) the Department receives. The \$20,229 received in 1988 was a great blessing. I believe Co-op can meet the needs of all our national ministries—if we all will do more than give lip service support. We need to learn to structure our giving to honor the Lord. Then the needs will be met in all our ministries.

Faithful gifts (\$45,512) from Master's Men and local churches kept the work of Master's Men alive in 1988. \$16,451 were restricted funds, placed in the Endowment Trust and missions projects.

This Director pleads for every church to help all our Departments and Commissions this September 24th on National Ministries Sunday. A once-a-year offering of only \$32.37 from every Free Will Baptist would totally underwrite all our combined National Budget. That's the ideal. If only 7,724 participate, over \$250,000 can be dispersed to these ministries! What a blessing!

Thank you for the privilege of sharing the blessings and the needs of Master's Men Department with you this year.

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,

	1988	1987
ASSETS		
CURRENT ASSETS		
Cash		
Trust account - Lifetime membership	\$ 793	\$ 2,285
Interest receivable	27,595	20,064
Prepaid expenses	1,056	813
Inventories	129	--
	<u>1,093</u>	<u>1,324</u>
Total current assets	\$ 30,666	\$ 24,486
PROPERTY AND EQUIPMENT, net (Note 2)	<u>4,174</u>	<u>5,767</u>
Total assets	<u>\$ 34,840</u>	<u>\$ 30,253</u>
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable		
Deferred revenue (Note 3)	\$ 2,796	\$ 2,632
Accrued expenses	89	120
Notes payable (Note 4)	539	480
	<u>1,418</u>	<u>3,813</u>
Total current liabilities	\$ 4,842	\$ 7,045
LONG-TERM DEBT (Note 4)	<u>--</u>	<u>--</u>
Total liabilities	\$ 4,842	\$ 7,045
FUND BALANCE (DEFICIT) (Note 5)		
Unrestricted	\$(2,130)	\$ 251
Restricted	<u>32,128</u>	<u>22,957</u>
Total fund balance (deficit)	\$ 29,998	\$ 23,208
Total liabilities and fund balance	<u>\$ 34,840</u>	<u>\$ 30,253</u>

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

	1988			1987
	Unrestricted	Restricted	Total	Total
REVENUE				
Dues from members	\$ 8,902	\$ --	\$ 8,902	\$ 10,215
Cooperative program	20,229	--	20,229	16,817
Merchandise sales	591	--	591	1,241
Gifts and other income	<u>29,061</u>	<u>16,451</u>	<u>45,512</u>	<u>39,055</u>
	\$ 58,783	\$ 16,451	\$ 75,234	\$ 67,328

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

EXPENDITURES

Salaries and wages	\$ 25,949	\$ --	\$ 25,949	\$ 24,448
Payroll taxes and employee benefits	5,216	--	5,216	4,426
Cost of sales and printing	1,705	--	1,705	1,628
Travel expense	8,731	591	9,322	8,629
Conferences and conventions	7,577	--	7,577	6,989
Office expense	5,116	--	5,116	3,246
Postage	1,173	--	1,173	1,990
Promotion expense	1,225	--	1,225	344
Professional fees	500	--	500	713
Bookkeeping expense	900	--	900	975
Depreciation	2,248	--	2,248	2,224
Interest expense	123	--	123	494
Insurance expense	701	--	701	218
Missions projects	--	6,689	6,689	672
	<u>\$ 61,164</u>	<u>\$ 7,280</u>	<u>\$ 68,444</u>	<u>\$ 56,996</u>

REVENUES OVER (UNDER)
EXPENDITURES

	\$(2,381)	\$ 9,171	\$ 6,790	\$ 10,332
FUND BALANCE (DEFICIT) AT JANUARY 1, 1988	<u>251</u>	<u>22,957</u>	<u>23,208</u>	<u>12,876</u>
FUND BALANCE (DEFICIT) AT DECEMBER 31, 1988	<u>\$(2,130)</u>	<u>\$ 32,128</u>	<u>\$ 29,998</u>	<u>\$ 23,208</u>

STATEMENT OF CHANGES IN FINANCIAL POSITION
Years ended December 31,

	1988	1987
WORKING CAPITAL PROVIDED (APPLIED)		
Revenue over (under) expenditures	\$ 6,790	\$ 10,332
Items not affecting working capital		
Depreciation	<u>2,248</u>	<u>2,224</u>
Working capital provided by (used for) operations	\$ 9,038	\$ 12,556
Additions to property and equipment	(655)	--
Reduction of long-term debt	<u>--</u>	<u>(124)</u>
INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ 8,383</u>	<u>\$ 12,432</u>

ANALYSIS OF CHANGES IN WORKING CAPITAL

Increase (decrease) in current assets		
Cash	\$(1,492)	\$ 1,958
Trust account - Lifetime membership	7,531	8,044
Interest receivable	243	383
Deposits	--	(100)
Inventories	(231)	178
Prepaid expenses	<u>129</u>	<u>--</u>
Decrease (increase) in current liabilities		
Accounts payable	(164)	2,872
Deferred revenue	31	1,245
Accrued expenses	(59)	251
Notes payable	<u>2,395</u>	<u>(2,399)</u>
	<u>\$ 8,383</u>	<u>\$ 12,432</u>

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

NOTES TO FINANCIAL STATEMENTS
December 31, 1988

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

NOTE 2 - PROPERTY AND EQUIPMENT

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

	1988	1987
Equipment and furniture	\$14,207	\$13,552
Less accumulated depreciation	10,033	7,785
Property and equipment, net	\$ 4,174	\$ 5,767

NOTE 3 - DEFERRED REVENUE

Deferred revenue consists of dues received for future years as of December 31, 1988 and 1987.

NOTE 4 - NOTES PAYABLE

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

	1988	1987
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 as of December 31, 1987	\$ --	\$ 313
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	1,418	3,500

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 1988

	\$ 1,418	\$ 3,813
Less current portion	1,418	3,813
Long-term debt	\$ --	\$ --

NOTE 5 - RESTRICTED FUND BALANCE

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

	1988	1987
Missions projects	\$ 942	\$ 2,118
Lifetime Membership	31,186	20,839
	\$32,128	\$22,957

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, 1988 and 1987, 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, 1988 and 1987 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
May 9, 1989

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

1990 Proposed Budget

Income

Gifts	\$20,000.00
Dues	14,656.00
Master's Men Day	4,500.00
Sales	1,500.00
Co-op	20,000.00
Travel	2,000.00
MM Conference	10,500.00
Interest Income	
Other	250.00
LifeMember Trust	3,500.00
MM Dinner	3,600.00
	<u>\$80,506.00</u>

Expenditures

Audit	\$ 600.00
MM Dinner	
Dinner	3,450.00
Honoraria	150.00
MM Conference	6,000.00
Cost of Sales	1,000.00
Equipment Maintenance	500.00
Promotion	1,000.00
Postage	2,000.00
Printing	10,000.00
Office Supplies	2,500.00
Office Equipment	500.00
Telephone	1,500.00
Travel:	
Director	8,000.00
Board	2,000.00
Director's Insurance and Retirement	4,000.00
Insurance, Office	300.00
Payroll Taxes	2,484.00
Salaries	33,072.00
Loan Retirement	500.00
Miscellaneous	500.00
Bookkeeping Fee	900.00
	<u>\$80,506.00</u>

BOARD OF RETIREMENT REPORT

This year marks our 20th anniversary. Here are some highlights of these 20 years.

July 1969

Plan adopted by National Association Convention in St. Louis. Name changed to Board of Retirement and Insurance. Herman L. Hersey named director.

March 1971

161 members in plan

March 1972

Assets total \$106,604

July 1973

Full-time office established in Nashville, TN

May 1975

313 members—Assets total \$413,890

January 1976

Operating fund in the black

January 1978

439 members—Assets total \$865,638

September 1978

Assets reached One Million Dollars

April 1980

Voted to recommend to the National Association the establishment of the Free Will Baptist Foundation

April 1983

Mike Mudry presented a study of our pension plan

May 1983

Ray Lewis employed as business manager

January 1984

Revised plan in force

September 1984

Assets total \$3,400,706

August 1986

Computers in operation

March 1988

First annuity check written

January 1989

917 members—Assets total \$7,135,468

Last year was a good year. The audit reveals that total assets increased 15% or \$15,246 a week. This is the same percentage increase as in the past few years. The first quarter of 1989 shows a weekly increase of \$17,456. If we maintain a 14% average growth rate, our assets will double every five years.

The demand for church loans remains strong. During 1988 we loaned \$1,642,857. Since January first, we have loaned \$437,601.

We thank you who have prayed and have given to make these 20 years possible. There are still many challenges in the future. Working together we can "serve those who serve us" in a greater way.

Herman L. Hersey

General Director

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

Balance Sheet

December 31, 1988

(with comparative totals for 1987)

Assets	1988				1987
	Unrestricted Operations	Retirement Fund	Plant Fund	Total All Funds	Total All Funds
Interest bearing deposits and investments (note 2)	\$ 13,915	3,055,556	-	3,069,471	3,478,090
Funds invested with retirement fund	53,057	-	-	-	-
Accrued interest receivable	-	26,770	-	26,770	41,641
Notes receivable from participants of the retirement fund and churches and denominational agencies of the National Association of Free Will Baptists (note 3)	-	4,004,446	-	4,004,446	2,906,485
Office furniture, equipment, and automobiles, at cost, less accumulated depreciation of \$40,571 (note 4)	-	-	-	-	-
Total assets	\$ 66,972	7,086,772	34,781	7,135,468	6,453,103
Liabilities and Fund Balances					
Notes payable	\$ -	1,000	-	1,000	1,000
Accounts payable and accrued expenses	11,854	11,000	-	22,854	12,354
Interest bearing revocable trusts	-	1,118,791	-	1,065,734	1,186,682
Total liabilities	11,854	1,130,791	-	1,089,588	1,200,036
Fund balances (note 5):					
Operations	55,118	-	-	55,118	49,847
Retirement fund	-	5,880,608	-	5,880,608	5,094,921
Designated as reserve funds	-	75,373	-	75,373	75,412
Net invested in plant	-	-	34,781	34,781	32,887
Total fund balances	55,118	5,955,981	34,781	6,045,880	5,253,067
Total liabilities and fund balances	\$ 66,972	7,086,772	34,781	7,135,468	6,453,103

Statement of Fund Transactions and Changes in Fund Balances

Year ended December 31, 1988

(with comparative totals for 1987)

	1988				1987
	Unrestricted Operations	Retirement Fund	Plant Fund	Total All Funds	Total All Funds
Additions:					
Contributions from participants	\$ -	515,102	-	515,102	501,912
Gifts	27,610	-	-	27,610	20,811
Interest income - notes receivable	-	429,254	-	429,254	344,110
Investment income and realized and unrealized losses of investment portfolio	4,418	205,123	-	209,541	201,661
Forfeitures and late charges	-	4,058	-	4,058	4,473
Loan origination fees	-	43,223	-	43,223	14,513
Miscellaneous	8	174	-	182	1,013
Total additions	32,036	1,196,934	-	1,228,970	1,088,493
Deductions:					
Salaries	53,776	-	-	53,776	49,904
Fringe benefits	21,886	-	-	21,886	20,650
Travel and promotional	29,996	-	-	29,996	25,636

See accompanying notes to financial statements.

Office supplies	16,934	-	-	16,934	9,357
Housing	22,800	-	-	22,800	22,800
Ministry to senior adults	-	-	-	-	4,442
Occupancy	11,136	-	-	11,136	11,239
Board members expense	7,292	-	-	7,292	4,995
Legal and auditing	6,060	-	-	6,060	5,156
Miscellaneous	2,251	418	-	2,669	1,440
Depreciation	-	-	19,677	19,677	8,547
Interest expense	-	90,207	-	90,207	93,063
Withdrawal of funds	-	153,269	-	153,269	111,153
Computer services	-	-	-	-	3,183
Insurance	455	-	-	455	315
Total expenses	172,586	243,894	19,677	436,157	371,880
Net increase (decrease) in funds for the year	(140,550)	953,040	(19,677)	792,813	716,613
Fund balances, beginning of year, as reclassified (note 5)	49,847	5,170,333	32,887	5,253,067	4,536,454
Transfers among funds and other changes:					
To plant fund for asset acquisition	(21,571)	-	21,571	-	-
Enrollment and administrative fees	167,392	(167,392)	-	-	-
Fund balance, end of year	\$ 55,118	5,955,981	34,781	6,045,880	5,253,067

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1988

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 of Retirement and Insurance of The National Association of Free Will Baptists are presented below to assist the reader in evaluating the financial statements.

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 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 accompanying financial statements.

(2) Interest-Bearing Deposits and Investments

Interest-bearing deposits and investments consist of the following:

	Market Value	Cost
Interest bearing accounts	\$ 190,371	190,371
Church bonds (at stated value)	150,250	150,250
Mutual funds	1,631,559	1,631,264
Common stocks	863,862	825,980
U.S. Treasury notes	233,429	234,643
	\$ 3,069,471	3,032,508

Notes to Financial Statements, continued

(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:

Participant notes	\$ 38,623
Churches and agency notes	3,965,823
	<u>\$ 4,004,446</u>

Participant notes are secured by retirement account balances. Church and agency notes are secured by first mortgage or similar perfected security interest in the related property.

(4) Office Furniture, Equipment, and Automobiles

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

Office furniture and fixtures	\$ 26,760
Computer equipment	35,533
Automobiles	13,059
	<u>75,352</u>
Accumulated depreciation	40,571
	<u>\$ 34,781</u>

Depreciation expenses amounted to \$19,677 in 1988.

(5) Reclassification of Fund Balances

The beginning fund balance of unrestricted operations and plant funds have been reclassified in the amount of \$6,000 to account for transfers from operations to fund an automobile purchase. Certain other reclassifications of the prior years figures have been made to conform with the current years presentation.



Hill, Neal & Allen, P.C.
Certified Public Accountants

Independent Auditors' Report

Jerry A. Hill
Russell E. Neal
Nancy S. Allen

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

Brentwood Executive Center
761 Old Hickory Boulevard
Suite 103
Brentwood, TN 37027
615-377-3485

We have audited the balance sheet of Board of Retirement and Insurance of The National Association of Free Will Baptists as of December 31, 1988, and the related statement of fund transactions and changes in fund balances for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Board of Retirement and Insurance of The National Association of Free Will Baptists as of December 31, 1987, were audited by other auditors whose report dated January 27, 1988, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial

statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 1988 financial statements referred to above present fairly, in all material respects, the financial position of Board of Retirement and Insurance of the National Association of Free Will Baptists as of December 31, 1988, and fund transactions and changes in fund balances for the year then ended in conformity with generally accepted accounting principles.

Hill, Neal & Allen, P.C.

February 10, 1989

1990 Budget

Salaries	\$ 84,914
Employee Benefits	33,102
Housing	30,000
Travel/Promotion	27,000
Auto/Travel/Maintenance	3,500
Auto Fund	6,000
Plant Fund	12,500
Office Supplies/Expense	15,000
Equipment/Maintenance	5,000
Publications	6,000
Dept's Share of Insurance Premiums	300
ALERT Ministries	2,000
Board Expense	8,500
Insurance	4,000
Legal/Auditing	10,000
Miscellaneous	1,500
	<u>\$249,316</u>
Total	

FREE WILL BAPTIST FOUNDATION REPORT

It does not seem possible that the Free Will Baptist Foundation is entering its tenth year. Here is a summary of the activity and accomplishments of these years.

1.) I have had extensive training in planned giving, tax matters and basic estate planning. This is a continual education process.

2.) Our people have been educated to the concepts of planned giving and the use of various types of trusts. Brochures and other printed material have been written and distributed.

3.) Three different seminars have been developed for our churches. Each session is two hours in length.

A.) Family Financial Planning: This is designed to assist our people in basic budgeting, debt management and prudent planning for future needs.

B.) Wills Clinic: This concerns the basic elements of will preparation and shows how to effectively work with an attorney.

C.) Basic Estate Planning: Various types of trusts are explained.

4.) Three gift annuities have been written. The donors are receiving regular checks and will continue receiving them until their deaths. Then the gift goes to the Lord's work as they have designated.

5.) Forty acres of land in Colorado has been given to the Foundation. It is for sale. Any buyers?

6.) Several individuals have established annuity trusts with the Foundation. They have received a total income of over \$1,800.

7.) The Foundation has already given \$23,964.66 to the Lord's work through endowments. The beneficiaries include the Cooperative Plan of Support, Foreign Missions, Foundation operating fund, Hillsdale College, Home Missions, Master's Men, Tennessee Children's Home, state and district missions boards and local churches. The total endowments are in excess of \$130,000.

We challenge someone to establish endowments for Free Will Baptist Bible College, WNAC, state and district ministries, other schools and local churches. Remember that one gift may benefit as many agencies as you wish. Give a gift that keeps on giving!

The Foundation is ready to help you and your family in planning an income for yourself and help Free Will Baptist ministries too.

Thanks for your prayers and support.

Herman L. Hersey
Executive Secretary/Treasurer

FREE WILL BAPTIST FOUNDATION, INC.

Balance Sheets

December 31, 1988 and 1987

	1988	1987
Assets		
Cash in bank	\$ 3,884	986
Interest bearing accounts with the Board of Retirement and Insurance of the National Association of Free Will Baptists	243,027	351,386
Land held for investment, at contributed value	4,000	4,000
Accrued interest income	7,358	7,134
Total assets	\$ 258,269	363,506
Liabilities and Fund Balance		
Liabilities:	\$ 113,349	260,349
Interest-bearing revocable trusts	6,000	6,000
Gift annuity payable	5,454	327
Accrued earnings payable	124,803	266,676
Total liabilities	4,768	7,793
Fund balance:	128,698	89,037
Operations	133,466	96,830
Endowment funds	258,269	363,506
Total fund balances	\$ 258,269	363,506
Total liabilities and fund balance		

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

Years ended December 31, 1988 and 1987

	1988		1987	
	Operations	Endowments	Total All Funds	Total All Funds
Support and revenue:				
Contributions	\$ 8,292	39,661	47,953	35,008
Service fee income and other	2,971	-	2,971	5,519
Total support and revenue	11,263	39,661	50,924	40,527
Expenses:				
Salaries	5,656	-	5,656	4,562
Social security and retirement	838	-	838	685
Travel and promotion	1,271	-	1,271	1,768
Office expense	1,018	-	1,018	1,811
Publications	11	-	11	538
Training and education	556	-	556	1,312
Legal and auditing	400	-	400	400
Equipment	-	-	-	1,477
Miscellaneous	18	-	18	55
Write off of service fee income	4,520	-	4,520	-
Total expenses	14,288	-	14,288	12,608
Excess of support and revenues over (under) expenses	(3,025)	39,661	36,636	27,919
Fund balance at beginning of year	7,793	89,037	96,830	68,911
Fund balance at end of year	\$ 4,768	128,698	133,466	96,830

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1988 and 1987

Free Will Baptist Foundation, Inc. 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 Free Will Baptist Foundation, 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).

Fund Accounting

In order to ensure observance of limitations and restrictions 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.

Basis of Financial Statements

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

Income Taxes

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



Hill, Neal & Allen, P.C.
Certified Public Accountants

Independent Auditors' Report

Terry A. Hill
Russell E. Neal
Nancy S. Allen

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

Brentwood Executive Center
761 Old Hickory Boulevard
Suite 103
Brentwood, TN 37027
615/377-3485

We have audited the balance sheet of Benevolent Fund of the National Association of Free Will Baptists as of December 31, 1988, and the related statement of revenue, expenses and changes in fund balance for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Benevolent Fund of the National Association of Free Will Baptists as of December 31, 1987, were audited by other auditors whose report dated January 27, 1988, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 1988 financial statements referred to above present fairly, in all material respects, the financial position of Benevolent Fund of the National Association of Free Will Baptists as of December 31, 1988, and the revenue, expenses and changes in fund balance for the year then ended in conformity with generally accepted accounting principles.

Hill, Neal & Allen, P.C.

February 2, 1989



Hill, Neal & Allen, P.C.
Certified Public Accountants

Independent Auditors' Report

Terry A. Hill
Russell E. Neal
Nancy S. Allen

Board of Directors
Free Will Baptist Foundation, Inc.:

Brentwood Executive Center
761 Old Hickory Boulevard
Suite 103
Brentwood, TN 37027
615/377-3485

We have audited the balance sheet of Free Will Baptist Foundation, Inc. as of December 31, 1988, and the related statement of support and revenue, expenses, and changes in fund balances for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Free Will Baptist Foundation, Inc. as of December 31, 1987, were audited by other auditors whose report dated January 27, 1988, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 1988 financial statements referred to above present fairly, in all material respects, financial position of Free Will Baptist Foundation, Inc. as of December 31, 1988, and the support and revenue, expenses and changes in fund balances for the year then ended in conformity with generally accepted accounting principles.

Hill, Neal & Allen, P.C.

February 2, 1989

1990 Budget

Salary/honorarium	\$12,000
Travel and promotion	3,000
Publications	7,500
Training & education	3,000
Office expense	3,000
Legal and auditing	1,000
Miscellaneous	500
Total	\$30,000

The Board of Trustees of the Free Will Baptist Foundation recommend:

1. That the first sentence of Article VII of the Charter of Incorporation of the Foundation be amended by substituting 9 and 18 for 5 and 15.
The amended sentence will read: "The affairs, business and functions of the Corporation shall be conducted by a Board of Trustees consisting of not less than nine (9) nor more than eighteen (18) members elected by the National Association of Free Will Baptists in accordance with its Constitution and Bylaws."
2. That the following be added after the first sentence of Article IV, Section 2 of the By-Laws of the Foundation. "In addition, the Director of Foreign Missions, the Director of Home Missions, the Director of Master's Men, the Director of Sunday School and Church Training, the President of Free Will Baptist Bible College, the Executive Secretary of the Woman's National Auxiliary Convention and the Executive Secretary of the National Association shall serve on the Board of Trustees."
3. That Section 16 of the By-Laws of the National Association be amended by adding to the end of the sentence "and the Board of Trustees of the Free Will Baptist Foundation."
4. That Section 17 of the By-Laws be amended to add "except the Board of Trustees of the Free Will Baptist Foundation" after "Each of these boards." The amended sentence will read: "Each of these boards, except the Board of Trustees of the Free Will Baptist Foundation, shall be composed of nine members who are elected by the National Association, according to an arrangement whereby each member has a term of office for six years, and their terms are arranged so that they expire in groups of three biennially."
5. That the following sentence be added to the end of Section 17.
"The Board of Trustees of the Free Will Baptist Foundation shall consist of the members of the Board of Retirement and Insurance, the Director of Foreign Missions, the Director of Home Missions, the Director of Master's Men, the Director of Sunday School and Church Training, the President of Free Will Baptist Bible College, the Executive Secretary of the Woman's National Auxiliary Convention and the Executive Secretary of the National Association."

**WOMAN'S NATIONAL AUXILIARY
CONVENTION REPORT**

Our theme of "Arise and Build" has challenged us this year to build in several areas.

The Eunice Edwards Fund for Building Churches Abroad had grown to \$20,261.39 by May, 1989.

Since July, 1988, we have sent 70 complimentary packets to new or reorganizing Auxiliaries. We received notice of 19 Auxiliaries disbanding, making a total increase of 51 Auxiliaries joining in the work. We now have 13,989 subscribers to the CO-LABORER magazine.

In March, Mrs. Mabel Willey and I had the privilege of joining with the women of Panama for their first National Woman's Retreat. Eighty women enjoyed singing, praying, and talking together.

Our reports show that Auxiliaries gave \$30,356.40 more to Missions and related causes in 1988 than in 1987.

Our retreat in September, 1988, was a prayer retreat with 718 women from 19 states joining in prayer and praise to God for His promise. "Call unto me, and I will answer thee, and shew thee great and mighty things, which thou knowest not." Jeremiah 33:3.

The executive committee serves well in planning, encouraging, and promoting. I'm especially thankful for them: Mary Neal, president; Maurine Lee, vice president; Peggy Outland, secretary; and Nora McCarty, Kay Hampton, and Lila Faye Morgan, members at large. Also I want to express appreciation to the officers who serve in state, district and local Auxiliaries. Without them, the work could not flourish.

The office staff also serves faithfully and efficiently: Yvonne Wolfenbarger, executive assistant; Lorene Miley, editor; Sue Hayes, bookkeeper.

Our theme for 1990 is "The Great Invitation." My prayer is that we will join together in extending the invitation of Christ to all people everywhere.

Mary R. Wisheart
Executive Secretary-Treasurer

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

	<u>DECEMBER 31</u>	
	<u>1988</u>	<u>1987</u>
<u>ASSETS</u>		
Cash	<u>\$64,007.79</u>	<u>\$77,724.31</u>

FUND BALANCE

General	\$64,007.79	\$77,475.31
Designated - Foreign Student Scholarship		249.00
	<u>\$64,007.79</u>	<u>\$77,724.31</u>

The accompanying notes are an integral part of this statement.

GENERAL FUND

CASH RECEIPTS AND DISBURSEMENTS

DECEMBER 31

	1988	1987
Cash balance, beginning	\$ 77,724.31	\$ 73,221.46
RECEIPTS		
Printing & supplies for sale		
Magazine	75,998.88	103,105.52
Literature	6,399.42	7,288.25
Literature & printing refund		22.76
Postage on literature	898.14	1,047.44
Postage refund		106.53
Auxiliary dues	14,740.00	16,061.75
Delegate fees	191.00	190.00
Convention dinner tickets	8,180.00	8,198.00
Other convention income		
Offering	770.35	908.50
Refund	62.18	29.90
Petty cash		120.00
Co-Laborer offerings	13,552.72	7,788.96
Gifts for general purposes		
General fund		12,633.71
Emphasis offering	12,317.31	
Provision closet	3,271.70	4,033.06
Convention gift	3,000.00	4,000.00
Retreat	4,682.89	
Promotional income	517.00	
WNAC minutes	213.00	212.00
Miscellaneous income	47.48	85.74
Interest income	3,659.08	4,388.75
Stamp money - general fund	91.36	758.23
Exchange checks - student loans		332.77
Travel refund	1,179.69	
Total office receipts	<u>149,772.20</u>	<u>171,311.87</u>
Designated contributions:		
Foreign Missions	209,539.23	173,915.81
Home missions	59,024.09	69,790.99
Bible Colleges	12,341.92	10,629.57
Foreign Student Scholarship Fund	870.00	593.78
Other gifts for various missionary objectives	11,033.11	8,947.27
Total designated contributions	<u>292,808.35</u>	<u>263,877.42</u>
Total receipts	<u>442,580.55</u>	<u>435,189.29</u>
Total to be accounted for	<u>\$520,304.86</u>	<u>\$508,410.75</u>

GENERAL FUND

CASH RECEIPTS AND DISBURSEMENTS - continued

DECEMBER 31

1988

1987

DISBURSEMENTS

Operating expenses:

Printing & supplies for sale	\$ 3,832.08	\$ 8,116.20
Printing	9.90	272.61
Literature refund	1,278.10	1,718.82
Supplies for resale	1,420.87	3,280.09
Executive committee expense	66,155.97	70,725.79
Salaries	13,931.19	14,138.33
Employee benefits	3,575.56	5,302.23
Postage	2,840.60	
Retreat	1,271.09	1,381.88
Office supplies & equipment	6,242.40	6,242.40
Office rent	2,173.49	2,108.27
Telephone	1,321.18	740.70
Mailing supplies	2,000.00	
Miley's love gift	400.00	750.00
Auditing	13,178.53	11,055.16
Convention dinner & expenses	536.68	724.10
Miscellaneous	4,759.57	1,422.15
Travel & promotion	100.02	139.54
Subscriptions & dues	1,164.24	1,377.29
Maintenance - equipment	140.00	
Petty cash National	924.35	473.46
Continuing education	1,686.64	
Plant fund - carpet	16.64	179.26
1989 Convention expense	279.44	238.01
Target 90		90.00
Stamp money - office equipment	218.28	276.76
Provision closet		
Magazine expenses		47.00
Magazine art		233.51
Magazine forms	1,357.74	1,302.94
Magazine mailing	1,725.15	
Magazine postage	28,625.00	32,789.00
Magazine printing	349.22	923.86
Magazine refund	748.70	100.00
Magazine mailing supplies		3.72
Magazine prints		22.00
Designated refund		332.77
Exchange check - student loan	1,027.09	436.17
Insurance	<u>163,289.72</u>	<u>166,844.02</u>
Total operating expenses		
Designated Mission Work:		
Foreign Missions	\$209,539.23	\$173,915.81
Home Missions	59,024.09	69,790.99
Bible Colleges	12,341.92	10,629.57
Foreign Student Scholarship Fund	1,119.00	558.78
Other disbursements for various missionary objectives	10,983.11	8,947.27
Total designated mission work	<u>293,007.35</u>	<u>263,842.42</u>
Total disbursements	<u>456,297.07</u>	<u>430,686.44</u>

Cash balance, ending

\$ 64,007.79

\$ 77,724.31

MEMORIAL STUDENT LOAN FUND

STATEMENT OF ASSETS AND LIABILITIES

	<u>DECEMBER 31</u>	
	<u>1988</u>	<u>1987</u>
<u>ASSETS</u>		
Cash	\$43,028.70	\$48,970.86
Loans receivable	<u>55,967.98</u>	<u>42,912.61</u>
	\$98,996.68	\$91,833.47
<u>FUND BALANCE</u>		
Fund balance	<u>\$98,996.68</u>	<u>\$91,833.47</u>

CASH RECEIPTS AND DISBURSEMENTS

	<u>DECEMBER 31</u>	
	<u>1988</u>	<u>1987</u>
Cash balance, beginning	\$48,970.86	\$40,211.06
<u>RECEIPTS</u>		
Contributions	4,694.80	4,046.81
Student loans repaid	2,596.63	5,300.18
Interest collected	<u>2,918.41</u>	<u>2,546.96</u>
Total receipts	10,209.84	11,893.95
Total to be accounted for	<u>59,180.70</u>	<u>52,105.01</u>
<u>DISBURSEMENTS</u>		
Student loans	15,652.00	2,625.00
Bad debt		500.00
Administrative expense	500.00	
Miscellaneous		<u>9.15</u>
Total disbursements	<u>16,152.00</u>	<u>3,134.15</u>
Cash balance, ending	<u>\$43,028.70</u>	<u>\$48,970.86</u>

EUNICE EDWARDS FUND

STATEMENT OF ASSETS AND LIABILITIES

	<u>DECEMBER 31</u>	
	<u>1988</u>	<u>1987</u>
<u>ASSETS</u>		
Cash	\$17,886.31	\$ 9,870.24
<u>FUND BALANCE</u>		
Fund balance	<u>\$17,886.31</u>	<u>\$ 9,870.24</u>

The accompanying notes are an integral part of this statement.

CASH RECEIPTS AND DISBURSEMENTS

	<u>DECEMBER 31</u>	
	<u>1988</u>	<u>1987</u>
Cash balance, beginning	\$ 9,870.24	\$ 1,239.55
<u>RECEIPTS</u>		
Contributions	8,061.61	8,630.69
Interest income	<u>471.46</u>	
Total receipts	8,533.07	8,630.69
Total to be accounted for	<u>18,403.31</u>	<u>9,870.24</u>
<u>DISBURSEMENTS</u>		
Promotions	<u>517.00</u>	
Cash balance, ending	<u>\$17,886.31</u>	<u>\$ 9,870.24</u>

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1988

Note 1

In order to be more informative, I have changed the order of reporting certain funds. The Eunice Edwards Fund is reported separately, as it stands on its own. National Student Fund has been assigned a new name to closer show its identity, Foreign Student Scholarship Fund, and since the monies are designated therefore, I am reporting this fund with the rest of designated funds. I also reclassified 1987 to correspond with the changes.

EZRA JONES

Certified Public Accountant

1161 MURFREESBORO ROAD
NASHVILLE, TENNESSEE 37217

February 1, 1989

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, the Memorial Student Loan Fund, and Eunice Edwards Fund of the Woman's National Auxiliary Convention of National Association of Free Will Baptists as of December 31, 1988 and 1987, and the related statements of revenues collected and expenses paid for the periods then ended. My exam-

inations 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.

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, 1988 and 1987, on the basis indicated in the preceding paragraph, which is consistent with that used in the preceding year.

E. J. Jones

Gifts To Missions/Missionary Objectives

January 1, 1988-December 31, 1988

Cash Gifts	\$401,091.08
Foreign Missions	269,714.46
Sent through WNAC	\$209,539.23
Sent directly to department	60,175.23
Home Missions	69,810.90
Sent through WNAC	59,024.09
Sent directly to department	10,786.81
Bible Colleges	12,341.92
Memorial Student Loan Fund	808.69
Other Gifts:	12,264.10
Foreign Student Scholarship	870.00
Retirement and Insurance	488.75
Missions Objectives	10,905.35
Provision Closet	3,271.70
National Project: Eunice Edwards Loan	
Fund for Churches Abroad	8,061.61
WNAC Operating Expense	24,817.70
Co-Laborer Offering	12,500.39
Emphasis Offering	12,317.31
Non-Cash Gifts	
Provision Closet	30,352.03
Total Cash and Non-Cash Gifts	\$431,443.11

Top Ten Contributors To WNAC

Co-Laborer Fund

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

Emphasis Offering

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

1990 Budget

Estimated Income

CO-LABORER Fund	\$ 22,900.00
Convention Expense Gifts	4,000.00
Convention Offering	1,000.00
Delegate Fees	200.00
Dues	24,000.00
Interest Income	2,000.00
Literature Sales	10,000.00
Magazine Subscriptions	75,000.00
Miscellaneous	250.00
National Minutes	200.00
Retreat Fees	6,400.00
WNAC Emphasis Offering	22,900.00
Travel	1,500.00
Total Income	\$170,350.00

Estimated Expense

Salaries	\$ 74,100.00
Employee Benefits	16,550.00
Payroll Tax Expense	5,700.00
Employee Retirement	3,450.00
Insurance—Health & Life	7,400.00
Insurance—General & Comp.	600.00
Audit	2,000.00
Continuing Education	1,000.00
Convention Expense	5,000.00
Executive Committee Expense	5,000.00
Literature and Printing	3,000.00

WNAC Receipts For January-December, 1988

State	Bible Colleges	Co-Laborer Fund	Dues	Emphasis Offering	Eunice Ed. Fund	Foreign Schol.	Provision Closet	Foreign Missions	Home Missions	Retirement & Insurance	Missions Objectives	Student Loan	Totals
Alabama	\$ 42.00	\$ 205.90	\$ 822.00	\$ 670.91	\$ 293.00	\$	\$ 10.00	\$ 7,116.59	\$ 6,954.77	\$ 20.00	\$ 686.50	\$100.00	\$ 16,921.67
Arizona		110.00	63.00					105.00					278.00
Arkansas	224.00	1,835.03	1,492.50	1,328.64	345.00	60.00	90.00	26,348.92	5,914.55			152.00	37,790.64
California		1,500.02	558.00	187.18	1,048.31	15.00	934.50	10,516.77	1,522.21		10.00		16,291.99
Colorado			52.50	20.00				75.00	85.00				232.50
Florida		236.47	298.50	162.41	15.00	25.00	85.00	3,871.23	1,930.89		115.00		6,654.50
Georgia	461.00	480.05		544.83	128.00			8,243.33	1,834.34		199.34		11,975.89
Hawaii		14.93	13.50		50.00								78.43
Idaho								140.00					140.00
Illinois	50.00	276.49	378.00	85.00	285.00		60.00	7,185.69	2,151.64		140.00		10,611.82
Indiana	225.00	288.21	174.00	99.18	135.00		57.00	438.45	370.00				1,786.84
Iowa			19.50					441.00					460.50
Kansas		42.63	75.00	80.60	16.00			1,374.11	387.81				1,976.15
Kentucky		139.25	463.00	160.00		30.00		5,712.85	3,720.21		330.00		10,555.31
Maryland		823.35	138.00	248.00	290.00			1,255.10	470.75		25.00		3,250.20
Michigan		320.00	484.50	170.00		30.00		3,181.00	1,567.50				5,753.00
Mississippi	17.50	559.15	499.50	158.45	418.00			7,090.70	891.10	25.00	2,023.50		11,682.90
Missouri	306.70	634.71	1,230.00	861.44	510.84		48.00	25,419.26	2,237.41		1,175.09	117.64	32,541.09
Nebraska			7.50					43.00					50.50
New Mexico			34.50		1.00			115.00	50.00				200.50
North Carolina	5,373.39	1,123.73	2,007.00	2,887.15	818.96		177.52	26,648.59	7,634.22	110.00	660.00	170.50	47,611.06
Northwest District			58.50	30.00		20.00		580.62	341.63				1,030.75
Ohio	942.90	269.76	628.50	366.39	90.88		152.50	9,607.32	1,781.42	51.75	487.76	47.00	14,426.18
Oklahoma	3,211.06	465.27	1,867.50	1,141.55	730.00	5.00	238.57	18,553.95	7,931.48		2,187.54		36,331.92
Pennsylvania			18.00					270.00					288.00
South Carolina		295.97	1,021.50	1,033.78	212.00	219.00	960.36	14,789.70	1,012.57	50.00	916.46		20,511.34
Tennessee	951.37	1,817.95	1,195.50	1,668.98	660.87	321.00	182.50	8,769.47	6,964.21		1,041.41	221.55	23,794.81
Texas		292.55	406.50	175.00	165.00	125.00	30.00	7,300.40	317.89	197.00	29.50		9,038.84
Virgin Islands			15.00				100.00						115.00
Virginia	297.00	268.97	433.50	218.25	100.00	20.00	145.75	5,670.15	1,652.99	35.00	177.00		9,018.61
West Virginia	240.00	500.00	285.00	19.57				4,785.78	435.00		701.25		6,966.60
Convention Offering					1,748.75								1,748.75
Retreat								3,890.25	864.50				4,754.75
Totals	\$12,341.92	\$12,500.39	\$14,740.00	\$12,317.31	\$8,061.61	\$870.00	\$3,271.70	\$209,539.23	\$59,024.09	\$488.75	\$10,905.35	\$808.69	\$344,869.04

CO-LABORER Magazine Expense	37,300.00
Mailing	1,500.00
Miscellaneous	200.00
Printing Supplies	33,000.00
Postage	200.00
Office Rent	2,400.00
Office Mailing Supplies	7,000.00
Office Supplies & Equipment	1,500.00
Phone	2,000.00
Postage	2,000.00
Promotion	4,000.00
Service Contracts	500.00
Subscriptions	1,200.00
Supplies for Resale	100.00
Travel	500.00
Miscellaneous	3,000.00
Retreat Expense	500.00
Total Expense	\$170,350.00

COMMISSION FOR THEOLOGICAL INTEGRITY REPORT

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.

This year we have a new booklet on the Charismatic movement available. It was prepared by Reverend Harrold Harrison and Reverend Leroy Forlines.

We believe that the denomination has benefited significantly over the years from the contribution made by the Commission for Theological Integrity. However, we think that this benefit would be increased significantly if we could have a broader distribution of our material among our people. If you have any suggestions on how we can more effectively minister to the needs of our people, please let us know.

The Commission will 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, 1988\$4,932.58

Income:

Gifts:

Alabama	\$ 36.69
Arkansas	228.66
Arizona	5.43
California	66.06
Delaware	13.48
Florida	102.87
Georgia	70.11
Idaho	2.69
Illinois	55.34
Indiana	135.88
Kansas	3.91
Kentucky	4.52
Maryland	25.29
Michigan	68.81
Mississippi	19.93
Missouri	432.18
North Carolina	52.14
New Mexico10

Ohio	120.15	
Oklahoma	381.04	
Tennessee	99.65	
Texas	27.83	
Virginia	9.16	
Washington (Northwest)89	
West Virginia	91.87	
Canada	2.35	
Total Gifts	2,057.03	
Sales of Literature	363.21	
Refund on Nat'l. Assn. Booth Expense	50.00	
Interest on Bank Account	128.86	2,599.10
Total Income and Balance		\$7,531.68

Expenditures:

Office Expense	\$ 512.15	
Shipping Literature Expense	29.17	
Salary/Bookkeeping	200.00	
Printing Literature	2,699.72	
Nat'l. Assn. Booth Expense	1,018.70	
Annual Meeting Expense	525.14	
Writer's Expense for Manuscript	675.00	
Mailing Expense	576.48	
Refunds (for materials ordered that are no longer in print)	28.94	
Nat'l. Assoc. Seminar Speakers Expense	200.00	6,465.30
Total Expenditures		\$1,066.38

Balance in Bank, December 31, 1988\$1,066.38

Leroy Forlines, Chairman
Dari Goodfellow, Bookkeeper

1990 Recommended Budget

Anticipated Income

Gifts from the Cooperative Program	\$ 2,200.00
Sale of literature	400.00
Interest on bank deposit	100.00
Total Anticipated Income	\$ 2,700.00

Anticipated Expenditures

Office expense	\$ 175.00
Shipping materials	75.00
Bookkeeping services	200.00

National Convention Booth	500.00
Annual Meeting expense	700.00
Seminar expense	200.00
Printing costs	600.00
Writer's honoraria	250.00
Total Anticipated Expenditures	\$ 2,700.00

RADIO AND TELEVISION COMMISSION REPORT

The Free Will Baptist Radio and Television Commission has been charged to use the media to win the lost and strengthen the saved. We are also to encourage active involvement in Free Will Baptist churches.

To fulfill this responsibility, the Commission has, for the past three years, produced a 15-minute radio broadcast. Rev. Bob Shockey is the speaker for this weekly outreach entitled "Victorious Faith."

The Commission pays production costs for "Victorious Faith." Local churches buy air time. Write for information about airing this program in your community.

We are currently exploring the possibility of producing radio spots for use on stations across the country. This format has been used effectively by other groups.

The Radio and Television Commission has no building. We have no full-time employees. The only funds we have are those donated by Free Will Baptists.

Quite frankly, the amount of support we receive at this time is not sufficient to allow us to develop a well-rounded media ministry. Still, we are committed to using the media to spread the Gospel. If we are to accomplish this goal, we must have your help.

Pastors, please consider including us in your church budget. Put "Victorious Faith" on the air in your community. Encourage your district and state associations to support this worthy cause.

Larry D. Hampton
Chairman

Financial Report

Report ending December 31, 1988

Total Projected Income 1988	\$11,980.00
Projected Monthly Income	998.33
Actual Year-to-Date Income	3,289.73

Income:

Co-op	\$ 2,184.62
Designated	\$979.60
Undesignated	\$1,169.60
National Ministries Sunday	35.42

Gifts	945.65
Interest Earned	159.46
(Added to Savings Account)	
Total Income	\$ 3,289.73

Expenses:

Promotion	\$ 195.14
Board Expense	200.00
Bookkeeping	150.00
Other Help	775.00
Production Costs	155.13
Supplies	810.00
Postage	114.00
Equipment & Maintenance	
Telephone	186.77
Printing	681.04
National Convention	
(Includes \$450 to speaker for expenses)	
Broadcast Air-time	72.00
Miscellaneous	\$ 3,339.08
Total Expenses	
Balance on January 1, 1988	\$ 982.01
Income	3,130.27
(does not include interest)	
Expenses	3,339.08
Ending Balance	\$ 773.20

1990 Budget

Promotion	\$ 2,000.00
Commission Travel Expense	500.00
Part time work	400.00
Bookkeeper	\$200.00
Other	200.00
Production costs	1,800.00
Supplies	500.00
Postage	1,000.00
Equipment & Maintenance	500.00
Telephone	250.00
Printing	600.00
National Convention	500.00
Booth	\$150.00
Digest	150.00
Materials	200.00
Broadcast Air Time	7,000.00
	\$15,050.00

HISTORICAL COMMISSION REPORT

Under Robert Picirilli's supervision, the Commission published an updated index of Free Will Baptist minutes in the Historical Collection. The index is available at the national convention.

The Commission continues to make available copies of the 50-Year Record which was published in 1988. Copies were shipped to each local church through state promotional offices. We are now selling the remaining 700 copies for \$2.00 each.

During the 1988 convention, the National Association referred a resolution to the Commission concerning the First Free Will Baptist Church in New Durham, New Hampshire. After consultation with Pastor James Nason, the Commission authorized \$1,500 in building repairs and up to \$1,000 in cemetery maintenance and highway signs.

1988 Financial Report

Balance on hand, January 1, 1988 \$11,462.63

Income:

Gifts (Co-op, designated & undesignated).....	\$1,936.07	
Interest (Savings, First Amer. Bank)	542.23	
Royalties (Randall House)50	
Sales, <i>The 50-Year Record</i>	246.00	
Special Ministries Offerings	35.42	
		2,760.22

Expenditures:

Books for Historical Collection	\$ 73.00	
Executive Office, Digest Fees	217.37	
<i>The 50-Year Record</i> , printing & mailing	4,629.87	
		4,920.24

Balance on hand, December 31, 1988 \$9,302.61

Historical Commission 1990 Budget

Income	\$1,400.00
Gifts (Designated and Coop Plan)	300.00
Interest (First American Bank)	100.00
Royalties (Randall House)	200.00
Sales (<i>The 50-Year Record</i>)	
	\$2,000.00
Total	
Expenses	\$1,200.00
Books and Material for Historical Collection	200.00
Executive Office (Digest fees)	600.00
Other historical projects	
	\$2,000.00
Total	

GENERAL BOARD REPORT

The General Board met Monday, July 17, 1989, in the Ybor Room of Curtis Hixon Convention Center, Tampa, Florida. As a result of this meeting, we offer the following report and recommendations:

1. We have heard the reports of the Executive Office, Foreign Missions Department, Free Will Baptist Bible College, Sunday School and Church Training Department, Home Missions Department, Master's Men Department, Retirement Department, Free Will Baptist Foundation, Commission for Theological Integrity, Radio-TV Commission, Music Commission, Historical Commission, Budget Committee, Benevolent Committee and Target 90 Committee. We recommend that these reports be received and their budgets adopted as each is presented.
2. The Board of Trustees of the Free Will Baptist Foundation are presenting recommendations to amend the Charter of Incorporation of the Foundation and two recommended changes in the By-Laws of the National Association. The General Board recommends the adoption of these proposed amendments.
3. The General Board recommends that Article 5, Section 3 (p. 74, *Treatise*) of the constitution be amended by insertion. Following the words "Not more than one elective member shall serve from any state," the recommendation is that these words be inserted, "No Executive Committee member shall serve more than two successive terms."
4. We recommend that all ordained deacons be recognized as standing delegates at the National Association of Free Will Baptists (Insert "deacons" after "ministers," p. 73 *Treatise*)
5. The General Board recommends the adoption of the following recommendation which comes from the Sunday School and Church Training Board. It reads, "That a change in the NYC dress code be allowed. The change involves Section 1, Point B, Item 1, from 'Boys and men are to wear coats and slacks' to 'Boys and men are to wear a shirt, tie, and slacks (coats are optional).'"
6. There is a possibility that the work of Executive Church Bonds, Inc. can be phased out by December 31, 1989. The General Board recommends that Executive Church Bonds, Inc. be dissolved as soon as is feasible, and that the funds in this treasury be transferred to the special projects fund to service any programs that might be remaining. A budget for operating another year is included in case dissolving the operation is not possible.

7. We recommend the adoption of the following item.

The committee, composed of Executive Office and Foreign Missions Department representatives authorized to study the feasibility of organizing an International Association/Fellowship of Free Will Baptists, concluded its preliminary study and offers the following recommendations:

- A. That a representative (national) from each field where Free Will Baptists have a work be invited to the 1992 National Convention in Indianapolis, Indiana as guests of the National Association of Free Will Baptists, Inc.
- B. That funds be raised to underwrite the travel, lodging, meals and other necessary expenses for these representatives.
- C. That the Foreign Missions Department be authorized to provide interpreters and coordinate the project.
- D. That these national representatives meet for consultation in Nashville, Tennessee to explore the feasibility of organizing an International Association/Fellowship of Free Will Baptists.
- E. That the Executive Committee be encouraged to use these representatives when it plans the 1992 convention program.
8. We recommend that the Historical Commission be authorized to develop a procedure for providing appropriate recognition of deceased ministers and missionaries, and for preserving this historical information.
9. We recommend that a ten-year (1991-2000) growth campaign be launched under the direction of a growth committee composed of a representative from the Executive Office, WNAC and each national department. This committee will be authorized to coordinate the campaign.
10. We recommend that Atlanta, Georgia be the site for the July 18-22, 1999 National Convention.

REGISTRATION COMMITTEE REPORT

National Convention	
Ministers	703
State Delegates	96
Local Church Delegates	134
Lay Board Members	8
Home Missionaries	62
Foreign Missionaries	27
Non-Delegates	<u>2,324</u>

Total 3,354

National Youth Conference	1,380
Woman's National Auxiliary Convention	<u>973</u>

Grand Total 5,707

CREDENTIALS COMMITTEE REPORT

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

1. From the following state associations with the right to five delegates each:
Alabama, Arkansas, Arizona, California, Georgia, Illinois, Kentucky, Maryland, Michigan, Mississippi, Missouri, Florida, Indiana, New Mexico, Kansas, 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 Association, Northeast Association, Northwest Association, Mexico Association.
3. From the following local churches reporting directly to this body with the right to one delegate each:
Virgin Islands FWB Church; Waipahu FWB Church, Hawaii; Maranatha FWB Church, Omaha, Nebraska; Capitol FWB Church, Lincoln, Nebraska; First FWB Church, Billings, Montana; Victory FWB Church, Pineville, Louisiana.
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.

Report of the Nominating Committee

General Board Members

Terms to expire in 1990

Northwest Association: replacing Mike Mutchler, Mike Criswell

South Carolina: replacing Earl Hendrix, Joe Cagle

Texas: replacing Ron Parker, Thurmon Murphy

Terms to expire in 1991

Alabama: replacing John Edwards, John Edwards

Arizona: replacing Mark Vandivort, Paul Thompson

Arkansas: replacing David Joslin, David Joslin

Atlantic-Canada: replacing Fred Hanson, Oral McAfee

California: replacing Doice McAlister, Doice McAlister

Colorado: replacing Bob Thomas, Bob Thomas

Florida: replacing Robert Owen, Robert Owen
 Georgia: replacing Herbert Waid, Herbert Waid
 Idaho: replacing Tommie Carlson, Tommie Carlson
 Illinois: replacing Wallace Malone, Wallace Malone
 Indiana: replacing Archie Ratliff, Archie Ratliff
 Kansas: replacing Warner Collier, Warner Collier
 Kentucky: replacing Edgar VanHoose, Edgar VanHoose
 Maryland: replacing Lester Horton, Lester Horton
 Mexico: replacing Fred Jones, Fred Jones
 Michigan: replacing Charles Cooper, Charles Cooper
 Mississippi: replacing J.L. Gore, J.L. Gore
 Missouri: replacing Dale Skiles, Dale Skiles

Executive Committee

Terms to expire 1991

Replacing Dale Skiles (Mo.), Charles Cooper (Mich.)
 Replacing David Joslin (Ark.), J.L. Gore (Miss.)
 Replacing Doice McAlister (Calif.), Bob Thomas (Colo.)

Nominees to Home Missions Board

Terms to expire in 1995

Replacing Gordon Sebastian (N.C.), J.D. Norris (Fla.)
 Replacing James Puckett (Okla.), Fred Hanson (Atl.-Canada)
 Replacing Nathan Ruble (Mo.), Earl Hendrix (S.C.)

Nominees to Master's Men Board

Term to expire 1991

Replacing Paul Moore (Ill.), Thumon Pate, Jr. (Tenn.)

Terms to expire 1995

Replacing Paul Kennedy (Calif.), Johnny Fowlkes (Ark.)
 Replacing James Orr (Ky.), James Orr
 Replacing Raymond Lee (N.C.), Waymon Ray (Okla.)

Nominees to Board of Retirement

Terms to expire 1995

Replacing Jack Daniel (Ga.), Jack Daniel
 Replacing Robert Picirilli (Tenn.), Waymon Fields (Ala.)
 Replacing Wilburn Beasley (S.C.), Wilburn Beasley

Nominee to Sunday School and Church Training Board

Term to expire 1990

Replacing Malcolm Fry (N.C.), Larry Hughes (Ark.)

Nominee to Commission for Theological Integrity

Term to expire 1994

Replacing L.C. Johnson (Tenn.), L.C. Johnson

Nominee to Radio-Television Commission

Term to expire 1994

Replacing James Vallance (Tenn.), James Vallance

Nominee to Music Commission

Term to expire 1994

Replacing Blaine Hughes (N.C.), Blaine Hughes

Nominee to Historical Commission

Term to expire 1994

Replacing Robert Picirilli (Tenn.), Robert Picirilli

General Officers

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

Resolutions Committee Report

Resolution #1 Appreciation

Whereas, the Florida State Association of Free Will Baptists has so graciously hosted our 53rd annual convention, therefore,

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

Resolution #2 Submitting Resolutions

Whereas, resolutions should receive careful considerations by the Resolutions Committee, and,

Whereas, it would be a great benefit to the Resolutions Committee to be able to meet as early and as long as necessary on Tuesday to give adequate consideration to all resolutions,

Be it resolved that we request that those who wish to submit resolutions either mail them in ahead of time to the Executive Office, or submit them by Monday night of the week the convention meets.

Resolution #3 Honesty

Whereas we as Free Will Baptists still believe in old-fashioned biblical honesty and that the Ten Commandments are the expression of God's holy nature and His standard of conduct for mankind and especially His people,

Be it resolved:

That we, as a part of the Body of Christ, still believe that lying is a violation of the ninth commandment and is therefore sin, and that to solicit funds under the guise of starting a Free Will Baptist church and then to use those funds to start a non-Free Will Baptist church is willful deceit or lying which violates this commandment.

That we, as a part of the Body of Christ still believe that stealing is a violation of the eighth commandment and is therefore sin, and that to knowingly and willfully take unauthorized money and to disperse it in violation of contractual agreements is still stealing and violates this commandment making the guilty party a thief.

That we, as the National Association of Free Will Baptists, go on record supporting our national Home Missions Department in their moves to protect Free Will Baptist investments and to ascertain that future investments are protected.

Resolution #4 Unaffiliated Free Will Baptists

Whereas, we believe that under God our beloved predecessors were by Divine Providence directed to call together a group of people to form the National Association of Free Will Baptists, to set in motion a movement

which would provide fellowship for like-believers and an organization which could provide strength and opportunity for larger ministry, and

Whereas, we would honor and respect their labors of faith and love by reaffirming our commitment to pursue the enriching of our fellowship and the strengthening of our efforts to assist in the evangelization of this generation for Jesus Christ, and,

Whereas, we have too often allowed issues to break and hinder our fellowship and have limited the Holy Spirit in His work among us, and,

Whereas, we confess our differences to be insignificant when compared to the enormity of our task and the importance of involving all our Free Will Baptists in this common objective of evangelism, and,

Whereas, we will be observing the culmination and climax of our Five Year Plan when we meet in Phoenix, Arizona, in 1990,

Be it resolved that we instruct our Executive Committee of the General Board of the National Association of Free Will Baptists to extend an invitation to all unaffiliated groups of Free Will Baptist churches and the United American Free Will Baptists to send representatives to our meeting in Phoenix, Ariz., July 15-19, 1990.

Be it further resolved that the Executive Committee designate a day each month for fasting and prayer for a spiritual awakening in Free Will Baptist churches in preparation for our 1990 convention.

TARGET 90 COMMITTEE REPORT

The first three years of the Target 90 campaign yielded steady growth. Here are the statistical data for 1986-88.

	1986	1987	1988	Total
Baptisms	8,517	8,407	7,910	24,834
Members Added	12,052	12,134	12,436	36,622
Members Lost	7,314	6,581	6,454	20,349

The campaign's three-year net membership goal was 22,500. Actual gains fell 6,227 short of the campaign goal with a 16,273 net membership increase.

An additional 103 Free Will Baptist churches were started in the first three years of the campaign. This exceeds the five-year goal of 100 new churches.

The Target 90 Report, a quarterly newsletter, has been sent free to pastors for the past two years.

The Target 90 Committee sponsored a Church Growth Seminar during last year's National Association. Brian Atwood, Wabash, Indiana; David Crowe, Cookeville, Tennessee; and Claudie Hames, Bakersfield, California, shared church growth concepts with several hundred pastors in Kansas City.

Committee members met regularly throughout the year to monitor growth and devise plans to stimulate greater growth.

We encourage every church to participate in the Sunday School Enlargement Campaigns sponsored by Randall House Publications. A special Target 90 campaign is scheduled for 1990.

Our goal of 50,000 new members is still within reach. Together we can achieve this goal. Together we can grow for God's glory.

Executive Secretary
Melvin Worthington, Chairman

MUSIC COMMISSION REPORT

The 1988 session of the National Association of Free Will Baptists established the Music Commission. Our goals are:

- 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.
- To promote Free Will Baptist hymnody by encouraging denominational songwriters and composers to publish and distribute their own materials.
- To prepare *Rejoice: The Free Will Baptist Hymn Book* (1988) for publication as an independent book.
- To publish and produce choral music and related recordings for use by choirs, youth groups and music ministries.
- To publish music curriculum to meet the diverse demands identified with Free Will Baptist children, teens and adults.
- To present music workshops/seminars for the training of children, teens and adults in singing, playing of instruments, accompanying, choral conducting and worship leading.

We have been given the responsibility of overseeing our new hymnbook. The sales have done quite well. We have sold over half our supply of books. It is proving to be a good tool for our denomination, and for the first time across our denomination, we are now using the same hymnbook.

Because of the interest we are paying on the borrowed money, the price of the hymnbook has been raised to \$9.98. If you find any musical or typographical errors in the book, please send them to the commission.

This year at the national convention, we are sponsoring a seminar on how to incorporate hymn singing into the worship service.

In the fall or spring of 1990 we plan to sponsor a music conference to assist our churches in selection of music and direction of choirs. The conference will have reading sessions, performances by children, youth and adult choirs and other performers.

We would appreciate it if you would include us in your church budget this year.

Bill Gardner, Chairman
Rodney Whaley, Secretary-Treasurer
Doug Little
Vernon Whaley
Blaine Hughes

Treasurer's Report

November 30, 1988 - April, 1989

Receipts \$ 18.84

1990 Budget	
Board expense	\$ 200.00
Postage	100.00
Telephone	300.00
National Convention	
Booth	150.00
Materials	100.00
Speakers	150.00
Music Conference	500.00
Total	\$1,500.00

BENEVOLENT FUND FINANCIAL STATEMENTS

BENEVOLENT FUND OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

Balance Sheets

December 31, 1988 and 1987

<u>Assets</u>		1988	1987
Cash in bank		\$ 974	354
<u>Liabilities and Fund Balance</u>			
9.5% note payable to bank		\$ -	8,530
Fund balance (deficit)		974	(8,176)
Total liabilities and fund balance		\$ 974	354
Commitments (note 2)			

Statement of Revenue, Expenses and Changes in Fund Balance

Years ended December 31, 1988 and 1987

	1988	1987
Revenues - contributions	\$ 22,080	21,735
Expenses:		
Claims paid	10,737	12,425
Interest expense	2,179	1,732
Other expenses	14	-
Total expenses	12,930	14,157
Excess of revenues over expenses	9,150	7,578
Fund deficit, beginning of year	(8,176)	(15,754)
Fund balance (deficit), end of year	\$ 974	(8,176)

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1988 and 1987

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.

(1) Summary of Significant Accounting Policies

The major accounting principles and practices followed by the Benevolent 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," 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 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.

(2) Claims Unpaid

The Benevolent Fund, since its inception, has paid medical claims amounting to \$40,707. Such claims had been 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 are funded by voluntary contributions. As of December 31, 1988, \$32,476 remains unpaid on these medical claims.

BUDGET COMMITTEE REPORT

The National Association of Free Will Baptists, Inc. has approved in this convention the following budget for 1990:

Executive Office	\$ 395,004.26
Executive Church Bonds	6,650.00
Free Will Baptist Bible College	2,204,300.00
Foreign Missions	3,517,152.00
(Includes \$150,000.00 Advance Budget)	
Home Missions and Church Extension	1,900,000.00
Master's Men	80,506.00
Retirement and Insurance	249,316.00
Free Will Baptist Foundation	30,000.00
Sunday School and Church Training	2,603,935.00
Commission for Theological Integrity	2,700.00
Historical Commission	2,000.00
Music Commission	1,500.00
Radio and Television Commission	15,050.00
Total	\$11,008,113.26

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	0.5%
Historical Commission	0.5%
Music Commission	0.5%
Radio and Television Commission	0.5%
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

STEWARDSHIP MONTH REPORT

Delegates at the 1988 National Convention charged the Budget Committee with the responsibility of promoting September as Stewardship Month and the last Sunday in September as National Ministries Offering Sunday.

Each church is encouraged to observe Stewardship Month annually. If another month is better for your church than September, that's fine. Fit it into your church calendar when it is best for you. Suggestions for sermons, teaching, and general promotion have been sent to each pastor.

Every member of every Free Will Baptist church is urged to give \$32.37 as an offering on National Ministries Sunday. We arrived at this figure by dividing our total membership (204,382) into the total gift budgets of all national ministries (\$6,616,622.36). It will give every Free Will Baptist an opportunity to give their proportionate share of the total budget in one offering.

This is not to take the place of Co-Op, faith promises or other regular giving. The regular support of all ministries must continue and increase. This is an annual EXTRA gift. With our people rallying together, it will cut back or eventually eliminate the need for emergency appeals.

You may choose any Sunday of the year as your National Ministries Sunday if the last Sunday in September is not convenient. Make your check payable to National Ministries Offering and mail to National Ministries Offering, P.O. Box 1088, Nashville, TN 37202.

Herman L. Hersey
 Stewardship Month Coordinator

1989 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	Value of Church and Parsonage Property	Sunday School Enrollment
Alabama	14	14	178					554	1,023	540	19,460	262,309	3	56	16,486,660	13,283
Arizona	2	2	4	4		3	1	27	24	26	282	9,744,872	32	3	2,231,000	257
Arkansas	16	16	221	91	130	81	140	588	1,112	658	21,226	2,914,197	22	70	23,332,150	12,856
California	7	7	75	64	11	43	22	465	594	427	4,478	2,914,197	22	31	25,581,935	5,060
Canada	1	1	15	12	1	14	7	17	17	16	471			2		
Colorado	1	1	7	7		2	5	45	70	39	301	150,000	4		887,000	350
Florida	9	9	83	80	35	41	21	281	403	198	5,445	1,850,136	17	40	10,438,040	3,850
Georgia	10	10	123	118	40	80	24	226	536	282	10,307	2,735,838	45	64	17,455,250	5,302
Hawaii			1	1	1	1	1	8	6	4	33	45,650	1	1	3,000,000	41
Idaho																
Illinois	6	6	42	42	23	19	23	122	198	114	3,942	1,159,000	18	18	8,308,000	2,026
Indiana	4	4	25	25	19	6	10	90	115	65	1,851	369,819	7	5	1,765,000	1,857
Iowa			1	1	1				5	2	60	44,820	1	1	200,000	45
Kansas	2	2	10	10	10	7	2	41	47	36	452	242,576	4	2	1,200,000	424
Kentucky	10	10	145	145	26	84	22	581	723	615	10,350	294,415		5	7,571,500	12,042
Louisiana																
Maryland	3	3	26	26	10	16	20	6	79	123	1,691	670,416	16	10	6,038,250	1,493
Mexico	2	2	24	24	12	12	15	9						7		
Michigan	5	5	44	42	38	6	14	261	388	164	4,135	1,473,060	8	17	9,719,315	3,186
Mississippi	4	4	60	43	17	43	15	145	281	158	4,525			20	4,014,000	3,052
Missouri	16	16	170	170	93	77	90	80	585	531	17,707	3,581,500	41	40	21,153,000	12,128
Montana			1	1	1		1				8				150,000	19
Nebraska			2	2	2		1	7	11	3	79	33,000			235,000	50
New Jersey																
New Mexico	2	2	6	6	6		2	15	25	8	162	5,636		3	460,000	77
North Carolina	8	8	183	121	62	66	196	528	951	532	14,188	3,504,912	53	53	17,770,300	13,350
Northwest Assoc.	1	1	3	2	1	2	2	14	12		90			1		82
Northwest Assoc.	1	1	9	8	7	2	6	3	21	11	198	90,545	4	3	656,000	378
Ohio	18	18	143	143	72	71	46	95	682	895	533	10,406	18	20	21,337,791	9,132
Oklahoma	24	24	259	249	164	95	162	85	925	2,244	25,710	7,421,879	43	78	47,943,101	21,183
Pennsylvania																
Puerto Rico																
South Carolina	7	7	118	85	20	51	71	10	527	423	209	1,232,536	29	30	9,396,300	4,831
Tennessee	7	7	200	171	82	104	134	50	754	1,057	451	20,997	42	65	25,252,500	12,960
Texas	7	6	60	47	37	23	24	16	112	249	133	2,885	11	9	6,387,000	2,610
Virginia	5	5	93	93	20	73	22	71	363	337	265	2,093,955	3	7	15,918,648	7,053
Virgin Islands	1	1	1	1	1		1	8	8		171	49,288	1	1	3,500,000	125
West Virginia	21	21	185	185	25	160	74	111	607	574	10,446	1,004,365	12	19	11,709,375	10,842
Wyoming																
TOTALS	214	213	2,517	2,149	992	1,186	1,261	932	8,678	12,726	7,531	204,489	435	681	320,092,115	159,944

	CTS Enrollment	WNAAC Enrollment	MM Enrollment	Ordained Ministers	Licensed Ministers	Deacons	Day Cares	Kindergartens	Christian Day Schools	Bible Institutes	Colleges	Value of Association Property
Alabama	3,369	703	177	292	49	546	1					685,000
Arizona	78	55	39	10		10	1		3			750,000
Arkansas	3,102	1,317	304	358	53	604	3	5	6	1		250,000
California	450	515	88	134	23	162	3	6				
Canada				6	5							
Colorado		30		10	1	2	1					
Florida	969	391	142	109	30	177	6	8	2	2		607,400
Georgia	1,579	858	263	151	13	438	2	2				3,000,000
Hawaii	25	10	7	2	3	3						500,000
Idaho				68	11	110	1	1	2			
Illinois	718	326	100	76	19	86	1	1	2			
Indiana	101	93	47	50	30	42	1	2				
Iowa	10	40	11	1	1	5				1	1	
Kansas	1,039	504	51	411	27	285						
Kentucky				45	6	38			1	1		215,000
Louisiana	59	245	32	6								
Maryland				76	19	86						
Mexico	175	332	112	70	12	234	1	1	1			1,000,000
Michigan	1,250	366	108	279	46	412	3	3	4			
Mississippi	1,349	958	95	1								235,000
Missouri				1								
Montana												
Nebraska												
New Jersey		19	6	5		7			13			254,819
New Mexico	1,637	982	151	209	55	413	14	15				
North Carolina	15			3		4			1			
Northwest Assoc.		27	17	12	1	1	4					
Northwest Assoc.	680	593	172	343	13	376	1	4	3	1	1	7,247,289
Ohio	2,979	1,581	260	443	118	668	7	4	3			
Oklahoma												
Pennsylvania												
Puerto Rico	1,197	668	263	189	14	186	3	5	6	1		
South Carolina	3,683	1,579	313	314	85	551	6	3	4	1		
Tennessee	599	363	263	228	4	188	4	4	3	2		
Texas	1,246	317	18	7	2	2	2	1	1	3		
Virginia				63	456	9	462					
Virgin Islands												
West Virginia	664	817	63	456	9	462						
Wyoming												
TOTALS	26,973	13,718	3,144	4,359	639	6,113	59	62	64	8	1	14,744,508

REPORTING PERIOD 1988-89