

# 1994 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 5002, Antioch, Tennessee 37011-5002**

# Minutes of the Fifty-Seventh Annual Session of the National Association of Free Will Baptists, Inc. when convened in Louisville, Kentucky July 18-22, 1993

## Future Sessions to Be Held In

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
2000	Anaheim, California	July 16-20
2001	Detroit, Michigan	July 15-19
2002	Memphis, Tennessee	July 21-25
2003	Tampa, Florida	July 20-24



# Officers and Board Members

## General Officers

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

## General Board

### 1994

New Jersey: Vergel Maness  
 New Mexico: Earl Jenkins  
 North Carolina: Tom Lilly  
 Northeast Association: Jim Nason  
 Northwest Association: Terry Stafford  
 Ohio: Delmar Sparks  
 Oklahoma: Jack Richey  
 South Carolina: Joe Cagle  
 Tennessee: Charles Thigpen  
 Texas: Thurmon Murphy  
 Virginia: Jeff Crabtree  
 West Virginia: Carl Vallance

### 1995

Alabama: John Edwards  
 Arizona: David Taylor  
 Arkansas: David Joslin  
 Atlantic Canada: Darryl Crain  
 California: Nuel Brown  
 Colorado: Bob Thomas  
 Florida: Randy Bryant  
 Georgia: Herbert Waid  
 Idaho: Tommie Carlson  
 Illinois: Ernie Lewis  
 Indiana: Robert Helms  
 Kansas: James Mize  
 Kentucky: Tim York  
 First Louisiana: Ron Parker  
 Maryland: Lester Horton  
 Mexico: Fred Jones  
 Michigan: Charles Cooper  
 Mississippi: J. L. Gore  
 Missouri: Nathan Ruble

## Executive Committee

Chairman: Ralph Hampton, 5614 Meadowcrest, Nashville, TN 37209  
 Clerk: Waldo Young, 1722 North Union, Shawnee, OK 74801

1994	1995	Officers
Tom Lilly (N.C.)	Charles Cooper (Mich.)	Ralph Hampton (Tenn.)
Thurmon Murphy (Tex.)	Nathan Ruble (Mo.)	Carl Cheshier (Ark.)
Jim Nason (NE Assoc.)	David Joslin (Ark.)	Waldo Young (Okla.)

## Bible College Trustees

Chairman: Ken Walker, 2121 29th Street, Ashland, KY 41101  
 President: Tom Malone, 3606 West End Avenue, Nashville, TN 37205

1994	1996	1998
Ken Walker (Ky.)	Sam Truett (N.C.)	Richard Bowers (Ala.)
Bob Ketchum (Okla.)	Larry Montgomery (Fla.)	Larry Powell (Tenn.)
Howard Price (Ga.)	J.M. Creech (Ga.)	Douglas Little (Ark.)

## Foreign Missions Board

Chairman: Robert Trimble, P. O. Box 128, Perryman, MD 21130  
 Director: Eugene Waddell, P.O. Box 5002, Antioch, TN 37011-5002

1994	1996	1998
William Reagan (Canada)	Bill Jones (Texas)	Joe Grizzle (Okla.)
Robert Trimble (Md.)	Galen Dunbar (Ga.)	David Shores (Ill.)
Norwood Gibson (S.C.)	Archie Mayhew (Calif.)	Dean Dobbs (N.C.)

## Home Missions Board

Chairman: Earl Hendrix, 88 Blackstock Road, Inman, SC 29349  
 Director: Roy Thomas, P.O. Box 5002, Antioch, TN 37011-5002

1995	1997	1999
Fred Hanson (Canada)	Milburn Wilson (Calif.)	Lynn Wood (Okla.)
Earl Hendrix (S.C.)	Glenn Thomas (Tenn.)	Don Guthrie (Texas)
J.D. Norris (Ala.)	Larry Russell (Va.)	Wendell Walley (N.C.)

## Master's Men Board

Chairman: Waymon Ray, 3705 S. 65th W. Avenue, Tulsa, OK 74107  
 Director: James Vallance, P.O. Box 5002, Antioch, TN 37011-5002

1995	1997	1999
Johnny Fowlkes (Ark.)	Howard Gwartney (Okla.)	Don Neal (Ind.)
James Orr (Ky.)	George Brunkhorst (Calif.)	Dwight Fletcher (Miss.)
Waymon Ray (Okla.)	Thurman Pate, Jr. (Tenn.)	Gary Wilson (Ala.)



## Board of Retirement

Chairman: Ron Barber, 932 West 109th Street, Jenks, OK 74037  
Director: Bill Evans, P.O. Box 5002, Antioch, TN 37011-5002

1995	1997	1999
Jack Daniel (Ga.)	Ron Barber (Okla.)	Robert Morgan (Tenn.)
Waymon Fields (Ala.)	Roger Harwell (Ark.)	Lincoln Varney (Ky.)
Wilburn Beasley (S.C.)	Milton Hollifield (N.C.)	Henry Van Kluyve (N.C.)

## Sunday School and Church Training Board

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

1994	1996	1998
Milton Worthington(Mich.)	David Sutton (Texas)	Will Harmon (Ark.)
Billy Hanna (Ga.)	James McAllister (Calif.)	Edwin Hayes (Ohio)
Jim Shepherd (Okla.)	Dean Stone (Co.)	Larry Clyatt (Ill.)

## Commission For Theological Integrity

Chairman: Leroy Forlines, 3606 West End Avenue, Nashville, TN 37205

1994 L.C. Johnson (Tenn.)	1996 Lonnie Skiles (Mo.)
1995 Daryl Ellis (Ill.)	1997 Leroy Forlines (Tenn.)
1998 Fred Hall	

## Historical Commission

Chairman: Mary Wisehart, P.O. Box 5002, Antioch, TN 37011-5002

1994 Robert Picirilli (Tenn.)	1996 Thomas Marberry (Okla.)
1995 Steve Hasty (Tenn.)	1997 Jack Williams (Tenn.)
1998 Mary Wisehart (Tenn.)	

## Radio-Television Commission

Chairman: Bob Shockey, P.O. Box 50117, Nashville, TN 37205

1994 James Vallance (Tenn.)	1996 Sandy Goodfellow (Tenn.)
1995 Bob Shockey (Tenn.)	1997 Bill Gardner (Tenn.)
1998 Steve Faison (Tenn.)	

## Music Commission

Chairman: Vernon Whaley, P.O. Box 50117, Nashville, TN 37205

1994 Randy Sawyer (N.C.)	1996 David Bates (Mo.)
1995 Vernon Whaley (Tenn.)	1997 Douglas Little (Ark.)
1998 Bill Gardner (Tenn.)	

## Proceedings

The 57th annual session of the National Association of Free Will Baptists met July 18-22, 1993, in the Commonwealth Convention Center, Louisville, Kentucky. The convention theme was "Laborers Together," taken from I Corinthians 3:9. Vernon Whaley served as music coordinator with Richard McDonald as organist and Jerry Carraway as pianist. Ralph Hampton moderated the convention business sessions.

### Sunday Morning-July 18, 1993

Jack Richey presided at the Adult Sunday School and the adult morning worship service. The congregation sang, "Leaning on the Everlasting Arms." Jack Richey welcomed the congregation and led in prayer. Jerry Carraway sang a solo, "Sheltered in the Arms of God." Thomas Marberry, faculty member of Hillsdale FWB College, Moore, Oklahoma, taught the Adult Sunday School lesson. It was based on Psalm 72, from the Randall House Publications curriculum.

Daron Dwyer led the congregation in singing, "Brethren, We Have Met to Worship," to open the Sunday morning worship service at 11:00 a.m. Jack Richey called on Gilbert Pixley to lead in prayer.

The congregation sang, "He Lives." The Florida Ministers Quartet sang, "At the Cross" and a medley of songs about grace.

The New Life Singers from Hillsdale FWB College sang, "Peace in the Midst of the Storm" and "Written in Red."

Nathan Ruble, executive secretary of the Missouri State Association of Free Will Baptists, was introduced to bring the message. He read I Corinthians 3:1-9 and brought the message on the convention theme of "Laborers Together."

After announcements, Jack Richey prayed the benediction.

### Sunday Evening-July 18, 1993

Phil Cooper led the congregation in singing, "Tis So Sweet to Trust in Jesus" to open the Sunday evening service. Tim York, presider, gave the welcome and called on Dick Van Hoose to lead in prayer.

After the congregation sang, "Footsteps of Jesus," the convention offering was received.

The Rejoice Ministry Team from Free Will Baptist Bible College sang, "On the Jericho Road," "The Wayfaring Stranger" and "This World is Not My Home."

Clifford Austin, pastor of Highland Avenue FWB Church, Prestonsburg, Kentucky, was introduced to bring the message. He read Luke 14:25-30, and brought the message on "Counting the Cost." After the message, "Have Thine Own Way" was sung as an invitation hymn.

The chorus, "Because He Lives," was sung as the benediction.

### Monday Evening-July 19, 1993

Randy Sawyer led the congregation in prayer, then in singing, "Spirit of



the Living God," to open the service.

The Resounding Praise Handbell Choir from Donelson FWB Church in Nashville, Tennessee, played, "Great Is Thy Faithfulness."

Clerk Waldo Young called the convention into official session and introduced Moderator Ralph Hampton. The moderator then announced the committees that would be serving during the session.

Those appointed to the Resolutions Committee were Millard Sasser, CA, chairman; Keith Fletcher, IL; Jim Smith, TN; Jeff Crabtree, VA; Lynn Wood, OK.

Those appointed to the Nominating Committee were David Sutton, TX, chairman; Billy Sharpston, OH; James Puckett, OK; Nathan Ruble, MO; James Forlines, AR.

Those appointed to the Credentials Committee were Nuel Brown, CA; Bob Thomas, CO; Randy Bryant, FL; Herbert Waid, GA; Robert Helms, IN.

The Obituary Committee consisted of J. L. Gore, MS; David Williford, FL; Kent Barber, GA.

Kentucky State Promotional Secretary Tim York brought greetings and welcomed attendees to the state of Kentucky.

Carl Cheshier, who presided at the service, led in prayer. He then introduced the Stanley Jones Singers from Missouri who ministered in music.

Randy Sawyer led the congregation in singing, "Heaven Came Down," "The Family of God," and "He is Lord."

The Mass Choir, under the direction of Doug Little, sang his arrangement of "I Bowed On My Knees and Cried Holy." The congregation sang, "All Hail The Power."

After prayer by Carl Cheshier, the convention offering was received. The Resounding Praise Handbell Choir played the offertory.

Bailey Thompson, pastor of the Woodcrest Church, Catoosa, OK, was introduced as the speaker. Before he came to bring the message, Lawrence Taylor, NC, sang, "Who Am I?"

Pastor Thompson read Luke 24:50-55, and brought the message on "Doing It With God."

In a presentation at the close of the service, special recognition was given to Rev. and Mrs. Herman Hersey for their many years of service to the Retirement Department. They were presented with plaques and a gift check.

The congregation sang, "Love Lifted Me" as the benediction.

### **Tuesday Morning Bible Conference—July 20, 1993**

Charles Cooper, MI, presided at the Bible Conference which began at 9:00 a.m. Tuesday morning. At the first service special music was provided by the California Christian College Ensemble and the New Life Singers from Hillsdale FWB College.

Curtis Lilly, pastor of Friendship FWB Church, Flint, MI, was the speaker.

The Southeastern FWB College singers and New Life Singers from Hillsdale FWB College provided special music for the second service of

the conference. Wendell Walley, pastor of Zephyr Hills FWB Church, Asheville, NC, was introduced as the speaker for the second service of the conference.

### **Tuesday Evening—July 20, 1993**

Thurmon Murphy, TX, presided over the Tuesday evening service. He read Psalm 100 as a call to worship and called on Keith Woody to lead in prayer.

Vernon Whaley led the congregation in singing, "My Jesus, I Love Thee."

The Free Will Baptist Bible College Rejoice Ministry Team sang, "We Shall See God."

The congregation sang, "Great Is the Lord," "How Majestic Is Your Name," "Great Is Thy Faithfulness," and "We Will Glorify."

Special singers from four Free Will Baptist colleges joined together to present a mini-concert. The Rejoice Ministry Team sang, "It Is Good to Praise the Lord" and "Boundless Love." The ensemble from California Christian College sang, "Redeemed At His Throne I Stand." The combined group sang, "There Is a Redeemer." New Life Singers from Hillsdale FWB College sang, "In the Power of His Spirit." The group from Southeastern FWB College sang, "Worthy of All Praise." Randy Sawyer, backed by the combined group of singers, sang, "In the Morning Light."

The convention offering was received. Chris Truett played a trumpet solo as the offertory.

The congregation sang, "Heaven's Jubilee." Darryl Ferrington from Hillsdale FWB College sang, "Softly and Tenderly."

Bobby Ferguson, pastor of the First FWB Church, Houston, TX, was introduced to bring the message. He read Matthew 16:14-18 and brought the message on "Storming the Gates of Hell."

At the conclusion of the message, announcements were made, after which "Victory in Jesus" was sung as the benediction.

### **Wednesday Morning—July 21, 1993**

Moderator Ralph Hampton called the session to order at 9:00 a.m. He read Matthew 28:18-20, Colossians 1:21-29, shared devotional thoughts and led in prayer.

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

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

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

Director Eugene Waddell gave the report of the Foreign Missions Department. Treasurer Michael Johnston gave the financial report. A motion was made and seconded to receive the report and adopt the budget. After lengthy discussion regarding whether missionaries were effectively teaching the Free Will Baptist Church Covenant, the previous



question was moved and seconded. The moderator's decision to accept the previous question motion was challenged. He put the question to the body regarding whether or not they wanted to continue discussion. The body voted to continue discussion.

The moderator recessed the meeting at 12:00 noon.

### **Wednesday Afternoon—July 21, 1993**

The afternoon session was called to order at 1:30 p.m. Assistant Moderator Carl Cheshier read I Corinthians 4:1-5 and led in prayer.

Discussion continued on the report of the Foreign Missions Department. The previous question was moved and carried. The motion to receive the Foreign Missions Department report and adopt the budget was approved.

Bill Jones, TX, was elected to fill the unexpired term of Alton Loveless who resigned from the Foreign Missions Board. The term will expire in 1996.

President Tom Malone gave the report of Free Will Baptist Bible College, assisted by Board Chairman Ken Walker and Treasurer Thomas Sass. A motion carried to receive the report and adopt the budget.

Director Roger Reeds gave the report of the Sunday School and Church Training Department. A motion carried to receive the report and adopt the budget. A standing vote of appreciation was given for Roger Reeds for his years of service to Randall House Publications. He announced that Alton Loveless would be the new director of the Sunday School and Church Training Department.

Director Roy Thomas gave the report of the Home Missions Department. Board member Rue Dell Smith was presented a plaque for 12 years of service on the board. A motion carried to receive the report and adopt the budget.

Lynn Wood (OK), Don Guthrie (TX) and Wendell Walley (NC) were elected to six-year terms on the Home Missions Board. These terms will expire in 1999.

The following men were elected to two-year terms on the General Board from their respective states: Alabama, John Edwards; Arizona, David Taylor; Arkansas, David Joslin; Atlantic Canada Association, Darryl Crain; California, Nuel Brown; Colorado, Bob Thomas; Florida, Randy Bryant; Georgia, Herbert Waid; Idaho, Tommie Carlson; Illinois, Emie Lewis; Indiana, Robert Helms; Kansas, James Mize; Kentucky, Tim York; First Louisiana Association, Ron Parker; Maryland, Lester Horton; Mexico, Fred Jones; Michigan, Charles Cooper; Mississippi, J. L. Gore; Missouri, Nathan Ruble.

Charles Cooper (MI), Nathan Ruble (MO) and David Joslin (AR) were elected for two-year terms on the Executive Committee, terms to expire in 1995.

Director James Vallance gave the report of the Master's Men Department. A plaque was presented to Wendell Leckbee for his years of service on the board. A motion was made and seconded to receive the report and adopt the budget. A motion was made and seconded to amend the budget

to reflect the actual rent expense that should be paid for space in the National Offices Building. The figure of \$1,200.00 was changed to read \$26,379.60. This would change the total budget to read \$178,779.60. The motion to amend was adopted. The motion to receive the report and adopt the budget as amended was approved.

Dwight Fletcher (GA), Don Neal (IN) and Gary Wilson (AL), were elected to six-year terms on the Master's Men Board, terms to expire in 1999.

A motion carried to recess until 9:00 a.m. Thursday morning.

### **Wednesday Evening—July 21, 1993**

Jim Nason called the Wednesday evening service to order at 7:00 p.m. and led in prayer.

Jerry Carraway led the Men's Chorale in singing, "Jesus Needs a Few Good Men." Rusty Russell led the congregation in singing, "Bring Them In."

Brenda Webb, Norman, OK, sang, "I Bowed on My Knees and Cried Holy."

Richard Adams, director of development for Home Missions, introduced the home missionaries present for the service. Roy Thomas introduced his mother and brother who were present.

Director Eugene Waddell introduced the foreign missionaries who were present for the service. Senior missionary Mabel Willey gave greetings to the congregation. Members of TEAM, a youth missionary effort, were included in the introductions.

The congregation sang, "An Old Account Was Settled."

Jim Nason led in prayer. The special missions offering was received as a trumpet solo was played for the offertory.

Joe Jones and Ken Riggs sang, "Win the Lost at Any Cost."

Doug Little, pastor of First FWB Church, Russellville, AR, was introduced to bring the message. He read Acts 13:1-3, and brought the message on "Laboring Together to Reach the World." "Trust and Obey," "Where He Leads Me I Will Follow" and "Wherever He Leads I'll Go," were sung as an invitation. Several people, especially youth, responded to the invitation to come forward.

### **Thursday Morning—July 22, 1993**

Moderator Ralph Hampton called the meeting to order at 9:00 a.m. Assistant Clerk Keith Burden read Matthew 5:13-16 and led in prayer.

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

Robert Morgan (TN), Lincoln Varney (KY) and Henry Van Kluyve (NC) were elected to six-year terms on the Board of Retirement.

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

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



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

Bob Shockey gave the report for the Radio-Television Commission. A motion carried to receive the report and adopt the budget. Steve Faison (TN), was elected to a five-year term on this commission.

Vernon Whaley gave the report of the Music Commission. A motion carried to receive the report and adopt the budget. Randy Sawyer (NC) was elected to fill the unexpired term of Blaine Hughes who resigned from the Music Commission, term to expire in 1994. Bill Gardner (TN) was elected to a five-year term on the Music Commission.

Mary Wisheart gave the report of the Historical Commission. A motion carried to receive the report and adopt the budget. Mary Wisheart was elected to the 1998 term on the Historical Commission.

The clerk read Item #2 of the General Board report recommending reprinting *Rejoice, The Free Will Baptist Hymn Book*. A motion carried to adopt Item #2.

Item #3 of the General Board report was read recommending Tampa, Florida, as the site of the July 20-24, 2003, national convention. A motion carried to adopt Item #3.

Item #4 of the General Board report was read. It pertained to programming a service in the 1994 convention to celebrate the completion of the Capital Stewardship Campaign, "A Million More by '94." A motion was made and seconded that "A committee be appointed from people among us with success in fund raising to lead in raising the funds called for in this item." The motion to amend carried. A motion was made and seconded to amend the item by changing "Wednesday" night to read, "Tuesday" night. The motion to amend carried. The item was adopted as amended.

The clerk read Item #5 of the General Board report pertaining to a schedule to reduce the percentage of the undesignated receipts coming to the Executive Office. A motion carried to adopt Item #5.

Item #6 of the General Board Report, recommending the adoption of the report of the Financial Disclosure Committee was adopted.

Item #7 of the General Board Report recommending the adoption of the Budget Committee report regarding developing promotional materials for the Together Way Plan was adopted.

A motion carried to authorize the Management Committee to appoint the special committee called for in Item #4 of the General Board report.

Melvin Worthington gave the report of the International Free Will Baptist Consultation Committee. Motion carried to receive the report and adopt the recommendation.

Dean Jones gave the report of the National Youth Conference. A motion carried to receive the report.

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

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

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

Melvin Worthington gave the Double in a Decade Committee report. A motion carried to receive the report.

The clerk read the report of the Obituary Committee. Several names of deceased were handed in to be added to the report. A motion carried to receive the report.

The clerk read Item #1 of the Resolutions Committee report. A motion carried to adopt Item #1.

Item #2 of the Resolutions Committee report was read. A motion carried to adopt Item #2.

Resolution #3 was read. A motion carried to adopt the item.

Resolution #4 was read. A motion was made and seconded to adopt Item #4. A motion was made and seconded to amend the item by adding, "That state clerks send copies of this resolution to their congressmen and senators." The amendment carried. A motion was made and seconded to amend the item by adding, "That we provide copies of this resolution to our military chaplains." The amendment carried. Item #4 was adopted as amended.

Resolution #5 was read. A motion carried to adopt Item #5.

Resolution #6 was read. A motion carried to adopt Item #6.

Resolution #7 was read. A motion was made and seconded to adopt Item #7. Item #7, pertaining to the use of soundtracks in the worship services of the national convention, was defeated.

Item #8 of the Resolutions Committee Report was read. It pertains to the "See You At the Pole" effort in high schools. A motion carried to adopt Item #8.

Item #9, pertaining to alcohol and drug rehabilitation, was read. A motion carried to adopt Item #9.

Resolution #10, pertaining to the Church Covenant, was read by the clerk. A motion was made and seconded to amend the resolution by adding (6) "Our Missions boards and missionaries be required to bring our mission works and organized churches into conformity with the Covenant as soon as possible." After lengthy discussion on the amendment, the previous question was moved and carried. The motion to amend was approved.

A motion was made and seconded to amend Item #10 by deleting points (4), (5) and (6). Again, the previous question was made and carried. The motion to amend by deletion was defeated. After more discussion on the resolution, the previous question was moved and carried. Resolution #10 was approved as amended.

Resolution #11 was read. A motion was made and seconded to adopt the item. The previous question was moved and carried. Item #11 was adopted.

Resolution #12 was read. A motion was made and seconded to adopt Item #12. The previous question was moved and carried. Item #12 was adopted.

A motion was made and seconded from the floor which states, "Whereas, Lonnie and Anita Sparks and Mark and Juli Riggs have been slanderously accused, motion to give them a standing vote of approval for



their actions in Spain." A motion was made and seconded to amend by substitution, "That we commend Lonnie and Anita Sparks and Mark and Juli Riggs for their years of service in Spain." The previous question was moved and carried. The motion to amend was adopted. The motion as amended was adopted.

The clerk read Item #13 of the Resolutions Committee report recommending a standing vote of thanks to the Kentucky State Association for their hosting the national convention. Item #13 was adopted.

A motion carried to give a vote of appreciation to Jeff and Susan Turnbough for their service in Spain.

The moderator announced the committee members who will serve on the Ministerial Family Life Committee called for in Resolution #1. This committee consists of Leroy Forlines, chairman; Ken Riggs; Eugene Waddell; Trymon Messer and Larry Powell. The executive secretary and the moderator will also assist this committee.

A motion was made from the floor, and seconded, that the National Association reaffirm its belief in the statement of Chapter IX, of the *Treatise* (page 26) titled, "Repentance." A motion carried to table the motion.

The final report of the Nominating Committee, pertaining to the national officers, was read. It nominated Ralph Hampton as moderator, Carl Cheshier as assistant moderator, Waldo Young as clerk and Keith Burden as assistant clerk.

A motion carried to receive these nominations and elect these as the officers.

A motion carried to adjourn. The time was a few minutes past 1:00 p.m.

## The Executive Secretary's Report 1993

We rejoice in God's blessings on the Executive Office ministry during 1992. The office functioned well as the staff continued its efficient work. We commend the Executive Office staff: executive assistant and *Contact* editor, Jack Williams; bookkeeper, Melody Hood; editorial assistant, Marilyn Pritchard; *Contact* circulation manager and receptionist, Dari Goodfellow; part-time worker, Anne Worthington (church directory/secretary); and maintenance superintendent, Wade Trimble. (Wade died in January 1993). Steve Pate now serves as maintenance superintendent.

The Executive Office represented the National Association of Free Will Baptists, Inc. at the Evangelical Press Association, Religious Conference Management Association, Christian Stewardship Association, U.S. Church Leaders Conference and the Association of Statisticians of American Religious Bodies. These organizations provide a forum for exchange of ideas and information.

The Executive Secretary attended 22 state associations during 1992. A spirit of harmony and unity characterized these meetings. Association reports indicate continued growth and increased interest in denominational ministries. Financial concerns surfaced at these associations.

The 1992 national convention went well. Attendance was up and the music, meetings and messages were outstanding. The most significant business action was the approval of a new denominational stewardship plan for the equitable support of all denominational ministries-- "The Together Way Plan." We commend the Indiana State Association of Free Will Baptists for hosting the convention.

Preparation for the 1993 convention in Louisville, Kentucky, went smoothly. Site visits are scheduled in the spring of 1993 for the 2003 convention which will be hosted by South Carolina or Florida. We plan to meet in South Carolina for the 2003 convention if adequate facilities are available. In the event adequate facilities are not available in South Carolina, sites will be considered in Florida. If South Carolina hosts the 2003 convention, then Florida will host the 2005 convention.

The International Convocation of Free Will Baptists with representatives from Japan, Mexico, Canada, Brazil, Panama, Uruguay and the United States met in Panama August 24-28, 1992, and voted to work toward organizing an International Fellowship of Free Will Baptists in 1995. Delegates adopted the "Panama Declaration 1992" affirming their commitment to the fundamental belief of orthodox Christianity, those distinctive beliefs and practices which characterize Free Will Baptists, the necessity of holy living, the dangers of the ecumenical movement and the priority of evangelism. Plans call for each representative to recommend to their association that an International Fellowship of Free Will Baptists be organized in 1995. The Executive Secretary was elected to coordinate the 1995 meeting. The Foreign Missions Department and Executive Office planned the 1992 consultation.



Contact subscriptions totaled 5,981 in the December mailing. Complimentary copies are provided for students at Free Will Baptist Bible College, Hillsdale Free Will Baptist College, California Christian College and Southeastern Free Will Baptist College.

Contributions for The Capital Stewardship Campaign, "A Million More by 94," totaled \$57,212 in 1992. Total contributions since January 1, 1992, when the campaign was launched, through April 1993 total \$94,802. A promotional brochure and video are available at no charge from the Executive Office. A number of states have adopted the campaign. We encourage each state to reach the campaign goal of \$5 per member.

Sales of *Rejoice, The Free Will Baptist Hymn Book* totaled approximately 86,000 as of December 31, 1992. Plans call for *Rejoice* to be reprinted when the present inventory has been sold.

Contributions to national agencies totaled \$7.8 million in 1992. Comparative figures since 1983 are:

1983	\$4,627,217.56	1988	\$6,428,621.22
1984	\$5,055,269.03	1989	\$6,489,728.33
1985	\$5,634,007.92	1990	\$6,933,944.49
1986	\$5,826,768.00	1991	\$7,848,694.01
1987	\$5,797,896.42	1992	\$7,832,441.46

Cooperative Channel Contributions totaled \$1.7 million—\$243,000 undesignated and \$1.4 million designated. Per capita giving was \$37.44; our goal was \$43.18. September 26 has been designated National Ministries Sunday. Based on 1993 national agency gift income budgets, each Free Will Baptist needs to give \$42.85. Our new financial plan, "The Together Way," adopted by delegates during the 1992 national convention, emphasizes one plan with two methods of support—designated and cooperative. This plan of equitable support for all denominational ministries will be implemented January 1, 1994.

## Charting Contributions Through the Cooperative Channel

	Designated	Co-op	Total
1983	487,876.30 61%	314,162.76 39%	802,039.06
1984	560,490.44 (+14.88%) 60%	380,000.33 (+20.96%) 40%	940,490.77(+17.26%)
1985	563,474.05 (+0.53%) 60%	374,804.51 (-1.37%) 40%	938,278.56 (-0.24%)
1986	780,988.61 (+38.60%) 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%)
1989	1,009,688.56 (+6.85%) 76%	319,483.14 (-1.18%) 24%	1,329,171.70 (+4.80%)
1990	1,035,463.36 (+2.55%) 76%	330,567.40 (+3.47%) 24%	1,366,030.76 (+2.77%)
1991	1,129,064.33 (9.04%) 77%	329,050.08 (-0.46%) 23%	1,458,114.41 (+6.74%)
1992	1,480,847.51 (+31.16%) 88%	243,195.98 (-26.09%) 14%	1,724,043.49(+18.24%)

Cooperative Channel Contributions Increase from 1983-1992  
Designated 203.53% CO-OP -22.59%

**Executive Office**

	<i>Designated</i>	<i>Co-op</i>	<i>Total</i>
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
1989	25,129.16	200,319.16	225,448.32
1990	75,721.44	166,278.57	242,000.01
1991	68,011.64	191,443.70	259,455.34
1992	123,182.46	180,694.62	303,877.08

**Foreign Missions**

	<i>Designated</i>	<i>Co-op</i>	<i>Total</i>
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
1989	701,975.57	27,407.66	729,383.23
1990	691,133.71	37,786.32	728,920.03
1991	712,661.39	31,649.40	744,310.79
1992	850,776.88	14,375.28	865,152.16

**Free Will Baptist Bible College**

	<i>Designated</i>	<i>Co-op</i>	<i>Total</i>
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
1989	61,876.60	27,407.66	89,284.26
1990	48,084.25	37,786.32	85,870.57
1991	61,558.53	31,649.40	93,207.93
1992	81,669.82	14,375.28	96,045.10

**Home Missions**

	<i>Designated</i>	<i>Co-op</i>	<i>Total</i>
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
1989	176,544.28	21,449.50	197,993.78
1990	179,583.94	29,571.90	209,155.84
1991	216,177.42	24,769.01	240,946.43
1992	293,769.40	11,250.25	305,019.65

**Retirement & Insurance**

	<i>Designated</i>	<i>Co-op</i>	<i>Total</i>
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
1989	2,186.00	16,682.98	18,868.98
1990	5,368.00	23,000.39	28,368.39
1991	6,458.01	19,264.88	25,722.89
1992	16,509.81	8,750.10	25,259.91

**Master's Men**

	<i>Designated</i>	<i>Co-op</i>	<i>Total</i>
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
1989	4,414.04	16,682.98	21,097.02
1990	5,424.23	23,000.39	28,424.62
1991	7,316.70	19,264.88	26,581.58
1992	17,388.70	8,750.10	26,138.80



### Free Will Baptist Foundation

	<i>Designated</i>	<i>Co-op</i>	<i>Total</i>
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
1989	5,754.97	7,149.83	12,904.80
1990	9,592.75	9,857.36	19,450.11
1991	9,256.60	8,256.35	17,512.95
1992	11,036.40	3,750.10	14,786.50

### Historical Commission

	<i>Designated</i>	<i>Co-op</i>	<i>Total</i>
1983	\$ 137.71	\$ 1,834.61	\$ 1,972.32
1984	102.60	2,256.42	2,359.02
1985	208.88	2,086.06	2,294.94
1986	278.48	2,005.83	2,284.31
1987	688.28	1,015.06	1,703.34
1988	676.30	1,301.90	1,978.20
1989	757.28	0.00	757.28
1990	413.59	821.42	1,235.01
1991	493.53	688.09	1,181.62
1992	1,137.01	312.52	1,449.53

### Commission for Theological Integrity

	<i>Designated</i>	<i>Co-op</i>	<i>Total</i>
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
1989	786.88	1,191.60	1,978.48
1990	446.56	821.42	1,267.98
1991	542.41	688.09	1,230.50
1992	1,193.44	312.52	1,505.96

### Radio & TV Commission

	<i>Designated</i>	<i>Co-op</i>	<i>Total</i>
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
1989	901.78	1,191.60	2,093.38
1990	488.94	821.42	1,310.36
1991	640.71	688.09	1,328.80
1992	1,042.42	312.52	1,354.94

### Music Commission

	<i>Designated</i>	<i>Co-op</i>	<i>Total</i>
1990	\$ 197.63	\$ 821.42	\$1,019.05
1991	221.71	688.09	909.80
1992	920.26	312.52	1,232.78

The biennial All-Boards conference met December 7-8, 1992, at the Doubletree Hotel in downtown Nashville for two days of intense sessions. Oklahoma attorney Ron Barber led a three-hour seminar on board members' responsibility. Executive Secretary Melvin Worthington led a 90-minute Capital Stewardship Campaign discussion concluding with the first showing of the Vision 2000 video, a 12-minute film designed to promote the campaign. Ralph Hampton, moderator of the National Association, led a discussion of the denomination's new financial plan, "The Together Way." A financial disclosure recommendation was adopted by attendees and recommended to the General Board. This recommendation was presented by a Financial Disclosure Committee chaired by Ralph Hampton and composed of the chairman of each national board.

The biennial Leadership Conference will meet December 6-7, 1993, in Nashville. Each state leader is encouraged to make plans to attend the conference.

Speakers for the 1993 national convention in Louisville, Kentucky, include: Nathan Ruble, Clifford Austin, Bailey Thompson, Bobby Ferguson, Curtis Lilly, Wendell Walley and Douglas Little. The theme will be "Laborers Together." State Associations interested in hosting the national convention are encouraged to contact the Executive Office.

Reporting forms 501, 502, 503, 504 can be obtained from the Executive Office. Each church and association is encouraged to use these forms.

The Double in a Decade Campaign launched January 1, 1991, with a two-fold goal: to plant 250 new churches and double denomination

membership by 2000 A.D. Statistical data for 1992 indicates: 9,283 baptisms, 12,123 members added; 7,223 members lost with a net membership gain of 4,900. Comparative figures from 1988 are:

	1988	1989	1990	1991	1992	Total
Baptisms	7,910	8,678	7,946	8,703	9,283	42,520
Members Added	12,436	12,726	12,537	12,931	12,123	62,753
Members Lost	6,454	7,511	6,583	7,240	7,223	35,011
Net Increase	5,982	5,215	5,954	5,691	4,900	27,742

Rejoicing and Resting in Our Redeemer, Your servant,  
Melvin Worthington, Th.D., CMP

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

**Financial Statements**

December 31, 1992 and 1991

(With Independent Auditors' Report Thereon)

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

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

**Independent Auditors' Report**

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

**Executive Committee of the  
General Board of the National  
Association of Free Will Baptists, Inc.**

Brentwood Executive Center  
761 Old Hickory Boulevard  
Suite 103  
Brentwood, TN 37027  
TEL 615/377-3485  
FAX 615/377-3488

We have audited the balance sheets of the Executive Office of the National Association of Free Will Baptists, Inc. as of December, 31 1992 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 Executive Office's management. Our responsibility is to express an opinion on these financial statements based on our audit. Information included on the balance sheet and statements of activity and changes in fund balances and cash flows for the year ended December 31, 1991 is presented for comparative purposes only and was extracted from financial statements presented by fund for that year, on which we expressed an unqualified opinion dated June 5, 1992.

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 Executive Office of the National Association of Free Will Baptists, Inc. as of December 31, 1992, 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.

April 30, 1993

*Hill, Neal & Allen, P.C.*



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

**Balance Sheets**

December 31, 1992

(with comparative totals for 1991)

	Operating Funds					1991 Total All Funds
	Executive Office	Contact Magazine	Special Projects	Convention Fund	Total Operating Funds	
<b>Assets</b>						
Current assets:						
Cash and interest bearing deposits	\$ 14,644	9,610	8,982	21,110	54,346	80,716
Receivables:						
Due from affiliated organization (note 7)	-	-	2,368	-	2,368	34,405
Notes receivable (note 4)	26,051	-	17,000	-	43,051	7,804
Master's Men	1,946	-	46	567	2,559	2,950
Other	-	624	28	266	918	1,527
Due from other funds (note 3)	48,500	-	-	-	-	-
Total receivables	76,497	624	19,442	833	48,896	46,686
Inventory, at lower of cost (first-in, first-out method) or market (note 7 and 10)	-	-	136,196	-	136,196	184,279
Prepaid expenses (note 9)	13,088	-	-	-	13,088	11,275
Total current assets	104,229	10,234	164,620	21,943	252,526	322,956
Office equipment, furniture and automobiles, net of accumulated depreciation (note 2)	-	-	-	-	28,105	27,786
	\$ 104,229	10,234	164,620	21,943	280,631	350,742
<b>Liabilities and Fund Balances</b>						
Current liabilities:						
Accounts payable and accrued expenses	\$ 2,144	-	50	-	2,194	1,618
Notes payable (note 6)	-	-	37,452	-	37,452	126,958
Due to other funds (note 3)	-	48,500	-	-	-	-
Total current liabilities	2,144	48,500	37,502	-	39,646	128,576
Fund balances	102,085	(38,266)	127,118	21,943	212,880	222,166
	\$ 104,229	10,234	164,620	21,943	252,526	350,742

See accompanying notes to financial statements.

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

**Statements of Activity and Changes in Fund Balances**

Year ended December 31, 1992

(with comparative totals for 1991)

	Operating Funds					1991 Total All Funds
	Executive Office	Contact Magazine	Special Projects	Convention Fund	Total Operating Funds	
<b>Revenues:</b>						
Cooperative plan receipts (note 5)	\$ 1,724,043	-	-	-	1,724,043	1,458,115
Disbursed to departments and agencies (note 5)	(1,420,166)	-	-	-	(1,420,166)	(1,198,660)
Executive Office Cooperative plan receipts	303,877	-	-	-	303,877	259,455
Subscriptions to Contact Magazine	-	78,695	-	-	78,695	55,662
Sales of hymnals (note 7)	-	-	66,352	-	66,352	89,328
Gifts and offerings	-	-	-	7,861	7,861	27,394
Interest income	495	-	-	1,002	1,497	3,411
Convention fees	-	-	-	50,090	50,090	56,040
Other income	7,721	-	1,501	75	9,297	10,534
	312,093	78,695	67,853	59,028	517,669	501,824
<b>Expenses and cost of sales:</b>						
Salaries	121,553	-	2,753	528	124,834	121,042
Housing allowance	25,000	-	-	-	25,000	25,000
Employee fringe benefits	27,743	-	-	-	27,743	29,285
Payroll taxes	4,947	-	216	127	5,290	5,206
Travel	19,889	2,071	-	13,665	35,625	24,147
Executive committee expenses	6,287	-	-	-	6,287	5,014
Occupancy costs	42,010	-	-	-	42,010	32,350
Depreciation	-	-	-	-	-	11,845
Legal and audit	1,179	813	813	3,419	6,224	6,614
Insurance - general	3,612	-	-	180	3,792	3,069
Equipment maintenance and renewals	1,108	-	-	-	1,108	11,177
Supplies and office expense	8,406	5,694	38	7,306	21,444	12,196
Total of expenses and cost of sales	261,734	8,578	3,820	25,225	299,357	286,945
carried forward to page 4					7,430	

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

Statements of Activity and Changes in Fund Balances, Continued  
Year ended December 31, 1992  
(with comparative totals for 1991)

	Operating Funds					1992	1991
	Executive Office	Contact Magazine	Special Projects	Convention Fund	Total Operating Funds	Total All Funds	Total All Funds
Expenses and cost of sales: (continued)							
Total of expenses and cost of sales	261,734	8,578	3,820	25,225	299,357	306,787	286,945
carried forward from page 3							
Printing and promotion	2,487	44,360	-	17,252	64,099	64,099	66,427
Postage / mail services	1,255	13,979	43	603	15,880	15,880	16,290
Dues, subscriptions, books, registrations	1,861	345	-	710	2,916	2,916	2,823
Telephone	2,048	92	3	686	2,829	2,829	2,895
Writer's fees	-	3,485	-	-	3,485	3,485	3,225
Interest expense	-	-	8,883	-	8,883	8,883	19,937
Cost of hymnals sold	-	-	48,083	-	48,083	48,083	37,266
Auditorium	-	-	-	28,862	28,862	28,862	19,070
Meal functions	-	-	-	1,019	1,019	1,019	2,108
Music	-	-	-	661	661	661	653
Bi-annual leadership conference	10,618	-	-	-	10,618	10,618	-
Other	2,430	-	718	1,580	4,728	4,728	4,730
Excess of revenues over (under) expenses	282,433	70,839	61,550	76,598	491,420	498,850	462,369
Other changes in fund balances:							
Acquisition of furniture and equipment	-	-	-	(423)	(7,749)	7,749	-
Abandonment of furniture and equipment	-	-	-	-	-	-	(8,320)
Fund balance, beginning of year as restated (note 10)	79,751	(46,122)	120,815	39,936	194,380	222,166	191,031
Fund balance, end of year	\$ 102,085	\$ (38,266)	\$ 127,118	\$ 21,943	\$ 212,880	\$ 240,985	\$ 222,166

See accompanying notes to financial statements.

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

Statement of Cash Flows  
Year ended December 31, 1992  
(with comparative totals for 1991)

	Operating Funds					1992	1991
	Executive Office	Contact Magazine	Special Projects	Convention Fund	Total Operating Funds	Total All Funds	Total All Funds
Cash Flows from Operating Activities							
Excess of revenues over (under) expenses	\$ 29,660	7,856	6,303	(17,570)	26,249	(7,430)	39,455
Adjustments to reconcile net earnings to net cash provided (used) by operating activities							
Depreciation and amortization	(7,826)	500	-	(423)	(7,749)	7,430	11,845
Inter- fund transfers and due to / from accounts	807	37	32,029	164	33,037	-	35,875
(Increase) decrease in:	-	-	48,083	-	48,083	-	37,267
Receivables	(1,813)	-	-	-	(1,813)	-	(10,202)
Inventories	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
Increase (decrease) in:							
Accounts payable and accrued expenses	713	-	(99)	(38)	576	576	(1,214)
Net operating activities	21,541	8,393	86,316	(17,867)	98,383	106,132	113,026
Cash Flows from Investing Activities							
Advances to Building Services Fund	(26,051)	-	(17,000)	-	(43,051)	(43,051)	-
Collections from Building Services Fund	-	-	-	7,804	7,804	7,804	-
Purchase of equipment	-	-	-	-	-	(7,749)	(23,338)
Net investing activities	(26,051)	-	(17,000)	7,804	(35,247)	(7,749)	(23,338)
Cash Flows from Financing Activities							
Repayments of debt	-	-	(89,506)	-	(89,506)	-	(100,063)
Net financing activities	-	-	(89,506)	-	(89,506)	-	(100,063)
Net increase (decrease) in cash	(4,510)	8,393	(20,190)	(10,063)	(26,370)	(26,370)	(10,375)
Cash at beginning of year	19,154	1,217	29,172	31,173	80,716	80,716	91,091
Cash at end of year	\$ 14,644	\$ 9,610	\$ 8,982	\$ 21,110	\$ 54,346	\$ 54,346	\$ 80,716
Supplemental disclosures:							
Interest paid	-	-	-	-	-	-	-
Value of Executive Office furnishings contributed	-	-	-	-	-	8,883	35,393
See accompanying notes to financial statements.						-	20,340



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

**Notes to Financial Statements**

December 31, 1992 and 1991

The Executive Office operates under the auspices of the National Association of Free Will Baptists, Inc. and is governed by the Executive Committee of the General Board of the National Association of Free Will Baptists, Inc.

**(1) Summary of Significant Accounting Policies**

**Office Equipment, Furniture and Automobiles**

Office equipment, furniture and automobiles are stated at cost. Depreciation is provided over the useful life of the asset 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 Executive Office is exempt from Federal and state income taxes; accordingly, no provision for income taxes is made in the accounts.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Executive Office considers all cash funds, cash bank accounts and highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

**(2) Office Equipment, Furniture and Automobiles**

Depreciation and amortization charged to operations computed on the straight-line method was \$7,430 in 1992 and \$11,845 in 1991.

Components of office equipment, furniture and automobiles are as follows:

Office equipment	\$	44,988
Furniture		20,340
Automobiles		15,985
		81,313
Less accumulated depreciation		53,209
	\$	28,104

**(3) Due To / From Other Funds**

The Executive Office continues to advance funds to cover deficits from the publication of Contact Magazine. Additional net advances of \$500 in 1992 and \$14,000 in 1991 were necessary. Total advances through December 31, 1992 amount to \$48,500. These inter-fund balances have been eliminated from the totals of the balance sheet.

**(4) Notes Receivable**

Various funds have made interest bearing unsecured advances to the Building Services Fund of the National Association of Free Will Baptists, Inc. as follows:

	1992	1991
Executive office	\$ 26,051	-
Special projects fund	17,000	-
Convention fund	-	7,804
	\$ 43,051	7,804

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

**Notes to Financial Statements, continued**

**(5) Cooperative Plan**

The Executive Office is responsible for receiving and disbursing funds of the Cooperative Plan. Designated contributions are disbursed to the named Department or agency, and undesignated funds are disbursed based on the proportionate sharing arrangement. The following summarizes these transactions for the year ended December 31, 1992 as compared to 1991 totals.

	COOP		1992	1991
	Designated	Undesignated	Total	Total
<b>Receipts:</b>				
Alabama	\$ 2,742	373	3,115	3,860
Arizona	2,360	242	2,602	1,292
Arkansas	84,062	15,516	99,578	70,679
California	803	10,040	10,843	11,973
Colorado	755	-	755	-
Florida	586	16,057	16,643	18,514
Georgia	115,257	16,216	131,473	110,010
Hawaii	-	221	221	-
Idaho	90	-	90	265
Illinois	87,019	20,630	107,649	110,858
Indiana	7,217	968	8,185	7,339
Kansas	100	659	759	638
Kentucky	2,311	7,800	10,111	3,223
Louisiana	900	-	900	120
Maryland	-	4,032	4,032	4,691
Michigan	119,115	23,510	142,625	63,771
Mississippi	513	5,083	5,596	5,855
Missouri	134,316	-	134,316	103,758
Montana	-	-	-	50
New Jersey	30	-	30	-
New Mexico	136	49	185	2,396
North Carolina	11,067	8,201	19,268	22,142
Ohio	5,834	30,168	36,002	32,595
Oklahoma	487,256	53,641	540,897	493,495
South Carolina	210,501	2,084	212,585	150,728
Tennessee	80,720	16,118	96,838	75,895
Texas	76,703	7,507	84,210	114,685
Virginia	3,621	1,712	5,333	3,781
West Virginia	46,769	2,040	48,809	45,174
Canada	-	80	80	87
Northwest Association	65	248	313	241
<b>Total receipts</b>	<b>\$ 1,480,848</b>	<b>243,195</b>	<b>1,724,043</b>	<b>1,458,115</b>
<b>Disbursements:</b>				
Executive Office	\$ 123,182	180,695	303,877	259,455
Foreign Missions	850,777	14,375	865,152	744,311
Free Will Baptist Bible College	81,670	14,375	96,045	93,208
Home Missions	293,769	11,250	305,019	240,946
Retirement & Insurance	16,510	8,750	25,260	25,723
Master's Men	17,389	8,750	26,139	26,582
Commission for Theological Integrity	1,193	313	1,506	1,231
Foundation	11,038	3,748	14,786	17,513
Historical Commission	1,137	313	1,450	1,182
Music Commission	920	313	1,233	910
Radio & Television Commission	1,042	313	1,355	1,329
Hillsdale Free Will Baptist College	15,638	-	15,638	16,204
Other	66,583	-	66,583	29,521
<b>Total disbursements</b>	<b>\$ 1,480,848</b>	<b>243,195</b>	<b>1,724,043</b>	<b>1,458,115</b>



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

Notes to Financial Statements, continued

**(6) Notes Payable (see note 7)**

11.5% note payable amounting to \$37,452 to the Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. secured by hymnals carried in inventory at \$136,196.

**(7) Agreement With Affiliated Organization to Distribute Hymnals (see note 6)**

The Executive Office has an agreement with Sunday School and Church Training and Randall House Publications ("Randall House"), whereby Randall House warehouses and distributes hymnals. Further, Randall House will invoice the customer, collect funds and remit such collections, net of commissions of \$.795 per hymnal sold, to the Executive Office. As of December 31, 1992 Randall House was warehousing approximately 14,000 hymnals with an inventory value of \$136,196 and owed the Executive Office \$2,368 for hymnal sales.

**(8) Pension**

The Executive Office participates in the master pension plan of the Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. The plan is contributory and is matched up to a maximum of 5% of compensation. Employees may participate at date of employment. Pension expenses amounted to \$4,894 in 1992 and \$4,812 in 1991. The pension plan is a defined contribution plan. Under the plan, an account is maintained for each participant and upon retirement the participant can either receive a lump-sum distribution or purchase one of several types of annuity contracts.

**(9) Capitalized Lease Payments**

The Executive Office entered into an agreement to lease space in the National Office Facility and further agreed to contribute to the debt service costs during the construction period and to continue until the debt has been retired. Through the construction period, costs amounting to \$10,960 were capitalized. These costs will be amortized against operations over a five year period. During 1992, \$2,192 was charged against operations leaving a resultant balance of \$7,672 which is included on the balance sheet in prepaid expenses.

**(10) Restatement of Special Projects Fund for Accounting Error**

The fund balance of the special projects fund has been restated to reflect an error in the valuation of hymnal inventory. The inventory was inadvertently valued at sales value instead of cost. The error affects balances and amounts as reported for the year ended December 31, 1991. Inventory and fund balance have been decreased by \$79,724 to properly value inventory at cost.

8

**1994  
Executive Office Budget**

	1993	1994
Administrative	\$303,877.03	\$326,420.46
Convention	85,542.60*	83,288.15**
Contact	86,004.00	85,596.00
<b>Totals</b>	<b>\$475,423.63</b>	<b>\$495,304.61</b>

\*1992

\*\*1993

**1994  
Administrative Budget**

Projected Expenses	1992	1993	1994
Salaries	\$120,314.98	\$125,127.40	\$125,685.64
Housing	25,000.00	26,000.00	33,000.00
Social Security	16,549.19	17,211.13	18,071.84
Retirement	5,132.47	6,120.97	6,142.01
Employees Insurance	30,380.39	30,267.21	27,961.53
(Dental, Hospital, Life, Travel)			
Office Rental	40,000.00	38,860.00	38,860.00
(\$1.30 per sq. ft. x 2,491)			
Office Supplies/Expense	6,000.00	5,000.00	5,000.00
Computer Supplies	0.00	0.00	4,000.00
Equipment Maintenance	5,000.00	4,000.00	3,000.00
Telephone	4,000.00	3,500.00	3,500.00
Postage	3,000.00	3,000.00	3,000.00
General Insurance	4,000.00	4,000.00	5,000.00
Travel	16,000.00	15,000.00	20,000.00
Executive Committee	7,000.00	6,000.00	7,000.00
Auditing/Legal	5,000.00	6,000.00	4,000.00
Promotion/Printing	4,500.00	5,000.00	5,000.00
Biennial All Boards/			
Leadership Conference	3,000.00	2,000.00	2,000.00
Equipment Purchase/			
Computer	7,000.00	4,500.00	4,500.00
Subscriptions/Dues/			
Registrations	2,000.00	2,290.32	2,500.00
Stewardship Education	0.00	0.00	2,000.00
Automobile Lease	0.00	0.00	6,199.44
<b>Totals</b>	<b>\$303,877.03</b>	<b>\$303,877.03</b>	<b>\$326,420.46</b>

**Projected Income**

The Together Way Plan			
Cooperative Gifts	\$232,000.00	\$232,000.00	\$226,420.46
Designated Gifts	71,877.03	71,877.03	100,000.00
<b>Totals</b>	<b>\$303,877.03</b>	<b>\$303,877.03</b>	<b>\$326,420.46</b>



### Salary Breakdown

	1992	1993	1994
<b>Executive Secretary</b>			
Salary	\$23,474.55	\$24,053.53	\$25,106.21
Housing and Utilities	16,000.00 (5%)	17,000.00 (4%)	18,000.00 (5%)
Social Security	6,039.61 (15.3%)	6,281.19 (15.3%)	6,595.25 (15.3%)
Retirement	1,173.73 (5%)	1,202.68 (5%)	1,255.31 (5%)
Insurance	5,904.83	3,878.98	3,705.24
Travel/Life	\$ 506.76	\$ 526.73	\$ 526.73
Hospital	4,883.27	3,031.20	2,906.85
Dental	514.80	321.05	271.66
NOTE: Office car furnished.			
	<u>52,592.72</u>	<u>52,416.38</u>	<u>54,662.01</u>
<b>Administrative Assistant/Contact Editor</b>			
Salary	22,539.52	23,801.10	19,441.15
Housing and Utilities	9,000.00 (5%)	9,000.00 (4%)	15,000.00 (5%)
Social Security	4,825.55 (15.3%)	5,018.57 (15.3%)	5,269.50 (15.3%)
Retirement	1,126.98 (5%)	1,190.06 (5%)	972.06 (5%)
Insurance	7,434.85	5,847.03	5,526.90
Travel/Life	412.92	432.89	432.89
Hospital	6,326.89	4,547.09	4,360.35
Dental	695.04	867.05	733.66
NOTE: Office car furnished.			
	<u>44,926.90</u>	<u>44,856.76</u>	<u>46,209.61</u>
<b>Bookkeeper</b>			
Salary	19,624.62 (5%)	20,409.60 (4%)	21,430.08 (5%)
Social Security	1,501.28 (7.65%)	1,561.33 (7.65%)	1,639.40 (7.65%)
Retirement	981.23 (5%)	1,020.48 (5%)	1,071.50 (5%)
Insurance	7,231.45	5,623.66	5,303.53
Life	209.52	209.52	209.52
Hospital	6,326.89	4,547.09	4,360.35
Dental	695.04	867.05	733.66
	<u>29,338.58</u>	<u>28,615.07</u>	<u>29,444.51</u>
<b>Secretary</b>			
Salary	19,185.84 (5%)	19,953.27 (4%)	20,950.93 (5%)
Social Security	1,467.72 (7.65%)	1,526.43 (7.65%)	1,602.75 (7.65%)
Retirement	959.29 (5%)	997.66 (5%)	1,047.55 (5%)
Insurance	2,900.63	3,553.89	3,380.11
Life	201.60	201.60	201.60
Hospital	2,441.63	3,031.24	2,906.85
Dental	257.40	321.05	271.66
	<u>24,513.48</u>	<u>26,031.25</u>	<u>26,981.34</u>
<b>Secretary (Regular Part-time)</b>			
Salary	18,826.87 (5%)	19,579.94 (4%)	20,558.94 (5%)
Social Security	1,440.26 (7.65%)	1,497.87 (7.65%)	1,572.76 (7.65%)
Retirement	188.27 (1%)	979.00 (5%)	1,027.95 (5%)
Insurance	2,900.63	3,553.89	3,380.11
Life	201.60	201.60	201.60
Hospital	2,441.63	3,031.24	2,906.85
Dental	257.40	321.05	271.66
	<u>23,356.03</u>	<u>25,610.70</u>	<u>26,539.76</u>

	1992	1993	1994
<b>Receptionist</b>			
Salary	\$14,059.42 (5%)	\$14,621.80 (4%)	\$15,352.89 (5%)
Social Security	1,075.55 (7.65%)	1,118.57 (7.65%)	1,174.50 (7.65%)
Retirement	702.97 (5%)	731.09 (5%)	767.64 (5%)
Insurance (75%)	4,008.00	7,809.76	6,665.64
Life	\$ 209.52	\$157.14	\$157.14
Hospital	3,378.48	7,002.33	6,046.50
Dental	420.00	650.29	462.00
	<u>19,845.94</u>	<u>24,281.22</u>	<u>23,960.67</u>
<b>Part-Time Help</b>			
(1 day per week)			
Salary (52 days)	2,604.16 (\$6.26 hr.)	2,708.16 (\$6.51 hr.)	2,845.44 (\$6.84 hr.)
Social Security	199.22 (7.65%)	207.17 (7.65%)	217.68 (7.65%)
	<u>2,803.38</u>	<u>2,915.33</u>	<u>3,063.12</u>

### Convention Budget National Association of Free Will Baptists, Inc. July 18-22, 1993 Louisville, Kentucky

	1992	1993
<b>Projected Expenditures</b>		
Auditorium	\$27,148.00	\$22,625.00
Printing and Promotion	22,789.00	21,882.00
Convention Office	6,232.90	7,400.00
Convention Personnel	9,955.00	8,696.79
Meals	2,295.00	2,124.00
Travel	2,116.00	1,871.00
Lodging	5,544.00	4,701.79
Convention Officials	7,264.20	6,328.11
Honorariums	750.00	875.00
Decorator Services	3,794.50	5,887.00
Meal Functions	1,609.00	1,594.25
Executive Committee	1,500.00	1,500.00
Meal and Motel Expenses		
Pre-Convention Expenses	4,500.00	6,500.00
<b>Totals</b>	<u>\$85,542.60</u>	<u>\$83,288.15</u>
<b>Projected Receipts</b>		
Booth Fees	\$14,725.00	\$15,675.00
Representation Fees	24,710.00	24,950.00
Church Delegate Fees	1,000.00	1,000.00
Host State (Kentucky)	10,000.00	15,000.00
Offerings	35,107.60	26,663.15
<b>Totals</b>	<u>\$85,542.60</u>	<u>\$83,288.15</u>



**Convention Budget**  
**National Association of Free Will Baptists, Inc.**  
**July 18-22, 1993**  
**Louisville, Kentucky**

Projected Receipts	1992	1993
Booth Fees	\$14,725.00	\$15,675.00
Representation Fees	24,710.00	24,950.00
Church Delegate Fees	1,000.00	1,000.00
Host State (Kentucky)	10,000.00	15,000.00
Offerings	35,107.60	26,663.15
<b>Totals</b>	<b>\$85,542.60</b>	<b>\$83,288.15</b>

Projected Expenditures	1992	1993
<b>Auditorium</b>		
Rental, Set-Up, Tear Down, Meeting Rooms	\$18,000.00	\$14,500.00
Convention Banner	300.00	300.00
Flowers	125.00	125.00
Security Director	1,500.00	1,500.00
Convention Tapes	100.00	225.00
Other	7,123.00	5,975.00
Music Stand Rental(Decorator)	273.00	0.00
Sound Engineers/Stage Hands/Microphones	3,500.00	3,000.00
Usher Badges	200.00	200.00
Liab., ASCAP, BMI, Ins.	1,000.00	1,000.00
First Aid Staff	2,000.00	450.00
Courtesy Car	150.00	150.00
Offering Buckets	0.00	175.00
Signs	0.00	1,000.00
<b>Totals</b>	<b>\$27,148.00</b>	<b>\$22,625.00</b>

Printing and Promotion	1992	1993
Publicity and Art Work		
Photos	\$10,000.00	\$10,000.00
Convention Materials	650.00	400.00
Programs	9,139.00	7,282.00
Song Sheets	2,550.00	2,160.00
Digest of Reports	1,089.00	350.00
Pre-Convention Printing	5,500.00	4,772.00
(Sunday Conv. News pre-printed, copier reimb.)	3,000.00	4,200.00
<b>Totals</b>	<b>\$22,789.00</b>	<b>\$21,882.00</b>

Convention Office	1992	1993
Registration Materials	\$1,000.00	\$1,000.00
Paper and Printing Supplies	700.00	500.00
Equipment Rentals	1,332.90	2,550.00
Offset Machine		
Plate Maker	100.00	800.00
Copier	100.00	0.00
Typewriters (3)	100.00	400.00
Typewriters (7)	120.00	200.00
Miscellaneous	435.00	500.00
Typing Stands/Chairs (Office)	200.00	350.00
	277.90	300.00

	1992	1993
Telephone	700.00	800.00
During Convention (Office)	200.00	300.00
Pre/Post Convention	500.00	500.00
Postage	600.00	600.00
Musical Instruments Rental and Service	1,900.00	1,950.00
Piano/Tuning	750.00	550.00
Forklift	200.00	200.00
Organ Shipping	800.00	800.00
Music	150.00	400.00
<b>Totals</b>	<b>\$6,232.90</b>	<b>\$7,400.00</b>

Convention Personnel	1992	1993
<b>Meals</b>		
Dari Goodfellow (24 meals @ \$9.00 each)	\$ 216.00	\$ 216.00
Melody Hood (30 meals @ \$9.00 each)	270.00	270.00
Steve Pate (23 meals @ \$9.00 each)	189.00	207.00
Marilyn Pritchard (30 meals @ \$9.00 each)	270.00	270.00
Security Officer (27 meals @ \$9.00 each)	243.00	243.00
Wade Trimble (21 meals @ \$9.00 each)	189.00	0.00
Jack Williams (36 meals @ \$9.00 each)	324.00	324.00
Anne Worthington (30 meals @ \$9.00 each)	270.00	270.00
Melvin Worthington (36 meals @ \$9.00 each)	324.00	324.00
<b>Totals</b>	<b>\$2,295.00</b>	<b>\$2,124.00</b>

Travel	1992	1993
Dari Goodfellow	\$ 168.00	\$ 167.00
Melody Hood	168.00	167.00
Marilyn Pritchard	168.00	167.00
Steve Pate(Trans. Coord., rental)	1,000.00	1,000.00
Meals on road (4 each @ \$9.00 each)	108.00	36.00
Jack Williams	168.00	167.00
Anne Worthington	168.00	0.00
Melvin Worthington	168.00	167.00
<b>Totals</b>	<b>\$2,116.00</b>	<b>\$1,871.00</b>

Lodging	1992	1993
Dari Goodfellow (7 nights @ \$87.09)	\$ 616.00	\$ 609.63
Melody Hood (9 nights @ \$87.09)	792.00	783.81
Steve Pate (8 nights @ \$76.07)	704.00	608.56
Marilyn Pritchard (9 nights @ \$87.09)	792.00	783.81
Wade Trimble (8 nights @ \$88.00)	704.00	0.00
Jack Williams (11 nights @ \$87.09)	968.00	957.99
Melvin Worthington (11 nights @ \$87.09)	968.00	957.99
<b>Totals (Includes applicable tax)</b>	<b>\$5,544.00</b>	<b>\$4,701.79</b>

Convention Officials	1992	1993
<b>Moderator - Ralph Hampton</b>	\$1,450.00	\$1,157.42
Travel (400 miles @ \$.28 per mile From Nashville, TN to Louisville, KY)	168.00	112.00
Meals (21 meals @ \$9.00 each)	189.00	189.00
Lodging (6 nights @ \$76.07)	693.00	456.42
Honorarium	400.00	400.00
<b>Clerk - Waldo Young</b>	1,998.00	1,823.70
Travel (1,500 miles @ \$.28 per mile From Shawnee, OK to Louisville, KY)	420.00	420.00
Meals (27 meals @ \$9.00 each)	243.00	243.00
Lodging (10 nights @ \$76.07)	935.00	760.70
Honorarium	400.00	400.00



	1992	1993
Assistant Moderator - Carl Cheshier	723.00	684.54
Meals (18 meals @ \$9.00 each)	162.00	
Lodging (6 nights @ \$87.09)	561.00	162.00
Assistant Clerk - Keith Burden		522.54
Lodging (5 nights @ \$76.07)	434.50	380.35
Usher Coordinator - Raymond Lee		
Lodging (6 nights @ \$76.07)	561.00	456.42
Music Coordinator - Vernon Whaley		
Lodging (6 nights @ \$76.07)	521.40	456.42
Registration Coordinator - George Harvey		
Lodging (7 nights @ \$76.07)	608.30	532.49
Press Officer - Thomas Marberry		
Lodging (6 nights @ \$76.07)	528.00	456.42
Photographer - Jim Vallance		
Lodging (5 nights @ \$76.07)	440.00	380.35
<b>Totals (Includes tax)</b>	<u>\$7,264.20</u>	<u>\$6,328.11</u>
<b>Honorariums</b>		
Richard Bowers	\$125.00	
Randy Sawyer	125.00	
James Forlines	125.00	
Ronald Creech	125.00	
Rick Bowling	125.00	
David Archer	125.00	
<b>Totals</b>	<u>\$750.00</u>	
<b>Decorator Services</b>		
Booth (62) Installation & Drape Tables	\$1,218.00	
Stage	1,976.50	\$1,302.00
Skirting/Draping/Stage Set-Up	432.00	726.00
Skirted Tables/Chairs	100.00	70.00
Carpet	1,182.50	1,584.00
Hanging Banner	262.00	65.00
Exhibitor Badges		
Convention Office (Two-way radio)	250.00	250.00
Registration	0.00	1,540.00
Desks	350.00	350.00
Skirted Tables	0.00	0.00
Chairs	0.00	0.00
Electricity	0.00	0.00
Carpet	350.00	350.00
<b>Totals</b>	<u>\$3,794.50</u>	<u>\$5,887.00</u>
<b>Meal Functions</b>		
Executive Committee	\$590.50	\$613.00
Coffee Breaks (2)		
Luncheon (22 people @ \$16.50)	200.00	250.00
General Board Breakfast (50 people @ \$10.00)	390.50	363.00
State Leaders Breakfast (55 people @ \$8.75)		
<b>Totals</b>	<u>\$1,609.00</u>	<u>\$1,594.25</u>

	1992	1993
<b>Executive Committee</b>		
<b>Meal and Motel Expenses</b>		
(For the meeting Friday night and Saturday prior to the 1993 National Convention)		
Charles Cooper	\$ 250.00	\$250.00
J.L. Gore	250.00	250.00
Jack Richey	250.00	250.00
Tom Lilly	250.00	250.00
David Joslin	250.00	250.00
Carl Vallance	250.00	250.00
<b>Total</b>	<u>\$1,500.00</u>	<u>\$1,500.00</u>
<b>Pre-Convention Expenses</b>	<u>\$4,500.00</u>	<u>\$6,500.00</u>

### 1994 Contact Budget

	1992	1993	1994
<b>Projected Expenses</b>			
Printing	\$56,261.00	\$36,000.00	\$36,000.00
Postage	13,000.00	14,000.00	14,000.00
Art	1,000.00	1,000.00	1,000.00
Writer's Fees and Photos	4,000.00	4,000.00	4,000.00
Promotion	1,000.00	4,000.00	4,000.00
Computer	3,000.00	7,000.00	7,000.00
Mail Services	6,000.00	5,000.00	5,000.00
Telephone	200.00	304.00	296.00
Office Supplies	600.00	2,000.00	2,000.00
Travel	1,500.00	2,000.00	3,000.00
Bound Copies	500.00	600.00	600.00
Other	100.00	500.00	500.00
Books, Dues, Registrations	1,100.00	1,200.00	1,000.00
Audit	600.00	1,400.00	1,200.00
Debt Retirement	0.00	7,000.00	6,000.00
(To reimb. Executive Office)			
<b>Total Expenses</b>	<u>\$88,861.00</u>	<u>\$86,004.00</u>	<u>\$85,596.00</u>
<b>Projected Income</b>			
Convention coverage	\$ 9,373.00	\$ 9,000.00	\$ 9,000.00*
Subscriptions	79,488.00	77,004.00	76,596.00**
<b>Total Income</b>	<u>\$88,861.00</u>	<u>\$86,004.00</u>	<u>\$85,596.00</u>

\*Three issues

\*\*Based on 6,383 subscriptions @ \$12.00 per year



**1993**  
**Gift Goals For Executive Office**

States	Membership	Gift Goals
Alabama	18,926	\$ 28,165.12
Arizona	273	406.27
Arkansas	20,525	30,544.71
California	4,611	6,861.96
Canada	445	662.24
Colorado	344	511.93
Florida	5,160	7,678.96
Georgia	9,809	14,597.47
Hawaii	20	29.76
Idaho	0	0.00
Illinois	4,070	6,056.86
Indiana	1,727	2,570.07
Iowa	70	104.17
Kansas	271	403.29
Kentucky	15,839	23,571.14
Louisiana	0	0.00
Maryland	1,739	2,587.93
Mexico	576	857.19
Michigan	4,142	6,164.00
Mississippi	4,706	7,003.33
Missouri	15,857	23,597.92
Montana	7	10.42
Nebraska	29	43.16
New Jersey	0	0.00
New Mexico	0	0.00
North Carolina	18,409	27,395.74
Northeast Assoc.	141	209.83
Northwest Assoc.	325	483.66
Ohio	11,525	17,151.17
Oklahoma	23,826	35,457.16
Pennsylvania	0	0.00
Puerto Rico	46	68.46
South Carolina	4,638	6,902.14
South Dakota	27	40.18
Tennessee	16,387	24,386.65
Texas	2,770	4,122.23
Virginia	5,868	8,732.59
Virgin Islands	62	92.27
West Virginia	11,025	16,407.05
Wyoming	0	0.00
<b>Totals</b>	<b>204,195</b>	<b>\$303,877.03</b>

Gift Goals Per Person

1.49

**1992**  
**Gift Goals For National Ministries**

1992 Budgets	Executive Office	Foreign Missions	FWBBC	Home Missions	Retirement & Insurance	Master's Men	Foundation	Theological Integrity	Historical Comm.	Music Comm.	Radio/TV Comm.	WNAC	Totals	%
<b>States</b>	<b>Membership</b>													
Alabama	18,926	28,165.12	411,526.01	222,446.19	31,024.01	10,149.11	3,568.41	250.25	217.81	148.30	1,399.56	17,122.80	817,313.19	9.27%
Arizona	273	406.27	5,936.10	3,208.70	447.51	146.40	51.47	3.61	3.14	2.14	20.19	246.99	11,789.42	1.3%
Arkansas	20,525	30,544.71	446,294.59	241,239.99	33,645.14	11,006.57	3,869.89	271.39	236.21	160.83	1,517.80	18,589.45	886,365.48	10.05%
California	4,611	6,861.96	100,261.36	54,195.25	7,558.48	2,472.66	869.38	60.97	53.07	36.13	340.98	4,171.68	199,124.56	2.26%
Canada	445	662.24	9,676.06	5,230.29	729.46	238.63	83.90	5.88	5.12	3.49	32.91	402.60	19,217.18	2.2%
Colorado	344	511.93	7,479.92	4,043.19	563.89	184.47	64.86	4.55	3.96	2.70	25.44	311.22	14,855.52	1.7%
Florida	5,160	7,678.96	112,198.79	60,647.91	8,458.41	2,767.06	972.89	68.23	59.38	40.43	381.58	4,668.37	22,832.92	2.53%
Georgia	9,809	14,597.47	213,286.41	115,289.80	16,079.18	5,260.10	1,849.44	129.70	112.89	76.86	725.36	8,874.43	423,598.49	4.80%
Hawaii	20	29.76	434.88	235.07	32.78	10.73	3.77	2.6	2.3	1.16	1.48	18.09	863.69	0.1%
Idaho	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Illinois	4,070	6,056.86	88,497.88	47,836.63	6,671.65	2,182.55	767.38	53.82	46.84	31.89	300.97	3,682.22	175,761.64	1.90%
Indiana	1,727	2,570.07	37,551.80	20,298.24	2,830.95	926.11	325.62	22.84	19.88	13.53	127.71	1,562.46	74,579.95	0.85%
Iowa	70	104.17	1,522.08	822.74	114.75	37.54	13.20	9.3	8.1	5.5	5.18	63.33	3,022.95	0.3%
Kansas	271	403.29	5,892.61	3,185.19	444.23	145.32	51.10	3.58	3.12	2.12	20.04	245.18	11,703.04	1.3%
Kentucky	15,839	23,571.14	344,402.43	186,163.23	25,963.72	8,493.70	2,986.37	209.43	182.28	124.11	1,171.28	14,329.91	684,002.09	7.76%
Louisiana	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Maryland	1,739	2,587.93	37,812.73	20,439.29	2,850.62	932.54	327.88	22.99	20.01	13.63	128.60	1,573.31	75,098.15	0.85%
Mexico	576	857.19	12,524.52	6,770.00	944.19	308.88	106.60	7.62	6.63	4.51	42.59	521.12	24,874.37	2.8%
Michigan	4,142	6,164.00	90,063.44	48,682.88	6,789.68	2,221.16	780.95	54.77	47.67	32.46	306.30	3,747.36	178,870.93	2.03%
Mississippi	4,706	7,003.33	102,327.03	55,311.83	7,714.20	2,523.60	887.29	62.23	54.16	36.87	348.00	4,257.63	203,227.07	2.30%
Missouri	15,857	23,597.92	344,793.83	186,374.79	25,993.23	8,503.35	2,989.76	209.67	182.49	124.25	1,172.61	14,346.20	684,779.42	7.77%
Montana	7	10.42	152.21	82.27	11.47	3.75	1.32	0.9	0.8	0.5	5.2	6.33	302.28	0.0%
Nebraska	29	43.16	630.57	340.85	47.54	15.55	5.47	3.8	3.3	2.3	2.14	26.24	1,252.35	0.1%
New Jersey	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
New Mexico	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
North Carolina	18,409	27,395.74	400,284.39	216,369.65	30,176.53	9,871.87	3,470.93	243.42	211.86	144.25	1,361.31	16,655.06	794,886.72	9.02%
Northeast Assoc.	141	209.83	3,085.90	1,657.24	231.13	75.61	26.58	1.86	1.62	1.10	10.43	127.57	6,089.03	0.7%
Northwest Assoc.	325	483.66	7,066.78	3,819.88	532.75	174.28	61.28	4.30	3.74	2.55	24.03	294.04	14,035.03	1.6%
Ohio	11,525	17,151.17	250,599.03	135,458.75	18,892.09	6,180.31	2,172.98	152.39	132.64	90.31	852.26	10,426.94	497,703.40	5.64%
Oklahoma	23,826	35,457.16	518,071.37	280,038.20	39,056.23	12,776.74	4,492.31	315.04	274.22	186.68	1,761.91	21,555.94	1,028,918.14	11.67%
Pennsylvania	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Puerto Rico	46	68.46	1,000.22	540.66	75.40	24.67	8.67	6.1	5.3	3.6	3.40	41.62	1,986.50	0.2%
South Carolina	4,638	6,902.14	100,848.44	54,512.60	7,602.74	2,487.14	874.47	61.33	53.38	36.34	342.88	4,196.11	200,290.55	2.27%
South Dakota	27	40.18	587.09	317.34	44.26	14.48	5.09	3.6	3.1	2.1	2.00	24.43	1,165.99	0.1%
Tennessee	16,387	24,386.65	356,318.12	192,604.13	26,862.02	8,787.54	3,089.69	216.68	188.59	128.40	1,211.80	14,825.70	707,667.26	8.03%
Texas	2,770	4,122.23	60,230.74	32,557.11	4,540.66	1,485.42	522.27	36.63	31.88	21.70	204.84	2,506.08	119,621.55	1.36%
Virginia	5,868	8,732.59	127,593.50	68,969.37	9,618.99	3,146.73	1,106.38	77.59	67.53	45.98	433.93	5,308.92	253,407.69	2.87%
Virgin Islands	62	92.27	1,348.11	728.72	101.63	33.25	11.69	8.2	7.1	4.9	4.58	56.09	2,677.44	0.3%
West Virginia	11,025	16,407.05	239,727.06	129,582.02	18,072.48	5,912.18	2,078.71	145.78	126.88	86.39	815.29	9,974.58	476,111.04	5.40%
Wyoming	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
<b>Totals</b>	<b>204,195</b>	<b>303,877.03</b>	<b>4,440,006.00</b>	<b>2,400,000.00</b>	<b>334,722.00</b>	<b>109,500.00</b>	<b>38,500.00</b>	<b>2,700.00</b>	<b>2,350.00</b>	<b>1,600.00</b>	<b>15,100.00</b>	<b>184,740.00</b>	<b>8,818,095.03</b>	<b>100.00%</b>

Gift Goals  
Per Person

43.18

90

08

01

19

54

1.64

11.75

4.82

21.74

1.49



# 1992 Contributions to National Ministries

States	Executive Office	Foreign Missions	FWBCC	Home Missions	RAI	Master's Men	Comm. for Theo. Integrity	WNAC	FWB Foundation	Historical Commission	Radio & TV Commission	Music Commission	Totals
Alabama	\$ 1,345.82	\$ 175,938.25	\$ 51,826.31	\$ 200,855.18	\$ 215.00	\$ 5,071.88	\$ 35	\$ 2,812.38	\$ 5.43	\$ 35	\$ 35	\$ 35	\$ 439,185.65
Alaska	00	00	00	550.00	00	00	00	00	00	00	00	00	550.00
Arizona	202.97	8,579.17	1,480.80	13,943.88	64.77	00	00	139.00	00	00	00	00	24,422.14
Arkansas	31,324.79	234,988.72	44,050.33	151,562.45	7,713.52	12,073.70	25	7,401.84	3,233.96	25	25	25	493,426.91
California	7,313.02	87,140.25	6,612.61	46,048.80	457.29	788.14	13.65	2,171.88	163.69	269.40	269.40	269.40	150,751.08
Canada	37.25	9.95	9.95	3,883.65	5.51	00	22	00	2.85	13.65	13.65	13.65	3,940.88
Colorado	00	7,120.60	1,170.00	26,358.93	2.01	00	00	319.00	23	22	22	22	3,640.82
Connecticut	00	00	2,700.00	00	00	00	00	00	00	00	00	00	2,700.00
Delaware	00	00	125.00	00	00	00	00	00	00	00	00	00	125.00
Florida	13,526.32	65,937.61	13,390.96	102,548.47	607.98	1,920.05	15.57	1,348.42	188.29	15.57	15.57	15.57	200,500.98
Georgia	12,315.95	147,239.89	68,394.60	75,680.76	1,916.11	5,175.94	19.49	5,465.62	565.95	19.49	19.49	19.49	317,833.78
Hawaii	169.61	2,569.22	68.394.60	626.54	6.19	4.39	16	22.50	2.09	16	16	16	4,352.40
Idaho	89.66	764.00	18.89	3,633.35	00	00	00	00	00	00	00	00	4,496.10
Illinois	17,383.49	104,552.16	30,276.10	65,760.80	587.06	2,378.16	17.54	1,572.13	210.59	17.54	17.54	17.54	222,780.65
Indiana	823.79	41,804.39	5,936.11	19,750.50	237.55	4,512.11	154.31	815.45	166.85	154.31	1.13	1.13	74,357.93
Iowa	00	2,310.00	395.00	8,439.86	24.26	22.20	00	51.00	10.39	00	00	00	4,357.00
Kansas	485.92	16,144.80	376.82	8,439.86	24.26	22.20	00	51.00	10.39	00	00	00	25,719.20
Kentucky	7,526.47	74,757.96	17,242.92	31,122.68	127.45	655.79	1.38	1,566.30	16.92	1.38	1.38	1.38	141,032.80
Louisiana	00	345.48	55.00	8,385.80	00	250.00	00	00	00	00	00	00	9,016.26
Maine	00	00	00	5,687.65	00	00	00	00	00	00	00	00	5,687.65
Maryland	2,598.72	18,104.42	3,090.05	28,623.02	300.60	59.70	7.15	1,225.58	85.97	7.15	7.15	7.15	30,532.54
Massachusetts	19,191.51	147,703.92	28,417.90	47,639.84	983.51	9,750.75	23.10	1,252.25	280.00	23.10	23.10	23.10	255,332.08
Michigan	4,048.42	48,421.02	14,055.27	61,714.87	406.11	1,334.30	00	00	00	00	00	00	74,357.93
Minnesota	73,845.23	325,340.48	24,126.78	135,951.10	4,661.69	5,529.52	155.84	5,925.03	72.74	6.06	6.06	6.06	435,700.00
Mississippi	00	1,406.00	190.00	433.68	00	00	00	254.00	00	00	00	00	1,611.00
Montana	00	736.00	00	00	00	00	00	00	00	00	00	00	736.00
Nebraska	00	00	00	23,498.18	00	00	00	26.00	00	00	00	00	23,524.18
Nevada	00	00	00	1,351.16	25.50	45	04	93.08	3.31	04	04	04	2,445.68
New Hampshire	00	00	00	100.00	00	00	00	00	00	00	00	00	100.00
New Jersey	00	00	00	199,381.86	1,757.02	845.51	55.80	5,921.75	152.43	6.48	6.48	6.48	845,438.54
New Mexico	24,737.52	132,082.46	13,274.12	100,049.37	1,097.79	5,107.57	27.70	2,414.93	334.29	27.70	27.70	27.70	281,751.83
New York	50,003.16	402,752.46	17,166.89	210,770.27	6,837.07	9,930.68	553.71	9,322.93	3,056.88	553.71	553.71	553.71	712,113.19
North Carolina	00	00	00	2,585.00	50.00	00	00	00	00	00	00	00	2,635.00
North Dakota	00	375.00	00	1,823.15	00	00	00	00	00	00	00	00	2,198.15
Ohio	00	00	00	1,700.00	00	00	00	00	00	00	00	00	1,700.00
Oklahoma	2,873.73	218,499.99	48,595.55	97,103.18	116.58	511.83	23.00	4,384.91	27.66	23.00	23.00	23.00	370,122.63
Oregon	15,240.87	639,811.21	148,108.26	309,529.60	3,037.44	13,569.30	182.40	6,759.33	798.56	24.25	434.50	434.50	7,110.00
Pennsylvania	5,995.36	88,904.47	6,284.31	30,950.02	360.46	914.29	28.28	1,878.77	121.59	28.28	28.28	28.28	1,137,647.52
Rhode Island	00	00	00	00	00	00	00	00	00	00	00	00	135,530.39
South Carolina	00	00	00	00	00	00	00	00	00	00	00	00	00
South Dakota	00	00	00	00	00	00	00	00	00	00	00	00	00
Tennessee	00	00	00	00	00	00	00	00	00	00	00	00	00
Texas	00	00	00	00	00	00	00	00	00	00	00	00	00
Utah	00	00	00	00	00	00	00	00	00	00	00	00	00
Vermont	00	00	00	00	00	00	00	00	00	00	00	00	00
Virginia	1,846.16	119,487.88	19,900.80	82,636.95	38.56	95.30	49	1,456.40	5.32	49	49	49	205,473.63
Washington	00	00	00	5,253.36	7.51	2.85	27	00	00	00	00	00	5,264.21
West Virginia	1,894.28	105,421.38	4,813.44	51,650.74	531.78	1,757.87	107.64	770.00	24.64	107.64	107.64	107.64	187,259.12
Wisconsin	00	00	00	00	00	00	00	00	00	00	00	00	00
Wyoming	00	00	00	00	00	00	00	00	00	00	00	00	00
Other	00	00	00	00	00	00	00	00	00	00	00	00	00
WNAC	00	00	00	00	00	00	00	00	00	00	00	00	00
Totals	\$303,877.09	\$4,379,332.00	\$1,025,000.00	\$2,500,000.00	\$371,797.00	\$146,440.00	\$38,500.00	\$2,700.00	\$2,350.00	\$1,600.00	\$10,900.00	\$183,000.00	\$8,965,496.03

\*FM—Other includes interest, book sales, national offerings, miscellaneous sources and states.  
 \*FWBCC—Other includes gifts from College Family, Matching Gifts, Foreign Missionaries and Alumni Project.  
 \*HJ—Other includes interest, miscellaneous sources and states.  
 \*Master's Men—Total does not include Endowment deposits, missions projects, gifts or sales.

# 1993 Gift Goals For National Ministries

1993 Budgets	Executive Office	Foreign Missions	FWBCC	Home Missions	Retirement & Insurance	Master's Men	Theological Integrity	Historical Comm.	Music Comm.	Radio/TV Comm.	WNAC	Totals
	\$303,877.03	\$4,379,332.00	\$1,025,000.00	\$2,500,000.00	\$371,797.00	\$146,440.00	\$38,500.00	\$2,700.00	\$1,600.00	\$10,900.00	\$183,000.00	\$8,965,496.03
<b>Membership</b>												
<b>States</b>												
Alabama	18,582	388,947.43	91,034.69	222,035.82	33,020.90	13,005.97	3,419.35	239.80	142.10	968.08	16,253.02	796,264.50
Arizona	363.10	5,232.85	1,224.77	2,987.24	444.26	174.98	46.00	3.23	1.91	13.02	218.67	10,712.84
Arkansas	19,758	413,562.76	96,796.00	236,087.81	35,110.70	13,829.08	3,635.75	254.97	151.10	1,029.34	17,281.63	846,657.73
California	4,259	89,146.87	20,865.18	50,890.68	7,568.40	2,980.97	783.72	54.96	32.57	221.88	3,725.20	182,504.07
Canada	431	9,021.44	2,111.50	5,150.01	765.90	301.67	79.31	5.56	3.30	22.45	376.98	18,468.95
Colorado	302	6,321.29	1,479.52	3,608.59	536.67	211.38	55.57	3.90	2.31	15.73	264.15	12,941.13
Florida	5,590	117,006.57	27,385.85	66,794.76	9,933.64	3,912.57	1,028.64	72.14	42.75	291.23	4,889.38	239,539.28
Georgia	9,855	206,279.03	48,280.42	117,757.13	17,512.70	6,897.74	1,813.46	127.18	75.36	513.42	8,619.82	422,300.42
Hawaii	31	648.87	151.87	370.42	55.09	21.70	5.70	40	24	1.62	27.11	1,328.39
Idaho	116	2,428.04	568.29	1,366.08	206.14	81.19	21.35	1.50	.89	6.04	101.46	4,970.76
Illinois	3,890	81,423.18	19,057.42	46,481.51	6,912.67	2,722.70	715.82	50.20	29.75	202.66	3,402.45	166,691.91
Indiana	2,025	42,386.10	9,920.63	24,196.67	3,598.50	1,417.34	372.63	26.13	15.49	105.50	1,771.20	86,774.05
Iowa	70	1,465.20	342.94	836.43	124.39	48.99	12.88	90	54	3.65	61.23	2,999.61
Kansas	338	7,074.82	1,655.89	4,038.75	600.64	236.57	62.20	4.36	2.58	17.61	295.64	14,483.77
Kentucky	16,286	340,888.91	79,786.40	194,600.98	28,940.82	11,398.95	2,996.86	210.17	124.54	848.46	14,244.79	697,877.71
Louisiana	70	1,465.20	342.94	836.43	124.39	48.99	12.88	90	54	3.65	61.23	2,999.61
Maryland	1,792	37,509.08	8,779.15	21,412.56	3,184.45	1,254.26	329.75	23.13	13.70	93.36	1,567.40	76,789.68
Massachusetts	576	836.59	12,056.49	6,882.61	1,023.57	403.16	105.99	7.43	4.40	30.01	503.81	24,682.40
Mexico	4,229	88,518.92	20,718.20	50,532.21	7,515.09	2,959.97	778.20	54.57	32.34	220.32	3,698.96	181,218.51
Michigan	4,706	98,503.21	23,055.07	56,231.87	8,362.74	3,293.84	865.97	60.73	35.99	245.17	4,116.17	201,658.65
Mississippi	15,385	322,029.71	75,372.33	183,834.95	27,339.71	10,768.32	2,831.06	198.54	117.65	801.52	13,456.72	659,268.60
Missouri	7	146.52	34.29	83.64	12.44	4.90	1.29	.09	.08	.36	6.12	289.95
Montana	34	711.67	166.57	406.27	60.42	23.80	6.26	.44	.26	1.77	29.74	1,456.96
Nebraska	138	2,888.53	676.07	1,648.96	245.23	96.59	25.39	1.78	1.06	7.19	120.70	5,913.48
New Jersey	135	2,825.74	661.38	1,613.11	239.90	94.49	24.84	1.74	1.03	7.03	118.08	5,784.93
New Mexico	21,341	446,697.18	104,551.24	255,003.04	37,923.75	14,937.06	3,927.05	275.40	163.20	1,111.82	18,666.19	914,491.46
North Carolina	152	3,181.57	744.66	1,816.24	270.11	106.39	27.97	1.96	1.16	7.92	132.95	6,513.41
Northwest Assoc.	219	4,583.98	1,072.90	2,616.83	399.17	153.28	40.30	2.46	1.67	11.41	191.55	9,384.46
Ohio	9,841	205,985.99	48,211.84	117,589.84	17,487.82	6,887.94	1,810.88	127.00	75.26	512.69	8,607.55	421,700.51
Oklahoma	23,286	487,408.77	114,079.95	278,243.79	41,380.08	16,298.41	4,284.94	300.50	178.10	1,213.14	20,367.45	997,837.45
Pennsylvania	00	00	00	00	00	00	00	00	00	00	00	00
Puerto Rico	45	941.91	220.46	537.70	79.97	31.50	8.28	.58	34	2.34	39.36	1,928.31
South Carolina	7,567	158,387.97	37,071.33	90,417.88	13,446.84	5,296.32	1,392.44	97.65	57.87	384.22	6,618.59	324,256.47
South Dakota	33	690.74	161.67	394.32	58.62	23.10	6.07	4.3	25	1.72	28.86	1,414.08
Tennessee	19,117	400,145.73	93,655.69	228,428.52	33,971.62	13,380.42	3,517.80	246.70	146.19	995.95	16,720.97	819,189.98
Texas	2,630	3,819.83	55,049.60	12,884.58	4,673.61	1,840.80	483.96	33.94	20.11	137.02	2,300.37	112,699.13
Virginia	5,616	117,550.79	27,513.23	67,105.43	9,979.84	3,930.77	1,033.42	72.47	42.95	292.58	4,912.12	240,653.40
Virgin Islands	71	1,486.13	347.83	848.38	126.17	49.69	13.07	92	54	3.70	62.10	3,042.45
West Virginia	10,450	218,733.21	51,195.38	124,866.77	18,570.04	7,314.20	1,922.95	134.87	79.91	544.42	9,140.25	447,797.03
Wyoming	0	00	00	00	00	00	00	00	00	00	00	00
<b>Totals</b>	<b>209,223</b>	<b>\$303,877.03</b>	<b>\$4,379,332.00</b>	<b>\$1,025,000.00</b>	<b>\$2,500,000.00</b>	<b>\$371,797.00</b>	<b>\$146,440.00</b>	<b>\$38,500.00</b>	<b>\$2,700.00</b>	<b>\$1,600.00</b>	<b>\$183,000.00</b>	<b>\$8,965,496.03</b>



**BUILDING SERVICES FUND OF THE  
NATIONAL ASSOCIATION OF  
FREE WILL BAPTISTS, INC.**

**Financial Statements**

**December 31, 1992 and 1991**

**(With Independent Auditors' Report Thereon)**

**BUILDING SERVICES FUND OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

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

**Independent Auditors' Report**

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

**Executive Committee of the  
General Board of the National  
Association of Free Will Baptists, Inc.**

Brentwood Executive Center  
761 Old Hickory Boulevard  
Suite 103  
Brentwood, TN 37027  
TEL 615/377-3485  
FAX 615/377-3488

We have audited the balance sheets of Building Services Fund of the National Association of Free Will Baptists, Inc. as of December 31, 1992 and 1991, and the related statements of activity and changes in fund balances and cash flows for the year ended December 31, 1992. 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 audits. Information included on the statements of activity and changes in fund balances and cash flows for the year ended December 31, 1991 is presented for comparative purposes only and was extracted from the financial statements presented by fund for that year, on which we expressed and unqualified opinion dated June 5, 1992.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits 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 audits provide 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 Building Services Fund of the National Association of Free Will Baptists, Inc. as of December 31, 1992 and 1991, and the results of its activity and changes in fund balances and cash flows for the year ended December 31, 1992 in conformity with generally accepted accounting principles.

April 30, 1993

*Hill, Neal & Allen, P.C.*



**BUILDING SERVICES FUND OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

Balance Sheets  
December 31, 1992 and 1991

<u>Assets</u>	<u>1992</u>	<u>1991</u>
Cash and interest bearing deposits	\$ 8,760	25,549
Accounts receivable - Master's Men (rent, interest and other charges)	58,930	21,756
Prepaid insurance and other expenses	5,373	6,613
Property held for sale (note 2)	-	135,485
Note receivable: (note 2)		
Sale of property	701,750	-
Less deferred profits from sale of property	503,145	-
Net note receivable	198,605	-
	271,668	189,403
Property and equipment and capitalized leases (notes 3 and 4):		
Land and land improvements	209,671	199,003
Building	1,299,334	1,297,509
Building services equipment	35,763	35,251
Departmental workstations	64,135	64,054
Departmental van	7,746	5,092
	1,616,649	1,600,909
Less accumulated depreciation and amortization	109,262	39,256
Net property and equipment and capitalized leases	1,507,387	1,561,653
	\$ 1,779,055	1,751,056
<u>Liabilities and Fund Balances</u>		
Notes payable, long-term debt and capitalized lease obligations (note 3)	\$ 1,512,149	1,551,232
Accounts payable and accrued expenses	15,689	17,773
Accrued realtor fee (note 2)	51,910	-
Deferred rentals	18,740	24,094
Total liabilities	1,598,488	1,593,099
Fund balances:		
Plant funds	173,367	143,959
Capital Stewardship Campaign funds	7,200	13,998
Total fund balances	180,567	157,957
	\$ 1,779,055	1,751,056

See accompanying notes to financial statements.

**BUILDING SERVICES FUND OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

Statements of Activity and Changes in Fund Balances  
Year ended December 31, 1992  
(with comparative totals for 1991)

	<u>Plant Funds</u>	<u>Capital Stewardship Campaign Funds</u>	<u>Departmental Services</u>	<u>1992 Totals</u>	<u>1991 Totals</u>
Revenues:					
Building rental and other revenues	\$ 325,086	-	-	325,086	188,774
Sale of property: (note 2)					
Interest income	18,750	-	-	18,750	-
Gain recognized	16,670	-	-	16,670	-
Contributions	-	57,212	-	57,212	22,541
Departmental services:					
Employee benefits	-	-	155,455	155,455	151,766
General insurance	-	-	32,332	32,332	16,332
Telephone	-	-	25,407	25,407	24,549
Mailroom and other	-	-	69,229	69,229	56,129
Costs and expenses incurred for other departments	-	-	(269,313)	(269,313)	(244,914)
Net revenues	360,506	57,212	13,110	430,828	215,177
Expenses:					
Salaries	47,057	-	-	47,057	36,229
Payroll taxes	3,601	-	-	3,601	2,772
Employee benefits	10,471	-	-	10,471	5,469
Janitorial services	12,261	-	-	12,261	15,016
Depreciation	66,649	-	3,357	70,006	42,174
Audit and legal	8,822	-	-	8,822	951
General insurance	6,300	-	-	6,300	10,673
Interest expense	141,669	-	7,393	149,062	10,322
Supplies	2,962	-	-	2,962	2,200
Utilities / telephone	26,604	-	-	26,604	17,145
Repairs and maintenance	7,580	-	-	7,580	4,988
Mailroom and other	8,286	-	-	8,286	8,399
Campaign expenses	-	55,206	-	55,206	8,543
Total expenses	342,262	55,206	10,750	408,218	164,881
Excess of revenues over expenses	18,244	2,006	2,360	22,610	50,296
Transfers among funds:					
Debt service and other	11,164	(8,804)	(2,360)	-	-
Fund balances at beginning of year	143,959	13,998	-	157,957	107,661
Fund balances at end of year	\$ 173,367	7,200	-	180,567	157,957

See accompanying notes to financial statements.



**BUILDING SERVICES FUND OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Statements of Cash Flows**

Year ended December 31, 1992

(with comparative totals for 1991)

	Plant Funds	Capital Stewardship Campaign Funds	Departmental Services	1992 Totals	1991 Totals
<b>Cash Flows from Operating Activities</b>					
Excess of revenues over expenses	\$ 18,244	2,006	2,360	22,610	50,296
Adjustments to reconcile excess of revenues over expenses to net cash provided (used) by operating activities					
Depreciation and amortization	66,649	-	3,357	70,006	42,174
Gain recognized on property sale and expenses of sale	(31,940)	-	-	(31,940)	-
(Increase) decrease in:					
Receivables	(37,174)	-	-	(37,174)	(18,678)
Prepaid insurance	1,240	-	-	1,240	(3,811)
Increase (decrease) in:					
Accounts payable and accruals	(4,604)	-	-	(4,604)	(22,210)
Deferred rentals	(5,354)	-	-	(5,354)	24,094
Net operating activities	7,061	2,006	5,717	14,784	71,865
<b>Cash Flows from Investing Activities</b>					
Collections on note receivable from property sale	23,250	-	-	23,250	-
Renovation and equipping new building	(15,740)	-	-	(15,740)	(748,478)
Net investing activities	7,510	-	-	7,510	(748,478)
<b>Cash Flows from Financing Activities</b>					
Proceeds from acquisition of debt	792,875	-	-	792,875	789,731
Repayments of debt	(829,661)	-	(2,296)	(831,957)	(118,513)
Net financing activities	(36,786)	-	(2,296)	(39,082)	671,218
Net increase (decrease) in cash	(22,215)	2,006	3,421	(16,788)	(5,395)
Transfers among funds	5,427	(2,006)	(3,421)	-	-
Cash at beginning of year	25,549	-	-	25,549	30,944
Cash at end of year	\$ 8,761	-	-	8,761	25,549
<b>Supplemental disclosures:</b>					
Interest, including finance charges paid			\$ 140,175		121,683
<b>Non-cash investing and financing transactions:</b>					
Acquisition of telephone equipment			\$ -		16,783
Capitalized lease obligation incurred			\$ -		16,783
Note receivable acquired from sale of property			\$ 725,000		-

See accompanying notes to financial statements.

**BUILDING SERVICES FUND OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Notes to Financial Statements**

Years ended December 31, 1992 and 1991

The Fund operates under the auspices of the National Association of Free Will Baptists, Inc. and is governed by a management committee which is chaired by the Executive Secretary of the National Association of Free Will Baptists, Inc. The management committee is composed of the directors of the Departments which occupy the National Offices Facility.

**(1) Summary of Significant Accounting Policies**

**Property and Equipment**

Property and equipment are stated at cost. Expenditures for maintenance and repairs, renewals, and betterments that do not significantly extend the useful lives of assets are expensed as incurred.

Depreciation is provided using the straight-line method.

**Income Taxes**

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

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Fund considers all cash funds, cash bank accounts and highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

**(2) Note Receivable - Sale of Property**

On May 21, 1992, a contract to sell the property which had previously housed the departments of the National Association of Free Will Baptists, Inc. was executed by the Management Committee (see note 1) and a 6.3% deed of trust note was received in the amount \$725,000. The note requires monthly payments of \$8,400, including principal and interest, for sixty months through August 15, 1997, at which time the unpaid balance of \$403,160 shall be due and payable.

As required by generally accepted accounting principles, the excess of the sale price over the Fund's basis in the property and costs relating to the sale (gross gain) is recognized in the financial statements ratably over the collection of the related note receivable. Further, realtor fee payable of 6% relating to this transaction is payable as the note is collected.

The following table summarizes the elements of the above transaction:

	Transactions	Note Receivable	Deferred Profits	Realtors Fee
6.3% deed of trust note receivable	\$ 725,000	725,000		
Basis in the property sold	135,485			
Expenses of sale:				
Realtor fee	\$ 54,430			54,430
Expenses of sale	15,270	69,700		
Gross gain from sale of property	\$ 519,815		519,815	
Collections on note receivable	\$ 42,000			
Interest portion of collections	18,750	23,250		
Gain recognized based on collections			16,670	
Realtor fee paid based on collections				2,520
Balance outstanding as of December 31, 1992	\$ 701,750	503,145		51,910



**BUILDING SERVICES FUND OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

Notes to Financial Statements, continued

(3) Notes Payable, Long-term Debt and Capitalized Lease Obligations

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

	1992	1991
Notes payable and long-term debt:		
Mortgage note to bank at prime interest rate, secured by a first interest in the National Office Facility. Beginning May 1992, repayment terms require monthly principal payments of \$4,938 plus interest at the Bank's prime rate. Such installment payments continue through April 1997 at which time the balance outstanding is due and payable. Further, additional principal payments in the amount \$100,000 were/are due in October 1991, 1992 and 1993.	\$ 546,682	700,000
10% mortgage note to the Free Will Baptists Home Missions Church Extension Loan Fund, secured by a second interest in the National Office Facility and by the furniture held by the various departments within the National Office Facility. This mortgage requires payment of interest only until the first mortgage held by bank on the National Office Facility is satisfied (see description above), at such time the note will be amortized over a fifteen (15) year period with monthly payments of \$9,680 including principal and interest. Further, the note contains a call provision at the end of each sixty month period after the fifteen (15) year amortization begins, whereby the maker may call for immediate payment of the note and any unpaid interest. At each call date the remaining balance of the note may, by mutual consent of the parties, be further financed by an extension for additional sixty month periods, with interest subject to adjustment at that time.	900,824	155,000
Obligations to the Board of Retirement of the National Association of Free Will Baptists, Inc.		
11.5% mortgage note retired through a refinancing with the Free Will Baptists Home Missions Church Extension Loan Fund (see description above).	-	650,000
10.75% to 11.5% installment notes secured by equipment and renewals, payable monthly \$1,368 maturing through 1993.	8,654	23,194
Unsecured interest bearing notes to the following funds of the Executive Office of the National Association of Free Will Baptists, Inc.		
Executive Office	26,051	-
Special Projects Fund	17,000	-
Convention Fund	-	7,804
Total notes payable and long-term debt	1,499,211	1,535,998
Capital lease obligations: 15.8% obligation for telephone system under capital lease payable monthly \$396 through 1996 - see note 4.	12,938	15,234
	1,512,149	1,551,232
Less current maturities of notes payable, long-term debt and capital lease obligations	213,873	201,791
	<u>\$ 1,298,276</u>	<u>1,349,441</u>

**BUILDING SERVICES FUND OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

Notes to Financial Statements, continued

(3) Notes Payable, Long-term Debt and Capitalized Lease Obligations, continued

The following is a schedule, by years, of maturities of long term debt and future minimum lease payments under capital leases as of December 31, 1992.

	Long-Term Debt	Capital Leases
1993	\$ 210,961	4,753
1994	59,256	4,753
1995	59,256	4,753
1996	59,256	2,772
1997	229,884	-
1998	29,428	-
1999 and thereafter	851,170	-
Total maturities of long-term debt	<u>\$ 1,499,211</u>	17,031
Less amount representing interest		4,093
Present value of net minimum lease payments		<u>\$ 12,938</u>

(4) Property and Equipment and Capitalized Leases (see note 3)

Depreciation and amortization charged to operations computed on the straight-line method was \$70,006 in 1992 and \$42,174 in 1991.

Components of capitalized leases are as follows:

	1992	1991
Telephone equipment	\$ 16,783	16,783
Less accumulated amortization	5,035	1,678
	<u>\$ 11,748</u>	<u>15,105</u>

(5) Pension

The Fund participates in the master defined contribution pension plan of the Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. The plan is contributory and is matched up to a maximum of 5% of earned compensation. Employees may participate at date of employment. Pension expenses amounted to \$1,671 in 1992 and \$1,214 in 1991. Under the plan, an account is maintained for each participant and upon retirement the participant can either receive a lump-sum distribution or purchase one of several types of annuity contracts.



**1994  
Projected  
Building Services Budget**

	1993	1994
<b>Projected Income</b>		
Murfreesboro Road Property Payments (\$8,400 mo.)	\$100,800.00	\$100,800.00
Square Footage (20,329 @ \$1.30 = \$26,427.70 mo.)	317,132.40	317,132.40
<b>Total Income</b>	<u>\$417,932.40</u>	<u>\$417,932.40</u>
<b>Projected Expenses</b>		
Audit & Legal	\$6,000.00	\$6,000.00
General Supplies	1,700.00	1,700.00
Insurance (Plant)	6,000.00	6,000.00
Janitorial Services	15,000.00	16,200.00
Janitorial Supplies	1,500.00	2,000.00
Mail Room	4,000.00	7,000.00
Mail Truck	2,000.00	2,500.00
Maintenance (General)	10,872.03	15,000.00
Payroll Taxes (Employer's S.S.)	2,317.40	2,191.62
Postage Meter	1,000.00	1,000.00
Retirement	1,301.11	1,208.08
Salaries (5%)	30,292.72	28,648.55
Telephone	2,500.00	2,500.00
UPS	600.00	0.00
Utilities	28,000.00	28,000.00
Notes Payable	291,347.84	278,079.77
R&I (#5136)	9,205.34	0.00
(Principal-8,926.64/Interest-278.70)		
HM	90,082.32	90,082.32
(Principal-900,824.00/Interest 10%-90,082.32		
Interest paid only on this loan)		
FANB		
1993	192,060.18	
Principal-546,682.38/Interest 6% =32,800.94		
Principal Pymts. \$4,938.27x12 =59,259.24		
Additional Principal Payments 100,000.00		
1994		187,997.45
Principal-387,424.14/Interest-6% =23,245.45		
Principal Pymts. \$7,896.00x12 =94,752.00		
Additional Principal Payments 70,000.00		
Insurance (Employee)	7,453.30	13,087.75
Realtor's Fee	6,048.00	6,048.00
Other	0.00	768.63
<b>Total Expenses</b>	<u>\$417,932.40</u>	<u>\$417,932.40</u>

**Building Services  
Salary Breakdown**

	1993	1994
<b>Maintenance Superintendent</b>		
Salary	\$17,680.00 (4%)	\$18,564.00 (5%)
Social Security	1,352.52 (7.65%)	1,420.15 (7.65%)
Insurance	4,364.76	9,867.49
Dental	666.96	704.62
Health	3,488.28	8,953.35
Life	209.52	209.52
Retirement	884.00 (5%)	928.20 (5%)
	<u>\$24,281.28</u>	<u>\$30,779.84</u>
<b>Receptionist</b>		
Salary	\$5,330.96 (4%)	\$5,597.51 (5%)
Social Security	407.82 (7.65%)	428.21 (7.65%)
Insurance	2,624.88	3,220.26
Dental	246.96	260.97
Health	2,325.48	2,906.85
Life (Executive Office 209.52)	52.44	52.44
Retirement	266.55 (5%)	279.88 (5%)
	<u>\$8,630.21</u>	<u>\$9,525.86</u>
<b>Part-time \$6.84 per hour (5% increase)</b>		
82 days @ 8 hrs. = 656 hrs. @ \$6.51/\$6.84	\$4,270.56	\$4,487.04
Social Security	326.70 (7.65%)	343.26 (7.65%)
	<u>\$4,597.26</u>	<u>\$4,830.30</u>
<b>Maintenance Superintendent (Wade Trimble)</b>		
Salary	\$3,011.20	
Social Security	230.36 (7.65%)	
Insurance	463.66	
Dental	41.16	
Health	387.58	
Life	34.92	
Retirement	150.56 (5%)	
	<u>\$3,855.78</u>	



## Foreign Missions Board Report

It is great to know that Free Will Baptists are being used by the Lord Jesus Christ in building His church. He has predicted that His body will be composed of some from every nation. Praise God that we here at home, and our missionaries who go abroad, are laborers together with God in fulfilling His mandate.

### Good News from the Foreign Fields

Here is a summary of some of the major happenings on the fields since we last met:

*Brazil*—Eight new Christians were welcomed into fellowship at the mission work at Araraquara. Jim and Vicki Sturgill assisted national Pastor Jeancarlo with this outreach. A couple who graduated from the Central Bible Institute assumed the pastorate at Pirassununga. Curt and Mary Holland began language study in Campinas. Bobby and Geneva Poole started the fourth work in Ribeirao Preto.

*China*—Affiliate Sarah Malone went to China to teach English at the Beijing Institute of Technology.

*Cuba*—The Cuban Association of Free Will Baptists celebrated its 50th anniversary in August at the campground at Pinar del Rio. Work was completed on the Willey Memorial Chapel.

*France*—Short-term missionaries Joe and Tanya Dudley went to France to assist Charollette Tallent, who coordinates the outreach to students at the University of Nantes. Nineteen students attended the first Bible study of the fall term. At St. Sebastien, Dennis and Carol Teague and Cathy Crawford saw an increase in attendance. The second year of Bible institute classes began in September with six students.

*Germany*—Dennis and Mary Heath and Kim Zegelian began renovation of part of their church facility in Kusel, Germany, for use as a youth center. Attendance at the church doubled during the summer months.

*India*—The annual conference in February hosted an overflow crowd of 700 believers. Two new pastors were ordained last winter. Five young men have recently graduated from Bible college and will begin to minister for the Lord.

*Côte d'Ivoire*—Thirteen young people prayed to receive Christ at the new Youth/Training Center at Bondoukou during April. At Doropo the rebuilding of the hospital was completed, and a special dedication service was held in December. Fifty-four people were baptized in Ivory Coast during 1992.

*Japan*—Free Will Baptist churches in Japan all experienced growth in 1992. The Higashi Tsukisamu church began searching for property on which to build.

*Panama*—Missionaries reported 85 conversions in Panama during 1992. The Las Tablas church finished work on its new building. An expanded Bible institute program was developed to provide day as well as evening classes.

*Spain*—Missionaries in Spain continued to reach out through preaching, home Bible studies, discipleship classes, and special emphasis programs. Dwain and Debbie Crosby are beginning a work in Majadahonda, an area of 300,000 people which has no Protestant church.

*Uruguay*—Seven students completed leadership training at The Sower Bible Institute in Montevideo, which is directed by the Ellisons. Dennis and Trena Owen continued to reach people for Christ in Pocitos through independent witnessing and home Bible studies. Dave Jr. and Becky Franks went to the field to begin language study.

For a summary of our overseas ministries see figure # 1.

### Financial Review

Thanks to the Lord and to you our income during 1992 was \$4,560,449, up almost three percent from 1991. This was \$354,793 over our 1992 budget.

Over the past 10 years support for foreign missions has grown from \$2.1 million to \$4 million. See figure # 4.

We salute the following states for exceeding their suggested 1992 faith goal:

Alabama, Arizona, Arkansas, California, Colorado, Indiana, Iowa, Louisiana, Michigan, Missouri, Montana, New Mexico, Northeast Association, Northwest Association, North Carolina, Ohio, Oklahoma, Tennessee, and Virgin Islands. (See the 1992 total gifts from all states, and the 1994 suggested state goals on page 70.)

Our expenditures last year were \$4,585,451. In view of a slumping exchange rate in many countries and inflation in others, we are grateful that we were able to keep our expenses at that level. The breakdown of our expenditures is shown in figure # 3.

Our department, as well as our other national offices, is anxious to see the Capital Stewardship Campaign succeed in paying off the debt. This year we will have to pay \$35,903 in interest. Next year we are scheduled to pay \$32,664. We deeply need these funds in other areas of our ministry. Please encourage your association and church to get behind this project.

In order to meet the growing challenge of our ministry our board is recommending a budget of \$4,485,676 for 1994.

### Review of Board Meetings

Our board had three regular meetings and one called meeting.

The board was called into special session on July 19, 1992. The members present were:



Figure 1 **Status of Free Will Baptist Overseas Ministries**  
As of January 1, 1993

Field	Missionaries Assigned to Each Field	Ordained Pastors	Licensed and Lay Preachers	Bible Institutes	Students	Organized Churches	Mission Works	1992 Converts	1992 Baptisms	Av. Sunday Attendance
Brazil	24	5	11	2	35	9	8	94	82	712
Cuba		7	81	1	2	15	18	227	70	700
France	15			1	6		3	3	3	150
Germany	3						1			15
India	2	12	8			17	80*	154	89	1,963
Côte d'Ivoire	35	**	47	1	42***	9	31	169	54	1,807
Japan	15	5	6		1	8	1	32	19	190
Panama	4	3	16	1	5	5	5	85	5	448
Spain	13		7	1	4		4	4		102
Uruguay	8	2	8	1	2	6	5	42	4	242
<b>TOTALS</b>	<b>120+</b>	<b>34</b>	<b>184</b>	<b>8</b>	<b>97</b>	<b>69</b>	<b>156</b>	<b>810</b>	<b>326</b>	<b>6,329</b>

\*India—Total includes 15 congregations and 65 preaching points.

\*\*Côte d'Ivoire—Pastor Koffi David went charismatic.

\*\*\*Côte d'Ivoire—9 students at Bouna institute, 33 following extension course.

+This total includes one missionary affiliate in China.

Figure 2

### SUMMARY OF 1992 REVENUE AND EXPENSES

Total Revenue	\$4,560,449
Total Expenses	4,585,451
Revenue Over (Under) Expenses	<\$ 25,002>

### SUMMARY OF BALANCE SHEET AT DECEMBER 31, 1992

#### Assets:

Cash and Investments	\$1,194,362
Interfund Loan	34,233
Other Assets	184,931
	<u>\$1,413,526</u>

#### Liabilities:

Interfund Loan	\$ 34,233
Other Liabilities	210,581
	<u>&lt; 244,814&gt;</u>

#### Total Funds Available

\$1,168,712

#### Funds Available:

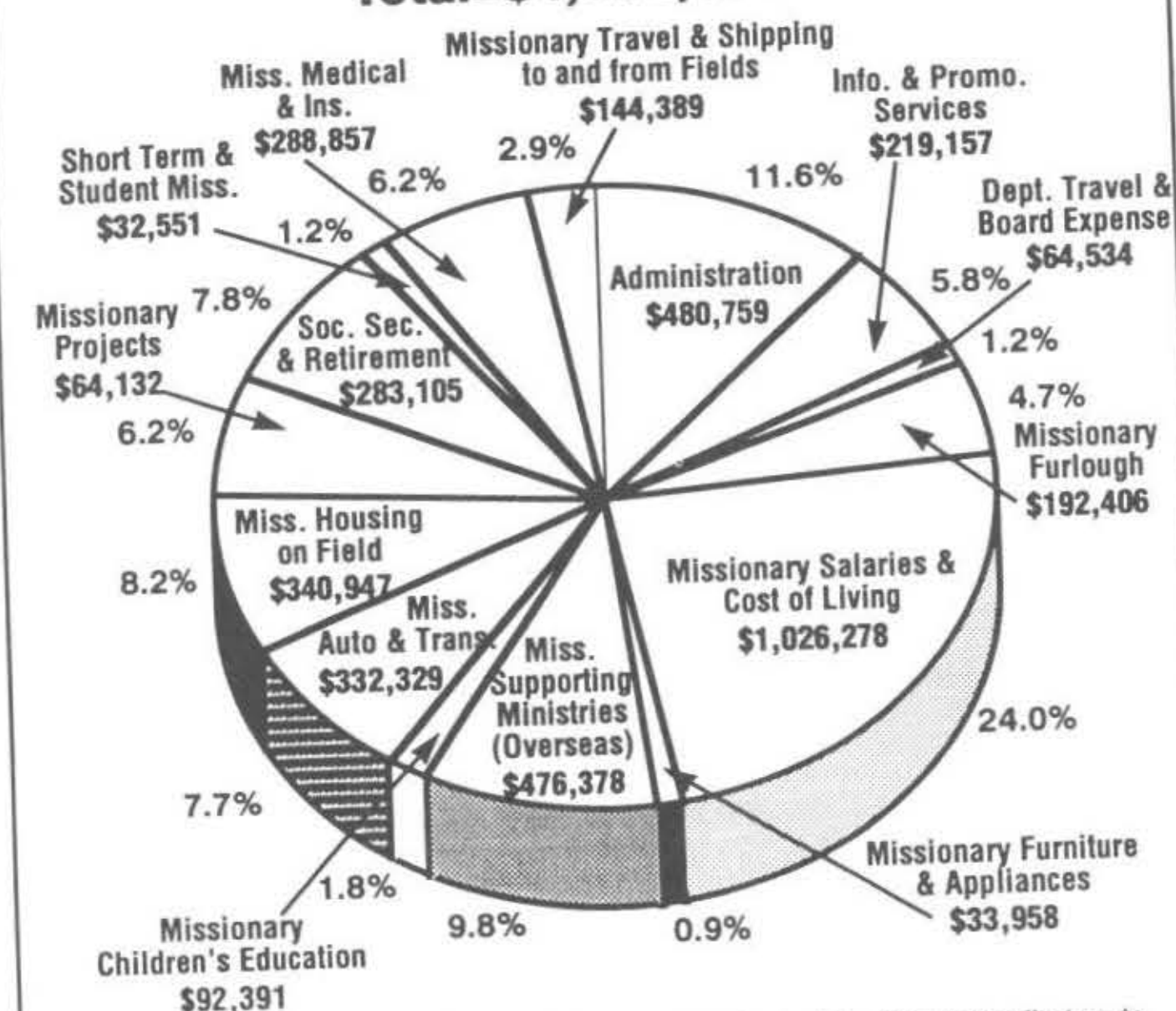
Missionary Accounts and ADVANCE Campaign	\$1,125,859
Fund and Plant Fund	42,853
	<u>\$1,168,712</u>

Note: For further information regarding these amounts, see the audited financial statements following.

Figure 3

### Expenditures for 1992

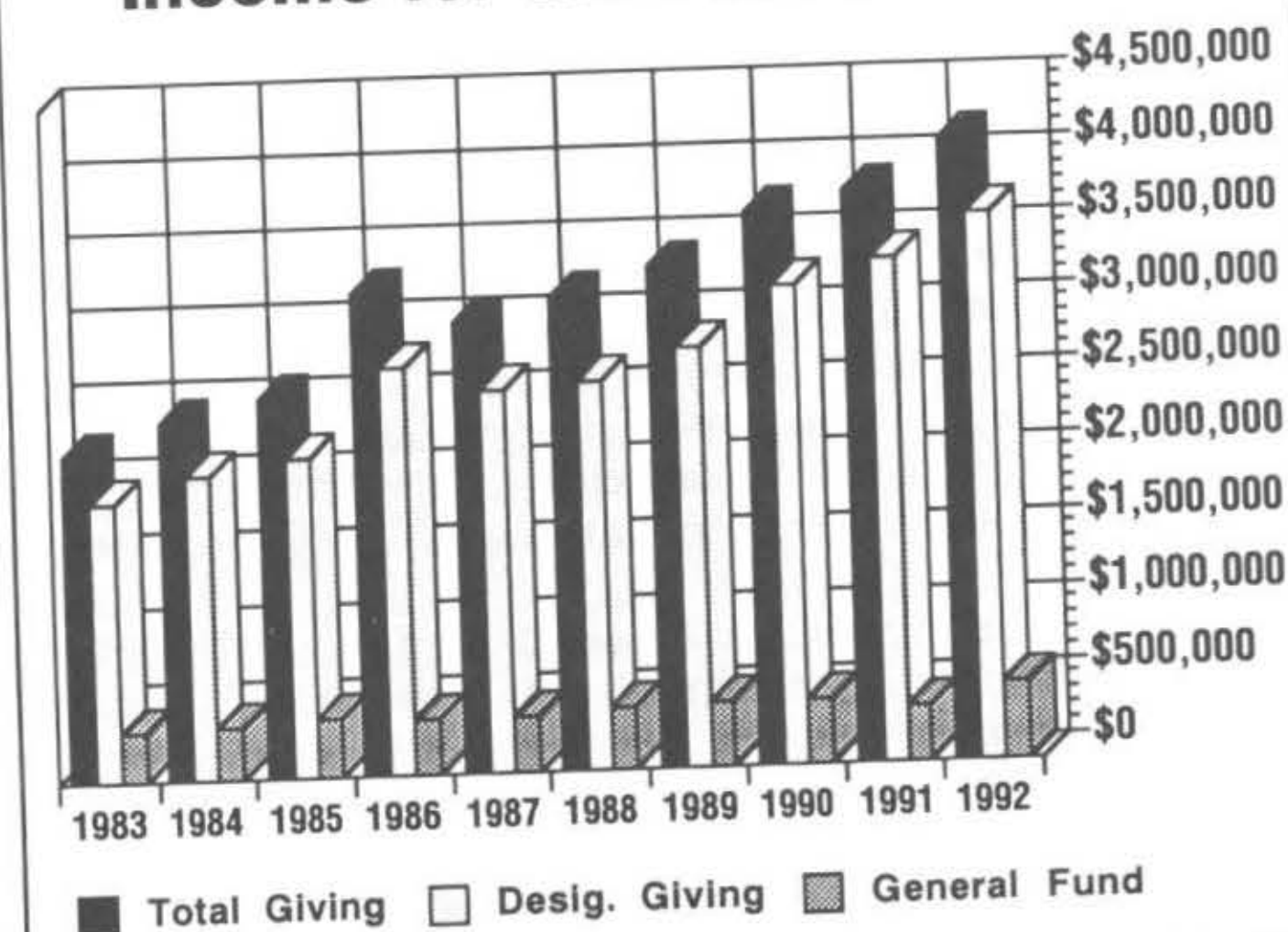
Total=\$4,072,171



Note: Total expenditures shown in Figure 3 have not been changed to reflect audit adjustments.

Figure 4

### Income for the Past 10 Years





Norwood Gibson, Bob Trimble, Galen Dunbar, Dean Dobbs, Alton Loveless, Archie Mayhew, and William Reagan. During the meeting the board interviewed Lonnie and Anita Sparks and Ron Callaway.

The board met during the Foreign Missions Retreat at Free Will Baptist Bible College August 3 - 5, 1992. All members were present: Norwood Gibson, Robert Trimble, Galen Dunbar, Dean Dobbs, Joe Grizzle, Alton Loveless, Archie Mayhew, William Reagan, and David Shores.

The board made the following changes in personnel: Lloyd and Betty Plunkett were appointed to serve as short-term house parents at the Free Will Baptist dormitory, International Christian Academy, Côte d'Ivoire, for two years beginning August 1993. Dr. Mark and Kathy Paschall were appointed as missionaries to Côte d'Ivoire. Fred and Evelyn Hersey were given a medical furlough in view of Evelyn's need for continuous chemotherapy.

The board approved the field of Uruguay, as well as Panama, to be on the TEAM (Teens Equipped and Active in Missions) schedule for 1993.

The board changed the name of the "Doropo Hospital Fund" to "Côte d'Ivoire Medical Ministry Fund." This account may be used to cover any expenses related to the medical work except direct subsidy to missionary accounts.

The semi-annual meeting of the Board of Foreign Missions was held in the national offices building, Antioch, Tennessee, December 7 - 11, 1992. All members of the board were present.

The board made the following changes in personnel: Randal and Carolyn Richards were approved as short-term missionaries to Côte d'Ivoire for one year. Paul and Tanya Dean were approved as affiliates to work with English Language Institute China in China. The following student missionaries were approved to serve during the summer of 1993: Darin Alvis, Catalina Barquero, Allen Bowen, Michelle Braswell, Shannon Eads, Pam Eccleston, Lisa Edgmon, Christy Edmonds, Michael Fulcher, Scott Gailey, Jill Goodfellow, Chris Hamm, Tanya Hart, Randy Hill, Carol Malone, Jonathan Miley, Bryan Pate, Craig Portell, Kris Shoemaker, Rebecca Simmons, Lee Smith, Kevin Stacy, Pamela Still, Michael Steele, Lea Southwell, Charity Van Winkle, John Waddell, Monica White, and Kevin and Sheila Williford. The board discussed at length the report of the committee which visited Spain for the purpose of bringing about a reconciliation of all the missionaries. (A detailed report follows.)

The board approved the installation of a new computer system which will accommodate electronic mail between the office and missionaries overseas.

The board decided to switch to a partially self-funded health insurance program with Lloyds of London covering those bills which exceed \$20,000 per person per year.

Fred and Evelyn Hersey were honored for their 37 years of missionary service in Japan and were presented a certificate and gifts.

In a telephone conference on March 31, 1993, the board voted that the general director, one other staff member, and one board member attend a meeting which the Contenders for the Covenant, International, had

announced for April 29 - 30, in Cookeville, Tennessee, provided our annual board meeting was over.

The annual meeting of the board was held April 26 - 29, 1993. The board made the following changes in personnel:

Dr. Misael Gonzalez was approved to serve for three months in Doropo, Côte d'Ivoire, as a short-term medical missionary. Mirial Gainer was approved to return to Japan as an associate missionary with full support status to work in the Abashiri/Bihoro area.

The board approved the purchase of a guest house in Abidjan, Côte d'Ivoire. The total cost for purchase and all improvements needed will be \$95,000. The board would like to present this as a special project for those who wish to designate offerings for it.

The request for \$15,000 to assist the First Church in Ribeirao Preto, Brazil, in putting on a new roof was approved as a VISION fund project. Other approved VISION projects are:

Second Church, Ribeirao Preto, Brazil	\$50,000
Panama Church Loan Fund	\$50,000
Church Building - Agnibilekrou - Ivory Coast Loan Fund	\$25,000
Land/Building Fund - Barbacena, Brazil	\$10,000

The board clarified its position that "The mission will not ordain anyone who has adopted the position of baptizing persons living in polygamy."

The board rescinded the motion pertaining to the general director, a staff member, and a board member attending the meeting at Cookeville, Tennessee. The meeting adjourned at 10:30 p.m.

### Situation in Spain

Last summer four missionaries assigned to Spain resigned: Lonnie and Anita Sparks and Mark and Juli Riggs. The resignations were made public at the convention before the board had an opportunity to deal with them. The board met with the Sparks during the National Association in Indianapolis and during the retreat August 3 - 6, 1992. The Sparks and the Riggs were asked to hold up on their resignations until the board could send representatives to Spain to seek a reconciliation.

September 14, 1992, a committee composed of Reverend Dean Dobbs, Reverend Norwood Gibson, and Reverend Joe Grizzle, accompanied by the general director, went to Spain. After spending ten days in Spain, the committee was unable to bring about a reconciliation between the Spanish field council members.

During their semi-annual meeting the board adopted the following statement to the Spanish Field Council relative to the problem.

### Statement of the Board of Foreign Missions Regarding the Treatise and Church Covenant to the Spanish Field Council

Since questions have arisen concerning the use of the Church Covenant by our missionaries in the planting of Free Will Baptist churches, the



Board of Foreign Missions hereby reaffirms its position regarding the missionary's use of the *Free Will Baptist Treatise* and the Church Covenant. In accord with Section VI, C, 3, of the Handbook, the missionary should endeavor to teach new converts Free Will Baptist doctrine as well as the Church Covenant. This Board expects the "Faith of Free Will Baptists" (doctrinal section of the *Treatise*) and the Church Covenant to be presented to a church for adoption when it is formally organized as an indigenous, self-governing, self-supporting, and self-propagating church (as set forth under Section III, B, 2, b, in Chapter I of the Practices section of the *Treatise*).

#### *Statement*

The Board further clarifies its position regarding the translation of said *Treatise* and Church Covenant: When translation is undertaken, the Board expects the "Faith of Free Will Baptists" (doctrinal section of the *Treatise*) and the Church Covenant to be translated in their entirety. If any changes are deemed necessary, they must be approved by the Board of Foreign Missions.

We admonish all of our missionaries to follow the Scriptural method of privately approaching any brother or sister with whom there is an offense (Matt. 18:15-17 and Matt. 5:23,24).

#### *Policy of Implementation*

1. The Free Will Baptist Church Covenant will be translated from the English version into the language(s) of the particular countries where Free Will Baptists now serve, and any country that may be entered into in the future. The translation must be word for word as near as possible. It must preserve the intent of the covenant.
2. All missionaries now serving under the Foreign Missions Department must personally accept the Free Will Baptist Church Covenant and from the outset of their ministry teach its contents to new converts.
3. When a mission church qualifies for indigenous status (self-supporting, self-propagating, and self-governing) the church will be organized into a local autonomous Free Will Baptist church. Among other requirements to become a local autonomous church, the membership body must adopt the Free Will Baptist Church Covenant.

In a telephone conference December 19, 1993, the board finalized the following statement which was discussed during the semi-annual board meeting:

#### **Public Statement of the Board of Foreign Missions Regarding the *Treatise* and Church Covenant**

In July the Board of Foreign Missions became aware of a serious

division among the missionaries in Spain. As a result, three board members accompanied by the general director went to Spain for the purpose of effecting a reconciliation. The committee reported to the board during the semi-annual meeting that they were unable to bring about a reconciliation.

The Board considered the question of the use of the Free Will Baptist Church Covenant. They concluded that:

1. All of our missionaries personally believe in and practice the Church Covenant. We commend them for the work they are doing among the Spanish people and are grateful for the efforts, evangelism, and discipling being done by our missionaries in Spain.
2. None of the works in this country are yet fully organized as indigenous, self-governing, self-supporting, and self-propagating churches.

This Board expects the "Faith of Free Will Baptists" (doctrinal section of the *Treatise*) and the Church Covenant to be presented to a church for adoption when it is formally organized as an indigenous, self-governing, self-supporting, and self-propagating church (as set forth under Section III, B, 2, b, in Chapter I of the Practices section of the *Treatise*).

The Sparks and the Riggs followed through with their resignations which became effective April 11, 1993.

During the annual meeting April 26 - 29, 1993, the board invited the male missionaries from Spain and France to meet with them. As a result the following statement was adopted:

#### **Board Confirms Missionaries' Stand on FWB Church Covenant**

We, the Board of Foreign Missions, met with nine missionaries from Spain and France, April 27, 28, 1993, and upon hearing each missionary we confirm the following:

Every missionary affirmed and reaffirmed his belief in the *Free Will Baptist Treatise*, our Articles of Faith, and the FWB Covenant. Each pledged to this board that he would make every effort to practice, preach, teach, and wholeheartedly endeavor to implement all of the above as he seeks to bring his church to a self-governing, self-propagating, and self-supporting status.

Furthermore, these all firmly acknowledged their commitment to practice, preach, and teach total abstinence. They expressed the genuine desire to bring every church attender to that same biblical conclusion.

We further direct the staff to instruct and strongly emphasize to all missionaries during the orientation and prefield training the need to preach, teach, and model the *Treatise*, Articles of Faith, and the FWB Church Covenant. The missionaries must acknowledge that this board expects them to endeavor to implement all of these Free Will Baptist distinctives from the beginning of a mission church.

Furthermore, honest misunderstandings of the board's 1989 communique to the entire missionary staff which addressed the use and translation of the Church Covenant were clarified. (1989 statement: "Motion



carried that if the Church Covenant is translated into another language, the full content be accurately translated in meaning. If any changes or deletions are considered, it must be by board approval.") The intent of the board's 1989 decision was to reaffirm that the covenant be taught and preached and that every endeavor be made to implement it in all our mission churches. This misunderstanding was due, in fact, to poor wording used by the board to communicate this intent.

In the recent meeting, each missionary affirmed that he now understands the board's intent and stated: "We regret any misunderstanding or offense which may have occurred. We want to assure you of our reaffirmation of all denominational beliefs and practices."

Furthermore, be it known that from the inception of our work in Europe, our missionary efforts to firmly convince the European converts to believe and practice total abstinence have been frustrating. Every missionary currently serving in Europe has clearly affirmed that he models, teaches, preaches, and makes every reasonable effort to produce godly people, who are genuine Free Will Baptists in doctrine and lifestyle. This positively includes the practice of total abstinence. This has also been true of every missionary who has ever labored in Europe.

This process has been challenging, difficult, and slow. This board once again affirms that every missionary is laboring to produce total abstainers who adhere to the Church Covenant, but realizes that this process will in fact require substantially more time. It is encouraging that through the instruction and life testimony of our missionaries many, though not all, European converts have adopted, truly believe, and practice total abstinence.

Once again, our European staff has affirmed their absolute commitment to preach, teach, and model total abstinence. They have also promised that they will faithfully endeavor to implement the Church Covenant.

Furthermore, every board member and the entire administrative staff join our missionaries in mutual affirmation to model, teach, preach, and implement total abstinence and the Church Covenant.

We wish to express our sincere appreciation and commendation to our missionary staff for their faithful service, life sacrifice, and visible commitment to bring Europeans to Christ. We further commend them for their stated loyalty and uncompromising commitment to produce bonafide Free Will Baptist churches in Europe.

We also wish to express our absolute confidence in and appreciation for our general director, R. Eugene Waddell, and the administrative staff for their wisdom, patience, and transparent spirit. We believe they have honestly endeavored to promote the worldwide spread of the gospel, demonstrate loyalty to our entire missionary staff, and uphold the precepts and standards set forth in our Articles of Faith and Church Covenant.

### ***The missionaries submitted the following statement to the board for publication:***

April 29, 1993

We, the missionaries of Spain and France, while meeting with the Board of Foreign Missions April 27-28, 1993, with complete and full conviction, reaffirm our belief in all FWB Doctrine and our commitment to the Church Covenant, and will endeavor to practice and teach them, always continuing to make every effort to implement them. We regret any misunderstanding or offense which may have occurred. We want to assure you of our reaffirmation of all denominational beliefs and practices.

Faithfully In His Service,  
FWB Missionaries of France & Spain

### **Appreciation and Challenge**

We deeply appreciate the efforts of every person in our denomination to help facilitate the fulfillment of our assigned mission.

The Woman's Auxiliary channeled \$145,264 into missionary accounts and projects in 1992. Their provision closet continues to bless our missionaries so very much. "It's like Christmas in July," said one missionary.

Our thanks go to the Master's Men's "Helping Hands" crew that went to Côte d'Ivoire and helped build the Youth/Training Center at Bondoukou.

We live in a time of unprecedented opportunities. Although there are limitations on public witnessing, China offers a wonderful challenge. Free Will Baptists are accepting the challenge. Affiliate Sarah Malone has had success this past year. The board has appointed another couple to China and two students from Free Will Baptist Bible College will be spending the summer there.

Twenty-one other Free Will Baptist young people will be ministering in seven countries as a part of our student missionary program.

The newest, and in some way the most promising program of our department, is the TEAM (Teens Equipped and Active in Missions) program.

Twenty-six high school juniors and seniors have just returned from Panama and Uruguay. Two of the 26 members were MKs from Brazil and Spain, and three other MKs joined the group in Panama. Since nine of the 10 TEAM Brazil '92 members are preparing for missionary service, we are excitedly awaiting the news of how God is working in the lives of this year's TEAM members.

This is most encouraging. The retirement of missionaries and the challenge of open doors add great significance to the interest of our youth.

We have been praying and investigating opportunities for ministry in Russia and the former Soviet Union. We hope to find a people without a church or gospel witness. Like the Apostle Paul we want to preach Christ where He is not named instead of building on the foundation of others.



This has been a difficult year but God has worked in unusual ways to advance the gospel. I'm thankful for the dedicated, hardworking men and women in our office as well as those overseas. We are deeply indebted to you for your prayer support and encouragement. With all our hearts, all of us **thank you.**

We appreciate the opportunities of serving you--our National Association of Free Will Baptists. We pledge our loyalty to our Lord and you, and request that you continue to uphold your missionaries, staff, and board in prayer.

Respectfully submitted,

R. Eugene Waddell  
General Director

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

Antioch, Tennessee

Financial Statements

December 31, 1992

*Thoni, Hinton & Warren*

CERTIFIED PUBLIC ACCOUNTANTS  
NASHVILLE, TENNESSEE

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Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the  
Board of Foreign Missions of the  
National Association of Free Will Baptists

We have audited the accompanying balance sheet of the Board of Foreign Missions of the National Association of Free Will Baptists (a nonprofit organization) as of December 31, 1992, and the related statements of support and revenue, expenses and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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 Board of Foreign Missions of the National Association of Free Will Baptists as of December 31, 1992 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

*Thoni, Hinton & Warren*

April 20, 1993



BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Balance Sheet  
December 31, 1992

ASSETS

	Operating Unrestricted and Restricted Funds	Plant Fund	Total All Funds
Cash and cash equivalents - Notes 1 & 2	\$ 750,170	\$	\$ 750,170
Investments - Notes 1 & 2	444,192		444,192
Accounts receivable from employees and missionaries - Note 2	34,036		34,036
Capitalized lease costs - Note 4	39,507		39,507
Prepaid expenses	1,884		1,884
Equipment, at cost, net of accumulated depreciation - Notes 1 & 5		109,504	109,504
Due from plant fund - Note 3	34,233		34,233
Total assets	<u>\$1,304,022</u>	<u>\$109,504</u>	<u>\$1,413,526</u>

LIABILITIES AND FUND BALANCES

Accounts payable and accrued expenses Due to operating fund - Note 3	\$ 210,581	\$	\$ 210,581
Restricted deferred revenue: - Note 6		34,233	34,233
Missionary accounts	1,125,859		1,125,859
Total liabilities	<u>1,336,440</u>	<u>34,233</u>	<u>1,370,673</u>
Fund balances (deficit):			
Unrestricted	( 32,418)		( 32,418)
Net invested in plant		75,271	75,271
Total fund balances	<u>( 32,418)</u>	<u>75,271</u>	<u>42,853</u>
Total liabilities and fund balances	<u>\$1,304,022</u>	<u>\$109,504</u>	<u>\$1,413,526</u>

Commitments - Note 10

See accountants' report and accompanying  
notes to the financial statements.

BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Statement of Support and Revenue, Expenses and Changes in Fund Balances  
For the Year Ended December 31, 1992

	Operating Unrestricted	Restricted Missionary Accounts	ADVANCE Campaign	Plant Fund	Total All Funds
<u>Support and revenue</u>					
Contributions - Note 1	\$454,636	\$3,903,631	\$141,032	\$	\$4,499,299
Investment income	43,725				43,725
Gain on disposal of plant assets	13,833				13,833
Other	3,592				3,592
Total support and revenue	<u>515,786</u>	<u>3,903,631</u>	<u>141,032</u>		<u>4,560,449</u>
<u>Expenses</u>					
Informational and promotional	194,078				194,078
Travel and board	45,306				45,306
Administrative	520,972				520,972
Missionaries		3,654,437	141,032		3,795,469
Depreciation				29,626	29,626
Total expenses	<u>760,356</u>	<u>3,654,437</u>	<u>141,032</u>	<u>29,626</u>	<u>4,585,451</u>
Excess (deficiency) of support and revenue over expenses	( 244,570)	249,194	-0-	( 29,626)	( 25,002)
Fund balances, beginning of year	11,680			61,196	72,876
Transfers among funds and other changes:					
Loss on decline in market value of common stock investments	( 5,021)				( 5,021)
To plant for asset acquisitions, net of dispositions	( 26,585)			26,585	-0-
Repayment for inter-fund borrowing	( 17,116)			17,116	-0-
Informational and promotional material and equipment transfers - Note 7	249,194	( 249,194)			
Fund balances (deficit), end of year	<u>(\$ 32,418)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 75,271</u>	<u>\$ 42,853</u>

See accountants' report and accompanying  
notes to the financial statements.



BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Statement of Cash Flows  
For the Year Ended December 31, 1992

	Operating				
	Restricted			Plant	Total
	Unrestricted	Missionary	ADVANCE	Fund	All
		Accounts	Campaign		Funds
<u>Operating activities</u>					
Excess (deficiency) of support and revenue over expenses	(\$244,570)	\$249,194	\$	(\$ 29,626)	(\$ 25,002)
Adjustment to reconcile net income to net cash provided by operating activities:					
Depreciation					
Amortization	11,270			29,626	29,626
Gain on disposal of property	( 13,833)				11,270
Changes in operating assets and liabilities:					( 13,833)
(Increase) decrease in accounts receivable	( 4,169)				( 4,169)
(Increase) decrease in investments	133,936				133,936
(Increase) decrease in prepaid expenses	6,431				6,431
Increase (decrease) in accounts payable	26,816				26,816
Increase (decrease) in deferred revenue	( 99,202)				( 99,202)
Net cash provided (used) by operating activities	( 183,321)	249,194	-0-	-0-	65,873
<u>Investing activities</u>					
Proceeds on sale of equipment	49,110				49,110
Purchase of equipment	( 61,862)				( 61,862)
Net cash used in investing activities	( 12,752)	-0-	-0-	-0-	( 12,752)
<u>Financing activities</u>					
Net cash provided by financing activities	-0-	-0-	-0-	-0-	-0-
Increase (decrease) in cash and cash equivalents	( 196,073)	249,194			53,121
<u>Transfers</u>					
Transfer of informational and promotional material	249,194	( 249,194)			
Cash and cash equivalents at beginning of year	697,049	-0-	-0-	-0-	697,049
Cash and cash equivalents at end of year	\$750,170	\$ -0-	\$ -0-	\$ -0-	\$750,170

See accountants' report and accompanying notes to the financial statements.

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BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Notes to the Financial Statements  
December 31, 1992

Note 1 - Organization and summary of significant accounting policies

The Board of Home Missions of the National Association of Free Will Baptists, Inc. is a nonprofit organization affiliated with the National Association of Free Will Baptists. The purpose of the Organization is to establish and support Free Will Baptist Mission Churches throughout the world.

The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code under a group exemption of the National Association of Free Will Baptists, Inc.

The following significant accounting policies have been followed in the preparation of the financial statements:

Fund accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization 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 established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Property and equipment and depreciation

Property and equipment is stated at acquisition cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives range from 3-10 years.

Investments

Investments are stated at the lower of cost or market.

Cash and cash equivalents

For purposes of the statement of cash flows, the Board considers all cash on deposit, money market funds and highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

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BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Notes to the Financial Statements  
December 31, 1992

Note 2 - Summary of significant concentrations of financial instruments

As of December 31, 1992, the Board had deposits with financial institutions and the Board of Retirement and Insurance of the National Association of Free Will Baptists. The following is summary of those deposits and the corresponding risk of accounting loss:

	Account Balance	Amount Insured/ Secured	Amount of According Risk of Loss
Demand deposit accounts with financial institutions	\$ 2,241	\$	\$ 2,241
Interest bearing deposit accounts with financial institutions	737,086	266,939	470,147
Money market accounts held by investment bankers	<u>10,843</u>	<u>10,843</u>	
Total cash and cash equivalents	<u>750,170</u>	<u>277,782</u>	<u>472,388</u>
Certificates of deposit with financial institutions - maturity of greater than three months	30,000		30,000
Deposits held in trust by a financial institution	222,553	100,000	122,553
Interest bearing deposits on account with the Board of Retirement and Insurance of the National Assoc. of Free Will Baptists	12,816		12,816
Money market accounts held by investment bankers	178,173	49,648	128,525
Common stock	<u>650</u>		<u>650</u>
Total investments	<u>444,192</u>	<u>149,648</u>	<u>294,544</u>
Accounts receivable from employees and missionaries	<u>34,036</u>		<u>34,036</u>
Total	<u>\$1,228,398</u>	<u>\$427,430</u>	<u>\$ 800,968</u>

Note 3 - Inter-fund borrowing

As of December 31, 1992, the plant fund had an outstanding debt to the operating fund of \$34,233.

BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Notes to the Financial Statements  
December 31, 1992

Note 4 - Capitalized lease payments

The National Association of Free Will Baptists, Inc. purchased an office building to house various departments and agencies of the denomination. The Board entered into an agreement to lease space in this new building and agreed to contribute to the debt service costs during the construction period and to continue until the debt has been retired. The construction period costs of \$65,844 were capitalized. These costs will be amortized against operations over a five year period. During 1992, \$11,270 was charged against operations leaving a resultant balance of \$39,507.

Note 5 - Plant funds

A summary of plant fund assets is as follows:

Office furniture and equipment	\$ 31,855
Cameras and projectors	47,335
Automobiles	35,200
Computer equipment	<u>72,316</u>
	186,706
Less: accumulated depreciation	<u>77,202</u>
Net invested in plant	<u>\$109,504</u>

Depreciation expense, computed utilizing the straight line method amounted to \$29,626.

Note 6 - Restricted deferred revenue

Changes in restricted deferred revenue is as follows:

	Missionary Accounts	ADVANCE Campaign	Total
Balance, December 31, 1991 - as restated - Note 11	\$1,038,286	\$186,775	\$1,225,061
Contributions	<u>3,653,487</u>	<u>42,780</u>	<u>3,696,267</u>
Funds available	4,691,773	229,555	4,921,328
Expenses and campaign expenditures	( 3,654,437)	( 141,032)	( 3,795,469)
Transfer ADVANCE to Missionary accounts	<u>88,523</u>	( <u>88,523</u> )	<u>-0-</u>
Balance, December 31, 1992	<u>\$1,125,859</u>	<u>\$ -0-</u>	<u>\$1,125,859</u>

Note 7 - Informational 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.



BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Notes to the Financial Statements  
December 31, 1992

Note 8 - Pension plan

The Board participates in the master pension plan of the Board of Retirement and Insurance of the National Association of Free Will Baptists. The Board contributes 5% of gross salary for missionaries and a fixed rate based on years of service for administrative employees. Employees are allowed to contribute but are not required to contribute. Employees with two years of service may participate. Pension expenses amounted to \$70,805. The pension plan is a defined contribution plan. Under the plan, an account is maintained for each participant and upon retirement the participant can either receive a lump-sum distribution or purchase one of several types of annuity contracts.

Note 9 - Lease

The Board entered into a lease agreement on October 1, 1990 with the National Association of Free Will Baptists, Inc. for office and storage space. The term of the lease is until all mortgages on the building are satisfied, which is approximately 22 years. The rent expense for the year was \$95,381.

The future minimum lease payments are as follows:

1993	\$ 95,378
1994	95,378
1995	95,378
1996	95,378
1997	95,378
Thereafter (estimated)	1,621,433

Note 10 - Commitments

The Board has pledged its furniture and fixtures as collateral on a mortgage note that the National Association of Free Will Baptists has with the Church Extension Loan Fund.

Note 11 - Prior period adjustment

The beginning balance of the restricted deferred revenue-missionary accounts has been restated to record accounts payable at December 31, 1991. The restatement of restricted deferred revenue-missionary accounts for 1991 is as follows:

Restricted deferred revenue-missionary accounts per previous report	\$1,124,089
Less: accounts payable	( 85,803 )
Restricted deferred revenue-missionary accounts as restated	<u>\$1,038,286</u>

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**THONI, HINTON & WARREN**  
CERTIFIED PUBLIC ACCOUNTANTS  
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Members  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
TENNESSEE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

Our report on our audit of the basic financial statements of the Board of Foreign Missions of the National Association of Free Will Baptists for 1992 appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule to combine unrestricted fund support and revenue and additions to restricted deferred revenue, schedule of unrestricted fund expenses, and schedule of restricted fund expenses are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

April 20, 1993

*Thoni, Hinton & Warren*

SUPPLEMENTARY INFORMATION

BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Schedule to Combine Unrestricted Fund Support and  
Revenue and Additions to Restricted Deferred Revenue  
For the Year Ended December 31, 1992

	<u>Unrestricted</u>	<u>Restricted</u>		<u>Total</u>
		<u>Missionary</u>	<u>ADVANCE</u>	
		<u>Accounts</u>	<u>Campaign</u>	<u>Funds</u>
Support and revenue:				
Contributions	\$ 454,636	\$3,653,487	\$ 42,780	\$4,150,903
Investment income	43,725			43,725
Gain on disposal of plant assets	13,833			13,833
Other	<u>3,592</u>			<u>3,592</u>
Total support and revenue	<u>\$ 515,786</u>	<u>\$3,653,487</u>	<u>\$ 42,780</u>	<u>\$4,212,053</u>

See accountants' report on supplementary information.

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BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Schedule of Unrestricted Fund Expenses  
For the Year Ended December 31, 1992

Unrestricted fund expenses

Informational and promotional:	
Video and audio visual	\$ 14,839
Heartbeat	39,075
Postage	51,139
Data processing	31,222
Publicity	35,915
Telephone	11,160
Dues	565
Paper and supplies	3,620
Retreat	5,943
Tracts and books	600
	<u>194,078</u>
Travel and board:	
Department auto	7,634
Board members	12,858
Administrative - overseas travel	1,150
Honorariums	350
Department travel	22,454
Traveler's insurance	860
	<u>45,306</u>
Administrative:	
Salaries	224,213
Housing	51,830
Social security	25,803
Employer payroll taxes	11,815
Retirement	7,625
Hospitalization	54,403
Auditing	13,031
Office rent	95,381
Amortization of capital lease payments	11,270
Office equipment	726
Maintenance of office equipment	1,927
Office supplies	2,613
Estate expenses	741
Miscellaneous	19,594
	<u>520,972</u>
Total unrestricted fund expenses	<u>\$760,356</u>

See accountants' report on supplementary information.

BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Schedule of Restricted Fund Expenses  
For the Year Ended December 31, 1992

Restricted fund expenses

Missionaries - Foreign Fields:	\$1,014,440
Ivory Coast	475,671
France	109,362
India	594,371
Brazil	412,572
Japan	105,637
Panama	494,373
Spain	257,690
Uruguay	47,311
Summer missionaries	137,061
Other projects	5,949
Special investigative committee	<u>3,654,437</u>
Maintenance fees transferred to unrestricted funds for information and promotional materials	( <u>249,194</u> )
	<u>3,405,243</u>
ADVANCE campaign expenditures:	
General expenses	4,502
Project expenses	<u>136,530</u>
	<u>141,032</u>
Total restricted fund expenses	<u>\$3,546,275</u>

See accountants' report on supplementary information.



Salaries and benefits for employees in the foreign missions office.  
(Similar information concerning overseas personnel is available upon request.)

	1992	1993	1994
<b>General Director</b>			
Salary	\$19,299	\$18,611	\$19,601
Housing & Utilities	14,400	14,400	14,400
Social Security	5,443	5,432	5,595
Retirement	960	960	1,340
Insurance	8,378	8,140	8,954
<b>Total</b>	<u>\$48,480</u>	<u>\$47,543</u>	<u>\$49,890</u>
Note: Office car furnished.			
<b>Director of Communications</b>			
Salary	\$22,059	\$21,425	\$22,338
Housing & Utilities	9,000	9,000	9,000
Social Security	5,016	5,006	5,156
Retirement	985	960	1,477
Insurance	8,142	8,140	8,954
<b>Total</b>	<u>\$45,202</u>	<u>\$44,531</u>	<u>\$46,925</u>
<b>Overseas Secretary</b>			
Salary	\$20,259	\$19,625	\$20,538
Housing & Utilities	10,800	10,800	10,800
Social Security	5,016	5,006	5,156
Retirement	960	960	1,387
Insurance	4,704	4,379	4,817
<b>Total</b>	<u>\$41,739</u>	<u>\$40,770</u>	<u>\$42,698</u>
Note: Office car furnished.			
<b>Director of Missionary-Church Relations</b>			
Salary	\$18,859	\$17,225	\$18,138
Housing & Utilities	12,200	13,200	13,200
Social Security	5,016	5,006	5,156
Retirement	750	780	1,267
Insurance	4,461	4,466	4,913
<b>Total</b>	<u>\$41,286</u>	<u>\$40,677</u>	<u>\$42,674</u>
Note: Office car furnished.			
<b>Treasurer</b>			
Salary	\$27,989	\$30,425	\$31,338
Social Security	2,678	5,040	5,192
Retirement	625	660	1,927
Insurance	8,962	8,140	8,954
<b>Total</b>	<u>\$40,254</u>	<u>\$44,265</u>	<u>\$47,411</u>
<b>Audio/Visual Technician</b>			
Salary	\$16,333	\$16,000	\$16,480
Social Security	1,249	1,224	1,261
Retirement	275	300	824
Insurance	2,475	2,782	3,060
<b>Total</b>	<u>\$20,332</u>	<u>\$20,306</u>	<u>\$21,625</u>

	1992	1993	1994
<b>Editorial Assistant</b>			
Salary	\$12,610	\$13,478	\$13,882
Social Security	965	1,031	1,062
Retirement	300	300	694
Insurance	3,013	3,202	3,522
<b>Total</b>	<u>\$16,888</u>	<u>\$18,011</u>	<u>\$19,160</u>
<b>Bookkeeper</b>			
Salary	\$18,631	\$17,700	\$18,231
Social Security	1,425	1,354	1,395
Retirement	300	300	912
Insurance	2,699	2,782	3,060
<b>Total</b>	<u>\$23,055</u>	<u>\$22,136</u>	<u>\$23,598</u>
<b>Accounting Clerk</b>			
Salary	\$15,083	\$14,280	\$14,708
Social Security	1,154	1,092	1,125
Retirement	550	600	735
Insurance	2,767	2,774	3,051
<b>Total</b>	<u>\$19,554</u>	<u>\$18,746</u>	<u>\$19,619</u>
<b>Secretary</b>			
Salary	\$21,948	\$21,500	\$22,145
Social Security	1,679	1,645	1,694
Retirement	600	600	1,107
Insurance	2,787	2,782	3,060
<b>Total</b>	<u>\$27,014</u>	<u>\$26,527</u>	<u>\$28,006</u>
<b>Secretary</b>			
Salary	\$16,229	\$15,898	\$16,375
Social Security	1,242	1,216	1,253
Retirement	420	420	819
Insurance	2,775	2,782	3,060
<b>Total</b>	<u>\$20,666</u>	<u>\$20,316</u>	<u>\$21,507</u>



## 1994 Budget of Expense

### Foreign Fields\*

Brazil	\$ 650,412
France	439,287
India	118,111
Ivory Coast	1,303,705
Japan	451,269
Panama	118,656
Spain	408,630
Uruguay	255,498
Other fields	132,000
<b>Foreign Fields Total</b>	<b>\$3,877,568</b>

\*Budgets for foreign expenditures are subject to change where extreme fluctuation in the value of the dollar occurs.

### Information and Promotion

Audio visuals, films & filmstrips	\$ 4,500
Video	6,350
Equipment	15,500
Cassette ministry	800
Heartbeat	40,000
Postage	51,200
Data Processing	31,300
Publicity materials	57,710
Telephone	11,200
Services & dues	600
Paper supplies	5,600
Books and subscriptions	600
Retreat & debriefing sessions	6,000
Fund-raising expenses	30,000
Miscellaneous projects (Together Way Funding)	14,800
Personnel	40,785
Total	316,945
Less: Transfer of 7% info/promo charges	(245,037)
<b>Information and Promotion Total</b>	<b>\$71,908</b>

### Travel & Board Expenses

Department auto expenses	\$11,400
Board member expense	13,000
Board member overseas travel	0
Honorariums	400
Department travel expense	23,700
Travelers' insurance	900
<b>Travel and Board Total</b>	<b>\$49,400</b>

### Administrative

Salaries	\$200,000
Administrative housing	52,000
Administrative Social Security	24,000
Hospitalization Insurance	50,000
Retirement	5,800
Medicare supplement insurance	1,800
Audit	4,000
Interest expense - Building	17,000
Office rent	88,000
Office equipment	1,000
Maintenance of office equipment	2,000
Office supplies	2,600
Miscellaneous expense	20,000
Payroll taxes	12,000
<b>Administrative Total</b>	<b>\$480,200</b>

### Other

Retired missionaries	6,600
----------------------	-------

**Total Regular Foreign Missions Budget** **\$4,485,676**



**1994 State Goals  
With 1992 Comparisons**

State	1992 Goal	1992 Actual	1994 Goal
Alabama	\$ 199,000	\$ 176,938	\$ 192,000
Arkansas	235,000	234,989	255,000
Arizona	6,200	8,579	9,300
California	95,000	87,140	95,000
Colorado	7,000	7,121	7,800
Florida	95,000	66,938	73,000
Georgia	186,000	147,240	160,000
Hawaii	5,000	2,569	2,800
Iowa	2,500	2,310	2,500
Idaho	1,000	764	1,000
Illinois	125,000	104,552	114,000
Indiana	47,000	41,804	45,000
Kansas	19,000	16,145	18,000
Kentucky	85,000	74,768	81,000
Louisiana	300	345	400
Maryland	23,000	18,104	20,000
Michigan	155,000	147,704	160,000
Missouri	313,000	325,341	353,000
Mississippi	67,000	48,421	53,000
Montana	1,250	1,406	1,500
Nebraska	1,500	736	800
New Mexico	1,000	956	1,000
Northeast Assn.*	5,000	5,035	5,500
Northwest Assn.**	7,500	7,846	8,500
North Carolina	560,000	508,839	553,000
Ohio	130,000	139,092	151,000
Oklahoma	457,000	402,753	437,000
Pennsylvania	1,000	375	400
South Carolina	254,000	218,500	237,000
Tennessee	650,000	629,260	683,000
Texas	148,000	88,905	97,000
Virginia	150,000	119,488	130,000
Virgin Islands	2,500	2,711	3,000
West Virginia	92,500	105,491	115,000
W.N.A.C.		145,129	120,000
Miscellaneous	162,756	469,973	299,176
<b>Totals</b>	<b>\$4,290,006</b>	<b>\$4,358,267</b>	<b>\$4,485,676</b>

\*New Hampshire, Vermont, New Jersey, Maine, Connecticut, Massachusetts.

\*\*Alaska, Oregon, Washington.

## Free Will Baptist Bible College

This has been another encouraging year for your college. Dr. Vernon Whaley has returned to the music faculty with Mr. Jerry Carraway, and they are making exciting contributions to our music program as well as challenging many of our Free Will Baptist young people to consider Free Will Baptist Bible College.

All of our departments are making a vital contribution to our students and their commitment to serve Christ. Along with our new computer lab, we now have computers in every dormitory and some students have computers in their rooms. The addition of an Accounting Major to our Business Program is attracting students. So is our new Sports Medicine Major in the Physical Education Department. Eighty-three young men are in the ministerial program and about 50 students are preparing for missionary service. Seventy married students enrolled this year, which is outstanding and a great encouragement to me. All of our students get a major in Bible along with whatever other major they may choose.

All of this has contributed to almost a 12% increase in enrollment. We started second semester with the same number of students as first semester. This is a first in the history of the college.

We have employed Mr. Philip Nelson to begin a new program in Education/Youth Ministry this fall. His primary responsibility will be to prepare youth directors for local churches. We are excited about this new program and believe it will make a needed contribution to our pastors and churches.

We are on track in our pursuit for accreditation by the Southern Association of Colleges and Schools (SACS) and presently we are involved in a self-study. Hopefully, we will have our team visit in April 1994 on our way to candidacy status. The pursuit of SACS accreditation is an expensive and time consuming undertaking. We must have greater support from our churches and individuals. We can only do what you enable us to do through faithful, generous contributions.

Welcome Days, both in the fall and spring, set new attendance records—346 in the fall, 419 in the spring.

This is a new day. New doors are opening for your college, and we must seize this opportunity to reach and equip our Free Will Baptist young people.

Mrs. Fay Jennings Thompson retired from our music faculty on May 31 after 20 years of service. Brother Ronald Creech plans to retire October 31, marking the completion of 16 years as our Director of Development. We are grateful for the years of service to our college and our denomination by Mrs. Thompson and Brother Creech.

Recently our Board of Trustees authorized us to begin repairs on buildings that are in desperate need. They also authorized us to borrow the money necessary to make the repairs in order to prevent further



deterioration of buildings and equipment.

Free Will Baptist Bible College stands as a testimony to God's faithfulness and remains a service organization to our denomination. We are committed to teaching our students to be faithful to God's will and His church.

Thank God for the dedicated men and women who serve the Lord through this ministry. They are good people who have a consuming desire to do God's will. Please stand with us and support us during these days of tremendous opportunity.

Respectfully submitted,

Tom Malone, President

### Synopsis of Minutes, FWBBC Board of Trustees

*Semi-Annual Meeting, December 9, 1992  
at Free Will Baptist Bible College*

All members present except Sam Truett (absent because of illness).  
Committee assignments for year:

- (1) Plant & Finance (Price, Powell, Walker);
- (2) Student Affairs (Creech, Bowers, Montgomery);
- (3) Faculty Affairs (Little, Ketchum, Truett).

Orientation of new board members.

Reports of President and other administrative offices.

Other actions included:

- (1) to explore employment of a Director of Deferred Giving;
- (2) approval of Christmas bonuses for employees;
- (3) approval of sale of 3519 Richland Avenue property.

*Annual Meeting, May 10-12, 1993  
at Free Will Baptist Bible College*

All members present except Bob Ketchum (absent because of flooding conditions near home and mother's illness).

President's report included reference to: (1) progress in enrollment; (2) pursuit of SACS accreditation (self-study proceeding; first evaluation team visit tentatively scheduled for April 1994); (3) impending retirement of Fay Thompson and Ronald Creech.

Report relative to Graduate School closing: a system has been devised for those interested in completing the program to do so by external study by the August 31, 1994, deadline.

Actions included:

- (1) approval of plan for increased help for faculty continuing education;
- (2) employment of Philip Nelson to teach Christian Ed. and Youth Ministry;

(3) returning Joseph Jones to full-time status;

(4) approval of major in Accounting;

(5) approval of major in Church Music, Pastoral Associate Emphasis;

(6) approval of recommended adjustments in administrative roles to allow Dr. Hampton to spend more time in Institutional Research, Assessment, and Planning.

(7) preparation of letter of appreciation for Mrs. Thompson.

Report from Director of Public Relations indicated: (1) pleasure with results of Ketterman Christmas Drive (\$205,526); (2) plan for a phone-a-thon for the general fund this summer.

Other actions included:

- (1) decision authorizing the administration to use any available and borrow any additional funds needed to make emergency repairs as quickly as possible.
- (2) approval of the proposed budget, with expression of regret that salary raises are not included, promising that raises will be considered in the fall if enrollment exceeds current expectations;
- (3) minor procedural adjustments and revisions in insurance coverage for employees.

### Financial Aid Report

Loans Issued.....	138.....	\$114,909.75
Student Workers.....	83.....	124,000.00
Scholarship Recipients.....	83.....	36,375.97
SEOG Program.....	40.....	15,615.00
College Work-Study Program.....	11.....	9,461.00
Pell Grant Awards.....	133.....	195,095.00
Stafford Loan Program.....	92.....	233,243.00
Unsubsidized Stafford Loan Program.....	1.....	1,464.00
PLUS Loan Program.....	12.....	35,600.00
SLS Loan Program.....	1.....	4,000.00
Total Financial Aid Administered 92-93.....		\$769,763.72

### Welch Library

Total books, bound volumes, microforms, sound recordings, video cassettes, instructional materials, etc..... 55,121

May 31, 1993, 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.



## Registration Report 1992-93

Undergraduate Enrollment..... 343

### Enrollment Breakdowns

#### *By State*

Alabama	29	Kansas	1	Oklahoma	3
Arkansas	14	Kentucky	12	South Carolina	10
California	5	Louisiana	3	Tennessee	87
Colorado	3	Michigan	7	Texas	10
Delaware	2	Mississippi	7	Virginia	12
Florida	10	Missouri	17	Washington	3
Georgia	16	New Mexico	1	West Virginia	3
Illinois	23	North Carolina	32	Virgin Islands	1
Indiana	14	Ohio	12	Foreign	6

(The student body represents 25 states, the Virgin Islands and 5 foreign countries.)

#### *By Classification*

Freshmen .....	126	Juniors .....	50
Sophomores .....	84	Seniors .....	58
Special .....	25		

#### *Others*

Male .....	198	Ministerial .....	83
Female .....	145	Missionary .....	46
Free Will Baptist .....	320	Single .....	273
Other .....	23	Married .....	70

### Enrollment Summary 1992-93

Undergraduate enrollment, first semester .....	300
Additional enrollment, second semester .....	38
Total enrollment, first and second semesters .....	338
Summer 1992 enrollment not already counted .....	5
Total undergraduate enrollment .....	343
Not counted above: students in a special Spring course—MU 231 .....	22
Students served in 1992-93 .....	365

## Gift Report June 1, 1992 - May 31, 1993

State	June-May 1993	State	June-May 1993
Alabama	\$58,035.57	North Carolina	\$142,034.34
Arizona	2,017.71	Ohio	17,773.29
Arkansas	39,936.34	Oklahoma	16,753.13
California	5,669.11	South Carolina	43,974.13
Colorado	1,365.00	South Dakota	.00
Connecticut	.00	Tennessee	148,419.71
Delaware	.00	Texas	8,094.61
Florida	11,906.36	Vermont	.00
Georgia	72,402.19	Virginia	13,898.39
Hawaii	1,113.22	Washington	1,451.08
Idaho	24.29	West Virginia	5,011.26
Illinois	30,087.93	W. N. A. C.	2,845.84
Indiana	6,482.97	Canada	134.95
Iowa	300.00	Virgin Islands	1,037.45
Kansas	303.75	College Family	24,827.79
Kentucky	16,310.25	Matching Gifts	35,007.50
Louisiana	55.00	Foreign Missionaries	1,714.99
Maryland	2,805.91	Miscellaneous	2,836.22
Michigan	24,080.97	<b>Total</b>	<b>780,108.62</b>
Mississippi	17,369.62		
Missouri	23,806.48	Alumni Project	11,235.50
Nebraska	190.00	Estates/Trusts	7,000.00
Nevada	.00		
New Jersey	.00	<b>Grand Total</b>	<b>\$798,344.12</b>
New Mexico	31.27		



## Salary Breakdown

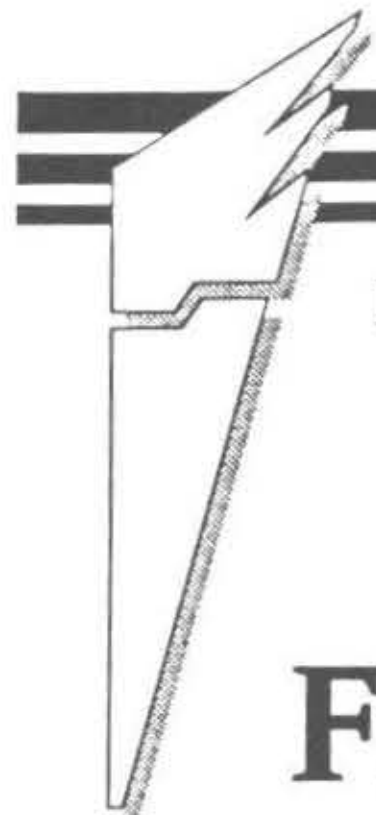
	1991-92	1992-93	1993-94*
<b>President</b>			
Salary	\$40,000	\$45,000	
Social Security	3,060	3,442	
Retirement	1,600	1,930	
Insurance—life	159	159	
Insurance—medical	1,781	1,946	
<b>Total</b>	<u>\$46,600</u>	<u>\$52,477</u>	
Note: resides in campus housing			
<b>Academic Dean</b>			
Salary	\$35,000	\$38,500	
Social Security	2,677	2,945	
Retirement	1,400	1,651	
Insurance—life	159	159	
Insurance—medical	1,781	1,946	
<b>Total</b>	<u>\$41,017</u>	<u>\$45,201</u>	
<b>Public Relations Director</b>			
Salary	\$29,575	\$32,533	
Social Security	2,262	2,488	
Retirement	1,183	1,395	
Insurance—life	159	159	
Insurance—medical	1,781	1,946	
<b>Total</b>	<u>\$34,960</u>	<u>\$38,521</u>	
<b>Development Director</b>			
Salary	\$28,850	\$31,736	
Social Security	2,207	2,427	
Retirement	1,154	1,361	
Insurance—life	159	159	
Insurance—medical	1,781	1,946	
<b>Total</b>	<u>\$34,151</u>	<u>\$37,629</u>	
<b>Treasurer</b>			
Salary	\$30,000	\$34,000	
Social Security	2,295	2,601	
Retirement	1,200	1,458	
Insurance—life	159	159	
Insurance—medical	1,781	1,946	
<b>Total</b>	<u>\$35,435</u>	<u>\$40,164</u>	

\* Proposed salary/benefits: no changes; insurance rate change not available at this date.

## Proposed Gift Income Budget 1993-1994

Alabama .....	\$ 70,000
Arizona .....	3,000
Arkansas .....	40,000
California .....	12,000
Colorado .....	1,000
Connecticut .....	7,000
Delaware .....	200
Florida .....	26,000
Georgia .....	65,000
Hawaii .....	1,000
Idaho .....	500
Illinois .....	45,000
Indiana .....	14,000
Iowa .....	300
Kansas .....	2,000
Kentucky .....	17,000
Louisiana .....	200
Maryland .....	10,000
Michigan .....	35,000
Mississippi .....	27,000
Missouri .....	36,500
Nebraska .....	1,000
Nevada .....	300
New Jersey .....	1,000
New Mexico .....	1,000
North Carolina .....	130,000
Ohio .....	20,000
Oklahoma .....	25,000
South Carolina .....	61,000
South Dakota .....	1,000
Tennessee .....	180,000
Texas .....	15,000
Vermont .....	1,000
Virginia .....	25,000
Washington .....	2,000
West Virginia .....	10,000
W.N.A.C. ....	12,000
Canada .....	1,000
Virgin Islands .....	1,000
Other .....	65,000
Alumni .....	10,000
Designated Gifts .....	30,000
Special Gifts .....	20,000
<b>Total .....</b>	<u>\$1,025,000</u>





FREE WILL BAPTIST BIBLE COLLEGE  
Nashville, Tennessee

# 1992-93 Financial Report



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

## Independent Auditors' Report

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

The Board of Trustees  
Free Will Baptist Bible College:

Brentwood Executive Center  
761 Old Hickory Boulevard  
Suite 103  
Brentwood, TN 37027  
TEL 615/377-3485  
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We have audited the balance sheet of Free Will Baptist Bible College as of May, 31 1993 and the related statements of changes in fund balances and current funds revenues, 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 audits 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 Free Will Baptist Bible College as of May 31, 1993, and the changes in fund balances and current funds revenues, expenditures and other changes for the year then ended in conformity with generally accepted accounting principles.

*Hill, Neal & Allen, P.C.*

July 6, 1993

## FREE WILL BAPTIST BIBLE COLLEGE

### Balance Sheet

May 31, 1993

(with comparative figures for 1992)

Assets	1993	1992
Current funds:		
Unrestricted:		
Cash and interest bearing deposits	\$ 156,470	215,472
Investments at fair value at date of gift	—	2,000
Prepaid expenses	12,589	5,058
Receivables (note 6):	14,365	14,043
Students accounts	12,583	12,125
Staff and others	4,728	10,980
Due from plant funds	4,731	—
Due from agency funds	—	—
Total receivables	36,407	37,148
Inventories	45,439	29,320
Total unrestricted funds	250,905	288,998
Restricted:	24,068	19,065
Due from current unrestricted funds	24,068	19,065
Total restricted funds	\$ 24,068	19,065
Total current funds	\$ 274,973	308,063
Loan funds:	\$ 310,084	258,450
Interest bearing deposits	—	—
Loans to students, less allowance for doubtful loans of \$32,500 1993 and 1992	296,377	315,871
Due from current unrestricted funds	—	20
Total loan funds	\$ 606,461	574,341
Endowment funds:	\$ 162,381	148,227
Interest bearing deposits	—	—
Total endowment funds	\$ 162,381	148,227
Annuity funds:	\$ 55,000	55,000
Interest bearing deposits	—	—
Total annuity funds	\$ 55,000	55,000
Plant funds:	\$ 76,805	46,072
Interest bearing deposits	—	—
Investment in plant (notes 2 and 7):	296,519	321,519
Land	3,359,926	3,409,926
Buildings and improvements	797,185	690,776
Equipment	243,671	229,791
Library books	—	—
Total investment in plant	4,697,301	4,652,012
Accumulated depreciation (note 7)	1,641,193	1,537,456
Net investment in plant	3,056,108	3,114,556
Total plant funds	\$ 3,132,913	3,160,628
Agency funds:	\$ 8,053	1,636
Cash	—	4,769
Due from current unrestricted fund	8,053	6,405
Total agency funds	\$ 8,053	6,405

See accompanying notes to financial statements.



	Liabilities and Fund Balances	
	1993	1992
Current funds:		
Unrestricted:		
Note payable to individuals (note 2)	\$ -	56,071
Accounts payable (note 5)	63,958	47,847
Students' credit balances and deposits	26,530	20,911
Accrued salaries	64,179	67,119
Deferred revenues - summer school and other	6,714	9,431
Due to other funds:		
Current restricted funds	24,068	19,065
Loan funds	-	20
Agency funds	-	4,769
Total due to other funds	24,068	23,854
Total liabilities	185,449	225,293
Fund balance	65,456	63,765
Total unrestricted funds	250,905	288,998
Restricted:		
Fund balances - private	24,068	19,065
Total restricted funds	24,068	19,065
Total current funds	\$ 274,973	308,063
Loan funds:		
Accrued interest	\$ 3,878	6,027
Notes payable to individuals (note 2)	213,150	209,240
Fund balances - private	389,433	359,074
Total loan funds	\$ 606,461	574,341
Endowment funds:		
Fund balances:		
Endowment	\$ 47,656	47,656
Quasi-endowment, unrestricted	33,471	33,471
Scholarship, restricted	81,254	67,100
Total endowment funds	\$ 162,381	148,227
Annuity funds:		
Annuity payable	\$ 4,325	4,617
Fund balance	50,675	50,383
Total annuity funds	\$ 55,000	55,000
Plant funds:		
Accounts payable	\$ 5,363	46,538
Due to current unrestricted funds	4,728	10,980
Notes and capital lease obligations (note 2)	159,486	77,673
Total liabilities	169,577	135,191
Fund balances:		
Unexpended	78,160	-
Net investment in plant	2,885,176	3,025,437
Total fund balances	2,963,336	3,025,437
Total plant funds	\$ 3,132,913	3,160,628
Agency funds:		
Due to current unrestricted funds	\$ 4,731	-
Funds held in custody for others	3,322	6,405
Total agency funds	\$ 8,053	6,405

## FREE WILL BAPTIST BIBLE COLLEGE

## Statement of Changes in Fund Balances

Year ended May, 31, 1993

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Revenues and other additions:	\$ 2,451,703	-	-
Unrestricted current funds revenues	-	224,605	-
Federal grants - student aid funds	-	24,237	1,878
Private gifts	-	2,497	-
Endowment income	-	11	8,543
Investment income - restricted	-	-	32,381
Interest on student loans	-	-	-
Additions to plant facilities, including \$21,744 from current funds	-	-	-
Addition to long-term debt obligations	-	-	-
Retirement of indebtedness	-	-	-
Proceeds from disposal of property	-	-	-
Adjustment of computed annuity liability	-	-	-
Total revenues and other additions	2,451,703	251,350	42,802
Expenditures and other deductions:			
Educational and general expenditures	1,867,121	240,526	-
Auxiliary enterprises expenditures	561,377	4,567	-
Administrative cost allowance	-	1,254	-
Retirement of indebtedness	-	-	-
Expansion campaign expense and promotion	-	-	12,124
Interest expense	-	-	-
Depreciation and amortization expense (note 7)	-	-	-
Additions to plant facilities	-	-	-
Renovation of plant properties	-	-	-
Addition to long-term debt obligations	-	-	-
Basis of assets sold	-	-	319
Other	-	-	-
Total expenditures and other deductions	2,428,498	246,347	12,443
Transfers among funds and other changes -			
additions (deductions):			
Mandatory transfers for debt service	(21,514)	-	-
Total transfers and other changes	(21,514)	-	-
Net increase (decrease) for the year	1,691	5,003	30,359
Fund balance at beginning of year	63,765	19,065	359,074
Fund balance at end of year	\$ 65,456	24,068	389,433

See accompanying notes to financial statements.



Endowment Funds	Annuity Funds	Plant Funds	
		Unexpended	Net Investment in Plant
-	-	-	-
-	-	-	-
14,154	-	60,271	-
-	-	-	-
-	-	1,329	-
-	-	-	-
-	-	-	120,290
-	-	100,739	-
-	-	-	18,926
-	-	99,964	-
-	292	-	-
14,154	292	262,303	139,216
-	-	-	-
-	-	-	-
-	-	18,926	-
-	-	60,842	-
-	-	8,522	-
-	-	-	118,113
-	-	98,546	-
-	-	18,707	-
-	-	-	100,739
-	-	-	60,625
-	-	114	-
-	-	205,657	279,477
-	-	-	-
-	-	21,514	-
-	-	21,514	-
14,154	292	78,160	(140,261)
148,227	50,383	-	3,025,437
162,381	50,675	78,160	2,885,176

**FREE WILL BAPTIST BIBLE COLLEGE**  
**Statement of Current Funds Revenues,**  
**Expenditures and Other Changes**  
**Year ended May 31, 1993**  
(with comparative figures for 1992)

	1993			1992 Total
	Unrestricted Funds	Restricted Funds	Total	
Revenues:				
Tuition and fees	\$ 894,287	-	894,287	767,256
Federal student financial aid programs	-	223,651	223,651	192,375
Gifts	727,167	18,934	746,101	761,766
Endowment income	3,919	2,497	6,416	8,901
Investment income	5,974	11	5,985	20,186
Sales and services of auxiliary enterprises	806,793	-	806,793	708,851
Other sources	13,563	-	13,563	7,627
Total revenues	2,451,703	245,093	2,696,796	2,466,962
Expenditures:				
Educational and general:				
Instruction	693,007	781	693,788	597,272
Academic support	172,446	-	172,446	155,033
Student services	273,117	11,079	284,196	235,320
Operation and maintenance of plant	240,508	8,990	249,498	247,741
Institutional support	474,543	2,473	477,016	506,005
Scholarships and fellowships:				
Federal student financial aid programs	-	214,363	214,363	181,757
Institutional funded aid	13,500	2,840	16,340	14,473
Total educational and general expenditures	1,867,121	240,526	2,107,647	1,937,601
Mandatory transfers for debt service	13,264	-	13,264	2,159
Total educational and general	1,880,385	240,526	2,120,911	1,939,760
Auxiliary enterprises:				
Expenditures	561,377	4,567	565,944	498,004
Mandatory transfers for debt service	8,250	-	8,250	6,875
Total auxiliary enterprises	569,627	4,567	574,194	504,879
Total expenditures and mandatory transfers	2,450,012	245,093	2,695,105	2,444,639
Transfers and other changes:				
Restricted receipts over transfers to revenues	-	5,003	5,003	162
Revenues over expenditures and other changes	\$ 1,691	5,003	6,694	22,485

See accompanying notes to financial statements.



# FREE WILL BAPTIST BIBLE COLLEGE

## Notes to Financial Statements

May 31, 1993

Free Will Baptist Bible College is operated under the auspices of The National Association of Free Will Baptists.

### (1) Summary of Significant Accounting Policies

#### Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the College, the accounts of the College 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. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

#### Current Funds

Current fund balances are separated into those which are restricted by donors or grantors and those which are unrestricted. Restricted funds may only be expended for the purpose indicated by the donor or grantor; whereas, unrestricted funds are under the control of the College to use in achieving its educational purposes.

#### Loan Funds

The loan funds consist of loans to students from gifts restricted for such purposes and from proceeds of notes payable to individuals. The terms of agreements specify that the funds operate on a revolving basis, i.e., repayments of loan principal and interest are loaned to other student borrowers.

#### Endowment Funds

Endowment funds are subject to the restrictions of gift instruments requiring that the principal be invested in perpetuity, and only the income be utilized. While quasi-endowment funds have been established by the College for the same purposes as endowment funds, any portion of quasi-endowment funds may be expended.

#### Annuity Funds

Annuity funds consist of funds acquired by the College subject to agreements whereby the assets are made available to the College on the condition that the College bind itself to pay stipulated amounts periodically to the individuals. Payments of such amounts terminate upon the occurrence of an event as specified in the agreement, at which time the principal of the fund is transferred to the fund group designated by the grantor. When gifts of annuity funds are received, the present value of the annuity payable is credited to a liability account, and the remainder to fund balance. Investment income and gains are credited and annuity payments and investment losses are charged to the liability account. Annually the annuity payable is adjusted to its present value.

#### Plant Funds

Plant assets, consisting of land, buildings, equipment, library books, etc. are stated at cost or estimated fair value at date of gift. Certain equipment purchases are funded from the current operating budget and are presented under the appropriate functional classification of expenditures. Expenditures for acquisition of assets in excess of \$250 are capitalized as investment in plant. Depreciation is provided using the straight-line method over the respective asset's estimated useful life.

#### Inventories

Inventories, consisting of books and supply items, are valued at cost, with cost being determined on the first-in, first-out method.

#### Investments

Investments in stocks and bonds are stated at cost, except those received by gift, which are stated at approximate market value at date of gift.

#### Taxes

The College is exempt from income taxes under Internal Revenue Code Section 501(c)(3); accordingly, no provision for taxes has been made in the accompanying financial statements.

## Notes to Financial Statements, continued

### (2) Notes Payable and Capital Lease Obligations

#### Loan funds:

Notes payable to individuals: — 5% demand notes to individuals.

\$ 213,150

#### Plant Funds:

Notes payable and capital lease installment obligations consist of the following:

8% installment obligation payable monthly at \$722 through June 1996 at such time \$8,046 is due and payable. \$ 29,387

Capital lease obligations as follows (see note below\*):

10% obligation payable in monthly installments of \$688 through July 1996 secured by campus telephone equipment, with a depreciated basis of \$20,981. 22,278

7% to 8% obligations payable in monthly installments totalling \$2,263 maturing through November 1997 secured by computer equipment with a depreciated basis of \$95,586. 98,321

\* Note: debt service payments related to the capital lease obligations are substantially funded by billings to users.

Other

Total plant fund debt

9,500  
\$ 159,486  
Capitalized  
Lease  
Obligation

Annual maturities of plant fund debt are as follows for each year ended May 31:

	Long-Term Debt	Capitalized Lease Obligation
1994	\$ 16,055	35,401
1995	7,099	35,401
1996	7,688	35,401
1997	8,046	26,367
1998	—	8,524
	\$ 38,888	141,094
		20,496

Less amount representing interest

\$ 120,598

### (3) Endowment Funds

The yield on endowment funds, based on average cost, amounted to 4.2 percent in 1993.

### (4) Pledges Outstanding

Pledges outstanding amount to \$49,695 of which \$46,005 is designated for campaign projects and \$3,690 is designated for the alumni office. It is not practicable to estimate the net realizable value of the pledges or the period of collection.

### (5) Pension Costs

The College has a defined benefit pension plan which covers all regular employees, except full-time students, hired prior to attaining age 61 following completion of one year of service and attainment of age 21. Service for benefit and vesting purposes shall be the number of plan years in which the participant completes at least 1,000 hours. The benefits on retirement are determined based on average compensation during the three consecutive years during the last ten years prior to the participant's normal retirement date which produces the highest average. Employees are not required to contribute toward the cost of the plan. The College's funding policy is fund pension costs accrued. The plan assets consist of investments with a fully guaranteed by Protective Life Insurance Co., the plan administrator. The following table sets forth the plan's funded status and amounts recognized in the College's statement of financial position at May 31, 1993.

Actuarial present value of benefit obligation:	\$ (875,677)
Accumulated benefit obligation (of which \$856,087 are vested)	\$ (1,261,198)
Projected benefit obligation for services rendered to date	1,219,760
Plan assets, at fair value	(41,438)
Plan assets in excess of projected benefit obligation	74,702
Unrecognized net (gain) or loss	216,307
Prior service cost not yet recognized in net periodic pension cost (benefit)	(274,025)
Unrecognized net asset at June 1, 1989 being amortized over 15 years	\$ (24,454)
Accrued pension cost, included in accounts payable	



# Notes to Financial Statements, continued

## (5) Pension Costs, continues

Net pension cost for 1993 included the following components:

Service cost — benefits earned during period	\$ 48,098
Interest cost on projected benefit obligation	87,699
Actual return on plan assets	(97,743)
Net amortization and deferral	(3,072)
Net pension cost	\$ 34,982

The weighted-average discount rate and rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation were 8.5 percent and 5 percent, respectively. The expected long-term rate of return on assets was 8.75 percent.

## (6) Concentration of Credit Risk

The College is the institution of higher education of the National Association of Free Will Baptists, Inc. and offers Bible based educational services to members of the denomination. The College extends credit in certain instances to students for educational costs and makes loans to students from the Loan Funds. These accounts are not collateralized and are subject to accounting risk of loss amounting to the outstanding balance at any point in time.

Further, the College has cash funds invested at several financial institutions and has a risk of loss amounting to \$29,732 for those funds in excess of the insurable limit of \$100,000.

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

Depreciation and amortization charged to the fund balance of the Plant Funds computed on the straight-line method was \$118,113 in 1993.

Components of property, plant and equipment and capitalized leases are as follows:

	Total	Purchased Assets	Assets Acquired By Capital Leases
Land	\$ 296,518	296,518	—
Buildings	3,359,926	3,359,926	—
Equipment	797,186	651,862	145,324
Library Books	243,671	243,671	—
	4,697,301	4,551,977	145,324
Accumulated depreciation and amortization	1,641,193	1,612,436	28,757
Net Investment in Plant	\$ 3,056,108	2,939,541	116,567

# FREE WILL BAPTIST BIBLE COLLEGE

## Proposed Budget for the Year Ending May 31, 1994

As Compared to

Actual as Summarized for the Year Ended May 31, 1993

## Current Unrestricted Funds

	Proposed Budget May 31, 1994	Actual May 31, 1993
Revenues:	\$ 1,148,000	893,132
Tuition and fees	1,025,000	787,438
Gifts:	(70,000)	(60,271)
Together Campaign	955,000	727,167
Less Building Fund	5,000	3,919
Net Operating Gifts	9,000	5,974
Endowment income	964,000	806,793
Investment income	1,500	1,155
Sales and services of auxiliary enterprises	17,500	13,563
Graduate school	3,100,000	2,451,703
Other sources		
Total revenues		
Expenditures:		
Educational and general:	786,690	689,525
Instruction	221,947	172,696
Academic support	382,879	273,997
Student services	376,850	240,508
Operation and maintenance of plant	554,576	487,776
Institutional support	2,322,942	1,864,502
Total educational and general expenditures	546,783	569,627
Auxiliary enterprises:	275	15,883
Expenditures	230,000	—
Graduate School	3,100,000	2,450,012
Contingency fund		
Total expenditures	\$ —	1,691
Excess of revenues over (under) expenditures		

THIS INFORMATION IS NOT PART OF THE AUDITOR'S REPORT



## SUMMARY OF FINANCIAL INFORMATION

This summary is provided to help the denomination better understand the overall financial condition of Free Will Baptist Bible College. Also, the page to the immediate left not only provides the proposed budget ending May 31, 1994, but shows the comparable financial highlights of the actual fiscal year ended May 31, 1993.

### BALANCED BUDGET

- 1 > The Bible College ended its fiscal year with an excess of revenues over expenditures of \$1,691 in operating funds.

### ENROLLMENT INCREASE

- 2 > Total enrollment increased for the second consecutive year, up 11.7% from the previous year.

### UNRESTRICTED GIVING

- 3 > The Bible College would have been required to more than double the cost of tuition to balance the budget had it not been for gift revenue.
- 4 > Total gifts to the Together Campaign amounted to \$787,438, which fell \$237,562 short of the \$1,025,000 gift budget.
- 5 > Unrestricted gifts, which supports the operating fund, amounted to \$737,167 or 30% of the College's unrestricted fund revenue of \$2,451,703. In contrast, last year's gifts supported 33% of the operating fund's revenues.
- 6 > Shortfalls in gift income continue to cause a strain on the operational budget. Many urgent needs including staffing, increased salaries, further physical plant renovations and replacement of equipment, furnishings and vehicles are to be delayed.

### SALE OF SURPLUS PROPERTY

- 7 > The sale of surplus property helped fund several small physical plant renovation projects which included updating portions of Bligh Hall, Cook Hall, Ennis Hall and Goen Hall.

### FINANCIAL OBLIGATIONS

- 8 > Current noteworthy financial obligations in the form of loans and leases are as follows:
- a. Notes payable to individuals (the proceeds are restricted for the purpose of student loans) amounted to \$213,150. The College's Loan Funds has sufficient cash and savings to completely liquidate these loans.
  - b. Installment note payable for the purchase of a 1988 - 21 passenger mini-bus amounted to \$29,387.
  - c. Lease obligations for the campus telephone system and computer equipment amounted at \$120,599. The required monthly installments are substantially funded by billings to users.

THIS INFORMATION IS NOT PART OF THE AUDITOR'S REPORT

## **Sunday School and Church Training**

The pages that follow represent my report to you for the past year as well as our budget for 1994. I am pleased to report that we have decreased our indebtedness considerably. We were able to do so because we have had another profitable year.

Randall House Publications does not cost our denomination money. We actually save our churches money on their literature. If you will check my comparative chart you will notice that we sell our quarterlies at a cheaper price than most publishing houses.

We also save money for our other departments. They can tell you that we save them money on their printing jobs. We can save your church some money on printing jobs too. Why don't you let us bid on them?

We are even called upon to print and mail the church directory and minutes to every church. The total cost for this project this year was \$9,448.23.

All of this is done without receiving any funds from the cooperative fund or with the solicitation of gifts.

We are a service organization. We exist to serve Free Will Baptists everywhere. Please let us continue to serve you and your church.

Yours in His service,

Randall House Publications

Dr. Roger C. Reeds  
General Director





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

# Independent Auditors' Report

Terry 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  
TEL 615/377-3485  
FAX 615/377-3488

We have audited the balance sheets of Sunday School and Church Training Board and Randall House Publications as of November 30, 1992 and February 29, 1992, and the related statements of activity and changes in fund balances and cash flows for the nine months ended November 30, 1992 and for year ended February 29, 1992. 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 audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits 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 audits provide 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 Sunday School and Church Training Board and Randall House Publications as of November 30, 1992 and February 29, 1992, and the results of its activity and changes in fund balances and cash flows for the nine months ended November 30, 1992 and for the year ended February 29, 1992 in conformity with generally accepted accounting principles.

January 19, 1993

*Hill, Neal & Allen, P.C.*

## SUNDAY SCHOOL AND CHURCH TRAINING BOARD AND RANDALL HOUSE PUBLICATIONS

### Balance Sheets

	November 30, 1992 and February 29, 1992	November 30, 1992	February 29, 1992
<b>Assets</b>			
Current assets:			
Cash and interest bearing deposits	\$	115,135	109,317
Accounts receivable: (notes 3 and 9)			
Trade, net of allowance for doubtful accounts of \$7,000		214,560	188,388
Employees and other		1,970	940
Total receivables		216,530	189,328
Inventory, at lower of cost (first-in, first-out method) or market (note 8)		431,289	396,710
Deferred charges and prepaid expenses		25,767	33,913
Total current assets		788,721	729,268
Property, plant and equipment and capitalized leases (notes 2 and 3):			
Land		140,341	140,341
Building		649,308	649,308
Printing service equipment		405,885	405,885
Office and administrative equipment		392,765	367,959
Automobiles and trucks		51,698	51,698
		1,639,997	1,615,191
Less accumulated depreciation and amortization		1,043,364	979,042
Net property, plant and equipment and capitalized leases		596,633	636,149
Other assets:			
Inventory, at lower of cost (first-in, first-out method) or market (note 8)		442,898	480,643
	\$	1,828,252	1,846,060
<b>Liabilities and Fund Balance</b>			
Current liabilities:	\$	172,046	190,000
Notes payable (note 3)		60,059	67,486
Current installments of long-term debt and capitalized lease obligations (note 3)		356,346	406,830
Accounts payable		32,979	25,617
Accrued expenses		-	27,019
Due to affiliated organization		621,430	716,952
Total current liabilities		201,654	236,654
Long-term debt and capitalized lease obligations (note 3)		1,005,168	892,454
Fund balance	\$	1,828,252	1,846,060

Commitments (notes 4,5,7 and 10)

See accompanying notes to financial statements.



**SUNDAY SCHOOL AND CHURCH TRAINING BOARD  
AND RANDALL HOUSE PUBLICATIONS**

**Statements of Activity and Changes in Fund Balance**

For the nine months ended November 30, 1992 and the year ended February 29, 1992

	November 30, 1992	February 29, 1992
<b>Revenues:</b>		
Net sales:		
Curriculum	\$ 1,321,803	1,770,978
Randall House books	57,355	105,295
Merchandise	14,617	31,637
Bulletins	20,792	34,460
Vacation Bible School	3,631	7,906
Bookstore	107,557	128,917
Printing	26,462	10,557
Other sales	55,924	84,210
Net sales:	1,608,141	2,173,960
Freight and handling	62,941	87,440
Other income	16,877	5,586
Commission income on hymnal sales (note 7)	3,509	6,657
	1,691,468	2,273,643
<b>Expenses:</b>		
Cost of sales:		
Inventory at beginning of year		
Merchandise purchases	877,363	918,507
Depreciation	181,740	173,464
Editorial and printing preparation	10,123	37,729
Printing production	242,249	337,911
Spanish department	466,219	635,848
	17,795	39,475
Less inventory at end of year:	1,795,489	2,142,934
	874,187	877,353
	921,302	1,265,581
Selling, general and administrative:		
Administrative		
Bookstore	80,427	129,493
Bookkeeping	46,496	55,196
Building	108,899	103,782
Sales and promotion	91,554	136,346
Shipping	64,326	105,217
General	89,493	122,524
Depreciation	63,817	78,734
Interest expense, including finance charges	54,199	92,183
	60,536	101,546
Total expenses	659,747	925,021
Excess of revenues over expenses from operations	1,581,049	2,190,602
Gain on disposition of land (note 13)	110,419	83,042
Youth Department (note 6)	-	103,695
Excess of revenues over expenses	2,295	(43,225)
Fund balance, beginning of year	112,714	143,512
Fund balance, end of year	892,454	748,942
	\$ 1,005,168	892,454

See accompanying notes to financial statements.

**SUNDAY SCHOOL AND CHURCH TRAINING BOARD  
AND RANDALL HOUSE PUBLICATIONS**

**Statements of Cash Flows**

For the nine months ended November 30, 1992 and the year ended February 29, 1992

	November 30, 1992	February 29, 1992
<b>Cash Flows from Operating Activities</b>		
Excess of revenues over (under) expenses	\$ 112,714	143,512
Adjustments to reconcile net earnings to net cash provided (used) by operating activities		
Depreciation and amortization	64,322	129,912
(Gain) loss on disposition of assets	-	(107,269)
(Increase) decrease in:		
Receivables	(26,998)	4,889
Inventories	3,166	41,154
Deferred charges and prepaid expenses	8,146	(6,568)
Increase (decrease) in:		
Accounts payable	(50,484)	130,934
Accrued expenses	7,362	(267)
Due from affiliated organization	(27,223)	(37,014)
Net cash provided by operating activities	91,005	299,283
<b>Cash Flows from Investing Activities</b>		
Purchase of equipment	(24,806)	(6,803)
Proceeds from disposition of assets	-	132,056
Net cash provided (used) by investing activities	(24,806)	125,253
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	-	300,000
Repayments of debt	(60,381)	(494,153)
Net cash used by financing activities	(60,381)	(194,153)
Net increase in cash	5,818	230,383
Cash and (Cash overdraft) at beginning of year	109,317	(121,066)
Cash at end of year	\$ 115,135	109,317
<b>Supplemental disclosures:</b>		
Interest, including finance charges paid	\$ 60,536	100,648
Non-cash investing and financing transactions:		
Acquisition of equipment	\$ 11,300	-
Installment indebtedness incurred	\$ 11,300	-

See accompanying notes to financial statements.



**SUNDAY SCHOOL AND CHURCH TRAINING BOARD  
AND RANDALL HOUSE PUBLICATIONS**

**Notes to Financial Statements**

For the nine months ended November 30, 1992 and the year ended February 29, 1992

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

During the year the Board approved a change in its fiscal year end from the last day of February to November 30.

**(1) Summary of Significant Accounting Policies**

**Inventories**

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

**Property, Plant and Equipment**

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

**Income Taxes**

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

**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 of three months or less to be cash and cash equivalents.

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

Depreciation and amortization charged to operations computed on the straight-line method was \$64,322 for the nine months ended November 30, 1992 and \$129,912 for the year ended February 29, 1992.

Equipment includes capitalized leases as follows:

	November 30, 1992	February 29, 1992
Printing service equipment	\$ 127,250	127,250
Office and administrative equipment	151,746	140,446
	278,996	267,696
Less accumulated amortization	170,021	139,577
	<u>\$ 108,975</u>	<u>128,119</u>

**SUNDAY SCHOOL AND CHURCH TRAINING BOARD  
AND RANDALL HOUSE PUBLICATIONS**

**Notes to Financial Statements, continued**

**(3) Notes Payable, Long-term Debt and Capitalized Lease Obligations**

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

	November 30, 1992	February 29, 1992
Notes payable:		
Note payable on demand to Board of Retirement and Insurance of the National Association of Free Will Baptists at 2% above bank prime (see below for security agreement).	\$ 172,046	190,000
Long-term debt:		
13.5% equipment obligations, maturing through December 1995, payable monthly \$394 including interest, secured by related equipment.	\$ 11,914	17,945
11.5% installment obligation payable to the Board of Retirement and Insurance of the National Association of Free Will Baptists, payable in monthly installments of \$2,461 including interest, through 2001 secured by first mortgage lien against all real property and improvements, and a first security interest in all accounts receivable, inventory, equipment and trade fixtures.	159,750	167,713
Total long-term debt	171,664	185,658
Capital lease obligations: 9.1% to 16.8% obligations under capital leases payable monthly \$5,402 - see note 2	90,049	118,482
	261,713	304,140
Less current maturities of long-term debt and capital lease obligations	60,059	67,486
	<u>\$ 201,654</u>	<u>236,654</u>

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 16.8% based on the lessor's implicit rate of return.

The following is a schedule, by years, of maturities of long term debt and future minimum lease payments under capital leases as of November 30, 1992.

	November 30, 1992	Long-Term Debt	Capital Leases
1993	\$ 15,119	54,423	
1994	17,017	29,565	
1995	19,156	15,930	
1996	16,982	5,155	
1997	18,605	1,200	
1998	20,861	-	
1999 and thereafter	63,924	-	
Total maturities of long-term debt	\$ 171,664	106,273	
Less amount representing interest		16,224	
Present value of net minimum lease payments			<u>\$ 90,049</u>



# SUNDAY SCHOOL AND CHURCH TRAINING BOARD AND RANDALL HOUSE PUBLICATIONS

Notes to Financial Statements, continued

## (4) Operating Leases

The Board leases certain equipment under operating leases. Rent expense under such operating leases amounted to \$16,815 for the nine months ended November 30, 1992 and \$29,185 for the year ended February 29, 1992.

Minimum annual rentals under noncancelable operating leases are as follows:

1993	\$	16,895
1994		12,105
1995		1,456
1996		242
	\$	<u>30,698</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 is matched up to a maximum of 5% of compensation. Employees with two years of service may participate. Pension expenses amounted to \$14,481 for the nine months ended November 30, 1992 and \$20,145 for the year ended February 29, 1992. The pension plan is a defined contribution plan. Under the plan, an account is maintained for each participant and upon retirement the participant can either receive a lump-sum distribution or purchase one of several types of annuity contracts.

## (6) Youth Department

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

	November 30, 1992	February 29, 1992
Revenue from conferences and related services	\$ 99,356	75,084
Expenditures for conferences and related services	60,685	51,921
General and administrative expenses	36,376	66,388
Total expenditures	97,061	118,309
Excess of revenue over (under) expenses	\$ 2,295	<u>(43,225)</u>

## (7) Agreement with Affiliated Organization to Distribute Hymns

The Board has agreed to warehouse and distribute hymns for the Executive Office 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 hymn sold, to the Executive Board. As of November 30, 1992 the Board was warehousing approximately 14,426 hymns with an estimated replacement value of \$138,000. The following summarizes the transactions under this agreement as of November 30, 1992:

	Nine months Ended November 30, 1992	Since Inception
Amount due to Executive Office at beginning of period	\$ 27,019	-
Total sales of hymns	54,675	814,519
Less total commissions earned	(3,509)	(71,334)
Less remittances made to the Executive Office	(78,389)	(743,389)
Amount due from Executive Office at end of period	\$ <u>(204)</u>	<u>(204)</u>

# SUNDAY SCHOOL AND CHURCH TRAINING BOARD AND RANDALL HOUSE PUBLICATIONS

Notes to Financial Statements, continued

## (8) Inventory

Inventory consists of denomination literature and materials a portion of which will not be sold within one year. These long-term inventory items consist of literature which will be used on a cycle basis ranging from two years to seven years and published books. The following summarizes the inventory by major type between that which is classified as current as compared to long-term as of November 30, 1992.

	Current Asset	Long-term Asset
Bookstore merchandise	\$ 45,613	-
Printing production and preparation raw materials	21,293	-
Work in process	67,363	-
Finished literature:		
Curriculum	50,000	-
Shipping miscellaneous	137,020	-
Lifquest material	5,000	45,935
Randall House Books and merchandise	65,000	101,604
Spanish curriculum	40,000	370,359
	431,289	517,898
Allowance for obsolescence	-	75,000
Total inventory	\$ <u>431,289</u>	<u>442,898</u>

## (9) Concentration of Credit Risk

The Board is a distributor of bible based sunday school and church training curriculum, and other denominational publications. The Board extends credit to its customers which consist primarily of Free Will Baptist churches and religious bookstores. These accounts are not collateralized and are subject to accounting risk of loss amounting to the outstanding balance at any point in time.

## (10) Disposition of Property

During the year ended February 29, 1992, the Board received \$108,300 from the State of Tennessee for the sale of approximately one quarter of an acre of land. This transaction resulted in a gain of \$103,695.

The Board has received a \$1,000 deposit as earnest money on the pending sale of 3.58 acres. The contract sales price is \$275,000. The Board is responsible for all closing expenses and commissions. The purchaser has the right to terminate the agreement prior to closing.



Dear Free Will Baptists:

The pages that follow list the salaries of the management of Randall House Publications. We have a staff of twenty-four full-time employees and nine part-time employees. Our total payroll is \$676,414.99 annually. Our benefit packages are nominal. Our employees have a total of 466 years of service to Randall House Publications.

We are a manufacturing plant which requires skilled workers. Most of our employees could command a higher salary working elsewhere. They choose to work in a Christian environment and do service for their Lord. All of our employees are Christians.

We maintain high standards of morality and dress codes. All of our employees are expected to attend their church and participate in its activities.

I thank the Lord for every employee the Lord has sent our way.

Yours in His service,  
Randall House Publications

Dr. Roger C. Reeds  
General Director

RCR:csl

<b>General Director (31 years service)</b>		\$38,000.00
Salary		15,000.00
Housing and Utilities		4,055.00
Social Security		520.00
Retirement		2,252.00
Insurance		
Life	602.00	
Medical	1,080.00	
Dental	144.00	
Disability	426.00	
<b>Total</b>		<u>\$59,827.00</u>

Note: The Board either pays mileage or furnishes a travel car.

<b>Business Manager (16 years service)</b>		\$30,348.50
Salary		2,321.66
Social Security		5,353.31
Insurance		
Life	133.32	
Medical	4,567.08	
Dental	440.76	
Disability	212.15	
<b>Total</b>		<u>\$38,023.47</u>

<b>Customer Service Manager (14 years service)</b>		\$26,390.00
Salary		2,018.84
Social Security		5,283.02
Insurance		
Life	90.72	
Medical	4,567.08	
Dental	440.76	
Disability	184.46	
<b>Total</b>		<u>\$33,691.86</u>

<b>*Editor-in-Chief - Adult Curriculum (15 years service)</b>		\$15,600.00
Housing Allowance		2,300.01
Insurance		
Life	749.76	
Medical	1,080.00	
Dental	143.76	
Disability	326.49	
<b>Total</b>		<u>\$17,900.01</u>

<b>Design Department Manager (10 years service)</b>		\$24,278.80
Salary		1,857.33
Social Security		2,744.88
Insurance		
Life	85.20	
Medical	2,352.84	
Dental	143.76	
Disability	163.08	
Retirement		1,196.00
<b>Total</b>		<u>\$30,077.01</u>



**Printing Production Manager (20 years service)**

Salary		\$34,118.24
Social Security		2,610.05
Insurance		2,869.80
Life	133.32	
Medical	2,352.84	
Dental	143.76	
Disability	239.88	
Retirement		1,690.00
<b>Total</b>		<b>\$41,288.09</b>

**Youth Division Director (3 years service)**

Salary		\$21,112.00
Social Security		1,615.07
Insurance		5,240.61
Life	85.20	
Medical	4,567.08	
Dental	440.76	
Disability	147.57	
Retirement		1,040.00
<b>Total</b>		<b>\$29,007.67</b>

**Sales Manager (8 years service)**

Salary		\$16,430.18
Housing		9,180.00
Social Security		1,959.20
Insurance		2,884.03
Life	85.20	
Medical	2,351.88	
Dental	320.00	
Disability	126.95	
Retirement		894.40
<b>Total</b>		<b>\$31,347.81</b>

**Shipping Manager (18 years service)**

Salary		\$23,751.00
Social Security		1,816.95
Insurance		2,747.85
Life	85.20	
Medical	2,352.84	
Dental	143.76	
Disability	166.05	
Retirement		702.00
<b>Total</b>		<b>\$29,017.81</b>

\*Part-time Editor

**A Cost Comparison Report  
1993**

	SP	GL	ST	**UGP	AY	DCC	RHP
Nursery Teacher	3.99	3.69	3.65		3.75	3.99	3.50
Teacher's Resource Pkt	8.59	8.69	8.75		8.75	9.19	8.95
Pupil's Handwork	1.99	1.89	1.95		1.95	2.09	1.85
Bible Lesson Cards	1.89				1.99		1.85
Preschool Teacher	3.99	3.69	3.65	1.35	3.75	3.99	3.50
Teacher's Resource Pkt	8.59	8.69	8.75	6.00	8.75	9.19	8.95
Preschool Student	1.99	1.89	1.95	1.25	1.95		1.85
Preschool Workbook	1.99				1.99	2.09	1.85
Picture Lesson Cards				.75			1.75
Primary Teacher	3.99	3.69	3.65	1.35	3.75	3.99	3.50
Visual Packet	8.59	8.69	8.75	6.00	8.75	9.19	8.95
Primary Student	1.99	1.89	1.95	1.25	1.99	2.09	1.85
Primary Workbook				1.20	1.95	2.09	1.85
*Memory Verse Packet							8.95
Junior Teacher	3.99	3.69	3.65	1.35	2.95	3.99	3.50
Visual Packet	8.59	8.69	8.75	6.00		9.19	8.95
Junior Student	1.99	1.89	1.95	1.45	2.30		1.85
Junior Workbook					2.30	2.09	1.85
Teen Teacher	3.99	14.99	3.65	1.45	3.65	3.99	3.50
Visual Packet	8.59		8.75			9.19	8.95
Teen Student	1.99	6.99	2.95	1.45	2.30	2.09	1.85
*Teen Workbook							1.85
High Teen Teacher	3.99	14.99	3.65	1.65	3.65	3.99	3.50
Visual Packet	9.99		8.75			9.19	8.95
High Teen Student	1.99	6.99	2.95	1.45	2.30	2.09	1.85
*High Teen Workbook							1.85
Bible Teacher				1.65			3.50
Visual Packet			8.75				
Challenge (Young Adult)				1.50			1.85
Bible Teacher	3.99	14.99	3.65	3.20	3.65	3.99	3.50
Bible Scholar	1.99	6.99	2.10	1.60	2.45	2.19	1.85
Bible Scholar (Lge Prt)	2.79		2.95		3.15	2.59	1.95
Visual Packet	9.99					9.19	
Visitor's Lesson Lfl					2.15	2.09	1.85

SP = Scripture Press

AY = Free Will Baptist Press

RHP = Randall House Publications

DCC = David C. Cook

\*\*UGP = Union Gospel Press

GL = Gospel Light

ST = Standard

\*\*In order for a price comparison to be accurate one needs to make a visual comparison. For instance it may appear that Union Gospel Press has lower prices than us or others but they generally run quite a few pages shorter in their publications.

\*Only available from Randall House.

Please note that most companies are charging far more for their products than Randall House Publications. Save money, receive quality, and preserve sound doctrine by purchasing your literature at Randall House Publications.



## 1994 Budget

### Revenues

Sales	\$ 2,201,358.60
Freight and Handling	84,000.00
Youth Ministries	112,000.00
Miscellaneous Income	15,000.00
	<u>\$ 2,412,358.60</u>

### Expenses

Cost of Outside Purchases	\$ 220,500.00
Editorial	139,500.00
Preparation	145,325.00
Production	591,900.00
Spanish	23,700.00
Depreciation	15,000.00
	<u>\$ 1,135,925.00</u>

### General Expenses

Youth Division	\$ 107,675.00
Sales Division	87,000.00
Bookstore	50,300.00
Administration	99,100.00
Accounting	149,100.00
Shipping	133,500.00
Building	116,400.00
General	452,000.00
	<u>\$ 1,195,075.00</u>

### Total All Expenses

\$ 2,331,000.00

### Net Income

\$ 81,358.60

### Expenses

Cost of Outside Purchases	
Curriculum	\$ 52,000.00
Merchandise	108,500.00
Bookstore	60,000.00
	<u>\$ 220,500.00</u>

#### Editorial

Salaries	\$ 41,000.00
Housing	28,800.00
Travel	2,000.00
Supplies	1,000.00
Writer's Fees	40,000.00
Royalties	4,000.00
Conventions and Seminars	1,000.00
Dues and Subscriptions	300.00
Postage	200.00
Telephone	400.00
FICA	4,500.00
Retirement	4,000.00
Insurance	12,000.00
Miscellaneous	300.00
	<u>\$ 139,500.00</u>

#### Preparation

Salaries	\$ 110,525.00
Travel	1,000.00
Supplies	4,000.00
Equipment Maintenance	2,000.00
Art Services	5,000.00
Postage	200.00
Telephone	700.00
FICA	8,000.00
Retirement	1,600.00
Insurance	12,000.00
Miscellaneous	300.00
	<u>\$ 145,325.00</u>

#### Production

Salaries	\$ 135,000.00
Travel	1,000.00
Supplies	20,000.00
Equipment Maintenance	12,000.00
Stock	180,000.00
Parts	4,000.00
Ink	8,000.00
Outside Printing	180,000.00
Plates	12,000.00
Postage	300.00
Telephone	600.00
FICA	14,000.00
Retirement	6,000.00
Insurance	16,000.00
Miscellaneous	3,000.00
	<u>\$ 591,900.00</u>

#### Spanish

Salaries	\$ 12,700.00
Supplies	200.00
Translation	3,000.00
Postage	600.00
Telephone	1,500.00
FICA	2,000.00
Retirement	1,100.00
Insurance	1,600.00
Miscellaneous	1,000.00
	<u>\$ 23,700.00</u>

#### Depreciation

\$ 15,000.00

#### Total Cost of Sales

\$ 1,135,925.00

### General Expenses

#### Youth Division

Salaries	\$ 25,675.00
Travel	2,000.00
NYC '94	40,000.00
Truth & Peace '94	24,000.00
YET '94	3,000.00
Conventions & Seminars	500.00
Dues & Subscriptions	100.00
Postage	1,000.00
Printing	500.00
Telephone	600.00
FICA	2,600.00
Retirement	1,300.00
Insurance	5,400.00
Miscellaneous	1,000.00
	<u>\$ 107,675.00</u>

#### Sales Division

Salaries	\$ 22,500.00
Housing	9,500.00
Travel	15,000.00
Supplies	1,200.00
Advertising	9,000.00
Promotion	6,000.00
Conventions & Seminars	6,000.00
Dues & Subscriptions	300.00
Postage	8,000.00
Telephone	500.00
Retirement	1,000.00
Insurance	6,000.00
Miscellaneous	2,000.00
	<u>\$ 87,000.00</u>



Bookstore	
Salaries	\$ 33,000.00
Supplies	900.00
Equipment Rental	900.00
Advertising	4,000.00
Postage	200.00
Telephone	1,100.00
FICA	3,000.00
Retirement	1,000.00
Insurance	5,200.00
Miscellaneous	1,000.00
	<u>\$ 50,300.00</u>
Administrative	
Salaries	\$ 58,000.00
Housing Allowance	15,000.00
Social Security	4,200.00
Entertainment	200.00
Travel	4,000.00
Auto Expense	2,000.00
Auto Lease	4,700.00
Supplies	200.00
Equipment Rental	1,600.00
Conventions & Seminars	300.00
Dues and Subscriptions	300.00
Postage	600.00
Telephone	1,200.00
FICA	1,600.00
Retirement	1,700.00
Insurance	2,500.00
Miscellaneous	1,000.00
	<u>\$ 99,100.00</u>
Accounting	
Salaries	\$ 93,100.00
Supplies	5,000.00
Equipment Maintenance	6,000.00
Postage	5,000.00
Telephone	12,000.00
FICA	8,000.00
Retirement	2,000.00
Insurance	16,000.00
Miscellaneous	2,000.00
	<u>\$ 149,100.00</u>

Shipping	
Salaries	\$ 57,000.00
Supplies	8,000.00
Equipment Maintenance	1,000.00
Equipment Rental	500.00
Freight	44,000.00
Postage	6,000.00
Telephone	1,000.00
FICA	4,500.00
Retirement	1,500.00
Insurance	8,000.00
Miscellaneous	2,000.00
	<u>\$ 133,500.00</u>
Building	
Salaries	\$ 42,000.00
Supplies	8,000.00
Maintenance	6,000.00
Utilities	32,000.00
Insurance (Building)	12,000.00
Telephone	1,000.00
FICA	4,000.00
Retirement	1,600.00
Insurance	6,800.00
Miscellaneous	3,000.00
	<u>\$ 116,400.00</u>
General Expenses	
Automobile Expense	\$ 1,500.00
Automobile Lease	4,000.00
Supplies	1,000.00
Equipment Maintenance	9,000.00
Equipment Rental	4,500.00
Board Travel & Expense	16,000.00
Legal & Auditing	12,000.00
Taxes	8,000.00
Payroll Services	4,000.00
Depreciation	65,000.00
Interest Expense	40,000.00
Debt Retirement	275,000.00
Miscellaneous	12,000.00
	<u>\$ 452,000.00</u>
Total General Expenses	\$ 1,195,075.00
Total All Income	\$ 2,412,358.60
Total All Expenses	2,331,000.00
Net Income	<u>\$ 81,358.60</u>

## Home Missions Board Report

The Lord was good to the Home Missions Department during 1992. Eighty seven (87) families of missionaries, associate missionaries, tentmakers, and Mexican national pastors served under the National Home Missions Board in planting Free Will Baptist churches.

Seven (7) missionary families were approved during 1992. They were:

Sandy and Phyllis Adams, Louisville, Kentucky  
 Dwayne and Janice Broad, Fredericton, New Brunswick, Canada  
 James and Charlotte Childers, Chesnee, South Carolina  
 Ken and Bonnie Doggett, Springfield, Illinois  
 Joel and Hope Nason, Laconia, New Hampshire  
 Frank and LaDonna Owens, Waldorf, Maryland  
 Terry and Ramona Van Winkle, Overland Park, Kansas

Two tentmakers, Don Cook, Hanover, Pennsylvania, and Jim Garrett, Paducah, Kentucky, were also approved.

Fourteen (14) church loans for a total of \$2,057,336.00 were approved from the Church Extension Loan Fund. Sixty eight (68) loans have been made from the Loan Fund. The Fund grew to \$5,260,620.00.

Missionary Builder, Howard Gwartney, and his "Helping Hands" crew of volunteer workers erected eight (8) new church buildings in 1992.

Eight (8) Free Will Baptist chaplains ministered to the men and women of the military. They were: Chaplain Terry Austin, Chaplain James Bishop, Chaplain Bill Conlon, Chaplain Robert Cooper, Chaplain Larry Langford, Chaplain Gerald Mangham, Chaplain Kerry Steedley, and Chaplain Tim Sturgill, U. S Air Force. Several National Guard and Reserve chaplains are endorsed by the Home Missions Department. One police chaplain also serves.

Fourteen (14) Old Time Camp Meetings were conducted in various parts of the country by the Home Missions Traveling Team. An Old Time Camp Meeting was also held at the National Association in Indianapolis, Indiana.

The ninth (9th) annual Roll Call Sunday was observed on March 29 with a total attendance of 231,117, with 2,610 churches reporting. A total of 558 souls were saved on that day.

The "Build My Church" Campaign grew to \$329,472.00. The purpose of this campaign is to raise \$1,000,000.00 (one million dollars) in gifts to the Church Extension Loan Fund. The principle will be loaned to mission churches to erect buildings, and the interest will be given to mission churches to purchase property. It will take only 650 churches and individuals giving \$1,000 each to reach this goal. The money will never be spent, but will always be used to build churches until Jesus comes!

Benjamin Randall Day, November 22, 1992, was observed with a



tremendous response of \$161,050.00 given by churches and individuals. A copy of *Benjamin Randall's Journal* compiled and typed by the Home Missions staff was sent to individuals, pastors, and auxiliaries assisting with this generous offering.

A new *Free Will Baptist Home Missions Handbook* was adopted by the National Home Missions Board.

A faithful and dedicated staff served Home Missions well during 1992. They are:

Trymon Messer, Associate Director  
Richard Adams, Director of Development  
Bill Daniel, Director of Communications  
Pat Thomas, Publications Editor  
Kathy Brown, Bookkeeper  
Joan Gardner, Evangelism Secretary  
Carolyn Adams, CELF Secretary  
Pam Anis, Secretary  
Roy Thomas, General Director

Pray for us as we seek to place "Missionaries In Every State For Churches In Every City."

Respectfully submitted,  
Roy Thomas, General Director

### Synopsis of Minutes of

### National Home Missions Board Meetings for 1992

May 4-6, 1992, the Board met in its conference room at the National Offices in Nashville, Tennessee, with all members present.

Interest rates in the Church Extension Loan Fund were lowered to 10%. Loans were approved to:

Oregon Trail Free Will Baptist Church, Portland, Oregon, \$105,000  
Heritage Free Will Baptist Church, Shreveport, Louisiana, \$201,000  
East Valley Free Will Baptist Church, Mesa, Arizona, \$300,000  
Keystone Free Will Baptist Church, Hanover, Pennsylvania, \$130,000  
Waipahu Free Will Baptist Church, Waipahu, Hawaii, \$40,000  
Manomet Free Will Baptist Church, Plymouth, Massachusetts, \$131,000  
Cathedral of the Cross FWB Church, Chandler, Arizona, \$250,000  
Good News Free Will Baptist Church, Chesterfield, Virginia, \$230,000  
Grace Free Will Baptist Church, Nashville, Tennessee, \$75,000

These applicants were approved as home missionaries:  
Joel and Hope Nason, Laconia, New Hampshire; Ken and Bonnie Doggett, Springfield, Illinois; Terry and Ramona Van Winkle, Overland Park, Kansas; Don and Bonnie Cook as tentmakers to Hanover, Pennsylvania.

June 5, 1992, a committee consisting of Earl Hendrix, J. D. Norris, and

Wendell Walley met in Nashville, Tennessee, and approved James and Charlotte Childers as missionaries to Chesnee, South Carolina.

June 30, 1992, the Board had a telephone conference call with all members on line. They approved a loan for the Clovis, California FWB Church for \$120,000, which did not materialize, and voted to transfer \$100,000 undesignated money in the Church Extension Loan Fund to the General Fund.

July 20-21, 1992, all members were present in Indianapolis, Indiana. They met with Rev. Joe Rager and a delegation from Heritage Free Will Baptist Church, Elkhart, Indiana, concerning their church loan. They met with Dick Byers, an architect from New Castle, Indiana, about drawing plans for home missions churches.

The following loans were approved:

Free Will Baptist Church, Paducah, Kentucky, for \$35,000;  
Exchanged a note of \$42,000 with Heritage Temple FWB Church, Gilbert, Arizona for church bonds;  
First Free Will Baptist Church, Antioch, California, \$70,000.

September 22, 1992, all Board members except Wendell Walley were on line for a telephone conference call to approve a loan to Victory Free Will Baptist Church, Hanover, Pennsylvania, for \$156,000.

October 9, 1992, a committee consisting of Rue Dell Smith, Wendell Walley, and Glenn Thomas, along with Murray Southwell, David Nobles, and Lonnie Salyers, members of the Maryland State Mission Board, met in Nashville, Tennessee, to approve Frank and LaDonna Owens as missionaries to Waldorf, Maryland.

October 12, 1992, all members were on line for a telephone conference call to approve a loan to the National Offices for \$260,824.

November 16-17, 1992, the Finance Committee of Earl Hendrix, Lynn Wood, and J. D. Norris met in Nashville, Tennessee. They voted to receive an irrevocable trust of \$150,000 from Philadelphia Free Will Baptist Church, Columbus, Ohio. The following loans were approved:

Free Will Baptist National Offices, an additional \$640,000, bringing their total to \$900,824.

Goodlettsville, Tennessee, Free Will Baptist Church, \$70,000  
Smyrna, Tennessee, Free Will Baptist Church, \$50,000

November 19, 1992, all members were on line for a telephone conference call to approve the actions recommended by the Finance Committee, November 16 and 17.

December 9-10, 1992, all members were present in the conference room in the National Offices building in Nashville, Tennessee. Dwayne and Janice Broad were approved as missionaries to Fredericton, New Brunswick, Canada. Sandy and Phyllis Adams were approved as missionaries to Louisville, Kentucky. Loans were approved to:

Ambassador Free Will Baptist Church, Cincinnati, Ohio, \$35,000  
Heritage Free Will Baptist Church, Davenport, Iowa, \$100,000

A new *Home Missions Handbook* was adopted. A new copier, FAX, and labeling machines were purchased. The General Director's car was replaced.



**THONI, HINTON & WARREN**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the  
Board of Home Missions of the National  
Association of Free Will Baptists of the  
United States of America, Inc.

We have audited the accompanying balance sheet of the Board of Home Missions of the National Association of Free Will Baptists of the United States of America, Inc. (a nonprofit organization) as of December 31, 1992, and the related statements of support and revenue, expenses and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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 Board of Home Missions of the National Association of Free Will Baptists of the United States of America, Inc. as of December 31, 1992 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

*Thoni, Hinton & Warren*

February 10, 1993

BOARD OF HOME MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
OF THE UNITED STATES OF AMERICA, INC.

Balance Sheet  
December 31, 1992

ASSETS

	Operating Fund	Plant Fund	Total All Funds
<u>Assets</u>			
Cash	\$113,607	\$	\$113,607
Investments, at cost - Note 2	217,786		217,786
Investments in Church Extension			
Loan Fund - Note 7	173,069		173,069
Inventory - Note 1	7,810		7,810
Property and equipment, at cost, less accumulated depreciation of \$24,819 - Notes 1 & 3		74,310	74,310
Capitalized lease - Note 4	17,392		17,392
Real property held for sale, at cost	31,204		31,204
Total assets	\$560,868	\$ 74,310	\$635,178

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>			
Accounts payable and accrued expenses - Note 7	\$ 14,085	\$	\$ 14,085
Deferred compensation - Note 5	153,697		153,697
Notes payable - related party - Note 8	30,401	19,245	49,646
Restricted deferred revenue - missionary accounts - Notes 1 & 6	410,641		410,641
Total liabilities	608,824	19,245	628,069

Commitments - Note 10

<u>Fund balances (deficit)</u>	( 47,956)		( 47,956)
Unrestricted			
Net investment in property and equipment		55,065	55,065
Total fund balances	( 47,956)	55,065	7,109
Total liabilities and fund balances	\$560,868	\$ 74,310	\$635,178

See accountants' report and accompanying  
notes to the financial statements.



BOARD OF HOME MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
OF THE UNITED STATES OF AMERICA, INC.  
Statement of Support and Revenue, Expenses and Changes in Fund Balances  
For the Year Ended December 31, 1992

	<u>Operating Fund</u>		<u>Plant</u>	<u>Total</u>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Fund</u>	<u>All Funds</u>
Support and revenue:				
Cooperative program	\$ 60,415	\$ 244,605	\$	\$ 305,020
Designated contributions - Notes 6 & 7	569,822	1,460,556		2,030,378
Management fees - Note 7	60,000			60,000
Interest income	24,065			24,065
Gain (loss) on disposal of property and equipment	370			370
Gain (loss) on disposal of investments	( 7,047)			( 7,047)
Total support and revenue	<u>707,625</u>	<u>1,705,161</u>		<u>2,412,786</u>
Expenses:				
Administrative expenses	574,994			574,994
Missionary expenses		1,705,161		1,705,161
Plant fund			8,462	8,462
Total expenses	<u>574,994</u>	<u>1,705,161</u>	<u>8,462</u>	<u>2,288,617</u>
Excess (deficiency) of support and revenue over expenses	132,631	-0-	( 8,462)	124,169
Transfer of equipment loan to Plant Fund	19,245		( 19,245)	
Equipment purchases and dispositions	( 40,508)		40,508	
Fund balance (deficit) - beginning of year	( 159,324)		42,264	( 117,060)
Fund balance (deficit) - end of year	<u>(\$ 47,956)</u>	<u>\$ -0-</u>	<u>\$ 55,065</u>	<u>\$ 7,109</u>

See accountants' report and accompanying  
notes to the financial statements.

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BOARD OF HOME MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
OF THE UNITED STATES OF AMERICA, INC.  
Statement of Cash Flows  
For the Year Ended December 31, 1992

	<u>Operating</u>	<u>Plant</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>All Funds</u>
<u>Operating activities</u>			
Excess (deficiency) of support and revenue over expenses	\$132,631	(\$ 8,462)	\$124,169
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation		8,462	8,462
Amortization	940		940
(Gain) loss on disposal of property and equipment	( 370)		( 370)
(Gain) loss on disposal of investments	7,047		7,047
Changes in operating assets and liabilities:			
(Increase) decrease in inventories	1,251		1,251
Increase (decrease) in accounts payable and accrued expenses	562		562
Increase (decrease) in deferred compensation	13,380		13,380
Increase (decrease) in restricted deferred revenue	<u>92,386</u>		<u>92,386</u>
Net cash provided by operating activities	<u>247,827</u>	<u>-0-</u>	<u>247,827</u>
<u>Investing activities</u>			
Disposition of investments	55,467		55,467
Purchase of investments	( 173,069)		( 173,069)
Proceeds on sale of property and equipment	1,000		1,000
Purchase of property and equipment	( 41,138)		( 41,138)
Net cash used in investing activities	<u>( 157,740)</u>	<u>-0-</u>	<u>( 157,740)</u>
<u>Financing activities</u>			
Payments on notes payable	( 4,807)	-0-	( 4,807)
Net cash used by financing activities	<u>( 4,807)</u>	<u>-0-</u>	<u>( 4,807)</u>
Increase (decrease) in cash and cash equivalents	85,280	-0-	85,280
Cash and cash equivalents at beginning of year	<u>28,327</u>	<u>-0-</u>	<u>28,327</u>
Cash and cash equivalents at end of year	<u>\$113,607</u>	<u>\$ -0-</u>	<u>\$113,607</u>
<u>Supplemental disclosures</u>			
Cash paid during the year for interest	<u>\$ 7,445</u>	<u>\$ -0-</u>	<u>\$ 7,445</u>

See accountants' report and accompanying  
notes to the financial statements.

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BOARD OF HOME MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
OF THE UNITED STATES OF AMERICA, INC.  
Notes to the Financial Statements  
December 31, 1992

Note 1 - Organization and summary of significant accounting policies

The Board of Home Missions of the National Association of Free Will Baptists of the United States of America, Inc. is a nonprofit organization affiliated with the National Association of Free Will Baptists. The purpose of the Organization is to establish and support Free Will Baptist Mission churches in the United States and Mexico.

The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code under a group exemption of the National Association of Free Will Baptists, Inc.

The following significant accounting policies have been followed in the preparation of the financial statements:

Fund accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization 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 established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Property and equipment and depreciation

Property and equipment is stated at acquisition cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives range from 3-20 years.

Cash equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Inventory

Inventory is stated at the lower of cost (first in, first out method) or market.

Restricted deferred revenue

Deferred revenues in the restricted funds result from contributions which have been restricted by the donor for a specific purpose. Revenue in the restricted funds is recognized only to the extent that related expenses have been incurred.

BOARD OF HOME MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
OF THE UNITED STATES OF AMERICA, INC.  
Notes to the Financial Statements  
December 31, 1992

Note 2 - Investments

The Organization invests in government securities mutual funds. Management believes that the Fund has both the intention and ability to hold these funds to maturity; therefore, these funds are valued at amortized cost. Investments are comprised of the following:

	<u>Cost</u>	<u>Market</u>
Mutual funds	<u>\$217,786</u>	<u>\$193,287</u>

The following tabulation summarizes the relationship between carrying values and market values of investment assets:

	<u>Carrying Value</u>	<u>Market Value</u>	<u>Excess of Market Over(Under) Cost</u>
Balance at end of year	<u>\$217,786</u>	<u>\$193,287</u>	<u>(\$ 24,499)</u>
Balance at beginning of year	<u>\$280,300</u>	<u>\$253,396</u>	<u>(\$ 26,904)</u>
Increase in unrealized appreciation			<u>2,405</u>
Realized gain (loss) for year			<u>( 7,047)</u>
Total net gain (loss) for the year			<u>(\$ 4,642)</u>
The average annual yield exclusive of net gains (losses) was 7.3%.			

Note 3 - Property and equipment

A summary of property and equipment is as follows:

Automobile	<u>\$ 27,460</u>
Office furniture & equipment	<u>71,669</u>
	<u>99,129</u>
Less: Accumulated depreciation	<u>( 24,819)</u>
	<u>\$ 74,310</u>

Note 4 - Capitalized leases

The National Association of Free Will Baptists purchased an office building to house various departments and agencies of the denomination. The Board has entered into an agreement to lease space in this new building and agreed to contribute to the debt service costs during the construction period and to continue until the debt has been retired. The construction period costs of \$18,802 were capitalized and will be amortized over a period of twenty years. Amortization expense for the year amounted to \$940.



BOARD OF HOME MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
OF THE UNITED STATES OF AMERICA, INC.  
Notes to the Financial Statements  
December 31, 1992

Note 5 - Deferred compensation

The Board of Home Missions provides deferred compensation for each employee based on a formula combining a percent of salary and years of service. The compensation is payable to the employee when employment is terminated. The following is a summary of the deferred compensation account.

Balance at beginning of year	\$140,317
Contribution for the year	
Missionaries	23,735
Administrative employees	10,902
Transfer and terminations	( 21,257 )
Balance at end of year	<u>\$153,697</u>

Note 6 - Restricted deferred revenue

Change in restricted deferred revenue is as follows:

	<u>Missionary</u>
	<u>Accounts</u>
Cooperative program	\$ 244,605
Designated contributions	<u>1,552,942</u>
	1,797,547
Revenue recognized in the current year (expenses)	<u>( 1,705,161 )</u>
Increase in deferred revenue	92,386
Balance, December 31, 1991	<u>318,255</u>
Balance, December 31, 1992	<u>\$ 410,641</u>

Note 7 - Related party transactions

The Board of Home Missions provides office space for and pays the salaries of the employees of a related party, the Church Extension Loan Fund. During the year, the Church Extension Loan Fund paid the Board of Home Missions a management fee of \$60,000 to reimburse the cost of the office space and salaries. Included in the designated contributions of the Board of Home Missions is a \$170,000 transfer of excess funds from the Church Extension Loan Fund as authorized by the Board of Trustees. The Board of Home Missions then invested the money in a demand note of the Church Extension Loan Fund. The balance in this investment at year end was \$173,069. The Board of Home Missions is liable to the Church Extension Loan Fund in the amount of \$10,267, which is included in accounts payable at December 31, 1992.

BOARD OF HOME MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
OF THE UNITED STATES OF AMERICA, INC.  
Notes to the Financial Statements  
December 31, 1992

Note 8 - Notes payable - related party

Note payable to Church Extension Loan Fund, secured by office furniture, payable in monthly installments of \$544, which includes both principal and interest at 10%, maturing in 1995 \$ 19,245

Note payable to Church Extension Loan Fund, secured by a mortgage on property in Arkansas, payable in monthly installments of \$355 which includes both principal and interest at 10%, maturing in 2006 30,401  
\$ 49,646

The aggregate maturities of these notes are as follows:

1993	\$ 5,708
1994	6,306
1995	6,966
1996	5,172
1997	1,564
Thereafter	<u>23,930</u>
	<u>\$ 49,646</u>

See Note 7 for other related parties transactions.

Note 9 - Lease

The Board of Home Missions entered into a lease agreement on October 1, 1990 with the National Association of Free Will Baptists, Inc. for office and storage space. The rent expense for the year amounted to \$63,180. The term of the lease will expire when all mortgages on the building are satisfied, which approximates 22 years.

The future minimum lease payments are as follows:

1993	\$ 63,060
1994	63,060
1995	63,060
1996	63,060
1997	63,060
Thereafter	1,072,020

Note 10 - Commitments

The Board has pledged its property and equipment as collateral on a mortgage note that the National Association of Free Will Baptists, Inc. has with the Church Extension Loan Fund.



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**INDEPENDENT AUDITOR'S REPORT  
ON SUPPLEMENTARY INFORMATION**

To the Board of Trustees of  
the Board of Home Missions of the  
National Association of Free Will Baptists  
of the United States of America, Inc.

Our report on our audit of the basic financial statements of the Board of Home Missions for 1992 appears on page 1. We conducted our audit in accordance with generally accepted auditing standards for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Thoni, Hinton & Warren*

February 10, 1993

**BOARD OF HOME MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
OF THE UNITED STATES OF AMERICA, INC.**

**Schedule of Functional Expenses  
For the Year Ended December 31, 1992**

	Operating Fund		Plant	Total
	Unrestricted	Restricted	Fund	All Funds
<u>Administrative expenses</u>				
Salaries and wages	\$ 199,944	\$	\$	\$ 199,944
Payroll taxes	10,044			10,044
Housing allowance and employee benefits	67,788			67,788
Employee savings	8,220			8,220
Cost of literature	5,033			5,033
Promotion expense	86			86
Utilities	7,606			7,606
Office expense	11,880			11,880
Printing and postage	81,760			81,760
Rent expense	63,180			63,180
Professional fees	2,200			2,200
Auto and travel expense	37,629			37,629
Board meeting expense	11,548			11,548
Insurance expense	38,266			38,266
Telephone	10,001			10,001
Interest expense	7,514			7,514
Amortization	940			940
Miscellaneous	11,355			11,355
Total administrative expenses	574,994			574,994
<u>Missionary expenses</u>				
Salary and wages		1,352,159		1,352,159
Employee benefits		3,775		3,775
Employee savings		23,734		23,734
Promotion expense		3,705		3,705
Printing and postage		38,521		38,521
Auto and travel expense		70,766		70,766
Insurance expense		29,971		29,971
Missionary land & buildings		45,934		45,934
Designated contributions		80,347		80,347
Miscellaneous other expense		56,249		56,249
Total missionary expenses		1,705,161		1,705,161
<u>Plant fund</u>				
Depreciation			8,462	8,462
Total plant fund			8,462	8,462
Total expense	\$ 574,994	\$ 1,705,161	\$ 8,462	\$ 2,288,617

See accountants' report on supplementary information.



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 CERTIFIED PUBLIC ACCOUNTANTS

# INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the  
 Church Extension Loan Fund

We have audited the accompanying balance sheet of the Church Extension Loan Fund (a nonprofit organization) as of December 31, 1992, and the related statements of support and revenue, expenses and changes in fund balances and cash flows 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 comparative totals of the Church Extension Loan Fund as of December 31, 1991 were extracted from the financial statements for that year which were prepared by another auditor whose report, dated April 22, 1992, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Church Extension Loan Fund as of December 31, 1992 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

*Thoni, Hinton & Warren*

February 11, 1993

## CHURCH EXTENSION LOAN FUND Balance Sheet December 31, 1992 (With Comparative Totals for 1991)

	ASSETS			
	Unrestricted Operating Fund	Plant Fund	Total All Funds	
			1992	1991
<b>Assets</b>				
Cash	\$ 115,213	\$	\$ 115,213	\$1,023,534
Investments - Note 2	673,677		673,677	713,803
Accounts receivable - Notes 1 & 6	10,267		10,267	8,334
Notes receivable - Notes 1 & 6	4,391,073		4,391,073	2,553,690
Bonds receivable	43,785		43,785	
Accrued interest receivable	47,387		47,387	20,572
Property and equipment - at cost, less accumulated depreciation of \$8,870 - Notes 1 & 3		3,801	3,801	6,335
<b>Total assets</b>	<b>\$5,281,402</b>	<b>\$ 3,801</b>	<b>\$5,285,203</b>	<b>\$4,326,268</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accrued interest	\$ 49,158	\$	\$ 49,158	\$ 66,652
Revocable and irrevocable trusts	285,000		285,000	245,000
Deferred compensation	113,472		113,472	82,909
Notes payable - Notes 4 & 6	4,327,993		4,327,993	3,480,751
Note payable - other - Note 5	30,170		30,170	
<b>Total liabilities</b>	<b>4,805,793</b>		<b>4,805,793</b>	<b>3,875,312</b>
<b>Fund balances</b>				
Unrestricted	475,609		475,609	444,621
Restricted				
Net investment in property and equipment		3,801	3,801	6,335
<b>Total fund balances</b>	<b>475,609</b>	<b>3,801</b>	<b>479,410</b>	<b>450,956</b>
<b>Total liabilities and fund balances</b>	<b>\$5,281,402</b>	<b>\$ 3,801</b>	<b>\$5,285,203</b>	<b>\$4,326,268</b>

See accountants' report and accompanying notes to the financial statements.



CHURCH EXTENSION LOAN FUND  
Statement of Support and Revenue, Expenses and Changes in Fund Balances  
For the Year Ended December 31, 1992  
(With Comparative Totals for 1991)

	Unrestricted Operating Fund	Plant Fund	Total All Funds	
			1992	1991
Support and revenue:				
Designated contributions	\$ 79,773	\$	\$ 79,773	\$119,836
Undesignated contributions	59,830		59,830	350
Loan origination fees	13,260		13,260	3,500
Investment income	94,084		94,084	110,306
Interest income on notes receivable	320,175		320,175	230,181
Gain on sale of investment	2,945		2,945	
	<u>570,067</u>		<u>570,067</u>	<u>464,173</u>
Expenses:				
Interest expense	270,763		270,763	283,337
Office expense	3,039		3,039	1,116
Auto and travel	6,038		6,038	3,777
Management fee - Note 6	60,000		60,000	57,638
Promotion	18,793		18,793	10,721
Professional fees	10,446		10,446	9,981
Depreciation		2,534	2,534	2,535
Transfer to Free Will Baptists				
Home Missions - Note 6	<u>170,000</u>		<u>170,000</u>	
	<u>539,079</u>	<u>2,534</u>	<u>541,613</u>	<u>369,105</u>
Excess (deficiency) of support and revenue over expenses	30,988	( 2,534)	28,454	95,068
Fund balance - beginning of year	<u>444,621</u>	<u>6,335</u>	<u>450,956</u>	<u>355,888</u>
Fund balance - end of year	<u>\$475,609</u>	<u>\$ 3,801</u>	<u>\$479,410</u>	<u>\$450,956</u>

See accountants' report and accompanying  
notes to the financial statements.

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CHURCH EXTENSION LOAN FUND  
Statement of Cash Flows  
For the Year Ended December 31, 1992  
(With Comparative Totals for 1991)

	Operating Fund	Plant Fund	Total All Funds	
			1992	1991
<u>Operating activities</u>				
Excess (deficiency) of support and revenue over expenses	\$ 30,988	(\$ 2,534)	\$ 28,454	\$ 95,068
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation		2,534	2,534	2,535
Gain on sale of investments	( 2,945)		( 2,945)	
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	( 1,933)		( 1,933)	( 8,334)
(Increase) decrease in accrued interest receivable	( 26,815)		( 26,815)	( 10,251)
Increase (decrease) in accrued interest payable	( 17,494)		( 17,494)	32,640
Increase (decrease) in deferred compensation	<u>30,563</u>		<u>30,563</u>	<u>24,118</u>
Net cash provided by operating activities	<u>12,364</u>	<u>-0-</u>	<u>12,364</u>	<u>135,776</u>
<u>Investing activities</u>				
Sale of investments	43,071		43,071	
Collection on notes receivable	914,438		914,438	91,954
Additions to notes and bonds receivable	( 2,795,606)		( 2,795,606)	( 934,989)
Net cash used in investing activities	<u>( 1,838,097)</u>	<u>-0-</u>	<u>( 1,838,097)</u>	<u>( 843,035)</u>
<u>Financing activities</u>				
Additions to trusts	50,000		50,000	
Repayment of trusts	( 10,000)		( 10,000)	
Additions to notes payable	2,041,053		2,041,053	1,310,956
Repayment of notes payable	( 1,163,641)		( 1,163,641)	
Net cash provided by financing activities	<u>917,412</u>	<u>-0-</u>	<u>917,412</u>	<u>1,310,956</u>
Increase (decrease) in cash and cash equivalents	( 908,321)	-0-	( 908,321)	603,697
Cash and cash equivalents at beginning of year	<u>1,023,534</u>	<u>-0-</u>	<u>1,023,534</u>	<u>419,837</u>
Cash and cash equivalents at end of year	<u>\$ 115,213</u>	<u>\$ -0-</u>	<u>\$ 115,213</u>	<u>\$1,023,534</u>
<u>Supplemental disclosures</u>				
Interest received	\$ 389,677	\$	\$ 389,677	\$ 326,036
Interest paid	<u>\$ 288,257</u>	<u>\$</u>	<u>\$ 288,257</u>	<u>\$ 250,698</u>

See accountants' report and accompanying  
notes to the financial statements.

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CHURCH EXTENSION LOAN FUND  
Notes to the Financial Statements  
December 31, 1992

Note 1 - Organization and summary of significant accounting policies

The Church Extension Loan Fund is a nonprofit organization under the direction of the Board of Home Missions of the National Association of Free Will Baptists of the United States of America, Inc. The purpose of the Fund is to loan money to Free Will Baptist churches, primarily Home Mission churches, for purchase of land and buildings.

The Fund is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code under a group exemption of the National Association of Free Will Baptists, Inc.

The following significant accounting policies have been followed in the preparation of the financial statements:

Fund accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Fund, the accounts of the Fund 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 established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Property and equipment and depreciation

Property and equipment is stated at acquisition cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are five years on all assets.

Notes receivable

The Fund loans money to Free Will Baptist Churches, primarily Home Mission Churches, for the purchase of land and buildings. Each church is required to give a first mortgage on the property or sign a deed of trust. Principal and interest on the loans is payable monthly at 11% (10% beginning with the January 1993 payment) over a fifteen year period except for churches still under construction which are required to pay interest only. The current year maturity on the loans is \$111,828. The carrying value of these loans approximates market value. The churches are located throughout the United States.

Allowance for doubtful accounts

Management considers accounts and notes receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

CHURCH EXTENSION LOAN FUND  
Notes to the Financial Statements  
December 31, 1992

Note 1 - Organization and summary of significant accounting policies (Continued)

Cash equivalents

The Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Comparative data

The financial information for the year ended December 31, 1991, presented for comparative purposes, is not intended to be a complete financial statement presentation.

Note 2 - Investments

The Fund invests in government securities mutual funds. Management believes that the Fund has both the intention and ability to hold these funds to maturity; therefore, these funds are valued at amortized cost. Investments are comprised of the following:

	<u>Cost</u>	<u>Market</u>
Mutual funds	<u>\$673,677</u>	<u>\$629,489</u>

The following tabulation summarizes the relationship between carrying values and market values of investment assets:

	<u>Carrying Value</u>	<u>Market Value</u>	<u>Excess of Market Over (under) Cost</u>
Balance at end of year	<u>\$673,677</u>	<u>\$629,489</u>	<u>(\$ 44,188)</u>
Balance at beginning of year	<u>\$713,803</u>	<u>\$652,482</u>	<u>(\$ 61,321)</u>
Increase in unrealized appreciation			<u>17,133</u>
Realized gain for year			<u>2,945</u>
Total net gain for the year			<u>\$ 20,078</u>

The average annual yield exclusive of net gains (losses) was 7.75%.

Note 3 - Property and equipment

A summary of property and equipment follows:

Automobile	<u>\$ 11,821</u>
Office equipment	<u>850</u>
	<u>12,671</u>
Less: Accumulated depreciation	<u>( 8,870)</u>
	<u>\$ 3,801</u>



CHURCH EXTENSION LOAN FUND  
Notes to the Financial Statements  
December 31, 1992

Note 4 - Notes payable

Notes payable consist of 5 1/2 - 7% unsecured demand notes from individuals and churches. The proceeds of these notes are then loaned to churches to help them purchase land and buildings. The carrying value of these notes approximates fair value.

Note 5 - Note payable - other

The Fund entered into an agreement with a contributor to pay the contributor \$500 per month for 72 months in exchange for his \$90,000 contribution. This agreement resulted in a notes payable with an unstated interest rate. Using an imputed interest of 6 1/2%, the note was discounted to a present value of \$30,170. The amount of the contribution was then reduced by the present value of the note payable to \$59,830.

Note 6 - Related party transactions

The Fund paid the Board of Home Missions of the National Association of Free Will Baptists, Inc. a management fee of \$60,000 to reimburse the Board of Home Missions for salary, rent and other expenses paid by the Board. Additionally, at the direction of the Board members, the Fund transferred \$170,000 to the general fund of the Board of Home Missions. This money was subsequently invested by the Board of Home Missions in the note payable of the Fund. The balance of this note payable to the Board of Home Missions at year end was \$173,069. The Fund holds notes receivable from the Board of Home Missions in the amount of \$19,245 for furniture and equipment and \$31,402 for property held for sale. The Fund had accounts receivable from the Board of Home Missions in the amount of \$10,267.

The Fund holds a note receivable from the National Association of Free Will Baptists, Inc. in the amount of \$900,824. This note is secured by a deed of trust note.

## Salaries-Home Missions Department

	1992	1993	1994
<b>General Director</b>			
Salary	\$29,159.16	\$30,732.90	\$31,257.48
Housing	16,800.00	16,800.00	16,800.00
Utilities	2,017.14	1,843.48 (est)	2,000.00 (est)
Social Security	.00	.00	.00
Retirement (Savings Bonus)	2,366.75	2,330.76 (est)	2,400.00 (est)
Insurance:	3,194.10	3,176.76	3,170.28
Travel	60.00	60.00	60.00
Life	310.32	310.32	310.32
Health	2,329.86	2,325.48	2,325.48
Dental	493.92	480.96	474.48
<b>Total</b>	<b>\$53,534.18</b>	<b>\$54,883.90</b>	<b>\$55,627.76</b>

Note: Office car furnished

<b>Associate Director</b>			
Salary	\$28,829.76	\$29,979.15	\$30,362.28
Housing	10,800.00	10,800.00	10,800.00
Utilities	2,694.91	2,150.36 (est)	2,300.00 (est)
Social Security	.00	.00	.00
Retirement (Savings Bonus)	2,019.56	1,981.44 (est)	2,000.00 (est)
Insurance:	4,532.70	4,507.96	4,499.16
Travel	60.00	60.00	60.00
Life	310.32	310.32	310.32
Health	3,495.39	3,488.28	3,488.28
Dental	666.96	649.36	640.56
<b>Total</b>	<b>\$48,876.90</b>	<b>\$49,418.91</b>	<b>\$49,061.44</b>

Note: Office car furnished

<b>Director of Development</b>			
Salary	\$23,252.40	\$22,164.51	\$22,601.88
Housing	14,400.00	16,800.00	16,800.00
Utilities	3,136.45	1,747.84	2,500.00
Social Security	.00	.00	.00
Retirement (Savings Bonus)	767.49	753.00 (est)	780.00 (est)
Insurance:	3,194.10	3,176.76	3,170.28
Travel	60.00	60.00	60.00
Life	310.32	310.32	310.32
Health	2,329.86	2,325.48	2,325.48
Dental	493.92	480.96	474.48
<b>Total</b>	<b>\$44,750.44</b>	<b>\$44,642.11</b>	<b>\$45,852.16</b>

Note: Office Car Furnished

<b>Bookkeeper</b>			
Salary	\$22,838.30	\$23,340.16	\$23,651.16
Social Security	1,746.97	1,785.63	1,809.60
Retirement (Savings Bonus)	1,207.40	1,047.56 (est)	1,200.00 (est)
Insurance:	209.52	209.52	209.52
Life	209.52	209.52	209.52
Health	.00	.00	.00
Dental	.00	.00	.00
<b>Total</b>	<b>\$26,002.19</b>	<b>\$26,382.87</b>	<b>\$26,870.28</b>



**Director of Communications**

Salary	\$30,445.99	\$31,113.68	\$31,529.16
Social Security	2,329.29	2,380.14	2,411.76
Retirement (Savings Bonus)	1,609.59	1,396.52 (est)	1,450.00 (est)
Insurance:	8,053.56	8,021.56	8,012.76
Life	209.52	209.52	209.52
Health	7,177.08	7,162.68	7,162.68
Dental	666.96	649.36	640.56
<b>Total</b>	<b>\$42,438.43</b>	<b>\$42,911.90</b>	<b>\$43,403.28</b>

**Evangelism Secretary**

Salary	\$15,966.19	\$16,316.50	\$16,534.44
Social Security	1,221.41	1,247.98	1,264.64
Retirement (Savings Bonus)	841.03	732.36 (est)	800.00 (est)
Insurance:	2,786.64	2,775.48	2,772.24
Life	209.52	209.52	209.52
Health	2,330.16	2,325.48	2,325.48
Dental	246.96	240.48	237.24
<b>Total</b>	<b>\$20,815.27</b>	<b>\$21,072.32</b>	<b>\$21,371.32</b>

**Publications Editor**

Salary	\$24,692.05	\$25,233.54	\$25,570.48
Social Security	1,888.93	1,930.40	1,956.24
Retirement (Savings Bonus)	1,295.96	1,132.60 (est)	1,200.00 (est)
Insurance:	2,539.68	2,535.00	2,534.00
Life	209.52	209.52	209.52
Health	2,330.16	2,325.48	2,325.48
Dental	.00	.00	.00
<b>Total</b>	<b>\$30,416.62</b>	<b>\$30,831.54</b>	<b>\$31,261.72</b>

**Loan Fund Secretary**

Salary	\$15,660.16	\$15,993.90	\$16,201.64
Social Security	1,197.94	1,223.70	1,239.68
Retirement (Savings Bonus)	320.38	287.36 (est)	300.00 (est)
Insurance:	2,539.68	2,535.00	2,535.00
Life	209.52	209.52	209.52
Health	2,330.16	2,325.48	2,325.48
Dental	.00	.00	.00
<b>Total</b>	<b>\$19,718.16</b>	<b>\$20,039.96</b>	<b>\$20,276.32</b>

**Secretary**

Salary	\$15,660.16	\$15,993.90	\$16,201.64
Social Security	1,197.94	1,223.70	1,239.68
Retirement (Savings Bonus)	323.97	287.36 (est)	300.00 (est)
Insurance:	2,778.72	2,767.56	2,764.32
Life	201.60	201.60	201.60
Health	2,330.16	2,325.48	2,325.48
Dental	246.96	240.48	237.24
<b>Total</b>	<b>\$19,960.79</b>	<b>\$20,272.52</b>	<b>\$20,505.64</b>

**Home Missions Department  
Proposed Faith Budget for 1994**

	1993 Budget	1994 Budget
<b>Missionary Maintenance</b>		
Salaries	\$1,518,000.00	\$1,577,000.00
Travel and Promotion	75,000.00	75,000.00
Employee Savings	25,000.00	27,000.00
Postage and Printing	40,000.00	50,000.00
Miscellaneous	25,000.00	25,000.00
Land and Building Fund	75,000.00	75,000.00
<b>Total</b>	<b>\$1,758,000.00</b>	<b>\$1,829,000.00</b>

<b>Missionary Assistance</b>		
Printing and Postage	\$ 40,000.00	\$ 80,000.00
Telephone	9,000.00	10,000.00
Board Member Expense	15,000.00	13,000.00
Auditing	4,000.00	3,000.00
Literature	6,000.00	4,000.00
Miscellaneous	15,000.00	12,000.00
<b>Total</b>	<b>\$ 92,000.00</b>	<b>\$ 122,000.00</b>

<b>Administrative</b>		
Salaries	\$ 220,000.00	\$ 230,000.00
Housing	45,000.00	45,000.00
Social Security	15,000.00	10,000.00
Payroll Taxes	10,000.00	9,000.00
Employee Savings	12,000.00	12,000.00
Insurance	40,000.00	40,000.00
Utilities	8,000.00	8,000.00
<b>Total</b>	<b>\$ 350,000.00</b>	<b>\$ 354,000.00</b>

<b>Evangelism</b>		
Auto and Travel	\$ 40,000.00	\$ 40,000.00
Promotion	4,000.00	4,000.00
Revivals	9,000.00	12,000.00
Roll Call Sunday	6,000.00	6,000.00
<b>Total</b>	<b>\$ 59,000.00</b>	<b>\$ 62,000.00</b>

<b>Plant</b>		
Office Space	\$ 63,000.00	\$ 63,000.00
Equipment and Supplies	10,000.00	10,000.00
Interest	8,000.00	10,000.00
Depreciation	10,000.00	10,000.00
<b>Total</b>	<b>\$ 91,000.00</b>	<b>\$ 93,000.00</b>

<b>Build My Church Campaign:</b>	<b>\$ 150,000.00</b>	<b>\$ 150,000.00</b>
<b>Total Faith Budget:</b>	<b>\$2,500,000.00</b>	<b>\$2,600,000.00</b>



## Proposed State Goals for 1994

State	1994 Goal	State	1994 Goal
Alabama	\$200,000	Nebraska	1,000
Alaska	500	New Hampshire	25,000
Arizona	35,000	New Jersey	1,000
Arkansas	155,000	New Mexico	2,000
California	65,000	New York	1,000
Canada	5,000	North Carolina	190,000
Church Extension Loan Fund	60,000	Ohio	105,000
Colorado	27,000	Oklahoma	220,000
Florida	120,000	Oregon	5,000
Georgia	80,000	Other Income	40,000
Hawaii	2,000	Other States	6,000
Idaho	4,000	Pennsylvania	2,000
Illinois	75,000	Puerto Rico	2,000
Indiana	25,000	Rhode Island	4,000
Iowa	2,500	South Carolina	95,000
Kansas	12,000	South Dakota	7,000
Kentucky	12,000	Tennessee	330,000
Louisiana	60,000	Texas	40,000
Maine	9,000	Vermont	500
Maryland	30,000	Virginia	70,000
Massachusetts	1,000	Virgin Islands	35,000
Mexico	500	Washington	5,500
Michigan	80,000	West Virginia	55,000
Minnesota	500	Wisconsin	1,000
Mississippi	80,000	WNAC	90,000
Missouri	150,000	Wyoming	6,000
Montana	1,000	<b>Total 1994 Goals</b>	<b>\$2,600,000</b>

## Master's Men Department Report

One of the greatest blessings of the Free Will Baptist denomination is the laity in every church. More is done for the work of the Lord through these committed lives than will ever be done by "professional" leaders. Thank God for the laity.

### Praise Him!

Master's Men in 1992 continued to show expanded faithful involvement and active, dedicated service through several channels:

By year's end the Master's Hands Project/Helping Hands volunteer crew members helped construct eight new churches, achieving a total of 41 structures. Dollar savings in construction costs climbed to \$1.8 million.

The Department received gifts totaling \$3,500 from two MHP works. Both donations were gestures of appreciation for the help of our men. Brother Gary Wilson, a Free Will Baptist contractor, built an addition to a Kentucky home and donated \$1,200 from his income. The Peace FWB Church at Indianapolis, Indiana, donated \$2,300 for help of the volunteer crew with Brother Howard Gwartney.

Brother Gary Wilson declared his interest to the Master's Men Board to build churches and other structures, using our men as volunteer labor, and donating to the department a gift from his income on each job. A significant portion of our operating budget could be met as men become involved in this effort.

Master's Men began sponsoring the annual National Free Will Baptist Softball Tournament. Randall House Publications sponsored it in previous years. Thirty-three teams competed for the championship. The victory was earned by the team from Kirby FWB Church, Taylor, Michigan. An estimated 1,100 people gathered in Nashville to play and cheer. The tournament was a great success, and helped the department financially.

LifeMembership reached a total of 727 by year's end. Forty-nine women are LifeFriends and we have two LifeFriend churches. Another 143 men are making installment payments to achieve the \$200 deposit for LifeMembership.

The Endowment Trust Fund continues to show growth from the deposits of LifeMembers, LifeFriends and LifeFriend churches. It already provides monthly support from the interest generated. Free Will Baptist Foundation invests the principal in loans to our churches. My goal is to see the Endowment grow to at least \$1 million. A group of 14 people I call "Endowment Builders" provide hope for continued growth. They designated insurance policies, portions of estates and living trusts, promising at least \$450,000 in future funds for the endowment. Amen!

The 1992 Layman of the Year was Ed Hall from Clinton, Tennessee. Ed and Betty are members of First FWB Church in Oak Ridge. His selection was based on his efforts for the Master in the previous year. For almost 3/4 of 1992 Brother Ed was in the hospital fighting for his life against a number



of problems. He could not attend the National Convention to receive the award. I was able to take it to him in October and presented it while he was still in the hospital. God has delivered him for further service. He and Sister Betty are worthy examples of lay people sold out for the Lord.

Runner-up Layman of the Year 1992 was A. V. Jennische. He and Ruth are members of the Eastside FWB Church in Houston, Texas. A. V. is typical of our many unsung heroes of the faith, working where needed, doing what must be done. This giant of a man also has a big heart. For many years, he has traveled into Mexico to help build churches. Each year, the Master's Men Board must choose two men for these honors. Their task is never easy.

### **Concern**

"We've never been better off, but we've never been worse off!" The financial picture continues to hamper focusing all our abilities toward accomplishing the Master's work. So much needs to be done. The total income for 1992 shows one of our best years at \$107,910.96. But, after subtracting designated funds we still lack sufficient operating cash.

Only \$78,329.88 was available for ministry. We received \$26,138.80 from the Cooperative Plan of Support. About 25 churches added our department to their national giving, providing funding for at least one day's operating needs (\$305 in 1992). We need about 60 more churches to decide to provide funding for at least one day's operating needs (\$403 in 1993).

Master's Men must overcome a large deficit to be able to minister effectively for our denomination. The deficit results from lack of funding and the cost of rent to maintain office space in the National Offices building. Master's Men Department needs prayer support, lay involvement and most of all fiscal involvement from our church groups and men.

Master's Men Board requests the denomination to designate 1996 as the Year of the Laity. The department will be celebrating 40 years of ministry. The Board believes such an emphasis can challenge more men from more churches to be all God wants them to be. It is also suggested that special effort be made to include special appropriate material in denominational publications.

The Together Way plan holds promise of a brighter tomorrow. As our pastors, churches and families learn the full meaning of stewardship, the department ministries should show fantastic growth.

Please pray for the director, the ministry of Master's Men, and the financial needs of the department. There is great potential for ministry, limited only by the willingness of men to become involved and the financial ability to serve.

Respectively submitted,

James E. Vallance  
General Director

## **Synopsis of 1992 Board minutes:**

**July 21, 1992**

### **During the National Convention**

Discussion noted and praised the Michigan State Master's Men growth in numbers and giving. This state association with less than 50 churches was #3 in giving to the department.

The director was encouraged to be in as many churches as possible to promote the work of Master's Men.

The board discussed obligations and options of maintaining offices in the National Office building. The conclusion was that it is advantageous to be there. Waymon Ray (OK) was elected board vice-chairman.

**December 9, 1992**

### **The National Offices Building, Nashville, Tennessee**

New board member George Brunkhorst (CA) was welcomed.

Oklahoma Master's Men asked the Board to reduce the price of dues to the 1984 level of \$10 per man. Board action referred the item to the Master's Men Congress for discussion.

The board expressed appreciation to volunteer laborers in the Master's Men office during 1992: Recardo Deel, Rev. Eddie Hodges, Vicki Campbell Pate and John Marin.

The statement, "Take a more active role in fund raising," was added to the board member guidelines.

The Budget for 1994 was adopted to be recommended to the National Association, totaling \$153,600.00.



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

Financial Statements

December 31, 1992

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

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MICHAEL JOHNSTON  
Certified Public Accountant

Telephone: (618)439-0610

RR 4, Box 665  
Benton, Illinois 62812

INDEPENDENT AUDITOR'S OPINION

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

I have audited the balance sheets of The Master's Men, a Department of the National Association of Free Will Baptists, as of December 31, 1992 and 1991, and the related statements of activity and changes in fund balance and cash flows for the years then ended. These financial statements are the responsibility of the Board of Directors. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

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, 1992 and 1991 and the results of its operations and the cash flows for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

  
Certified Public Accountant

Benton, Illinois  
May 27, 1993

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



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

BALANCE SHEET  
December 31,

	1992	1991
ASSETS		
CURRENT ASSETS		
Cash	\$ 4,146	\$ 3,654
Trust account - Lifetime membership	61,789	53,806
Accrued interest receivable	1,114	--
Inventories	820	976
Cash value of endowment insurance	1,382	1,065
Total current assets	\$ 69,251	\$ 59,501
PROPERTY AND EQUIPMENT, net (Note 2)	10,780	11,876
CAPITALIZED LEASE, net (Note 3)	3,716	3,917
Total assets	\$ 83,747	\$ 75,294
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	\$ 61,462	\$ 19,471
Deferred revenue (Note 4)	100	410
Accrued expenses	717	651
Notes payable - Bank	6,995	9,221
Total current liabilities	\$ 69,274	\$ 29,753
FUND BALANCE (DEFICIT) (Note 5)		
Unrestricted	\$ ( 76,256)	\$ 32,186
Restricted	90,729	77,727
Total fund balance (deficit)	\$ 14,473	\$ 45,541
Total liabilities and fund balance	\$ 83,747	\$ 75,294

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

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

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

	1992			1991
	Unrestricted	Restricted	Total	Total
REVENUE				
Dues from members	\$ 9,900	\$ --	\$ 9,900	\$ 9,158
Cooperative program	26,139	--	26,139	26,582
Merchandise sales	609	--	609	532
Gain on disposal of property and equipment	--	--	--	37
Gifts and other income	55,194	15,517	70,711	72,174
	\$ 91,842	\$ 15,517	\$ 107,359	\$ 108,483
EXPENSES				
Salaries and wages	\$ 30,400	\$ --	\$ 30,400	\$ 25,423
Payroll taxes and employee benefits	12,020	--	12,020	9,160
Cost of sales and printing	9,292	--	9,292	7,602
Travel expense	13,312	180	13,492	7,498
Conferences and conventions	15,500	--	15,500	11,787
Office expense	10,062	--	10,062	9,099
Postage	6,462	--	6,462	2,926
Promotion expense	2,244	--	2,244	1,233
Rent expense	26,380	--	26,380	11,056
Professional fees	500	--	500	300
Bookkeeping expense	900	--	900	825
Depreciation	1,096	--	1,096	1,126
Amortization	201	--	201	101
Interest expense	6,250	--	6,250	5,227
Insurance expense	1,062	600	1,662	1,117
Dues and subscriptions	231	--	231	94
Missions projects	--	1,735	1,735	7,430
	\$ 135,912	\$ 2,515	\$ 138,427	\$ 102,004
REVENUES OVER (UNDER) EXPENSES	\$ ( 44,070)	\$ 13,002	\$ ( 31,068)	\$ 6,479
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	( 32,186)	77,727	45,541	39,062
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ ( 76,256)	\$ 90,729	\$ 14,473	\$ 45,541

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



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

STATEMENT OF CASH FLOWS  
Years ended December 31,

	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue over (under) expenses	\$( 31,068)	\$ 6,479
Adjustments to reconcile to net cash		
Depreciation and amortization	1,297	1,227
Gain on disposal of property and equipment	--	( 37)
Changes in assets and liabilities		
Change in inventories	156	738
Change in prepaid expenses and deposits	--	454
Change in accrued interest receivable	( 1,114)	--
Change in accounts payable	41,991	7,275
Change in deferred revenue	( 310)	( 30)
Change in accrued expenses	66	82
Net cash provided by (used for) operating activities	<u>\$ 11,018</u>	<u>\$ 16,188</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to trust account	\$( 7,983)	\$( 9,890)
Additions to cash value of insurance	( 317)	( 401)
Additions to property and equipment	--	( 10,820)
Disposition of property and equipment	--	132
Capitalization of lease costs	--	( 4,018)
Net cash provided by (used for) investing activities	<u>\$( 8,300)</u>	<u>\$( 24,997)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of notes payable	\$( 2,226)	\$( 779)
Proceeds from notes payable	--	10,000
Net cash provided by (used for) financing activities	<u>\$( 2,226)</u>	<u>\$ 9,221</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 492	\$ 412
CASH AT BEGINNING OF YEAR	<u>3,654</u>	<u>3,242</u>
CASH AT END OF YEAR	<u>\$ 4,146</u>	<u>\$ 3,654</u>

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

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

NOTES TO FINANCIAL STATEMENTS  
December 31, 1992

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 - Receivables are presented in the financial statements at the amount deemed collectible by management. Any provision for doubtful accounts is recognized using the direct write-off 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 3-20 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,:

	1992	1991
Equipment and furniture	\$24,602	\$24,602
Less accumulated depreciation	<u>13,822</u>	<u>12,726</u>
Property and equipment, net	<u>\$10,780</u>	<u>\$11,876</u>



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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 1992

NOTE 3 - CAPITALIZED LEASES

The National Association of Free Will Baptists purchased an office building to house various departments and agencies of the denomination. The Board of Directors has entered into an agreement to lease space in this new building and agreed to contribute to the debt service costs during the construction period and to continue until the debt has been retired. The construction period costs of \$4,018 were capitalized and will be amortized over a period of twenty years.

NOTE 4 - DEFERRED REVENUE

Deferred revenue consists of dues received for future years as of December 31, 1992 and 1991.

NOTE 5 - RESTRICTED FUND BALANCE

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

	1992	1991
Missions projects	\$ 4,209	\$ 5,655
Lifetime Membership	86,435	71,944
Endowment insurance	85	128
	<u>\$90,729</u>	<u>\$77,727</u>

## Salary Breakdown Disclosure

Total salary package for Department

\$35,000.00

**General Director**

Salary	\$28,832.00
Housing and Utilities	.00
Social Security Tax	1,753.92
Medicare Tax	410.16
Income Tax	2,580.00
Retirement	1,441.68
Insurance (family)	7,839.92
Travel/Life	.00
Health	7,172.96
Dental	666.96
<b>Total</b>	<u>\$42,857.68</u>

Note: No office car furnished.

**Secretary**

\$6,168.00

not to exceed a total in the calendar year of

#1	Salary, half-time	6.50 per hour
#2	Coordinator of Membership	6.00 per hour, 3 hours/wk.
#3	Casual Labor	\$1,000



## 1994 Proposed Budget

<b>Proposed Income</b>		
Miracle Money		\$25,179.60
Gifts		35,000.00
Dues		15,000.00
National Ministries Sunday		1,500.00
Promotional Items		1,500.00
Together Way Plan		26,000.00
Travel		1,000.00
Master's Men Conference		10,000.00
Master's Hands Project		10,000.00
Special Projects		26,500.00
Heritage Hikes	9,500.00	
Softball Tournament	10,000.00	
Golf Tournaments	6,000.00	
Missions Projects	1,000.00	
Interest Income		
Bank (Savings)		6,100.00
Life Membership	100.00	
Master's Men Dinner	6,100.00	
Endowment Insurance		4,000.00
Endowment Trust		1,000.00
<b>Total</b>		<u>15,000.00</u> \$178,779.60
<b>Proposed Expenses</b>		
Audit		
Booth		\$600.00
Master's Men Dinner		400.00
Master's Men Conference		4,000.00
Softball Tournament		10,000.00
Golf Tournament		6,000.00
Missions Projects		3,000.00
Leadership Conference/All Boards Conference		1,000.00
Endowment Insurance		1,500.00
Endowment Trust		1,000.00
Cost of Sales		15,000.00
Equipment Maintenance		1,000.00
Promotion		500.00
Postage		1,500.00
Printing		5,000.00
Office Supplies		10,000.00
Office Equipment		3,500.00
Telephone		6,000.00
Rent		2,000.00
Travel		26,379.60
Director		13,000.00
Board	10,000.00	
Director's Health Insurance	3,000.00	
Director's Retirement		8,000.00
Payroll Taxes		1,600.00
Salaries		3,500.00
Casual Labor		44,000.00
Bookkeeping Fee		1,000.00
Debt Retirement		900.00
Miscellaneous		7,800.00
<b>Total</b>		<u>600.00</u> \$178,779.60

## Board of Retirement Report

This is my twenty-fourth time to make a report to this body. As I reflect on those years, I rejoice as the Psalmist, "The Lord has done great things for us; whereof we are glad" (Psalm 126:3). To God we must give all the honor and glory. He is the Head, the Provider, the Sustainer of all ministries.

From the beginning our primary interest and focus have been people—people who serve us—and meeting their retirement needs. Over the years our Board and staff never lost sight of that objective. As of May 1993, we have ministered to 1,143 plan members. In all practicality, we have ministered to 2,286 of our people since we minister to spouses as well. For some we have already ministered to their widows and children.

You can be confident of this: your support makes a difference to those who serve in the church and in the Lord's ministries. You have the assurance that those who choose an annuity receive lifetime financial assistance from Free Will Baptists for as long as they or their spouse lives. It is honorable before God and the world when God's people care for their own servants of the church.

To date about 120 of our members (240 including spouses) received or are receiving some type of retirement benefit from our plan. Eight annuitants receive monthly checks. On August 1, Vernie and I plan to make that ten.

In behalf of our lifetime annuitants, I thank those of you who generously contributed to our Memorial Endowment Fund. The earnings now provide extra benefits to annuitants. These extras include a birthday check for the annuitant and spouse, a Christmas check, and a newly instituted death benefit.

For most of our older pastors, missionaries and staff members, our plan offers their only hope for a small benefit in old age. I would like to express my gratitude to those of you who supported this program knowing that it would benefit future generations far more than yours. We are all grateful that our younger people will receive a far more adequate benefit in the future. Plan finances look good. Last year assets increased 15.2% or \$2,009 a day. It took nine years to reach the first million dollar mark and three more years to top the second million dollar mark. Today, assets exceed 10.3 million dollars.

Over the years Plan earnings have been excellent. One hundred dollars deposited in 1969 is worth \$659.46 today. This represents compounded earnings of 8.34 percent a year, or average yearly increase of 24.32 percent.

Our investment guidelines do not violate our church covenant or our Christian convictions. Our Board refuses to permit our managers to invest in alcoholic beverage, tobacco, gambling, entertainment or pornographic publishing stock. This sometimes limits investments, but our Board will not sacrifice integrity of principles for a few extra dollars.

The future looks good. Our Board faithfully oversees the numerous



federal guidelines as well as Plan policies to better meet our members' needs. On April 20-21, 1993 all members met at the National Offices for their annual meeting. They approved the final draft of an amended Pension Plan Agreement. This year they submit a revision of our Charter of Incorporation for your consideration.

Vernie and I will be leaving the department July 31 of this year. It has been a joy to serve in developing and managing the pension plan. We are thankful for the established and functioning Free Will Baptist retirement program God has given to our people. We look forward to greater challenges of service.

I commend Bill Evans to you as my successor. Give him your prayers and support. A good staff stands ready to work with him: Ray Lewis, business manager for ten years; David Brown, our new member service manager, and; Audra Kite, receptionist-secretary.

May the Lord bless you.

Herman L. Hersey  
Director

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

**Financial Statements**

**December 31, 1992 and 1991**

**(With Independent Auditors' Report Thereon)**



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 Retirement and Insurance of The  
National Association of Free Will Baptists:**

Brentwood Executive Center  
761 Old Hickory Boulevard  
Suite 103  
Brentwood, TN 37027  
TEL 615/377-3485  
FAX 615/377-3488

We have audited the balance sheet of Board of Retirement and Insurance of The National Association of Free Will Baptists as of December 31, 1992, and the related statements of fund transactions 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. Information included on the balance sheet and statements of fund transactions and changes in fund balances and cash flows as of and for the year ended December 31, 1991 is presented for comparative purposes only and was extracted from the financial statements presented by fund for that year, on which we expressed an unqualified opinion dated April 3, 1992.

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 Board of Retirement and Insurance of the National Association of Free Will Baptists as of December 31, 1992, and fund transactions and changes in fund balances and cash flows for the year ended then in conformity with generally accepted accounting principles.

*Hill, Neal & Allen, P.C.*

March 29, 1993



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

**Balance Sheet**

December 31, 1992

(with comparative totals for 1991)

	1992				1991
	Unrestricted Operations	Retirement Fund	Plant Fund	Total All Funds	Total All Funds
<b>Assets</b>					
Cash and cash equivalents (notes 2 and 10)	\$ 11,087	933,843	-	944,930	293,714
Investments, fair value (notes 2 and 10)	-	4,859,471	-	4,859,471	3,603,147
Funds invested with retirement fund	3,974	-	-	3,974	3,792
Accrued investment income receivable	-	70,977	-	70,977	61,225
Notes receivable from participants of the retirement fund and churches and denominational agencies of the National Association of Free Will Baptists (notes 3 and 10)	-	4,127,329	-	4,127,329	5,278,084
Office furniture, equipment, and automobiles, at cost, net of accumulated depreciation (note 4)	-	-	45,288	45,288	54,821
Due from plant fund	-	22,311	-	22,311	34,311
Properties held for sale (note 5)	-	3,200	-	3,200	65,300
Lease costs (note 6)	11,058	-	-	11,058	14,218
<b>Total assets</b>	<b>\$ 26,119</b>	<b>10,017,131</b>	<b>45,288</b>	<b>10,088,538</b>	<b>9,408,612</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Notes payable, accounts payable and accrued expenses \$	15,187	2,519	-	17,706	5,685
Due to retirement fund	-	-	22,311	22,311	34,311
Unearned loan origination fees (note 7)	-	60,290	-	60,290	69,860
Annuities payable (note 8)	-	176,433	-	176,433	134,602
Funds held for Free Will Baptist Foundation (note 9)	-	906,888	-	906,888	911,604
<b>Total liabilities</b>	<b>15,187</b>	<b>1,146,130</b>	<b>22,311</b>	<b>1,183,628</b>	<b>1,156,062</b>
<b>Fund balances:</b>					
Operations	10,932	-	-	10,932	26,644
Retirement fund	-	8,712,885	-	8,712,885	8,024,058
Designated as reserve funds	-	158,116	-	158,116	181,338
Net invested in plant	-	-	22,977	22,977	20,510
<b>Total fund balances</b>	<b>10,932</b>	<b>8,871,001</b>	<b>22,977</b>	<b>8,904,910</b>	<b>8,252,550</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,119</b>	<b>10,017,131</b>	<b>45,288</b>	<b>10,088,538</b>	<b>9,408,612</b>

See accompanying notes to financial statements.

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

**Statement of Fund Transactions and Changes in Fund Balances**

Year ended December 31, 1992

(with comparative totals for 1991)

	1992				1991
	Unrestricted Operations	Retirement Fund	Plant Fund	Total All Funds	Total All Funds
<b>Additions:</b>					
Contributions from participants	\$ -	731,101	-	731,101	634,627
Gifts	32,228	-	-	32,228	116,848
Interest income - notes receivable (net of write-downs) (note 2)	-	558,674	-	558,674	557,559
Investment income (net of investment fees) (note 2)	347	214,891	-	215,238	193,026
Gains (losses) of investment portfolio (note 2)	-	127,078	-	127,078	99,265
Net realized gains	-	(116,877)	-	(116,877)	417,221
Net unrealized gains (losses)	-	2,742	-	2,742	7,360
Forfeitures and late charges	-	13,915	-	13,915	13,693
Amortization of loan origination fees (note 7)	-	9,604	-	9,604	-
Gain on disposition of property (note 5)	-	-	-	-	687
Proceeds from sale of computer	2,513	-	-	2,513	-
<b>Total additions</b>	<b>35,088</b>	<b>1,541,128</b>	<b>-</b>	<b>1,576,216</b>	<b>2,040,286</b>
<b>Deductions:</b>					
Salaries	118,282	-	-	118,282	106,751
Fringe benefits	64,008	-	-	64,008	52,780
Travel and promotional	21,477	-	-	21,477	21,126
Office supplies	17,989	-	-	17,989	22,988
Housing	45,600	-	-	45,600	38,400
Occupancy	63,561	-	-	63,561	42,832
Board members expense	8,340	-	-	8,340	10,978
Legal and auditing	20,031	-	-	20,031	4,912
Miscellaneous	5,494	611	-	6,105	10,170
Insurance	2,046	-	-	2,046	1,513
Depreciation (note 4)	-	-	15,740	15,740	17,039
Interest expense - trusts and annuities	-	69,456	-	69,456	125,980
Interest expense - other	-	135	-	135	18,368
Participants accounts transferred to annuity liability (note 8)	-	38,985	-	38,985	85,766
Withdrawal of funds	-	430,845	-	430,845	320,030
<b>Total deductions</b>	<b>366,828</b>	<b>540,032</b>	<b>15,740</b>	<b>922,600</b>	<b>879,633</b>
<b>Net increase (decrease) in funds for the year</b>	<b>(331,740)</b>	<b>1,001,096</b>	<b>(15,740)</b>	<b>653,616</b>	<b>1,160,653</b>
<b>Fund balances, beginning of year</b>	<b>26,644</b>	<b>8,205,396</b>	<b>20,510</b>	<b>8,252,550</b>	<b>7,192,662</b>
<b>Transfers among funds and other changes:</b>					
To plant fund for asset acquisition	(7,461)	-	7,461	-	-
To plant fund for debt retirement	(12,000)	-	12,000	-	-
Net assets retired	-	-	(1,254)	(1,254)	-
Transfer Endowment Funds to Free Will Baptist Foundation, Inc.	-	-	-	-	(100,765)
Enrollment and administrative fees	335,489	(335,489)	-	-	-
<b>Fund balance, end of year</b>	<b>\$ 10,932</b>	<b>8,871,003</b>	<b>22,977</b>	<b>8,904,912</b>	<b>8,252,550</b>

See accompanying notes to financial statements.



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

**Statement of Cash Flows**

Year ended December 31, 1992

(with comparative totals for 1991)

	1992			1991	
	Unrestricted Operations	Retirement Fund	Plant Fund	Total All Funds	Total All Funds
<b>Operating cash flows:</b>					
Cash received from:					
Contributions from participants	\$ -	731,101	-	731,101	634,627
Gifts	32,228	-	-	32,228	116,848
Interest income - notes receivable	-	558,674	-	558,674	557,559
Investment income	165	205,137	-	205,302	158,672
Forfeitures and late charges	-	3,237	-	3,237	7,360
Miscellaneous	-	6,567	-	6,567	10,186
Cash paid for:					
Suppliers and employees	(353,869)	(613)	-	(354,482)	(338,040)
Interest	-	(55,527)	-	(55,527)	(123,629)
Annuities	-	(11,218)	-	(11,218)	(8,923)
Withdrawal of funds by participants	-	(430,845)	-	(430,845)	(320,030)
Net operating cash flows	(321,476)	1,006,513	-	685,037	694,630
<b>Financing cash flows:</b>					
Interfund transfers and repayments	(19,461)	12,000	7,461	-	-
Net activity - revocable savings trusts	-	(4,716)	-	(4,716)	(464,257)
Net financing cash flows	(19,461)	7,284	7,461	(4,716)	(464,257)
<b>Investing cash flows:</b>					
Purchases of office furniture and equipment	-	-	(7,461)	(7,461)	(46,251)
Proceeds from sale of assets	2,513	3,582	-	6,095	-
Investments:					
Net activity funds invested with savings trust	-	-	-	-	(3,204)
Purchases of investment securities	-	(2,163,305)	-	(2,163,305)	(1,203,227)
Proceeds from sale of investment securities	-	917,184	-	917,184	1,032,375
Notes receivable:					
New loans made	-	(232,354)	-	(232,354)	(1,121,502)
Collection of notes receivable	-	1,450,736	-	1,450,736	499,157
Net investing cash flows	2,513	(24,157)	(7,461)	(29,105)	(842,652)
Net decrease in cash and cash equivalents	(338,424)	989,640	-	651,216	(612,279)
Transfers for enrollment and administrative fees	335,489	(335,489)	-	-	-
Cash and cash equivalents:					
Beginning of year	14,022	279,692	-	293,714	905,993
End of year	\$ 11,087	\$ 933,843	\$ -	\$ 944,930	\$ 293,714

See accompanying notes to financial statements.

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

**Notes to Financial Statements**

December 31, 1992

The Board of Retirement and Insurance is operated under the auspices of The National Association of Free Will Baptists, Inc. 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, Inc.

**(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 the straight line basis.

**Income Taxes**

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

**Cash and cash equivalents**

For the purpose of the statement of cash flows, the Board considers all cash on hand, demand deposit accounts and highly liquid debt instruments with a maturity of three months or less to be cash and cash equivalents.

**Loan Origination Fees**

Loan origination fees are amortized to revenue over the life of the related loan.

**Realized and Unrealized Gains and Losses on Investment Portfolio**

The excess (deficit) of proceeds from sale of investments as compared to cost is recognized as a realized gain or (loss). The measurement of increase (decrease) in market values of investments from the beginning of year to the end of year is recognized as unrealized gains or (losses).



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

Notes to Financial Statements

December 31, 1992

(2) Cash and Cash Equivalents and Investments

Cash and cash equivalents consist of the following:

	Investment Income	Account Balances
Money market, checking and savings accounts	\$ 9,122	711,584
Money market accounts held by investment bankers	6,794	222,259
	<u>\$ 15,916</u>	<u>933,843</u>

Investments consist of the following:

	Investment Income	Market /Stated Value	Cost	Unrealized Cumulative Gains	Unrealized Cumulative Losses
Church bonds (stated value)	\$ 4,371	22,250	22,250	-	-
Bond and U. S. Government Securities Funds	56,257	1,029,343	1,007,522	21,821	-
Common stocks	35,549	2,067,996	1,982,169	244,819	158,992
Fixed income bonds	26,373	201,534	202,671	3,454	4,592
U.S. Treasury notes and bills	110,423	1,538,348	1,400,067	138,281	-
	<u>\$ 232,973</u>	<u>4,859,471</u>	<u>4,614,679</u>	<u>408,375</u>	<u>163,584</u>
Total earnings on cash and cash equivalents and investments	\$ 248,889				
Less investment fees paid	(33,998)				
Net investment income	<u>\$ 214,891</u>				

Unrealized gains (losses) are reconciled as follows:

	Unrealized Cumulative Gains	Unrealized Cumulative Losses	Net Unrealized Gains (Losses)
As of December 31, 1991	\$ 468,035	106,367	361,668
As of December 31, 1992	408,375	163,584	244,791
Net unrealized loss for year ended December 31, 1992			<u>\$ (116,877)</u>

Yield earned on average total assets is computed as follows:

Interest income - notes receivable	\$ 558,674
Investment income	214,891
Net realized gains on disposition of investments	127,078
Net unrealized losses of investment portfolio	(116,877)
Amortization of loan origination fees	13,915
	<u>\$ 797,681</u>
Average assets (beginning and end of year)	<u>\$ 9,669,446</u>
Yield as computed	<u>8.25%</u>

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

Notes to Financial Statements

December 31, 1992

(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 at 10.25% - secured by retirement account balances	\$ 71,920
Churches and agency notes at 8.5% to 15.5%:	4,055,409
	<u>\$ 4,127,329</u>

(4) Office Furniture, Equipment, and Automobiles

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

Office furniture and fixtures	\$ 36,799
Computer equipment	54,465
Automobiles	15,594
	<u>106,858</u>
Accumulated depreciation	61,570
	<u>\$ 45,288</u>

Depreciation expense amounted to \$15,740.

(5) Properties held for sale

The Board sold for \$68,484 a property which was surrendered in lieu of foreclosure due to disbandment of the church. Consideration for the sale consisted of cash and a 20 year 9.00% second mortgage note in the principal amount of \$64,900. A gain of \$9,604 has been recognized from the sale. An additional property recorded at \$3,200 in the financial statements remains unsold.

(6) Capitalized Lease Payments

The Board entered into an agreement to lease space in the National Headquarters Building and further agreed to contribute to the debt service costs during the construction period and to continue until the debt has been retired. Through the construction period costs amounting to \$15,797 were capitalized. These costs will be amortized against operations over a five year period. During 1992, \$3,160 was charged against operations leaving a resultant balance of \$11,058.

(7) Unearned Loan Origination Fees

Loan origination fees are amortized to revenue over the life of the related loan. The following is a summary of the transactions relating to loan origination fees:

Balance December 31, 1991	\$ 69,860
Net fees charged on new loans	4,345
Revenue recognized:	
Fee charged on short term line of credit	\$ 1,500
Amortization of long-term origination fees	12,415
	<u>(13,915)</u>
Balance December 31, 1992	<u>\$ 60,290</u>



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

Notes to Financial Statements

December 31, 1992

**(8) Annuities payable**

Upon attaining retirement age, the retiree has the option, among others, to convert his participant account into an annuity to provide retirement benefits over his remaining life. The periodic benefit is calculated based on mortality tables considering life expectancy. Further, the liability for annuities is determined annually by an actuary and such liability is adjusted as necessary. As of December 31, 1992, the recorded liability amounts to \$176,433 and is sufficient to provide benefits over the life expectancy of the annuitants.

**(9) Interest- Bearing Revocable Trusts**

The Board transferred all revocable trusts which it held for grantors to the Free Will Baptist Foundation during 1991. The Board maintains all investments relating to these trusts and accrues interest to the Foundation. The rate of interest paid is dependent upon the amount of income earned from such investments.

**(10) Information Regarding Financial Instruments (see notes 2 and 3)**

The Board has an accounting risk of loss in the areas of cash and cash equivalents, investments and notes receivable to the extent cash funds are not insured by a governmental agency, investments are not secured by mortgages or guaranteed by the United States Government, and for unsecured notes receivable. The following table summarizes the Board's accounting risk of loss:

	Account Balance	Amount Insured / Secured	Amount of Accounting Risk of loss
Notes receivable	\$ 4,127,329	3,733,650	393,679
Cash and cash equivalents	944,930	543,355	401,575
Church bonds (mortgage bonds)	22,250	22,250	-
Bond and U. S. Government Securities Funds	1,029,343	-	1,029,343
Common stocks	2,067,996	-	2,067,996
Fixed income bonds	201,534	-	201,534
U.S. Treasury notes and bills	1,538,348	1,538,348	-
	<u>\$ 9,931,730</u>	<u>5,837,603</u>	<u>4,094,127</u>

**(11) Related Party Transactions**

The Board provided office space and certain administrative services to the Free Will Baptist Foundation. The Foundation reimbursed the Board \$15,000 for these services during the year ended December 31, 1992.

**Salary and Benefits Breakdown**

	1992	1993	Proposed 1994
<b>Director</b>	\$29,000.00	\$30,477.11	\$23,026.91
Salary	12,000.00	12,000.00	19,200.00
Housing/Utilities	7,672.96	7,672.96	7,672.77
Social Security	4,270.70	4,270.70	2,111.35
Retirement	2,829.98	2,779.80	8,139.96
Insurance	50.00	.00	.00
Travel	207.36	207.36	310.32
Life	2,325.48	2,325.48	7,162.68
Hospital	246.96	246.96	666.96
Dental			
<b>Total</b>	<u>\$55,773.64</u>	<u>\$57,200.57</u>	<u>\$60,150.99</u>
Note: Office car furnished.		* 7 months	\$33,366.97

**Administrative Assistant**

Salary	\$17,000.00	\$20,588.10	
Housing/Utilities	15,800.00	16,800.00	
Social Security	6,934.33	6,934.33	
Retirement	1,885.58	1,885.58	
Insurance	8,189.96	8,139.96	
Travel	50.00	.00	
Life	310.32	310.32	
Hospital	7,162.68	7,162.68	
Dental	666.96	666.96	
<b>Total</b>	<u>\$49,809.87</u>	<u>\$54,347.97</u>	

\* Note: Transition.

Evans moves to directorship 8-1-93.

Hersey directorship terminates 7-31-93.

**Business Manager**

Salary	\$16,700.00	\$16,780.07	\$18,046.90
Housing	16,800.00	16,800.00	16,800.00
Social Security	6,065.82	6,065.82	6,672.40
Retirement	1,690.54	1,690.54	1,742.35
Insurance	8,189.96	8,139.96	8,139.96
Travel	50.00	.00	.00
Life	310.32	310.32	310.32
Hospital	7,162.68	7,162.68	7,162.68
Dental	666.96	666.96	666.96
<b>Total</b>	<u>\$49,446.32</u>	<u>\$49,476.39</u>	<u>\$51,401.61</u>



	1992	1993	Proposed 1994
<b>Member Services Manager</b>			
Salary		\$26,000.00	\$28,600.00
Social Security		4,696.58	5,166.23
Retirement		780.58	1,430.00
Insurance		7,271.32	8,139.96
Travel		50.00	.00
Life		310.32	310.32
Hospital		6,244.04	7,162.68
Dental		666.96	666.96
<b>Total</b>		<u>\$38,748.48</u>	<u>\$43,336.19</u>
<b>Member Services Manager</b>			
Salary	\$23,598.45	\$23,598.45	
Social Security	1,805.44	1,805.44	
Retirement	1,179.92	1,179.92	
Insurance	2,781.96	2,781.96	
Life	209.52	209.52	
Hospital	2,325.48	2,325.48	
Dental	246.96	246.96	
<b>Total</b>	<u>\$29,365.77</u>	<u>\$29,365.77</u>	
		* 7 months	
		\$17,130.05	
<b>Secretary</b>			
Salary	\$13,780.00	\$13,780.00	\$14,872.00
Social Security	1,054.17	1,054.17	1,137.71
Retirement	413.40	413.40	743.60
Insurance	2,781.96	2,781.96	2,781.96
Life	209.52	209.52	209.52
Hospital	2,325.48	2,325.48	2,325.48
Dental	246.96	246.96	246.96
<b>Total</b>	<u>\$18,029.53</u>	<u>\$18,029.53</u>	<u>\$19,535.27</u>
<b>Grand Totals</b>	<u>\$202,425.13</u>	<u>\$247,168.71</u>	<u>\$174,424.06</u>

\* Note: Position terminates 7-31-93.

## Proposed Budget for 1994

	1992 Actual	1993 Budget	1994 Proposed
Salaries	\$118,282.20	\$126,500	\$ 87,167
Employee Benefits	64,007.65	56,447	53,315
Housing	45,600.00	45,600	36,000
Travel/Promotion	21,477.47	32,000	26,000
Auto/Travel/Maintenance	4,151.05	4,000	4,000
Auto Fund	6,000.00	6,000	6,000
Furniture Fund	6,000.00		6,000
Plant Fund	63,560.76	48,000	65,000
Office Expense	17,988.90	15,500	18,000
Equipment	5,000.00	5,000	5,000
Publications	.00	6,000	5,000
Dept's Share of Ins. Premium	196.60	250	200
Alert Ministers	.00	2,000	2,000
Board Expense	8,339.96	8,500	9,000
Insurance	2,045.84	2,000	2,200
Legal/Auditing	20,030.76	7,500	15,000
Miscellaneous	1,203.69	1,500	1,500
Education/Training	.00	5,000	3,400
<b>Total</b>	<u>\$383,838.58</u>	<u>\$371,797</u>	<u>\$344,882</u>



# Free Will Baptist Foundation Report

Thank you for the privilege these past 12 years to help lay the groundwork of our first denominational service program for all our laypeople. God has blessed the department and used it for His glory.

You chartered the Foundation in 1980 to assist our families in financial planning that would benefit them and the Lord's work as well. These first years we worked toward education, training and establishment of the ministry. We experienced steady growth--not explosive--but stable growth that developed into a permanent base on which to build.

We are just beginning to see what the Foundation can achieve. In 1992 alone the Foundation provided \$43,419.89 in income for ministries and individuals. For example, endowment trusts generated \$14,721.87 in gifts to 13 different ministries that included local churches, national agencies, and state and associations. Gift annuity, revocable and saving trusts provided an additional \$28,698.02 to individuals and ministries.

Yes, the Foundation is off to a good start. The real potential and impact lie just ahead. The trustees met April 20-21, 1993. They voted to add the following to our existing planned giving vehicles: Charitable Gift Annuities, Deferred Payment Gift Annuities, Charitable Remainder Unitrusts and Charitable Remainder Annuity Trusts.

I extend my gratitude to the Retirement Board of Trustees and staff for their extra effort and work to make the Foundation possible. We appreciate the churches for their gifts made directly and through the cooperative channel.

Thank you for the confidence you placed in me during the founding years of this department. July 31, 1993, will be my last day with the department. Bill Evans will succeed me as Executive Secretary-Treasurer. I know you will join me in giving him your support and encouragement.

May the Lord bless you.

Herman L. Hersey  
Executive Secretary-Treasurer

FREE WILL BAPTIST  
FOUNDATION, INC.

Financial Statements

December 31, 1992 and 1991

(With Independent Auditors' Report Thereon)



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

## Independent Auditors' Report

Board of Directors  
Free Will Baptist Foundation, Inc.:

Brentwood Executive Center  
761 Old Hickory Boulevard  
Suite 103  
Brentwood, TN 37027  
TEL 615/377-3485  
FAX 615/377-3488

We have audited the balance sheets of Free Will Baptist Foundation, Inc. as of December 31, 1992 and 1991 and the related statements of support and revenue, expenses, and changes in fund balances and cash flows for the year ended December 31, 1992. 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 audits. Information included on the statements of support and revenue, expenses and changes in fund balances and cash flows for the year ended December 31, 1991 is presented for comparative purposes only and was extracted from the financial statements presented by fund for that year, on which we expressed an unqualified opinion dated April 2, 1992.

We conducted our audits 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 audits provide 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 Free Will Baptist Foundation, Inc. as of December 31, 1992 and 1991, and the support and revenue, expenses and changes in fund balances and cash flows for the year ended December 31, 1992 in conformity with generally accepted accounting principles.

March 29, 1993

*Hill, Neal & Allen, P.C.*



# FREE WILL BAPTIST FOUNDATION, INC.

## Balance Sheets

December 31, 1992 and 1991

<u>Assets</u>	<u>1992</u>	<u>1991</u>
Cash and cash equivalents (note 2 and 3)	\$ 23,248	17,217
Interest bearing accounts with the Board of Retirement and Insurance of the National Association of Free Will Baptists (note 4)	868,642	869,022
Land held for investment, at contributed value	4,000	4,000
Accrued interest income	38,246	47,670
Equipment, net of accumulated depreciation of \$3,236 in 1992 and \$1,600 in 1991	3,271	2,400
<b>Total assets</b>	<b>\$ 937,407</b>	<b>940,309</b>
<u>Liabilities and Fund Balances</u>		
Liabilities:		
Interest- bearing revocable trusts (note 5)	\$ 600,455	612,333
Gift annuity payable	6,000	6,000
Accrued earnings payable	7,444	8,546
Restricted deferred revenues - Benevolent Fund (note 2)	-	1,031
Funds held for National Ministries Offering (note 3)	-	4,829
<b>Total liabilities</b>	<b>613,899</b>	<b>632,739</b>
Fund balances:		
Operations	29,178	34,604
Endowment funds (note 6)	291,059	270,566
Equipment funds	3,271	2,400
<b>Total fund balances</b>	<b>323,508</b>	<b>307,570</b>
<b>Total liabilities and fund balances</b>	<b>\$ 937,407</b>	<b>940,309</b>

See accompanying notes to financial statements.

# FREE WILL BAPTIST FOUNDATION, INC.

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

Year ended December 31, 1992

(with comparative totals for 1991)

	<u>1992</u>			<u>1991</u>
	<u>Operations</u>	<u>Endowments</u>	<u>Equipment</u>	<u>Total All Funds</u>
Support and revenue:				
Contributions	\$ 12,095	31,006	-	43,101
Investment income	37,202	12	-	37,214
Endowment income	236	-	-	236
<b>Total support and revenue</b>	<b>49,533</b>	<b>31,018</b>	<b>-</b>	<b>80,551</b>
Payments of earnings to revocable trusts, beneficiaries and annuitants	28,961	-	-	28,961
<b>Net support and revenue</b>	<b>20,572</b>	<b>31,018</b>	<b>-</b>	<b>51,590</b>
Expenses:				
Salaries	10,000	-	-	10,000
Travel and promotion	3,022	-	-	3,022
Office expense	5,361	-	-	5,361
Publications	281	-	-	281
Training and education	1,172	-	-	1,172
Legal and auditing	2,918	-	-	2,918
Miscellaneous	737	-	-	737
Depreciation	-	-	1,636	1,636
<b>Total expenses</b>	<b>23,491</b>	<b>-</b>	<b>1,636</b>	<b>25,127</b>
Excess of support and revenues over (under) expenses	(2,919)	31,018	(1,636)	26,463
<b>Fund balance at beginning of year</b>	<b>34,604</b>	<b>270,566</b>	<b>2,400</b>	<b>307,570</b>
Transfers among funds and other changes:				
Transfers for asset acquisition	(2,507)	-	2,507	-
Free Will Baptist Board of Retirement (Note 6)	-	(10,525)	-	(10,525)
<b>Fund balance at end of year</b>	<b>\$ 29,178</b>	<b>291,059</b>	<b>3,271</b>	<b>323,508</b>

See accompanying notes to financial statements.



# FREE WILL BAPTIST FOUNDATION, INC.

## Statement of Cash Flows

Year ended December 31, 1992

(with comparative totals for 1991)

	1992			Total	1991
	Operations	Endowments	Equipment	All Funds	Total All Funds
<u>Operating cash flows:</u>					
Cash received from:					
Contributions	\$ 12,095	31,006	-	43,101	124,150
Investment income	46,862	14,471	-	61,333	41,719
Benevolent Fund (note 2)	-	-	-	-	250
National Ministries Offering (note 3)	942	-	-	942	5,446
Cash paid to suppliers and employees	(23,491)	-	-	(23,491)	(17,546)
Claims paid from Benevolent Fund (note 2)	(1,031)	-	-	(1,031)	-
Distributions and expenses of National Ministries Offering (note 3)	(5,771)	-	-	(5,771)	(12,101)
Interest paid on revocable trusts	(29,617)	-	-	(29,617)	(27,701)
Payments made to endowment beneficiaries	-	(14,459)	-	(14,459)	(10,505)
Payments made to annuitants	(446)	-	-	(446)	(446)
Net operating cash flow	(457)	31,018	-	30,561	103,266
<u>Financing cash flows:</u>					
Proceeds from additions to revocable trusts	231,067	-	-	231,067	309,108
Withdrawals from revocable trusts	(253,470)	-	-	(253,470)	-
Net financing cash flow	(22,403)	-	-	(22,403)	309,108
<u>Investing cash flows:</u>					
Deposits made with the Board of Retirement and Insurance of the National Association of Free Will Baptists (net of distributions)	31,398	(31,018)	-	380	(414,906)
Purchase of computer equipment	(2,507)	-	-	(2,507)	-
Net investing cash flow	28,891	(31,018)	-	(2,127)	(414,906)
Net increase (decrease) in cash and cash equivalents	6,031	-	-	6,031	(2,532)
<u>Cash and cash equivalents:</u>					
Beginning of year	17,217	-	-	17,217	19,749
End of year	\$ 23,248	-	-	23,248	17,217

See accompanying notes to financial statements.

# FREE WILL BAPTIST FOUNDATION, INC.

## Notes to Financial Statements

December 31, 1992 and 1991

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

### (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.

### Equipment Fund and Depreciation

Uses of operating funds for the acquisition of computer and office equipment are accounted for as transfers to equipment funds. Depreciation of equipment is provided over the estimated useful lives of the respective assets on a straight line basis.

### Income Taxes

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

### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all cash on hand, deposits in financial institutions and highly liquid debt instruments with a maturity of three months or less to be cash and cash equivalents.

### (2) Restricted Deferred Revenues - Benevolent Fund

Due to lack of financial support the Benevolent Fund was discontinued during 1992.

The purpose of the Benevolent Fund was 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 were funded by voluntary contributions.

The Benevolent Fund, since its inception, has paid medical claims amounting to \$52,553. As of December 31, 1992, \$14,075 remained unpaid on these medical claims. The following summarizes the annual activity:

Beginning cash balance	\$ 1,031
Contributions made to the Fund	-
Claims paid	1,031
Balance available	\$ -



# FREE WILL BAPTIST FOUNDATION, INC.

## Notes to Financial Statements

December 31, 1992 and 1991

### (3) Funds Held for the National Ministries Offering

The Foundation became the custodian of funds received through the National Ministries Offering (an annual fundraising appeal to fund the operating budgets of certain departments of the National Association of Free Will Baptists) by action of the National Association of Free Will Baptists at its National Convention in July 1990. This fund raising appeal will be replaced by the "Together Way Plan" effective December 31, 1992. The following summarizes the activity:

Cash balance at beginning of the year	\$ 4,830
Undesignated and designated gifts	942
Distributions during 1992	5,178
Expenses of the fundraising appeal	594
Funds available for distribution at end of year	\$ -

### (4) Concentration of Credit Risk and Interest Bearing Deposits Held by the Board of Retirement and Insurance of the National Association of Free Will Baptists

The Foundation has interest bearing accounts amounting to \$868,642 with the Board of Retirement and Insurance. These accounts earn interest at rates established by the Board of Retirement. The rate of return will vary based on market conditions and the performance of the investments of the Board of Retirement. These accounts are uninsured and are not collateralized, accordingly the risk of accounting loss is the balance in the accounts at any point in time. Withdrawal from the accounts is without penalty, but withdrawal requires a 90 day notice.

### (5) Interest-Bearing Revocable Trusts

The Foundation maintains for grantors revocable trusts amounting to \$600,455 as of December 31, 1992 and pays interest to the trust beneficiaries. The rate of interest paid (see note 4) is dependent upon the amount of income earned from the investments of the Foundation. Withdrawal from the accounts is without penalty, but withdrawal requires a 90 day notice. The trusts are without maturity.

During 1991, the Board of Retirement and Insurance of the National Association of Free Will Baptists transferred revocable trusts which it held for grantors to the Foundation.

### (6) Endowment Funds (see note 4)

Endowment funds are subject to restrictions by the donor requiring that the principal be invested in perpetuity, and only the the income be distributed to the beneficiaries of the endowment. The rate of interest paid is dependent upon the amount of income earned from the investments of the Foundation.

As of December 31, 1992, the Foundation held \$291,059 of endowment funds which were invested in interest bearing accounts with the Board of Retirement and Insurance of the National Association of Free Will Baptists.

During 1991, the Board of Retirement and Insurance of the National Association of Free Will Baptists transferred an endowment type fund which had been established to provide supplemental retirement benefits to the Foundation. Further, during 1992 the amount representing earnings was transferred to a revocable trust to be used to pay the supplemental retirement benefits.

# FREE WILL BAPTIST FOUNDATION, INC.

## Notes to Financial Statements

December 31, 1992 and 1991

### (7) Related Party Transactions

The Board of Retirement and Insurance of the National Association of Free Will Baptists provided office space and certain administrative services to the Foundation for a cost of \$15,000 for the year ended December 31, 1992. These expenses have been included as a component of the following accounts in the statement of support and revenue, expenses and changes in fund balances:

Salaries	\$ 10,000
Office expense	5,000
	<u>\$ 15,000</u>

## Proposed Budget

	1992	1993	1994
*Salary/Honorariums	\$10,000	\$15,000	\$15,000
Travel & Promotion	3,022	5,000	7,500
*Office Expense	5,361	6,000	7,000
Printing and Publications	281	6,000	7,400
Training and Education	1,172	4,500	4,500
Legal and Auditing	2,918	1,500	3,500
Miscellaneous	737	500	1,000
<b>Total</b>	<b>\$23,491</b>	<b>\$38,500</b>	<b>\$45,900</b>

\* Salary and office expense are paid to the Board of Retirement operating account to help defray the office expense and salaries of the retirement staff. All retirement staff members share in the work of the Free Will Baptist Foundation.



## Commission for Theological Integrity

The purpose of this Commission is:

1) To alert our people of theological trends that could threaten our theological integrity as a denomination, 2) To prepare materials that will contribute to the continued preservation of the theological integrity of the denomination, and 3) As 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. These booklets are available at our booth.

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

Dr. Robert E. Picirilli, academic dean, Free Will Baptist Bible College, will conduct a seminar on "Conditional vs. Unconditional Election" at this year's convention. This seminar will deal with one of our important distinctives as Free Will Baptists. This subject has become increasingly important in recent years.

Leroy Forlines, Chairman

### 1994 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

## Financial Report

\$ 581.51

Balance in Bank January 1, 1992

\$1,667.49

#### Income:

##### Gifts:

Alabama	.35
Arkansas	269.40
Arizona	.25
California	13.65
Florida	15.57
Georgia	19.49
Hawaii	.16
Illinois	17.54
Indiana	154.31
Kansas	.86
Kentucky	1.38
Maryland	7.15
Michigan	23.10
Mississippi	6.06
Missouri	165.84
North Carolina	16.80
New Mexico	.04
Ohio	27.70
Oklahoma	563.71
South Carolina	2.30
Tennessee	62.40
Texas	29.28
Virginia	.49
Washington (Northwest)	.27
West Virginia	107.64
Canada	.22
Miscellaneous Gifts	160.00
Special Ministries Offering	1.53

545.72

Sales of Literature 50.00

Refund on National Association Booth Expense 22.84

Interest on Bank Account \$2,867.56

#### Total Income and Balance

#### Expenditures:

Salary/Bookkeeping	200.00
Nat'l. Assoc. Booth Expense	609.00
Digest of Reports	82.66
Annual Meeting Expense	507.62
Bank Service Charge	64.00
National Assoc. Seminar Speaker Expense	100.00
Shipping Literature	30.44

(1,593.72)

#### Total Expenditures

\$1,273.84

Balance in Bank December 31, 1992



## Radio and Television Commission Report

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

The Commission has, for the past seven years, produced a forceful 15 minute radio broadcast to fulfill this responsibility. As Jim Vallance opens the broadcast with a musical selection from one of our Free Will Baptist musicians, he then turns the microphone over to the Rev. Bob Shockey, speaker for "Victorious Faith." The program moves briskly with compassionate preaching with an urgent invitation to respond to the call of Christ.

We are currently producing radio spot announcements, three- to five-minute messages and special messages for special days for radio stations across the country. These should be ready for use in a short time.

The Radio/Television Commission has no building. We have no full-time employees. The only funds we have are donated by Free Will Baptists. While the amount of support that we receive is not sufficient to allow us to develop a well-rounded media ministry; we are still committed to using the media to spread the Gospel.

I would like to continue making some suggestions to our pastors and churches that would help us fulfill our responsibility to our Lord and Free Will Baptists.

1. I would like to encourage our churches to buy radio time in their areas of service.
2. Perhaps churches that are on the radio daily could give us one day a week.
3. If a church has a 30-minute program—they could share 15 minutes with us once a week.
4. Churches could use our tapes before and during revival time.
5. Pastors could substitute their radio time with our tapes during vacation time.
6. Churches who want special tapes made could call and we will produce special services or advertisement tapes.
7. We would be glad to send tapes that help explain Free Will Baptist Doctrine and our belief.

We would like to challenge every FWB pastor and leader within our fellowship to please make room for us in your system of giving. Please put us in your church and state budgets. Give a gift at the convention and let God use you to spread the Gospel.

Until He Comes,

Bob Shockey, Chairman  
Psalm 126:5-6

## Year End Statement Ending December 31, 1992

<b>Income</b>	\$1,822.34
Gifts, Co-op, Designated Co-op	.00
National Ministries Sunday	111.86*
Interest	
<b>Expenditures</b>	.00
Promotion	38.94
Travel Expense	365.00
Part-time help	790.02
Production Costs	.00
Supplies	.00
Postage	500.00
Equipment/Maintenance	.00
Phone	.00
Printing	.00
Convention	.00
Broadcast	61.17
**NAFWB-insurance	67.15
**Service fees	\$1,822.28
<b>Total</b>	
<b>Checking Account</b>	\$2,429.50
Beginning Balance 1/1/92	1,822.34
Income	(1,822.28)
Expenditures	\$2,429.56
Ending Balance 12/31/92	
<b>Savings Account</b>	\$3,399.29
Beginning Balance 1/1/92	111.86
Interest added	\$3,511.15
Ending Balance 12/31/92	

- \* Not included in spendable income; held in savings account  
 \*\* Not budgeted, but necessary expenditures



# 1992 Gifts by State

State	Co-op	Co-op Designated	Gifts	Total
Alabama	\$0.35	\$0.00	\$0.00	\$0.35
Arkansas	35.27	234.13	.00	269.40
Arizona	.25	.00	.00	.25
California	13.65	.00	.00	13.65
Colorado	.00	.00	.00	.00
Florida	15.57	.00	.00	15.57
Georgia	19.49	.00	.00	19.49
Hawaii	.16	.00	.00	.16
Idaho	.00	.00	.00	.00
Illinois	17.54	.00	.00	17.54
Indiana	1.13	.00	.00	1.13
Kansas	.86	.00	.00	.86
Kentucky	1.38	.00	.00	1.38
Louisiana	.00	.00	.00	.00
Maryland	7.15	.00	.00	7.15
Michigan	23.10	.00	.00	23.10
Missouri	.00	168.01	.00	168.01
Mississippi	23.10	.00	.00	23.10
North Carolina	8.48	8.31	40.00	56.79
New Jersey	.00	.00	.00	.00
New Mexico	.04	.00	.00	.04
Ohio	27.70	.00	.00	27.70
Oklahoma	101.37	462.34	.00	563.71
South Carolina	2.30	.00	.00	2.30
Tennessee	19.25	43.15	372.50	434.90
Texas	8.39	20.89	.00	29.28
Virginia	.49	.00	.00	.49
Washington	.27	.00	.00	.27
West Virginia	2.05	105.59	.00	107.64
Canada	.22	.00	.00	.22
<b>Total</b>	<b>\$312.52</b>	<b>\$1,042.42</b>	<b>\$412.50</b>	<b>\$1,767.44</b>

# Proposed Budget 1994

<b>Income</b>	\$2,500
Coop	8,400
Gifts	\$10,900
<b>Total</b>	
<b>Expenses</b>	\$2,000
Promotion	500
Commission Expenses	200
Bookkeeper	200
Other help	1,800
Production costs	500
Supplies	1,000
Postage	500
Equipment/Maintenance	250
Telephone	600
Printing	500
Convention Booth	150
Digest of Reports	200
Convention Materials	2,500
Broadcast time	\$10,900
<b>Total</b>	

Commission Members:  
 Bob Shockey, Chairman  
 Jim Vallance, Secretary/Treasurer  
 Sandy Goodfellow  
 Bill Gardner  
 Terry Boyd



## Music Commission Report

The Music Commission has accepted the responsibility of educating, promoting, encouraging, and developing the music ministry in and among Free Will Baptists. This year the commission has investigated the possibilities of a National Music Forum and Music Workshop to be held at Free Will Baptist Bible College in May, 1994. This two-day forum will include a time of brainstorming with ministers of music and pastors from across the country and special instruction and music training specifically designed for ministers of music in worship and praise, presentation by publishers of new music, church music education, and church music administration.

The Executive Office asked the Music Commission to investigate the possibilities of reprinting *Rejoice: The Free Will Baptist Hymn Book* (1988). Of the 100,000 books originally printed, there are now less than 9,000 books on hand. The supply of shaped-note hymnals is completely gone and there are limited supplies of certain colors in the round-note editions. Discussions are in progress as to the possibility of audio recordings to supplement the present hymnal. We will present a costs analysis for reprinting the hymnal and a projected time line at the 1993 National Convention in Louisville.

Blaine Hughes submitted his resignation of membership on the commission to Dr. Worthington, executive secretary, in September 1992. We need to elect a person to fill the unexpired term held by Mr. Hughes. We express regret at Mr. Hughes' resignation and appreciation to him for the more than 20 years of service he provided as coordinator of the National Convention music program.

We are funded by the National cooperative giving program. Last year we received through the Cooperative Plan of Support \$1,232.78. Further gifts may be sent to the Executive Office in Nashville and designated to the Music Commission.

Vernon M. Whaley  
Chairman

January - December, 1992

<b>Assets</b>	
Cash and Bank Accounts	\$3,067.83
<b>Total Assets</b>	<u>\$3,067.83</u>
<b>Liabilities and Equity</b>	
Liabilities	.00
Equity	<u>\$3,067.83</u>
<b>Total Liabilities and Equity</b>	<u>\$3,067.83</u>

### 1993 Budget

Commission Expense	\$ 225.00
Postage	100.00
Telephone	300.00
Digest of Reports	75.00
National Convention Booth Materials	150.00
Speakers	150.00
Music Conference	500.00
<b>Total Budget</b>	<u>\$1,500.00</u>

## 1993 Historical Commission Report

Commission members agreed to write 25 historical sketches for 1993-94 Free Will Baptist Bulletin Service sponsored by Randall House Publications. Each member will prepare material for bulletin back covers. Jack Williams will edit the 25 articles.

The Commission purchased all remaining copies of *History of Free Will Baptist State Associations* from Randall House. We are working with state association clerks to distribute the book among our people.

Thanks to the efforts of Tim Thompson and Herbert and Geraldine Waid the Commission secured Laura Belle Barnard's papers and materials after her death. The materials were placed in the Historical Collection as well as with Free Will Baptist Bible College, WNAC and the Foreign Missions Department.

The Commission commends Free Will Baptist Bible College for starting an annual "Heritage Week" on campus. Three Commission members gave reports on the history of education among Free Will Baptists during the 1993 Heritage Week. We encourage other Free Will Baptist colleges to consider a Heritage Week emphasis.

## 1992 Financial Report

Balance on hand, December 31, 1991 \$12,968.21

### Income for 1992:

Co-op gifts (designated & undesignated):	1,512.70
Interest (First American Bank, Nashville):	465.11
Ruth's Chapel FWB Church (direct)	40.00
Georgia State Association (direct)	18.00
Sales	16.00
<b>Total</b>	<u>\$2,051.81</u>

### Expenditures for 1992:

Matt Pinson (research award)	200.00
National Convention Fund ( <i>Digest</i> fees)	41.33
Randall House (History of State Associations)	500.00
Book purchase for collection	23.50
<b>Total</b>	<u>(\$764.83)</u>

Balance on hand, December 31, 1992 \$14,255.19

## 1994 Budget

<b>Income</b>	
Gifts (Together Way Plan)	\$1,600.00
Interest (First American Bank)	500.00
Miscellaneous	<u>250.00</u>
<b>Total</b>	<u>\$2,350.00</u>
 <b>Expenses</b>	
Books and Materials for Historical Collection	\$1,500.00
Travel	400.00
Executive Office ( <i>Digest</i> fees)	50.00
Other Historical Projects	<u>400.00</u>
<b>Total</b>	<u>(\$2,350.00)</u>



**Minutes  
of the  
Fifty-Eighth Annual Session  
of the  
Woman's National Auxiliary  
Convention  
of the  
National Association of  
Free Will Baptists  
when convened in  
Louisville, Kentucky  
July 20, 1993**

**WNAC Officers  
1993-1995**

**President**

Mrs. Mary Neal  
138 N. 24th Street  
New Castle, IN 47362

**Vice President**

Mrs. Barbara Fletcher  
Route #1, Box 96  
Richton, MS 39476

**Secretary**

Mrs. Jo Ann Wood  
2332 S. Nogales  
Tulsa, OK 74107

**Executive Secretary-Treasurer**

Mary Ruth Wisheart  
P.O. Box 5002  
Antioch, TN 37011-5002

**Members at Large**

Mrs. Everyl Getz  
4304 N. 3rd  
McAllen, TX 78504

Mrs. Diane Thomas  
Rt. #1, Box 1178  
Grifton, NC 28530

Mrs. Marjorie Workman  
3601 Central  
Nashville, TN 37205

**Theme:** The Grace of Giving

**Scripture:** Acts 20:35

**Hymn:** "Something for Thee"

**Music Coordinator:** Debbie Burden

**Organist:** Carol Reid

**Pianist:** Marian Pilgrim

**Registration Chairman:** Diane Patton

**Tuesday Morning, July 20, 1993**

The fifty-eighth annual session of the Woman's National Auxiliary Convention convened in the Commonwealth Convention Center, Louisville, Kentucky at 9:00 A.M. Opening prayer by Cleo Pursell. The meeting was called to order by President Mary Neal reading the scripture Acts 20:35. She then introduced the musicians. Opening songs: "Something for Thee" and "Tis so Sweet to Trust in Jesus."

Devotion: Psalm 24:1 Matt. 6:1-4, 12 entitled "Giving from the Heart" by Susan Turnbough. Her thoughts were give not that men might see, give willingly and joyfully, give liberally, give our very best. We ended with the chorus "Freely, Freely."

Special music by Terry and Ramona VanWinkle, "No Wonder They Call Him Savior."



Welcome: Phyllis York, Kentucky State President.

MSC to receive the Credentials Committee report given by Delois Loveless and seat the delegates. (See reports.)

MSC to receive the Executive Secretary-Treasurer's report and adopt the 1994 budget. (See reports.)

Dr. Wisheart introduced Melissa Riddle to present the Creative Arts Awards. Awards were presented as follows:

Programs: 1. Diane Thomas 2. Maizie Sevitts 3. Betty Payne 4. Eleanor Grindstaff.

Articles: 1. Barb Eubanks 2. Cheryl Akers 3. Deniece Hammonds 4. Glenna Price.

Plays: 1. Suzy Virden 2. Sara Kilgore 3. Lavonda Carswell 4. Carolyn Lane.

Poetry 1. Katy Taylor 2. Carol Reid 3. Patricia Collins 4. Cheryl Akers.

Art: 1. Terri Cooper

MSC to accept the Resolutions Committee report given by Anne Worthington and act on it item by item. (See reports.)

MSC to adopt Item #1.

MSC to amend Item #2 by adding "to begin January 1994." MSC to adopt Item #2 as amended.

MSC to amend Item #3 by adding following church "in good standing with the National Association of Free Will Baptists."

MSC to adopt Item #3 as amended.

MSC to adopt Item #4.

MSC to accept the Appreciation Committee report given by Maurine Lee. (See reports.)

### WNAC Missionary Service

Opening songs led by Debbie Burden, "Trust and Obey" and "At Calvary." Offertory prayer by Delois Loveless. The offering totaled \$1297.63, for which we are very thankful. Special Music was by Donnell Wilson "How Beautiful." Message and prayer by Ron Moore, missionary to Ivory Coast. Philippians 4:10-20, Luke 6:38, 2 Cor. 9:7-9. His subject was "Three Fold Partnership in Missions." He challenged us to give ourselves to God's work and to bring honor and glory to God in all the world. The key to giving is to first give ourselves.

### Tuesday Afternoon, 1:30 p.m.

Opening songs "Leaning on the Everlasting Arms" and "I Love Him Better Every Day," led by Debbie Burden. Special music by Jerry, Marian and Emily Pilgrim, "The Master Of The Winds."

MSC to accept the Study Committee report and act on it item by item. (See reports.)

MSC to accept the report of the Nominating Committee and vote on each office separately. The six nominees were elected. (See reports.)

MSC to accept the report of the Registration Committee given by Diane Patton. (See reports.)

MSC that the Executive Secretary and the Executive Committee work closely together to curtail expenses.

The following items were mentioned from the floor.

Discussion on when the study committee report goes into effect. Concern stated by Joan King from North Carolina concerning the opinion of a book editor Melissa Riddle mentioned in the latest issue of the *Co-Laborer* magazine.

### WNAC Special Feature: Celebrating the Grace of Giving

Mary Ruth Wisheart presided over a panel consisting of Cleo Pursell, Jane Greenway, Dr. L.C. Johnson and Lucille Steward.

Mrs. Frazier went to be with the Lord on May 15, 1993. Cleo Pursell and Jane Greenway shared memories concerning Mrs. Frazier. Jane urged each woman to share her abilities and gifts, time and funds.

Dr. Johnson met Mrs. Fannie Polston in 1936. She was loyal to Free Will Baptists and the Woman's Auxiliary. She was the first Field Secretary. She was a tremendous motivator, a practical woman with common sense. She promoted education. She gave the last \$1,000 she had to FWBBC. She had made a promise and this she kept.

Lucille Steward challenged us to get involved. There is no place to quit. She is instrumental in raising approximately \$30,000 in equipment, etc. for the Provision Closet. She also has worked in the Veterans' Hospital for 18 years and the Rescue Mission for 26 years. She conducts a VBS for street children. She makes crafts to sell with proceeds going to our hospital in Africa. She was a blessing and challenged each of us to continue to serve the Lord in any way that we can.

Mary Ruth Wisheart presented a tribute to Lorene Miley. She spoke concerning the dedication of Mrs. Miley not only to WNAC but to the mission field of Africa. Lorene served as editor of the *Co-Laborer* magazine for 14 years. Her experience and wisdom will be missed. She is loved by all the women of our denomination. Lorene was unable to be with us during this session. But we still want to say THANK YOU LORENE!

Adjourned with prayer by President Mary Neal.

Jo Ann Wood  
Recording Secretary

### WNAC Seminar, July 19, 1993

1:30-2:30 Seminar

Theme: "Giving Yourself"

Presiding: Mary Neal

Speakers: June Wilkinson, Gladys Gragg



## State Officers Meeting, July 19, 1993

### 3:00-4:00 State Officers Meeting

Presiding: Mary Wisheart

Speakers: Lucille Steward, Mary R. Wisheart

Both seminars were well attended.

## WNAC Fellowship Dinner, July 20, 1993

The WNAC Fellowship Dinner was held at 5:00 P.M. in the Hyatt Regency Hotel, Regency Ballroom.

Invocation: Raymond Getz

Mrs. Darlene Spangler was our speaker. Mrs. Spangler is from California and works with the Billy Graham Association. She is involved in ministry to children. She challenged us to take our rightful role as Christian parents. She stressed the man's role as Priest, Provider and Protector.

Benediction: Alton Loveless

## Meeting of the WNAC Executive Committee

December 9, 1992

The executive committee attended the All-Boards Conference December 7-8, 1992, at the Doubletree Hotel in Nashville, TN.

The committee met for their business meeting December 9, 1992, in the WNAC conference room. A devotion was given by Mary Neal using the scripture Hebrews 2:1, reminding us that He is always there. Prayer by Jo Ann Wood, Pam Wood, and Mary Neal.

Members present were Mary Ruth Wisheart, Mary Neal, Everyl Getz, Pam Wood and Jo Ann Wood. Minutes of the last meeting were read by Jo Ann Wood.

Melissa Riddle gave a report regarding thoughts and changes she would like to make in *Co-Laborer* magazine. The committee feels Melissa will be an asset to the WNAC staff.

Executive Secretary report was given by Dr. Wisheart. We reviewed the financial report. MSC by Pam Wood and Everyl Getz to accept the report and give Dr. Wisheart authority to readjust as needed.

Approved the sale of a book of missionary stories by Lorene Miley. The book will go on sale 1993 or as soon as Melissa Riddle can get the book ready.

We were given a report on balance owed on the furniture for the new office. A good report on the Endowment Fund. Report on the Eunice Edwards Fund showed funds available to pay the \$5732 needed on the computer by March. This will be considered a loan.

MSC by Everyl Getz and Pam Wood to amend the budget. Also to give all employees a 4% raise in place of the 5% proposed for the staff and the following Christmas bonuses: staff, \$100; Executive Secretary-Treasurer, \$200.

Plans were made for the WNAC meeting when convened July 19-20, 1993, in Commonwealth Convention Center in Louisville, KY.

**Theme:** The Grace of Giving

**Scripture:** Acts 20:35

**Hymn:** Something for Thee

**Music Coordinator:** Debbie Burden

**Pianist & Organist:** To be selected by music coordinator

**Registration Chairman:** Diane Patton

**Morning Devotion:** Susan Turnbough (to share concerning the loan on their church)

**Special Music:** To be selected by music coordinator

**Missionary Service (11:00):** Lorene Miley

**Special Feature:** Honor Lorene Miley "Blessed by Giving." (Dr. Wisheart will contact Dr. Miley concerning honoring Mrs. Miley on Tuesday afternoon)

## Seminars, Monday, July 19, 1993

**Presiding:** Mary Neal

**Theme:** "Giving Yourself"

**Speakers:** Janice Little - Sharing time-prison ministry  
Gladys Gragg - Recognizing your resources

**Alternate:** Shirley Lauthern

**State Officers Meeting** - Mary R. Wisheart

## National Retreat, 1994

Selected theme: "Back to the Basics" focusing on Bible study and prayer. We will ask Beverly Welch to write a chorus. We selected key note speakers: Pam Wood on prayer and Alice Wood on Bible Study. We selected Marguerite Kern as Music Coordinator.

Discussed check plan. This was put on hold for the time being. Pam Wood will send idea for offering envelope.

Discussed copyright on WNAC logo when we make change in 1993. Dismissed for meeting with the Study Committee.

The Study Committee and the Executive Committee met in the National Office Building December 7, 1992. Those present were: June Rolen, Diane Thomas, Peggy Outland, Marguerite Kern, Diana Bryant, and Mary R. Wisheart. Executive Committee members present were: Mary Neal, Pam Wood, Everyl Getz and Jo Ann Wood.

Chairman June Rolen opened the meeting. Prayer by Marguerite Kern. Suggested changes were as follows:

1. Women Nationally Active for Christ.
2. Local names: WNAC is an umbrella name for Free Will Baptist women's organizations. Local, district and state groups should choose their own names and identify themselves with the national organization.
3. Purpose: The purpose of this organization is to provide opportuni-



ties for women to understand and fulfill their responsibilities in the family, in the church, in the community, and around the world through the great commission.

4. Song: "People Need the Lord"
5. Officers: Coordinator, Assistant Coordinator, Secretary-Treasurer, Missions Chairman, Study Chairman, Prayer Chairman, Service Chairman.
6. Will be presented without change.
7. Will be deleted.
8. Revise current manuals into one enlarged edition, with officers guides included.

These changes can be completed in approximately two years.

Jo Ann Wood  
Recording Secretary

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### WNAC Executive Committee Meeting, July 19, 1993

The Executive Committee of WNAC met in the Cherokee Room of the Hyatt Regency Hotel, Louisville, Kentucky, July 19, 1993. Those present were Mary Neal, Mary Ruth Wisehart, Delois Loveless, Jo Ann Wood, Everyl Getz, Gwen Hendrix.

Devotion and prayer by Delois Loveless.

MSC to receive the report of the Executive Secretary, Dr. Wisehart.

MSC to accept the 1994 proposed budget.

The committee approved by consensus that Dr. Wisehart be allowed to teach at Free Will Baptist Bible College.

The committee discussed the retreat program for 1994.

The committee selected Rose Mary Jenson of Bible Study Fellowship as the WNAC Fellowship Dinner speaker in Little Rock, Arkansas, 1994.

The committee approved a price increase for the Co-Laborer magazine: Group rates \$6, individual rates \$6.75.

Dismissed for afternoon seminars.

Jo Ann Wood  
Recording Secretary

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### Report of the Appreciation Committee

We the appreciation committee submit the following recommendations:

1. That we give a rising vote of thanks to President Phyllis York and the Kentucky State Woman's Auxiliary Convention for arranging the WNAC registration and executive luncheon, and for the banquet favors and decorations and for all they have done to make our 58th session a comfort and blessing.
2. That we express our thanks to our missionary speakers, Susan

- Turnbough and Ron Moore, and to our seminar speakers, June Wilkinson and Gladys Gragg, to those who provided special music, and to Darlene Spangler, our banquet speaker.
3. That we express appreciation to President Mary Neal, Dr. Wisehart and our executive committee for planning our convention and seminars and the many hours of labor on behalf of the WNAC as a whole.
  4. That we also give our thanks to our Study Committee who have labored long and with much prayer and concern to present a program of work for WNAC for us to consider.
  5. That we give special thanks to Dr. Johnson, Mrs. Pursell, Lucille Steward and Jane Greenway for their preparation and presentation of our afternoon program "Celebrating the Grace of Giving."

Respectfully submitted,  
Maurine Lee, Chairperson (North Carolina)  
Mary C. Kelton (Arkansas)  
Suzanne Lewis (Illinois)  
Myrtle Samms (West Virginia)  
Sandy Mounts (Ohio)

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### Report of the Credentials Committee

We your credentials committee, wish to submit the following report.

The following state conventions have submitted reports and paid dues: Alabama, Arkansas, California, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Maryland, Michigan, Mississippi, Missouri, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia.

The following districts have submitted reports and paid dues: First Arizona District.

The following local Auxiliaries have submitted reports and paid dues: Hawaii, Iowa (Riverview, Bettendorf) Nebraska (Maranatha-Omaha) New Hampshire (New Durham 1st) Virgin Islands.

Reports and dues received from	22 states
	1 district
	5 locals

Respectfully submitted,  
Delois Loveless, chairperson (Ohio)  
Gaye Nobles (Maryland)  
Peggy Outland (Illinois)  
Treva Wallace (Michigan)  
Rhetta Butler (Alabama)



## Report of the Resolutions Committee

We, the resolutions committee, submit the following resolutions:

1. Whereas, the Free Will Baptist Bible College is seeking regional accreditation, and one area of need is the library, therefore,

Be it resolved that we encourage each local Woman's Auxiliary to give, in addition to regular support, money for one or more books (ranging from \$9.95 to \$99.95 or more) to the Welch Library at Free Will Baptist Bible College during 1993-1994.

(If any Auxiliary or individual wishes to give a book in memory or honor of someone, the library will recognize this gift with a nameplate.)

2. Be it resolved that we raise our representation fees (dues) from \$2.50 to \$10 per member per year to WNAC and that the local Woman's Auxiliary delegate fee be raised from \$3 to \$5, beginning January 1994. Adopted as amended and here written.

3. Be it resolved that the Constitution and By-laws for the Woman's Auxiliary, Article IV, Section II, be changed to read that all officers and delegates of the national, state, district and local Woman's Auxiliaries be members in good standing of a Free Will Baptist church in good standing with the national association and shall perform the duties set out for them in the present manual and that this be included in any future printings. Adopted as amended and here written.

4. Be it resolved that we request that the Home and Foreign Missions Departments share with us in the rent of the provision closet in the amount of one-third of the total each.

Respectfully submitted,  
Anne Worthington, chairperson (Tennessee)  
Mary Alice Bridgman (Oklahoma)  
Yvonne Brown (California)  
Shirley Jackson (Missouri)  
Shirley Sharpston (Ohio)

## Report of the Nominating Committee

We the nominating committee submit the following names for WNAC officers for the years 1993-1995.

President - Mary Neal (Ohio)  
Vice President - Barbara Fletcher (Georgia)  
Secretary - Jo Ann Wood (Oklahoma)  
Members at Large: Diane Thomas (North Carolina)  
Everyl Getz (Texas)  
Marjorie Workman (Tennessee)

Respectfully submitted,  
Debbie Burden, chairperson (Oklahoma)

## The Report of the Registration Committee

We your Registration Committee submit the following report:

Number of Persons Registered:	6
WNAC officers .....	19
Missionaries from 5 countries, including the USA .....	31
Standing Delegates (State Presidents & Field Workers) .....	170
Elected Delegates, (State, District & Local) .....	112
Local Delegates paying representation fee of \$3 .....	786
Ministers and Visitors .....	1124
<b>Total Registration .....</b>	<b>1124</b>

Respectfully submitted,  
Diane Patton, chairperson (Kentucky)  
Rhonda Collins (Kentucky)  
Dreama Harris (Kentucky)  
Nancy Smith (Tennessee)

## Creative Arts Contest 1992-1993 157 Entries From 26 States

### Programs:

First Place: Diane Mitchell Thomas, Grifton, NC  
Second Place: Maizie Sevitts, Kirksville, MO  
Third Place: Betty Payne, Arlington, VA  
Fourth Place: Eleanor Grindstaff, Erwin, TN

### Articles:

First Place: Barb Eubanks, Sesser, IL  
Second Place: Cheryl Akers, Jacksonville, FL  
Third Place: Deniece Hammonds, Moore, OK  
Fourth Place: Glenna Price, Lenore, WV

### Plays:

First Place: Suzy Virden, Woodlawn, IL  
Second Place: Sara Kilgore, Limestone, TN  
Third Place: Lavonda Carswell, Morganton, NC  
Fourth Place: Carolyn Lane, Antioch, TN

### Poetry:

First Place: Katy Taylor, Waterford, MI  
Second Place: Carol Reid, Nashville, TN  
Third Place: Patricia Collins, Smithville, MS  
Fourth Place: Cheryl Akers, Jacksonville, FL

### Art:

First Place: Terri Cooper, Southgate MI



## WNAC Annual Report, 1993

Organization	Districts	Locals	Auxiliary Members	Actionettes	Actionette Members
Alabama	8	46	514	1	7
Arkansas	12	88	961		
California	4	27	324		
Florida	7	20	223	1	5
Georgia	10	59	547	1	25
Illinois	2	27	300	1	8
Indiana	1	8	109		
Kansas	2	5	39	1	5
Kentucky	5	22	320		
Maryland	2	10	108		
Michigan	5	30	266		
Mississippi	4	23	321	1	8
Missouri	8	53	964	2	14
New Mexico	2	3	22		
North Carolina	7	70	1,102	1	7
Ohio	4	30	331		
Oklahoma	13	112	1,229	5	28
South Carolina	4	49	682	2	13
Tennessee	3	46	1,513		
Texas	3	17	242		
Virginia	3	19	262		
West Virginia	1	10	165		
<b>Districts</b>					
Arizona (district)	1	4	26		
Northwest (OR, WA)					
Rocky Mountain (CO)					
<b>Locals</b>					
Canada					
Hawaii (Waipahu)		1	8		
Idaho (Rupert 1st)					
Iowa (Riverview, Bettendorf)		1	8		
Montana (Billings)					
Nebraska (Maranatha, Omaha)		1	8		
New Hampshire (New Durham 1st)		1	13		
Virgin Islands		1	12		
Wyoming					
<b>Totals</b>	<b>111</b>	<b>783</b>	<b>10,619</b>	<b>16</b>	<b>120</b>

## Woman's National Auxiliary Convention Report

WNAC women can praise the Lord for His blessings in 1992. Several changes took place, and through them all the Lord blessed and provided. Mrs. Lorene Miley retired as editor of the *Co-Laborer* magazine after 14 years.

Melissa Riddle became the editor in October 1992. We pay tribute to Mrs. Miley for her years of faithful service, and we welcome Melissa with expectancy for the years ahead.

In 1992 we added 57 new Auxiliaries. From January-May 1993, we have sent materials to 20 new or reorganizing Auxiliaries. In 1992 we added 12 Actionette groups. From January-May 1993 we have sent materials to 10 Actionette groups.

The first issue of the magazine in 1992 had 13,131 subscribers. We have added 431 new subscribers and in May had 13,562 on the subscription list. WNAC's theme for 1993 is "The Grace of Giving." We have emphasized faithfulness in finances and in the stewardship of life. Women are gradually giving more to the support of the national office, also other ministries.

In January, we will introduce the theme for 1994, "The Bible: Light on the Way." Our retreat at Ridgecrest, September 15-17 will emphasize the Word and prayer.

We're going West of the Mississippi for a retreat at Glorieta Baptist Conference Center, Glorieta, New Mexico, October 20-22, 1995. This retreat is an experiment for us to see how well this site may benefit our women in the West.

Appreciation goes to the staff: Yvonne Wolfenbarger, executive assistant; Sue Hayes, bookkeeper; and Melissa Riddle, editor.

I also want to thank the executive committee of WNAC. These women have given time and thought to the work for the past two years: president, Mary Neal; vice president, Delois Loveless; secretary, Jo Ann Wood, and members at large of the committee, Gwen Hendrix, Everyl Getz, and Pam Wood.

Our theme for this last decade of the 20th Century is "Our Faces Toward Tomorrow." We look at our past and thank God for those noble Christian women who founded our work and kept it true to its purpose and intent through the years. We look ahead and although we cannot see into the future, we want to be always prepared to seize the opportunities God places before us. We know that as God led those women in the past, He will continue to lead us.

Mary R. Wisehart  
Executive Secretary-Treasurer  
1993



WOMAN'S NATIONAL AUXILIARY CONVENTION  
(An Auxiliary of the National Association of Free Will Baptists)

Antioch, Tennessee

Financial Statements

December 31, 1992

Thoni, Hinton & Warren

CERTIFIED PUBLIC ACCOUNTANTS  
NASHVILLE, TENNESSEE

WOMAN'S NATIONAL AUXILIARY CONVENTION  
(An Auxiliary of the National Association of Free Will Baptists)

December 31, 1992

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THONI, HINTON & WARREN

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WILLIAM H. DENNEY, CPA  
LARRY BRUCE WALLACE, CPA

Members  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
TENNESSEE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Executive Committee of the  
Woman's National Auxiliary Convention

We have audited the accompanying balance sheet of the Woman's National Auxiliary Convention (an auxiliary of the National Association of Free Will Baptists) (a nonprofit organization) as of December 31, 1992, and the related statements of support and revenue, expenses and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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 Woman's National Auxiliary Convention as of December 31, 1992 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Thoni, Hinton & Warren

February 10, 1993



WOMAN'S NATIONAL AUXILIARY CONVENTION  
(An Auxiliary of the National Association of Free Will Baptists)

Balance Sheet  
December 31, 1992

ASSETS

	General Fund	Memorial Student Loan Fund	Eunice Edwards Fund	Total All Funds
Cash	\$ 9,278	\$ 11,625	\$ 6,032	\$ 26,935
Certificate of deposit	10,000			10,000
Accounts receivable - Note 1	6,951			6,951
Inventory - Note 1	15,111			15,111
Notes receivable		60,260		60,260
Accrued interest receivable		6,436		6,436
Advances to General Fund		13,807		13,807
Property and equipment at cost, less accumulated depreciation of \$13,179 - Notes 1 & 2	24,045			24,045
Capitalized lease - Note 3	9,085			9,085
Total assets	\$ 74,470	\$ 92,128	\$ 6,032	\$172,630

LIABILITIES AND FUND BALANCES

Accounts payable	\$ 2,517	\$	\$	\$ 2,517
Deferred revenue - Note 4	36,432			36,432
Restricted deferred revenue - Notes 1 & 10	2,471		6,032	8,503
Note payable - Note 6	5,000			5,000
Advances from Student Loan Fund	13,807			13,807
Total liabilities	60,227		6,032	66,259
Commitments - Note 9				
Fund balances				
Restricted - Note 5	4,135	92,128	-0-	96,263
Unrestricted	10,108			10,108
	14,243	92,128	-0-	106,371
	\$ 74,470	\$ 92,128	\$ 6,032	\$172,630

See accountants' report and accompanying  
notes to the financial statements.

WOMAN'S NATIONAL AUXILIARY CONVENTION  
(An Auxiliary of the National Association of Free Will Baptists)  
Statement of Support and Revenue, Expenses and Changes in Fund Balances  
For the Year Ended December 31, 1992

	General Fund	Memorial Student Loan Fund	Eunice Edwards Fund	Total All Funds
Support and revenues:				
Dues and fees	\$ 27,459	\$	\$	\$ 27,459
Designated contributions	221,227			221,227
Magazine and literature sales	76,846			76,846
Convention and retreat income	15,640			15,640
Gifts and offerings	63,760	3,474		67,234
Interest income	1,243	2,340		3,583
	406,175	5,814	-0-	411,989
Expenses:				
Salaries and wages	78,028			78,028
Payroll taxes and employee benefits	19,777			19,777
Cost of magazine and literature printing	43,060			43,060
Travel and promotion	3,147			3,147
Conventions and retreats	18,298			18,298
Office expense	3,592	325		3,917
Postage	3,724			3,724
Rent expense	34,408			34,408
Professional fees	3,450			3,450
Administrative expense		400		400
Depreciation	1,694			1,694
Amortization	491			491
Bad debt expense	190			190
Insurance expense	871			871
Dues and subscriptions	75			75
Special projects	852			852
Foreign student scholarships	3,000			3,000
Continuing education	716			716
Designated contributions	222,173			222,173
Miscellaneous	788			788
	438,334	725		439,059
Excess (deficiency) of support and revenue over expenses	( 32,159)	5,089	-0-	( 27,070)
Transfer of accumulated interest to General Fund	35,000	( 35,000)		
Fund balance - beginning of year	11,402	122,039	-0-	133,441
Fund balance - end of year	\$ 14,243	\$ 92,128	\$ -0-	\$106,371

See accountants' report and accompanying  
notes to the financial statements.



WOMAN'S NATIONAL AUXILIARY CONVENTION  
(An Auxiliary of the National Association of Free Will Baptists)  
Statement of Cash Flows  
For the Year Ended December 31, 1992

	General Fund	Memorial Student Loan Fund	Eunice Edwards Fund	Total All Funds
<u>Operating activities</u>				
Excess (deficiency) of support and revenue over expenses	(\$32,159)	\$ 5,089	\$ -0-	(\$27,070)
Adjustment to reconcile net income to net cash provided by operating activities:				
Depreciation	1,694			1,694
Amortization	491			491
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	( 2,234)			( 2,234)
(Increase) decrease in inventory	629			629
(Increase) decrease in accrued interest receivable		1,057		1,057
Increase (decrease) in accounts payable	665			665
Increase (decrease) in deferred revenue	( 717)		3,528	2,811
Net cash provided (used) by operating activities	( 31,631)	6,146	3,528	( 21,957)
<u>Investing activities</u>				
Collection of loans receivable		11,237		11,237
Additions to loans receivable		( 15,487)		( 15,487)
Purchase of equipment	( 732)			( 732)
Net cash used in investing activities	( 732)	( 4,250)	-0-	( 4,982)
<u>Financing activities</u>				
Net cash provided by financing activities	-0-	-0-	-0-	-0-
Increase (decrease) in cash and cash equivalents	( 32,363)	1,896	3,528	( 26,939)
<u>Transfers</u>				
Transfer of accumulated interest and repayment of interfund loan, net	32,256	( 32,256)		
Cash and cash equivalents at beginning of year	9,385	41,985	2,504	53,874
Cash and cash equivalents at end of year	\$ 9,278	\$11,625	\$ 6,032	\$26,935

See accountants' report and accompanying notes to the financial statements.

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WOMAN'S NATIONAL AUXILIARY CONVENTION  
(An Auxiliary of the National Association of Free Will Baptists)  
Statement of Cash Flows  
(Continued)  
For the Year Ended December 31, 1992

	General Fund	Memorial Student Loan Fund	Eunice Edwards Fund	Total All Funds
<u>Supplemental Disclosures</u>				
Acquisition of equipment	\$ 5,732	\$	\$	\$ 5,732
Cost of equipment	( 5,000)			( 5,000)
Equipment note				
Cash down payment for equipment	\$ 732	\$	\$	\$ 732

See accountants' report and accompanying notes to the financial statements.

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WOMAN'S NATIONAL AUXILIARY CONVENTION  
(An Auxiliary of the National Association of Free Will Baptists)  
Notes to the Financial Statements  
December 31, 1992

Note 1 - Organization and summary of significant accounting policies

The Woman's National Auxiliary Convention is a nonprofit organization and an auxiliary of the National Association of Free Will Baptists, Inc. The purpose of the Organization is to publish the Free Will Baptists' Woman's magazine, to receive and disburse funds for missionaries and provide other services to Free Will Baptist women.

The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code under a group exemption of the National Association of Free Will Baptists, Inc.

The following significant accounting policies have been followed in the preparation of the financial statements:

Fund accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization 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 established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Property and equipment and depreciation

Property and equipment is stated at acquisition cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives range from 3-20 years.

Accounts and notes receivable and allowance for doubtful accounts

The Organization issues credit to churches and individuals for the purchase of magazines and literature. These churches and individuals are located all across the United States.

The Organization loans money to Bible college students for the payment of college tuition. The student is required to sign a note for the money. These notes are uncollateralized. These students are located across the United States.

Management considers accounts and notes receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

WOMAN'S NATIONAL AUXILIARY CONVENTION  
(An Auxiliary of the National Association of Free Will Baptists)  
Notes to the Financial Statements  
December 31, 1992

Note 1 - Organization and summary of significant accounting policies (Continued)

Cash equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Inventory

Inventory is stated at the lower of cost (first in, first out method) or market.

Restricted deferred revenue

Deferred revenues in the restricted funds result from contributions which have been restricted by the donor for a specific purpose. Revenue in the restricted funds is recognized only to the extent that related expenses have been incurred.

Note 2 - Property and equipment

A summary of property and equipment follows:

Equipment	\$ 37,224
Less: Accumulated depreciation	( 13,179)
	<u>\$ 24,045</u>

Note 3 - Capitalized lease

The National Association of Free Will Baptists, Inc. purchased an office building to house various departments and agencies of the denomination. The Organization has entered into an agreement to lease space in this new building and agreed to contribute to the debt service costs during the construction period and to continue until the debt has been retired. The construction period costs of \$9,822 were capitalized and will be amortized over a period of twenty years. Amortization expense for the year amounted to \$491.

Note 4 - Deferred revenue

Deferred revenue in the general fund resulted from magazine subscriptions received for 1993 issues.



WOMAN'S NATIONAL AUXILIARY CONVENTION  
(An Auxiliary of the National Association of Free Will Baptists)  
Notes to the Financial Statements  
December 31, 1992

Note 5 - Restricted fund balances

The restricted fund balances are revenue designated for specific purposes and are as follows:

Endowment Trust Fund	\$ 4,135
Memorial Student Loan Fund	\$ 92,128

Note 6 - Note payable

At December 31, 1992, the Organization was responsible for a \$5,000 note payable due in ninety days. If the note is paid within ninety days, there is no interest on the note. The note is secured by the applicable equipment purchased.

Note 7 - Lease

The Organization entered into a lease agreement on October 1, 1990 with the National Association of Free Will Baptists, Inc. for office and storage space. The term of the lease expires when all mortgages on the building are satisfied, which is approximately 22 years. The rent expense for the year amounted to \$34,408.

The future minimum lease payments are as follows:

1993	\$ 31,980
1994	31,980
1995	31,980
1996	31,980
1997	31,980
Thereafter (estimated)	543,660

Note 8 - Pension plan

The Organization participates in the master pension plan of the Board of Retirement and Insurance of the National Association of Free Will Baptists. The plan is a defined contribution plan. The Organization contributes 5% of gross salary for all employees with five or more years of service and 3% of gross salary for employees with less than five years of service. Employees are allowed to contribute to the plan but are not required to contribute. Pension expense for the year amounted to \$3,814. Under the plan, an account is maintained for each participant and upon retirement the participant can either receive a lump sum distribution or purchase one of several types of annuity accounts.

WOMAN'S NATIONAL AUXILIARY CONVENTION  
(An Auxiliary of the National Association of Free Will Baptists)  
Notes to the Financial Statements  
December 31, 1992

Note 9 - Commitments

The Woman's National Auxiliary Convention has pledged its equipment as collateral on a mortgage note that the National Association of Free Will Baptists, Inc. has with the Church Extension Loan Fund.

Note 10 - Restricted deferred revenue

Change in restricted deferred revenue is as follows:

	Foreign Student Scholarship	Eunice Edwards Fund
Gifts and offerings	\$ 1,396	\$ 3,401
Interest income	1,396	127
	<u>1,396</u>	<u>3,528</u>
Revenue recognized in the current year (expenses)	( 3,000)	-0-
Increase (decrease) in deferred revenue	( 1,604)	3,528
Balance, December 31, 1991	4,075	2,504
Balance, December 31, 1992	<u>\$ 2,471</u>	<u>\$ 6,032</u>



## Gifts to Missions/Missionary Objectives

January 1, 1992 to December 31, 1992

### Cash Gifts

Foreign Missions		\$309,641.97
Sent through WNAC	145,500.49	
Sent direct to department	164,141.48	
Home Missions		55,520.00
Sent through WNAC	55,520.00	
Sent direct, not available		
Bible Colleges		7,608.29
Memorial Student Loan Fund		3,473.51
Other Gifts		13,338.73
Foreign Student Scholarship	1,395.95	
Building Fund	2,744.29	
Mission Objectives	9,198.49	
Provision Closet		2,996.85
Eunice Edwards Loan Fund		3,500.00
WNAC Operating Expense		70,402.94
Co-Laborer Offering	29,509.92	
Emphasis Offering	17,318.52	
Endowment Trust Fund	3,409.00	
Dues	20,165.50	
Non-Cash Gifts		
Provision Closet		34,317.82
<b>Total Cash and Non-Cash Gifts</b>		<b>\$500,800.11</b>

## 1992 Top Ten Contributors to WNAC

Co-Laborer Fund		Emphasis Offering		Combined	
1. Tennessee	3,555.86	1. Arkansas	2,365.70	1. Oklahoma	5,635.93
2. Oklahoma	3,317.04	2. Oklahoma	2,318.89	2. Arkansas	5,433.84
3. Arkansas	3,068.14	3. Missouri	2,277.40	3. Tennessee	5,412.83
4. Georgia	2,828.93	4. N. Carolina	2,119.59	4. N. Carolina	4,333.75
5. N. Carolina	2,214.16	5. Tennessee	1,856.97	5. Missouri	4,313.03
6. Missouri	2,035.63	6. Georgia	1,360.69	6. Georgia	4,189.62
7. S. Carolina	1,826.77	7. S. Carolina	1,194.14	7. S. Carolina	3,020.91
8. Ohio	1,563.62	8. Alabama	795.50	8. Alabama	1,902.38
9. California	1,479.47	9. Texas	552.26	9. California	1,792.48
10. Alabama	1,106.88	10. Kentucky	407.49	10. Ohio	1,760.93

## Salary Breakdown

	1992	1993	1994
<b>Executive Secretary-Treasurer</b>			
Salary	\$27,195.00	\$27,195.00	\$28,282.80
Social Security	2,120.44	2,120.44	2,163.63
Retirement	1,385.87	1,385.87	1,414.14
Insurance:	2,874.84	2,865.12	3,132.09
Travel/Life	302.40	302.40	302.40
Hospital	2,325.48	2,325.48	2,558.03
Dental	246.96	237.24	271.66
Christmas Bonus	522.98	522.98	200.00
<b>Total Salary and Benefits</b>	<b>\$34,099.13</b>	<b>\$34,089.41</b>	<b>\$35,192.66</b>
<b>Executive Assistant</b>			
Salary	\$17,210.36	\$17,210.36	\$17,898.92
Social Security	1,366.15	1,366.15	1,369.27
Retirement	893.23	893.23	894.95
Insurance	2,781.96	2,772.24	3,039.21
Life	209.52	209.52	209.52
Hospital	2,325.48	2,325.48	2,558.03
Dental	246.96	237.24	271.66
Christmas Bonus	330.97	330.97	100.00
<b>Total Salary and Benefits</b>	<b>\$22,582.67</b>	<b>\$22,572.95</b>	<b>\$23,302.35</b>
<b>Bookkeeper</b>			
Salary	\$14,054.05	\$14,054.05	\$14,616.16
Social Security	1,117.30	1,117.30	1,118.14
Retirement	716.22	716.22	730.81
Insurance	1,156.48	1,150.08	1,243.08
Life	209.52	209.52	209.52
Hospital	280.00	300.00	300.00
Dental	666.96	640.56	733.56
Christmas Bonus	270.27	270.27	100.00
<b>Total Salary and Benefits</b>	<b>\$17,314.32</b>	<b>\$17,307.92</b>	<b>\$17,808.19</b>
<b>Editor</b>			
Salary	\$14,903.07	\$17,004.00	\$17,680.00
Social Security	1,074.05	1,301.04	1,352.52
Retirement	745.15	510.12	530.40
Insurance	2,781.96	2,764.32	3,031.29
Life	209.52	201.60	201.60
Hospital	2,325.48	2,325.48	2,558.03
Dental	246.96	237.24	271.66
Christmas Bonus	286.60	327.00	100.00
<b>Total Salary and Benefits</b>	<b>\$19,790.93</b>	<b>\$21,906.48</b>	<b>\$22,694.21</b>



# WNAC 1994 Proposed Budget

<b>Estimated Income</b>	
Co-Laborer Fund	\$ 28,221
Convention Offering	1,500
Convention Expense Gift	5,000
Delegate Fees	350
Dues	22,000
Interest Income	2,000
Literature Sales	8,000
Magazine Subscriptions	71,000
Miscellaneous	2,000
Rest of the Family Offering	6,000
Retreat Fees	7,800
Travel	2,000
WNAC Emphasis Offering	26,000
<b>Total Income</b>	<b>\$181,871</b>
<b>Estimated Expense</b>	
Salaries	\$ 78,478
Employee Benefits	20,528
Payroll Tax Expense	6,004
Employee Retirement	3,570
Health & Life Insurance	10,454
Christmas Bonus	500
Insurance—General & Comp.	
Audit	900
Convention Expense	2,860
Executive Committee Expense	5,000
Co-Laborer Magazine Expense	1,500
Mailing	27,000
Miscellaneous	1,100
Printing	100
Postage	22,800
Miscellaneous Expense	3,000
Office Rent	1,000
Office Supplies & Miscellaneous	31,980
Phone	1,000
Postage	850
Printing	4,000
Retreat Expense	2,000
Service Contracts	2,500
Subscriptions	200
Travel and Promotion	75
<b>Total Expense</b>	<b>2,000</b>
	<b>\$181,871</b>

## WNAC Receipts for January - December 1992

State	Building Fund	Colleges	CoLaborer Fund	Dues	Emphasizs Offering	Endow Trust	Eunice Edwards Fund	Foreign Student Scholar	Provision Closet	Foreign Missions	World Missions	Home Missions	Missions Objectives	Student Loan	TOTALS
Alabama	\$117.50	\$50.00	\$1,106.88	\$910.00	\$795.50	\$102.50	\$113.50	\$25.00		\$3,513.22	\$1,288.48	\$4,239.87	\$606.50	\$175.25	\$13,045.20
Arizona			55.00	84.00							30.00				169.00
Arkansas			3,068.14	1,868.00	2,365.70		61.50	105.00	255.00	205.00	50.00	33.45		814.00	8,725.79
California	20.00		1,478.47	379.00	313.01				181.05	744.85	223.48	453.52	90.00		3,884.36
Canada															0.00
Colorado			233.00	86.00						30.00		100.00			449.00
Florida	174.81		586.65	420.00	341.77		253.30		50.00	2,345.58	383.45	2,289.74	150.00	193.00	7,188.10
Georgia	180.00	756.60	2,828.83	1,276.00	1,360.69		76.00	151.50	89.00	12,614.83	1,277.00	2,284.23	816.50	107.00	23,928.28
Hawaii			4.50	18.00											22.50
Idaho															0.00
Illinois			700.46	564.00	307.87		82.00		71.41	5,487.03	1,342.85	7,281.79	120.00	15.00	15,880.80
Indiana			555.45	180.00	70.00		40.00			1,580.00		54.02			2,560.88
Iowa			30.00	21.00							110.00				161.00
Kansas	148.82		113.64	104.00				20.00		988.61	515.37	113.50		230.00	2,011.94
Kentucky			513.50	646.00	407.49		51.90		20.00	8,780.61	470.70	5,003.98	848.00		17,772.18
Louisiana															0.00
Maryland		380.00	494.43	228.00	300.13	50.00				828.00	502.00	388.00	30.00	10.00	3,130.56
Michigan			650.25	542.00	80.00			123.85		4,464.27	50.00	1,390.00	30.00	30.00	7,340.37
Mississippi	475.00		347.55	564.00	285.00		17.00			4,567.00	58.10	380.00	80.00	25.00	8,779.65
Missouri	95.00	406.96	2,035.63	1,612.00	2,277.40		1,052.70	75.00	255.06	18,514.56	455.20	4,705.25	1,021.74	614.86	33,121.49
Nebraska			240.00	14.00											254.00
New Hampshire				28.00											28.00
New Mexico			14.08	54.00	25.00										128.92
N. Carolina		4,228.82	2,214.16	1,868.00	2,118.58		541.50	64.00	104.12	21,106.31	1,188.31	8,153.25	588.00	355.10	42,654.26
NW/Washington															1,129.50
Ohio	705.11	310.00	1,563.62	654.00	197.31		14.00		1,089.50	16,881.30	955.08	2,463.93	449.41	100.00	24,950.97
Oklahoma		50.00	3,317.04	3,687.00	2,318.88	2,647.50	448.00		525.00	2,478.68	2,398.10	2,398.00	298.00	85.00	18,633.94
S. Carolina		280.00	1,828.77	1,364.00	1,194.14	145.00	363.00		579.46	8,360.42	1,070.96	6,575.19	2,246.29	182.00	24,207.28
Tennessee	820.25	714.05	3,555.86	1,348.50	1,856.87	254.00	385.00	607.50	17.00	5,686.83	3,134.28	3,503.14	1,878.75	467.75	24,028.86
Texas		486.78	842.51	484.00	552.28	200.00	16.00		20.00	4,089.53	348.22	882.48	193.30	40.00	8,108.04
Virgin Islands				30.00											30.00
Virginia		12.00	682.40	588.00	190.00	10.00	38.50		65.00	2,782.87	1,408.20	2,155.48	50.00	84.42	8,073.87
W. Virginia			450.00	320.00						78.03				100.00	846.03
Retreat										2,333.38		686.68			3,000.06
1992 Totals	\$2,744.29	\$7,608.29	\$28,508.92	\$20,165.50	\$17,318.52	\$3,408.00	\$3,500.00	\$1,395.95	\$2,866.85	\$130,635.81	\$14,864.68	\$55,520.00	\$9,198.49	\$3,473.51	\$592,340.81



## Report of the General Board

1. We have heard the reports of the Home Missions Department, Executive Office, Foreign Missions Department, Free Will Baptist Bible College, Sunday School and Church Training Department, Retirement Department, Free Will Baptist Foundation, and Master's Men Department. We had before us in printed form the reports of the Commission for Theological Integrity, Radio-Television Commission, Music Commission, Historical Commission, International Free Will Baptist Consultation Committee, and Woman's National Auxiliary Convention. We recommend that these reports be received and their budgets and recommendations be adopted as each is presented.
2. We recommend that a second printing of *Rejoice: the Free Will Baptist Hymn Book*, be authorized. We further recommend that all mistakes be found and corrected before it is reprinted. The chairman of the Music Commission has a report on the project along with the estimate of cost.  
(Adopted)
3. We recommend that Tampa, Florida, be selected as the site of the July 20-24, 2003, National Convention.  
(Adopted)
4. We recommend that the Tuesday evening service of the 1994 convention while meeting in Little Rock, Arkansas, be programmed to celebrate the completion of the Capital Stewardship Campaign, "A Million More by '94." A committee is to be appointed from successful people among us to lead in raising the funds called for in this item.  
(Adopted as amended)
5. As requested by the Budget Committee, the Executive Committee recommends the following as a schedule to reduce the percentage of the undesignated receipts used to underwrite the Administrative Budget of the Executive Office.  
For 1994, that we continue with the present formula.  
For 1995, that the Executive Office keep no more than 60%.  
For 1996, that the Executive Office keep no more than 55%.  
For 1997, that the Executive Office keep no more than 50%.  
For 1998, that the percentage be no more than 45%.  
(Adopted)
6. We recommend the adoption of the report of the Financial Disclosure Committee.  
(Adopted)
7. We recommend the adoption of the Budget Committee report regarding developing promotional materials for the Together Way Plan.  
(Adopted)

## 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, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Maryland, Michigan, Mississippi, Missouri, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
2. From the following district associations with the right to three delegates each:  
  
Atlantic-Canada Association, First Colorado District Association, Northeast Association, Northwest Association, Mexico Association, First Louisiana District Association and First District New Jersey.
3. We recommend that the delegates from the three above categories be seated. We further recommend that all other delegates properly registered from local churches comprising the above associations be seated.
4. We recommend that all legally appointed lay delegates of standing boards be seated, if properly registered.

Nuel Brown  
Bob Thomas  
Robert Helms  
Randy Bryant  
Herbert Waid



## Report of the Resolutions Committee

The Resolutions Committee Says, "Thank you," to all those who made contributions of concern in the form of resolutions, namely:

The Family—Ronald Creech  
Natural Disasters—Genevieve Waddell  
Homosexuality—Illinois and Randy Wilson  
Sound Systems and Sound Tracks—Music Commission  
See You at the Pole—Jeff Nichols and Allen Pointer  
Pro-Life (Anti-Abortion)—New Jersey  
Church Covenant—South Carolina, Kansas, North Carolina, Antioch Association (AR), Arizona, Arkansas Valley (OK), Virginia and Florida  
Commendation—Florida

The Resolutions Committee is referring to the Executive Committee the following items for their consideration:

1. An item from the Board of Retirement dealing with the structure of the denomination.
2. An item from Herbert Waid dealing with the auditing system of the national departments.

### Resolutions

#### Resolution #1 Ministerial Family Life

Whereas, the breakup of the home is a special target of Satan aimed at all believers including ministers, and

Whereas, all Free Will Baptist homes, including ministers', come under attack, and

Whereas, God in His Word clearly commands in Galatians 6:1, "Brethren, if a man be overtaken in a fault, ye which are spiritual restore such an one in the spirit of meekness; considering thyself lest thou also be tempted;"

Therefore, be it resolved

- (1) That we be careful to pray for each of our families, especially the ministers';
- (2) That the moderator appoint a committee of five (5) to develop a ministry of restoration for our leaders to be initiated as soon as possible. (Adopted)

#### Resolution #2 Natural Disasters

Whereas, many people of our nation are facing tremendous loss because of natural disasters such as floods and droughts;

Therefore, be it resolved that our local churches and associations be encouraged to express Christian compassion through prayer and tangible support for the victims of these tragedies. (Adopted)

#### Resolution #3 Homosexuality

Whereas, homosexuality and the teachings of alternate lifestyles have invaded many segments of our society, and

Whereas, the Bible strongly condemns homosexuality, and because of our strong commitment to biblical truth;

Therefore, be it resolved that we as Free Will Baptists go on record as

- (1) opposing the lifting of the ban on homosexuals in our armed forces; and
- (2) as opposing the government's condoning or accommodating homosexual practices in any manner.

And be it understood that neither our resolute opposition to the potential change in national military policy nor our continued belief in the sinfulness of homosexual practice should be construed to deny our historic evangelical beliefs about God's love for the sinner while hating the sin. God is full of grace, as well as truth. We thus reaffirm that homosexuals, like the rest of humanity, are fully the objects of God's redemptive love. By faith and repentance, all may obtain full forgiveness through the renewing of their minds by Jesus Christ (Ephesians 4:22-24). We welcome all who receive forgiveness and wholeness in Jesus Christ as fellow believers in the Body of Christ (I Corinthians 6:9-11). (Adopted)

#### Resolution #4 Political Values

Whereas, there is great need for Christian influence in government,

Therefore, be it resolved that we strongly encourage our constituency to communicate with their government officials urging them to support Judeo-Christian values,

And be it resolved that our people become personally involved in government at all levels.

And be it resolved that we instruct our clerk to send a copy of Resolution #3 to President William Clinton, and that state clerks send copies of this resolution to their congressmen and senators.

Be it further resolved that we provide copies of this resolution to our military chaplains. (Adopted as here written)

#### Resolution #5 Pro-Life

Be it resolved that we reaffirm our 1992 resolution supporting our pro-life stance. This resolution reads as follows:

Be it resolved that we reaffirm our stand as Pro-Life and Anti-Abortion knowing the Bible teaches that life begins at conception (Jeremiah 1:5 and Luke 1:15). We as Free Will Baptist pastors and lay people must do all we can to defend the right to life for the unborn.

And be it further resolved that we oppose the use of unborn babies or any part thereof for research and other purposes. (Adopted)

#### Resolution #6 Sound Systems

Whereas, the music ministry at the convention has always played a vital role in the worship services of the convention, and

Whereas, the preparation and presentation of the music is often hindered by the lack of quality equipment designed for music performances;

Therefore, be it resolved that the Executive Committee, in conjunction with the Music Commission, be instructed to investigate the possibilities of securing different and improved sound systems for our musicians to use during the convention services. (Adopted)

#### Resolution #7 Sound Tracks

Whereas, the music ministry in our Free Will Baptist churches is a vital part of our worship and praise services, and

Whereas, music is used as an expression of praise to the Lord by our own musicians at our



conventions, and

Whereas, many of our musicians in our local churches use sound tracks to assist in the presentation of their music ministries, and

Whereas, many of our musicians are involved in producing recordings of high quality sound tracks and audio recordings, and

Whereas, for better than 15 years our musicians have not been permitted to use sound tracks in any of the official national convention services, and

Whereas, all the music of the convention is already approved by the music coordinator and Executive Committee before presentation;

Therefore, be it resolved that the musicians at the national convention be allowed to use pre-recorded sound tracks during the official services. (Defeated)

#### **Resolution #8 "See You at the Pole"**

Whereas, our nation's schools stand in need of prayer, and

Whereas, "See You at the Pole" involves over one million Christian students around the world, and

Whereas, "See You at the Pole" challenges students to pray for their friends, teachers, schools and communities;

Therefore, be it resolved that the National Association of Free Will Baptists support "See You at the Pole" and encourage all Free Will Baptist teens to take part in "See You at the Pole" September 15, 1993, 7:00 a.m., at their schools' flagpoles. (Adopted)

#### **Resolution #9 Alcohol and Drug Rehabilitation**

Whereas, alcohol and drug problems have invaded every level of American society, and  
Whereas, the National Association of Free Will Baptists has not addressed itself to an ongoing rehabilitation program for those addicted to alcohol and drugs;

Therefore, be it resolved that the moderator appoint a study committee to study the feasibility of such a ministry through our denomination and that the committee report back to the National Association in 1994. (Adopted)

#### **Resolution #10 Church Covenant**

In light of recent questions of concern among some of our brethren regarding adherence to the Covenant on the use of intoxicating beverages, we offer the following resolution:

Whereas, in the first of our articles of faith we place our confidence in both the Old and New Testaments as the inspired Word of God and "our infallible rule of faith and practice," and

Whereas, we have adopted the Church Covenant as one instrument binding us together in fellowship and ministry, and

Whereas, the Church Covenant is in harmony with, and not contrary to, the inspired Word of God;

Therefore, be it resolved that:

- (1) This National Association of Free Will Baptists reaffirm our commitment and submission to the Word of God as our only ultimate rule of faith and practice, and
- (2) We reaffirm our dedication to teaching, preaching and living all the precepts of our Church Covenant, and
- (3) We reaffirm our historic position that the consumption of intoxicating beverages is sinful and therefore believers are to be total abstainers, and
- (4) The various departments of the National Association reaffirm their commitment and submission to the Holy Scripture as our only rule of faith and practice, and

- (5) Our various departments reaffirm their dedication to our Church Covenant by:
  - (a) Bringing into their ministries only those persons who are so committed, and
  - (b) Requiring those in their departments responsible for evangelism, Christian growth and church planting to teach the principles and precepts of the Church Covenant (or an accurate translation thereof) beginning early in their mission work.
- (6) Our mission boards and missionaries be required to bring our mission works and organized churches into conformity with the Covenant as soon as possible.  
(Adopted as here written)

#### **Resolution #11 Christian Watchcare**

Whereas, our Church Covenant is not just a one-dimensional document but reflects many areas of our lives, such as the study of the Scriptures, prayer, worship, etc., and

Whereas, it includes the watchcare over one another with love, "to be careful of one another's happiness and reputation," and

Whereas, it is sinful to disregard these;

Therefore, be it resolved that every facet of our beloved Covenant be reaffirmed and adhered to by:

- (1) refraining from personal attacks, and
- (2) refraining from spreading rumors and malicious gossip, and
- (3) first adhering to the principles of Matthew 18 in instances of personal offence, and
- (4) using established denominational channels to achieve a fair hearing and a scriptural settlement of differences, and
- (5) appealing to the Executive Committee when there are grievances between national board members within the framework of their boards, and
- (6) encouraging one another in good works. (Adopted)

#### **Resolution #12 Support for Foreign Missions Department**

Whereas, the integrity of our Foreign Missions Department, its General Director and certain missionaries have been called into question, and

Whereas, all of our missionaries personally believe in, practice, and teach total abstinence from alcohol,

Therefore, be it resolved that we affirm our confidence in our Foreign Missions Department, our General Director and our missionaries;

Be it further resolved that we encourage our people to continue supporting the ministry of our Foreign Missions Department. (Adopted)

#### **Resolution #13 Appreciation**

Whereas, the Kentucky State Association has done a marvelous job hosting the 57th National Association,

Therefore, be it resolved that we give them a standing vote of appreciation. (Adopted)

Respectfully Submitted,  
Millard Sasser, Chairman  
Keith Fletcher  
Jim Smith  
Lynn Wood  
Jeff Crabtree



# Nominating Committee Report

## Nominees to General Board

### Terms to expire in 1995

Alabama: John Edwards  
Arizona: David Taylor  
Arkansas: David Joslin  
Atlantic Canada: Darryl Crain  
California: Nuel Brown  
Colorado: Bob Thomas  
Florida: Randy Bryant  
Georgia: Herbert Waid  
Idaho: Tommie Carlson  
Illinois: Ernie Lewis  
Indiana: Robert Helms  
Kansas: James Mize  
Kentucky: Tim York  
First Louisiana: Ron Parker  
Maryland: Lester Horton  
Mexico: Fred Jones  
Michigan: Charles Cooper  
Mississippi: J. L. Gore  
Missouri: Nathan Ruble

## Nominees to Executive Committee

### Terms to expire in 1995

Replacing Charles Cooper (MI), Charles Cooper  
Replacing J. L. Gore (MS), Nathan Ruble (MO)  
Replacing David Joslin (AR), David Joslin

## Nominees to Home Missions Board

### Terms to expire in 1999

Replacing Lynn Wood (OK), Lynn Wood  
Replacing Rue Dell Smith (AR), Don Guthrie (TX)  
Replacing Wendell Walley (NC), Wendell Walley

## Nominees to Master's Men Board

### Terms to expire in 1999

Replacing Wendell Leckbee (AR), Don Neal (IN)  
Replacing Dwight Fletcher (MS), Dwight Fletcher  
Replacing Charles Denman (TX), Gary Wilson (AL)

## Nominee to Foreign Missions Board

### Term to expire in 1996

Replacing Alton Loveless (OH) who resigned, Bill Jones (TX)

## Nominees to Board of Retirement

### Terms to expire in 1999

Replacing Robert Morgan (TN), Robert Morgan  
Replacing Lincoln Varney (KY), Lincoln Varney  
Replacing Henry Van Kluyve (NC), Henry Van Kluyve

## Nominee to Commission for Theological Integrity

### Term to expire in 1998

Replacing Fred Hall (TN), Fred Hall

## Nominee to Radio-Television Commission

### Term to expire in 1998

Replacing Terry Boyd (TN), Steve Faison (TN)

## Nominees to Music Commission

### Term to expire in 1994

Replacing Blaine Hughes (NC) who resigned, Randy Sawyer (NC)

### Term to expire in 1998

Replacing Bill Gardner (TN), Bill Gardner

## Nominee to Historical Commission

### Term to expire in 1998

Replacing Mary Wisheart (TN), Mary Wisheart

## Nominees for General Officers

### Terms to expire in 1994

Replacing moderator, Ralph Hampton (TN), Ralph Hampton  
Replacing assistant moderator, Carl Cheshier (AR), Carl Cheshier  
Replacing clerk Waldo Young (OK), Waldo Young  
Replacing assistant clerk Keith Burden (OK), Keith Burden



## Obituary Committee Report

### Alabama

J. L. (Pat) Burttram, Minister

### Florida

Ray Bartley, Deacon

### Georgia

Tom Hamilton, Minister

Lloyd Vann

John English

Clary Adams

Lexie Floyr

### Kentucky

William Steel, Deacon

Douglas Burgett

Silas Jones, Teacher

Ollie P. May, Deacon

Gaynell May

Ora Meadows

Dollie Ratliff

Frank Rudder

Josephine Thompson

Miles F. Patton

### Michigan

Bobby Porter, Minister

### Maryland

Ralph Weaver

### Mississippi

Luther Gibson, Minister

Hazel Jarrell

### Missouri

Joe Braddy, Minister

### Ohio

Fred Taylor, Minister

Merlin Teese

Henry Hawkins

John Reese, Minister

### South Carolina

Leroy Grant, Minister

Jesse Norris

### Tennessee

Ermine Butler, Minister

R. M. Lamb, Minister

Bruce Fender, Minister

Doug Roberson, Minister

William (Bill) Hilton, Minister

Martin Oxedine, Minister

James Herbert Metcalf, Deacon

Elbert Farley

Agnes Frazier

### Texas

H. E. (Jack) Jordy

Fleta Wood

### Virginia

Ida Carter

Carrie Green

### West Virginia

Susie Elliott

## Budget Committee Report

The National Association of Free Will Baptists, Inc. has approved in this convention the following budget for 1994:

Executive Office .....	\$ 495,304.61
Free Will Baptist Bible College .....	3,100,000.00
Foreign Missions .....	4,485,676.00
(Includes \$150,000.00 Advance Budget)	
Home Missions and Church Extension .....	2,600,000.00
Master's Men .....	178,779.60
Retirement and Insurance .....	344,882.00
Free Will Baptist Foundation .....	45,900.00
Sunday School and Church Training .....	2,412,358.60
Commission for Theological Integrity .....	2,700.00
Historical Commission .....	2,350.00
Music Commission .....	1,500.00
Radio-Television Commission .....	10,900.00
Women Nationally Active for Christ .....	181,871.00
<b>TOTAL .....</b>	<b>\$13,862,221.81</b>

All these ministries receive funds through the Cooperative Plan except for the Sunday School and Church Training Department which is 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-Television Commission .....	0.5%
<b>TOTAL .....</b>	<b>100 %</b>

Respectfully Submitted, Your Servants,

Melvin Worthington, Executive Secretary

Tom Malone, 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



## The Budget Committee Report

Delegates attending the 1992 National Convention in Indianapolis, Indiana, adopted "The Together Way Plan." This new plan for financing denominational ministries includes, among other things, a Five Year Stewardship Education Program. The Together Way Plan recognizes that Stewardship Education is an on-going process.

The Executive Office has the responsibility of developing and implementing the stewardship education process. The Budget Committee together with a ten-member advisory committee will work with the Executive Office in developing and implementing the Together Way Plan on January 1, 1994.

The Executive Committee during its December 1992, meeting in Nashville, Tennessee, authorized the employment of someone to help write materials for the Together Way Plan. It was understood that the Budget Committee would approve the individual/individuals employed to help write the materials for the Together Way Plan.

Rev. Herman Hersey has been asked to help write materials for the Together Way Plan. He agreed to do it without salary.

The Budget Committee recommends that the 1993 (6 months) and 1994 Together Way Plan projected budgets be adopted.

Respectfully Submitted, Your Servants,

Melvin Worthington, Executive Secretary  
Tom Malone, President of Free Will Baptist Bible College  
R. Eugene Waddell, General Director of Foreign Missions Department  
Roy Thomas, General Director of Home Missions Department  
Bill Evans, 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

## Projected Budgets The Together Way Plan

	1993	1994
Honorariums	\$ 1,875.00	\$ 3,750.00
Salary	5,250.00	10,500.00
Health Insurance	1,306.00	2,612.00
Travel & Promotion	4,000.00	8,000.00
Office Expense (Postage, phone)	2,069.00	4,138.00
Educational Materials	500.00	1,000.00
<b>Totals</b>	<b>\$15,000.00</b>	<b>\$30,000.00</b>

The Together Way Plan Coordinator		
Salary	\$ 0.00	\$ 0.00
Health Insurance	1,306.00	2,612.00
Editor of The Together Way Plan Materials		
Salary	\$5,250.00	\$10,500.00

1. The Budget Committee will have general oversight of the work including budget approval.
2. All expenditures will be approved by the Executive Secretary.
3. At the end of each calendar year, any unused funds in excess of one month's budget will be credited to the departments' share for the following year.

	Percent of Total Denominational Giving		
	Budget	1993 Share	1994 Share
Foreign Missions	49.33%	\$ 7,400.00	\$14,799.00
Home Missions	28.16%	4,224.00	8,448.00
Bible College	10.76%	1,614.00	3,228.00
Retirement & Insurance	4.19%	629.00	1,257.00
Executive Office	3.42%	513.00	1,026.00
WNAC	2.06%	309.00	618.00
Master's Men	1.65%	248.00	495.00
Foundation	.43%	65.00	129.00
<b>Totals</b>	<b>100.00%</b>	<b>\$15,002.00</b>	<b>\$30,000.00</b>

Randall House - Furnish Printing



## Registration Committee Report

National Convention		3,702
Ordained Ministers	912	
Ordained Deacons	197	
Licensed Ministers	20	
Local Church Delegates	184	
State Delegates	89	
Home Missionaries	61	
Foreign Missionaries	31	
National Board Members	12	
National Officers	4	
Non-Delegates	2,192	
National Youth Conference	2,128	
Women Nationally Active for Christ	<u>1,116</u>	
Grand Total		6,946

## Double In A Decade Campaign Report

The Double in a Decade Committee met twice during 1992. The committee scheduled a seminar during the national convention in Indianapolis, Indiana. Pastor Richard Atwood of Townsend, Delaware, shared principles, programs and philosophies he uses in church planting. His seminar was followed by a question and answer time. Prior to the seminar, a questionnaire was distributed to attendees requesting input regarding how the Double in a Decade Committee could develop effective seminars and provide motivational materials to assist Free Will Baptist churches in developing strategies for continued growth.

The questions on the questionnaire included: (1) What do you believe is necessary for our Free Will Baptist churches to grow? (2) Name some materials that could be provided that will help? (3) What topics could be discussed in seminars such as this to help us grow? (4) What else could be done at the National Association to help pastors and churches? (5) How should the Double in a Decade Campaign be organized and administered?

In light of the answers to these questions, the Committee will develop seminars which address the issues and topics which surfaced. Pastor Claudie Hames will speak during the Double in a Decade seminar during the national convention in Louisville, Kentucky. He will share the principles and programs which he uses to promote growth in the church he pastors in Bakersfield, California.

The Double in a Decade Campaign was launched January 1, 1991, with a two-fold goal: to promote the planting of 250 new churches and stimulate denominational membership to double by 2000 A.D. Statistical data for 1992 indicates 9,283 were baptized and 12,123 members were added; 7,223 members were lost which left a net membership gain of 4,900.

### Comparative figures from 1991

	1991	1992	Total
Baptisms	8,703	9,283	17,986
Members Added	12,931	12,123	25,054
Members Lost	7,240	7,223	14,463
Net Increase	5,691	4,900	10,591

The Double in a Decade Committee is actively seeking ways to help pastors and churches find effective means to promote growth. The Committee believes that Free Will Baptist churches want to grow and they can grow. In order to double in a decade, more laborers must be thrust into the Lord's harvest field. Christ's two-fold admonition must undergird this effort: "Go ye into all the world" and "Pray ye, therefore the Lord of the harvest, that he will send forth laborers into his harvest."

Double in a Decade Committee

Melvin L. Worthington Th.D. CMP, Chairman



## Report of the International Free Will Baptist Consultation Committee

Free Will Baptist representatives from Japan, Canada, Mexico, Brazil, Panama, Uruguay and the United States met in Panama August 24-28, 1992 and voted to work toward organizing an International Fellowship of Free Will Baptists in 1995.

The delegates adopted the "Panama Declaration of 1992" affirming their commitment to the fundamental belief of orthodox Christianity, those distinctive beliefs and practices which characterize Free Will Baptists, the necessity of holy living, the dangers of the ecumenical movement and the priority of evangelism.

### The Panama Declaration 1992

Adopted August 24-28, 1992

#### I. The Basic Beliefs of Free Will Baptists.

- A. We believe that the Bible is God's inspired, infallible, inerrant Word and is our rule of faith and practice.
- B. We believe in one God, our Creator, who is holy, loving, almighty, and all wise, eternally existing in three persons—the Father, the Son and the Holy Spirit.
- C. We believe that Jesus Christ is God manifest in the flesh; that He died for the sins of all men, is risen and ever lives to make intercession for all who believe.
- D. We believe in the Holy Spirit who possesses all the attributes of God and works effectively in evangelism, regeneration and sanctification.
- E. We believe that man was created in the image of God and by disobedience fell into a state of sin and condemnation which extends to all his posterity.
- F. We believe that all who repent of their sins and exercise saving faith and continue in faith and obedience have promise of eternal salvation.
- G. We believe that our Lord Jesus Christ will return to glorify His saints and judge the world.
- H. We believe in the resurrection of the bodies of all men—the saved unto the resurrection of life and the unsaved unto the resurrection of damnation.
- I. We believe that all men will be judged according to their works. After judgment the righteous will enter into eternal life and the wicked will go into a state of endless punishment.

#### II. The Charismatic Movement and Free Will Baptist Distinctives

We believe that all believers receive the Holy Spirit and are baptized by the Holy Spirit into the body of Christ at the moment of conversion.

We believe that any teaching that suggests a second baptism or second work of grace is erroneous doctrine to be rejected.

We believe that speaking in tongues as a visible evidence of the baptism of the Holy Spirit is an erroneous doctrine to be rejected.

We believe that the Bible is God's final revelation and our absolute authority, and, therefore, any teaching that elevates human experiences such as trances, visions, being slain in the spirit, praying in tongues, etc., to the level of the Word of God is erroneous doctrine to be rejected.

We believe that all Christians should obey the Scriptural admonitions to be filled with the Holy Spirit, and to grow in grace and in the knowledge of our Lord and Savior Jesus Christ.

#### III. The Ecumenical Movement

As children of light, we warn our Free Will Baptist brethren about the danger of the influence of the world ecumenical movement, whose plan is to unite every religion (Christian or not) into one powerful world church. We believe its existence, plan and destructive activity in our day is rapidly preparing the way for the Antichrist. We recommend that our people identify these groups in their country and that they not compromise themselves, nor associate in any way with these groups.

"For I am jealous over you with godly jealousy: for I have espoused you to one husband, that I may present you as a chaste virgin to Christ" (II Corinthians 11:2).

#### IV. A Holy and Separated Lifestyle

Reminding ourselves that I Peter 1:15-16 admonishes us to be holy as God is holy, we encourage our Free Will Baptist brethren to be salt and light in a sinful world reflecting the person and work of Jesus Christ while fulfilling the admonition of Paul in Ephesians 5:26-27.

#### V. The Priority of Evangelism

Considering the Great Commission (Matthew 28:18-20) as the plan of God for the extension, advancement and establishment of God's church in the world, we encourage all Christians to make evangelism their highest priority through personal evangelism, missions and the conversion of the lost through all ethical means available.

The committee recommends that the National Association of Free Will Baptists, Inc. participate in organizing the International Fellowship of Free Will Baptists in 1995.

Melvin Worthington, Th.D., CMP, Executive Secretary  
National Association of Free Will Baptists, Inc.

R. Eugene Waddell, General Director  
Department of Foreign Missions



## National Youth Conference Report 1993

The 1993 National Youth Conference theme was "Take A Stand." The registration total was 2,128. There were 125 Bible Competition Entries and 872 Music and Arts Entries for a total of 997. Evening worship services were held for teens and children. Speakers for Teen worship included Kevin Riggs, Curt Gwartney, and Jeff Nichols. There were in excess of 1000 in attendance each evening, with several standing. Children's Worship speakers were Darryn McGee, Dean Stone, and Paul Allen. Our attendance grew as the week progressed, beginning with approximately 300 and growing to approximately 500.

Awards were given to the Youth Group of the Year - Peace FWB, Indianapolis, IN; Youth of the Year - Brent Hutsell, AR; and Youth Workers of the Year - Curt & Becky Gwartney, MO.  
Submitted in Christ,

Dean Jones, Director  
National Youth Conference

## Report on Reprinting The Hymnal An Investigation of the Costs, Potential Sales and Process of Reprinting *REJOICE: The Free Will Baptist Hymn Book* (1988)

### A Look At the Book

*REJOICE: The Free Will Baptist Hymn Book* (1988) was officially presented to the convention at the National Convention in Birmingham, Alabama. Forty Thousand Shaped Note Editions and Sixty Thousand Shaped Note Editions were initially printed for the denomination. Less than 8,000 of the One Hundred Thousand total books remains to date. It is time to consider reprinting the hymnal.

The 1988 hymnal represents several areas of progress for the denomination. It is the first denominational hymnal that is truly representative of the broad diversities of Free Will Baptists. Western European, American, Oxford, and Folk Hymns are included in the book. The book also contains a broad collection of Gospel Songs, Singing Convention Songs, Scripture Songs and "Youth-For-Christ" Choruses. It's the first Free Will Baptist hymn book available in more than one color. Its quality of printing, hymn-tune inclusions, binding, size, and scriptural emphasis puts our hymnal on equal footing with any other hymnal in the market today.

### A Look At the Sales

Hundreds of Free Will Baptist Churches have purchased *REJOICE: The Free Will Baptist Hymn Book* (1988). As of this date, more than ninety thousand (90,000) books have been sold. We are completely sold out of all but the green shaped note edition, blue and green rounded note edition, and blue loose-leaf edition. We have less than eight thousand (8,000) hymn books (total) in the warehouse. Sales during the first year were in excess of 45,000.

### The Challenge of Reprinting

Historically, the trend in hymnal publications has been to completely rework and print a new hymn book every ten years. The recently published Southern Baptist Hymnal was superseded by *Baptist Hymnal* (1976). *Hymns For the Family of God* was published as a non-denominational book in the mid-1970s. It was replaced by *The Hymnal* (1986) (a WORD, Inc. publication) in the mid-1980s.

What is the life expectancy for *REJOICE: The Free Will Baptist Hymn Book* (1988)? Consider the following: The majority of change in protestant hymnody occurred from 1960 to 1990. Scripture Singing, Contemporary Christian Music, and gospel music as we know it came of age during these particular years. *REJOICE: The Free Will Baptist Hymn Book* (1988)



captured the best of the sacred and gospel music published since 1960. Since publication of that little maroon *Free Will Baptist Hymn Book* (1964), song writers such as Bill Gaither, Ralph Carmichael, Lanny Wolfe, and Dottie Rambo have made an important impact on evangelical hymnody. Our REJOICE hymnal gathered together the best gospel song publications prior to 1988. Most of the major changes in congregational hymnody for the 20th century has already taken place. And, it seems the rate of change in congregational tune selections has slowed considerably. Slowing of the rate of change may indeed give our hymnal more life than that traditionally expected of gospel hymnody.

There were 24 years from the time the 1964 hymnal was published and REJOICE was released to the public. The very fact our book was published for and by a denomination may give our hymnal more life. The fact that the 1964 hymnal was still in demand at the time of publication of our 1988 REJOICE book helps to illustrate how our hesitation for change may grant considerable more life to our hymnal.

Based on current trends in the gospel music industry, historical evidence, and the fact our hymn book is still in high demand, one could safely calculate the life of our *REJOICE: The Free Will Baptist Hymn Book* (1988) to be another 10 years (15 years total).

We have sold over 90,000 REJOICE hymnals in the last five years. Historically, year to year sales of reprinted Free Will Baptist hymnals have been fairly strong. The 1964 hymnal sold over 15,000 copies each year after its original publication. The hymnal committee commissioned 25,000 copies during the first year of publication. The Executive Office ordered an additional 15,000 books each year from 1964 to 1978 (Whaley, *Companion to Free Will Baptist Hymn Book* (1964) Volume I, p. 49). (That's 210,000 books in 14 years). Annual sales from 1978-1988 were closer to 10,000 books. Admittedly, *REJOICE: The Free Will Baptist Hymn Book* (1988) has a much broader denominational constituent than did the 1964 hymnal. Therefore, based on historical evidence and general acceptance of the 1988 book already experienced, we should be able to sell 15,000 copies of both the shaped and rounded note editions each year for the next five or six years.

### The Process of Reprinting

The process of reprinting the hymnal involves correcting any mistakes, retypesetting pages in question, making new negatives\* and plates, and printing the book. A time line should be established to determine when product is secured for the editor, engraver, and printer. (See Time line with this report).

\*(If you recall, the Donnelly and Company was sued by MacKenzie and Associates for refusing to correct a serious printing and binding error in our original book. They subsequently lost the law-suit and refused to reprint the book for us this time. As a result, we are having to create new negatives for this reprinting).

### Responsibility of Reprinting

Reprinting the hymnal will give us opportunity to accomplish four important goals:

#### 1) Make Needed Corrections in the Hymnal.

There are millions of opportunities for mistakes with the publication of a hymnal such as ours. It's that way with any hymnal. *REJOICE: The Free Will Baptist Hymn Book* (1988), the first edition, is no exception. There are typographical, notational, and textual mistakes that can now be corrected with the reprinting of the hymnal.

#### 2) Locate and Adjust inconsistencies between the Shaped Note and Rounded Note books.

Several inconsistencies between the Shaped Note and Rounded Note editions of *REJOICE: The Free Will Baptist Hymn Book*. A few songs are printed in different keys. Others have inconsistencies in the printed text. Again, the reprint gives us opportunity to correct these mistakes.

#### 3) Develop a Strategy for Marketing the Hymnal.

Following the introduction of the four color brochure advertising a new denominational hymnal, marketing of hymn books since 1988 has basically been word-of-mouth. With the reprinting of the book, we can now pursue more aggressive approaches to marketing. First, our own Free Will Baptist Bookstores can purchase the hymnals at a wholesale price for resale. Second, we can develop a brochure to send to our churches for the purpose of generating new customers.

#### 4) Develop a "Generic Book" for use by Other Evangelical Churches and/or Denominations.

With the sale of our first 100,000 books, we now have a track record whereby our market can be evaluated. Demographics for the use of our hymnal can be established and a book using our contents with a new cover and preface pages can be made available for lease to a music publisher. This will provide new income for the National Association with a relatively small investment on our part. Pathway Press of The Church of God (Cleveland) has not released a new hymnal. They are the copyright holders of *The Church Hymnal* and the company responsible for music engraving of our shaped-note hymnal. They do not plan on manufacturing a new book anytime soon. A significant market with The Church of God not available to us before now exists.

### Options for Reprinting

The basic cost of printing hymnals continues to rise. The ever escalating rise in the cost of paper makes it almost impossible to establish a realistic budget. Three printing bids have been submitted from three companies:



The companies are Arcata Graphics (enclosed), BMG Printing, and K and S Printing (enclosed). At present, Arcata Graphics has the best bid.

Bids were secured on the basis of printing 15,000 shaped note, 15,000 rounded-note, and 20,000 Generic books. This brings the total to 50,000 books at a cost of \$2.50 to \$3.00 each. This price includes teardown and restripping of text film on both editions, plate change, extra paper and other related fees. This price does not reflect the cost of making graphic, typographic, and notational corrections. It does not reflect shipping, copyright fees and copyright management expenses.

Obviously, the more we correct or change, the more the costs are going to escalate. With those costs in mind, three possible approaches to reprinting the hymnal may be considered: Plan A: Fix Only the Serious Mistakes; Plan B: Fix all Serious Mistakes and as Many Small Mistakes we possibly find; and, Plan C: Correct any and all mistakes (...including commas, etc.) so that the book is totally striped of any errors.

#### **Plan A: Fix Only the Serious Mistakes**

The book, in its present condition, really meets the needs of our denomination, without making major corrections. However, several mistakes demand attention. For example, the last line of "All the Way My Savior Leads Me" was left off in the rounded-note edition. That must be corrected. This plan will allow for the correction of approximately 50 pages with the least amount of expense. Inconsistencies between the books (such as different keys, etc.) will not be adjusted. The additional costs for these "repairs" are as follows: \$1000.00 for engraving and/or typesetting, \$500.00 for negatives, \$1250 for editing and related services. That brings the total estimated expenses above the per book price quoted above to \$2,000.00.

#### **Plan B: Fix all Serious Mistakes and as Many Small Mistakes as possible**

This plan will focus on the typographical, notational, and textual mistakes most obvious to everyone. Attention will go toward correcting any major mistake and as many inconsistencies between the editions as possible. Spelling mistakes and incorrect data regarding composers and copyright notices will be corrected. Approximately 400 pages will be corrected in this process (200 in each edition). Two teams of proofreaders will assist in the task of making these corrections. The additional costs for these "repairs" are as follows: \$3000.00 for engraving and/or typesetting, \$4000.00 for negatives, \$1500.00 for editing and related services. That brings the total estimated expenses above the per book price quoted above to \$8,500.00.

#### **Plan C: Fix it All**

This will focus on making any and all necessary corrections. This will be the most time consuming and costly but will, in the long run, be the most valuable for the product. Corrections will include all those listed above as well as any grammar and data materials left out with the initial

printing. The additional costs for these "repairs" are as follows: \$4000.00 for engraving and/or typesetting, \$4000.00 for negatives, \$2000.00 for editing and related services. That brings the total estimated expenses above the per book price quoted above to \$12,000.00. (This is an estimated cost based purely on a speculation of the number of pages needing corrections).

### **Strategy for Marketing**

Two primary means for marketing should be part of the reprinting process. (1) The brochure advertising the hymnal should be reprinted. The four color brochure originally designed for the book in 1987 will serve us well. K and S Printing in Nashville can print 5000 copies of the brochure for under \$2000.00. (2) Our own Free Will Baptist Bookstore should be given opportunity to sell the product. Numbers of Free Will Baptists have not purchased the new hymnal because they cannot obtain the books through their own state owned bookstores.

### **The Generic Book**

Much more can be said about a generic book for non-Free Will Baptist markets. A Nashville based music publisher has already offered to lease the book from us for the purpose of marketing and selling a generic book to the evangelical community in general. The publisher has agreed to pay cost (including interest) plus percentage for use of the book. Preparation for such an edition will involve securing copyrights usage, engravings for about 25 hymns, and miscellaneous editing responsibilities. The total cost, above the per book expense, for preparing a generic book is estimated at \$3500.00.

### **Time Line for Reprinting Hymnal**

#### **July 1993**

- Information Program
- Send in Corrections
- Solicit Helpers
  - Secure a Team of Volunteers
  - Text Readers
  - Music proofers
- Make Copy of loose-leaf Book for Music Commission Members
- Make a List Of All Songs
- Proof Every Song
  - The Text
  - The Layout
  - The Music
  - The Typesetting
- Proof Every Table and Index
- Establish Budget



### August 1993

Phone Those that have collections of Materials  
Get Lists of Mistakes  
Make additions and deletion list

### September 1993

Secure Corrections from Committee

### October 1993

Secure Paper for Printing Project  
40% of Corrections Handed to Engraver

### November 1993

Secure \$5,000 for Expenses (Engraver, editing, etc.)  
20% of Corrections handed to Engraver

### December 1993

Secure Letter of Credit for Manufacturer  
20% of Corrections handed to Engraver

### January 1994

20% of Corrections handed to Engraver

### February 1994

Deliver All Proofed Materials to Printer  
Receive BLUE-Line From Printer

### April 1994

Books Delivered to Randall House Publications

### QUOTATION

Date: June 24, 1993

Customer: MacKenzie & Associates  
Robert MacKenzie

Title/Description: Free Will Baptist Hymnal  
(Round Note and Shaped Note Editions)

Trim: 6 x 9

Pages: 720 + cover (hardcase)

Paper: Text - 45 lb. Pathfinder Natural Smooth

Ink: 1 color - no bleeds

Bind: Smythe sewn hardcase

Delivery: As required

Other Services: Exact reprint per your specs. See attached.

Quantity/Price:	10,000	4.98 each
	20,000	4.53 each
	30,000	4.34 each
	50,000	4.24 each

#### TERMS:

Unless otherwise specified, terms are net 30 days.  
Sales Tax or other applicable tax extra.  
For other conditions, see back of proposal.  
Work quoted "camera-ready" consists of one negative per page/per color. Overlays, screens, reverses and tight register constitute additional prep charges. If necessary, please request a revised quote upon submission of art.



Account Executive

*Buddy*  
Charles D. Vaughan

Vaughan Printing, Inc. 411 Cowan Street Nashville, TN 37207 (615) 256-2244  
FAX No. 259-4576



MACKENZIE & ASSOCIATES

FREE WILL BAPTIST HYMNAL (ROUND NOTE AND SHAPED NOTE EDITIONS)

#### SUMMARY OF SPECIFICATIONS

##### PHOTOGRAPHIC & PLATES

###### TEXT:

CUSTOMER TO FURNISH COMPOSITE PRE-IMPOSED  
NEGATIVE FILM FLATS, NOT TO PRINTER'S  
IMPOSITION, WITH REGISTER MARKS AND APPROPRIATE  
PROOFS TO FOLLOW. PRINTER WILL TEARDOWN,  
RESTRIP FILM, AND MAKE OFFSET PLATES. ANY  
FILMWORK, CORRECTIONS AND/OR PROOFS WILL BE  
BILLED ADDITIONAL.

##### PAPER, PRINT, BIND

###### QUANTITY: TRIM SIZE: TEXT PAGES: TEXT PAPER:

10,000, 20,000, 30,000, 50,000, PLUS OVER/UNDERS  
6 X 9

720-1/COLOR, NON-BLEED  
48# LEWIS OFFSET NATURAL 566PPI  
@ \$44.05/CWT FOR 10,000; 20,000; 30,000 COPIES;  
@ \$39.90/CWT FOR 100,000 COPIES; FURNISHED BY

NOTE: PAPER PRICES SUBJECT TO AVAILABILITY  
AND PRICE AT TIME OF DELIVERY. ANY EXCESS FREIGHT  
OR FUEL SURCHARGE WILL BE BILLED ADDITIONAL AT COST.

BOOKWEB  
SMYTH HARDBOUND  
80# PUBLISHER WHITE  
CONCEALED MUSLIN JOINTS

###### TEXT PRINTING: BINDING STYLE: ENDPAPER STOCK: REINFORCEMENTS: CORNERS: EDGE CUT: BACKING: LINEUP: HEADBANDS: COVER STYLE:

SQUARE  
SMOOTH  
ROUND

YES  
YES

ONE-PIECE STAMPED ROXITE B

###### BOARDS: STAMPING:

46" ROLLS,

.098 BINDERS BOARDS

1 HIT, 25 SQ. IN. IMITATION GOLD

DIES BILLED ADDITIONAL IF FURNISHED BY BINDER

###### CASE-IN: PACKING:

LOOSE

STOCK SINGLE WALL PLAIN BULK CARTONS ON PALLETS  
(39#/CARTON - 1,250#/PALLET).

###### SHIPPING: FREIGHT:

ON COMPLETION, F.O.B. POINT OF MANUFACTURE  
ESTIMATED FREIGHT ALLOWED TO NASHVILLE, TN.  
FREIGHT CHARGES TO BE BILLED AT ACTUAL COST

## Recommendation from the Financial Disclosure Committee

The Financial Disclosure Committee recommends to the all boards meeting that each department of the National Association of Free Will Baptists itemize salaries and all other financial benefits of ministry directors, and administrative staff members in the proposed budgets in the annual digest of reports. We understand that this would include the following:

**Free Will Baptist Bible College:** President, Academic Dean, Director of Public Relations, Director of Development, and Treasurer.

**Foreign Missions Department:** Director, Overseas Secretary, Church Relations and Deputational Coordinator, Director of Communications, and Treasurer.

**Home Missions Department:** General Director, Associate Director, and Director of Development.

**Sunday School Department:** Director, Editor-in-Chief, and National Youth Conference Director.

**Master's Men:** Director.

**Board of Retirement:** General Director, Associate Director, and Director of Finance.

**Executive Office:** Executive Secretary, Assistant to the Executive Secretary, and Bookkeeper.



# STATISTICAL REPORT Reporting Period 1992-1993

	Associations	Number Reporting	Churches	Number Reporting	City	Rural	Full-Time Pastors	Part-Time Pastors	Baptisms	Members Added	Members Lost	Total Membership	Combined Income of all Churches	Number of Churches with Budgets	Parsonages
Alabama	14	14	170	168	63	107	121	49	439	873	485	18,419	274,866	4	36
Arizona	2	2	8	8	7	1	5	3	20	62	32	262	274,866	3	3
Arkansas	15	15	218	205	83	135	77	141	680	1,147	718	19,149	4,565,406	30	68
California	8	8	68	63	52	11	48	15	505	483	416	3,915	2,504,777	28	31
Canada	1	1	15	11	2	13	4	8	11	11	13	400			4
Colorado	1	1	7	5	7		6	1	32	46	8	172	163,926	3	4
Florida	9	9	74	68	37	37	47	21	181	379	207	5,101	1,223,639	22	39
Georgia	10	9	121	110	39	76	95	19	202	486	272	9,069	3,046,973	29	66
Hawaii															
Idaho	1	1	4	4	4	1	3	1	5	4	1	131	53,853	1	1
Illinois	6	6	43	43	27	16	21	20	135	199	86	3,716	1,600,000	18	16
Indiana	3	3	20	20	18	5	9	14				1,610	600,000	7	5
Iowa															
Kansas	2	2	8	8	8		2	6	32	37	37	296	186,038	2	3
Kentucky	10	10	147	147	31	116	27	120	686	315	205	16,363	1,052,338	11	4
Louisiana	1	1	3	3	3		3								
Maryland	3	3	23	21	13	10	13	10	163	85	122	1,594	670,478	12	9
Mexico	2	2	32	25	25	7	20	12	12	317	147	3,698	1,823,567	8	17
Michigan	6	6	46	38	36	10	24	18	203	317	147	3,698	1,823,567	8	17
Minnesota	4	3	54	34	15	31	34	25	106	245	90	3,954	3,954	22	22
Missouri	17	17	176	170	85	91	92	78	620	950	454	14,564	4,708,853	38	37
Montana															
Nebraska	1	1	1	1	1	1	1	1	1	1	1	1	51,819	1	1
New Jersey	1	1	3	3	2	1	1	2	1	1	6	131	30,000	1	2
New Mexico	2	2	4	3	3	1	2	2	8	20	15	107			
North Carolina	8	8	195	172	82	113	142	53	1,221	2,001	422	28,359	4,254,682	65	20
Northwest Assoc.	1	1	5	4	4	1	5	4	9	19	11	304		3	1
Ohio	16	16	147	144	72	75	54	90	667	776	688	10,131	4,010,992	25	20
Oklahoma	23	23	262	238	156	99	156	87	759	1,659	760	23,621	7,894,034	56	83
Puerto Rico	7	7	115	83	27	46	69	21	390	448	179	10,610	2,453,374	26	34
South Carolina															
South Dakota	7	7	115	83	27	46	69	21	390	448	179	10,610	2,453,374	26	34
Tennessee	7	6	203	178	112	102	117	65	982	1,110	402	21,018	4,384,500	12	5
Texas	6	5	48	43	32	12	22	16	127	271	74	2,048	733,046	7	4
Virginia	5	5	86	86	18	68	38	48	117	200	142	4,288	464,826	1	1
Virgin Islands	1	1	1	1	1	1	1	1	28	20	5	86	61,000	1	1
West Virginia	20	20	190	190	32	158	83	107	577		2	10,448	2,218,655	11	14
Wyoming															
TOTALS	214	207	2,513	2,265	1,112	1,342	1,349	1,058	8,928	12,246	6,011	214,577	49,071,296	433	636

# STATISTICAL REPORT Reporting Period 1992-1993

	Value of Church and Parsonage Property	Sunday School Enrollment	CTS Enrollment	WNAE Enrollment	MM Enrollment	Ordained Ministers	Licensed Ministers	Deacons	Day Cares	Kindergartens	Christian Day Schools	Bible Institutes	Colleges	Value of Associational Property
Alabama	5,155,000	444	404	131	82	96	96	111	1	5	9	1	1	896,459
Arizona	600,297	97	101	1,471	96	93	26	552	1	4	2	1	1	950,000
Arkansas	32,522	801	3,170	476	292	53	26	111	1	4	9	1	1	265,000
California	30,324	444	404	131	82	96	96	111	1	5	9	1	1	896,459
Canada														
Colorado	935,000	244	244	336	70	92	42	378	2	2	2	1	1	840,000
Florida	10,362,262	3,362	687	1,280	199	151	25	378	2	2	2	1	1	3,400,000
Georgia	19,885,649	5,037	43	8	8	2	2	5	2	2	2	1	1	500,000
Hawaii	3,400,000	43	16	16	91	47	14	98	1	1	2	1	1	
Idaho	490,000	236	236	446	91	47	14	98	1	1	2	1	1	
Illinois	11,200,000	2,682	101	127	57	49	8	46	1	1	2	1	1	
Indiana	3,000,000	1,956	101	127	57	49	8	46	1	1	2	1	1	
Iowa	220,000	40	40	24	6	1	1	4	1	1	2	1	1	
Kansas	1,375,300	270	755	562	59	107	11	282	1	1	2	1	1	
Kentucky	9,885,500	8,458	755	562	59	107	11	282	1	1	2	1	1	
Louisiana	400,000													
Maryland	5,564,400	1,268	911	200	12	14	14	82	1	1	1	1	1	76,000
Mexico														
Michigan	11,775,000	2,767	150	293	125	82	14	82	1	1	1	1	1	540,000
Mississippi	27,003,218	11,145	1,434	948	81	274	47	356	1	1	4	1	1	
Missouri	350,000	40	40	24	6	1	1	4	1	1	2	1	1	
Montana	150,000	15	15	7	6	1	1	3	1	1	1	1	1	500,000
Nebraska	1,000,000	76	2,231	1,205	260	266	84	299	10	10	11	1	1	
New Jersey	33,400,000	15,776	175	25	13	4	3	6	6	6	11	1	1	
New Mexico														
North Carolina	1,050,000	300	579	885	147	340	15	282	8	8	4	1	1	350,000
Northwest Assoc.	25,776,141	9,351	1,687	1,669	225	19	94	626	4	4	4	1	1	2,934,274
Ohio	49,143,782	19,887	2,658	1,669	225	19	94	626	4	4	4	1	1	372,000
Oklahoma	9,606,900	6,690	1,299	842	231	191	21	193	4	4	4	1	1	
Puerto Rico														
South Carolina	60,034,060	9,925	2,478	1,193	226	332	71	572	5	5	4	1	1	
South Dakota	4,561,919	919	151	98	56	50	9	60	2	2	1	1	1	
Tennessee	5,581,169	3,422	687	409	60	201	14	235	2	2	1	1	1	
Texas	2,000,000	130	682	1,086	66	469	20	400	42	42	53	9	5	11,652,768
Virgin Islands	14,241,875	12,313	682	1,086	66	469	20	400	42	42	53	9	5	
West Virginia	90,000	143,683	22,680	13,974	2,703	4,277	581	5,278	42	42	53	9	5	
Wyoming	390,276,371	143,683	22,680	13,974	2,703	4,277	581	5,278	42	42	53	9	5	
TOTALS														