

1996 Free Will Baptist History Yearbook



THE NATIONAL ASSOCIATION OF
Free Will Baptists

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The Executive Office
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Minutes of the Fifty-Ninth Annual Session of the National Association of Free Will Baptists, Inc. when convened in Charlotte, North Carolina July 16-20, 1995

Future Sessions to Be Held In

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
2004	Kansas City, Missouri	July 18-22
2005	Louisville, Kentucky	July 17-21

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

1996

New Jersey: Vergel Maness
 New Mexico: Dennis Conley
 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: Glen Johnson
 West Virginia: Carl Vallance

1997

Alabama: Richard Cordell
 Arizona: George Harvey, Jr.
 Arkansas: David Joslin
 Atlantic Canada: Dwayne Broad
 California: Nuel Brown
 Colorado: Bob Thomas
 Florida: Millard Sasser
 Georgia: Herbert Waid
 Idaho: Gene Kissinger
 Illinois: Ernie Lewis
 Indiana: Robert Helms
 Kansas: Jerry Murphree
 Kentucky: Tim York
 First Louisiana: Ron Parker
 Maryland: Lester Horton
 Mexico: James Munsey
 Michigan: Gene Norris
 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

1996	1997	Officers
Tom Lilly (N.C.)	David Joslin (Ark.)	Ralph Hampton (Tenn.)
Thurmon Murphy (Tex.)	Gene Norris (Mich.)	Carl Cheshier (Ark.)
Charles Thigpen (Tenn.)	Nathan Ruble (Mo.)	Waldo Young (Okla.)

Bible College Trustees

Chairman: Douglas Little, 4 Sassafras Circle, Russellville, AR 72801
 President: Tom Malone, 3606 West End Avenue, Nashville, TN 37205

1996	1998	2000
Sam Truett (N.C.)	Richard Bowers (Ala.)	Richard Barnes (Va.)
Larry Montgomery (Tenn.)	Larry Powell (Ga.)	Gary Fry (Mo.)
J. M. Creech (Ga.)	Douglas Little (Ark.)	Howard Price (Ga.)

Foreign Missions Board

Chairman: Joe Grizzle, 4716 Stonegate Drive, Norman, OK 73072
 Director: Eugene Waddell, P.O. Box 5002, Antioch, TN 37011-5002

1996	1998	2000
Bill Jones (Okla.)	Joe Grizzle (Okla.)	William Reagan (Canada)
Galen Dunbar (S.C.)	David Shores (Ill.)	Milton Worthington (Mich.)
Archie Mayhew (Calif.)	Dean Dobbs (N.C.)	James Forlines (Ark.)

Home Missions Board

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

1997	1999	2001
Milburn Wilson (Calif.)	Lynn Wood (Texas)	Richard Atwood (Md.)
Glenn Thomas (Ga.)	Don Guthrie (Ark.)	Earl Hendrix (S.C.)
Larry Russell (Va.)	Wendell Walley (N.C.)	J. D. Norris (Ala.)

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

1997	1999	2001
Howard Gwartney (Okla.)	Don Neal (Ind.)	Jerry Atwell (Miss.)
George Brunkhorst (Calif.)	Dwight Fletcher (Miss.)	Johnny Fowlkes (Ark.)
Thurman Pate, Jr. (Tenn.)	Gary Wilson (Ala.)	Waymon Ray (Okla.)

Board of Retirement

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

1997

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

1999

Robert Morgan (Tenn.)
Lincoln Varney (Ky.)
Henry Van Kluyve (N.C.)

2001

Bobby Bowers (S.C.)
Jack Daniel (Ga.)
Waymon Fields (Ala.)

Sunday School and Church Training Board

Chairman: James McAllister, 370 North Orangewood, Fresno, CA 93727
Director: Alton Loveless, P.O. Box 17306, Nashville, TN 37217

1996

David Sutton (Texas)
James McAllister (Calif.)
Dean Stone (Co.)

1998

Will Harmon (Texas)
Edwin Hayes (Ohio)
Larry Clyatt (Ill.)

2000

Jeff Crabtree (Canada)
Billy Hanna (Ga.)
Dennis Wiggs (N.C.)

Commission For Theological Integrity

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

1996 Lonnie Skiles (Mo.)

1997 Leroy Forlines (Tenn.)

1998 Fred Hall (Tenn.)

1999 Jeff Manning (N.C.)

2000 Daryl Ellis (Ill.)

Historical Commission

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

1996 Thomas Marberry (Okla.)

1997 Jack Williams (Tenn.)

1998 Mary Wisehart (Tenn.)

1999 Robert Picirilli (Tenn.)

2000 Darrell Holley (Tenn.)

Radio-Television Commission

Chairman: Steve Faison, P.O. Box 50117, Nashville, TN 37205

1996 Sandy Goodfellow (Tenn.)

1997 Bill Gardner (Tenn.)

1998 Steve Faison (Tenn.)

1999 James Vallance (Tenn.)

2000 Doug Kite (Tenn.)

Music Commission

Chairman: Randy Sawyer, 124 Pemberton Street, Stanley, NC 28164

1996 David Bates (Mo.)

1997 Douglas Little (Ark.)

1998 Bill Gardner (Tenn.)

1999 Randy Sawyer (N.C.)

2000 Vernon Whaley (Ohio)

Proceedings

The 59th annual session of the National Association of Free Will Baptists met in the New Charlotte Convention Center, Charlotte, North Carolina, July 16-20, 1995. The theme of the convention was "Revive the Redeemed." Randy Sawyer served as music coordinator, Jerry Carraway as organist, and Terri Siebert as pianist.

Sunday Morning — July 16, 1995

Richard Davis led the congregation in singing "The Lily of the Valley" to open Sunday School at 10:00 a.m. The Sadler Family from Lincolnton, North Carolina, presented special music. Presider Thurmon Murphy introduced Wendell Leckbee, a layman from Little Rock, Arkansas, to teach the adult class. The lesson was titled "A New Heart to Build Zion's Walls," taken from the book of Nehemiah. Sunday School ended at 10:45 a.m.

Richard Davis led the congregation in singing "There is Power in the Blood" to open the Sunday morning worship service. The congregation also sang "Nothing But the Blood."

Thurmon Murphy gave a welcome and called on Jim Pollock (New Mexico) to lead in prayer.

The Sadler Family sang "I'm Glad I know Who Jesus Is" and "Lord, I Want to Go to Heaven." The congregation sang "There is a Fountain."

As the convention offering was received, the Sadler Family sang "He Leadeth Me."

Roger Harwell, pastor of the Beacon FWB Church, Raytown, Missouri, was introduced as the speaker. Before the message, the Sadler Family sang "He's All I Need."

Pastor Harwell read Micah 6:8 and brought the message on the convention theme, "Revive the Redeemed." At the close of the message, he called on the congregation to pray in groups or alone. After a season of prayer, the service dismissed. Thurmon Murphy led in the closing prayer.

Sunday Evening — July 16, 1995

The Florida Ministers Quartet presented pre-service music at 6:55 p.m. Dick Martin led the congregation in singing "Great is the Lord" and "Holy, Holy, Holy" to begin the Sunday evening service. Presider Nuel Brown welcomed the Sunday night congregation and made opening remarks.

The Gospeliers Quartet sang "All Hail the Power" and "Where Could I Go." The congregation sang "Blessed Assurance."

Nuel Brown led in the offertory prayer. The Florida Ministers Quartet sang as the offering was received.

Jim Turnbough, pastor of Trinity FWB Church, Greenville, North Carolina, was introduced as the speaker. Lawrence Taylor (North Carolina) sang "I'd Rather Have Jesus."

Pastor Turnbough read Genesis 44:17 and brought the message, "I Can't

Go Home Without My Brother." "Just as I Am" was sung as an invitation hymn. After announcements, Bobby Jackson led in prayer.

Monday Evening — July 17, 1995

Called to Praise, an ensemble from the Donelson FWB Church, Nashville, Tennessee, provided pre-service music at 6:55 p.m. Bill Gardner led the congregation in singing "Saved, Saved" and "He Touched Me."

Clerk Waldo Young called the 59th convention into official session. He introduced Moderator Ralph Hampton who brought introductory remarks and announced the appointment of committees to serve during this session.

Those appointed to the Nominating Committee were the General Board members whose terms expire in 1996. They were Vergel Maness, NJ; Dennis Conley, NM; Tom Lilly, NC; Jim Nason, Northeast Association; Terry Stafford, Northwest Association; Delmar Sparks, OH; Jack Richey, OK; Joe Cagle, SC; Charles Thigpen, TN; Thurmon Murphy, TX; Glen Johnson, VA; Carl Vallance, WV. Jack Richey served as chairman.

Those appointed to the Resolutions Committee were Millard Sasser, FL; Gerald Fowler, NC; Jim Mullen, IN; Tim York, KY; David Joslin, AR.

Those appointed to the Credentials Committee were Charles Cooper, MI; Robert Helms, IN; James Munsey, MX; David Taylor, AZ; Dwayne Broad, Atlantic-Canada.

To serve on the Obituary Committee, the moderator appointed Ken Walker, KY; Bill Potete, NC; Berton Perry, OK; Gene Outland, IL; J.L. Gore, MS.

The Called to Praise Ensemble sang "We Shall See Jesus Someday." The congregation sang "When We All Get to Heaven."

The Mass Choir under the direction of Douglas Little sang "I Pledge Allegiance to the Lamb." "It Is Well With My Soul" was sung by the congregation.

The Men's Trio—Scott Bullman, Mike Lewis and Tim Murfin—sang as the convention offering was received.

Tom Lilly introduced Keith Burden, pastor of First FWB Church, Ada, Oklahoma, as the speaker for the evening. The Men's Trio sang just before the message.

Pastor Burden read Psalm 107:1-15 and brought the message on "Perpetuating Revival." "Have Thine Own Way" was sung as an invitation hymn. The service was dismissed in prayer.

Tuesday Evening — July 18, 1995

An ensemble from Southeastern FWB College presented pre-service music at 6:55 p.m. Randy Sawyer led the congregation in singing "All Hail the Power of Jesus' Name," "Blessed Be the Name" and "Something About that Name" to begin the Tuesday evening service. Presider Jeff Crabtree called on Larry Monday to lead in prayer.

Under the direction of Vernon Whaley, singing groups from Free Will Baptist Bible College, Hillsdale FWB College and Southeastern FWB College ministered in music singing several numbers. This combined group sang "How Long Has It Been" while the convention offering was received.

The congregation sang "How Great Thou Art."

William Evans, director of the Board of Retirement, was introduced to bring the message. Prior to the message, Susan Hiltibidal sang a solo. Brother Evans read I John 3:1-10 and brought the message on "Love the Brethren." After the message concluded, the congregation sang "Breathe On Me" for an invitation hymn.

"Victory in Jesus" was sung as a closing hymn after which the service ended with prayer of benediction by Chris Truett.

Wednesday Morning — July 19, 1995

Moderator Ralph Hampton called the business meeting to order at 9:00 a.m. He shared various prayer requests some of which concerned people attending the convention. He called on Clerk Waldo Young to lead in prayer.

The moderator then read Haggai 1:1-14 and Zechariah 1:3, 4:6-10, and brought the moderator's message on the subject, "The Unfinished Task." He then read some of the rules of order from the *Treatise*.

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

The clerk read Item #1 of the General Board report. A motion carried to receive Item #1 and proceed to hear the reports as they are presented.

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

A motion carried to lay on the table Item #2 of the General Board report pertaining to the Amended and Restated Charters presented by several departments. (These will be voted on in 1996.)

President Tom Malone gave the report of Free Will Baptist Bible College. He was assisted by Tom Sass, treasurer, who gave the college's financial report. A motion carried to receive the report and adopt the budget.

President Malone and Trustee Board Chairman Douglas Little presented recommendations to relocate the campus of Free Will Baptist Bible College. The proposal titled, "A Vision for the Future," was presented in detail. A motion carried that the proposal be adopted.

Director Eugene Waddell gave the report of the Foreign Missions Department. Robert Conley gave the financial report and presented the budget. A motion carried to receive the report and adopt the budget.

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

The moderator declared a recess until 1:30 p.m.

Wednesday Afternoon — July 19, 1995

The moderator called the meeting to order at 1:30 p.m. Assistant Moderator Carl Cheshier read Romans 12:1-11 and led in prayer to open the afternoon session.

Director William Evans gave the report of the Free Will Baptist Foundation. David Brown gave the financial report. A motion carried to receive the report and adopt the budget.

Director Roy Thomas gave the report of the Home Missions Department.

Home Missions Board Chairman Earl Hendrix gave a brief summary of the services of Roy Thomas as he served the Lord and the denomination through the Home Missions Department. He then presented the retiring director a plaque of appreciation for 25 years of service. All board members were on the platform.

Trymon Messer was introduced as the new director of the Home Missions Department, effective September 1, 1995. Mr. Messer then shared some of his goals and hopes for the work of the department.

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

The clerk read a partial report of the Nominating Committee for nominations to the Home Missions Board for terms expiring in 2001. Those elected to six-year terms on the board were Richard Atwood, MD; Earl Hendrix, SC; J.D. Norris, AL.

Director James Vallance gave the report of the Master's Men Department. Joe Yoke with the Boy Scouts of America brought greetings and reported on the work of scouting as a church ministry.

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

The clerk read a partial report of the Nominating Committee for nominees to the Master's Men Board. Johnny Fowlkes, AR; Jerry Atwell, MS; Waymon Ray, OK, were elected for six-year terms expiring in 2001.

Director Williams Evans gave the report of the Retirement Department. Ray Lewis gave the financial report. A plaque of appreciation was presented to Wilburn Beasley for 12 years of service on this board. A motion carried to receive the report and adopt the budget of the Retirement Department.

Jack Daniels, GA; Waymon Fields, AL; Bobby Bowers, SC, were elected to six-year terms on the Retirement Board.

Chairman Leroy Forlines gave the report of the Commission for Theological Integrity. A motion carried to receive the report and adopt the budget. Daryl Ellis, IL, was elected to a five-year term on the commission.

Steve Faison gave the report of the Radio-Television Commission. A motion carried to receive the report and adopt the budget. Doug Kite, TN, was elected to a five-year term on the commission.

In the absence of Chairman Vernon Whaley, Melvin Worthington gave the report of the Music Commission. During the convention, the corrected and reprinted *Rejoice* hymn book was presented along with a generic version of the same book. A motion carried to receive the report and adopt the budget.

Vernon Whaley, TN, was elected to a five-year term on the Music Commission.

Chairperson Mary Wisehart gave the report of the Historical Commission. A motion carried to receive the report and adopt the budget.

Darrell Holley, TN, was elected to a five-year term on the Historical Commission.

Item #3, of the General Board Report was adopted, setting Louisville, Kentucky, as the site of the convention in 2005.

The clerk read the nominees to the General Board for two-year terms. They were elected as nominated by the committee. Those elected to two-year terms on the General Board were Richard Cordell, AL; George Harvey,

Jr., AZ; David Joslin, AR; Dwayne Broad, Atlantic-Canada; Nuel Brown, CA; Bob Thomas, CO; Millard Sasser, FL; Herbert Waid, GA; Gene Kissinger, ID; Ernie Lewis, IL; Robert Helms, IN; Jerry Murphree, KS; Tim York, KY; Ron Parker, First Louisiana District; Lester Horton, MD; James Munsey, MX; Gene Norris, MI; J.L. Gore, MS; Nathan Ruble, MO. Dennis Conley was elected to represent New Mexico for a one-year term, replacing Earl Jenkins who resigned.

Gene Norris, MI; Nathan Ruble, MO; David Joslin, AR, were elected to two-year terms on the Executive Committee of the General Board.

The moderator declared a recess of the business session until Thursday at 9:00 a.m.

Wednesday Evening — July 19, 1995

A quartet of singers from the First FWB Church, Gastonia, North Carolina, provided pre-service music at 6:55 p.m. Danny Baer led the congregation in singing "Since Jesus Came Into My Heart" to open the Wednesday evening missions emphasis service. Presider Melvin Worthington led in prayer.

All home missionaries present for the service were introduced by Roy Thomas, Home Missions director. Foreign Missions Director Eugene Waddell introduced those missionaries from foreign missions who were present for the service.

The Sadler Family presented special music.

An instrumental ensemble provided offertory music as the missions offering was received. As later announced, the offering was \$48,522.00.

The Men's Chorale sang under the direction of Jerry Carraway. The congregation sang "Living By Faith" and "Send the Light."

Melvin Worthington introduced James Munsey (Mexico) as the speaker for the service. Brother Munsey is the coordinator for the work in Mexico. Just before the message, Bill Gardner sang "A Sinner Saved By Grace."

Munsey read I Kings 19:1-9 and brought the message on the subject, "What Are You Doing Here?"

A soloist sang "Search Me, Oh God" as an invitation hymn. Many people responded to the invitation by coming forward to pray.

Melvin Worthington prayer the benediction.

Thursday Morning — July 20, 1995

Moderator Ralph Hampton called the meeting to order at 9:00 a.m. Assistant Clerk Keith Burden read Philippians 2:5-8, and 4:8, after which he led in prayer to open the meeting.

Mary Wisehart, executive secretary, gave the report of the Women Nationally Active for Christ. A motion carried to receive the report as information.

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

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

Leroy Forlines gave the report of the Ministerial Family Life Committee. A motion carried to receive the report and adopt the recommendations.

Chairman LaVerne Miley gave the report of the Addiction Recovery Committee. A motion carried to receive the report and adopt the recommendations.

Melvin Worthington gave the report of the Cross-Cultural Study Committee. A motion carried to receive the report and adopt the recommendations.

National Youth Conference Director Dean Jones gave the report of this work. Board Chairman James McAllister made remarks regarding concerns within the National Youth Conference. Board member Dennis Wiggs spoke from the floor with other remarks.

A motion carried to receive the report as information.

Chairman Ken Walker gave the report of the Obituary Committee. Many names were added from the floor. The body stood for a moment of silence, then Pastor Walker led in prayer.

The clerk read Resolution #1 of the Resolutions Committee report. A motion carried to adopt this item titled "Resolution on Evangelicals and Catholics Together."

Resolution #2 was read. It was titled "Resolution Concerning Racism." After the previous question was moved and carried, Resolution #2 was adopted.

The clerk read Resolution #3 titled, "Resolution on Areas of Concern." A motion was made and seconded to adopt the resolution. A motion was made and seconded to amend the resolution by deleting all the resolution except the first "whereas," then go to the resolution presented by the North Carolina State Association. This resolution was attached in printed form. A motion was made and seconded to table both the resolution and the proposed amendment. The motion to table was defeated.

The motion to amend the resolution was defeated.

After the previous question was moved and carried, Resolution #3, as presented by the committee, was adopted. (This action referred the North Carolina resolution to the December 1995 Leadership Conference.)

Resolutions #4 and #5 were resolutions sent by the Virginia State Association and presented without recommendation by the Resolutions Committee. A motion carried to refer these two resolutions to the Leadership Conference which will meet in Nashville, Tennessee, in December.

Resolution #6 titled "Resolution of Appreciation" was read and adopted.

The clerk read the final report of the Nominating Committee. Keith Burden, OK, was elected as assistant clerk. Carl Cheshier, AR, was elected as assistant moderator. Waldo Young, OK, was elected as clerk. Ralph Hampton, TN, was elected as moderator.

A motion carried to adjourn. It was 12:30 p.m. Wade Jernigan led in the closing prayer.

1994

The Executive Secretary's Report

I count it a privilege to serve the National Association of Free Will Baptists as executive secretary. The efficient Executive Office staff makes my job easy and accounts for the effective ministry of the office. We commend the staff for its dedicated service.

The Executive Office represented the National Association of Free Will Baptists at the Evangelical Press Association, Christian Stewardship Association, Religious Conference Management Association, U.S. Church Leaders Conference in addition to attending 25 state/district associations.

The 1994 convention in Little Rock, Arkansas, registered 7,640—the second-highest registration in history. The convention meetings, music and messages were a special blessing. We commend the Arkansas State Association of Free Will Baptists for their excellent job hosting the convention.

Preparations for the 1995 convention in Charlotte, North Carolina, went smoothly. Maryland, West Virginia and Kentucky issued invitations to host the July 17-21, 2005 convention. Visits were made to Louisville and Lexington, Kentucky; Baltimore, Maryland; and Charleston, West Virginia, in order to view convention facilities in each city.

Capital Stewardship/Victory Campaign contributions from January 1992 through December 1994 totaled \$260,969.02. Gifts for this campaign will be credited through December 31, 1997. This allows additional time for district/state associations to reach their campaign goals, while coinciding with the final payment from the sale of the Murfreesboro Road property.

Contact subscriptions totaled 5,709 in the December 1994 mailing. Complimentary copies are provided for students at Free Will Baptist Bible College, Southeastern Free Will Baptist College, California Christian College and Hillsdale Free Will Baptist College. Subscription rates are \$12 per year. *Contact* provides information regarding denominational life.

Life-time *Contact* subscriptions are available for a gift of \$500. Each life-time subscriber, whether church or individual, receives a leather-bound copy of *Rejoice, The Free Will Baptist Hymn Book* (1988). A church could purchase a life-time *Contact* subscription and always have accurate information regarding the Free Will Baptist family. In 1994, four life-time subscriptions were purchased.

Together Way Plan Stewardship Notebooks can be ordered at no cost from the Executive Office. We encourage each church and association to adopt the Together Way Plan, the denominational plan for financial support. We commend Herman and Vernie Hersey for the excellent job in preparing the Together Way Plan stewardship material for the Together Way Notebooks.

The process of editing, revising and proofing of *Rejoice, The Free Will Baptist Hymn Book* began in 1994. *Rejoice* (1994) may be ordered from Randall House Publications. We commend the Music Commission for their work in preparing *Rejoice* for its second printing. Due to an unexpected shortage of paper and delays in editing, revising and proofing, the hymnal was not released on schedule. We apologize for any problems this may have caused.

Contributions to national ministries in 1994 totaled \$8,750,684.37. Per capita giving was \$40.78; our goal was \$43.09. We rejoice in God's finan-

cial provision for national ministries. Comparative figures since 1984 are:

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
1988	\$6,428,621.22	1993	\$7,864,572.01
1989	\$6,489,728.33	1994	\$8,750,648.37

Together Way Plan contributions in 1994 totaled \$2,385,006.99—the highest in history. Of this amount, \$313,198.40 was *Cooperative* and \$2,071,808.59 *Designated*.

Tracking The Together Way Totals

	Designated	Co-op	Total
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%) 86%	243,195.98 (-26.09%) 14%	1,724,043.49 (+18.24%)
1993	1,786,527.81 (+20.64%) 86%	278,925.67 (+14.69%) 14%	2,065,453.48 (+19.80%)
1994	\$2,071,808.59 (+15.97%) 87%	\$313,198.40 (+12.29%) 13%	\$2,385,006.99 (+15.47%)

The Together Way Totals increase/decrease from 1985-1994:
Designated 267.68% CO-OP -16.44%

Executive Office

	Designated	Co-op	Total
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
1993	128,789.88	175,087.19	303,877.07
1994	111,598.53	214,822.00	326,420.53

Foreign Missions

	Designated	Co-op	Total
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
1993	1,053,812.57	23,882.82	1,077,695.39
1994	1,179,663.50	22,626.46	1,202,289.96

Free Will Baptist Bible College

	Designated	Co-op	Total
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
1993	105,536.09	23,882.82	129,418.91
1994	119,264.56	22,626.46	141,891.02

Home Missions

	Designated	Co-op	Total
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
1993	368,660.04	18,690.90	387,350.94
1994	442,380.26	17,707.66	460,087.92

Retirement & Insurance

	Designated	Co-op	Total
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
1993	12,344.65	14,537.48	26,882.13
1994	9,579.30	13,772.71	23,352.01

Master's Men

	Designated	Co-op	Total
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
1993	20,807.95	14,537.48	35,345.43
1994	20,928.93	13,772.71	34,701.64

Free Will Baptist Foundation

	Designated	Co-op	Total
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
1993	11,281.73	6,230.32	17,512.05*
1994	9,482.16	5,902.52	15,384.68**

* This balance represents National Ministries Offering gifts of \$1,906.99 and gifts of \$3,600.00 to the Together Way Endowment Fund.

** This balance of \$3,450 includes gifts made through the Together Way to Endowment Funds that do not benefit the Foundation.

Historical Commission

	Designated	Co-op	Total
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	.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
1993	1,118.66	519.14	1,637.80
1994	491.97	966.21	1,458.18

Commission for Theological Integrity

	Designated	Co-op	Total
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
1993	1,267.94	519.14	1,787.08
1994	1,140.95	491.97	1,632.92

Radio & TV Commission

	Designated	Co-op	Total
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
1993	1,136.55	519.14	1,655.69
1994	1,039.04	491.97	1,531.01

Music Commission

	Designated	Co-op	Total
1990	\$ 197.63	\$ 821.42	\$1,019.05
1991	221.71	688.09	909.80
1992	920.26	312.52	1,232.78
1993	1,017.59	519.14	1,536.73
1994	899.06	491.97	1,391.03

Together Way Plan contributions designated for the Executive Office ministry totaled \$111,598.53 in 1994. The \$214,822.00 balance, to meet the Executive Office administrative budget came from Cooperative gifts.

The first Rest of the Family Offering in September 1994 totaled \$4,031.31. After expenses, the balance was disbursed to participating national agencies. September 24, 1995, has been designated as the Rest of the Family Sunday. We encourage you to give generously and gladly in this offering.

The organizational meeting for the International Fellowship of Free Will Baptist is scheduled for October 16-21, 1995, in Brazil. One official delegate from each country where Free Will Baptists have planted churches has been invited to participate. In order for some of these countries to send a representative, they need financial help with travel and lodging. Those who can help should send their gift to the Executive Office designated for the organizational meeting of the International Fellowship of Free Will Baptists. Perhaps a district/state association, individual or church could underwrite the cost for one representative. I have been selected to

chair the planning committee for this historic meeting.

The annual Free Will Baptist Leadership Conference met December 5-6, 1994, in Nashville, Tennessee. Eight speakers developed the theme, "Unity in Diversity." The 1995 Leadership Conference will meet December 4-5 in Nashville, Tennessee. Each state leader is encouraged to attend this conference.

Speakers for the 1995 national convention in Charlotte, North Carolina, were selected by the Executive Committee during its December 1994 meeting in Nashville, Tennessee. They include Roger Harwell, Wendell Leckbee, Jim Turnbough, Keith Burden, William Evans, James Munsey and Norman Geisler. The 1995 theme is "Revive the Redeemed".

Reporting Forms 501, 502, 503, 504 should be used to report statistical data. Using these forms enables us to compile an accurate statistical table. Recording and reporting statistical data remains a denominational problem. Rather than fantasize about what we are doing, let's record and report complete, correct and consistent statistical data.

The Double in A Decade Campaign launched January 1, 1991, with the two-fold goal of planting 250 new churches and doubling denominational membership by 2000 AD. Statistical data for 1994 indicates 7,804 baptisms; 12,393 members added; 7,508 members lost, with a net membership gain of 4,885.

1988-1994

	1988	1989	1990	1991	1992	1993	1994	Total
Baptisms	7,910	8,678	7,946	8,703	9,283	8,828	7,804	59,152
Members Added	12,436	12,726	12,537	12,931	12,123	12,246	12,393	87,392
Members Lost	6,454	7,511	6,583	7,240	7,223	6,011	7,508	48,530
Net Increase	5,982	5,215	5,954	5,691	4,900	6,235	4,885	38,862

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, 1994

(with comparative totals for 1993)

(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

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 sheet of the Executive Office of the National Association of Free Will Baptists, Inc. as of December 31, 1994 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, 1993 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 April 22, 1994.

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, 1994, 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.

May 2, 1995

Hill, Neal & Allen, P.C.

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

Balance Sheet

December 31, 1994

(with comparative totals for 1993)

	Operating Funds					Total		1994		1993	
	Executive Office	Contact Magazine	Special Projects	Convention Fund	Operating Funds	Equipment Funds		Total All Funds		Total All Funds	
Assets											
Current assets:											
Cash and cash equivalents	\$ 76,859	23,642	21,907	13,267	135,675	-		135,675		143,813	
Funds held by Free Will Baptist Foundation	-	400	-	-	400	-		400		-	
Receivables:											
Due from affiliated organization	-	-	-	-	-	-		-		8,431	
Notes receivable	-	-	-	-	-	-		-		14,249	
Master's Men	2,398	-	-	1,236	3,634	-		3,634		3,634	
Other	2,099	2,065	23	354	4,541	-		4,541		2,857	
Due from other funds	66,600	-	26,540	-	93,140	-		-		-	
Total receivables	71,097	2,065	26,563	1,590	101,315	-		8,175		29,171	
Inventory, at lower of cost (first-in, first-out method) or market (note 6)	-	-	-	-	-	-		-		33,221	
Prepaid expenses (note 3 and 6)	5,109	25,640	101,000	-	131,749	-		131,749		37,196	
Total current assets	153,065	51,747	149,470	14,857	369,139	-		275,999		243,401	
Office equipment and furniture, net of accumulated depreciation (note 2)	-	-	-	-	-	-		-		-	
	153,065	51,747	149,470	14,857	369,139	29,558		29,558		33,568	
								305,557		276,969	
Liabilities and Fund Balances											
Current liabilities:											
Accounts payable and accrued expenses	\$ 1,644	-	221	-	1,865	-		1,865		2,352	
Deferred subscription revenues	-	15,577	-	-	15,577	-		15,577		10,391	
Due to other funds	900	60,240	32,000	-	93,140	-		-		-	
Total current liabilities	2,544	75,817	32,221	-	110,582	-		17,442		12,743	
Fund balances											
	150,521	(24,070)	117,249	14,857	258,557	29,558		288,115		264,226	
	153,065	51,747	149,470	14,857	369,139	29,558		305,557		276,969	

See accompanying notes to financial statements.

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

Statement of Activity and Changes in Fund Balances

For the year ended December 31, 1994

(with comparative totals for 1993)

	Operating Funds					1994	1993
	Executive Office	Contact Magazine	Special Projects	Convention Fund	Total Operating Funds	Total All Funds	Total All Funds
Revenues:							
The Together Way plan receipts (note 4)	\$ 2,385,007	-	-	-	2,385,007	2,385,007	2,065,453
Disbursed to departments and agencies (note 4)	(2,058,586)	-	-	-	(2,058,586)	(2,058,586)	(1,761,576)
Executive Office Together Way plan receipts	326,421	-	-	-	326,421	326,421	303,877
Subscriptions to Contact Magazine	-	61,685	-	-	61,685	61,685	74,451
Sales of hymnals (note 6)	-	-	39,642	-	39,642	39,642	67,399
Gifts and offerings	-	-	4,031	5,533	9,564	9,564	8,956
Interest income	1,547	376	-	601	2,524	2,524	955
Convention fees	-	9,000	-	61,800	70,800	70,800	57,625
Leadership Conference	12,200	-	-	-	12,200	12,200	15,729
Other income	5,786	-	3,131	31	8,948	8,948	7,952
	345,954	71,061	46,804	67,965	531,784	531,784	536,944
Expenses and cost of sales:							
Salaries	126,972	-	4,485	1,306	132,763	132,763	123,082
Housing allowance	33,000	-	-	-	33,000	33,000	31,000
Employee fringe benefits	24,733	-	-	-	24,733	24,733	26,044
Payroll taxes	5,398	-	343	100	5,841	5,841	5,272
Travel	26,093	-	-	13,645	39,738	39,738	29,382
Executive committee expenses	5,946	-	-	-	5,946	5,946	6,337
Occupancy costs	41,052	-	-	-	41,052	41,052	41,052
Depreciation	-	-	-	-	-	-	-
Legal and audit	3,129	500	250	967	4,846	4,846	6,399
Insurance - general	2,464	-	-	377	2,841	2,841	6,235
Equipment maintenance and renewals	1,835	-	-	-	1,835	1,835	3,443
Supplies and office expense	9,458	2,048	417	11,721	23,644	23,644	1,196
Total of expenses and cost of sales	280,080	2,548	5,495	28,116	316,239	316,239	295,574
carried forward to page 4						7,144	

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

Statement of Activity and Changes in Fund Balances, Continued

For the year ended December 31, 1994

(with comparative totals for 1993)

	Operating Funds					1994	1993
	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	280,080	2,548	5,495	28,116	316,239	316,239	295,574
carried forward from page 3						7,144	
Printing and promotion	4,989	36,708	-	18,544	60,241	60,241	53,434
Postage / mail services	1,377	14,839	2	624	16,842	16,842	16,687
Dues, subscriptions, books, registrations	2,189	474	-	797	3,460	3,460	3,684
Telephone	2,476	64	8	474	3,022	3,022	2,506
Writer's fees	-	3,808	-	-	3,808	3,808	3,330
Interest expense	-	-	-	-	-	-	1,479
Cost of hymnals sold	-	-	33,221	-	33,221	33,221	51,791
Write down of hymnals to net realizable value	-	-	-	-	-	-	25,544
Auditorium	-	-	-	28,298	28,298	28,298	19,640
Meal functions	-	-	-	2,025	2,025	2,025	1,910
Music	-	-	-	-	-	-	440
Bi-annual leadership conference	12,618	-	-	-	12,618	12,618	11,238
The Together Way Plan	792	-	-	-	792	792	513
Auto and copier lease expense (note 5)	11,508	-	-	-	11,508	11,508	6,898
Other	1,812	293	4,151	2,421	8,677	8,677	5,191
	317,841	58,734	42,877	81,299	500,751	500,751	499,859
	28,113	12,327	3,927	(13,334)	31,033	31,033	37,085
Excess of revenues over (under) expenses	(3,134)	-	-	-	(3,134)	-	-
Other changes in fund balances:							
Acquisition of furniture and equipment	125,542	(36,397)	113,322	28,191	230,658	264,226	227,141
Fund balance, beginning of year	\$ 150,521	(24,070)	117,249	14,857	258,557	288,115	264,226

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, 1994

(with comparative totals for 1993)

	Operating Funds					1993
	Executive Office	Contact Magazine	Special Projects	Convention Fund	Total Operating Funds	Total All Funds
Cash Flows from Operating Activities						
Excess of revenues over (under) expenses	\$ 28,113	12,327	3,927	(13,334)	31,033	23,889
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided (used) by operating activities						
Depreciation and amortization	-	-	-	-	-	7,144
Inter-fund transfers and due to / from accounts (Increase) decrease in:	(26,150)	(5,850)	32,000	-	-	-
Receivables	(240)	(1,394)	8,435	(54)	6,747	6,747
Inventories	-	-	33,221	-	33,221	33,221
Prepaid expenses	1,447	-	(96,000)	-	(94,553)	(94,553)
Increase (decrease) in:						
Accounts payable and accrued expenses	(254)	-	106	(339)	(487)	(487)
Deferred subscription revenue	-	5,186	-	-	5,186	5,186
Net operating activities	2,916	10,269	(18,311)	(13,727)	(18,853)	(18,853)
Cash Flows from Investing Activities						
Collections from Building Services Fund	14,249	-	-	-	14,249	14,249
Funds held by Free Will Baptist Foundation	-	(400)	-	-	(400)	(400)
Purchase of equipment	(3,134)	-	-	-	(3,134)	(3,134)
Net investing activities	11,115	(400)	-	-	10,715	10,715
Cash Flows from Financing Activities						
Repayments of debt	-	-	-	-	-	(37,452)
Net increase (decrease) in cash	14,031	9,869	(18,311)	(13,727)	(8,138)	(8,138)
Cash and cash equivalents at beginning of year	62,828	13,773	40,218	26,994	143,813	143,813
Cash and cash equivalents at end of year	\$ 76,859	23,642	21,907	13,267	135,675	135,675
						143,813

See accompanying notes to financial statements.

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

Notes to Financial Statements

December 31, 1994

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 and Furniture

Office equipment and furniture 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.

Due To / From Other Funds

Non interest bearing advances are made periodically between fund groups. These inter-fund balances have been eliminated from the totals of the balance sheet.

Recognition of Subscription Revenue from Contact Magazine

The amount of subscriptions collected are recorded as a liability in the account deferred subscription revenues. Revenues are recognized ratably over the life of the subscription.

(2) Office Equipment and Furniture

Depreciation and amortization charged to operations computed on the straight-line method was \$7,144 in 1994 and \$6,399 in 1993.

Components of office equipment and furniture are as follows:

Office equipment	\$ 59,984
Furniture	20,340
	80,324
	50,766
Less accumulated depreciation	\$ 29,558

(3) 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 1994, \$2,192 was charged against operations leaving a resultant balance of \$3,287 which is included on the balance sheet in prepaid expenses.

**EXECUTIVE OFFICE OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**
Notes to Financial Statements, continued

(4) The Together Way Plan

The Executive Office is responsible for receiving and disbursing funds received from The Together Way Plan program. Designated contributions are disbursed to the named Department or agency, and cooperative funds are disbursed based on the proportionate sharing arrangement. The following summarizes these transactions for the year ended December 31, 1994 as compared to 1993 totals.

Receipts:	Designated	Cooperative	1994 Total	1993 Total
Alabama	\$ 97,847	416	98,263	86,918
Arizona	4,068	386	4,454	2,843
Arkansas	228,054	116,734	344,788	322,135
California	1,634	6,353	7,987	9,207
Florida	3,777	23,076	26,853	24,085
Georgia	129,679	16,825	146,504	133,253
Illinois	99,691	27,585	127,276	90,923
Indiana	6,706	1,326	8,032	7,942
Kentucky	6,509	4,207	10,716	11,102
Louisiana	1,023	80	1,103	-
Maryland	1,289	5,259	6,548	1,050
Michigan	164,279	33,704	197,983	175,820
Mississippi	4,281	4,838	9,119	6,500
Missouri	139,103	183	139,286	126,188
New Mexico	5,840	507	6,347	55
North Carolina	19,239	6,973	26,212	15,987
Ohio	43,117	38,745	81,862	49,375
Oklahoma	582,850	1,464	584,314	522,545
South Carolina	241,372	1,282	242,654	216,355
Tennessee	107,103	16,390	123,493	95,363
Texas	110,694	4,277	114,971	105,806
Virginia	17,885	475	18,360	10,320
West Virginia	52,369	1,708	54,077	49,100
Contributions totaling \$1,000 or less	3,400	405	3,805	2,581
Total receipts	\$ 2,071,809	313,198	2,385,007	2,065,453
Disbursements:				
Executive Office	\$ 111,599	214,822	326,421	303,877
Foreign Missions	1,179,664	22,626	1,202,290	1,077,696
Free Will Baptist Bible College	119,265	22,626	141,891	129,419
Home Missions	442,380	17,708	460,088	387,353
Retirement & Insurance	9,579	13,773	23,352	26,882
Master's Men	20,929	13,773	34,702	35,345
Commission for Theological Integrity	1,141	492	1,633	1,787
Foundation	9,482	5,902	15,384	17,512
Historical Commission	966	492	1,458	1,638
Music Commission	899	492	1,391	1,537
Radio & Television Commission	1,039	492	1,531	1,656
Hillsdale Free Will Baptist College	23,895	-	23,895	21,478
Capital Stewardship Campaign	134,735	-	134,735	48,417
Other	16,236	-	16,236	10,856
Total disbursements	\$ 2,071,809	313,198	2,385,007	2,065,453

**EXECUTIVE OFFICE OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**
Notes to Financial Statements, continued

(5) Operating Leases

The Executive Office has entered into non-cancellable lease arrangements relating to a copy machine and two automobiles. Total expenses amounted to \$11,508 for 1994. The following schedules the required payments under these lease arrangements.

1995	10,738
1996	6,556
1997	3,456
1998	2,304

(6) Inventory of Hymnals

The Executive Office had an agreement with Sunday School and Church Training and Randall House Publications ("Randall House"), whereby Randall House warehoused and distributed hymnals. Further, Randall House invoiced the customer, collected funds and remitted such collections, net of commissions of \$.795 per hymnal sold, to the Executive Office.

Effective March 1994, the Executive Office entered into an agreement with Randall House to liquidate the remaining inventory of bound hymnals. Further, the parties agreed that the sales price for the hymnals would be \$8 each and that the proceeds would be divided equally between The Executive Office and Randall House. As of December 31, 1994, Randall House had sold all hymnals, other than the leather hymnals which are discussed in the following paragraph.

The remaining leather hymnals (approximately 525) valued at \$25,640 have been transferred to the Contact Magazine Fund and recorded as prepaid expenses. These leather hymnals will be given as incentives to subscribers who purchase a life time subscription to Contact Magazine.

The Executive Office has expended \$101,000 as of December 31, 1994 for editorial and paper costs relating to publication of the new edition of the Rejoice Hymnal. This cost has been recorded as a prepaid expense of the Special Projects Fund and will be included in the cost of inventory upon publication of the hymnal.

(7) 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 \$5,114 in 1994 and \$4,717 in 1993. 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.

1996 Executive Office Budget

	1994	1995	1996
Administrative	\$326,420.46	\$335,215.48	\$350,000.00
Convention	83,288.15*	96,345.40**	110,000.00***
Contact	85,596.00	83,300.00	84,696.00
Totals	<u>\$495,304.61</u>	<u>\$514,860.88</u>	<u>\$544,696.00</u>
	*1993	**1994	***1995

1996 Administrative Budget

Projected Expenses	1994	1995	1996
Salaries	\$125,685.64	\$131,969.10	\$138,285.03
Housing	33,000.00	34,650.00	35,000.00
Social Security	18,071.84	18,975.35	19,734.46
Retirement	6,142.01	6,449.11	6,758.88
Employees Insurance (Dental, Hospital, Life, Travel)	27,961.53	30,000.65	30,338.68
Office Rental (\$1.00 per sq. ft. x 2,491)	38,860.00	29,892.00	29,892.00
Office Supplies/Expense	5,000.00	6,000.00	6,000.00
Computer Supplies	4,000.00	4,000.00	5,000.00
Equipment Maintenance	3,000.00	3,000.00	3,000.00
Telephone	3,500.00	3,500.00	3,500.00
Postage	3,000.00	3,000.00	3,000.00
General Insurance	5,000.00	3,000.00	3,500.00
Travel	20,000.00	20,000.00	22,000.00
Executive Committee	7,000.00	9,000.00	10,000.00
Auditing/Legal	4,000.00	4,000.00	4,000.00
Printing	.00	3,500.00	4,000.00
Promotion	5,000.00	1,500.00	1,500.00
Leadership Conference	2,000.00	2,000.00	2,000.00
Equipment Purchase/Computer	4,500.00	4,500.00	4,500.00
Subscriptions/Dues/Registrations	2,500.00	2,500.00	2,500.00
Together Way Plan/Stewardship Education	2,000.00	2,000.00	2,000.00
Automobile Lease (2 Cars)	6,199.44	7,823.27	9,000.00
Copier Lease	.00	3,456.00	3,456.00
Double In A Decade	.00	500.00	500.00
Other	.00	.00	534.95
Total	<u>\$326,420.46</u>	<u>\$335,215.48</u>	<u>\$350,000.00</u>
Projected Income			
The Together Way Plan			
Cooperative Gifts	\$226,420.46	\$224,183.48	\$215,000.00
Designated Gifts	100,000.00	111,032.00	135,000.00
Total	<u>\$326,420.46</u>	<u>\$335,215.48</u>	<u>\$350,000.00</u>

Salary Breakdown

	1994	1995	1996
Executive Secretary			
Salary	\$25,106.21 (5%)	\$26,361.52 (5%)	\$28,071.98 (4%)
Housing and Utilities	18,000.00 (5%)	18,900.00 (5%)	19,000.00 (4%)
Social Security	6,595.25 (15.30%)	6,925.01 (15.30%)	7,202.01 (15.30%)
Retirement	1,255.31 (5%)	1,318.08 (5%)	1,403.60 (5%)
Insurance	3,705.24	3,998.01	4,305.25
Travel/Life/Disability	\$ 526.73	\$ 754.56	\$ 754.56
Hospital	2,906.85	3,012.62	3,319.86
Dental	271.66	230.83	230.83
NOTE: Office car furnished.	\$54,662.01	\$57,502.62	\$59,982.84
Administrative Assistant/Contact Editor			
Salary	\$19,441.15 (5%)	\$20,413.21 (5%)	\$21,609.74 (4%)
Housing and Utilities	15,000.00 (5%)	15,750.00 (5%)	16,000.00 (4%)
Social Security	5,269.50 (15.30%)	5,532.97 (15.30%)	5,754.29 (15.30%)
Retirement	972.06 (5%)	1,020.66 (5%)	1,080.49 (5%)
Insurance	5,526.90	6,816.00	6,816.00
Travel/Life/Disability	\$ 432.89	\$ 609.60	\$ 609.60
Hospital	4,360.35	5,724.58	5,724.58
Dental	733.66	481.82	481.82
NOTE: Office car furnished.	\$46,209.61	\$49,532.84	\$51,260.52
Bookkeeper			
Salary	\$21,430.08 (5%)	\$22,501.58 (5%)	\$23,401.64 (4%)
Social Security	1,639.40 (7.65%)	1,721.37 (7.65%)	1,790.23 (7.65%)
Retirement	1,071.50 (5%)	1,125.08 (5%)	1,170.08 (5%)
Insurance	5,303.53	6,527.16	6,538.75
Life/Disability	\$ 209.52	\$ 320.76	\$ 332.35
Hospital	4,360.35	5,724.58	5,724.58
Dental	733.66	481.82	481.82
	\$29,444.51	\$31,875.19	\$32,900.70
Editorial Assistant/Secretary			
Salary	\$20,950.93 (5%)	\$21,998.48 (5%)	\$22,878.42 (4%)
Social Security	1,602.75 (7.65%)	1,682.88 (7.65%)	1,750.20 (7.65%)
Retirement	1,047.55 (5%)	1,099.92 (5%)	1,143.92 (5%)
Insurance	3,380.11	3,551.85	3,563.23
Life/Disability	\$ 201.60	\$ 308.40	\$ 319.78
Hospital	2,906.85	3,012.62	3,012.62
Dental	271.66	230.83	230.83
	\$26,981.34	\$28,333.13	\$29,335.77
Yearbook Coordinator/Secretary			
Salary	\$20,558.94 (5%)	\$21,586.89 (5%)	\$22,450.37 (4%)
Social Security	1,572.76 (7.65%)	1,651.40 (7.65%)	1,717.45 (7.65%)
Retirement	1,027.95 (5%)	1,079.34 (5%)	1,122.52 (5%)
Insurance	3,380.11	3,559.05	3,560.71
Life/Disability	\$ 201.60	\$ 315.60	\$ 317.26
Hospital	2,906.85	3,012.62	3,012.62
Dental	271.66	230.83	230.83
	\$26,539.76	\$27,876.68	\$28,851.05

	1994	1995	1996
Contact Circulation Manager/Receptionist			
Salary	\$15,352.89 (5%)	\$16,120.54 (5%)	\$16,765.36 (4%)
Social Security	1,174.50 (7.65%)	1,233.22 (7.65%)	1,282.55 (7.65%)
Retirement	767.64 (5%)	806.03 (5%)	838.27 (5%)
Insurance (75%)	6,665.64	5,548.58	5,554.74
Life/Disability	\$ 157.14	\$ 238.44	\$ 244.60
Hospital	6,046.50	4,826.88	4,826.88
Dental	462.00	483.26	483.26
	<u>\$23,960.67</u>	<u>\$23,708.37</u>	<u>\$24,440.92</u>
Part-time Help (1 day per week)			
Salary (\$2 days)	\$2,845.44 (\$6.84 hr.)	\$2,986.88 (\$7.18 hr.)	\$3,107.52 (\$7.47 hr.)
Social Security	217.68 (7.65%)	228.50 (7.65%)	237.73 (7.65%)
	<u>\$3,063.12</u>	<u>\$3,215.38</u>	<u>\$3,345.25</u>

Convention Budget
National Association of Free Will Baptists, Inc.
July 16-20, 1995
Charlotte, North Carolina

Projected Expenditures	1993	1994	1995
Auditorium	\$22,625.00	\$34,374.00	\$ 35,825.00
Printing and Promotion	21,882.00	22,538.00	25,273.00
Convention Office	7,400.00	7,450.00	10,750.00
Convention Personnel	8,696.79	9,605.00	11,345.88
Meals	2,124.00	2,313.00	2,295.00
Travel	1,871.00	2,408.00	3,334.00
Lodging	4,701.79	4,884.00	5,716.88
Convention Officials	6,328.11	6,063.40	8,443.84
Honorariums	875.00	1,000.00	1,750.00
Decorator Services	5,887.00	,930.00	5,590.00
Meal Functions	1,594.25	1,885.00	2,399.83
Executive Committee (Meal and Motel Expenses)	1,500.00	1,500.00	1,500.00
Pre-Convention Expenses	6,500.00	7,000.00	7,122.45
Total	<u>\$83,288.15</u>	<u>\$96,345.40</u>	<u>\$110,000.00</u>
Projected Receipts			
Booth Fees	\$15,675.00	\$14,850.00	\$ 12,500.00
State Assoc. Representation Fees (\$25 per Church)	24,950.00	25,130.00	62,400.00
Local Church Delegate Fees (\$25 per Delegate)	1,000.00	1,500.00	2,500.00
Host State (North Carolina)	15,000.00	20,000.00	20,000.00
Offerings	26,663.15	34,865.40	12,600.00
Total	<u>\$83,288.15</u>	<u>\$96,345.40</u>	<u>\$110,000.00</u>

Convention Budget
National Association of Free Will Baptists, Inc.
July 16-20, 1995
Charlotte, North Carolina

Projected Receipts	1993	1994	1995
Booth Fees	\$15,675.00	\$14,850.00	\$ 12,500.00
State Assoc. Representation Fees (\$25 per Church)	24,950.00	25,130.00	62,400.00
Local Church Delegate Fees (\$25 per Delegate)	1,000.00	1,500.00	2,500.00
Host State (North Carolina)	15,000.00	20,000.00	20,000.00
Offerings	26,663.15	34,865.40	12,600.00
Total	<u>\$83,288.15</u>	<u>\$96,345.40</u>	<u>\$110,000.00</u>
Projected Expenditures			
Auditorium			
Rental, Set-up, Tear Down, Meeting Rooms	\$14,500.00	\$19,780.00	\$22,500.00
Convention Banner	300.00	300.00	300.00
Flowers	125.00	125.00	125.00
Police Security	1,500.00	1,120.00	2,150.00
Convention Tapes	225.00	200.00	200.00
Other	5,975.00	12,849.00	10,550.00
Music Stand Rental (Decorator)	.00	.00	500.00
Sound System/AV Equipment	3,000.00	10,000.00	7,000.00
Usher Badges	200.00	200.00	200.00
Liability, ASCAP, BMI, Insurance	1,000.00	800.00	800.00
First Aid Staff	450.00	1,024.00	1,200.00
Courtesy Car	150.00	150.00	150.00
Offering Buckets	175.00	175.00	200.00
Signs	1,000.00	500.00	500.00
Total	<u>\$22,625.00</u>	<u>\$34,374.00</u>	<u>\$35,825.00</u>
Printing and Promotion			
Publicity and Art Work	\$10,000.00	\$10,000.00	\$11,000.00
Photos	400.00	500.00	500.00
Convention Materials	7,282.00	9,538.00	10,773.00
Programs	2,160.00	3,070.00	3,230.00
Song Sheets	350.00	1,115.00	1,149.00
Digest of Reports	4,772.00	5,353.00	6,394.00
Pre-Convention Printing	4,200.00	2,500.00	3,000.00
(Sunday Convention News pre-printed, copier reimb.)			
Total	<u>\$21,882.00</u>	<u>\$22,538.00</u>	<u>\$25,273.00</u>
Convention Office			
Registration/Rre-Reg. (Supplies, Salaries, Postage)	\$1,000.00	\$1,000.00	\$3,000.00
Registration Computers/Printers	.00	1,000.00	2,000.00
Paper and Printing Supplies	500.00	500.00	700.00
Equipment Rentals	2,550.00	1,800.00	2,350.00
Offset Machine	800.00	.00	.00
Plate Maker	.00	.00	.00
Copiers (2)	400.00	1,200.00	1,200.00
Typewriters (3)	200.00	90.00	150.00
Typewriters (10)	500.00	.00	500.00
Other	350.00	250.00	250.00
Typing Stands/chairs (Office)	300.00	260.00	250.00

	1993	1994	1995
Telephone	\$ 800.00	\$1,000.00	\$ 700.00
During Convention (Office)	300.00	600.00	300.00
Pre/Post Convention	500.00	400.00	400.00
Postage	600.00	800.00	800.00
Musical Instruments Rental and Service	1,950.00	1,350.00	1,200.00
Piano/tuning	550.00	350.00	300.00
Forklift	200.00	200.00	150.00
Organ Shipping	800.00	600.00	600.00
Music	400.00	200.00	150.00
Total	\$7,400.00	\$7,450.00	\$10,750.00
Convention Personnel			
Meals			
Dani Goodfellow (24 Meals @ \$9.00 Each)	\$ 216.00	\$ 216.00	\$ 216.00
Melody Hood (30 Meals @ \$9.00 Each)	270.00	270.00	270.00
Steve Pate (21 Meals @ \$9.00 Each)	207.00	207.00	189.00
Marilyn Pritchard (30 Meals @ \$9.00 Each)	270.00	270.00	270.00
Nancy Smith (21 Meals @ \$9.00 Each)	.00	189.00	189.00
Security Officer (27 Meals @ \$9.00 Each)	243.00	243.00	243.00
Jack Williams (36 Meals @ \$9.00 Each)	324.00	324.00	324.00
Anne Worthington (30 Meals @ \$9.00 Each)	270.00	270.00	270.00
Melvin Worthington (36 Meals @ \$9.00 Each)	324.00	324.00	324.00
Total	\$2,124.00	\$2,313.00	\$2,295.00
Travel			
Dani Goodfellow	\$ 167.00	\$ 196.00	\$ 240.00
Melody Hood	167.00	196.00	240.00
Marilyn Pritchard	167.00	196.00	240.00
Nancy Smith	.00	196.00	240.00
Steve Pate (Trans. Coord., Rental)	1,000.00	1,000.00	1,500.00
Motel/meals on road (6 meals @ \$9.00 ea.)	36.00	36.00	154.00
Jack Williams	167.00	196.00	240.00
Anne Worthington	.00	196.00	240.00
Melvin Worthington	167.00	196.00	240.00
Total	\$1,871.00	\$2,408.00	\$3,334.00
Lodging			
Dani Goodfellow (7 nights @ \$105.68)	\$ 609.63	\$ 585.20	\$ 739.76
Melody Hood (9 nights @ \$88.48)	783.81	752.40	796.32
Steve Pate (8 nights @ \$66.08)	608.56	545.60	528.64
Marilyn Pritchard (9 nights @ \$88.48)	783.81	752.40	796.32
Nancy Smith (6 nights @ \$88.48)	.00	409.20	530.88
Jack Williams (11 nights @ \$105.68)	957.99	919.60	1,162.48
Melvin Worthington (11 nights @ \$105.68)	957.99	919.60	1,162.48
Total (includes applicable tax and parking)	\$4,701.79	\$4,884.00	\$5,716.88
Convention Officials			
Moderator- Ralph Hampton	\$1,157.42	\$1,379.00	\$1,463.08
Travel (from Nashville, TN to Charlotte, NC)	112.00	196.00	240.00
800 miles @ \$.30 per mile			
Meals (21 meals @ \$9.00 each)	189.00	189.00	189.00
Lodging (6 nights @ \$105.68)	456.42	594.00	634.08
Honorarium	400.00	400.00	400.00

	1993	1994	1995
Clerk - Waldo Young	\$1,823.70	\$1,507.80	\$1,908.44
Travel (from Shawnee, OK to Charlotte, NC)	420.00	196.00	420.00
1,400 miles @ \$.30 per mile			
Meals (27 meals @ \$9.00 each)	243.00	243.00	243.00
Lodging (8 nights @ \$105.68)	760.70	668.80	845.44
Honorarium	400.00	400.00	400.00
Assistant Moderator - Carl Cheshire	684.54	690.60	982.76
Meals (27 meals @ \$9.00 each)	162.00	189.00	243.00
Lodging (7 nights @ \$105.68)	522.54	501.60	739.76
Assistant Clerk - Keith Burden	380.35	335.50	717.00
Meals (24 meals @ \$9.00 each)	.00	.00	216.00
Lodging (5 nights @ \$100.20)	380.35	335.50	501.00
Usher Coordinator - Raymond Lee	456.42	501.60	634.08
Lodging (6 nights @ \$105.68)	456.42	501.60	392.32
Music Coordinator - Randy Sawyer	456.42	501.60	392.32
Lodging (4 nights @ \$98.08)	.00	.00	330.40
Pianist - Terri Siebert	.00	.00	330.40
Lodging (5 nights @ \$66.08)	.00	.00	264.32
Organist - Jerry Carraway	.00	.00	264.32
Lodging (4 nights @ \$66.08)	.00	.00	619.36
Registration Coordinator - George Harvey	532.49	409.20	619.36
Lodging (7 nights @ \$88.48)	532.49	409.20	601.20
Press Officer - Thomas Marberry	456.42	402.60	601.20
Lodging (6 nights @ \$100.20)	456.42	402.60	530.88
Photographer - Jim Vallance	380.35	335.50	530.88
Lodging (6 nights @ \$88.48)	380.35	335.50	530.88
Total (includes applicable tax and parking)	\$6,328.11	\$6,063.40	\$8,443.84
Honorariums			
Nathan Ruble	\$125.00	\$ 125.00	\$ 125.00
Clifford Austin	125.00	125.00	125.00
Bailey Thompson	125.00	125.00	125.00
Doug Little	125.00	125.00	125.00
Wendall Walley	125.00	125.00	125.00
Curtis Lilly	125.00	125.00	125.00
Bobby Ferguson	125.00	125.00	125.00
Darryl Ellis	125.00	125.00	125.00
Gary Fry	125.00	125.00	125.00
Kenneth Frisbee	125.00	125.00	125.00
Dean Dobbs	125.00	125.00	125.00
Don Guthrie	125.00	125.00	125.00
Mark Paschall	125.00	125.00	125.00
Glen McGriff	250.00	250.00	1,000.00
Wendell Leckbee	125.00	125.00	125.00
Roger Harwell	125.00	125.00	125.00
Jim Tumbough	125.00	125.00	125.00
Keith Burden	125.00	125.00	125.00
William Evans	125.00	125.00	125.00
James Munsey	125.00	125.00	125.00
Norman Geisker	1,000.00	1,000.00	1,000.00
(travel, lodging, meals, honorarium)			
Total	\$875.00	\$1,000.00	\$1,750.00
Decorator Services			
Booth (60) installation & drape tables	\$1,302.00	\$2,400.00	\$1,800.00
Stage	2,445.00	1,630.00	1,441.00
Skirting/draping/stage set-up	726.00	865.00	718.00
Skirted tables/chairs	70.00	40.00	48.00
Carpet	1,584.00	625.00	600.00
Hanging Banner	65.00	100.00	75.00
Exhibitor Badges	250.00	250.00	275.00
Convention Office (two-way radio)	1,540.00	.00	.00
Registration	350.00	650.00	2,074.00
Desks	.00	.00	1,200.00
Skirted Tables	.00	300.00	324.00
Chairs	.00	.00	250.00
Electricity	350.00	350.00	300.00
Carpet	.00	.00	.00
Total	\$5,887.00	\$4,930.00	\$5,590.00

Meal Functions	1993	1994	1995
Executive Committee	\$613.00	\$635.00	\$743.68
Coffee breaks (2)	250.00	250.00	250.00
Luncheon (22 people @ \$22.44)	363.00	385.00	493.68
General Board Breakfast (55 people @ \$11.99)	500.00	500.00	659.45
State Leaders Breakfast (55 people @ \$12.44)	481.25	500.00	684.20
State Exec. Sec./Promo. Director's Breakfast (25 people @ \$12.50)	.00	250.00	312.50
Total	\$1,594.25	\$1,885.00	\$2,399.83

Executive Committee

Meal and Motel Expenses (For the Executive Committee Meeting Prior to the 1995 National Convention)

Charles Cooper	\$250.00	Charles Cooper	\$250.00	Charles Cooper	\$250.00
J. L. Gore	250.00	Nathan Ruble	250.00	Nathan Ruble	250.00
Thurmon Murphy	250.00	Thurmon Murphy	250.00	Thurmon Murphy	250.00
Tom Lilly	250.00	Tom Lilly	250.00	Tom Lilly	250.00
David Joslin	250.00	David Joslin	250.00	David Joslin	250.00
Jim Nason	250.00	Jim Nason	250.00	Charles Thigpen	250.00
Total	\$1,500.00	\$1,500.00	\$1,500.00		
Pre-Convention Expenses	\$6,500.00	\$7,000.00	\$7,122.45		

1996 Contact Budget

Projected Expenses	1994	1995	1996
Printing	\$36,000.00	\$33,000.00	\$36,000.00
Postage	14,000.00	13,000.00	17,000.00
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	4,000.00	4,000.00	3,000.00
Computer	7,000.00	7,000.00	5,000.00
Mail Services	5,000.00	5,000.00	3,000.00
Telephone	296.00	300.00	200.00
Office Supplies	2,000.00	2,000.00	3,000.00
Travel	3,000.00	4,000.00	2,500.00
Bound Copies	600.00	1,000.00	600.00
Other	500.00	500.00	496.00
Books, Dues, Registrations	1,000.00	1,500.00	1,000.00
Audit	1,200.00	1,000.00	700.00
Debt Retirement (To reimburse Executive Office)	6,000.00	6,000.00	7,200.00
Total Expenses	\$85,596.00	\$83,300.00	\$84,696.00
Projected Income			
Convention Coverage	\$ 9,000.00	\$ 8,252.00	\$ 9,000.00*
Subscriptions	76,596.00	75,048.00	75,696.00**
Total Income	\$85,596.00	\$83,300.00	\$84,696.00

* Three issues

** Based on 6,308 subscriptions @ \$12.00 per year

1995 Gift Goals For Executive Office

States	Membership	Gift Goals
Alabama	19,334	\$31,222.57
Arizona	255	411.80
Arkansas	19,656	31,742.57
California	3,570	5,765.21
Canada	394	636.27
Colorado	132	213.17
Florida	5,238	8,458.87
Georgia	9,603	15,507.93
Hawaii	21	33.91
Idaho	206	332.67
Illinois	4,051	6,541.98
Indiana	1,100	1,776.40
Iowa	60	96.89
Kansas	214	345.59
Kentucky	16,327	26,366.55
Louisiana	89	143.73
Maryland	1,570	2,535.40
Mexico	1,878	3,032.79
Michigan	2,911	4,700.99
Mississippi	3,400	5,490.68
Missouri	14,795	23,892.52
Montana	10	16.15
Nebraska	32	51.68
New Jersey	127	205.09
New Mexico	112	180.87
North Carolina	20,793	33,578.72
Northeast Assoc.	138	222.86
Northwest Assoc.	274	442.48
Ohio	9,586	15,480.48
Oklahoma	21,931	35,416.48
Pennsylvania	0	.00
Puerto Rico	30	48.45
South Carolina	10,294	16,623.83
South Dakota	71	114.66
Tennessee	19,607	31,663.44
Texas	2,815	4,545.96
Virginia	6,132	9,902.60
Virgin Islands	115	185.71
West Virginia	10,609	17,132.50
Wyoming	96	155.03
Totals	207,576	\$335,215.48

Gift Goals Per Person

\$1.62

1994 Gift Goals for National Ministries

States	Membership	Executive Office	Foreign Missions	FWBBC	Home Missions	Retirement & Insurance	Master's Men	FWB Foundation	Theological Integrity	Historical Commission	Music Commission	Radio/TV Commission	WNAC	NYC	Totals	%
1994 Budgets		\$326,420.46	\$4,485,676.00	\$1,025,000.00	\$2,600,000.00	\$344,882.00	\$178,779.60	\$45,900.00	\$2,700.00	\$2,350.00	\$1,500.00	\$10,900.00	\$181,871.00	\$40,000.00	\$9,245,979.06	100%
Alabama	18,419	\$ 28,019.49	\$ 385,044.37	\$ 87,984.62	\$ 223,180.49	\$ 29,604.21	\$ 15,346.20	\$ 4,939.99	\$ 731.76	\$ 201.72	\$ 128.76	\$ 935.64	\$ 15,611.56	\$ 3,433.55	\$ 793,662.36	8.58%
Arizona	262	398.56	5,477.04	1,251.53	3,174.62	471.10	218.29	56.04	3.30	2.87	1.83	13.31	227.07	48.84	11,289.40	12%
Arkansas	19,149	\$29,129.99	\$400,304.83	\$91,471.71	\$232,025.80	\$30,777.51	\$15,954.42	\$4,096.15	\$209.72	\$209.72	\$133.86	\$972.72	\$16,230.29	\$3,569.33	\$82,117.58	8.97%
California	3,915	\$5,955.61	\$81,842.05	\$18,701.33	\$47,437.52	\$6,292.44	\$3,261.87	\$837.45	\$49.26	\$42.88	\$27.37	\$198.87	\$3,318.27	\$729.81	\$168,694.73	1.82%
Canada	400	\$68.49	\$3,619.90	\$1,910.74	\$4,846.74	\$642.91	\$333.27	\$85.56	\$5.03	\$4.38	\$2.80	\$20.32	\$39.03	\$74.57	\$17,235.74	1.9%
Colorado	172	261.65	\$3,595.61	\$21.62	\$2,084.10	\$276.45	\$143.31	\$36.79	\$2.16	\$1.88	\$1.20	\$8.74	\$145.78	\$32.06	\$7,411.35	.08%
Florida	5,101	\$7,759.78	\$106,635.07	\$24,366.66	\$7,550.71	\$18,986.66	\$4,250.01	\$1,091.15	\$61.49	\$55.87	\$35.66	\$259.12	\$4,325.50	\$950.89	\$219,798.68	2.38%
Georgia	9,059	\$13,780.80	\$189,376.07	\$43,273.39	\$109,766.66	\$14,540.21	\$7,547.71	\$1,937.80	\$113.99	\$99.21	\$63.33	\$460.18	\$7,678.72	\$1,888.72	\$390,346.24	4.27%
Hawaii	27	41.07	\$544.43	\$128.97	\$327.16	\$43.40	\$22.50	\$7.78	\$3.34	\$3.30	\$1.19	\$1.37	\$27.88	\$5.03	\$1,163.47	.01%
Idaho	131	199.28	\$2,738.52	\$625.77	\$1,587.31	\$210.55	\$109.15	\$28.02	\$1.65	\$1.43	\$1.32	\$6.65	\$111.30	\$24.42	\$5,644.70	.06%
Illinois	3,718	\$5,655.92	\$77,723.82	\$17,740.29	\$45,050.49	\$9,755.81	\$3,097.73	\$795.31	\$46.78	\$40.72	\$25.99	\$188.87	\$3,151.03	\$693.08	\$160,206.11	1.73%
Indiana	1,610	\$2,449.18	\$33,656.63	\$7,690.71	\$19,508.15	\$2,587.70	\$1,341.41	\$344.39	\$20.26	\$17.63	\$11.25	\$81.78	\$1,364.40	\$300.13	\$69,373.82	.75%
Iowa	38	57.81	\$97.38	\$181.52	\$460.44	\$61.08	\$31.66	\$81.3	\$4.87	\$2.7	\$1.93	\$3.21	\$7.08	\$1.63	\$1,637.41	.02%
Kansas	296	\$450.28	\$6,187.80	\$1,413.94	\$3,586.59	\$324.75	\$246.62	\$372.32	\$3.72	\$3.24	\$2.07	\$15.04	\$250.88	\$55.18	\$12,754.43	1.4%
Kentucky	16,363	\$24,891.85	\$342,044.23	\$78,163.43	\$198,268.22	\$26,299.67	\$13,633.20	\$3,500.20	\$205.89	\$179.20	\$114.39	\$831.20	\$13,868.94	\$3,050.28	\$705,070.70	7.63%
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	.00%
Maryland	1,594	\$2,424.84	\$33,322.15	\$7,614.28	\$19,314.28	\$2,561.98	\$1,328.08	\$340.97	\$20.06	\$17.46	\$11.14	\$80.97	\$1,351.04	\$297.14	\$68,684.39	.74%
Mexico	576	\$76.23	\$7,874.23	\$2,751.46	\$6,979.31	\$925.78	\$479.91	\$123.21	\$7.25	\$6.31	\$4.03	\$29.26	\$488.21	\$107.37	\$24,819.46	.27%
Michigan	3,608	\$5,488.59	\$75,424.30	\$17,234.84	\$43,717.64	\$5,799.01	\$3,006.09	\$771.78	\$45.40	\$39.51	\$25.22	\$183.28	\$3,058.07	\$772.58	\$155,466.31	1.68%
Mississippi	3,994	\$6,075.78	\$83,493.52	\$19,078.70	\$48,394.75	\$6,327.69	\$3,327.69	\$854.35	\$50.26	\$43.74	\$27.92	\$202.89	\$3,385.23	\$744.53	\$177,098.77	1.84%
Missouri	14,584	\$22,185.58	\$304,874.70	\$69,665.43	\$176,712.32	\$23,440.35	\$12,150.98	\$3,119.65	\$183.51	\$159.72	\$101.95	\$740.83	\$12,361.09	\$2,718.65	\$628,414.76	6.86%
Montana	8	12.17	\$67.24	\$12.86	\$6.93	\$12.86	\$6.67	\$1.71	\$1.10	\$1.09	\$0.6	\$4.1	\$6.78	\$1.49	\$344.72	.00%
Nebraska	29	44.12	\$66.24	\$38.53	\$351.39	\$46.61	\$24.16	\$6.20	\$3.6	\$3.2	\$2.47	\$1.47	\$24.58	\$5.41	\$1,249.59	.01%
New Jersey	131	\$199.28	\$2,738.52	\$625.77	\$1,587.31	\$210.55	\$109.15	\$28.02	\$1.65	\$1.43	\$1.32	\$6.65	\$111.03	\$24.42	\$5,644.70	.06%
New Mexico	107	\$62.77	\$2,236.81	\$511.12	\$1,796.50	\$171.98	\$89.15	\$22.89	\$1.35	\$1.17	\$1.25	\$5.44	\$90.49	\$19.95	\$4,610.57	.05%
North Carolina	28,359	\$43,140.49	\$97,837.47	\$35,466.41	\$343,627.10	\$45,580.41	\$23,627.93	\$6,066.25	\$358.84	\$310.58	\$198.24	\$1,400.58	\$24,036.53	\$5,286.51	\$1,221,970.34	13.27%
Northwest Association	304	\$462.45	\$6,355.04	\$3,683.53	\$3,683.53	\$488.61	\$252.28	\$65.03	\$3.83	\$3.33	\$2.13	\$15.44	\$257.66	\$56.67	\$13,099.16	1.4%
Ohio	10,131	\$15,411.56	\$211,785.90	\$48,394.17	\$122,755.93	\$16,283.20	\$8,440.87	\$2,167.11	\$127.48	\$110.95	\$70.82	\$14,633	\$8,588.82	\$1,888.55	\$43,537.99	4.72%
Oklahoma	23,621	\$35,332.92	\$493,790.82	\$112,833.74	\$286,212.41	\$37,965.20	\$19,680.36	\$5,052.78	\$297.22	\$258.71	\$165.09	\$1,199.89	\$20,020.67	\$4,403.27	\$1,017,813.08	11.01%
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	.00%
Puerto Rico	31	\$47.16	\$68.05	\$148.08	\$375.62	\$49.83	\$25.83	\$6.63	\$3.9	\$3.4	\$2.7	\$1.57	\$26.27	\$5.78	\$1,335.77	.01%
South Carolina	10,610	\$16,402.23	\$221,799.27	\$50,682.27	\$128,559.91	\$17,053.08	\$8,939.96	\$2,695.58	\$133.50	\$116.20	\$74.17	\$538.96	\$8,992.82	\$1,977.84	\$457,177.79	4.94%
South Dakota	35	\$52.24	\$731.67	\$167.19	\$424.09	\$56.22	\$29.16	\$7.49	\$4.4	\$3.8	\$2.4	\$1.78	\$29.16	\$6.52	\$1,508.09	.02%
Tennessee	21,018	\$31,973.16	\$439,375.79	\$100,399.62	\$254,672.22	\$33,781.49	\$17,511.59	\$4,495.94	\$264.47	\$230.18	\$146.93	\$1,067.66	\$17,814.42	\$3,918.03	\$905,651.50	9.89%
Texas	2,048	\$3,115.47	\$42,812.90	\$2,813.33	\$24,815.33	\$3,291.68	\$1,706.34	\$438.09	\$25.77	\$22.43	\$14.32	\$104.03	\$1,735.84	\$381.77	\$88,246.95	.95%
Virginia	4,288	\$6,532.02	\$89,639.52	\$20,483.09	\$51,957.11	\$6,891.95	\$3,572.64	\$917.24	\$53.96	\$46.96	\$29.98	\$217.82	\$3,634.42	\$799.34	\$184,767.05	2.00%
Virgin Islands	86	\$130.83	\$1,797.81	\$410.81	\$1,042.05	\$138.22	\$71.65	\$18.40	\$1.08	\$1.94	\$1.60	\$4.37	\$72.89	\$16.03	\$3,705.68	.04%
West Virginia	10,448	\$15,893.79	\$218,412.70	\$49,908.42	\$126,596.98	\$16,792.70	\$8,704.98	\$2,334.92	\$131.46	\$114.42	\$73.04	\$530.73	\$8,855.51	\$1,947.65	\$450,197.30	4.87%
Wyoming	32	\$48.68	\$68.95	\$152.86	\$38.74	\$51.43	\$26.66	\$6.85	\$4.0	\$3.5	\$2.2	\$1.63	\$27.12	\$5.97	\$1,378.86	.01%
Totals	214,577	\$326,420.46	\$4,485,676.00	\$1,025,000.00	\$2,600,000.00	\$344,882.00	\$178,779.60	\$45,900.00	\$2,700.00	\$2,350.00	\$1,500.00	\$10,900.00	\$181,871.00	\$40,000.00	\$9,245,979.06	100.00%
Gift Costs Per Person		1.52	20.90	4.78	12.12	1.61	.83	.21	.01	.01	.01	.05	.85	.19	43.09	

Gift Goals Per Person

1994 The Together Way Totals

States	Executive Office	Foreign Missions	FWB/C	Home Missions	Retirement & Insurance	Minister's Man	Theological Integrity	WNAC	Foundation	Historical Commission	Radio & TV	Music Commission	Totals
Alabama	\$ 2,274.77	\$ 182,534.66	\$ 61,550.49	\$ 263,355.88	\$ 813.21	\$ 4,534.26	\$ 29.44	\$ 7,323.30	\$ 209.08	\$ 25.91	\$ 25.83	\$ 25.83	\$ 527,652.98
Alaska				380.00		16.23	.59	476.20	6.94	.59	.59	.59	\$ 43,165.64
Arizona	270.41	27,282.61	629.31	14,465.35	16.23	16.23	.59	476.20	6.94	.59	.59	.59	\$ 58,027.61
Arkansas	80,549.95	258,637.18	44,798.79	49,240.61	5,090.83	10,281.83	180.92	2,171.07	211.07	180.92	180.92	180.92	\$ 58,027.61
California	4,403.07	73,222.47	5,054.66	7,185.00	272.97	412.97	9.75	11,644.01	116.98	9.75	9.75	9.75	\$ 144,430.20
Canada				37,567.75				470.00					\$ 44,573.11
Colorado		5,761.36	774.00	37,567.75				470.00					\$ 35.00
Connecticut			35.00										\$ 405.00
Delaware			405.00										\$ 186,974.41
District of Columbia													\$ 316,431.98
Florida	15,051.56	43,445.83	22,884.48	80,055.61	1,167.41	1,897.41	41.69	1,110.02	500.33	41.69	41.69	41.69	\$ 3,161,431.98
Georgia	12,001.18	155,710.17	62,490.42	71,761.84	721.68	3,282.77	25.43	9,657.18	305.02	25.43	25.43	25.43	\$ 3,161,431.98
Hawaii				224.00		100.00		100.00					\$ 3,161,431.98
Idaho		1,280.25		2,193.00									\$ 3,161,431.98
Illinois		1,280.25	32,782.09	40,964.81	1,285.23	3,430.83	43.40	3,382.13	172.20	43.40	43.40	43.40	\$ 218,394.04
Indiana		116,747.62	3,028.93	22,478.14	175.55	1,405.00	97.92	1,380.00		97.92	2.20	2.20	\$ 6,968.00
Iowa		34,402.61	1,724.00	1,513.00		440.00		220.00					\$ 22,499.34
Kansas	98.11	13,019.94	185.19	6,077.16	6.89	816.89	2.6	6,911.17		2.6	2.6	2.6	\$ 17,934.94
Kentucky	3,007.24	82,479.48	19,106.86	14,077.65	148.01	1,008.13	6.02	3,991.50	71.99	6.02	6.02	6.02	\$ 18,943.42
Louisiana	82.89	4,417.93	285.62	13,897.81	2.40	257.40	.09		1.01	.09	.09	.09	\$ 4,757.08
Maine				6,757.08									\$ 4,757.08
Maryland	3,552.02	30,781.12	5,479.89	10,701.36	228.95	238.95	8.56	1,700.96	344.27	8.56	8.56	8.56	\$ 53,071.76
Massachusetts				16,484.36									\$ 16,484.36
Michigan	24,540.38	178,245.40	21,065.42	70,935.13	1,602.05	8,598.43	47.39	3,433.25	568.73	47.39	47.39	47.39	\$ 309,218.35
Minnesota													\$ 148,598.41
Mississippi	4,017.80	40,791.18	21,480.45	57,528.45	218.51	826.51	7.80	4,410.42	93.64	7.80	7.80	7.80	\$ 62,353.89
Missouri	63,413.13	381,531.97	24,315.16	121,138.52	5,078.90	6,952.70	316.99	13,177.08	2,297.47	316.99	316.99	316.99	\$ 1,473,000.00
Montana				11,125.00									\$ 1,352,000.00
Nebraska		812.00	220.00	10.00				310.00					\$ 310.00
Nevada													\$ 31,530.00
New Hampshire				31,530.00									\$ 2,841.00
New Jersey				2,841.00									\$ 2,841.00
New Mexico		1,740.05	109.48	4,954.85	21.83	21.83	.78	152.35	9.35	.78	.78	.78	\$ 7,363.47
New York	350.63												\$ 973,276.98
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New York													

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

*FWBBC — Other includes gifts from College Family, Matching Gifts, Foreign Missionaries, Alumni Project and \$179,368.71 in Estates/Trust.

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

*Master's Men — Total does not include sales, Conference or Tournament fees, Dinner ticket sales, Master's Hands Projects income or FWB Foundation Interest received.

*WNAC — Total does not include Memorial Student Loan Fund, Eunice Edwards Fund, Foreign Student Scholarship or gifts designated to other departments.

*Foundation — Other includes Endowment gifts through The Together Way.

*Radio & TV — Other includes National Ministries Offering.

1995 Gift Goals For National Ministries

States	Membership	Executive Office	Foreign Missions	FWBBC	Home Missions	Refinement & Insurance	Master's Men	FWB Foundation	Theological Integrity	Historical Commission	Music Commission	Radio/TV Commission	WNAC	NYC	Totals	%
1995 Budgets		\$335,215.48	\$4,312,150.00	\$1,000,000.00	\$2,700,000.00	\$336,028.00	\$106,500.00	\$53,000.00	\$2,700.00	\$2,725.00	\$4,000.00	\$10,900.00	\$189,206.00	\$40,000.00	\$9,092,424.48	100%
Alabama	19,334	\$31,272.57	\$401,641.37	\$93,141.79	\$51,482.83	\$31,298.25	\$9,919.60	\$4,936.51	\$251.48	\$253.81	\$372.57	\$1,015.25	\$17,622.99	\$3,725.67	\$846,884.69	9.31%
Arizona	19,255	411.80	5,297.33	1,228.47	3,316.86	412.80	130.83	65.11	3.32	3.35	4.91	13.39	232.43	49.14	11,169.74	1.2%
Arkansas	19,656	31,742.57	408,330.54	94,693.03	255,671.18	31,819.51	10,084.81	5,017.53	255.67	258.04	378.77	1,032.15	17,916.49	3,787.72	840,989.21	9.47%
California	3,570	5,745.21	74,162.40	17,198.52	46,436.00	5,779.18	1,831.64	911.52	46.44	46.87	68.79	187.46	3,254.06	687.94	156,374.23	1.72%
Canada	394	636.27	8,184.89	1,898.10	5,124.87	637.81	202.15	100.60	5.12	5.17	7.59	20.69	359.13	75.92	17,258.31	1.9%
Colorado	132	213.17	2,742.15	635.91	1,716.96	213.68	67.72	33.70	1.72	1.73	2.54	6.93	120.32	25.44	5,781.97	0.06%
Florida	5,238	8,458.87	108,813.36	25,234.13	68,132.15	8,479.37	2,687.43	1,337.41	68.13	68.76	100.94	275.05	4,774.45	1,009.37	229,439.42	2.52%
Georgia	9,403	15,507.93	199,491.16	46,262.57	124,908.95	15,545.52	4,976.96	2,451.92	124.91	126.07	185.05	504.26	8,753.16	1,850.50	420,638.96	4.63%
Hawaii	21	33.91	436.25	101.17	273.15	34.00	10.77	5.36	2.7	2.8	4.0	1.10	19.14	4.05	919.85	0.01%
Idaho	206	332.67	4,279.41	992.41	2,679.50	333.48	105.69	52.60	2.68	2.70	3.97	10.82	187.77	39.70	9,023.40	0.10%
Illinois	4,051	6,541.98	84,154.81	19,515.74	52,692.51	6,552.84	2,078.43	1,034.33	52.69	53.18	78.06	212.72	3,692.50	780.63	177,445.42	1.95%
Indiana	1,100	1,776.40	22,851.22	5,299.26	14,308.01	1,780.70	584.37	280.86	14.31	14.44	21.20	57.76	1,002.65	211.97	48,183.15	0.53%
Iowa	60	96.89	1,246.43	289.05	780.44	97.13	30.78	15.32	7.8	7.9	1.16	3.15	54.69	11.56	2,628.17	0.03%
Kansas	214	345.59	4,445.60	1,030.95	2,783.56	346.43	109.80	54.64	2.78	2.81	4.12	11.24	195.06	41.24	9,373.82	0.10%
Kentucky	16,327	26,346.55	339,174.44	78,655.53	212,349.93	26,430.46	8,376.81	4,168.74	212.37	214.34	314.62	857.35	14,882.10	3,146.22	715,169.46	7.87%
Louisiana	89	143.73	1,848.87	428.76	1,157.65	144.07	45.66	22.72	1.16	1.17	1.72	4.67	81.12	17.15	3,898.45	0.04%
Maryland	1,570	2,535.40	32,614.92	7,563.49	20,421.44	2,541.55	805.51	400.87	20.42	20.61	30.25	82.44	1,431.06	302.54	68,770.50	0.76%
Mexico	1,878	3,032.79	39,013.27	9,042.29	24,427.68	3,040.14	963.54	479.51	24.43	24.65	36.19	98.62	1,711.80	361.89	82,261.80	0.90%
Michigan	2,911	4,700.99	60,472.64	14,023.78	37,864.20	4,713.38	1,493.53	743.26	37.86	38.21	54.10	152.86	2,653.38	560.95	127,510.14	1.40%
Mississippi	3,400	5,490.68	70,631.05	16,379.54	44,224.77	5,503.99	1,744.42	868.12	44.22	44.63	65.52	178.54	2,653.38	560.95	127,510.14	1.40%
Missouri	14,795	23,892.52	307,348.92	71,275.10	192,442.77	23,950.43	7,590.80	3,777.58	192.44	194.22	285.10	776.90	13,485.68	2,851.00	648,063.46	7.13%
Montana	10	16.15	207.74	48.18	130.07	16.19	5.13	2.55	1.3	1.3	1.9	5.3	9.12	1.93	438.04	0.00%
Nebraska	32	51.68	664.76	154.16	416.23	51.80	16.42	8.17	4.2	4.2	6.2	1.68	29.17	6.17	1,401.70	0.02%
New Jersey	127	205.09	2,638.28	611.82	1,651.93	205.59	65.16	32.43	1.65	1.67	2.45	6.67	115.76	24.47	5,562.97	0.06%
New Mexico	112	180.87	2,326.67	539.56	1,456.82	181.31	57.46	28.60	1.46	1.47	2.16	5.88	102.09	21.58	4,905.93	0.05%
North Carolina	20,793	33,578.72	431,950.39	100,170.54	270,460.46	33,660.11	10,648.16	5,309.04	270.46	272.96	400.68	1,091.83	18,952.85	4,006.82	910,793.02	10.02%
Northwest Association	138	222.86	2,866.79	664.82	1,795.01	223.40	70.80	35.24	1.80	1.81	2.66	7.25	125.79	26.59	6,044.82	0.07%
Ohio	274	442.48	5,692.03	1,320.00	3,564.00	443.56	140.58	69.96	3.56	3.60	5.28	14.39	249.75	52.80	12,001.99	0.13%
Oklahoma	9,586	15,480.48	199,138.00	46,180.48	124,687.83	15,518.00	4,918.24	2,442.58	124.69	125.84	184.72	503.37	8,737.66	1,847.23	419,894.32	4.62%
Pennsylvania	21,931	35,416.48	455,591.02	105,657.87	285,262.75	35,503.32	11,252.03	5,599.59	285.26	287.92	422.60	1,151.62	19,990.16	4,226.11	960,640.73	10.57%
Puerto Rico	30	48.45	623.22	144.53	390.22	48.56	15.39	7.66	3.9	3.9	5.8	1.58	27.35	5.78	1,314.10	0.01%
South Carolina	10,294	16,623.83	213,845.88	49,591.47	133,896.98	16,664.12	5,281.49	2,628.35	133.90	135.14	198.37	540.55	9,383.00	1,983.66	450,906.74	4.94%
South Dakota	71	114.66	1,474.94	342.04	923.52	114.93	36.43	18.13	9.2	9.3	1.37	3.73	46.72	13.68	3,110.00	0.03%
Tennessee	19,607	31,643.44	407,312.62	94,456.97	255,033.82	31,740.19	10,059.70	5,006.22	255.03	257.40	377.83	1,029.58	17,871.83	3,778.28	858,842.91	9.45%
Texas	2,815	4,545.96	58,478.35	13,561.30	36,615.46	4,556.98	1,444.28	718.75	36.62	36.95	54.25	147.82	2,565.88	542.45	123,305.05	1.36%
Virginia	6,132	9,902.60	127,385.17	29,540.99	79,760.67	9,926.60	3,146.12	1,565.67	79.76	80.50	118.16	322.00	5,589.33	1,181.64	268,599.21	2.95%
Virgin Islands	115	185.71	2,388.98	554.01	1,495.84	186.16	59.00	29.36	1.50	1.51	2.22	6.04	104.82	22.16	5,037.31	0.06%
West Virginia	10,609	17,132.50	220,389.64	51,108.99	137,994.28	17,174.05	5,443.11	2,708.78	138.00	139.27	204.44	557.09	9,670.13	2,044.36	464,704.64	5.11%
Wyoming	96	155.03	1,994.29	462.48	1,248.70	155.41	49.25	24.51	1.25	1.26	1.85	5.04	87.50	18.51	4,205.08	0.05%
Totals	207,576	\$335,215.48	\$4,312,150.00	\$1,000,000.00	\$2,700,000.00	\$336,028.00	\$106,500.00	\$53,000.00	\$2,700.00	\$2,725.00	\$4,000.00	\$10,900.00	\$189,206.00	\$40,000.00	\$9,092,424.48	100.00%
Gift Goals Per Person		\$1.62	\$20.77	\$4.82	\$13.01	\$1.62	\$51	\$2.6	\$0.1	\$0.1	\$0.2	\$0.5	\$91	\$1.9	\$43.80	

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

Financial Statements

December 31, 1994 and 1993

(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

**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

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

We have audited the balance sheets of Building Services Fund of the National Association of Free Will Baptists, Inc. as of December 31, 1994 and 1993, and the related statements of activity and changes in fund balances and cash flows for the year ended December 31, 1994. 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, 1993 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 April 22, 1994.

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 Building Services Fund of the National Association of Free Will Baptists, Inc. as of December 31, 1994 and 1993, and the results of its activity and changes in fund balances and cash flows for the year ended December 31, 1994 in conformity with generally accepted accounting principles.

Hill, Neal & Allen, P.C.

May 2, 1995

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

Balance Sheets

December 31, 1994 and 1993

	<u>1994</u>	<u>1993</u>
Assets		
Cash and interest bearing deposits	\$ 32,182	37,879
Accounts receivable:		
Master's Men (rent, interest and other charges)	116,961	89,308
Other	1,479	294
Total accounts receivable	118,440	89,602
Prepaid insurance and other expenses	2,019	6,491
Note receivable: (note 2)		
Sale of property	582,350	644,200
Less deferred profits from sale of property	417,535	461,882
Net note receivable	164,815	182,318
Property and equipment and capitalized leases (notes 3 and 4):		
Land and land improvements	209,671	209,671
Building	1,299,334	1,299,334
Building services equipment	36,661	36,661
Departmental workstations	64,135	64,135
Departmental van	7,746	7,746
	1,617,547	1,617,547
Less accumulated depreciation and amortization	249,335	179,263
Net property and equipment and capitalized leases	1,368,212	1,438,284
Loan costs, net of amortization of \$650	4,189	4,514
	<u>\$ 1,689,857</u>	<u>1,759,088</u>
Liabilities and Fund Balances		
Notes payable, long-term debt and capitalized lease obligations (note 3)	\$ 1,075,211	1,351,632
Accounts payable and accrued expenses	6,838	10,157
Accrued realtor fee (note 2)	39,814	45,862
Deferred rentals	8,032	13,386
Total liabilities	1,129,895	1,421,037
Fund balances:		
Plant funds	406,972	283,170
Capital Stewardship Campaign funds	152,990	54,881
Total fund balances	559,962	338,051
	<u>\$ 1,689,857</u>	<u>1,759,088</u>

See accompanying notes to financial statements.

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

Statement of Activity and Changes in Fund Balances

For the year ended December 31, 1994

(with comparative totals for 1993)

	Plant Funds	Capital Stewardship Campaign Funds	Departmental Services	1994 Totals	1993 Totals
Revenues:					
Building rental and other revenues	\$ 323,368	-	-	323,368	327,661
Sale of property: (note 2)					
Interest income	38,950	-	-	38,950	43,250
Gain recognized	44,346	-	-	44,346	41,263
Contributions	-	134,735	-	134,735	48,417
Departmental services:					
Employee benefits	-	-	145,216	145,216	139,149
The Together Way Plan	-	-	23,145	23,145	15,002
General insurance	-	-	23,652	23,652	7,402
Telephone	-	-	24,491	24,491	27,318
Mailroom and other	-	-	53,015	53,015	55,955
Costs and expenses incurred for other departments	-	-	(259,646)	(259,646)	(237,921)
Net revenues	406,664	134,735	9,873	551,272	467,496
Expenses:					
Salaries	26,409	-	-	26,409	25,251
Payroll taxes	2,027	-	-	2,027	1,932
Employee benefits	11,523	-	-	11,523	9,363
Janitorial services	17,711	-	-	17,711	18,838
Depreciation	65,055	-	5,016	70,071	70,002
Amortization of loan costs	325	-	-	325	325
Audit and legal	11,180	-	-	11,180	4,315
General insurance	14,066	-	-	14,066	2,615
Interest expense	83,923	-	1,300	85,223	120,069
Supplies	3,494	-	-	3,494	3,997
Utilities / telephone	25,339	-	-	25,339	27,318
Repairs and maintenance	17,959	-	-	17,959	18,938
Mailroom and other	7,408	-	-	7,408	6,313
Campaign expenses	-	36,626	-	36,626	736
Total expenses	286,419	36,626	6,316	329,361	310,012
Excess of revenues over expenses	120,245	98,109	3,557	221,911	157,484
Transfers among funds	3,557	-	(3,557)	-	-
Fund balances at beginning of year	283,170	54,881	-	338,051	180,567
Fund balances at end of year	\$ 406,972	152,990	-	559,962	338,051

See accompanying notes to financial statements.

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

Statement of Cash Flows

Year ended December 31, 1994

(with comparative totals for 1993)

	Plant Funds	Capital Stewardship Campaign Funds	Departmental Services	1994 Totals	1993 Totals
Cash Flows from Operating Activities					
Excess of revenues over expenses	\$ 120,245	98,109	3,557	221,911	157,484
Adjustments to reconcile excess of revenues over expenses to net cash provided (used) by operating activities					
Depreciation and amortization	65,055	-	5,016	70,071	70,002
Amortization of loan costs	325	-	-	325	325
Gain recognized on property sale	(44,346)	-	-	(44,346)	(41,263)
(Increase) decrease in:					
Receivables	(28,838)	-	-	(28,838)	(30,672)
Prepaid expenses	4,472	-	-	4,472	(1,122)
Increase (decrease) in:					
Accounts payable and accruals	(3,319)	-	-	(3,319)	(5,532)
Accrued realtor fee	(6,048)	-	-	(6,048)	(6,048)
Deferred rentals	(5,354)	-	-	(5,354)	(5,354)
Net operating activities	102,192	98,109	8,573	208,874	137,820
Cash Flows from Investing Activities					
Collections from notes receivable	61,850	-	-	61,850	57,550
Purchase of equipment	-	-	-	-	(898)
Net investing activities	61,850	-	-	61,850	56,652
Cash Flows from Financing Activities					
Proceeds from debt refinancing	-	-	-	-	442,316
Loan costs	-	-	-	-	(4,836)
Repayments of debt	(272,969)	-	(3,452)	(276,421)	(602,833)
Net financing activities	(272,969)	-	(3,452)	(276,421)	(165,353)
Net increase (decrease) in cash	(108,927)	98,109	5,121	(5,697)	29,119
Transfers among funds	103,230	(98,109)	(5,121)	-	-
Cash at beginning of year	37,879	-	-	37,879	8,760
Cash at end of year	\$ 32,182	-	-	32,182	37,879
Supplemental disclosures:					
Interest paid	\$ 85,324	-	1,300	86,624	121,319

See accompanying notes to financial statements.

**BUILDING SERVICES FUND OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**
Notes to Financial Statements

December 31, 1994

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 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. The note is secured by a first mortgage on the property sold.

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 transactions for the ended December 31, 1994:

	Note Receivable	Deferred Profits	Realtors Fee
Balance December 31, 1993	\$ 644,200	461,881	45,862
Collections on note receivable	\$ 100,800		
Interest portion of collections	38,950	61,850	-
Gain recognized based on collections	-	44,346	-
Realtor fee paid based on collections	-	-	6,048
Balance December 31, 1994	\$ 582,350	417,535	39,814

**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:

	1994	1993
Notes payable and long-term debt consist of the following:		
7% (increasing to 8.5% effective April 1995) mortgage note to the Free Will Baptists Home Missions Church Extension Loan Fund, Inc. secured by a first mortgage on the National Office Facility, a first interest in the note receivable (see note 2) relating to the sale of the property which had previously housed the departments of the National Association of Free Will Baptists, Inc. and by the furniture held by the various departments within the National Office Facility. This mortgage requires monthly payments of \$11,979 (decreasing to \$11,100 effective April 1995) including principal and interest, with final payment scheduled for October 2007. Further, the note provides for revision of the interest rate annually.	1,068,901	1,327,621
Unsecured interest bearing notes to of the Executive Office of the National Association of Free Will Baptists, Inc.	-	14,249
Notes payable and long-term debt	1,068,901	1,341,870
Capital lease obligations: 15.8% obligation for telephone system under capital lease payable monthly \$396 through 1996 - see note 4.	6,310	9,762
Notes payable and long-term debt and capitalized lease obligations	1,075,211	1,351,632
Less scheduled current maturities of notes payable, long-term debt and capital lease obligations	81,251	83,944
Long-term portion	\$ 993,960	1,267,688

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, 1994.

	Long-Term Debt	Capital Leases
1995	\$ 77,212	4,753
1996	50,861	2,373
1997	55,357	-
1998	60,250	-
1999	65,575	-
2000 and thereafter	759,646	-
Total maturities of long-term debt	\$ 1,068,901	7,126
Less amount representing interest		816
Present value of net minimum lease payments		\$ 6,310

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

Notes to Financial Statements, continued

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

Depreciation and amortization charged to operations computed on the straight-line method amounted to \$70,071 in 1994 and \$70,002 in 1993.

Components of capitalized leases are as follows:

	1994	1993
Telephone equipment	\$ 16,783	16,783
Less accumulated amortization	11,748	8,391
	<u>\$ 5,035</u>	<u>8,392</u>

(7) 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 \$1,208 in 1994 and \$1,150 in 1993. 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.

**1996
Projected Building Services Budget**

	1995	1996
Projected Income		
Murfreesboro Road Property Payments (\$8,400 mo.)	\$100,800.00	\$100,800.00
Square Footage (20,329 @ \$1.00 = \$20,329.00 mo.)	243,948.00	243,948.00
Total Income	<u>\$344,748.00</u>	<u>\$344,748.00</u>
Projected Expenses		
Audit & Legal	\$ 6,000.00	\$ 9,000.00
General Supplies	3,000.00	3,000.00
Insurance (Plant)	8,000.00	8,000.00
Janitorial Services	20,000.00	20,000.00
Janitorial Supplies	2,500.00	2,500.00
Mail Room	7,000.00	7,000.00
Mail Truck	2,500.00	2,500.00
Maintenance (General)	25,000.00	25,000.00
Payroll Taxes (Employer's S.S.)	2,301.09	2,393.28
Postage Meter	2,000.00	1,838.13
Refirement	1,268.48	1,319.21
Salaries	30,079.67	31,284.70
Telephone	3,000.00	4,000.00
Utilities	30,000.00	30,000.00
Home Mission's Note Payable (1,275,245.66 / 974,149.47)		
Principal & Interest Payments (11,970.80 / 14,796.23 per month)	143,649.60	177,554.71
Principal	54,382.40	94,752.00
Interest (7.0% / 8.5%)	89,267.20	82,802.71
Insurance (Employee)	12,180.33	12,309.97
Realtor's Fee	6,048.00	6,048.00
Emergency Maintenance Fund	38,220.83	.00
Other	2,000.00	1,000.00
Total Expenses	<u>\$344,748.00</u>	<u>\$344,748.00</u>

Building Services Salary Breakdown

	1994	1995	1996
Maintenance Superintendent			
Salary	\$18,564.00 (5%)	\$19,492.20 (5%)	\$20,271.89 (4%)
Social Security	1,420.15 (7.65%)	1,491.15 (7.65%)	1,550.80 (7.65%)
Insurance	9,867.49	8,857.44	8,987.08
Dental	704.62	714.10	714.10
Health	8,953.35	7,839.50	7,839.50
Life/Disability	209.52	303.84	433.48
Retirement	928.20 (5%)	974.61 (5%)	1,013.59 (5%)
	<u>\$30,779.84</u>	<u>\$30,815.40</u>	<u>\$31,823.36</u>
Receptionist			
Salary	\$5,597.51 (5%)	\$5,877.39 (5%)	\$6,112.49 (4%)
Social Security	428.21 (7.65%)	449.62 (7.65%)	467.61 (7.65%)
Insurance	3,220.26	3,322.89	3,322.89
Dental	260.97	230.83	230.83
Health	2,906.85	3,012.62	3,012.62
Life	52.44	79.44	79.44
Retirement	279.88 (5%)	293.87 (5%)	305.62 (5%)
	<u>\$9,525.86</u>	<u>\$9,943.77</u>	<u>\$10,208.61</u>
Part-time Worker (4% increase)			
82 days	\$4,487.04 (5%/6.84hr.)	\$4,710.08 (5%/7.18hr.)	\$4,900.32 (4%/7.47hr.)
Social Security	343.26 (7.65%)	360.32 (7.65%)	374.87 (7.65%)
	<u>\$4,830.30</u>	<u>\$5,070.40</u>	<u>\$5,275.19</u>

1996 The Together Way Plan Budget (Stewardship Education)

	1994	1995	1996
Honorariums	\$3,750.00	\$3,750.00	\$3,750.00
Salary	10,500.00	10,500.00	6,900.00
Office Rent	.00	.00	3,600.00
Health Insurance	2,612.00	2,612.00	2,612.00
Travel & Promotion	8,000.00	8,000.00	8,000.00
Office Expense (postage, phone)	4,138.00	4,138.00	4,138.00
Educational Materials	1,000.00	1,000.00	1,000.00
Totals	<u>\$30,000.00</u>	<u>\$30,000.00</u>	<u>\$30,000.00</u>
The Together Way Plan Coordinator			\$.00
Salary			2,612.00
Health Insurance			
Editor of The Together Way Plan Materials			\$10,500.00
Salary			

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.

	1996 Budgets	Percent of Total Denominational Giving Budget	1996 Share
Foreign Missions	\$4,509,132.00	48.07%	\$14,421.00
Home Missions	2,750,000.00	29.32%	8,796.00
Bible College	1,000,000.00	10.66%	3,198.00
Retirement & Insurance	318,194.00	3.39%	1,017.00
Executive Office	350,000.00	3.73%	1,119.00
WNAC	217,750.00	2.32%	696.00
Master's Men	145,000.00	1.55%	465.00
Foundation	89,500.00	0.96%	288.00
Totals	<u>\$9,379,576.00</u>	<u>100.00%</u>	<u>\$30,000.00</u>
Randall House - Furnish Printing			

Amended and Restated Charter Being the Constitution of the National Association of Free Will Baptists, Inc.

Pursuant to TCA Section 48-60-102, Provisions for Amendments; TCA Section 48-60-106, Provisions for Restatement; and TCA Section 48-67-101 & 102, a Tennessee Nonprofit Corporation; The National Association of Free Will Baptists, Inc., a Tennessee Nonprofit Religious Corporation existing under an original Charter filed with the Secretary of State on August 17, 1982, reference #310 00559, with amendment thereto filed on July 26, 1984, reference #489 00127; all of which are now to be amended and restated by this Amended and Restated Charter:

1. The name of the Corporation is:
National Association of Free Will Baptists, Inc.
2. The Corporation's principal office is located at:
5233 Mount View Road, Antioch, Davidson County, Tennessee 37013
3. The Corporation's registered agent and address:
Melvin L. Worthington, ThD, CMP, 5233 Mount View Road, Antioch, Tennessee 37013
4. The duration of this public benefit Corporation is perpetual.
5. The Corporation shall have members.

Article I

The Corporation is a Nonprofit Religious Corporation as defined by the Tennessee Nonprofit Corporation Act, TCA Section 48-51-101 *et seq.*, and more specifically as a Nonprofit Religious Corporation as set forth in TCA Section 48-67-101 & 102. This Corporation shall have and be entitled to exercise all powers which a Nonprofit Religious Corporation of its nature may have and exercise under the laws of the State of Tennessee, as now in effect or hereafter amended, subject to the limitations contained in the Internal Revenue Code to retain its status as an exempt religious organization.

The purpose for which this Corporation is organized is: **To Magnify Christ Jesus as Our Lord and to Glorify Our Heavenly Father.**

Article II Preamble

From experience we, the members of the Free Will Baptist denomination, being regularly baptized upon a profession of our faith in Jesus Christ and realizing the necessity of a bond of union and fellowship among us; to preserve and maintain correspondence and coordination with us; to unify the work of the various bodies composing the National Association; and to devise and execute measures for the extension of the Kingdom of God in cooperation with the various bodies of the Association, or that may be hereafter represented therein, do therefore ordain this Constitution for our better denominational government.

Article III Name

This organization shall be known as the National Association of Free Will Baptists, Inc.

Article IV Membership

Section 1. Membership in the National Association is generally based upon affiliation of the several State Associations with the National Association. When a State Association is affiliated with the National Association, according to the process described in the By-Laws, its various district associations, local churches, with their members and ministers, are also members of the National Association.

Section 2. Membership in the National Association is similarly open to any district association and its constituency in a state, or area embracing more than one state, which does not have a state association that is affiliated with the National Association and which does not belong to a state association of another state which is affiliated with the National Association.

Section 3. Membership in the National Association is similarly open to a local church and its constituency in a state which has no district or state association that is affiliated with the National Association and that does not belong to an organization in another state which is affiliated with the National Association.

Section 4. Membership in the National Association is similarly open to local churches or associations and their constituencies in any other countries of continental North America.

Section 5. In the above provisions, or in any provisions of the Constitution and By-Laws, an association must be composed of district associations if it will qualify as a "state" association, or the equivalent. Any associations allowed membership which are composed directly of local churches will have the status of a "district" association.

Article V Representation

Voting representation in the National Association, at any session, shall be by delegates from the various organizations which hold membership in the National Association according to the provisions of Article IV, and upon the payment of fees described in the By-Laws. Delegates are of two kinds: standing delegates, who are the ordained ministers, deacons and missionaries in good standing with an affiliated organization, the officers of the National Association, and the members of the various boards, commissions and committees of the National Association; and lay delegates who are elected representatives of the various organizations affiliated with the National Association, according to the provisions of the By-Laws.

Article VI Officers

The officers of the National Association shall consist of a moderator, an assistant moderator, a clerk, an assistant clerk, and an executive secretary who shall also serve as treasurer, each of whom shall be elected at the close of each regular session, except the executive secretary who shall be elected for an indefinite period.

Article VII The General Board and Executive Committee

Section 1. Power to act in behalf of and for the National Association from the one regular session to another shall be vested in the General Board of the National Association of Free Will Baptists, Inc.

Section 2. The General Board shall be composed of the general officers of the National Association and the chairmen of all standing boards. The National Association shall also elect one member from each association affiliated directly with the National Association under the provisions of Article IV, Sections 1, 2, and 4, with the exception that no state or country will be allowed more than one General Board member. Each association shall be allowed the privilege of making recommendations concerning its representative to the General Board. The president of the Women Nationally Active for Christ shall be an ex-officio member of the General Board.

The terms of office for the elected associational representatives shall be two years, and so arranged that those representing states, countries, or areas of the United States beginning with the letters "A" through "M" shall expire alternately with those representing states, countries, or areas of the United States beginning with the letters "N" through "Z".

Section 3. The Executive Committee of the General Board shall be composed of the moderator, assistant moderator, and clerk of the National Association, with six other members to be elected from the General Board by the National Association. Three members shall be elected each year for two-year terms from the General Board members whose terms begin that year. Not more than one elective member shall serve from any state. The outgoing moderator shall serve as an advisory member for one year. The purpose of this committee shall be to serve as the executive arm of the General Board of the National Association. The nature of its work shall be executive and promotional rather than legislative.

Article VIII Meetings

Section 1. The National Association shall hold its regular meetings annually at the time and place determined by the Association while in session.

Section 2. The General Board shall meet annually, immediately prior to the annual session of the National Association at a time and place announced by the moderator.

Section 3. The Executive Committee shall meet at least semi-annually, one meeting to be held immediately prior to the annual meeting of the General Board, and the others at a time and place determined by the committee.

Section 4. Special meetings of the General Board or Executive Committee shall be called when necessary by the moderator with the written consent of three other members of the Executive Committee. Special meetings of the Gen-

eral Board shall also be called upon the written request of one-fourth of its members. Special meetings of the Executive Committee shall also be called upon the written request of a majority of its members.

Article IX Dissolution

In the event of the dissolution of this National Association, any assets of the organization then remaining shall be conveyed to such organizations then existent dedicated to similar objectives to those of this organization selected by the General Board at the time of dissolution, which organization must be exempt under section 501(c)(3) of the Internal Revenue Code of 1954 as amended or under successor provisions of the Code as may be in effect at the time of dissolution.

Article X Amendments

Section 1. This Constitution may be amended or altered at any regular session of the National Association by a two-thirds vote of the members present, provided proposed amendment or alteration be presented in writing to the body one day in advance.

Section 2. The Church Covenant, the Statement of Faith of Free Will Baptists as given in this Treatise may be amended or altered at any regular session of the National Association by a two-thirds vote of the members present and voting, provided proposed amendment or alteration has been presented to the body in writing one annual session in advance.

Article XI The Cooperation and Established Practice Between the National Association and Its Standing Boards, Commissions and Entities

If the members of any of the Standing Boards, Commissions, or any entity which are authorized by present or future action of the Association to be incorporated, in their independent judgment determine that it is wise and necessary to amend their charter or to take any action which would change or affect its relationship, i.e., action which is inconsistent with the declared general programs, objects and purposes of the National Association, before such amendment or action becomes effective, the same must be included in its report to the next regular annual session of the National Association for discussion only. In light of the discussion at said annual session, the proposed action must be reconsidered by the members of the subject Board, Commission or entity and only upon its readoption, amended if desired, and its presentation to the following regular annual session of the National Association shall the same be voted upon requiring two-thirds vote of the members present for passage. Only then shall the Board, Commission or entity so authorized amend its Charter or to take such stated action. The National Association at any regular session reserves the right to declare the members position vacant on any Standing Boards, Commissions, or any of its entities and replace the said members.

Article XII Trustee Powers

The Corporation shall receive and administer funds and properties of all kinds for the above purposes, and to that end, the Corporation is authorized to take and to hold by bequest, devise, gift, purchase, loan or lease, either absolutely or in trust, for said purposes or any of them, any property, real, personal, or mixed, without limitation as to amount or value, in accordance with such limitations, as may be imposed by law or by provision of these, its Amended and Restated Charter: to sell, convey and dispose of any such property or to invest and reinvest the principal thereof, and to deal with and expend such principal or the income therefrom for any of the purposes of the corporation, either by direct action of the corporation or by means of trust created by it, without limitation, except such limitation, if any, as may be contained in the instrument under which such funds or property are received; to receive any property, real, personal, or mixed, in trust, under the terms of any deed, will, deed of trust, or other trust instrument consistent with the purposes of the corporation, in administering the same to carry out the directions and exercise the powers contained in the instrument under which the property is received, including the expenditure of the principal as well as the income for one or more such purposes, if authorized and directed in the instrument under which it is received, to receive, take title to, hold and use the proceeds and income of real estate, personal estate, stocks, bonds, obligations, and other securities of any person or persons, corporation or corporations, domestic or foreign for the purposes of the corporation. The Corporation is specifically authorized to serve as a trustee of any and all funds donated to its use upon specified terms and conditions consistent with its nonprofit religious purposes. Furthermore, it may serve as Trustee under specific terms and conditions of any and all funds so long as it is a beneficiary thereunder.

Article XIII

Limiting and Indemnifying the Liability of Directors

The Directors and/or Officers of this Corporation shall be immune from suit arising from the conduct of the affairs of the Corporation. The Directors and/or Officers shall not be personally liable to the Corporation for monetary damages for breach of a fiduciary duty provided, however, this provision shall not eliminate or limit the liability of a Director and/or Officer for any breach of a Director's and/or Officer's duty of loyalty or for acts not in good faith or which involve an intentional misconduct or a knowing violation of law or for an unlawful distribution pursuant hereunder TCA Section 48-58-601. Further the Directors are indemnified by the Corporation from personal liability to the full extent as allowed by the Tennessee statute as set forth in TCA Section 48-58-501 *et seq.*

We, the undersigned, Directors constituting the Executive Committee of the General Board of the National Association of Free Will Baptists, Inc., do hereby acknowledge that this Amended and Restated Charter was adopted at the recommendation of the General Board at the convention of the National Association of Free Will Baptists meeting on the _____ day of _____, 1995, at Charlotte, North Carolina.

By affixing my signature hereto, I, Dr. Melvin Worthington, certify that I witnessed the signatures of the foregoing members of the Executive Committee of the General Board of the National Association of Free Will Baptists, Inc., dated this _____ day of _____, 1995.

Dr. Melvin Worthington

By-Laws and Rules of Decorum of the National Association of Free Will Baptists, Inc.

I

Membership

1. The procedure for becoming a member of the National Association shall be as follows: An organization which is eligible shall present a written application to the Executive Secretary, stating that it has been filed by the majority vote of the body and signed by the officials of the body. The Executive Secretary may make any investigation he feels necessary and shall in turn make recommendation to the General Board. The National Association shall vote upon the recommendation of the General Board.

2. All organizations affiliated directly with the National Association shall be required to adopt the Treatise of the Faith and Practices of Free Will Baptists as adopted by the National Association and the application for membership must contain a statement to the effect.

II

Representation

1. It shall be the duty of each body directly affiliated with the National Association to send a letter to every annual session of the Association, reporting its statistics on a form provided by the National Association. Any body which fails to do this for two successive sessions may be dismissed from the association by a majority vote of members present.

2. Each affiliated state association, or its equivalent, shall be entitled to five lay delegates to the National Association upon payment of the representation fee of twenty-five dollars (\$25.00) per church. Each "district" association affiliated directly with the National Association shall be entitled to three (3) lay delegates upon the payment of a representation fee of twenty-five (\$25.00) per church. Each local church which is affiliated either directly or indirectly, under any of the provisions for membership is entitled to one lay delegate, upon the payment of a representation fee of twenty-five dollars (\$25.00).

III

Duties of Officers

1. The duties of the moderator shall include presiding at the meetings of the National Association, the General Board and the Executive Committee; to call special meetings of the General Board or Executive Committee when the conditions of Article VIII, Section 4, of the Constitution are fulfilled; to appoint such committees as are created without provision for their selection; to announce the time and place for the meetings of the General Board and Executive Committee; and in general, to fulfill whatever responsibilities may be commensurate with his office or delegated to him by the body.

2. The duties of the assistant moderator shall include presiding at the request of, or in the absence of, the moderator and assisting him in such ways as may be necessary.

3. The duties of the clerk shall include the preparation of minutes for the proceedings of all meetings of the National Association, the General Board, the Executive Committee; and the handling of such official correspondence for the Association as he may be directed.

4. The duties of the assistant clerk shall be to act for the clerk at the meetings of the National Association and General Board in his absence or at his request and to assist the clerk in whatever ways may be necessary.

5. The duties of the Executive Secretary shall be:

A. Administration. He shall administer the affairs of the executive office and carry out the responsibilities delegated to him by the National Association and the Executive Committee. He shall fulfill all duties commensurate with his office and present such plans and procedures that he feels would be effective in the life of the denomination.

B. General Promotion. He shall seek to show through general promotion the correlation and interrelation of all the national ministries. It is expected that he will promote impartially the total program of work as devised by all the departments.

C. Public Relations. He shall serve as consultant on general denominational affairs and as official representative when occasion demands. Through personal communication he shall keep close contact with pastors, state organizations and their affiliates. He shall represent the National Association to other bodies when in the interest of the denomination.

D. Publications. He shall be responsible for publishing the association's official magazine Contact, and to

serve as editor-in-chief. He shall direct the production of general promotional materials, pamphlets, audio visuals and books as approved by the Executive Committee.

E. Stewardship. He shall provide a program of stewardship education that will produce increased support for the denominational ministries through the Together Way Plan and other methods of proportionate sharing. He is further charged with the responsibility of receiving and disbursing the Together Way funds and in general, to serve as treasurer and business manager of the National Association.

F. Arranging Annual Convention. He shall expedite the planning of the National Convention program, enroll all ministers and delegates, print and distribute minutes and investigate future sites for the annual sessions.

G. National Offices Management. It shall be the duty of the Executive Secretary to serve as chairman of the Management Committee of the National Office facilities.

IV

Election of Officers

1. No person shall fill more than one office at the same time, or any office and a place on any standing board, except as he may become a member of the General Board by virtue of his office. No person shall serve on more than one standing board at the same time, except as he may become a member of the General Board by virtue of being chairman of the board of which he is an elected member. No member of the Executive Committee may be a member of any standing board except the General Board.

2. The procedure for the election of officers of the National Association shall be as follows: the nominating committee, which is selected at the beginning of the annual session, shall present at least one name to the assembly for each vacant office excepting the General Board. Nominations for the General Board shall be made on Wednesday afternoon of the annual session and nominations for other offices on Wednesday or Thursday. After the committee's report, the floor shall be open for further nominations and the election shall proceed in regular manner.

3. The General Board shall have power to fill irregular vacancies that may occur in its own body, or in any department of the work between sessions of the National Association. When such is necessary, the procedure shall be as follows: The Executive Committee shall serve as a nominating committee and shall circulate ballots by mail to each general board member with the names of the nominees. These ballots shall be marked by the general board members, notarized and returned to the Executive Secretary.

V

The General Board and Executive Committee

1. It shall be the responsibility of the General Board to make written reports of all its work to each annual session of the National Association and it shall be responsible to that body for all its actions. Should necessity arise from war or pestilence or any cause which prevents a regular meeting of the National Association, whether such a condition is of a local or general condition, then the General Board shall be privileged to call and act with full authority in all matters pertaining to the general welfare of the National Association, providing whatever transactions passed shall be by two-thirds vote of the members present and providing that such transactions shall not conflict with the purpose and edicts of the constitution and by-laws of the National Association.

2. The General Board shall review the annual reports and budgets of all boards at its regular session before these reports are presented to the National Association.

3. The Executive Committee shall make written reports of its work to the General Board and shall be responsible to that body for all its actions. It shall not have power to commit the National Association to any course of action or policy not authorized by the National Association, nor to reverse any action of the National Association. Consequently, its work shall be to implement the policies and plans of the National Association; to publicize and promote the work of the National Association and its various departments; to arrange the agenda and program for the annual meetings of the National Association; to recommend the placement of future National Association sessions; to supervise and transact the business connected with the operation of the office of the Executive Secretary; to make plans and recommendations to the General Board for the advancement of the denomination; and to fulfill whatever other responsibilities may be delegated by the General Board or National Association.

The Executive Committee shall arrange the working contract of the Executive Secretary, who shall assist in carrying out the work of the Executive Committee.

The service of the Executive Secretary may be reviewed by a request from seven members of the General Board. Such services shall be terminated upon a ninety-day notice by either his resignation, a majority vote of the National Association, or the majority vote of the General Board in called session.

VI

Standing Boards

1. In addition to the General Board, the National Association shall perpetuate the following standing boards: The Board of Trustees of Free Will Baptist Bible College, The Board of Foreign Missions, The Board of Home Missions, The Board of Retirement and Insurance, The Master's Men Board, The Board of Sunday School and Church Training, and The Board of Trustees of The Free Will Baptist Foundation.

2. Each of these boards, except the Board of Trustees of the Free Will Baptist Foundation, shall be composed of nine members who are elected by the National Association, according to an arrangement whereby each member has a term of office for six years and their terms are arranged so that they expire in groups of three biennially. A member can serve no more than two full consecutive terms. The Board of Trustees of the Free Will Baptist Foundation shall consist of the members of the Board of Retirement and Insurance, the Director of Foreign Missions, the Director of Home Missions, the Director of Master's Men, the Director of Sunday School and Church Training, the President of Free Will Baptist Bible College, the Executive Secretary of the Women Nationally Active For Christ and the Executive Secretary of the National Association.

3. The various standing boards shall plan a program and supervise their operations in their respective fields and shall be responsible for all their actions to the National Association of Free Will Baptists, Inc. Each board shall operate under its own constitution (or charter) and by-laws, which must be approved by the National Association.

4. Each standing board shall prepare a budget of its proposed financial expenditures at the beginning of each fiscal year and shall present same for approval of the National Association along with an audit made by an independent certified public accountant which audit shall lead to the expression of an unqualified opinion on the financial statements. The auditor's report shall include, where applicable, a balance sheet and income statement and other schedules as may be necessary for a proper presentation of the financial condition and results of operation.

5. The Management Committee shall be composed of the directors of the departments which occupy the National Offices facilities. This committee shall be legal custodians of all property belonging to the National Association, except in the case of the boards of the National Association which are authorized by action of the Association to be incorporated.

VII

Commissions and Committees

1. When the National Association deems it wise, commissions may be established to perform a specific service in a restricted area on a more-or-less permanent basis. The number of members of any commission shall be decided by vote of the National Association and the members shall be elected by the Association. Terms of office for all members of commissions shall be five years (except when the commission is originally established, the member last elected shall serve a one-year term; the next member a two-year term; and so on); and their terms shall be so arranged that only one member's term expires annually. Present commissions include:

A. The Commission For Theological Integrity

i. The Purpose: The purpose of this Commission shall be: (a) To alert our people of theological trends that could threaten our theological integrity as a denomination. (b) To prepare materials that will contribute to the continued preservation of the theological integrity of our denomination. (c) As the need and opportunity arise to conduct seminars on subjects which are pertinent to the purpose of this Commission.

ii. The Scope: The scope of the responsibility of this Commission shall be to address significant theological concerns such as: (a) Trends and influences that would threaten orthodox doctrine. (b) That which would threaten our theological distinctives as a denomination.

It shall not be within the scope of this Commission's responsibility (a) to investigate the theological integrity of any individual, organization or institution in the denomination, or (b) to address points of theology upon which difference of opinion has been permitted in the denomination.

B. The Historical Commission

C. The Radio and Television Commission

D. The Music Commission

2. Various committees shall also be constituted, when need arises, by the National Association, General Board or Executive Committee, to function for a more definite period of time in a specific area. The number of members of any committee shall be determined by the assembly. Committee members shall be appointed by the moderator unless otherwise provided by the action creating the committee; and they shall hold office for the length of time provided or, until their work is completed, or until they are released, or their successors chosen.

3. The following committees shall be used annually in the sessions of the General Board and National Association:

A. The Credentials Committee, which is identical with the General Board (although the Board may select a

smaller committee of its members for this duty if it chooses). This committee has as its duty the examination of all letters to the National Association and the credentials of the various delegates. The committee shall make recommendations to the Association concerning the seating of delegates.

B. The Nominating Committee, whose duties are provided in Section IV, Number 2, of the By-Laws.

C. The Resolutions Committee, who shall receive and present worthwhile resolutions to the National Association.

D. The Budget Committee, who shall make recommendation to the National Association concerning the total denominational budget and the allocation of the Together Way Plan receipts. This committee shall consist of the Executive Secretary and the directors of the work of the various departments which receive moneys through the Together Way Plan of Support.

E. The Obituary Committee, who will receive names of deceased leaders from state associations and individuals.

This committee will give a report to the National Association so that these names can be included in the minutes.

VIII

Subsidiary Organization

1. The Women Nationally Active for Christ Convention shall be recognized as subordinate to the National Association; but it shall organize at its own discretion and have power to create and adopt a constitution and by-laws and maintain complete management of the work for which it is constituted. The scope and character of the work shall conform to the general program and promotional plan of the National Association. It shall report its accomplishments and financial operations annually to the National Association.

IX

Quorum

1. Two-fifths of its members shall constitute a quorum for any meeting of the General Board. Four members shall constitute a quorum for any meeting of the Executive Committee.

X

Proxy and Voting By Mail

1. No voting shall be done by proxy in meetings of the National Association. Proxy representation shall be accepted for meetings of the General Board and Executive Committee, upon the presentation to the moderator of a statement signed by the member, designating the proxy representative. A proxy for the Executive Committee shall be a member of the General Board.

2. When a ballot of the General Board must be taken by mail, it shall be approved by the Executive Committee and circulated by the Executive Secretary to all members who shall have their vote notarized.

XI

Discipline

1. This National Association shall have the right to settle any questions of discipline, doctrine or practice that may properly come before it from any of the bodies composing said organization of the National Association of Free Will Baptists, Inc., or act upon any appeal that may be made by any body belonging to the National Association. Said appeal shall have been written and properly signed by the constituent body or bodies and filed with the Executive Secretary.

The Executive Secretary shall in turn present it to the Executive Committee who shall make recommendation to the General Board. The General Board shall, at its discretion, hear the appeal and shall make recommendation to the National Association as to the course of action it deems best. The National Association may, in turn, hear the case by resolving itself into a committee of the whole, from which meeting all but delegates and parties concerned shall be excluded; or it may vote on the report of the General Board without discussion.

2. The decision of the National Association in such matters shall be final; that is, it cannot be appealed, nor can the same issue be raised again except in one of the two following ways: The National Association may vote to reconsider and then refer the matter back to the General Board; or after the vote to reconsider it may again resolve itself in to a committee of the whole.

3. Any action which the National Association may take cannot reverse the action of any member body, although it may act in a hortatory and advisory capacity toward that end. Actual disciplinary action upon a member body can deal only with the member's rights as a member of the body; and in this vein the National Association may refuse to seat the delegates from a member body for a session of the Association or may ultimately withdraw fellowship from the member. The only members of the National Association who can be disciplined are those who are affiliated directly according to the membership provisions of Article IV of the Constitution. Thus, in the case of those who are affiliated under the provision of Section 1 of that article, only the state associations may be disciplined; in the case of those affiliated under provision of Section 2, only the district associations may be disciplined; and the case of those affiliated under the provisions of Section 3, only the local church may be disciplined.

XII

Honoraria and Reimbursements

1. The moderator and clerk shall receive an honorarium as set by the Executive Committee in the annual convention budget, plus travel expenses to the annual session. The assistant moderator or assistant clerk shall receive the same benefits in the absence of either the moderator or the clerk from the session of the National Association.
2. When a special meeting of the General Board is called, the National Association shall assume the actual travel expenses of the members or their proxies, including meals and lodging. Automobile mileage shall be paid, not to exceed the amount allowable by the Internal Revenue Service. The same provision shall be made for all meetings of the Executive Committee except for the one which convenes immediately prior to the regular annual meeting of the General Board and National Association. Meals and lodging for the Committee during this meeting shall be provided for the days prior to the beginning of the Convention.

XIII

Parliamentary Authority

1. The meetings of the National Association and General Board shall be governed by the rules of parliamentary law as set forth in *Robert's Rules of Order*, except in the case of those rules which are superseded by some rule of these organizations.

XIV

Amendments

1. These By-Laws may be amended or altered at any regular session of the National Association by a majority vote of the members present, provided proposed amendment or alteration be presented in writing to the body one day in advance.

Certification

These By-Laws and Rules of Decorum were duly adopted by a majority vote of the Board of Trustees at its duly called meeting on _____ day of _____, 1995, at _____.

Secretary

Standing Rules of the National Association of Free Will Baptists, Inc., General Board and Executive Committee

1. Each session of the National Association shall be called into conference by the clerk, or assistant clerk, or in their absence the senior minister in years; and if the quorum is present, charge shall be then taken by the moderator, or assistant moderator, or in their absence the senior minister in years.
2. Each meeting of these bodies shall be opened by reading a portion of the Bible and with prayer, and shall be closed with prayer.
3. All meetings of these bodies shall convene with open doors except when resolved into committees of the whole.
4. Any person not a member of these bodies may be allowed to take part in the discussion by obtaining permission from the moderator.
5. It shall be the duty of all members of these bodies to be present at the time appointed for each meeting and anyone wishing to retire shall first obtain permission of the moderator.
6. The moderator shall not allow discussions carried on in a spirit which is not Christian or orderly.
7. No member shall be allowed to speak more than ten minutes or more than twice on the same subject in meetings of the National Association and General Board without permission from the moderator.
8. At sessions of the National Association, the moderator shall seat delegates in a body in a designated section of the assembly room at the beginning of each business meeting.
9. At any meeting of the General Board or Executive Committee a member may have his dissenting vote recorded in the minutes by his request.

Free Will Baptist Bible College Report

The 1994-95 school year has been an eventful one. We started with another increase in enrollment. In December the college received candidate status from the Southern Association of Colleges and Schools. The college also purchased 123 prime acres for a campus relocation. This campus relocation has been the long-time dream of many of our people. The response to the campus relocation has been encouraging. The relocation committee has been diligent in its work and in preparing a proposal to our denomination as it concerns relocation.

Free Will Baptist Bible College is a *Bible* college and must remain a *Bible* college with the purpose of challenging and equipping students to a lifetime of service to Christ and His Church. This year our students led more than 200 people to receive Christ as their Saviour, with numerous other decisions of rededication and surrender to God's will.

Joining the college family this year will be Dr. James Cox, Director of Institutional Effectiveness; Dr. Glen Wegge, Chairman of the Music Department; Mr. Michael Karounos, English Department; Mr. Allen Jinnette, Accounting and Computers; Mr. Clint Morgan, Missions; and Mr. Tim Campbell, Director of Alumni Affairs. These join a faculty and staff of men and women committed to Christ, to our Free Will Baptists, and to the equipping of students for the cause of Christ.

These are challenging days for our college and denomination. Our people must rise to a greater level of support to meet the challenge. God bless you as you accept the challenge.

Respectfully submitted,
Tom Malone, President

Synopsis of Minutes, FWBBC Board of Trustees

Semi-Annual Meeting, December 7-8, 1994, at Free Will Baptist Bible College campus

The Free Will Baptist Bible College Board of Trustees met December 7-8 on the college campus with all members present. New members received orientation, department reports were received and reviewed, board committees were assigned, and the SACS accrediting process was reviewed. An administrative staff position was created to be known as Director of Institutional Effectiveness, with Dr. James Cox employed to fill this position. A policy regarding retirement gifts was approved, the budget reviewed, and relocation possibilities were discussed.

Annual Meeting, May 8-10, 1995, at Free Will Baptist Bible College campus

The Free Will Baptist Board of Trustees met May 8-10, 1995, with all members present. Annual reports from each department were heard. Approval was given for hiring faculty in the Music, English and Business Departments. Approval was given to reduce the Business major to a minor and to add a minor in Drama and secondary licensure in Business. A Library Policy statement was approved. A quasi-endowment fund was es-

established for surplus operational and estate funds. The 1995-96 budget was adopted. A report of the Relocation Committee was received and their proposal and master plan for relocation was adopted. Coach Byron Deel was commended for being named NCCAA Coach of the Year, and officers of the board were elected.

Registration Report

Annual 1994-95

Undergraduate Enrollment377

By State:

Alabama	30	North Carolina	26
Arkansas	18	Ohio	12
California	3	Oklahoma	3
Colorado	5	Pennsylvania	1
Delaware	1	South Carolina	12
Florida	12	South Dakota	1
Georgia	18	Tennessee	83
Illinois	33	Texas	7
Indiana	15	Virginia	19
Kansas	2	Washington	3
Kentucky	16	West Virginia	6
Louisiana	1	Foreign	19
Michigan	9		
Mississippi	10		
Missouri	11		
Nebraska	1		

(The student body represents 27 states and 8 foreign countries.)

By Classification:

Freshmen	137	Others:	
Sophomores	103	Male	207
Juniors	66	Female	170
Seniors	56	Ministerial	65
Special	15	Missionary	42
		Free Will Baptist	346
		Other	31
		Single	335
		Married	42

Enrollment Summary 1994-95

Undergraduate Enrollment	First Semester	354
Additional Enrollment	Second Semester	22
Total Enrollment	First & Second Semesters	376
Summer 1994 Enrollment not already counted		1
Total Undergraduate Enrollment		377

Financial Aid Report

Loans Issued	139	\$133,648.00
Student Workers	104	155,777.00
Scholarship Recipients	50	18,879.00
SEOG Program	24	15,128.00
College Work Study Program	21	9,536.00
Pell Grant Awards	122	173,740.00
Stafford Loan Program	157	487,697.00
Unsubsidized Stafford Loan Program	30	73,172.00
Plus Loan Program	8	19,841.00
Total Financial Aid Administered 1994-95		1,087,418.00

Note: We do not have the SLS Loan Program any more.

Welch Library

Total books, bound volumes, microforms, sound recordings, video-cassettes, instructional materials, etc. 57,563

May 31, 1995, 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.
(See page 80 for that report)

Free Will Baptist Bible College Salary Breakdown

	1993-94	1994-95	1995-96		1993-94	1994-95	1995-96
President				Stewardship Development Director			
Salary	\$45,000	\$48,150	\$50,558	Salary		\$30,000	\$31,500
Social Security	3,442	3,683	3,868	Social Security		2,295	2,410
Retirement	1,976	2,552	2,680	Retirement		1,590	1,670
Insurance	2,220	2,388	2,370	Insurance		2,388	2,370
Life	177	201	183	Life		201	183
Medical	2,043	2,187	2,187	Medical		2,187	2,187
	\$52,638	\$56,773	\$59,476			\$36,273	\$37,950
Academic Dean				Treasurer			
Salary	\$38,500	\$41,195	\$43,255	Salary	\$34,000	\$36,380	\$38,199
Social Security	2,945	3,151	3,309	Social Security	2,601	2,783	2,922
Retirement	1,690	2,183	2,293	Retirement	1,493	1,928	2,025
Insurance	2,220	2,388	2,370	Insurance	2,220	2,388	2,370
Life	177	201	183	Life	177	201	183
Medical	2,043	2,187	2,187	Medical	2,043	2,187	2,187
	\$45,355	\$48,917	\$51,227		\$40,314	\$43,479	\$45,516

Salary includes housing allowance where applicable.

Proposed General Fund Gift Income Budget 1995-96

Alabama	\$ 75,000.00
Arizona	2,000.00
Arkansas	45,000.00
California	12,000.00
Colorado	1,000.00
Connecticut	5,000.00
Delaware	200.00
Florida	26,000.00
Georgia	65,000.00
Hawaii	500.00
Idaho	500.00
Illinois	45,000.00
Indiana	12,000.00
Iowa	500.00
Kansas	1,800.00
Kentucky	20,000.00
Louisiana	400.00
Maryland	10,000.00
Michigan	35,000.00
Mississippi	30,000.00
Missouri	38,000.00
Nebraska	500.00
Nevada	300.00
New Jersey	500.00
New Mexico	500.00
North Carolina	145,000.00
Ohio	22,000.00
Oklahoma	27,000.00
South Carolina	62,000.00
South Dakota	800.00
Tennessee	186,000.00
Texas	13,000.00
Vermont	1,000.00
Virginia	25,000.00
Washington	2,000.00
West Virginia	12,000.00
WNAC	10,000.00
Canada	500.00
Virgin Islands	2,000.00
Other	65,000.00
Total	\$1,000,000.00

Free Will Baptist Bible College Nashville, Tennessee Charter of Incorporation

INCORPORATORS: Be it known, That R. B. Spencer, J. L. Welch, Floyd B. Cherry, Ralph Lightsey, Henry Melvin, K. V. Shutes, Melvin Bingham, James F. Miller, and J. R. Davidson, and their successors, chosen under the terms and provisions of this charter, are hereby constituted a body politic and corporate by the name and style of **Free Will Baptist Bible College** of the National Association of Free Will Baptists of the United States, by which National Association the said Bible College shall be governed and controlled, for the purpose of establishing and conducting a Bible College at Nashville, in Davidson County, of the state of Tennessee.

PURPOSE: The purpose of this corporation is the establishment and maintenance of a Bible College devoted to the promotion and impartation of higher Biblical education, and such other education, instruction, and training as may be deemed essential to the equipment of Christian workers, teachers, ministers, and missionaries of both sexes for Christian service; and to that end prescribe courses of study, charge and collect tuition, employ professors, instructors, teachers, and such subordinate employees as may be necessary for the proper conduct of the institution; to conduct courses of training for both resident and correspondence students; to institute and carry on missions or commissions for missionary purposes or investigations; to publish and distribute such pamphlets, literature, or books as may be required in the conduct of such work and the general promotion of the Bible College; to solicit support, receive, collect, hold, and apply all properties—real, personal or mixed—acquired by gift, bequest, purchase, devise, or otherwise, for the purposes of the College; and to purchase, construct, rent, and equip such buildings as may be required for the accommodation, work, and welfare of the institution in all of its departments.

The general welfare of society, not individual profit, is the object for which this charter is granted, and the members are not stockholders in the legal sense of the term, and no dividends or profits shall be divided among its members.

Board of Trustees: The persons named in this Charter of Incorporation shall be members of and constitute the first Board of Trustees, or Board of Directors, of the Free Will Baptist Bible College, and they shall hold office until such time as their successors have been chosen by the National Association of Free Will Baptists of the United States. The said Board of Trustees shall, within a convenient time after the registration of this Charter in the office of the Secretary of State, elect from its number a Chairman, Secretary, and Treasurer, the latter two officers being combined at the option of the Board.

The members of the Board of Trustees shall be classified and elected in groups of 3's as follows: The terms of office of the first three trustees named above shall expire July 15, 1946; the terms of office of the second three trustees named above shall expire July 15, 1948; and the terms of office of the last three trustees named above shall expire July 15, 1950. Successors in office thereafter shall be elected biennially in groups of 3's, each for a term of six years, and they shall continue in service until their successors have been chosen. Any trustee may be reelected to office at the option of the National Association.

In addition to the original nine trustees prescribed above, the National Association may, at its option, elect six others to membership on the Board; but they shall be elected, two biennially, until six members have been added to the Board. These elections shall coincide with the respective biennial elections of the original successive groups of 3's, and shall, in actual practice, effect or result in a reclassification and biennial election of all trustees in groups of 5's. Under this option, if elected, trustees shall be chosen by the National Association biennially in groups of 5's, each for a term of six years.

The Board of Trustees shall have authority to replace vacancies that may occur ad interim among its members by resignation and death. The terms of office of such members, however, shall be considered temporary, and they shall continue only until the first session of the National Association following their election.

The National Association shall have the power and right to remove from office at will any and all trustees of the Free Will Baptist Bible College for any cause, reason, or condition deemed valid or expedient to the interests, purposes, and progress of the said Bible College, and to elect successors to those who may thus be removed from office.

POWERS: The general powers of this corporation shall be to sue and be sued by its corporate name; to contract and be contracted with; to have and use a common seal which it may alter at pleasure; and if no common seal is adopted or provided, then the signature of the corporation by any duly authorized officer shall be legal and binding; to grant diplomas and such other literary honors as are usually conferred by like institutions, including the conference of graduate, post-graduate, and honorary degrees.

This corporation shall have power also to purchase and hold and to receive by gift or bequest, personal property in any amount, real estate in any amount, money, choses in action or other things of value; and in addition to personal property owned, held, or received by this corporation, it may purchase and hold all real estate necessary for the

purposes of the corporation and may own or hold any real or personal estate that may be given, devised, or bequeathed to the corporation—the same to be held and used for carrying on the corporate purposes of the College; to purchase or accept real estate in payment of any debt due the corporation, and sell the same; to borrow money to be used in payment for property bought by the corporation, for erecting buildings and making improvements, and for any other purposes germane to the objects of the corporation; and to secure by mortgage, pledge, or deed of trust upon the property and funds owned by it, the repayment of money borrowed; to accept, hold, and manage, as trustee, any property, money, or effects bequeathed or devised to it for any special purpose germane to the objects of the corporation.

This corporation shall have power also to make, by and through its Board of Trustees, all by-laws necessary for the creation of an executive committee and the determination of the powers to be exercised by such executive committee when the Board of Trustees is not in session; to prescribe also in said by-laws for the creation of all other committees, officers, or agents deemed essential or expedient to the administration of the College and the management of its corporate affairs; determine the powers, duties, and functions of such committees, officers, or agents; fix their terms of office and the method of their election or appointment.

The Board of Trustees shall have power to alter at will, revise, or amend the by-laws of the Free Will Baptist Bible College provided that the proposed alteration, revision, or amendment shall not be contrary to the terms and conditions of this charter, the constitution, rules, and regulations of the National Association, nor the laws of the state of Tennessee.

GENERAL PROVISIONS: The means, assets, income, or other property of the corporation shall not be employed, directly or indirectly, for any other purpose whatever than to accomplish the legitimate objects of its creation, and by no implication shall it engage in any kind of trade operation, or hold any more real estate than is necessary for its legitimate purposes.

In all elections held by the Board of Trustees each member shall be entitled to one vote, either in person or by proxy, and the result shall be determined by a majority of the votes cast. Due notice of any election must be by advertisement in a newspaper, personal notice to the members, or a day stated on the minutes of the Board not less than one month preceding the election.

The president of the Free Will Baptist Bible College shall be elected by the Board of Trustees, and he shall act for and on behalf of the Board in the conduct and management of the institution. He shall also be a member of the Board of Trustees ex officio, and his duties, powers, and term of office shall be prescribed in the by-laws of the College.

Each trustee shall hold membership with a regular Free Will Baptist church that belongs to a district or state association which is affiliated with the National Association.

Since this Bible College is being built and maintained by donations from Free Will Baptists, it is therefore just and right that its creed and doctrinal platform shall conform unalterably to the accepted faith and practices of said denomination as long as it shall endure as a college, and to this position its incorporators vow perpetual allegiance.

The Board of Trustees shall keep a record of all its proceedings, which shall be at all times subject to the inspection of any member of the Board.

ADAMENDMENT: This charter may be hereafter amended subject to the provisions contained herein and the laws of the state of Tennessee. It is provided, however, that the trustees of the Bible College shall not propose or apply for any amendment which has not been previously authorized by an act of the National Association.

Bylaws of Free Will Baptist Bible College

(Revised 1994)

Section I The Board of Trustees

A. Membership of the Board. The Board of Trustees of the college shall consist of those elected to that office by the National Association of Free Will Baptists in regular session and as prescribed in the Charter of Incorporation of the college above.

None of the regular officers or employees of the college shall, during his term of office or employment, hold membership on the Board of Trustees, except for the ex-officio membership allowed the president.

No member of the Board or part of the Board may act for the Board, except as provided for below in the description of the executive committee, unless the Board as a whole directs such action.

B. Officers. The officers of the Board shall be a chairman, an assistant chairman, and a secretary. Each of these shall be elected by the Board for a term of one year and shall continue in office until his successor has been chosen.

(1) **Chairman:** The chairman of the Board shall preside at all meetings of the Board. He shall sign or execute all deeds, conveyances, and other legal papers involving the Board's authority, unless otherwise provided for by the Board.

(2) **Assistant Chairman:** The assistant chairman of the Board shall carry out the duties of the chairman in his absence.

(3) **Secretary:** The secretary shall record and preserve minutes of all meetings and acts of the Board and executive committee, and shall countersign all deeds, conveyances, and other papers authorized by the Board.

He shall have authority to call special meetings of the Board upon the written request of two-thirds of the members; he shall mail notice of said meetings to the trustees thirty days in advance.

(4) **Executive Committee:** The executive committee of the Board shall be composed of the three officers named above, and shall have authority to consider and act upon all questions affecting the interests of the college which may be brought before it between the stated meetings of the Board, or whenever it is deemed impractical to convene the entire Board, or whenever a quorum of the Board fails to attend a called or regular meeting. It shall transact such business as may be committed to it by the Board and shall act as an advisory council to the president of the college on such matters as he may submit to it. The committee shall meet at the call of its chairman or the president of the college. A quorum of the executive committee shall be all three of its members.

Actions of the executive committee shall be reviewed at the Board's next scheduled meeting.

C. Meetings. The Board shall meet at least semi-annually at times and places agreed upon by them. It shall also hold special meetings whenever called in accordance with the provision of these bylaws under Section I, B (3), above.

D. Quorum. A majority of the member of the Board shall constitute a quorum.

E. Duties. The primary duty of the Board shall be to determine general policies governing the operation of the college and to ensure that these policies are carried out effectively. Included in this responsibility are the following duties:

- (1) to elect the president of the college and to review his performance at least annually;
- (2) to review reports from the president and his staff, at least annually, and to act on the recommendations that arise from those reports—including recommendations relative to the employment of personnel and the establishment of policies;
- (3) to review financial statements that provide a complete picture of the college's operations, to ensure that they are accurate and complete, to ensure that the college is being operated efficiently, and to adopt a sound financial budget each year;
- (4) to invest in the president the authority to confer degrees, certificates, or diplomas attesting to the satisfactory completion of programs of study that have been approved by the Board;
- (5) to promote the college's educational program and to ensure that the college has the financial resources to enable it to achieve its goals.

(6) to evaluate the college's investment policy and the performance of its investments at least as often as every other year. The executive committee of the board shall review the policy and the performance of the college's investments and make report of its findings and appropriate recommendations to the Board.

While it is the responsibility of the Board to establish broad institutional policies, it is the responsibility and prerogative of the president, administrative officers, faculty, and staff of the college to implement those policies in the on-going management of the institution's affairs. Each of these, the Board on the one hand and the staff on the other hand, must respect the roles of the other and free them for their work without encroachment by the other.

E Standing Committees. The Board shall maintain the following standing committees, each one composed of three members of the Board as determined by the Board. Each committee shall devote special attention to obtaining up to date information about its assigned area, and to informing the whole Board about needs and concerns in those areas.

(1) **Faculty Affairs:** This committee shall review matters affecting faculty personnel policies and procedures and faculty welfare. It shall consider proposals on such matters and make recommendations to the Board as may be required or deemed appropriate.

(2) **Student Affairs:** This committee shall review matters affecting student life, including residential policies, the government and discipline of students, and student welfare and morale. It shall consider proposals on such matters and make recommendations to the Board as may be required or deemed appropriate.

(3) **Plant and Finance:** This committee shall review matters affecting the physical plan maintenance and operations and matters affecting the financial support of the college. It shall consider proposals on such matters and make recommendations to the Board as may be required or deemed appropriate.

Section II Administrative Officers of the College

A. General Administrative Officers: The general administrative officers of the college shall include a president, academic dean, dean of students, registrar, and treasurer. Each of these shall be elected by the Board for an indefinite term

of office, provided that the retirement of any one of them may occur at any time upon the resignation of the officer or the request of the Board. In either case, notice shall be given at least three months before the date of the proposed retirement unless otherwise agreed upon by the concerned parties.

(1) **President:** The president of the college shall be the executive officer of the Board of Trustees in carrying out its policies. In so doing, he shall exercise general oversight of the college, including its officers, faculty, students, and business affairs. He shall be the official channel of communication between the professional staff and the Board, and thus shall be responsible to keep the Board regularly and accurately informed about all the institution's affairs. In carrying out this responsibility he shall render to the Board complete annual reports and to its chairman, executive committee, or other committees such information as may be deemed essential to a thorough knowledge of the operation of the college and its promotion.

He shall be the one administrative officer directly responsible to the Board; all others are subordinate to him and are responsible to the Board through him. He shall be a member of the Board of Trustees ex-officio and shall have all the rights and privileges of a member of the Board exclusive of voting and holding office on the Board.

Besides overall supervision, he shall give leadership and executive direction to the college as a whole. He shall recommend candidates for administrative office and faculty to the Board; he shall give leadership to developing and presenting the budget; he shall have direct responsibility for public relations; he shall give leadership to planning and development.

He shall be directly responsible to the Board for the protection of all properties belonging to the college, including upkeep, improvement, and protection against fire and other hazards.

In carrying out these major areas of responsibility, he shall delegate responsibility to the other administrative officers and shall exercise his executive control through those officers.

(2) **Academic Dean:** Under the supervision of the president, the academic dean shall give leadership to the entire educational program including the curriculum, the faculty, and the students. Such officers as the librarian, the registrar, the department heads, and the Christian service director shall be responsible to him, and to the president and Board through him.

He shall be the chairman of the faculty organization and as such shall be the executive officer of the faculty in carrying out its responsibilities for the curriculum, admissions, and graduation requirements. In addition, he shall assume any other duties delegated to him by and for the assistance of the president, commensurate with his office.

(3) **Dean of Students:** Under the general supervision of the president, the dean of students shall give direction to the college's program of student services. In carrying out the functions of this office, he shall be responsible for the supervision of student deans, the establishment and enforcement of rules governing student behavior, student counseling, the student council and other student organizations, and other matters relating to the students' lives and activities. In addition to these duties, he shall assume any other responsibilities which may be delegated to him by and for the assistance of the president of the college, commensurate with his office.

(4) **Registrar:** Under the general supervision of the academic dean, the registrar shall receive applications for enrollment in the college, give out accurate information to prospective students upon request, enroll the students in the college, keep accurate records of enrollments and grades, and furnish transcripts for students. He shall give general oversight to the recruitment program of the college. In addition to these duties, he shall assume any other responsibilities which may be delegated to him by and for the assistance of the academic dean of the college, commensurate with his office.

(5) **Treasurer:** Under the general supervision of the president, the treasurer shall keep an accurate record of all accounts of the college and shall receive and expend, as directed by the Board and the president, all money for the expenses of the institution. He shall make an annual report to the Board through the president, and shall include such information pertaining to his office as may be requested. He shall provide bond in whatever amount the Board may require. He shall assume any responsibilities delegated to him by the president in the area of finance and business management.

B. Administrative Staff Officers: In addition to the general administrative officers named above, the Board may create and fill such other administrative staff offices as it deems necessary for the efficient functioning of the college. Whenever such administrative staff offices are created, the action shall provide (1) whether the position is intended to be permanent or temporary, and if temporary for what duration; (2) whether the person filling the office shall report directly to the president of the college or to some other general administrative officer; (3) a description of the duties of the officer. Such offices may include, but are not necessarily limited to, director of public relations, director of stewardship development, director of plant operations, director of recruitment, and assistant treasurer.

Section III Faculty

A. Constituency: The faculty of the college shall include (1) all those employed primarily to teach, and (2) the president, academic dean, dean of students, registrar, student deans, librarian, and director of Christian service.

B. Denominational Affiliation: It shall be the policy of the Board to employ on the college faculty those who are members of Free Will Baptist churches that are affiliated with the National Association of Free Will Baptists. However, when equally qualified Free Will Baptists are not available, faculty who are active Christians and affiliated with any evangelical denomination may be employed at the discretion of the president and the Board.

C. Term of Employment: The employment of faculty members, unless otherwise stated at the time of employment, shall be considered of indefinite term and based on annual contracts. This employment shall continue so long as general satisfaction and usefulness are manifest. It shall be the general policy of the college to notify the faculty member by April 1 if any changes affecting his employment are contemplated. The college shall likewise assume a commitment on the part of the faculty member to continue employment unless notified by April 1. Exceptions to these provisions shall be arranged by mutual agreement of concerned parties.

D. Responsibilities: The faculty shall be primarily responsible to the Board through the president and academic dean for the curriculum, for admission and graduation requirements, and for policy affecting student life and activities. It shall exercise such authority and powers as are delegated to it by the Board. Its functions within the area of its jurisdiction are legislation and the making of policy. It shall also serve in an advisory capacity through the president to the Board in making recommendations of major importance concerning its area of jurisdiction.

E. Organization: The faculty shall be organized with the academic dean of the college as its chairman. It shall meet regularly and keep a record of its proceedings. Both regular and special meetings shall occur at the time and place designated by the chairman of the faculty.

The details of faculty organization shall be set forth in formal bylaws of faculty organization, arranged by the faculty in harmony with the charter and bylaws of the college, and subject to the approval of the Board of Trustees of the college.

Section IV Contracts

The Board of Trustees shall have full and final authority in all obligations involving the execution of contracts, deeds of conveyance, the determination of salaries, and the employment of all officers, representatives, faculty members, and essential domestic and maintenance employees. It is provided, however, that the Executive Committee or the president of the college may be directed, at the option of the Board, to negotiate agreements, execute contracts, employ representatives, and fill vacancies incurred by the termination of contracts, resignations, or deaths of any essential employees.

Section V Amendment

These bylaws may be amended by a favorable vote of two-thirds of the members of the Board of Trustees of the college at any meeting of the Board, provided that the proposed amendment has been read in an open Board meeting three hours in advance.

FREE WILL BAPTIST BIBLE COLLEGE
Nashville, Tennessee
3606 West End Avenue
Nashville, Tennessee 37205
615/383-1340

1994-95 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
FAX 615/377-3486

We have audited the balance sheet of Free Will Baptist Bible College as of May, 31 1995 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, 1995, 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.

June 29, 1995

FREE WILL BAPTIST BIBLE COLLEGE

Balance Sheet

May 31, 1995

(with comparative figures for 1994)

Assets	1995	1994
Current funds:		
Cash and interest bearing deposits	\$ 308,376	237,935
Prepaid expenses	8,375	11,093
Receivables (note 5):		
Students accounts	24,626	10,699
Staff and others	14,670	11,347
Due from agency funds	-	4,731
Total receivables	39,296	26,777
Inventories	46,308	49,719
Total current funds	\$ 402,355	325,524
Loan funds:		
Interest bearing deposits	\$ 399,866	339,427
Loans to students, less allowance for doubtful loans of \$32,500 1994 and 1993 (note 5)	269,696	277,788
Due from current unrestricted funds	-	113
Due from agency funds	-	508
Total loan funds	\$ 669,562	617,836
Endowment funds:		
Interest bearing deposits	\$ 207,247	181,149
Investment securities, at cost (market value \$45,890)	38,224	-
Note receivable - plant funds (note 3)	230,000	-
Due from current unrestricted funds	-	50
Total endowment funds	\$ 475,471	181,199
Annuity funds:		
Interest bearing deposits	\$ 5,000	55,000
Total annuity funds	\$ 5,000	55,000
Plant funds:		
Interest bearing deposits	\$ 5,059	5,059
Due from current funds	18,588	-
Investment in plant (notes 3 and 6):		
Land	296,519	296,519
Land and improvements, proposed new campus (note 7)	274,721	-
Buildings and improvements	3,374,969	3,374,969
Equipment	899,879	838,480
Library books	311,345	276,078
Total investment in plant	5,157,433	4,786,046
Accumulated depreciation (note 6)	1,905,930	1,771,291
Net investment in plant	3,251,503	3,014,755
Total plant funds	\$ 3,275,150	3,019,814
Agency funds:		
Cash	\$ 11,995	9,559
Total agency funds	\$ 11,995	9,559

See accompanying notes to financial statements.

FREE WILL BAPTIST BIBLE COLLEGE

Statement of Changes in Fund Balances

Year ended May, 31, 1995

	1995	1994
Current funds:		
Accounts payable (note 4)	\$ 86,969	73,465
Students' credit balances and deposits	30,726	42,023
Accrued salaries	81,893	59,059
Deferred revenues - summer school and other	5,588	2,490
Due to other funds:		
Loan funds	-	113
Plant funds	-	-
Endowment funds	18,588	-
Total due to other funds	-	50
Total liabilities	18,588	163
Fund balances:	224,064	177,200
Unrestricted funds	110,075	81,688
Restricted funds	68,216	66,636
Total fund balances	178,291	148,324
Total current funds	\$ 402,355	\$ 325,524
Loan funds:		
Accrued interest	\$ 3,825	3,758
Notes payable to individuals (note 3)	183,599	207,365
Fund balances - private	482,138	406,713
Total loan funds	\$ 669,562	\$ 617,836
Endowment funds:		
Fund balances:		
Endowment	\$ 48,656	48,656
Quasi-endowment, unrestricted	263,471	33,471
Scholarship, restricted	163,344	99,072
Total endowment funds	\$ 475,471	\$ 181,199
Annuity funds:		
Annuity payable	\$ 275	4,011
Fund balance	4,725	50,989
Total annuity funds	\$ 5,000	\$ 55,000
Plant funds:		
Accounts payable	\$ 5,363	5,363
Notes payable - endowment funds (note 3)	230,000	-
Notes payable and capital lease obligations (note 3)	122,406	165,552
Total liabilities	357,769	170,915
Fund balances:		
Unexpended	18,284	(304)
Net investment in plant	2,899,097	2,849,203
Total fund balances	2,917,381	2,848,899
Total plant funds	\$ 3,275,150	\$ 3,019,814
Agency funds:		
Due to current unrestricted funds	\$ -	4,731
Due to loan funds	-	508
Funds held in custody for others	11,995	4,320
Total agency funds	\$ 11,995	\$ 9,559

	Current Funds	Loan Funds
	Unrestricted	Restricted
Revenues and other additions:		
Unrestricted current funds revenues	\$ 3,362,635	-
Federal grants - student aid funds	-	200,058
Private gifts	-	57,895
Endowment income	-	6,698
Investment income - restricted	-	55
Interest on student loans	-	-
Additions to plant facilities, including \$96,666 from current funds	-	-
Addition to long-term debt obligations	-	-
Retirement of indebtedness	-	-
Adjustment of computed annuity liability	-	-
Total revenues and other additions	3,362,635	264,706
Expenditures and other deductions:		
Educational and general expenditures	2,333,318	255,514
Auxiliary enterprises expenditures	717,343	6,002
Administrative cost allowance	-	1,610
Retirement of indebtedness	-	-
Interest expense	-	-
Provision for doubtful notes receivable	-	-
Depreciation and amortization expense (note 6)	-	-
Additions to plant facilities	-	-
Addition to long-term debt obligations	-	-
Matured annuity funds to unrestricted	-	-
Other	-	411
Total expenditures and other deductions	3,050,661	263,126
Transfers among funds and other changes -		
additions (deductions):		
Transfer of bequests and matured annuity funds	(230,000)	-
Transfers for debt service	(53,587)	-
Total transfers and other changes	(283,587)	-
Net increase (decrease) for the year	28,387	1,580
Fund balance at beginning of year	81,688	66,636
Fund balance at end of year	\$ 110,075	\$ 68,216

See accompanying notes to financial statements.

Endowment Funds	Annuity Funds	Plant Funds	
		Unexpended	Net Investment In Plant
-	-	-	-
-	-	-	-
64,272	-	72,772	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	371,387
-	-	230,000	-
-	-	-	43,146
-	3,736	-	-
64,272	3,736	302,772	414,533
-	-	-	-
-	-	-	-
-	-	-	-
-	-	43,146	-
-	-	19,904	-
-	-	-	-
-	-	-	134,639
-	-	274,721	-
-	-	-	230,000
-	50,000	-	-
-	-	-	-
-	50,000	337,771	364,639
230,000	-	-	-
-	-	53,587	-
230,000	-	53,587	-
294,272	(46,264)	18,588	49,894
181,199	50,989	(304)	2,849,203
475,471	4,725	18,284	2,899,097

FREE WILL BAPTIST BIBLE COLLEGE

Statement of Current Funds Revenues,
Expenditures and Other Changes

Year ended May 31, 1995

(with comparative figures for 1994)

	1995			1994 Total
	Unrestricted Funds	Restricted Funds	Total	
Revenues:				
Tuition and fees	\$ 1,228,606	-	1,228,606	1,031,241
Federal student financial aid programs	-	196,868	196,868	185,028
Gifts	1,004,125	57,895	1,062,020	815,379
Endowment income	5,977	6,698	12,675	5,028
Investment income	19,391	55	19,446	5,559
Sales and services of auxiliary enterprises	1,027,284	-	1,027,284	901,051
Other sources	27,252	-	27,252	22,643
Matured annuity funds	50,000	-	50,000	-
Total revenues	3,362,635	261,516	3,624,151	2,965,929
Expenditures:				
Educational and general:				
Instruction	844,282	4,492	848,774	741,943
Academic support	234,229	1,888	236,117	212,529
Student services	369,816	31,105	400,921	351,057
Operation and maintenance of plant	311,638	14,433	326,071	295,385
Institutional support	570,134	3,076	573,210	493,015
Scholarships and fellowships:				
Federal student financial aid programs	-	188,981	188,981	175,808
Institutional funded aid	3,219	11,539	14,758	6,435
Total educational and general expenditures	2,333,318	255,514	2,588,832	2,276,172
Mandatory transfers for debt service	45,337	-	45,337	36,613
Total educational and general	2,378,655	255,514	2,634,169	2,312,785
Auxiliary enterprises:				
Expenditures	717,343	6,002	723,345	628,662
Mandatory transfers for debt service	8,250	-	8,250	8,250
Total auxiliary enterprises	725,593	6,002	731,595	636,912
Total expenditures and mandatory transfers	3,104,248	261,516	3,365,764	2,949,697
Transfers and other changes:				
Transfer of unrestricted bequests and matured annuity to quasi-endowment funds	(230,000)	-	(230,000)	-
Restricted receipts over transfers to revenues	-	1,580	1,580	42,568
Revenues over expenditures and other changes	\$ 28,387	1,580	29,967	58,800

See accompanying notes to financial statements.

FREE WILL BAPTIST BIBLE COLLEGE

Notes to Financial Statements

May 31, 1995

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 are recorded at cost or value at date contributed.

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.

(2) Pledges Outstanding

Pledges outstanding amount to \$132,848 of which \$33,592 is unrestricted and \$99,256 is designated for repayment of land acquisition debt for the proposed new campus (note 3 and 7). It is not practicable to estimate the net realizable value of the pledges or the period of collection.

Notes to Financial Statements, continued

(3) Notes Payable and Capital Lease Obligations

<u>Loan funds:</u>		\$ 183,599
Notes payable to individuals: - 5% demand notes to individuals.		
<u>Plant Funds:</u>		
Note payable to Quasi-Endowment Fund:		\$ 230,000
5% demand obligation for the purpose of acquiring property for proposed new campus		
Notes payable and capital lease installment obligations consist of the following:		
8% installment obligation, secured by passenger bus, payable monthly at \$722 through June 1996 at such time \$8,046 is due and payable.	\$	15,734
7% installment obligation payable monthly at \$793 through April 1999 secured by computer equipment.		32,463
Capital lease obligations, secured by computer and telephone equipment, as follows: (Note: debt service payments related to the capital lease obligations are substantially funded by billings to users.)		
10% obligation payable in monthly installments of \$688 maturing July 1996.		9,044
7% to 8% obligations payable in monthly installments \$2,263 maturing through November 1997.		55,665
		9,500
Other	\$	122,406
Total notes payable and capital lease installment obligations		Capitalized
		Lease
		Obligations
Annual maturities of plant fund notes payable and capital lease obligations year ended May 31:		
	Long-Term Debt	
1996 \$	24,670	35,401
1997	16,069	26,367
1998	8,603	8,524
1999	8,354	-
\$	57,696	70,292
		5,582
Less amount representing interest		\$ 64,710

(4) 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 and 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, 1995.

Actuarial present value of benefit obligation:	\$ (1,054,446)
Accumulated benefit obligation (of which \$1,025,161 are vested)	\$ (1,434,694)
Projected benefit obligation for services rendered to date	1,295,466
Plan assets, at fair value	(139,228)
Plan assets in excess of projected benefit obligation	174,623
Unrecognized net (gain) or loss	173,045
Prior service cost not yet recognized in net periodic pension cost (benefit)	(224,203)
Unrecognized net asset at June 1, 1989 being amortized over 15 years	\$ (15,763)
Accrued pension cost, included in accounts payable	
Net pension cost for 1995 included the following components:	\$ 54,258
Service cost - benefits earned during period	103,225
Interest cost on projected benefit obligation	(90,633)
Actual return on plan assets	(11,678)
Net amortization and deferral	\$ 55,172
Net pension cost	

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 8.5 percent.

Notes to Financial Statements, continued

(5) 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 no risk of accounting loss for those funds since the balance at each financial institution is less than the insurable limit of \$100,000.

(6) 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 \$134,639 in 1995.

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

	Total	Purchased Assets	Assets Acquired By Capital Leases
Land	\$ 296,519	296,519	-
Land and improvements, proposed new campus	274,721	274,721	-
Buildings	3,374,969	3,374,969	-
Equipment	899,879	754,555	145,324
Library Books	311,345	311,345	-
	<u>5,157,433</u>	<u>5,012,109</u>	<u>145,324</u>
Accumulated depreciation and amortization	<u>1,905,930</u>	<u>1,819,044</u>	<u>86,886</u>
Net Investment in Plant	<u>\$ 3,251,503</u>	<u>3,193,065</u>	<u>58,438</u>

(7) Potential Campus Relocation

In September, 1994 the College purchased a 123-acre tract of land located 16 miles northwest of Nashville in anticipation of possible relocation of the campus. The purchase price, improvements and related expenses totaled \$274,721 through May 31, 1995. Relocation of the present campus to the new property is subject to several factors. These factors, among others, include:

- > Obtaining an acceptable sales price for the present campus, and
- > Securing denominational support for potential relocation.

When all criteria for relocation have been met, the present campus will be sold and all proceeds applied to the cost of the new campus. Cost of construction in excess of the proceeds realized from the sale of the present campus will be funded by various capital campaigns.

FREE WILL BAPTIST BIBLE COLLEGE

Proposed Budget for the Year Ending May 31, 1996

As Compared to

Actual as Summarized for the Year Ended May 31, 1995

Current Unrestricted Funds

	Proposed Budget May 31, 1996	Actual May 31, 1995
Revenues:	\$ 1,458,453	1,228,606
Tuition and fees		
Gifts:	1,000,000	819,743
Together Campaign	15,000	234,382
Estates and annuities	1,015,000	1,054,125
Net Operating Gifts	6,000	5,977
Endowment income	17,000	19,391
Investment income	1,143,000	1,027,284
Sales and services of auxiliary enterprises	15,000	27,252
Other sources	3,654,453	3,362,635
Total revenues		
Expenditures:		
Educational and general:	968,560	844,282
Instruction	274,364	234,229
Academic support	316,261	369,816
Student services	401,056	311,638
Operation and maintenance of plant	804,237	618,690
Institutional support	2,764,478	2,378,655
Total educational and general expenditures		
Auxiliary enterprises:	889,975	725,593
Expenditures	3,654,453	3,104,248
Total expenditures	-	(230,000)
Transfers		
Excess of revenues over expenditures	\$ -	28,387

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, 1996, but shows the comparable financial highlights of the actual fiscal year ended May 31, 1995.

BALANCED BUDGET

The College ended its fiscal year with an excess of revenues over expenditures of \$28,387 in operating funds. (not including below-mentioned transfer of estate gifts and matured annuity funds)

ENROLLMENT INCREASE

Total enrollment increased for the forth consecutive year, up 6% from the previous fall.

UNRESTRICTED GIVING

Unrestricted gifts, (which included \$184,382 in estate gifts) totaled \$1,004,125. In addition, \$50,000 was realized from a matured annuity. The Board of Trustees designated \$230,000 as quasi-endowment funds and loaned the capital to the plant fund in order to assist in the purchase of the Joelton land.

Denominational giving is important: Without the above gifts the cost of tuition would have been approximately \$210 per semester hour, instead of the actual cost of \$120 per semester hour for 1994-95.

FINANCIAL OBLIGATIONS

Current noteworthy financial obligations in the form of loans and leases are as follows:

Notes payable to individuals (the proceeds are restricted for the purpose of student loans) amounted to \$183,599. The College's Loan Funds has sufficient cash and savings to completely liquidate these loans.

Plant fund note payable to Quasi-Endowment for acquisition of Joelton land amounting to \$230,000 (repayment through "Claim The Land" capital campaign).

Installment note payable for the purchase of a 1988 - 21 passenger mini-bus has a balance of \$15,734.

Lease obligations for the campus telephone system and computer equipment amounted to \$97,172 (substantially funded by billing to users).

THIS INFORMATION IS NOT PART OF THE AUDITOR'S REPORT

FREE WILL BAPTIST BIBLE COLLEGE - GIFTS 1994-95

STATE	General	Land	Total
Alabama	59,039.14	14,678.14	73,717.28
Arizona	935.52		935.52
Arkansas	44,976.43	1,950.00	46,926.43
California	4,643.53		4,643.53
Colorado	450.00		450.00
Connecticut	35.00		35.00
Delaware	155.00		155.00
Florida	27,305.22		27,305.22
Georgia	55,148.16	4,450.00	59,598.16
Hawaii			
Idaho		8,500.00	33,523.42
Illinois	25,023.42		4,018.45
Indiana	4,018.45		420.00
Iowa	420.00		193.09
Kansas	193.09		15,948.28
Kentucky	15,348.28	600.00	245.44
Louisiana	245.44		5,767.92
Maryland	5,767.92		22,951.22
Michigan	22,951.22		20,447.26
Mississippi	20,447.26		28,406.21
Missouri	28,406.21		120.00
Nebraska	120.00		
Nevada			182.62
New Jersey			154,810.37
New Mexico	182.62	11,850.00	23,031.83
North Carolina	142,960.37		18,981.61
Ohio	23,031.83	3,400.00	63,357.10
Oklahoma	15,581.61	5,100.04	20.00
South Carolina	58,257.06		192,170.22
South Dakota	20.00	12,870.00	7,797.63
Tennessee	179,300.22		
Texas	7,797.63		21,192.05
Vermont		1,338.59	1,162.93
Virginia	19,853.46		12,231.86
Washington	1,162.93	3,800.00	4,559.10
West Virginia	8,431.86		
W.N.A.C.	4,559.10		775.00
Canada			
Virgin Islands	775.00		16,707.21
Other:			24,040.00
College Family	16,707.21		977.00
Matching gifts	24,040.00		288.25
Foreign Msyrs	977.00		
Miscellaneous	288.25		
	819,555.44	68,536.77	888,092.21
Alumni Projects	18,565.00	4,235.00	22,800.00
Estates/Trusts	184,382.08		184,382.08
	\$1,022,502.52	\$72,771.77	\$1,095,274.29



A Vision For The Future

A Relocation Plan for Free Will Baptist Bible College

I. Summary of the history of Free Will Baptist Bible College—FWBBC was begun in 1942. The newly formed National Association of Free Will Baptists borrowed money and purchased a building on Richland Avenue in Nashville with no assurance that any students would come or that the college would succeed. Our denominational fathers believed it was God's will for them to begin a college where young people could be trained for God's service. More than 50 years have passed since that beginning and many more steps of faith have been taken. One building, worth a few thousand dollars, has been multiplied to 16 buildings worth several million.

II. There are some specific reasons why we need to move from our present location.

A. Student Enrollment—When our college reached its largest enrollment in the early 1980s, 60% of our students lived in the dormitories and 40% enrolled as "town students." Last school year, 80% of our students lived in our dormitories and 20% enrolled as town students. This means that we have a much larger percentage of our student body living in our dormitories than during our peak enrollment years.

Three smaller buildings that were used for overflow dormitories in the late 1970s and early 1980s cannot be used for dormitories now because they are being used for other important functions.

We can house a maximum of 362 dorm students in our present facilities. We housed 284 dorm students last school year. We have averaged about 9% per year enrollment growth for the last four years. If our present rate of growth continues, we will fill our dorms in three years:

$$284 + 9\% = 310 + 9\% = 338 + 9\% = 368$$

B. Neighborhood Climate—The neighborhood has changed and continues to change in ways that adversely affect the college.

1. The college is located in a residential neighborhood. The neighbors have not been

very warm toward the college in past development plans.

2. Our neighbors have formed a neighborhood association with one of its primary goals being to "control" the types of buildings constructed and the use of buildings within the neighborhood.

3. The price of homes, ranging from a couple of hundred thousand to over a million dollars, makes purchasing future property for the college impractical.

4. The neighborhood, largely due to the work of the neighborhood association, has been declared a "Historical District." This limits the size, style and use of new buildings and the redesign and altered use of present buildings. What this means to us is that we can no longer purchase houses and turn them into dormitories. Neither can we demolish them and build new buildings. We have all the dormitory space we will ever have and no hope of securing additional living space for growth in our present location.

5. The neighborhood is considering an even more limiting declaration. They have expressed to us that they are seriously considering registering the neighborhood as a "Conservation Zone," which would require that any architectural or remodeling changes be cleared with them in advance. This will put the college in an even more vulnerable position if we have to check with the neighbors each time we do any remodeling.

C. Our Present Campus—Our campus is beautiful, with many memories. But there are some things about our present campus that we need to be reminded about.

1. Our campus is located in the heart of an affluent neighborhood in a large city. The campus is a little more than 10 acres in size and has public streets and public access throughout. Security is becoming a greater problem. As crime increases, our students are becoming more vulnerable.

2. The age of our campus is beginning to show. Our oldest buildings were built around

the turn of the century. Our newest buildings—dormitories, classroom building, cafeteria, and gymnasium—were built in the late 1960s and early 1970s, making them 20-30 years old. Many of our buildings need major repairs. We have made only superficial repairs during the lean years. Building maintenance will eventually have to be done and will cost more the longer it is put off. We can realistically expect to spend from \$1.5-\$2 million in the next few years for major renovations, mechanical system replacements, interior refurbishing, etc.

3. The present size of our campus is not adequate. We are growing at an exciting rate. Campus parking is very limited. If we continue to grow, we will run out of parking space in a year or so. We do not have adequate parking for special events, such as conferences, concerts, sports events, and commencement exercises. We do not have a baseball, softball, soccer or football field, and no hope of ever having them at our present location. All 11 residential buildings have been converted into dormitory space, classrooms, offices, and married student/faculty-staff housing. The space is neither adequate nor efficient. They are scattered over a three-block area with private residences sprinkled in between.

III. The New Joelton Property—We have known for some time that, with our present growth rate and the neighborhood situation, we desperately need to move the college. We

were not actively looking for property to purchase; however, we believe that the Lord opened the door for us to purchase the new property. The site has electricity, natural gas and city water. The city sewer line is less than half a mile away. The property has been tested to ensure it is suitable for the kinds of buildings we would need to construct. We also met with residents of the community to make sure there were no objections to our moving into their neighborhood. We were received enthusiastically by all who attended. They are supportive of the possibility of having our college near them.

We were able to get the property at a bargain price. It has more than doubled in value since we bought it and the topography is ideal for a beautiful campus.

IV. Where we are now—We know that this is a major move for our denomination. We realize that we cannot do anything without the support of our Free Will Baptist people. We have never attempted anything of this magnitude or nature, but we feel that the time is right to move ahead. We would not take any steps toward such a move without a great deal of prayer, thought, and planning. We know where we are and where we hope to be. We have developed a plan that we feel will get us there. Our plan is in three stages, with each of the following stages dependent upon completion of the previous stage.

Here is our plan.

Stage One

Technically, we are already in Stage One because of the purchase of the property.

We hope to have all the money we borrowed from ourselves repaid by May 31, 1996.

1. Repay land purchase funds. The new property in Joelton was purchased with unrestricted funds, made possible from estate gifts and an expired annuity. The college borrowed these funds in-house and must repay them. (Note: Last year almost 20 times more estate gift funds were received than in a typical year.)

We have launched the Claim The Land Campaign to recoup the money we have spent on the land. We are asking churches and individuals to purchase one or more acres at \$3,400 per acre. We are placing most of the funds into an endowment. We are using some of the money to help us take necessary steps to prepare the property for development.

2. Adopt a long-range plan for a phased relocation. Determine the number, nature and time frame for the stages involved. (Note: We have already done this and you have our long-range plan in your hands.)

3. Develop a master plan. In cooperation with our architect, a master plan will be designed, including such elements as building locations on the Joelton site, building sizes with basic floor plans, including square footage and artist renderings of the exteriors of all buildings. (Note: Such a master plan will provide a more firm cost estimate for relocating the campus.)

We should have a major portion of the

master plan, including a site plan showing all buildings and their locations, ready by the July meeting of the National Association of Free Will Baptists. In order to have a firm idea of the approximate cost of a new campus, we must know the number, size, and location of all new buildings.

4. Solicit offers for the present campus. This solicitation will include establishing firm price guidelines for the West End property and initiating the process of marketing and showing the property to prospective buyers.

This should give a good idea of the price we can reasonably expect to receive for our present campus. We have several people, including both individuals and organizations, who have expressed interest in our present campus. The value of this property has been estimated from \$5 million to \$20 million. The Board of Trustees will set a firm price. If we cannot get an offer close to the price, we will not sell. We will wait until we are able to make up most of the difference through a capital campaign before we sell. *We are not going to leave ourselves without a campus or with a large debt.*

5. Request the blessing of the National Association of Free Will Baptists. For (a) the en-

tire project of campus relocation and (b) the immediate sale of the West End property, contingent upon receiving an offer that would make development of a campus on the Joelton property feasible. This would include the understanding that the college could launch a capital campaign to raise the difference between the purchase price of the West End property and the cost of the Joelton campus development if such an arrangement should materialize.

We are your college. We work for you. As you know, you own Free Will Baptist Bible College. If you don't want to move the campus and if you are not willing to undergird the move financially, it will not be moved.

We must receive an offer close to the cost of a new campus and we must find a buyer who is willing to work with us on a scheduled surrender of our present campus. (We must continue to have school during the relocation process.) We will not accept an offer that will cause the college to accumulate a huge debt or will not allow us enough time to launch a capital campaign to underwrite most of the difference. Then, and only then, would we close the deal and proceed to Stage Two.

6. Proceed to Stage Two.

Stage Two

1. Plan and implement a capital campaign. This would be to secure the funds needed to cover the difference, if any, between the West End property sale and the Joelton development. The campaign strategy would likely include challenging state associations to raise funds and seeking donors of sizable gifts, both with a view toward financing the construction of designated buildings.

This would be done after determining what the present campus is worth and what the new campus will cost. This campaign to raise funds to make up the difference could be done over a period of years. We will not sell our present campus until we have raised enough money to underwrite most of the cost difference.

2. Authorize and secure detailed drawings (blue prints). This would include interior and exterior specifications for all new buildings.

This would be paid for with funds received through the capital campaign.

3. Develop a plan detailing continued operation of the college. The college would continue to operate during construction. A plan will be developed based on the chronology of the buildings being constructed and the need to surrender buildings on our present campus to their new owner(s).

4. Finalize details for disposing of the West End property. When this point is reached, college officials should have enough information to determine the best course of action.

The Board should know by this time to whom the college will be sold and how, including whether to sell the campus as a whole or by parts.

5. Proceed to Stage Three.

Stage Three

1. Secure a licensed, insured, bonded contractor. The college will begin receiving bids on the cost of building the new campus.

2. Secure a construction loan.

3. Begin construction. This will be

done in accordance with the master plan design and chronology.

4. Develop plans for furnishing interiors of new buildings.

5. Implement the relocation.

Conclusion

God has been good to Free Will Baptist Bible College. He has provided all her needs for almost 53 years. We do not want to move our college just to be moving. We feel that we *must* move if we are to continue to meet the needs of our Free Will Baptist young people. With the growing enrollment, the age of buildings, the need for making major repairs to our campus, the lack of adequate dormitory, office, library, athletic and education space, the growing security problems, the lack of parking, pressure from the West End Neighborhood Association, and the impossibility of future development at our present location, we need to move.

God has given an ideal location for a new campus. We have 123 acres of beautiful, rolling Tennessee countryside. He also provided the money to pay cash for it at exactly the time we needed it—and He did it in a miraculous way. There is no question that He was the one who sent it.

We are not going to plunge the college and the denomination head over heels in debt. *We will not relocate until we (1) determine the cost of a new campus, (2) have a buyer for our present campus, and (3) raise enough money to make up most of the difference, if any, between the two.*

We are hoping that you will tell us (1) that you believe the college needs to relocate, (2) that you think the plan for relocating is a sound one and, (3) that you will support the college with your prayers and finances during the entire relocation process.



FREE WILL BAPTIST BIBLE COLLEGE

3606 West End Avenue
Nashville, Tennessee 37205
615/383-1340

Foreign Missions Report

Paul saw an open door for effective missionary work in Ephesus (1 Corinthians 16:8-9). But he faced fierce opposition to the gospel.

We rejoice in more opportunities to preach the gospel now than ever, but like the Apostle we encounter numerous obstacles and much opposition.

From the 10 countries overseas

where Free Will Baptists have a special interest we have received reports that 1,231 were converted in 1994. See *Figure #1*.

Status of Free Will Baptist Overseas Ministries
As of January 1, 1995

Field	Missionaries Assigned to Each Field	Ordained Pastors	Licensed and Lay Preachers	Bible Institutes	Students	Organized Churches	Mission Works	1994 Converts	1994 Baptisms	Average Sunday Attendance
Brazil	22	7	5	1	14	9	6	98	50	781
Cuba	0	9	61	1	13	15	31	431	210	1,220
France	13	0	1	1	20	0	3	7	12	147
India	2	7	39			24	39	419	369	2,608
Cote d'Ivoire	36	0	59	2	45	11	45	95	128	2,079
Japan	12	3	5	0	1	7*	1	12	6	135
Panama	4	5	10	1	5	5	7	125	7	483
Spain	9	0	2	1	4	2	0	4	7	55
Uruguay	7	3	6	1	15	6	1	40	17	175
Totals	105	34	188	8	117	79	133	1,231	806	7,683

* The Adachi church has withdrawn from the FWB Association.

Figure 1

Pastors, evangelists and Christian workers are being trained in our eight Bible institutes. Our medical team at Doropo, Côte d'Ivoire, treated 14,006 patients, administered 3,735 vaccinations and delivered 238 babies.

These victories were gained over powerful opposition, especially in some countries. Our missionaries confront false religions, idolatry, tradition, demon possession and numerous cults. The new converts face rejection by family and friends, discrimination, and in some cases, persecution. So, the 1,231 new converts listed above are proving the genuineness of their devotion almost every day.

Financially speaking

1994 was a good year. The Lord abundantly provided \$4,474,083 for His ministry which is being accomplished through Free Will Baptist foreign missionaries. We praise the Lord and we thank you.

Last year, 1,707 churches sent offerings and 2,578 individuals sent their gifts directly to the office. While we appreciate every church which supports world outreach, some churches have been very generous. The following churches gave more than \$10,000 during 1994:

Central	Royal Oak, MI	\$73,914.47	Bethlehem	Ashland City, TN	\$14,913.73
Donelson	Nashville, TN	\$49,690.23	First	Darlington, SC	\$14,226.11
First	Russellville, AR	\$35,480.28	First	Newport News, VA	\$13,947.50
Coker's Chapel	Nashville, TN	\$32,012.40	Tippett's Chapel	Clayton, NC	\$13,778.42
First/Berkeley	Florissant, MO	\$29,186.01	Trinity	Bridgeton, MO	\$13,599.65
Norman First	Norman, OK	\$29,173.00	First	Florence, AL	\$13,253.33
Fellowship	Kingsport, TN	\$28,926.57	Statesboro	Statesboro, GA	\$13,056.90
Southern Oaks	Oklahoma City, OK	\$27,793.89	First	Monett, MO	\$12,837.74
Ina	Ina, IL	\$26,615.00	Sherwood Forest	El Sobrante, CA	\$12,799.36
Horse Branch	Turbeville, SC	\$26,273.59	Fulton	Fulton, MS	\$12,480.93
Trinity	Greenville, NC	\$24,491.98	First	Albany, GA	\$12,181.28
Bethel	Kinston, NC	\$22,878.24	Bethany	Broken Arrow, OK	\$12,111.66
Limestone	Limestone, TN	\$21,868.55	First	Moore, OK	\$11,329.32
Cross Timbers	Nashville, TN	\$21,294.73	Sherwood Forest	New Bern, NC	\$11,248.69
First	Duncanville, TX	\$19,586.27	Forest Grove	Knoxville, TN	\$11,167.04
Immanuel	Durham, NC	\$19,441.85	Calvary	Norman, OK	\$11,095.87
Macedonia	Purdy, MO	\$18,957.00	Horton Heights	Nashville, TN	\$11,071.60
New Hope	Joelton, TN	\$18,787.96	Oak Park	Pine Bluff, AR	\$10,835.92
First	Locust Grove, OK	\$18,754.00	West Side	Johnsonville, SC	\$10,688.33
Unity	Greenville, NC	\$18,430.06	Calvary Fellowship	Fenton, MO	\$10,618.52
First	Raleigh, NC	\$17,850.01	Bethany	Norfolk, VA	\$10,140.35
Bethview	Colquitt, GA	\$15,411.41	First	Newport, TN	\$10,132.30
Gomer	Gomer, NC	\$15,000.90			

At our booth you'll find a display listing the 146 churches which gave more than \$5,000 in 1994.

The top 10 states in supporting foreign missions during 1994 were:

Tennessee	\$782,281.13	Arkansas	\$258,637.18
North Carolina	\$541,460.72	Alabama	\$182,534.66
Oklahoma	\$437,155.71	Michigan	\$178,265.40
Missouri	\$381,512.97	Georgia	\$155,710.17
South Carolina	\$263,509.93	Ohio	\$133,285.36

For a complete listing of support given by states see page 81. Women Nationally Active for Christ continue to strongly support and encourage our missionaries. Under the capable leadership of Dr. Mary Wisehart, they provided \$207,953.09 in support during 1994. They also provide for many missionary needs through the "Provision Closet." Last year, Free Will Baptist women gave \$31,714 worth of goods and equipment. It is Christmas any day of the year when a missionary visits the "Provision Closet."

The Laura Belle Barnard World Missions Offering is meeting critical needs. In 1994, you gave \$77,236. Although we do not have a complete report of participation in the 1995 offering, we hope to reach our goal of \$100,000. Please support the **Laura Belle Barnard World Missions Offering** in 1996 as well as all the other **Together Way** special offerings.

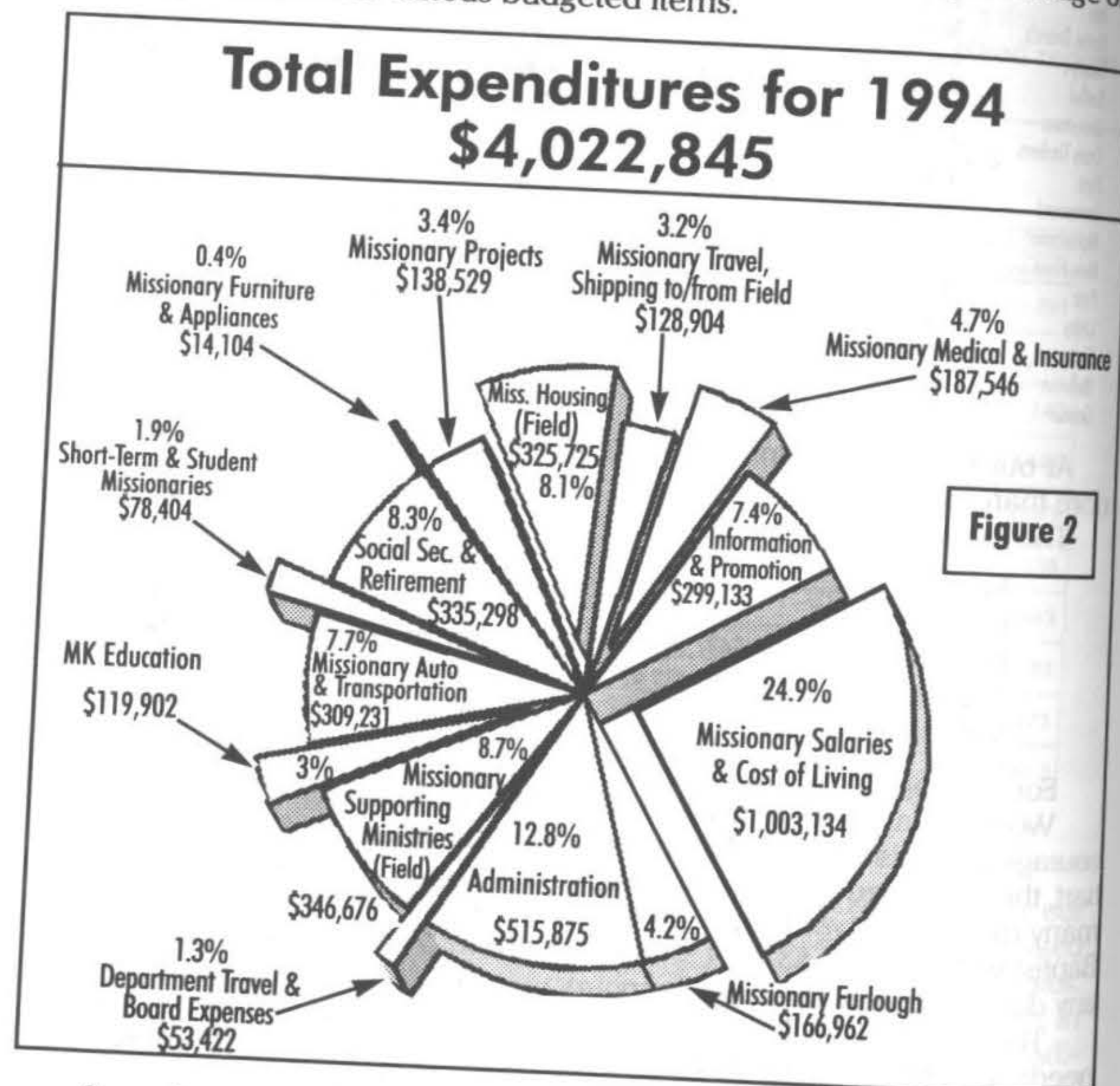
We appreciate Brother Jim Vallance and our Master's Men as they continue to encourage and serve our missionaries. Last year a group helped on one church building overseas.

Our Sunday school department, through the generous leadership of Dr. Alton Loveless, has provided a quantity of out-of-date visual aids to be shipped to Russia and Ukraine. These materials will meet a need which church leaders there presented to our board.

Truly one of the highlights of 1994 was the presentation of \$80,407.39 to foreign missions from the Arkansas youth. The "Norman Invasion" funds

were raised to assist in constructing church buildings in Agnibilekrou, Côte d'Ivoire, where Norman and Bessie Richards worked, and Belo Horizonte, Brazil, where Norman and Laura McFall worked. This pacesetter effort has shown us the power of unified, dedicated youth. The Arkansas example is challenging the youth in other states.

Even though we missed our gift budget by \$63,948 last year, we kept our expenditures down to \$4,022,845. Figure # 2 shows the percentage of our expenditures for various budgeted items.



Sometimes people wonder why it takes so much money to support a missionary. The daily financial news gives one of the big reasons—the dollar keeps losing value in the arena of world currencies. Figure #3 shows how the average missionary dollar was spent.

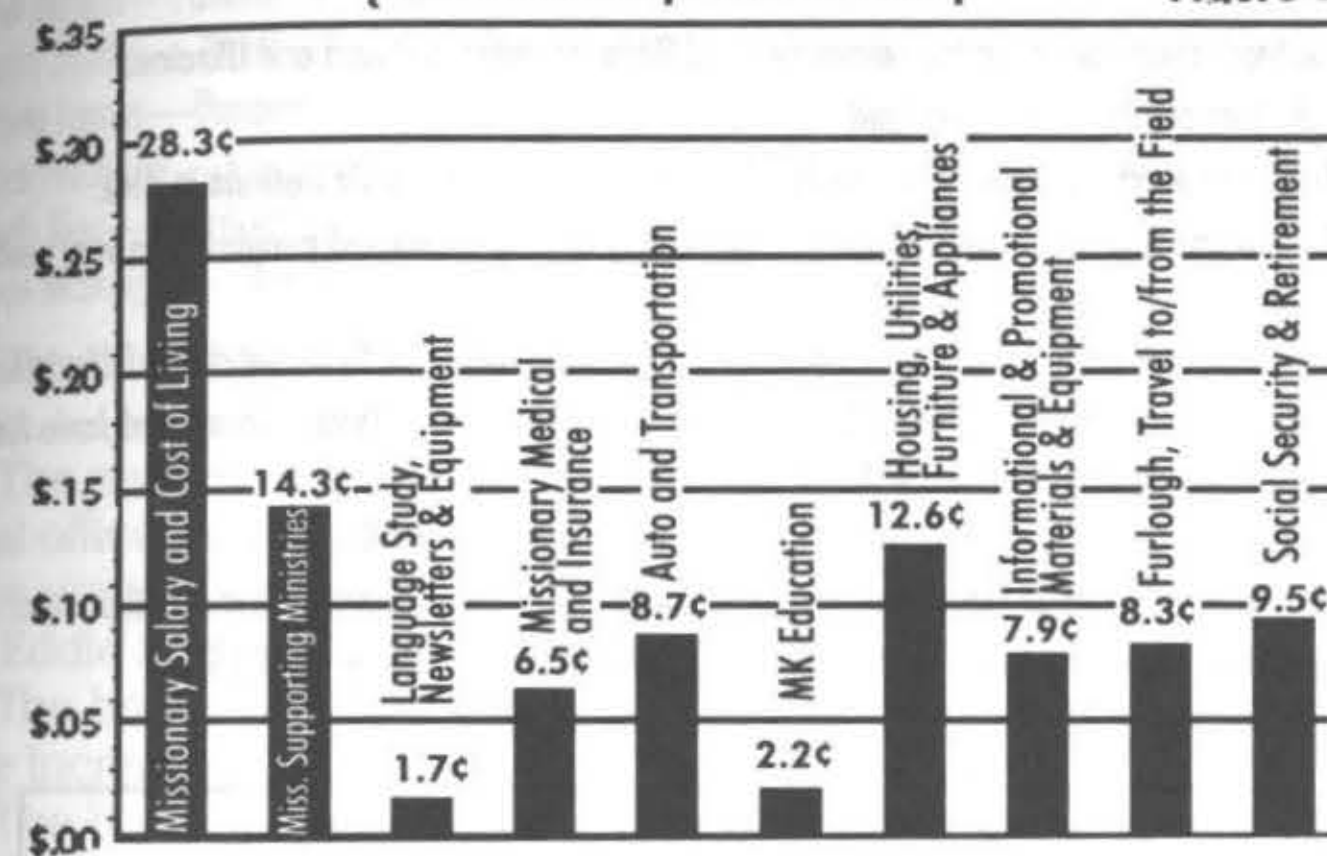
Because we have to emphasize missionary account deficits and are battered by the winds of change in world economics, some wonder how financially sound the foreign missions department is. As the audit shows, our department is financially solid. Figure #4 shows the budgets, income and expenditures over the past 13 years. The graph reflects the fact that in spite of some lean years we have gained \$627,137 in reserves.

We are proposing a regular operating budget for 1996 of \$4,509,132. In

The Missionary Dollar

(How it was spent in 1994)

Figure 3



addition, we need \$667,850 for VISION projects (mostly buildings). The overall total of our projected need for 1996 is \$5,176,982.

Last year

we lost some dedicated missionaries. Glennda Leatherbury died of a heart attack in Côte d'Ivoire. Several missionaries retired because of health problems: the Richards, the Fergusons and the Reeves. We salute these faithful workers.

The Crowsons were not reappointed to France because they did not express adequate agreement with the position of the National Association in the matter of total abstinence.

The McFalls decided the Lord was leading them to a stateside ministry so they resigned from service in Brazil.

During our recent board meeting, Tom and Patty McCullough resigned from service in France. Patty's health makes it necessary for this fine couple to stay in the United States.

While we regret the loss of missionaries, we are encouraged that in our Free Will Baptist colleges 86 students are either majoring or minoring in missions. Hopefully, they can help meet the need for 100 new missionaries.

Last January, June Wilkinson, former missionary to Brazil, married Fred Hersey and was reinstated as a missionary to Japan.

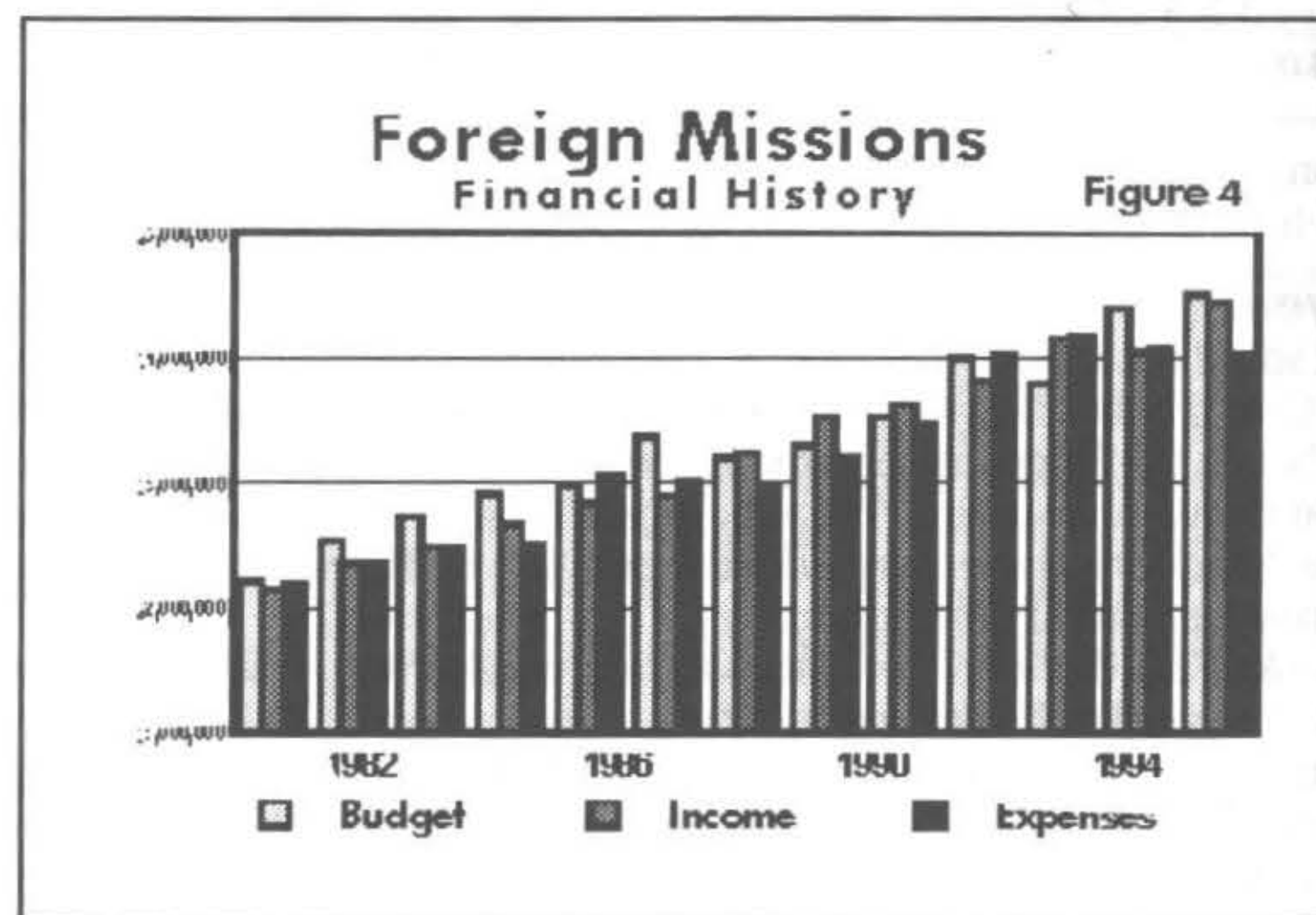
The Clint Morgans were granted a 10-month leave of absence beginning in August. Clint will be teaching at Free Will Baptist Bible College.

The Foreign Missions Board declared Russia and the Commonwealth of Independent States

as open mission fields for Free Will Baptists. In so doing, our board approved the following actions:

- * Send copies of our Treatise to the leaders in Russia and Ukraine.
- * Send Free Will Baptist commentaries and theological books to the four seminaries of the Baptist Union and one set of the same to the Autonomous Baptist Bible Institute in Kiev.
- * Send needed medicines to the Christian doctor in Kiev.

- * Seek good used visual aids for use in Sunday school and child evangelism.
- * Permit Sean Warren and Eddie Hobbs (student missionaries in 1994) to raise funds for the roof of the Selso church building.
- * Send professors to teach short courses in the seminaries and Bible institutes in Russia and Ukraine.
- * Send \$5,000 for the Kiev seminary building fund.
- * Try to raise funds to help purchase a copy machine for the Autonomous Baptist Bible Institute in Kiev.
- * Support some Russian and Ukrainian church planters, preferably among unreached peoples or in very needy under-evangelized places.
- * Explore the possibility of translating and printing Brother Leroy Forlines' books on Systematics and Ethics in Russian.
- * Send witnessing and follow-up teams to Novosibirsk, Russia, in the summer of 1996. (Jimmy and Janie Aldridge have volunteered to lead this effort to plant a church there.)
- * Co-sponsor a pastor's and worker's conference in Russia during the spring of 1996.
- * Explore the needs and possibilities of sending a team of missionaries to Yekaterinburg, or some other needy city.
- * Investigate the feasibility of ministering to one of the unreached ethnic minorities in the C.I.S.



A Review of the Minutes

of our board meetings since the last convention shows these additional actions:

The board met in conjunction with the annual missions retreat, August 2-4. The following board members were present: Joe Grizzle, chairman, Galen Dunbar, secretary, David Shores, William Reagan, Bill Jones, Archie Mayhew and James Forlines, new board member. The following missionary affiliates were appointed to serve with English Language Institute/China: Kevin Stacy, Monica White, Charity Van Winkle, Bryan Pate and Mark King.

The semi-annual board meeting was held in conjunction with the Leadership Conference in Nashville, December 5-8. The following members were present: Joe Grizzle, chairman, Dean Dobbs, vice-chairman, Galen Dunbar, secretary, Bill Jones, Archie Mayhew, William Reagan, David Shores, James Forlines and Milton Worthington, new board member. The following were approved as student missionaries:

James Beck—France with the Dennis Teagues
 Stephen Beck—Russia
 Joel Borden—Panama with the Stan Bunches
 Kathy Durden—Brazil with the Jim Combs
 Edwin Franks—Panama with the Stan Bunches
 Sara Hutchison—Japan with Debbie Griffin
 Linda King—Brazil with the Jim Sturgills
 Ryan McDougald—Russia

Bethany Osborne—Japan with Debbie Griffin
 Craig Portell—Russia
 Rose Reed—Brazil with the Jim Combs
 Melissa Stewart—Japan with Debbie Griffin
 Stephanie Utley—Côte d'Ivoire with the Robert Bryans
 Rachel Vandivort—Brazil with the Dave Franks, Sr.
 Nathan Weidner—France with the Dennis Teagues

The board appointed Jon and Cindy McNay as missionary affiliates in Japan.

The annual meeting of the Foreign Missions Board was held at the National offices, April 24-26. All members were present. The following candidates were appointed as missionaries: Nathan and Linda Snow, Japan; and Eddie and LaRhonda Bowerman, Panama.

The board directed the amount of life insurance on each missionary to be increased to \$25,000.

The board adopted a new program for helping secure and keep support for missionaries. It is being developed and will be announced publicly at the appropriate time.

The amount of tuition for missionary children attending a Free Will Baptist college has been increased to \$1,000 each semester. Students attending other institutions will continue to receive \$1,125 per year.

The board outlined steps for giving associate missionaries voting rights. The Ron Callaways' request for reassignment to Panama with permission to make periodic visits to Cuba to teach in the seminary was granted. Ron will also assist in the training program in Panama.

Dr. Ronald Winkle resigned as our medical consultant. The board expressed appreciation for the excellent service he has rendered as a gift to the mission for several years. Dr. LaVerne Miley has volunteered to fill the position.

A meeting of all field chairmen has been called by the board in conjunction with the annual meeting in April 1996.

The charter for the Board of Foreign Missions as restated was signed by all the members. The board recommends that the Charter and By-laws be approved by this convention.

Sometimes we feel like we are losing the battle for world evangelization. However, I heard some statistics lately which encourage me. Every day in China, 28,000 new Christians enter the Kingdom, 20,000 new believers every day in Africa, and 10,000 more every day in South America. Each year, 50,000 new churches are established in South America. It is a joy for me personally to serve on the team with our missionaries, our home staff and our board. We are honored to serve you. If we can be of service to your church in challenging you to a greater vision for missions, call us. Please pray for us.

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, 1994

Thoni, Hinton & Warren

CERTIFIED PUBLIC ACCOUNTANTS
NASHVILLE, TENNESSEE

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

December 31, 1994

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Board of Foreign Missions of the
National Association of Free Will Baptists
Antioch, Tennessee

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, 1994, 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. Information for the year ended December 31, 1993 is presented for comparative purposes only and was extracted from the financial statements presented by the Organization for that year, on which an unqualified opinion, dated April 12, 1994, was expressed.

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, 1994 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

March 31, 1995

**BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS**
Balance Sheet
December 31, 1994
(With Comparative Totals for 1993)

	<u>ASSETS</u>		<u>Total All Funds</u>	
	<u>Operating Unrestricted and Restricted Funds</u>	<u>Plant Fund</u>	<u>1994</u>	<u>1993</u>
Cash and cash equivalents - Notes 1 & 2	\$ 902,033	\$	\$ 902,033	\$ 619,291
Investments - Notes 1 & 2	534,498		534,498	402,278
Accounts receivable from employees and missionaries - Note 2	44,760		44,760	44,073
Capitalized lease costs - Note 4	13,169		13,169	26,338
Equipment, at cost, net of accumulated depreciation - Notes 1 & 5		136,363	136,363	145,117
Due from plant fund - Note 3	-0-		-0-	17,116
Total assets	\$1,494,460	\$136,363	\$1,630,823	\$1,254,211

	<u>LIABILITIES AND FUND BALANCES</u>		<u>Total All Funds</u>	
			<u>1994</u>	<u>1993</u>
Accounts payable and accrued expenses	\$ 375,941	\$	\$ 375,941	\$ 307,461
Due to operating fund - Note 3		-0-	-0-	17,116
Restricted deferred revenue - Note 6	1,290,617		1,290,617	928,664
Total liabilities	1,666,558	-0-	1,666,558	1,253,241
Fund balances (deficit):				
Unrestricted	(172,098)		(172,098)	(127,029)
Net invested in plant		136,363	136,363	128,001
Total fund balances	(172,098)	136,363	(35,735)	972
Total liabilities and fund balances	\$1,494,460	\$136,363	\$1,630,823	\$1,254,211

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, 1994
(With Comparative Totals for 1993)

	<u>Operating</u>		<u>Plant Fund</u>	<u>Total All Funds</u>	
	<u>Unrestricted</u>	<u>Restricted Missionary Accounts</u>	<u>VISION Campaign</u>	<u>1994</u>	<u>1993</u>
Support and revenue					
Contributions -					
Notes 1 & 6	\$432,698	\$3,860,302	\$ 67,052	\$4,360,052	\$4,430,507
Investment income	19,261			19,261	28,423
Gain on disposal of plant assets	9,868			9,868	7,017
Other	3,664			3,664	1,902
Total support and revenue	465,491	3,860,302	67,052	4,392,845	4,467,849
Expenses					
Informational and promotional	162,267			162,267	152,584
Travel and board	43,158			43,158	44,336
Administrative	518,244			518,244	472,674
Missionaries		3,582,903	67,052	3,649,955	3,805,436
Depreciation			30,824	30,824	35,268
Total expenses	723,669	3,582,903	67,052	4,404,448	4,510,298
Excess (deficiency) of support and revenue over expenses	(258,178)	277,399	-0-	(30,824)	(11,603)
Fund balances (deficit), beginning of year	(127,029)		128,001	972	42,853
Transfers among funds and other changes:					
Gain (loss) on market value of common stock investments	(25,104)			(25,104)	568
To plant for asset acquisitions, net of dispositions	(22,070)		22,070	-0-	-0-
Repayment for inter-fund borrowing	(17,116)		17,116	-0-	-0-
Informational and promotional material and equipment transfers - Note 7	277,399	(277,399)		-0-	
Fund balances (deficit), end of year	(\$172,098)	\$ -0-	\$ -0-	\$136,363 (\$ 35,735)	\$ 972

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, 1994
(With Comparative Totals for 1993)

	Operating	Restricted	Plant	Total All Funds
	Unrestricted	Missionary Accounts	VISION Campaign Fund	1994 1993
<u>Operating activities</u>				
Excess (deficiency) of support and revenue over expenses	(\$258,178)	\$277,399	\$ -0-	(\$ 30,824) (\$ 11,603) (\$ 42,444)
Adjustment to reconcile net income to net cash provided by operating activities:				
(Increase) decrease in value of investments	25,104			25,104 (564)
Depreciation			30,824	30,824 35,268
Amortization	13,169			13,169 13,169
Gain on disposal of property	9,868			(9,868) (7,017)
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(687)			(687) (10,034)
(Increase) decrease in investments	(182,428)			(182,428) 43,050
(Increase) decrease in prepaid expenses				1,884
Increase (decrease) in accounts payable	68,480			68,480 (2,615)
Increase (decrease) in deferred revenue	361,953			361,953 (97,700)
Net cash provided (used) by operating activities	17,545	277,399	-0-	294,944 (67,014)
<u>Investing activities</u>				
Proceeds on sale of equipment	58,215			58,215 27,000
Purchase of equipment	(70,417)			(70,417) (90,865)
Net cash used in investing activities	(12,202)	-0-	-0-	(12,202) (63,865)
<u>Financing activities</u>				
Net cash provided by financing activities	-0-	-0-	-0-	-0- -0-
Increase (decrease) in cash and cash equivalents	5,343	277,399	-0-	282,742 (130,879)
<u>Transfers</u>				
Transfer of informational and promotional material	277,399	(277,399)		-0- -0-
Cash and cash equivalents at beginning of year	619,291	-0-	-0-	619,291 750,170
Cash and cash equivalents at end of year	\$902,033	\$ -0-	\$ -0-	\$902,033 \$619,291

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

BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Notes to the Financial Statements
December 31, 1994

Note 1 - Organization and summary of significant accounting policies

The Board of Foreign 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 market value. Market value approximates cost at December 31, 1994.

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.

BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Notes to the Financial Statements
December 31, 1994

Note 2 - Summary of significant concentrations of financial instruments

As of December 31, 1994, 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 Accounting Risk of Loss
Demand deposit accounts with financial institutions	\$ 82,001	\$ 82,001	\$ -0-
Interest bearing deposit accounts with financial institutions	<u>820,032</u>	<u>151,468</u>	<u>668,564</u>
Total cash and cash equivalents	<u>902,033</u>	<u>233,469</u>	<u>668,564</u>
Interest bearing deposits on account with the Board of Retirement and Insurance of the National Assoc. of Free Will Baptists	14,042		14,042
Accounts held by investment bankers	519,806	129,661	390,145
Common stock	<u>650</u>		<u>650</u>
Total investments	<u>534,498</u>	<u>129,661</u>	<u>404,837</u>
Accounts receivable from employees and missionaries	<u>44,760</u>		<u>44,760</u>
Total	<u>\$1,481,291</u>	<u>\$363,130</u>	<u>\$1,118,161</u>

Note 3 - Inter-fund borrowing

As of December 31, 1994, the plant fund had an outstanding debt to the operating fund of \$-0-.

BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Notes to the Financial Statements
December 31, 1994

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 1994, \$13,169 was charged against operations leaving a resultant balance of \$13,169.

Note 5 - Plant fund

A summary of plant fund assets is as follows:

Office furniture and equipment	\$ 31,854
Cameras and projectors	78,377
Automobiles	39,300
Computer equipment	<u>113,706</u>
	263,237
Less: accumulated depreciation	<u>(126,874)</u>
	<u>\$136,363</u>

Depreciation expense, computed utilizing the straight line method amounted to \$30,824.

Note 6 - Restricted deferred revenue

Changes in restricted deferred revenue is as follows:

	Missionary Accounts	VISION Campaign	Total
Balance, December 31, 1993	\$ 844,065	\$ 84,599	\$ 928,664
Contributions	<u>3,932,748</u>	<u>79,160</u>	<u>4,011,908</u>
Funds available	4,776,813	163,759	4,940,572
Expenses and campaign expenditures	<u>(3,582,903)</u>	<u>(67,052)</u>	<u>(3,649,955)</u>
Balance, December 31, 1994	<u>\$1,193,910</u>	<u>\$ 96,707</u>	<u>\$1,290,617</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, 1994

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 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 \$82,261. 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 14 years. The rent expense for the year was \$97,303.

The future minimum lease payments are as follows:

1995	\$ 97,478
1996	97,478
1997	97,478
1998	97,478
1999	97,478
Thereafter (estimated)	877,302

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.

The Board provides health insurance for its 102 employees on a self-insured basis. The Board has a stop loss policy with Lloyds of London for individual claims in excess of \$20,000. During the year the Board paid \$84,749 in benefit payments and \$267,439 in stop loss premiums.

SUPPLEMENTARY INFORMATION

THONI, HINTON & WARREN

CERTIFIED PUBLIC ACCOUNTANTS
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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
Antioch, Tennessee

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 1994 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. Information from the year 1993 is presented for comparative purposes only.

Thoni, Hinton & Warren

March 31, 1995

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, 1994
(With Comparative Totals for 1993)

	Unrestricted	Restricted		Total All Funds	
		Missionary Accounts	VISION Campaign	1994	1993
Support and revenue:					
Contributions	\$ 432,698	\$3,932,748	\$ 79,160	\$4,444,606	\$3,985,946
Investment income	19,261			19,261	28,423
Gain on disposal of plant assets	9,868			9,868	7,017
Other	3,664			3,664	1,902
Total support and revenue	\$ 465,491	\$3,932,748	\$ 79,160	\$4,477,399	\$4,023,288

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, 1994
(With Comparative Totals for 1993)

Unrestricted fund expenses	1994	1993
Informational and promotional:	\$ 1,103	\$ 2,130
Video and audio visual	43,128	42,713
Heartbeat	44,613	50,648
Postage	8,134	8,251
Data processing	44,060	34,260
Publicity	8,632	10,490
Telephone	194	
Surveys	735	380
Dues	2,262	2,341
Paper and supplies	5,354	149
Retreat	1,903	
Togather Way program	2,149	1,222
Tracts and books	162,267	152,584
Travel and board:	7,090	4,535
Department auto	17,192	13,827
Board members		17
Administrative - overseas travel	(1,043)	1,085
Honorariums	19,339	24,432
Department travel	580	440
Traveler's insurance	43,158	44,336
Administrative:	220,732	212,119
Salaries	51,800	47,985
Housing	23,424	21,128
Social security	11,471	5,963
Employer payroll taxes	12,505	6,790
Retirement	51,036	46,129
Hospitalization	4,667	4,232
Legal and professional	97,303	95,378
Office rent	13,169	13,169
Amortization of capital lease payments	637	
Office equipment	207	
Maintenance of office equipment	4,114	2,674
Office supplies		695
Estate expenses	10,160	
Bad debts	17,019	16,412
Miscellaneous	518,244	472,674
Total unrestricted fund expense	\$723,669	\$669,594

See accountants' report on supplementary information.

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BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Schedule of Restricted Fund Expenses
For the Year Ended December 31, 1994
(With Comparative Totals for 1993)

<u>Restricted fund expenses</u>		
	<u>1994</u>	<u>1993</u>
Missionaries - Foreign Fields:		
Ivory Coast		
France	\$1,129,214	\$1,196,392
India	460,391	509,377
Brazil	116,842	126,429
Japan	604,946	637,118
Panama	360,764	424,404
Spain	146,610	121,528
Uruguay	353,485	350,572
Summer missionaries	262,651	261,826
Other projects	78,404	52,737
Special investigative committee	69,525	87,844
	<u>71</u>	<u>17,209</u>
	3,582,903	3,785,436
Maintenance fees transferred to unrestricted funds for information and promotional materials	(277,399)	(247,366)
	<u>3,305,504</u>	<u>3,538,070</u>
VISION campaign expenditures:		
General expenses	52	
Project expenses	<u>67,000</u>	<u>20,000</u>
	67,052	20,000
Restricted fund expenses - net of maintenance fees	<u>\$3,372,556</u>	<u>\$3,558,070</u>

See accountants' report on supplementary information.

1996 Foreign Missions Budget

Foreign Fields *

Ivory Coast	\$1,089,947
Brazil	679,948
France	384,071
India	155,989
Japan	610,982
Panama	278,010
Spain	243,958
Uruguay	291,324
C.I.S.	75,000
Other Fields	145,100
	<u>\$3,954,329</u>

Information and Promotion

Audio visuals, films & filmstrips	\$ 5,450
Art Supplies	5,350
Video	10,200
Equipment	20,000
Heartbeat	29,150
Postage	23,000
Data Processing	20,000
Publicity Materials	20,200
Telephone	8,800
Informational Services	38,200
Paper supplies	4,000
Books & Subscriptions	2,000
Retreat & debriefing sessions	6,000
Misc. projects (Together Way Funding)	14,800
Personnel	128,401
Less: Transfer of 7%	\$ 335,551
info/promo charges from Miss. Budgets	(245,741)
	<u>\$ 89,810</u>

Travel & Board Expenses

Department auto expenses	\$ 18,000
Board members' expenses	17,000
Board members' overseas travel	1,000
Honorariums	1,000
Department travel expenses	25,000
Travelers' insurance	800
	<u>\$ 62,800</u>

Administrative

Salaries	\$ 161,379
Administrative Housing	42,000
Administrative Social Security	22,736
Hospitalization insurance	37,023
Retirement	10,305
Medicare supplement insurance	1,800
Audit	8,000
Office rent	74,000
Office equipment	1,000
Maintenance of office equipment	2,000
Office supplies	4,500
Miscellaneous expenses	20,000
Payroll taxes	9,450
	<u>\$ 394,193</u>

Other

Retired missionaries	\$ 8,000
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Total Regular Budget \$4,509,132

Additional Approved Vision Projects

France (church building at Nantes)	\$ 93,000
India church buildings	90,000
Panama (down payment on house)	7,500
Uruguay (new church property)	150,000
France—St. Sebastian	150,000
Brazil—Ribeirao Preto 2nd Church	50,000
Brazil—Ribeirao Preto 1st Church	20,000
Brazil—Barbacena	20,000
Campinas apartment	37,350
Other	50,000
	<u>\$ 667,850</u>

Total Budget \$5,176,982

*Note: Budgets for foreign expenditures are subject to change where extreme fluctuations in the value of the dollar occur.

Salary Breakdown

	1993	1994	1995	1996
General Director				
Salary	\$19,246	\$17,202	\$19,218	\$21,487
Housing & Utilities	14,400	16,800	16,800	16,800
Social Security	4,878	5,595	6,078	6,174
Retirement	870	1,220	1,340	1,914
Insurance	7,674	7,415	8,527	6,222
Total Dept. Expense to Employ	\$47,068	\$48,232	\$51,963	\$52,597
Director of Communications				
Salary	\$22,010	\$21,738	\$23,390	\$24,326
Housing & Utilities	9,000	9,600	9,600	9,600
Social Security	4,496	5,156	5,478	5,471
Retirement	870	1,447	1,541	1,696
Insurance	7,438	7,415	8,527	8,460
Total Dept. Expense to Employ	\$43,814	\$45,356	\$48,535	\$49,553
Overseas Secretary				
Salary	\$20,210	\$20,538	\$22,154	\$23,040
Housing & Utilities	10,800	10,800	12,000	12,000
Social Security	4,496	5,156	5,478	5,651
Retirement	870	1,387	1,479	1,752
Insurance	4,341	5,372	6,178	6,222
Total Dept. Expense to Employ	\$40,717	\$43,253	\$47,289	\$48,665
Director of Missionary-Church Relations				
Salary	\$17,810	\$18,138	\$19,682	\$20,469
Housing & Utilities	13,200	13,200	13,200	13,200
Social Security	4,496	5,156	5,479	5,430
Retirement	690	1,267	1,355	1,683
Insurance	4,167	5,459	6,278	6,222
Total Dept. Expense to Employ	\$40,363	\$43,220	\$45,995	\$47,004
Treasurer				
Salary	\$31,010	\$31,338	\$33,278	\$34,609
Social Security	5,138	5,192	5,511	5,481
Retirement	570	1,927	2,035	1,867
Insurance	7,438	7,415	8,527	8,460
Total Dept. Expense to Employ	\$44,156	\$45,872	\$49,351	\$50,418
Audio/Visual Technician				
Salary	\$16,831	\$17,715	\$20,000	\$20,800
Social Security	1,288	1,355	1,530	1,591
Retirement	300	886	1,000	1,040
Insurance	2,545	2,897	3,332	8,367
Total Dept. Expense to Employ	\$20,964	\$22,853	\$25,862	\$31,798

	1993	1994	1995	1996
Editorial Assistant				
Salary	\$10,151	\$15,184	\$16,389	\$17,045
Social Security	777	1,162	1,254	1,304
Retirement	200	759	819	852
Insurance	2,164	2,511	2,888	3,299
Total Dept. Expense to Employ	\$13,292	\$19,616	\$21,351	\$22,500
Bookkeeper				
Salary	\$18,563	\$19,467	\$20,051	\$20,853
Social Security	1,420	1,489	1,534	1,595
Retirement	300	973	1,003	1,043
Insurance	2,545	2,888	3,321	3,299
Total Dept. Expense to Employ	\$22,828	\$24,817	\$25,908	\$26,790
Accounting Clerk				
Salary	\$15,261	\$16,377	\$15,265	\$15,875
Social Security	1,167	1,253	1,168	1,214
Retirement	600	819	763	794
Insurance	2,538	2,888	3,321	3,299
Total Dept. Expense to Employ	\$19,566	\$21,337	\$20,517	\$21,183
Secretary				
Salary	\$22,437	\$23,381	\$24,083	\$25,046
Social Security	1,716	1,789	1,842	1,916
Retirement	600	1,169	1,204	1,252
Insurance	2,732	2,511	2,888	3,299
Total Dept. Expense to Employ	\$27,485	\$28,850	\$30,017	\$31,513
Secretary				
Salary	\$16,727	\$17,611	\$18,139	\$18,865
Social Security	1,280	1,347	1,388	1,443
Retirement	420	881	907	943
Insurance	2,546	2,897	3,332	3,299
Total Dept. Expense to Employ	\$20,973	\$22,736	\$23,766	\$24,550

1996 State Goals With 1994 Comparisons

State	1994 Goal	1994 Actual	1996 Goal
AL	\$ 192,000.00	\$ 182,534.66	\$ 210,821.57
AZ	9,300.00	27,282.61	7,627.67
AR	255,000.00	258,637.18	363,506.07
CA	95,000.00	73,222.47	96,537.68
CO	7,800.00	5,761.36	10,130.50
FL	73,000.00	63,445.83	94,154.03
GA	160,000.00	155,710.17	183,540.77
HI	2,800.00	750.00	3,217.92
ID	1,000.00	1,288.25	3,575.47
IL	114,000.00	116,747.62	134,588.59
IN	45,000.00	34,602.61	41,713.81
IA	2,500.00	3,071.00	3,813.83
KS	18,000.00	13,019.94	16,685.52
KY	81,000.00	82,479.48	97,729.50
LA	400.00	4,417.93	2,026.10
MD	20,000.00	30,781.12	15,493.70
MI	160,000.00	178,265.40	238,583.20
MS	53,000.00	60,791.18	90,578.56
MO	353,000.00	381,512.97	423,895.64
MT	1,500.00	1,112.50	2,026.10
NE	800.00	812.00	1,191.82
NM	1,000.00	1,740.05	2,502.83
NE Assoc. *	5,500.00	2,663.50	2,979.56
NW Assoc. **	8,500.00	10,849.54	14,345.60
NC	553,000.00	541,460.72	660,925.74
OH	151,000.00	133,285.36	158,512.48
OK	437,000.00	437,155.71	494,388.07
PA	400.00	1,422.15	1,549.37
SC	237,000.00	263,509.93	302,723.09
TN	683,000.00	782,281.13	827,879.99
TX	97,000.00	113,732.39	119,182.32
VA	130,000.00	124,250.23	144,210.61
VI	3,000.00	2,621.01	2,860.38
WV	115,000.00	120,517.87	132,248.66
WNAC	120,000.00	207,953.09	178,773.48
Misc.	299,176.00	54,394.51	92,461.76
Totals	\$4,485,676.00	\$4,474,083.47	\$5,176,982.00

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

** Alaska, Oregon, Washington

Note: 1994 State Goals do not include approved VISION projects.

1994 Actuals do include VISION gifts.

1996 State Goals do include approved VISION projects.

Amended and Restated Charter of the Board of Foreign Missions of the National Association of Free Will Baptists, Inc.

Pursuant to TCA Section 48-60-102, Provisions for Amendments; TCA Section 48-60-106, Provisions for Restatement; and TCA Section 48-67-101 & 102, a Tennessee Nonprofit Corporation; The Board of Foreign Missions of the National Association of Free Will Baptists, Inc., a Tennessee Nonprofit Religious Corporation existing under an original Charter filed with the Secretary of State on October 1, 1945, reference #MA02P0560; with a Restated Charter filed on December 18, 1962, reference #B049P0820; with amendment thereto filed on June 21, 1990, reference #1814-0676 and; all of which are now to be amended and restated by this Amended and Restated Charter:

1. The name of the Corporation is:
The Board of Foreign Missions of the National Association of Free Will Baptists, Inc.
2. The Corporation's principal office is located at:
5233 Mount View Road, Antioch, Davidson County, Tennessee 37013
3. The Corporation's registered agent and address:
R. Eugene Waddell, 5233 Mount View Road, Antioch, Tennessee 37013
4. The duration of this public benefit Corporation is perpetual.
5. The Corporation shall have no members.

Article I

The Corporation is a Nonprofit Religious Corporation as defined by the Tennessee Nonprofit Corporation Act, TCA Section 48-51-101 *et seq.*, and more specifically as a Nonprofit Religious Corporation as set forth in TCA Section 48-67-101 & 102. This Corporation shall have and be entitled to exercise all powers which a Nonprofit Religious Corporation of its nature may have and exercise under the laws of the State of Tennessee, as now in effect or hereafter amended, subject to the limitations contained in the Internal Revenue Code to retain its status as an exempt religious organization.

Article II Corporate Purposes

The purpose for which the Corporation is organized is: **To Magnify Christ Jesus as Our Lord and to Glorify Our Heavenly Father.**

To implement this chief purpose the Corporation shall promote, carry on and maintain Foreign Missionary Work in accordance with the tenets and doctrines of the Free Will Baptists as a Standing Board affiliated with the National Association of Free Will Baptists, Inc., through the support of evangelism and public worship, the building and maintenance of churches, parsonages, schools, hospitals, chapels and such other religious, educational or benevolent institutions as may be necessary and proper to the work of foreign missions. This Corporation is organized exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law) and its regulations (as they now exist or may hereafter be amended).

Article III Management of Corporation

The overall direction of the Corporation shall be vested in a Board of Trustees. The management and operation in accordance with the overall direction of the Corporation, shall be the responsibility of the Corporate officers. The Trustees shall be elected by the National Association of Free Will Baptists, Inc., in accordance with its Constitution and By-Laws.

Article IV Corporation's Powers As Trustee

The Corporation shall receive and administer funds and properties of all kinds for the above purposes, and to that end, the Corporation is authorized to take and to hold by bequest, devise, gift, purchase, loan or lease, either absolutely or in trust, for said purposes or any of them, any property, real, personal, or mixed, without limitation as to amount or value, in accordance with such limitations, as may be imposed by law or by provision of this Amended and Restated Charter: to sell, convey and dispose of any such property or to invest and reinvest the principal thereof, and to deal with and expend such principal or the income therefrom for any of the purposes of the Corporation, either by direct action of the Corporation or by means of trust created by it, without limitation, except such limitation, if any, as may be contained in the instrument under which such funds or property are received; to receive any property, real, personal, or mixed, in trust, under the terms of any deed, will, deed of trust, or other trust instrument consistent with the purposes of the Corporation, in administering the same to carry out the directions and exercise the powers contained in the instrument under which the property is received, including the expenditure of the principal as well as the income for one or more such purposes, if authorized and directed in the instrument under which it is received, to receive, take title to, hold and use the proceeds and income of real estate, personal estate, stocks, bonds, obligations, and other securities of any person or persons, corporation or corporations, domestic or foreign for the purposes of the Corporation. The Corporation is specifically authorized to serve as a Trustee of any and all funds donated to its use upon specified terms and conditions consistent with its nonprofit religious and educational purposes. Furthermore, it may serve as Trustee under specific terms and conditions of any and all funds so long as it is a beneficiary thereunder.

Article V Dissolution

In the event of the dissolution of this Corporation, any assets of the organization then remaining shall be conveyed to the National Association of Free Will Baptists, Inc., which organization is exempt under section 501(c)(3) of the Internal Revenue Code of 1954 as amended or under successor provisions of the Code as may be in effect at the time of dissolution.

Article VI Amendments

This Charter may be amended upon a two-thirds majority vote of the entire Board of Trustees consistent with the declared general programs, objects, Charter, By-Laws and purposes of the National Association of Free Will Baptists, Inc., in the following manner:

- 1) The written amendment shall be submitted at a regular or special meeting of the Board and upon the proposed written amendment being included in the notice for said meeting; and
- 2) Upon its adoption, the same will be included in the Board's Report to the next regular annual session of the National Association for discussion only; and
- 3) Thereafter, the Board will reconsider the Charter amendment in light of the discussion at the annual session of the National Association and the Board must again approve the Charter amendment or an amendment thereof and present the same to the next regular annual session of the National Association for approval; and
- 4) Only upon the approval of said proposed amendment at the next regular annual session of the National Association shall the Charter amendment be finally approved by the Board and filed of record with the Secretary of State.

We, the undersigned, as Trustees constituting the Board of Trustees of The Board of Foreign Missions, do hereby acknowledge that this Amended and Restated Charter was adopted at the recommendation of the General Board by the convention of the National Association of Free Will Baptists, Inc., meeting on the _____ day of _____, 1995, at _____.

By affixing my signature hereto, I, R. Eugene Waddell, certify that I witnessed the signatures of the foregoing members of the Board of Trustees of The Board of Foreign Missions of the National Association of Free Will Baptists, Inc., dated this _____ day of _____, 1995.

R. Eugene Waddell, General Director

Sworn and subscribed to before me on the _____ day of _____, 1995.

Notary

**By-Laws and Rules of Decorum
of
the Board of Foreign Missions of the
National Association of Free Will Baptists, Inc.**

**I
Organization, Objective and Purposes**

1. Organization. The Board of Foreign Missions of the National Association of Free Will Baptists, Inc., (the "Corporation") is a nonprofit Corporation organized under the laws of the State of Tennessee.
2. Office. The Corporation shall maintain its principal office in Antioch, Tennessee or such other place within the State of Tennessee as determined by the Board of Trustees.
3. Objective and purposes. To implement, promote, carry on and maintain Foreign Missionary Work in accordance with the tenets and doctrines of the Free Will Baptists as set forth by the National Association of Free Will Baptists, Inc.

**II
Board of Trustees**

The Board of Trustees shall be considered the same as a Board of Directors.

1. Number, election and authority of Trustees. The Board of Trustees shall be composed of nine members who are elected by the National Association for a term of six years. These terms are to be arranged so that they expire in groups of three biennially. A Trustee shall serve no more than two full consecutive terms. The Trustees shall act in their Trustee capacity only as a Board and individual Trustees have no power to act for the Corporation without prior specific Board authority. The Board shall institute the overall program of the Corporation and the officers shall supervise and administer its operation. The Board shall be responsible for the actions of the Corporation to the National Association of Free Will Baptists, Inc.
2. Qualification of Trustee. Each Trustee shall hold membership in a regular Free Will Baptist Church that belongs to a Free Will Baptist District or State Association, or to a church which is recognized by the National Association as being affiliated.
3. Reports to the National Association. The Board shall prepare an annual budget of its proposed financial expenditures at the beginning of each fiscal year and shall present the same for approval to the National Association along with a properly qualified independent audit with an unqualified opinion on the Corporation's fiscal condition.
4. Vacancies. The Board of Trustees may seek to replace on an *ad interim* basis irregular vacancies that may occur among its members for any reason by requesting the General Board of the National Association of Free Will Baptists, Inc., to fill said vacancies.
5. Removal of Trustees. The National Association at any regular annual session shall have the power and right to declare the Trustee position vacant for any cause deemed valid by said Association and to elect successors to those who may thus be removed from office.
6. Executive Committee. The Board of Trustees is authorized to create an Executive Committee to act with such authority as the Board of Trustees shall grant when the Board of Trustees is not in session. The number, election and

meetings of the Executive Committee is to be determined and changed as the Board of Trustees may from time to time direct. The General Director shall be an *Ex Officio* member of this Executive Committee.

7. Regular and special meetings. The Board of Trustees shall set the time, occasion or place of the annual meetings of the Board of Trustees which thereafter may be held without notice. Special meetings may be held at any time upon the call of the General Director or upon the call of three Trustees. Notice and purpose of such special meetings shall be in writing postmarked at least two weeks before the meeting. Special meetings may be held by telephone, with the vote confirmed in writing within seven days to all who had a right to vote at that meeting.

8. Voting and proxies. Every Trustee entitled to vote at a meeting may do so either in person or by written proxy, which proxy shall be signed, dated and filed with the secretary of the meeting before being voted. Such proxy shall entitle the Trustee thereof to vote at the meeting or at any adjournment of such meeting, but shall not be valid after the final adjournment thereof.

9. Quorum. A Quorum shall consist of at least six duly elected Trustees and a majority vote of the Trustees present shall decide the issues brought before the meeting except as otherwise required by the Charter, By-Laws or the Board of Trustees of this Corporation and/or by the National Association.

10. Compensation and expenses. The Trustees shall receive such compensation for their services and expenses as Trustees and/or as members of any committee appointed by the Board of Trustees as may be prescribed by the vote of the Board of Trustees.

**III
Officers of the Board of Trustees**

Election and Duties

1. Officers. The officers of the Board of Trustees shall be the Chairman of the Board, Vice Chairman, and Secretary.
2. Election and term. Each of the officers shall be elected by the Board of Trustees for one year beginning at the end of the regular annual meeting of the Board and they shall serve until their respective successors are elected.
3. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Trustees except when the Chairman directs or is absent the Vice Chairman shall preside. The Chairman shall perform all the duties and have all the powers commonly incident to this office and shall carry out the directions of the Board of Trustees.
4. Vice Chairman. The Vice Chairman of the Corporation shall perform all the duties and have all the powers commonly incident to this office and shall have other powers and perform other duties as may be assigned by the Chairman and/or the Board of Trustees. The Vice Chairman shall preside at the meetings of the Board of Trustees when the Chairman directs or is absent.
5. Secretary. The Secretary shall perform all the duties and have all the powers commonly incident to this office and shall have other powers and perform other duties as may be assigned by the Board of Trustees. The Secretary shall keep the minutes of all the meetings of the Board of Trustees.

**IV
Corporate Officers**

1. Officers. The officers of the Corporation shall be the General Director, Director of Communications, Director of Missionary/Church Relations, Overseas Secretary, Secretary to the General Director and Treasurer. The officers of the Corporation shall not be members of the Board of Trustees. The Board of Trustees may from time to time elect other officers as it may deem proper. Any two offices, except those of General Director and Secretary, may be filled by the same person.
2. Election and term. Each of the Corporate officers shall be elected by the Board of Trustees and shall serve until their respective successors are chosen subject to the direction of the Board of Trustees.
3. General Director. The General Director shall serve as the President and Chief Executive Officer of the Corporation. As such, the General Director shall perform all the duties usually assigned to the General Director and have all the powers commonly incident to this office. The General Director shall have other powers and perform other duties as may be assigned by the Board of Trustees. The General Director shall be an *Ex Officio* member of the Board of Trustees.
4. Director of Communications. The Director of Communications shall serve as the Public Relations Director, Editor and Supervisor of Publications of written and audio visual materials. The Director of Communications shall perform all duties and have all powers commonly incident to that of a Corporate Vice President and shall perform other duties and have other powers as may be assigned by the General Director.
5. Director of Missionary/Church Relations. The Director of Missionary/Church Relations shall coordinate the Corporation's ministry in churches in the United States of America and supervise the stateside ministry of Missionaries and appointees.

The Director of Missionary/Church Relations shall perform all duties and have all powers commonly incident to that of a Corporate Vice President and shall perform other duties and have other powers as may be assigned by the General Director.

6. Overseas Secretary. The Overseas Secretary shall assist the General Director in matters relating to overseas personnel and ministries. The Overseas Secretary shall perform all duties and have all powers commonly incident to that of a Corporate Vice President and shall perform other duties and have other powers as may be assigned by the General Director.

7. Secretary to the General Director. The Secretary shall have charge of all Corporate books and records except for such financial books and records as are the responsibility of the Treasurer. The Secretary shall perform all the duties and have all the powers commonly incident to this office and shall have other powers and perform other duties as may be assigned by the General Director.

8. Treasurer. The Treasurer shall be the Corporate chief fiscal agent and shall perform all the duties and have all the powers commonly incident to this office and shall have other powers and perform other duties as may be assigned by the General Director. The Treasurer may be required by the Board of Trustees to give bond for the faithful performance of the Treasurer's duties, in the sum and with the sureties as may be required. As the Corporate chief fiscal agent, the Treasurer shall have the care and custody of all funds, securities, valuable papers, and accounts of the Corporation.

9. Removal of Officers. The General Director shall hold office at the pleasure of the Board of Trustees. The other officers of the Corporation shall hold office at the pleasure of the General Director. Any elected or appointed officer may be removed at any time with or without cause upon the affirmative vote of the majority of the Board. Any vacancy occurring in any office shall be filled upon the recommendation of the General Director subject to the ratification of the Board of Trustees.

10. Salaries. The salary of the General Director shall be fixed by the Board of Trustees. The salaries of all other salaried officers of the Corporation shall be fixed upon recommendation of the General Director by the Board of Trustees.

V

Contracts, Loans and Checks

1. Contracts. The Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Trustees. Such authority may be general or confined to specific instances; provided, however, no loans shall be made by the Corporation to its Trustees or officers which are prohibited by TCA Section 48-58-303.

3. Checks and other instruments. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

VI

Limiting and Indemnifying the Liability of Trustees

The Trustees and/or Officers of the Corporation shall be immune from suit arising from the conduct of the affairs of the Corporation. The Trustees and/or Officers shall not be personally liable to the Corporation for monetary damages for breach of a fiduciary duty provided; however, this provision shall not eliminate or limit the liability of a Trustee and/or Officer for any breach of the Trustee's and/or Officer's duty of loyalty or for acts not in good faith or which involve an intentional misconduct or a knowing violation of law or for an unlawful distribution pursuant hereunder TCA Section 48-58-601. Further, the Trustees are indemnified by the Corporation from personal liability to the full extent as allowed by the Tennessee Statute as set forth in TCA Section 48-58-501 *et seq.*

VII

Transactions with Trustees

1. No contract or other transaction between this Corporation and any of its Trustees shall be void or voidable if such contract shall be approved or ratified by an affirmative vote at any meeting of the Board of Trustees by a majority of the Trustees. The subject Trustee shall have no voice or vote concerning the approval or ratification of such action. Further, no Trustee shall be liable to account to the Corporation for any profit realized by the Trustee from or through any such contract or transaction ratified or approved as aforesaid.

2. Notwithstanding anything herein to the contrary, the Corporation shall not lend money to or use its credit to assist its Trustees or officers, whether or not employees.

VIII

Miscellaneous

1. Written consent. Whenever the Trustees of this Corporation are required or permitted to take any action by vote, such action may be taken without a meeting, upon written consent setting forth the action so taken, and signed by all of the Trustees entitled to vote thereon.

2. Contracts and notes. Contracts in the regular order of business shall be executed by the General Director or by a person designated with that authority by the Board of Trustees or its Executive Committee as directed by written resolution.

3. Fiscal year. The fiscal year of the Corporation shall begin on the first day of January of each year and shall end on the last day of December next following.

IX

Amendments

These By-Laws may be amended by a majority vote of the Trustees at any regular annual meeting or at a special meeting called for that purpose which call includes the proposed amendment(s). Such amendment(s) shall become effective upon approval by the National Association of Free Will Baptists, Inc.

Certification

These By-Laws and Rules of Decorum were duly adopted by a majority vote of the Board of Trustees at its duly called meeting on _____ day of _____, 1995, at _____.

Secretary

Sunday School and Church Training Department Report

A number of months have passed since beginning my role here at Randall House on January 3, 1994. I must admit they have been complete and full. The department is staffed with very fine, dedicated, and faithful servants that I know everyone of you would be proud to know as your brother or sister.

Our financial report shows we have continued to reduce our debt and our financial picture looks better. We have purchased a collator, large computer for our Accounts Receivable and Payable Departments, a number of PC computers for our managers, two PC Power Mac's for our Graphic Arts Department, and a two-color perfecter press for our Printing Department. We paid cash for all except the press.

Our CTS material is now printed with full-color covers and some of the age groups completely reformatted. *Depth* has been reformatted and we have mailed a sample to every pastor in the denomination. I believe before we can be called to revival we must instill a devotional time in our lives. This publication will call us to prayer and to His Word. Additional changes are coming this year with a revision in a number of our age groups.

Our proposed budget provides for continued debt reduction on our building, Board of Retirement, and with the purchase of the new press will allow us to bring back in some of the printing we are having to get printed outside. This should pay for the press.

We are a manufacturing plant that calls for skilled people. I am grateful for the dedication and loyalty of our workers. We attempt to maintain high standards of morality and dress codes and all our employees are expected to attend their church. Our times of prayer and managers' meetings on a monthly basis prove to me their interest in our denomination and their relationship with Jesus Christ.

Accept my sincere thanks for using Randall House material. We do not use the International Lesson series text from the National Council of Churches as do some independent publishers. Our only agenda is to publish Free Will Baptist doctrine and the teachings we hold dear and I trust this is the desire of our churches, teachers and pastors.

Your brother and friend,
Alton E. Loveless, General Director

Minutes Summary of the Sunday School & Church Training Board of the National Association of Free Will Baptists

The Sunday School and Church Training Board met three times this past year.

The first meeting took place at the National Association in Little Rock, Arkansas. At that meeting, we welcomed our new members, elected officers and received our committee assignments. We voted to send a letter of appreciation to Jim Lauthern for his 31 years of contribution to

Randall House. We voted to allow a perusal of Sunday School and Church Training Board Minutes at Randall House, excluding Executive Sessions. (No photo-copies may be taken out.)

The second meeting took place in Nashville, Tennessee, after the Leadership Conference in December. We asked for a clarification on our letter to the Executive Committee. We approved a two year cycle for the Nursery Spanish Literature that would complete the program. We voted to allow other organizations to be a part of our press runs, providing that both parties agree on terms. We set up a committee for the purpose of reviewing and comparing the proposed amended Charter and By-Laws. We asked the Executive Committee that any announcements that are made at the National Association, concerning the National Youth Conference, be directed to the NYC Director for investigation and clarification before being publicly announced. We approved the video taping of all 1995 NYC services, and have all board members involved in the attendance of the services. We commended Dean Jones upon receiving a Certified Meeting Planner CMP certificate. We voted to include all official correspondence from, and to the Board be included in the minutes. We commended Dr. Loveless on the improved financial picture. We voted to establish the Board mileage reimbursement be equal to current IRS guidelines.

Our third meeting took place in Nashville, Tennessee, April 24-26. At this meeting, we received the auditor's report, and approved the 1996 budget. We voted to offer the *Randall House Commentary* to all present and future writers at a reduced cost. We approved an updated application for all writers of Randall House material. We instructed our writers to abstain from the use of block quotes in our materials and to give accurate source information when other materials are used. The NYC theme was approved for 1996. The General Director was authorized to prepare a flow chart of the Randall House organization to show the relationship between the Board, Committees, General Director, and Departments. We established a new salary category called "Administration." We authorized the General Director and Business Manager to survey the salary scale for related businesses in the Nashville area, to be presented at the Fall Meeting. We updated the vacation policy for employees. We authorized the purchase of a Omni 2 color press. We approved a new Charter and By Laws that are being submitted to the National Association for consideration. We authorized the General Director to put Randall House's signature on the Church Directories. We instructed our editors to bring our literature in line with the Together Way Program. The General Director was authorized to submit a ministry plan consisting of short and long term goals for this organization.

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

Financial Statements

November 30, 1994 and 1993

(With Independent Auditors' Report Thereon)

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

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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, 1994 and 1993, and the related statements of activity and changes in fund balances and cash flows for the years 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 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, 1994 and 1993, and the results of its activity and changes in fund balances and cash flows for the years then ended, in conformity with generally accepted accounting principles.

Hill, Neal & Allen, P.C.

January 19, 1995

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

Balance Sheets

November 30, 1994 and 1993

<u>Assets</u>	<u>1994</u>	<u>1993</u>
Current assets:		
Cash and interest bearing deposits	\$ 206,714	94,186
Accounts receivable: (notes 3 and 9)		
Trade, net of allowance for doubtful accounts of \$7,000	218,909	231,387
Employees and other	1,560	950
Total receivables	220,469	232,337
Inventory, at lower of cost (first-in, first-out method) or market (note 8)	469,317	469,150
Deferred charges and prepaid expenses	27,385	28,666
Total current assets	923,885	824,339
Property, plant and equipment and capitalized leases, at cost (notes 2 and 3):		
Land	140,341	140,341
Building	654,798	654,798
Printing service equipment	414,585	405,885
Office and administrative equipment	445,539	428,443
Automobiles and trucks	51,698	51,698
Less accumulated depreciation and amortization	1,706,961	1,681,165
Net property, plant and equipment and capitalized leases	1,116,626	1,116,842
Other assets:		
Loan cost, net of amortization of \$505 in 1994, and \$186 in 1993	4,280	4,599
Inventory, at lower of cost (first-in, first-out method) or market (note 8)	384,232	440,722
Total other assets	388,512	445,321
	\$ 1,902,732	1,833,983
<u>Liabilities and Fund Balance</u>		
Current liabilities:		
Notes payable (note 3)	\$ 96,267	69,014
Current installments of long-term debt and capitalized lease obligations (note 3)	32,067	49,532
Accounts payable	109,256	230,547
Accrued expenses	61,343	39,838
Due to affiliated organization (note 7)	-	5,271
Total current liabilities	298,933	394,202
Long-term debt and capitalized lease obligations (note 3)	229,442	256,450
Fund balance	1,374,357	1,183,331
Commitments (notes 4, 5, and 7)	\$ 1,902,732	1,833,983

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 year ended November 30, 1994 and November 30, 1993

	<u>1994</u>	<u>1993</u>
Revenues:		
Net sales:	\$ 1,797,092	1,783,905
Curriculum	80,063	68,454
Randall House books	22,499	19,814
Merchandise	24,416	16,346
Bulletins	10,326	8,469
Vacation Bible School	153,375	136,491
Bookstore	56,083	57,292
Printing	63,990	68,344
Other sales	2,207,844	2,159,115
Net sales	88,507	84,533
Freight and handling	7,949	8,522
Other income	28,686	4,978
Commission income on hymnal sales (note 7)	2,332,986	2,257,148
Expenses:		
Cost of sales:	909,872	874,187
Inventory at beginning of year	231,779	227,786
Merchandise purchases	19,114	13,000
Depreciation	336,446	329,430
Editorial and printing preparation	545,516	615,006
Printing production	25,865	28,993
Spanish department	2,068,592	2,088,402
Less inventory at end of year	853,549	909,872
	1,215,043	1,178,530
Selling, general and administrative:	168,743	106,963
Administrative	62,364	60,399
Bookstore	147,051	147,281
Bookkeeping	122,480	135,576
Building	90,537	106,403
Sales and promotion	132,416	135,883
Shipping	97,851	87,867
General	319	186
Amortization of loan costs	54,346	60,479
Depreciation	42,276	61,785
Interest expense, including finance charges	918,383	902,822
Total expenses	2,133,426	2,081,352
Excess of revenues over expenses from operations	199,560	175,796
Youth Department (note 6)	(8,534)	2,367
Excess of revenues over expenses	191,026	178,163
Fund balance, beginning of year	1,183,331	1,005,168
Fund balance, end of year	\$ 1,374,357	1,183,331

See accompanying notes to financial statements.

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

Statements of Cash Flows

For the year ended November 30, 1994 and November 30, 1993

<u>Cash Flows from Operating Activities</u>	<u>1994</u>	<u>1993</u>
Excess of revenues over expenses	\$ 191,026	178,163
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	73,779	73,665
(Increase) decrease in:		
Receivables	11,868	(15,807)
Inventories	56,323	(35,685)
Deferred charges and prepaid expenses	1,281	(2,899)
Increase (decrease) in:		
Accounts payable	(121,291)	(125,799)
Accrued expenses	21,505	6,859
Due to affiliated organization	(5,271)	5,271
Net cash provided by operating activities	229,220	83,768
<u>Cash Flows from Investing Activities</u>		
Purchase of equipment	(99,472)	(41,168)
Net cash used by investing activities	(99,472)	(41,168)
<u>Cash Flows from Financing Activities</u>		
Loan costs	-	(4,785)
Proceeds from borrowings	42,800	250,000
Repayments of debt	(60,020)	(308,764)
Net cash used by financing activities	(17,220)	(63,549)
Net increase (decrease) in cash	112,528	(20,949)
Cash at beginning of year	94,186	115,135
Cash at end of year	\$ 206,714	94,186
<u>Supplemental disclosures:</u>		
Interest, including finance charges paid	\$ 42,276	63,995
Non-cash investing and financing transactions:		
Acquisition of equipment	\$ -	12,410
Installment indebtedness incurred	\$ -	12,410

See accompanying notes to financial statements.

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

Notes to Financial Statements

November 30, 1994 and 1993

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

(1) Summary of Significant Accounting Policies

Inventories

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

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.

Amortization of Loan Cost

Loan cost are being amortized on a straight-line basis over the life of the loan.

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 \$73,460 for the year ended November 30, 1994, and \$73,479 for the year ended November 30, 1993.

Equipment includes capitalized leases as follows:

	<u>1994</u>	<u>1993</u>
Printing service equipment	\$ 22,000	127,250
Office and administrative equipment	164,157	164,157
	186,157	291,407
Less accumulated amortization	152,314	201,710
	\$ 33,843	89,697

**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:

	1994	1993
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.		
Long-term debt:	\$ 96,267	69,014
13.5% equipment obligations, maturing through December 1995, payable monthly \$394 including interest, secured by related equipment.		
7% installment obligation payable to a local bank, payable in monthly installments of \$2,248 including interest, through 2008 secured by first mortgage lien on all real property and improvements.	\$ 4,747	8,566
Total long-term debt	234,185	244,376
Capital lease obligations: 9.1% to 16.8% obligations under capital leases payable monthly \$5,402 - see note 2	238,932	252,942
	22,577	53,040
Less current maturities of long-term debt and capital lease obligations	261,509	305,982
	32,067	49,532
	\$ 229,442	256,450

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, 1993.

November 30,	Long-Term Debt	Capital Leases
1995	\$ 15,284	18,863
1996	12,107	4,983
1997	12,564	1,180
1998	13,472	-
1999	13,358	-
2000 and thereafter	172,147	-
Total maturities of long-term debt	\$ 238,932	25,026
Less amount representing interest		2,449
Present value of net minimum lease payments		\$ 22,577

**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 \$4,670 for the year ended November 30, 1994 and \$13,909 for the year ended November 30, 1993.

Minimum annual rentals under noncancelable operating leases are as follows:

1995	\$ 1,456
1996	242
	\$ 1,698

(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 \$19,576 for the year ended November 30, 1994 and \$19,794 for the year ended November 30, 1993. 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:

	1994	1993
Revenue from conferences and related services	\$ 122,282	105,287
Expenditures for conferences and related services	80,413	63,888
General and administrative expenses	50,403	39,032
Total expenditures	130,816	102,920
Excess of revenue over expenses	\$ (8,534)	2,367

(7) Agreement with Affiliated Organization to Distribute Hymnals

During the year ended November 30, 1994 all the hymnals the Board was warehousing were sold. The Board had agreed to warehouse and distribute hymnals for the Executive Office of the National Association of Free Will Baptists. Further, the Board invoiced the customer, collected funds and remitted such collections, net of commissions of \$.795 per hymnal sold, to the Executive Board. The following summarizes the transactions under this agreement as of November 30, 1994:

	1994	Since Inception
Amount due to Executive Office at beginning of period	\$ 5,271	-
Total sales of hymnals	68,032	957,851
Less total commissions earned	(28,686)	(104,998)
Less remittances made to the Executive Office	(44,617)	(852,853)
Amount due to (from) Executive Office at end of period	\$ -	-

**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, 1994.

	Current Asset	Long-term Asset
Bookstore merchandise	\$ 67,629	-
Printing production and preparation raw materials	45,833	-
Work in process	73,169	-
Finished literature:		
Curriculum	11,445	-
Shipping miscellaneous	161,241	-
Lifequest material	5,000	28,244
Randall House Books and merchandise	65,000	56,051
Spanish curriculum	40,000	387,437
	469,317	471,732
Allowance for obsolescence	-	87,500
Total inventory	\$ 469,317	384,232

(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.

**Budget
1996**

Revenues		
Total Sales	\$ 2,344,979.60	
Other Income		
Freight and Handling	90,000.00	
Commission on Hymnals	50,000.00	
Youth Division	160,625.00	
Miscellaneous Income	9,000.00	
Total Revenues		\$2,654,604.60
Expenses		
Cost of Outside Purchases	\$ 250,000.00	
Editorial	175,300.00	
Graphic Arts	152,100.00	
Printing Production	658,300.00	
Spanish	30,250.00	
Depreciation	12,000.00	
	\$ 1,227,950.00	
General Expenses		
Youth Division	\$ 155,625.00	
Sales Division	146,000.00	
Bookstore	66,600.00	
Administration	108,800.00	
Accounting	153,500.00	
Shipping	143,700.00	
Building	131,000.00	
General	426,900.00	
	\$ 1,332,125.00	
Total All Expenses		\$2,560,075.00
Net Income		\$ 94,529.60
Working Capital		\$ 94,529.60

Expenses

Cost of Outside Purchases	
Curriculum	\$ 60,000.00
Merchandise	110,000.00
Bookstore	80,000.00
	<u>\$250,000.00</u>

Editorial

Salaries	\$ 82,000.00
Housing	22,000.00
Travel	1,500.00
Supplies	300.00
Writers' Fees	44,000.00
Royalties	10,000.00
Conventions and Seminars	300.00
Dues and Subscriptions	700.00
Postage	200.00
Telephone	1,000.00
FICA	3,000.00
Retirement	2,000.00
Insurance	8,000.00
Miscellaneous	300.00
	<u>\$175,300.00</u>

Graphic Arts

Salaries	\$102,000.00
Travel	1,200.00
Supplies	5,000.00
Art Services	4,000.00
Freelance Artwork	5,000.00
Color Separation	12,000.00
Telephone	600.00
FICA	8,500.00
Retirement	2,300.00
Insurance	11,000.00
Dues and Subscriptions	200.00
Miscellaneous	300.00
	<u>\$152,100.00</u>

Printing Production

Salaries	\$166,000.00
Travel	1,000.00
Supplies	18,000.00
Equipment Maintenance	12,000.00
Dues and Subscriptions	300.00
Stock	110,000.00
Parts	3,000.00
Ink	9,000.00
Outside Printing	250,000.00
Printing Equipment	30,000.00
Telephone	600.00
FICA	12,000.00
Retirement	6,000.00
Insurance	15,000.00
Camera Supplies	3,000.00
Camera Maintenance	1,000.00
Camera Film-Negatives	8,000.00
Stripping Masking Supplies	2,000.00
Stripping Supplies	2,400.00
Plates	8,500.00
Miscellaneous	500.00
	<u>\$658,300.00</u>

Spanish

Salaries	\$ 14,000.00
Travel	2,500.00
Supplies	500.00
Equipment Maintenance	200.00
Translation	4,000.00
Postage	700.00
Telephone	2,000.00
FICA	1,700.00
Retirement	1,000.00
Insurance	3,400.00
Dues and Subscriptions	50.00
Miscellaneous	200.00
	<u>\$ 30,250.00</u>

Depreciation

	\$ 12,000.00
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Total Cost of Sales

	<u>\$1,227,950.00</u>
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General Expenses

Youth Division

Salaries	\$ 39,000.00
Entertainment	750.00
Travel and Expense	2,000.00
Supplies	500.00
In House Printing	500.00
NYC '96	49,950.00
Truth & Peace '96	29,050.00
NYET '96	3,175.00
National Youth Workers' Retreats	15,550.00
Conventions & Seminars	500.00
Dues & Subscriptions	100.00
Postage	500.00
Telephone	700.00
FICA	2,450.00
Retirement	1,900.00
Insurance	8,500.00
Miscellaneous	500.00
	<u>\$ 155,625.00</u>

Sales Division

Salaries	\$ 25,000.00
Housing	9,800.00
Entertainment	500.00
Travel	6,500.00
Supplies	4,000.00
Advertising and Promotion	80,000.00
Dues and Subscriptions	300.00
Postage	8,000.00
Telephone	600.00
FICA	500.00
Retirement	1,000.00
Insurance	5,500.00
Conventions and Seminars	4,000.00
Miscellaneous	300.00
	<u>\$ 146,000.00</u>

Bookstore

Salaries	\$ 41,000.00
Entertainment	200.00
Travel Expense	2,000.00
Supplies	1,500.00
Printing	2,000.00
Equipment Rental	1,500.00
Postage	3,000.00
Telephone	1,100.00
FICA	3,000.00
Retirement	1,200.00
Insurance	6,500.00
Advertising and Promotion	3,000.00
Dues and Subscriptions	400.00
Miscellaneous	200.00
	<u>\$ 66,600.00</u>

Administrative

Salaries	\$ 54,000.00
Housing Allowance	20,000.00
Printing	300.00
Entertainment	800.00
Travel	12,000.00
Auto Expense	1,500.00
Auto Lease	4,700.00
Supplies	2,000.00
Equipment Maintenance	100.00
Equipment Rental	1,000.00
Conventions & Seminars	600.00
Dues and Subscriptions	800.00
Postage	500.00
Telephone	600.00
FICA	1,600.00
Retirement	3,400.00
Insurance	4,600.00
Miscellaneous	300.00
	<u>\$108,800.00</u>

Accounting

Salaries	\$101,000.00
Supplies	3,500.00
Equipment Maintenance	4,000.00
Postage	5,000.00
Telephone	13,500.00
FICA	7,500.00
Retirement	2,000.00
Insurance	15,500.00
Travel Expense	500.00
Printing	500.00
Miscellaneous	500.00
	<u>\$153,500.00</u>

Shipping

Salaries	\$ 63,000.00
Supplies	7,000.00
Equipment Maintenance	1,300.00
Equipment Rental	500.00
Freight	51,000.00
Postage	6,000.00
Telephone	600.00
FICA	4,500.00
Retirement	2,000.00
Insurance	7,500.00
Miscellaneous	300.00
	<u>\$ 143,700.00</u>

Building

Salaries	\$ 45,000.00
Supplies	5,000.00
Equipment Maintenance	4,000.00
Building Maintenance	6,600.00
Utilities	38,000.00
Insurance (Building)	18,000.00
Telephone	600.00
FICA	3,600.00
Retirement	1,500.00
Insurance	8,400.00
Miscellaneous	300.00
	<u>\$ 131,000.00</u>

General Expenses

Automobile Expense	\$ 4,000.00
Automobile Lease	3,500.00
Supplies	2,000.00
Equipment Maintenance	6,000.00
Equipment Rental	4,000.00
Equipment/Lease/Purchase	50,000.00
Employees' Insurance	2,800.00
Board Travel & Expense	16,000.00
Legal & Auditing	10,000.00
Taxes	15,000.00
Payroll Services	4,000.00
Miscellaneous Printing	2,000.00
Together Way Printing	2,000.00
Depreciation	66,000.00
Interest Expense	40,000.00
Debt Retirement	175,000.00
Service Charge	8,600.00
Miscellaneous	16,000.00
	<u>\$ 426,900.00</u>

Total General Expenses

	<u>\$1,332,125.00</u>
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Budget — 1996 Sunday School Literature

Annual Quantities

4,859	Nursery Teacher	@ 3.75	\$ 18,221.25
20,129	Make N Do	@ 2.05	41,264.45
17,179	My Bible Lesson Cards	@ 2.05	35,216.95
4,687	Nursery-Preschool Flannelgraph	@ 8.95	41,948.65
2,393	Nursery-Preschool Teaching Pictures	@ 8.95	21,417.35
8,421	Preschool Teacher	@ 3.75	31,578.75
22,125	Preschool Student	@ 2.05	45,356.25
37,072	Preschool Companion	@ 2.05	75,997.60
26,779	Picture Lesson Cards	@ 1.95	52,219.05
7,361	Bible Times (Take Home Paper)	@ 2.20	16,194.20
10,041	Primary Teacher	@ 3.75	37,653.75
37,901	Primary Student	@ 2.05	77,697.05
47,365	Primary Companion	@ 2.05	97,098.25
3,268	Memory Verse Packet	@ 8.95	29,248.60
8,814	Primary Days	@ 2.20	19,390.80
4,064	Primary-Junior Flannelgraph	@ 8.95	36,372.80
3,109	Primary-Junior Teaching Pictures	@ 8.95	27,825.55
12,089	Junior Teacher	@ 3.75	45,333.75
57,174	Junior Student	@ 2.05	117,206.70
51,534	Junior Companion	@ 2.05	105,644.70
8,001	Junior Counselor	@ 2.20	17,602.20
5,589	Turning Point Teacher	@ 3.75	20,958.75
1,623	Turning Point Teacher Packet	@ 8.95	14,525.85
28,693	Turning Point Student	@ 2.05	58,820.65
10,425	Turning Point Handouts	@ 2.05	21,371.25
10,660	Teen Power	@ 2.20	23,452.00
7,483	Horizon Teacher	@ 3.75	28,061.25
1,628	Horizon Teacher Packet	@ 8.95	14,570.60
43,527	Horizon Student	@ 2.05	89,230.35
9,340	Horizon Handouts	@ 2.05	19,147.00
37,540	Bible Teacher	@ 3.75	140,775.00
13,366	Bible Challenge	@ 2.05	27,400.30
20,148	Visitor's Lesson Leaflets	@ 2.05	41,303.40
3,828	Power For Living (Take Home Paper)	@ 2.20	8,421.60
9,383	Depth	@ 2.05	19,235.15
136,674	Bible Scholar	@ 2.05	280,181.70
178,644	Bible Scholar Large Print	@ 2.25	401,949.00
326	Bible Teacher Cassette	@ 19.95	6,503.70

Total Sunday School Literature Sales

\$2,206,396.20

Total Sunday School Literature Sales

\$2,206,396.20

CTS Literature

449	Helpers Leader's Guide	@ 3.75	1,683.75
1,483	Helpers Packet	@ 3.75	5,561.25
526	Discoverers Leader's Guide	@ 3.75	1,972.50
1,881	Discoverers Packet	@ 4.95	9,310.95
638	Learners Leader's Guide	@ 3.75	2,392.50
2,513	Learners Student	@ 2.05	5,151.65
694	Adventurers Leader's Guides	@ 3.75	2,602.50
2,878	Adventurers Student	@ 2.05	5,899.90
359	LifeQuest Leader's Guides	@ 17.95	6,444.05
1,802	LifeQuest Student Handouts	@ 2.05	3,694.10
767	Focus Leader's Guides	@ 3.75	2,876.25
7,658	Focus Students	@ 2.05	15,698.90
5,022	Lifeline Students	@ 2.05	10,295.10

Total CTS Literature Sales
Total Literature Sales

\$ 73,583.40
\$2,279,979.60

Less Discount to Bookstores
Total Literature Sales

(395,000.00)
\$ 1,884,979.60

Other Sales and Income

	Spanish Curriculum	\$ 32,000.00
	RHP Books	75,000.00
	Merchandise	24,000.00
	Bulletin Service	20,000.00
	Vacation Bible School	11,000.00
	Bookstore Sales	160,000.00
	Printing Sales	58,000.00
	Miscellaneous Income	80,000.00

Total Other Sales and Income

\$ 460,000.00

Total All Sales

\$2,344,979.60

Other Income

	Freight and Handling	\$ 90,000.00
	Commission on Hymnals	50,000.00
	Youth Division	160,625.00
	Miscellaneous Income	9,000.00

Total Other Income
Total Revenue

\$ 307,625.00
\$2,654,604.60

Salary Breakdown

	1994	1995	1996
General Director			
Salary	\$38,000.00	\$37,440.00	\$32,669.62
Housing and Utilities	15,000.00	13,017.00	20,000.00
Social Security	4,055.00	3,862.22	4,054.34
Retirement	520.00	4,208.09	3,117.40
Insurance	2,252.00	3,823.68	5,003.64
Life	602.00		
Medical	1,080.00	3,382.92	4,562.88
Dental	144.00	440.76	440.76
Disability	426.00		
	<u>\$59,827.00</u>	<u>\$62,350.99</u>	<u>\$64,845.00</u>

(The Board either pays mileage or furnishes a travel car.)

*Editor-in-Chief — Adult Curriculum

	1994	1995	1996
Salary	\$.00*	\$.00*	\$.00*
Housing Allowance	15,600.00	16,224.00	16,872.96
Retirement			
Insurance	2,300.01	2,300.01	2,300.01
Life	749.76	749.76	749.76
Medical	1,080.00	1,080.00	1,080.00
Dental	143.76	143.76	143.76
Disability	326.49	326.49	326.49
	<u>\$17,900.01</u>	<u>\$18,524.01</u>	<u>\$19,172.97</u>

*Part-time

Youth Division Director

	1994	1995	1996
Salary	\$21,112.00	\$21,956.48	\$30,000.00
Social Security	1,615.07	1,679.67	2,250.00
Retirement	1,040.00	1,097.82	1,500.00
Insurance	5,240.61	5,187.61	5,187.61
Life	85.20	85.20	85.20
Medical	4,567.08	4,505.76	4,505.76
Dental	440.76	440.76	440.76
Disability	147.57	155.89	155.89
	<u>\$29,007.68</u>	<u>\$29,921.58</u>	<u>\$38,937.61</u>

A Cost Comparison Report 1995

	SP	GL	ST	**UGP	AY	DCC	RHP
Nursery Teacher	4.20	4.19	3.99		4.25	4.25	3.75
Teacher's Resource Packet	9.25	9.49	9.49		9.75	9.75	8.95
Pupil's Handwork	2.25	2.09	2.15		2.25	2.25	2.05
Bible Lesson Cards	2.20				2.25	2.25	2.05
Preschool Teacher	4.20	4.19	3.99	1.35	4.25	4.25	3.75
Teacher's Resource Packet	9.25	9.49	9.49	6.00	9.75	9.75	8.95
Preschool Student	2.25	2.09	2.15	1.35	2.25		2.05
Preschool Workbook	2.25				2.25	2.25	2.05
Picture Lesson Cards	2.20		.79	.75			1.95
Primary Teacher	4.20	4.19	3.99	1.35	4.25	4.25	3.75
Visual Packet	9.25	9.49	9.49	6.00	9.75	9.75	8.95
Primary Student	2.25	2.09	2.15	1.35	2.25	2.25	2.05
Primary Workbook				1.20	2.25	2.25	2.05
*Memory Verse Packet							8.95
Junior Teacher	4.20	4.19	3.99	1.35	3.30	4.25	3.75
Visual Packet	9.25	9.49	9.49	6.00		9.75	8.95
Junior Student	2.25	2.09	2.15	1.55	2.55	2.25	2.05
Junior Workbook					2.55	2.25	2.05
Teen Teacher	4.20	16.99	3.99	1.45	4.05	4.25	3.75
Visual Packet	9.25		9.49			9.75	8.95
Teen Student	2.25	6.99	3.10	1.55	2.55	2.25	2.05
*Teen Workbook							2.05
High Teen Teacher	4.20	16.99	3.99	1.65	4.05	4.25	3.75
Visual Packet	9.99		9.49			9.75	8.95
High Teen Student	2.25	6.99	3.10	1.55	2.55	2.25	2.05
*High Teen Workbook							2.05
Bible Teacher/Young Adult				1.65	4.05		3.75
Challenge (Young Adult)				1.60			2.05
Bible Teacher	4.20	16.99	3.99	3.45	4.05	4.25	3.75
Bible Scholar	2.25	6.99	2.30	1.70	2.75	2.35	2.05
Bible Scholar (Large Print)	3.10		3.09		3.50	2.75	2.25
Visual Packet	9.99		9.49			9.75	
Visitor's Lesson Leaflet					2.35	2.25	2.05

SP = Scripture Press

ST = Standard

AY = Free Will Baptist Press

RHP = Randall House Publications

GL = Gospel Light

**UGP = Union Gospel Press

DCC = David C. Cook

* Only available from Randall House.

** 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.

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.

Amended and Restated Charter of Sunday School and Church Training Board and Randall House Publications of the National Association of Free Will Baptists, Inc.

Pursuant to TCA Section 48-60-102, Provisions for Amendments; TCA Section 48-60-106, Provisions for Restatement; and TCA Section 48-67-101 & 102, a Tennessee Nonprofit Corporation; Sunday School and Church Training Board and Randall House Publications of the National Association of Free Will Baptists, Inc., a Tennessee Nonprofit Religious Corporation existing under an original Charter filed with the Secretary of State on August 2, 1963, reference #B024P3512; with amendments thereto filed on March 21, 1985, reference #531 01600; and October 17, 1985, reference #571 00645; all of which are now to be amended and restated by this Amended and Restated Charter:

1. The name of the Corporation is:
Sunday School and Church Training Board and Randall House Publications
of the National Association of Free Will Baptists, Inc.
2. The Corporation's principal office is located at:
114 Bush Road, Nashville, Davidson County, Tennessee 37217
3. The Corporation's registered agent and address:
Alton E. Loveless, 114 Bush Road, Nashville, Tennessee 37217
4. The duration of this public benefit Corporation is perpetual.
5. The Corporation shall have no members.

Article I

This Corporation is a Nonprofit Religious Corporation as defined by the Tennessee Nonprofit Corporation Act, TCA Section 48-51-101 *et seq.*, and more specifically as a Nonprofit Religious Corporation as set forth in TCA Section 48-67-101 & 102. This Corporation shall have and be entitled to exercise all powers which a Nonprofit Religious Corporation of its nature may have and exercise under the laws of the State of Tennessee, as now in effect or hereafter amended, subject to the limitations contained in the Internal Revenue Code to retain its status as an exempt religious organization.

Article II

Corporate Purposes

The purpose for which the Corporation is organized is: **To Magnify Christ Jesus as Our Lord and to Glorify Our Heavenly Father.**

To implement this chief purpose the Corporation shall produce, create, write, edit, print, purchase or acquire by gift or otherwise and distribute and disseminate by gift or sale, religious literature and periodicals, teachers and pupils guides, manuals, aids, pamphlets, tracts and charts, without limitation for the purpose of the propagation of the Gospel and the advancement and spread of the religious faith which the National Association of Free Will Baptists, Inc., is engaged in advancing or promulgating; the Corporation shall encourage, assist and promote the establishment, support and maintenance and to establish, support and maintain religious schools, Sunday Schools, Vacation Bible Schools or other methods or means of instruction in the furtherance of the activities of the said the National Association of Free Will Baptists, Inc.; the Corporation shall print, sell and deal in books, stationery, office and general supplies of all kinds and character used in connection with or necessary or desirable to the advancement and spread of the Christian faith. The Corporation is organized exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law) and its regulations (as they now exist or may hereafter be amended).

Article III

Management of Corporation

The overall direction of the Corporation shall be vested in a Board of Trustees. The management and operation in accordance with the overall direction of the Corporation, shall be the responsibility of the Corporate officers. The Trustees shall be elected by the National Association of Free Will Baptists, Inc., in accordance with its Constitution and By-Laws.

Article IV

Corporation's Power As Trustee

The Corporation shall receive and administer funds and properties of all kinds for the above purposes, and to that end, the Corporation is authorized to take and to hold by bequest, devise, gift, purchase, loan or lease, either absolutely or in trust, for said purposes or any of them, any property, real, personal, or mixed, without limitation as to amount or value, in accordance with such limitations, as may be imposed by law or by provision of this Amended and Restated Charter: to sell, convey and dispose of any such property or to invest and reinvest the principal thereof, and to deal with and expend such principal or the income therefrom for any of the purposes of the Corporation, either by direct action of the Corporation or by means of trust created by it, without limitation, except such limitation, if any, as may be contained in the instrument under which such funds or property are received; to receive any property, real, personal, or mixed, in trust, under the terms of any deed, will, deed of trust, or other trust instrument consistent with the purposes of the Corporation, in administering the same to carry out the directions and exercise the powers contained in the instrument under which the property is received, including the expenditure of the principal as well as the income for one or more such purposes, if authorized and directed in the instrument under which it is received, to receive, take title to, hold and use the proceeds and income of real estate, personal estate, stocks, bonds, obligations, and other securities of any person or persons, corporation or corporations, domestic or foreign for the purposes of the Corporation. The Corporation is specifically authorized to serve as a Trustee of any and all funds donated to its use upon specified terms and conditions consistent with its nonprofit religious and educational purposes. Furthermore, it may serve as Trustee under specific terms and conditions of any and all funds so long as it is a beneficiary thereunder.

Article V

Dissolution

In the event of the dissolution of this Corporation, any assets of this organization then remaining shall be conveyed to the National Association of Free Will Baptists, Inc., which organization is exempt under Section 501(c)(3) of the Internal Revenue Code of 1954 as amended or under successor provisions of the Code as may be in effect at the time of dissolution.

Article VI

Amendments

This Charter may be amended upon a two-thirds majority vote of the entire Board of Trustees consistent with the declared general programs, objects, Charter, By-Laws and purposes of the National Association of Free Will Baptists, Inc., in the following manner:

- 1) The written amendment will be submitted at a regular or special meeting of the Board and upon the proposed written amendment being included in the notice for said meeting; and
- 2) Upon its adoption, the same will be included in the Report to the next regular annual session of the National Association for discussion only; and
- 3) Thereafter, the Board will reconsider the Charter amendment in light of the discussion at the annual session of the National Association and the Board must again approve the Charter amendment or an amendment thereof and present the same to the next regular annual session of the National Association for approval; and
- 4) Only upon the approval of said proposed amendment at the next regular annual session of the National Association shall the Charter amendment be finally approved by the Board and filed of record with the Secretary of State.

We, the undersigned, as Trustees constituting the Board of Directors for the Sunday School and Church Training Board and Randall House Publications, do hereby acknowledge that the Amended and Restated Charter was adopted at the recommendation of the General Board by the convention of the National Association of Free Will Baptists, Inc., meeting on the _____ day of _____, 1995, at _____.

By affixing my signature hereto, I, Alton E. Loveless, certify that I witnessed the signatures of the foregoing members of the Board of Trustees of the Sunday School and Church Training Board and Randall House Publications of the National Association of Free Will Baptists, Inc., dated this _____ day of _____, 1995.

Alton E. Loveless, President

Sworn and subscribed to before me on the _____ day of _____, 1995.

Notary

By-Laws and Rules of Decorum of Sunday School and Church Training Board and Randall House Publications of the National Association of Free Will Baptists, Inc.

I

Organization, Objectives and Purposes

1. Organization. The Sunday School and Church Training Board and Randall House Publications of the National Association of Free Will Baptists, Inc., (the "Corporation") is a nonprofit Corporation organized under the laws of the State of Tennessee.
2. Office. The Corporation shall maintain its principal office in Nashville, Tennessee or such other place within the State of Tennessee as determined by the Board of Trustees.
3. Objectives and purposes. The Corporation shall implement, produce, create, write, edit, print and distribute religious literature for the purpose of the propagation of the Gospel and the religious faith in accordance with the tenets of the National Association of Free Will Baptists, Inc. Further, the Corporation shall encourage, assist, establish, support and maintain Sunday Schools and other means of instructions in accordance with the activities and tenets of the National Association of Free Will Baptists, Inc.

II

Board of Trustees

The Board of Trustees shall be considered the same as a Board of Directors.

1. Number, election and authority of Trustees. The Board of Trustees shall be composed of nine members who are elected by the National Association for a term of six years. These terms are to be arranged so that they expire in groups of three biennially. A Trustee shall serve no more than two full consecutive terms. The Trustees shall act in their Trustee capacity only as a Board and individual Trustees have no power to act for the Corporation without prior specific Board authority. The Board shall institute the overall program of the Corporation and the officers shall supervise and administer its operation. The Board shall be responsible for the actions of the Corporation to the National Association of Free Will Baptists, Inc.
2. Qualifications of Trustee. Each Trustee shall hold membership in a regular Free Will Baptist Church which belongs to a Free Will Baptist District or State Association, or to a church which is recognized by the National Association as being affiliated.
3. Reports to the National Association. The Board shall prepare an annual budget of its proposed financial expenditures at the beginning of each fiscal year and shall present the same for approval to the National Association along with a properly qualified independent audit with an unqualified opinion on the Corporation's fiscal condition.
4. Vacancies. The Board of Trustees may seek to replace on an *ad interim* basis irregular vacancies that may occur among its members for any reason by requesting the General Board of the National Association of Free Will Baptists, Inc., to fill said vacancies.

5. Removal of Trustees. The National Association at any regular annual session shall have the power and right to declare the Trustee position vacant for any cause deemed valid by said Association and to elect successors to those who may thus be removed from office.

6. Regular and special meetings.

A. Three meetings shall be held annually, in the spring, summer and fall. The exact dates of the spring and fall meetings shall be determined by the Chairman in consultation with the General Director/President. The summer meeting shall be held during or immediately following the annual convening of the National Association of Free Will Baptists, Inc.

B. Special meetings may be called by the Chairman and three other Board members. The Chairman shall notify all Board members at least two weeks in advance.

7. Quorum. A Quorum shall consist of at least six duly elected Trustees and a majority vote of the Trustees present shall decide the issues brought before the meeting except as otherwise required by the Charter, By-Laws or the Board of Trustees of this Corporation and/or by the National Association.

8. Committees. The Board of Trustees is authorized to create various committees, when need arises, to function for a more definite period of time in a specific area. Committee members shall be elected by the Board, and they shall hold office for the length of time provided, or until their work is completed, or until they are released, or their successors chosen.

9. Compensation and expenses. Trustees shall serve as such without compensation. Expenses incurred in connection with the performance of their official duties may be reimbursed to Trustees upon approval of the Board of Trustees. A Trustee shall be precluded from serving the Corporation in any other capacity.

III

Officers of the Board of Trustees Election and Duties

1. Officers. The officers of the Board of Trustees shall be the Chairman of the Board, Vice Chairman, and Secretary.
2. Election and term. Each of the officers shall be elected by the Board of Trustees during or immediately following the annual convening of the National Association of Free Will Baptists, Inc. These officers shall be elected for a period of one year. It is provided, however, that should said Board, for any cause fail to convene at this time, all officers shall be retained until their successors have been elected.
3. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Trustees except when he directs or in his absence the Vice Chairman shall preside. The Chairman, or President of the Corporation, shall sign, or execute, all deeds, conveyances, and other legal papers involving the Board's authority, unless otherwise provided for by the Board. The Chairman shall perform all the duties and have all the powers commonly incident to this office and shall carry out the directions of the Board of Trustees.
4. Vice Chairman. The Vice Chairman of the Corporation shall perform all the duties and have all the powers commonly incident to this office and shall have other powers and perform other duties as may be assigned to him by the Chairman and/or the Board of Trustees. The Vice Chairman shall preside at the meetings of the Board of Trustees when the Chairman directs or in his absence.
5. Secretary. The Secretary shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the Board of Trustees. He shall keep and preserve the minutes of all the meetings of the Board of Trustees.

IV

Corporate Officers

1. Officers. The officers of the Corporation shall be the President, Vice President(s), Secretary and Treasurer. The officers of the Corporation shall not be members of the Board of Trustees. The Board of Trustees may from time to time elect other officers as it may deem proper.
2. Election and term. Each of the Corporate officers shall be elected by the Board of Trustees and shall serve until their respective successors are chosen subject to the termination authority of the President to remove officers as set forth in IV, ¶ 6.
3. President/Treasurer. The President of the Corporation shall be denoted as the General Director. His duties shall be of that of the President of the Corporation, operating the Corporation in accordance with the By-Laws. He shall be the Chief Executive Officer to edit all of the Sunday School material; to hire staff within the budget specifications and actions of the Board; to oversee the maintenance of the Sunday School and Church Training office within the budget; to provide each Board member with a report quarterly; to promote Sunday School and Church Training and Randall House Publications' interest of the Free Will Baptists by correspondence, visits, seminars, workshops, etc., as time and his judgment

ment deem best, and by responding to all correspondence and all communication on behalf of the Board.

Further, the General Director shall serve as Treasurer and Chief Financial Officer of the Corporation. As such he is to pay all offerings and remunerations received by him into the primary general fund of the Sunday School and Church Training Board and/or Randall House Publications as designated. As Treasurer and Chief Financial Officer, he shall perform all the duties and have all the powers commonly incident to the office of Treasurer. He shall be sufficiently bonded by the Corporation as the Board of Trustees find necessary for the faithful performance of his duties as Treasurer and Chief Financial Officer. The Board shall enter into a contract with the General Director/Treasurer defining his specific duties and responsibilities.

4. Vice President(s). The Vice President shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the President. The Board of Trustees may from time to time elect Vice Presidents assigning to their office such responsibilities as they may deem wise and necessary.

5. Secretary. The Secretary shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the President. He shall have charge of all Corporate books and records except for such financial books and records as are the responsibility of the Treasurer.

6. Removal of Officers. The President shall hold office at the pleasure of the Board of Trustees. The other officers of the Corporation shall hold office at the pleasure of the President and may be removed at any time with or without cause by the President. Any Officer's vacancy shall be filled upon the recommendation of the President, within budget subject to the approval of the Board of Trustees.

7. Salaries. The salary of the President shall be fixed by the Board of Trustees. The salaries of all other salaried officers of the Corporation shall be fixed upon recommendation of the President by the Board of Trustees.

V

Contracts, Loans and Checks

1. Contracts. The Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Trustees. Such authority may be general or confined to specific instances; provided, however, no loans shall be made by the Corporation to its Trustees or officers which are prohibited by Section TCA 48-58-303.

3. Checks and other instruments. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

VI

Limiting and Indemnifying the Liability of Trustees

The Trustees and/or Officers of the Corporation shall be immune from suit arising from the conduct of the affairs of the Corporation. The Trustees and/or Officers shall not be personally liable to the Corporation for monetary damages for breach of a fiduciary duty provided; however, this provision shall not eliminate or limit the liability of a Trustee and/or Officer for any breach of the Trustee's and/or Officer's duty of loyalty or for acts not in good faith or which involve an intentional misconduct or a knowing violation of law or for an unlawful distribution pursuant hereunder TCA Section 48-58-601. Further, the Trustees are indemnified by the Corporation from personal liability to the full extent as allowed by the Tennessee Statute as set forth in TCA Section 48-58-501 *et seq.*

VII

Transactions with Trustees

1. No contract or other transaction between this Corporation and any of its Trustees shall be void or voidable if such contract shall be approved or ratified by an affirmative vote at any meeting of the Board of Trustees by a majority of the Trustees. The subject Trustee shall have no voice or vote concerning the approval or ratification of his action. Further, no Trustee shall be liable to account to the Corporation for any profit realized by him from or through any such contract or transaction ratified or approved as aforesaid.

2. Notwithstanding anything herein to the contrary, the Corporation shall not lend money to or use its credit to assist its Trustees or officers, whether or not employees.

VIII

Miscellaneous

1. Written consent. Whenever the Trustees of this Corporation are required or permitted to take any action by vote, such action may be taken without a meeting, upon written consent setting forth the action so taken, and signed by all of the Trustees entitled to vote thereon.

2. Contracts and notes. Contracts in the regular order of business shall be executed by the President or by a person designated with that authority by the Board of Trustees as directed by written resolution.

3. Fiscal year. The fiscal year of the Corporation shall begin on the first day of December of each year and shall end on the last day of November next following.

IX

Amendments

These By-Laws may be amended by a two-thirds majority vote of the Trustees at any regular annual meeting or at a special meeting called for that purpose which call includes the proposed amendment(s). Such amendment(s) shall become effective upon approval by the National Association of Free Will Baptists, Inc.

Certification

These By-Laws and Rules of Decorum were duly adopted by a two-thirds majority vote of the Board of Trustees at its duly called meeting on _____ day of _____, 1995, at _____.

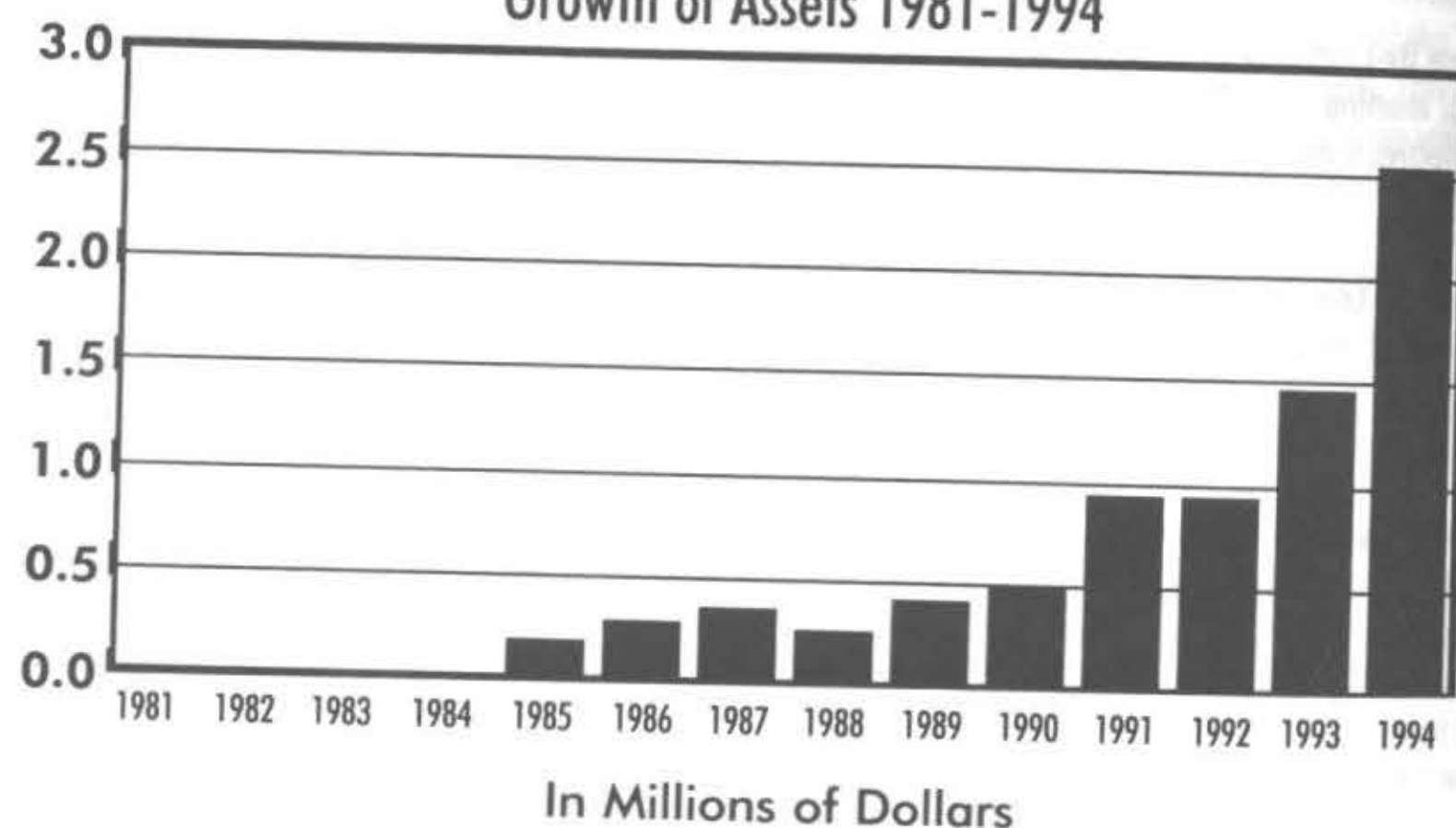
Secretary

Free Will Baptist Foundation

Growth in the Foundation exceeded our goal for 1994.

Free Will Baptist Foundation

Growth of Assets 1981-1994



Unfortunately earnings did not.

The conservative investment policy of the Foundation ran head on into the consequences of the Federal Reserve's increase of interest—not once but six times. Stocks slowly declined and the long government bond lost market value. All of which would suggest it would be a terrible time for people to make donations.

But . . . Consider the following:

Endowments, immediate and permanent gifts producing regular income for various Free Will Baptist ministries increased \$521,454 or 172% to \$824,189.

Irrevocable agreements, which provide lifetime income to the donors and future gifts to ministries, increased \$277,637 or 67% to \$690,913.

Revocable Trusts, agreements with individuals, churches and other ministries for saving funds, increased \$310,890 or 44% to \$1,015,478.

The Foundation is chartered to assist any Free Will Baptist ministry—local, district, state, national or international, that has U.S. based support. Examine the following chart for specific dollar values of these gifts presently managed for our various ministries.

Assets Managed for Free Will Baptists

Name of Ministry	Current Managed	Future Gifts	Total
FWBBC	\$111,188.15	\$240,383.89	\$351,572.04
Foreign Missions	274,480.97	227,888.37	502,369.34
Home Missions	81,201.29	16,429.80	97,631.09
Master's Men	95,310.93	8,214.90	103,525.83
Executive Office	34,650.00	49,309.49	83,959.49
Board of Retirement	94,228.75	.00	94,228.75
WNAC & Others	11,560.91	7,082.65	18,643.56
Local/State	121,016.04	130,241.90	251,257.94
Grand Total	\$823,637.04	\$679,551.00	\$1,503,188.04

We can help you, your friends and church arrange lifetime income and permanent gifts to the Lord's work.

Most of our people are generous and want to support our Free Will Baptist work. The Foundation maintains the position that each donor should direct who is beneficiary of their gift—it's responsibility is to help maximize that benefit for the donor and the specified ministries.

It is my goal to see the Foundation become self-supporting through service fees. To achieve that we have authorized employing a field representative in 1996. He will emphasize gifts, both immediate and deferred and estate planning for the support of our Free Will Baptist ministries. Help us help you and your church families achieve your gift giving goals by indicating interest in service featuring planned giving.

Respectfully Submitted

William W. Evans, Executive Secretary-Treasurer

Synopsis of Minutes - Free Will Baptist Foundation

The Board met April 17, 1995 with all members or their proxies present with the exception of Alton Loveless and Roy Thomas. The activity of the Foundation during 1994 was reviewed. The final draft of the Revocable (net income) Trust Investment Policy and the laddering of the portfolio was approved.

The proposed budget for 1996 was reviewed and recommended for adoption, including the hiring of a field representative.

**FREE WILL BAPTIST
FOUNDATION, INC.**

Financial Statements

December 31, 1994 and 1993

(With Independent Auditors' Report Thereon)

FREE WILL BAPTIST FOUNDATION, INC.

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

Independent Auditors' Report

The Board of Directors

Free Will Baptist Foundation, Inc.

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

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 Free Will Baptist Foundation, Inc. as of December, 31 1994 and 1993 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 Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. Information included on the statements of support and revenue, expenses and changes in fund balances and cash flows for the year ended December 31, 1993 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 March 24, 1994.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Free Will Baptist Foundation, Inc. as of December 31, 1994 and 1993, and the results of its operations for the year ended December 31, 1994 in conformity with generally accepted accounting principles.

Hill, Neal & Allen, P.C.

April 18, 1995

FREE WILL BAPTIST FOUNDATION, INC.

Balance Sheets

December 31, 1994 and 1993

Assets	1994	1993
Cash and interest bearing deposits	\$ 59,024	7,172
Accrued earnings receivable (note 3)	41,745	46,698
Investments:		
Interest bearing accounts with the Board of Retirement and Insurance of the National Association of Free Will Baptists (note 3)	1,577,960	1,324,034
U.S. Government instruments (note 3)	349,904	-
Certificates of deposit (note 3)	396,887	-
Rental real property	80,000	80,000
Unimproved land	2,000	2,000
Total investments	2,406,751	1,406,034
Notes receivable, secured by revocable trust accounts	23,655	-
Office equipment, net of accumulated depreciation of \$6,507 in 1994 and \$4,871 in 1993	-	1,636
	\$ 2,531,175	1,461,540
Liabilities and Fund Balances		
Liabilities:		
Interest bearing revocable and savings trusts (note 4)	\$ 1,015,478	704,588
Future gift interests payable (note 5)	690,913	413,276
Accrued earnings payable	14,361	9,524
Funds held for the National Ministries Offering	-	2,904
Total liabilities	1,720,752	1,130,292
Fund balances:		
Operations	(13,766)	26,877
Endowment funds (note 2)	824,189	302,735
Equipment funds	-	1,636
Total fund balances	810,423	331,248
	\$ 2,531,175	1,461,540

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, 1994
(with comparative totals for 1993)

	1994			1993
	Operations	Endowments	Equipment	Total All Funds
Support and revenue:				
Support through "The Together Way" plan	\$ 11,447	3,700	-	15,147
Contributions	426	516,523	-	516,949
Investment income (note 3)	58,294	2,012	-	60,306
Interest income notes receivable	627	-	-	627
Endowment income	201	-	-	201
Miscellaneous	159	-	-	159
Total support and revenues	71,154	522,235	-	593,389
Allocations of earnings to revocable trusts, savings trusts, beneficiaries and annuitants	73,422	-	-	73,422
Net support and revenue (deficit)	(2,268)	522,235	-	519,967
Expenses:				
Reimbursement to the Board of Retirement of the National Association of Free Will Baptists	18,000	-	-	18,000
Travel and promotion	4,370	-	-	4,370
Office expense	3,766	-	-	3,766
Publications	5,729	-	-	5,729
Training and education	-	-	-	-
Legal and auditing	5,060	781	-	5,841
Miscellaneous	1,450	-	-	1,450
Depreciation	-	-	1,636	1,636
Total expenses	38,375	781	1,636	40,792
Excess of support and revenues over (under) expenses	(40,643)	521,454	(1,636)	479,175
Fund balance at beginning of year	26,877	302,735	1,636	331,248
Fund balance at end of year	\$ (13,766)	824,189	-	810,423

See accompanying notes to financial statements.

FREE WILL BAPTIST FOUNDATION, INC.

Statement of Cash Flows

Year ended December 31, 1994

(with comparative totals for 1993)

	1994			1993
	Operations	Endowments	Equipment	Total All Funds
Cash Flows from Operating Activities				
Cash received from:				
Contributions	\$ 12,032	520,223	-	532,255
Investment income	61,977	2,012	-	63,989
Rental income	3,600	-	-	3,600
National Ministries Offering	-	-	-	-
Cash paid to suppliers and employees	(42,212)	(781)	-	(42,993)
Distributions of National Ministries Offering	(2,904)	-	-	(2,904)
Payments made to endowment beneficiaries	(14,500)	-	-	(14,500)
Payments made to annuitants	(27,469)	-	-	(27,469)
Net operating activities	(9,476)	521,454	-	511,978
Cash Flows from Investing Activities				
Deposits made with the Board of Retirement and Insurance of the National Association of Free Will Baptists (net of distributions)	267,528	(521,454)	-	(253,926)
Note receivable advances	(25,420)	-	-	(25,420)
Repayments received on note receivable	1,765	-	-	1,765
Purchases of certificates of deposit	(396,991)	-	-	(396,991)
Purchases of U.S. Government instruments	(349,915)	-	-	(349,915)
Net investing activities	(503,033)	(521,454)	-	(1,024,487)
Cash Flows from Financing Activities				
Proceeds from additions to revocable and savings trusts	559,642	-	-	559,642
Proceeds from future gift interests	287,632	-	-	287,632
Withdrawals from revocable and savings trusts	(282,913)	-	-	(282,913)
Net financing activities	564,361	-	-	564,361
Net increase (decrease) in cash	51,852	-	-	51,852
Cash at beginning of year	7,172	-	-	7,172
Cash at end of year	\$ 59,024	-	-	59,024

See accompanying notes to financial statements.

FREE WILL BAPTIST FOUNDATION, INC.

Notes to Financial Statements

December 31, 1994

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

Financial Statement Presentation

Certain reclassifications have been made to the 1993 figures to conform with current year presentation.

(2) Endowment Funds

Endowment funds are subject to restrictions by the donor requiring that the principal be invested in perpetuity, and only the income be distributed to the beneficiaries of the endowment. The rate of interest paid (see note 3) is dependent upon the amount of income earned from the funds held by the Board of Retirement and Insurance of the National Association of Free Will Baptists (the Board). As of December 31, 1994, the Foundation held \$824,189 of endowment funds which were invested in interest bearing accounts with the Board.

FREE WILL BAPTIST FOUNDATION, INC.
Notes to Financial Statements, continued

(3) Investments (see note 6)

The Foundation has interest bearing accounts with the Board of Retirement and Insurance (the Board) recorded at cost. These accounts earn interest at rates established by the Board. The rate of return will vary based on market conditions and the performance of the investments of the Board. Withdrawal from the accounts is without penalty, but withdrawal requires a 90 day notice.

Further, the Foundation has made investments from revocable trust funds in U.S. Government instruments and certificates of deposits. These investments are recorded at cost. The Foundation intends to hold these investments until their maturity, accordingly the difference between cost and face value of the investments is amortized to (against) income over the life of the respective investment.

The following summarizes investments of the Foundation as of December 31, 1994.

	Face Value	Cost	Investment Income	Accrued Earnings Receivable
Interest bearing deposits with the Board of Retirement	\$ 1,577,960	1,577,960	47,411	36,952
U.S. Government instruments:				
7.375% U.S. Treasury notes maturing November 1997	\$ 100,000	100,665	929	929
7.79% Student Loan Marketing Association maturing December 1997	100,000	100,000	36	555
7.94% Federal Home Loan Bank maturing October 1999	150,000	149,250	1,718	2,545
Amortization of net premium / discount to investment income	-	(11)	(11)	-
	\$ 350,000	349,904	2,672	4,029
Certificates of deposit held by four (4) financial institutions each in the amount of \$99,000, bearing interest ranging from 6.65% to 7%, maturing through August 1999	\$ 396,000	396,991	7,174	764
Amortization of net premium / discount to investment income	-	(104)	(104)	-
	\$ 396,000	396,887	7,070	764
Total interest bearing investments	\$ 2,323,960	2,324,751	57,153	41,745
Other investment income				
Interest on checking account			1,141	
			\$ 58,294	

6

FREE WILL BAPTIST FOUNDATION, INC.
Notes to Financial Statements, continued

(4) Interest Bearing Revocable and Savings Trusts

The Foundation maintains revocable trusts and savings trusts amounting to \$1,015,478 as of December 31, 1994 and pays interest to the trust beneficiaries. The rate of interest paid (see note 3) is dependent upon the amount of income earned from the funds held by the Board. Withdrawal from the accounts is without penalty, but withdrawal requires a 90 day notice. The trusts are without maturity.

(5) Future Gift Interests Payable

The Foundation maintains charitable unitrusts amounting to \$247,895 and gift annuities amounting to \$443,018 as of December 31, 1994. These future gift interests pay interest at specified rates ranging from 5.0% to 8.7%.

(6) Concentration of Credit Risk (see note 3)

The interest bearing accounts with the Board of Retirement and Insurance are uninsured and are not collateralized, accordingly the risk of accounting loss is the balance in the accounts at any point in time. All cash funds, including checking accounts and certificates of deposit, are below the FDIC insurable limit and are not subject to risk of accounting loss. Investments in U.S. Government instruments are insured by the U.S. Government.

(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 \$18,000 for the year ended December 31, 1994.

7

Proposed 1996 Budget

	Actual 1994	Approved 1995	Proposed 1996
Income			
The Together Way	\$11,447	\$14,000	\$15,000
Gifts	426	2,500	4,000
Miscellaneous	360	500	600
Management fees	(14,501)	36,000	69,900
Total	(\$ 2,268)	\$53,000	\$89,500
Expenses			
Salaries & Benefits	\$18,000	\$20,000	\$55,000
Travel & Promotion	4,370	8,500	12,500
Office Expense	3,766	8,000	4,000
Printing & Publications	3,729	8,000	6,500
Training & Education	-0-	3,500	3,500
Legal & Auditing	5,060	4,000	6,500
Miscellaneous	1,450	1,000	1,500
Total	\$38,375	\$53,000	\$89,500

¹ Reimburse Board of Retirement \$22,000 for use of office, equipment and employees.

² Propose to reduce reimbursement to Board of Retirement in 1996 to \$15,000 for one year to reduce expenses as new position is being developed.

Amended and Restated Charter of Free Will Baptist Foundation, Inc.

Pursuant to TCA Section 48-60-102, Provisions for Amendments; TCA Section 48-60-106, Provisions for Restatement; and TCA Section 48-67-101 & 102, a Tennessee Nonprofit Corporation; Free Will Baptist Foundation, Inc., a Tennessee Nonprofit Religious Corporation existing under an original Charter filed with the Secretary of State on September 18, 1980, reference #177 00731; which is now to be amended and restated by this Amended and Restated Charter:

1. The name of the Corporation is:
Free Will Baptist Foundation, Inc.
2. The Corporation's principal office is located at:
5233 Mount View Road, Antioch, Davidson County, Tennessee 37013
3. The Corporation's registered agent and address:
William W. Evans, 5233 Mount View Road, Antioch, Tennessee 37013
4. The duration of this public benefit Corporation is perpetual.
5. The Corporation shall have no members.

Article I

This Corporation is a Nonprofit Religious Corporation as defined by the Tennessee Nonprofit Corporation Act, TCA Section 48-51-101 *et seq.*, and more specifically as a Nonprofit Religious Corporation as set forth in TCA Section 48-67-101 & 102. This Corporation shall have and be entitled to exercise all powers which a Nonprofit Religious Corporation of its nature may have and exercise under the laws of the State of Tennessee, as now in effect or hereafter amended, subject to the limitations contained in the Internal Revenue Code to retain its status as an exempt religious organization.

Article II Corporate Purposes

The purpose for which the Corporation is organized is **To Magnify Christ Jesus as Our Lord and to Glorify Our Heavenly Father.**

To implement this chief purpose the Corporation shall encourage and motivate the making of contributions, donations and gifts by deed, wills, contracts, trust agreements, securities or otherwise for the advancement, promotion, extension and maintenance of the various causes, objectives, boards and commissions now or at any time hereafter fostered or officially sanctioned by the National Association of Free Will Baptists, Inc. This Corporation is organized exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law) and its regulations (as they now exist or may hereafter be amended).

Article III Management of Corporation

The overall direction of the Corporation shall be vested in a Board of Trustees. The management and operation in accordance with the overall direction of the Corporation, shall be the responsibility of the Corporate officers. The Trustees shall be elected by the National Association of Free Will Baptists, Inc., in accordance with its Constitution and By-Laws.

Article IV Corporation's Powers As Trustee

The Corporation shall receive and administer funds and properties of all kinds for the above purposes, and to that end, the Corporation is authorized to take and to hold by bequest, devise, gift, purchase, loan or lease, either absolutely or in trust, for said purposes or any of them, any property, real, personal, or mixed, without limitation as to amount or value, in accordance with such limitations, as may be imposed by law or by provision of this Amended and Restated Charter: to sell, convey and dispose of any such property or to invest and reinvest the principal thereof, and to deal with and expend such principal or the income therefrom for any of the purposes of the Corporation, either by direct action of the Corporation or by means of trust created by it, without limitation, except such limitation, if any, as may be contained in the instrument under which such

funds or property are received; to receive any property, real, personal, or mixed, in trust, under the terms of any deed, will, deed of trust, or other trust instrument consistent with the purposes of the Corporation, in administering the same to carry out the directions and exercise the powers contained in the instrument under which the property is received, including the expenditure of the principal as well as the income for one or more such purposes, if authorized and directed in the instrument under which it is received, to receive, take title to, hold and use the proceeds and income of real estate, personal estate, stocks, bonds, obligations, and other securities of any person or persons, corporation or corporations, domestic or foreign for the purposes of the Corporation. The Corporation is specifically authorized to serve as a Trustee of any and all funds donated to its use upon specified terms and conditions consistent with its nonprofit religious and educational purposes. Furthermore, it may serve as Trustee under specific terms and conditions of any and all funds so long as the Trust includes as a beneficiary the National Association of Free Will Baptists, Inc., or any of its standing boards, or commissions, or committees, or affiliates thereunder.

Article V Dissolution

In the event of the dissolution of this Corporation, any assets of the organization then remaining shall be conveyed to the National Association of Free Will Baptists, Inc., which organization is exempt under section 501(c)(3) of the Internal Revenue Code of 1954 as amended or under successor provisions of the Code as may be in effect at the time of dissolution.

Article VI Amendments

This Charter may be amended upon a two-thirds majority vote of the entire Board of Trustees consistent with the declared general programs, objects, Charter, By-Laws and purposes of the National Association of Free Will Baptists, Inc., in the following manner:

- 1) The written amendment will be submitted at a regular or special meeting of the Board upon the proposed written amendment being included in the notice of said meeting; and
- 2) Upon its adoption, the same will be included in the Board's Report to the next regular annual session of the National Association for discussion only; and
- 3) Thereafter, the Board will reconsider the Charter amendment in light of the discussion at the annual session of the National Association and the Board must again approve the Charter amendment or an amendment thereof and present the same to the next regular annual session of the National Association for approval; and
- 4) Only upon the approval of said proposed amendment at the next regular annual session of the National Association shall the Charter amendment be finally approved by the Board and filed of record with the Secretary of State.

We, the undersigned, as Trustees constituting the Board of Trustees for the Free Will Baptist Foundation, Inc., do hereby acknowledge that this Amended and Restated Charter was adopted at the recommendation of the General Board by the convention of the National Association of Free Will Baptists, Inc., meeting on the _____ day of _____, 1995, at _____.

By affixing my signature hereto, I, William W. Evans, certify that I witnessed the signatures of the foregoing members of the Board of Trustees of the Free Will Baptist Foundation, Inc., dated this _____ day of _____, 1995.

William W. Evans, President

Sworn and subscribed to before me on the _____ day of _____, 1995.

Notary

By-laws and Rules of Decorum of Free Will Baptist Foundation, Inc.

I

Organization, Objective and Purposes

1. **Organization.** The Free Will Baptist Foundation of the National Association of Free Will Baptists, Inc., (the "Corporation") is a nonprofit Corporation organized under the laws of the State of Tennessee.
2. **Office.** The Corporation shall maintain its principal office in Antioch, Tennessee or such other place within the State of Tennessee as determined by the Board of Trustees.
3. **Objective and purposes.** To implement, encourage and motivate the making of contributions for the advancement and maintenance of the causes, objectives, boards and commissions sanctioned by the National Association of Free Will Baptists, Inc.

II

Board of Trustees

The Board of Trustees shall be considered the same as a Board of Directors.

1. **Number, election and authority of Trustees.** The Board of Trustees shall be composed of the individuals who are serving in the following named capacity; A) each member of the Board of Trustees of the Board of Retirement and Insurance; B) the Director of Foreign Missions; C) the Director of Home Missions; D) the Director of Master's Men; E) the Director of Sunday School and Church Training; F) the President of Free Will Baptist Bible College; G) the Executive Secretary of Women Nationally Active for Christ; and H) the Executive Secretary of the National Association of Free Will Baptists, Inc. The term of the Trustee shall begin and expire with the service in the named capacity. The Trustees shall act in their Trustee capacity only as a Board and individual Trustees have no power to act for the Corporation without prior specific Board authority. The Board shall institute the overall program of the Corporation and the officers shall supervise and administer its operation. The Board shall be responsible for the actions of the Corporation to the National Association of Free Will Baptists, Inc.
2. **Qualification of Trustee.** Each Trustee shall hold membership in a regular Free Will Baptist Church that belongs to a Free Will Baptist District or State Association, or to a church which is recognized by the National Association as being affiliated.
3. **Reports to the National Association.** The Board shall prepare an annual budget of its proposed financial expenditures at the beginning of each fiscal year and shall present the same for approval to the National Association along with a properly qualified independent audit with an unqualified opinion on the Corporation's fiscal condition.
4. **Vacancies.** The Board of Trustees may seek to replace on an *ad interim* basis irregular vacancies that may occur among its members for any reason by requesting the General Board of the National Association of Free Will Baptists, Inc., to fill said vacancies.
5. **Removal of Trustees.** The National Association at any regular annual session shall have the power and right to declare the Trustee position vacant for any cause deemed valid by said Association and to elect successors to those who may thus be removed from office.
6. **Executive Committee.** The Board of Trustees is authorized to create an Executive Committee to act with the full authority of the Board of Trustees when the Board of Trustees is not in session. The number, election and meetings of the Executive Committee is to be determined and changed as the Board of Trustees may from time to time direct. The President of the Board shall be an *Ex Officio* member of this Executive Committee.
7. **Regular and special meetings.** The Board of Trustees shall set the time, occasion or place of the annual meetings of the Board of Trustees which thereafter may be held without notice. Special meetings may be held at any time upon the call of the Chairman of the Board or upon the call of three Trustees. Notice and purpose of such special meetings shall be in writing postmarked at least two weeks before the meeting.
8. **Quorum.** A Quorum shall consist of at least six duly elected Trustees and a majority vote of the Trustees present shall decide the issues brought before the meeting except as otherwise required by the Charter, By-Laws or the Board of Trustees of this Corporation and/or by the National Association.
9. **Compensation and expenses.** Trustees shall serve as such without compensation. Expenses incurred in connection with the performance of their official duties may be reimbursed to Trustees upon approval of the Board of Trustees. A Trustee shall not be precluded from serving the Corporation in any other capacity nor from receiving compensation for such services.

III

Officers of the Board of Trustees Election and Duties

1. **Officers.** The officers of the Board of Trustees shall be the Chairman of the Board, Vice Chairman, and Secretary.
2. **Election and term.** Each of the officers shall be elected by the Board of Trustees for one year beginning with the regular annual meeting of the Board and they shall serve until their respective successors are elected.
3. **Chairman of the Board.** The Chairman of the Board shall preside at all meetings of the Board of Trustees except when he directs or in his absence the Vice Chairman shall preside. The Chairman shall perform all the duties and have all the powers commonly incident to his office and shall carry out the directions of the Board of Trustees.
4. **Vice Chairman.** The Vice Chairman of the Corporation shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the Chairman and/or the Board of Trustees. The Vice Chairman shall preside at the meetings of the Board of Trustees when the Chairman directs or in his absence.
5. **Secretary.** The Secretary shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the Board of Trustees. He shall keep the minutes of all the meetings of the Board of Trustees.

IV

Corporate Officers

1. **Officers.** The officers of the Corporation shall be the President, Vice President, Secretary and Treasurer. The officers of the Corporation shall not be members of the Board of Trustees. The Board of Trustees may from time to time elect other officers as it may deem proper. Any two offices, except those of President and Secretary, may be filled by the same person.
2. **Election and term.** Each of the Corporate officers shall be elected by the Board of Trustees and shall serve until their respective successors are chosen subject to the direction of the Board of Trustees.
3. **President.** The President shall be the Chief Executive Officer of the Corporation. The President shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the Board of Trustees. The President shall be an *Ex Officio* member of the Board of Trustees.
4. **Vice Presidents.** The Vice President shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the President. The Board of Trustees may from time to time elect Vice Presidents assigning to their office such responsibilities as they may deem wise and necessary.
5. **Secretary.** The Secretary shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the President. He shall have charge of all Corporate books and records except for such financial books and records as are the responsibility of the Treasurer.
6. **Treasurer.** The Treasurer shall be the Corporate chief fiscal agent and shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the President. He may be required by the Board of Trustees to give bond for the faithful performance of his duties, in the sum and with the sureties as may be required. As the Corporate chief fiscal agent, he shall have the care and custody of all funds, securities, valuable papers, and accounts of the Corporation.
7. **Removal of Officers.** The President shall hold office at the pleasure of the Board of Trustees. The other officers of the Corporation shall hold office at the pleasure of the President. Any elected or appointed officer may be removed at any time with or without cause by the President or upon the majority vote of the Executive Committee. Any vacancy occurring in any office shall be filled upon the recommendation of the President and the ratification of the Board of Trustees.
8. **Salaries.** The salary of the President shall be fixed by the Board of Trustees or the Executive Committee. The salaries of all other salaried officers of the Corporation shall be fixed upon recommendation of the President by the Board of Trustees.

V

Contracts, Loans and Checks

1. **Contracts.** The Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.
2. **Loans.** No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Trustees. Such authority may be general or confined to specific instances; provided, however, no loans shall be made by the Corporation to its Trustees or officers which are

prohibited by TCA Section 48-58-303.

3. Checks and other instruments. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

VI

Limiting and Indemnifying the Liability of Trustees

The Trustees and/or Officers of the Corporation shall be immune from suit arising from the conduct of the affairs of the Corporation. The Trustees and/or Officers shall not be personally liable to the Corporation for monetary damages for breach of a fiduciary duty provided; however, this provision shall not eliminate or limit the liability of a Trustee and/or Officer for any breach of the Trustee's and/or Officer's duty of loyalty or for acts not in good faith or which involve an intentional misconduct or a knowing violation of law or for an unlawful distribution pursuant hereunder TCA Section 48-58-601. Further, the Trustees are indemnified by the Corporation from personal liability to the full extent as allowed by the Tennessee Statute as set forth in TCA Section 48-58-501 *et seq.*

VII

Transactions with Trustees

1. No contract or other transaction between this Corporation and any of its Trustees shall be void or voidable if such contract shall be approved or ratified by an affirmative vote at any meeting of the Board of Trustees by a majority of the Trustees. The subject Trustee shall have no voice or vote concerning the approval or ratification of his action. Further, no Trustee shall be liable to account to the Corporation for any profit realized by him from or through any such contract or transaction ratified or approved as aforesaid.

2. Notwithstanding anything herein to the contrary, the Corporation shall not lend money to or use its credit to assist its Trustees or officers, whether or not employees.

VIII

Miscellaneous

1. Written consent. Whenever the Trustees of this Corporation are required or permitted to take any action by vote, such action may be taken without a meeting, upon written consent setting forth the action so taken, and signed by all of the Trustees entitled to vote thereon.

2. Contracts and notes. Contracts in the regular order of business shall be executed by the President or by a person designated with that authority by the Board of Trustees or its Executive Committee as directed by written resolution.

3. Fiscal year. The fiscal year of the Corporation shall begin on the first day of January of each year and shall end on the last day of December next following.

IX

Amendments

These By-Laws may be amended by a majority vote of the Trustees at any regular annual meeting or at a special meeting called for that purpose which call includes the proposed amendment(s). Such amendment(s) shall become effective upon approval by the National Association of Free Will Baptists, Inc.

Certification

These By-Laws and Rules of Decorum were duly adopted by a majority vote of the Board of Trustees at its duly called meeting on the _____ day of _____, 1995, at _____.

Secretary

Home Missions Board Report

The Home Missions Department received many blessings from the Lord during 1994. These home missionaries led their churches to become self supporting: Willie Booth, Lancaster, OH; Willis Osborne, Abingdon, VA; David McGowan, Hamilton, OH; Bill Johnson, Elizabethtown, KY; and J. L. Gore, Southaven, MS.

New home missionaries approved in 1994 were: Len Blanchard, Carlsbad, NM; Larry Collins, Omaha, NE; Jim Fairchild, Waldorf, MD; Tommy Jones, Pittsburgh, PA; Danny Keen, Anderson, SC; Pete Maynard, Washington Court House, OH; Norman Richards, New Orleans, LA; Jeff Sloan, Ft. Wayne, IN; and Roy Wilson, Palm Bay, FL.

Three home missionaries changed fields in 1994: Fred Jones left Mexico to start a church in Prattville, AL. He completed his itinerate and started services in Prattville. Bob Lewis left Colorado Springs, CO (the second work he has started and made self supporting) to start a church in Grand Junction, CO. They have also begun services there. Vergel Maness will start a new church on the New Jersey side of the Philadelphia metropolitan area when his itinerate is completed.

Home missionaries Odis Whitehead, Jacksonville, FL and Sandy Adams, Louisville, KY both purchased existing church buildings with loans from the Church Extension Loan Fund. Darrell Smith, Portland, OR and tentmaker I. Bennie Turner built new auditoriums using the missionary builder and loans from the Church Extension Loan Fund. Mark Thomas, Greeley, CO began an educational wing. He used the missionary builder and his volunteer crew. The Greeley Church is building without borrowing.

The Church Extension Loan Fund grew to \$7,695,307.70. A total of 92 loans have been made. Director of Communications, Bill Daniel, printed 2,208,599 newsletters and other pieces of material during 1994. A total of 12 Old Time Camp Meetings were conducted by the staff, plus one at the National Association.

On Roll Call Sunday, March 27, 1994, a total of 223,858 people attended Free Will Baptist churches. There were 601 conversions on that day.

Income for the department was \$2,657,833.23. More than \$192,000 was received as a result of Benjamin Randall Day, 1994.

Seven Free Will Baptist chaplains served during 1994. These were: Chaplain Terry Austin, U.S. Army; Chaplain James Bishop, U.S. Army; Chaplain Robert Cooper, U.S. Navy; Chaplain Larry Langford, U.S. Army; Chaplain Gerald Mangham, U.S. Army; Chaplain Kerry Steedley, U.S. Army; and Chaplain Tim Sturgill, U.S. Air Force. Several national guard and reserve chaplains are endorsed by the Home Missions Department. One police chaplain is also endorsed. Army chaplain, Larry Langford retired after 20 years of service. We wish him well, and commend him for his faithfulness.

Several Aquila and Priscilla workers and a number of tentmakers also served under the Home Missions Department during 1994. We commend these special workers.

The faithful staff which served the department during 1994 are:

Trymon Messer, Associate Director
Richard Adams, Director of Development

Bill Daniel, Director of Communications
 Sue Hayes, Loan Fund Bookkeeper/Secretary
 Kathy Brown, Bookkeeper
 Joan Gardner, Circulation/Secretary
 Carolyn Adams, CELF Secretary
 Pam Anis, Secretary
 Iva Mae Bracey, part time
 Pat Thomas, Publications Editor
 Roy Thomas, General Director

We appreciate the help of our other departments, colleges, state and district mission boards, state leaders, pastors, churches, and lay people as we labor to place "Missionaries In Every State For Churches In Every City."

Respectfully submitted,
 Dr. Roy Thomas, General Director

A Synopsis of Minutes of Home Missions Board Meetings for 1994

May 2-4, 1994:

The following new missionaries approved were: Danny Keen, Anderson, SC; Jeff Sloan, Ft. Wayne, IN; Roy Wilson, Palm Bay, FL; and Billy Maynard, as tentmaker to Louisville, KY.

New loans approved from the Church Extension Loan Fund were: Northside FWB Church, Eugene, OR—\$20,000; Heritage FWB Church, Shreveport, LA—\$6,000; Oregon Trail FWB Church, Oregon City, OR—\$9,000; Amador FWB Church, Pioneer, CA—\$200,000; Campbell FWB Church, Campbell, CA—\$70,000.

The Board accepted the resignations of Rev. Rex Lynn, Rome, GA, and Rev. Joe Bevell, Anderson, SC.

The Board commended Chaplain Larry Langford on his retirement after 20 years as a Free Will Baptist chaplain.

The Board initiated the Benjamin Randall Club to encourage support for the General Fund. The 1995 budget of \$2,700,000 was adopted.

Guidelines were adopted for securing a new General Director.

July 16, 1994:

MSC to employ Rev. Larry Collins as associate missionary to Omaha, NE, and Rev. Len Blanchard to Carlsbad, NM.

November 7, 1994 (Telephone Conference):

MSC that a loan be made to the Southside FWB Church, Aiken, SC and the South Carolina State Mission Board for \$60,000 for land.

MSC that \$2,450 be added to the loan of Keystone FWB Church, Hanover, PA.

December 6-7, 1994:

Interest rates were increased in the Church Extension Loan Fund by 2% to investors and by 1.5% for loans on churches.

New missionaries approved were: Vergel Maness, Philadelphia, PA;

Norman Richards, New Orleans, LA; Jim Fairchild, Waldorf, MD; Arthur Maynard as associate missionary to Washington Court House, Ohio; and Tommy Jones, Pittsburgh, PA.

The Board commended J. L. Gore for leading his church to be self supporting.

The following loans were approved: Landmark FWB Church, Anderson, SC—\$70,000; Fellowship FWB Church, Manning, SC—\$50,000; Waldorf FWB Church, Waldorf, MD—\$40,000; Renacer FWB Church, Miami, FL—\$250,000.

Resignations were accepted from Larry Reynolds, Chandler, AZ, Frank Owens, Waldorf, MD, and David McGowan, Hamilton, OH.

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

Antioch, Tennessee

Financial Statements

December 31, 1994

Thoni, Hinton & Warren

CERTIFIED PUBLIC ACCOUNTANTS
 NASHVILLE, TENNESSEE

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

December 31, 1994

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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.
Antioch, Tennessee

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, 1994, 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. Information for the year ended December 31, 1993 is presented for comparative purposes only and was extracted from the financial statements presented by the Organization for that year, on which an unqualified opinion dated February 18, 1994 was expressed.

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, 1994 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 2, 1995

BOARD OF HOME MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
OF THE UNITED STATES OF AMERICA, INC.
Balance Sheet
December 31, 1994
(With Comparative Totals for 1993)

ASSETS

Assets	Operating Fund	Plant Fund	Total All Funds	
			1994	1993
Cash - Note 11	\$235,853	\$	\$235,853	\$108,450
Accounts receivable - Note 7	135,694		135,694	1,700
Investments in Church Extension				
Loan Fund - Note 7	386,880		386,880	364,710
Inventory - Note 1	10,073		10,073	9,159
Note receivable - Note 2				22,000
Accrued interest receivable				966
Property and equipment, at cost, less accumulated depreciation of \$50,352 - Notes 1 & 3		66,374	66,374	72,725
Capitalized lease - Note 4	15,511		15,511	16,452
Total assets	\$784,011	\$ 66,374	\$850,385	\$596,162

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>				
Accounts payable and accrued expenses	\$ 5,856	\$	\$ 5,856	\$ 6,177
Deferred compensation - Note 5	189,679		189,679	164,084
Notes payable - related party - Note 8				6,761
Restricted deferred revenue - missionary accounts - Notes 1 & 6	585,235		585,235	488,601
Total liabilities	780,770		780,770	665,625
<u>Commitments - Note 10</u>				
<u>Fund balances (deficit)</u>				
Unrestricted	3,241		3,241	(142,188)
Net investment in property and equipment		66,374	66,374	72,725
Total fund balances	3,241	66,374	69,615	(69,463)
Total liabilities and fund balances	\$784,011	\$ 66,374	\$850,385	\$596,162

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, 1994
(With Comparative Totals for 1993)

	Operating Fund		Plant Fund	Total All Funds	
	Unrestricted	Restricted		1994	1993
Support and revenue:					
Cooperative program	\$ 80,206	\$ 379,882	\$	\$ 460,088	\$ 387,351
Designated contributions - Note 6	626,631	1,388,040		2,014,671	1,771,992
Management fees - Note 7	60,000			60,000	60,800
Interest income	26,442			26,442	30,460
Gain (loss) on disposal of property and equipment					12,437
Gain (loss) on disposal of investments					(23,119)
Total support and revenue	793,279	1,767,922		2,561,201	2,239,921
Expenses:					
Administrative expenses	640,183			640,183	632,017
Missionary expenses		1,767,922		1,767,922	1,670,835
Plant fund			14,018	14,018	13,641
Total expenses	640,183	1,767,922	14,018	2,422,123	2,316,493
Excess (deficiency) of support and revenue over expenses	153,096	-0-	(14,018)	139,078	(76,572)
Equipment purchases and dispositions	(7,667)		7,667		
Fund balance (deficit) - beginning of year	(142,188)	-0-	72,725	(69,463)	7,109
Fund balance (deficit) - end of year	\$ 3,241	\$ -0-	\$ 66,374	\$ 69,615	(\$ 69,463)

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 Cash Flows
For the Year Ended December 31, 1994
(With Comparative Totals for 1993)

	Operating Fund	Plant Fund	Total All Funds	
			1994	1993
<u>Operating activities</u>				
Excess (deficiency) of support and revenue over expenses	\$153,096	(\$14,018)	\$139,078	(\$ 76,572)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation		14,018	14,018	13,641
Amortization	940		940	940
(Gain) loss on disposal of property and equipment				(12,437)
(Gain) loss on disposal of investments				23,119
Changes in operating assets and liabilities:				
(Increase) decrease in receivables	(133,028)		(133,028)	(2,666)
(Increase) decrease in inventories	(914)		(914)	(1,349)
Increase (decrease) in accounts payable and accrued expenses	(321)		(321)	(7,908)
Increase (decrease) in deferred compensation	25,596		25,596	10,387
Increase (decrease) in restricted deferred revenue	96,632		96,632	77,962
Net cash provided by operating activities	142,001	-0-	142,001	25,117
<u>Investing activities</u>				
Disposition of investments				194,667
Purchase of investments	(22,170)		(22,170)	(191,641)
Collection on note receivable	22,000		22,000	
Proceeds on sale of property and equipment				21,710
Purchase of property and equipment	(7,667)		(7,667)	(12,125)
Net cash provided (used) by investing activities	(7,837)	-0-	(7,837)	12,611
<u>Financing activities</u>				
Payments on notes payable	(6,761)		(6,761)	(42,885)
Net cash used by financing activities	(6,761)	-0-	(6,761)	(42,885)
Increase (decrease) in cash and cash equivalents	127,403		127,403	(5,157)
Cash and cash equivalents at beginning of year	108,450		108,450	113,607
Cash and cash equivalents at end of year	\$235,853	\$ -0-	\$235,853	\$108,450
<u>Supplemental disclosures</u>				
Cash paid during the year for interest	\$ 186	\$ -0-	\$ 186	\$ 2,531

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.
Notes to the Financial Statements
December 31, 1994

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, 1994

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

Comparative date

The financial information for the year ended December 31, 1993, presented for comparative purposes, is not intended to be a complete financial statement presentation.

Note 2 - Note receivable

The Organization sold the property it held for sale in 1993. The property was sold with the Organization taking a balloon note in the amount of \$22,000. The note was paid off during the year ended December 31, 1994.

Note 3 - Property and equipment

A summary of property and equipment is as follows:

Automobile	\$ 27,460
Office furniture & equipment	89,266
	116,726
Less: Accumulated depreciation	(50,352)
	<u>\$ 66,374</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 in 1991 and will be amortized over a period of twenty years. Amortization expense for the year amounted to \$940.

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	\$164,084
Contribution for the year	
Missionaries	26,315
Administrative employees	17,659
Transfer and terminations	(18,379)
Balance at end of year	<u>\$189,679</u>

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, 1994

Note 6 - Restricted deferred revenue

Change in restricted deferred revenue is as follows:

	<u>Missionary</u>
	<u>Accounts</u>
Cooperative program	\$ 379,882
Designated contributions	1,484,672
	1,864,554
Revenue recognized in the current year	(1,767,922)
(expenses)	96,632
Increase in deferred revenue	488,603
Balance, December 31, 1993	\$ 585,235
Balance, December 31, 1994	<u>585,235</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. The Board of Home Missions has invested money in a demand note of the Church Extension Loan Fund. The balance in this investment at year end was \$386,880. The Board of Home Missions has a receivable from the Church Extension Loan Fund in the amount of \$135,694.

Note 8 - Notes payable - related party

The note payable to Church Extension Loan Fund was repaid during the year ended December 31, 1994.

See Note 7 for other related parties transactions.

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, 1994

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 \$65,280. The term of the lease will expire when all mortgages on the building are satisfied, which approximates 14 years.

The future minimum lease payments are as follows:

1995	\$ 65,280
1996	65,280
1997	65,280
1998	65,280
1999	65,280
Thereafter	587,520

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.

Note 11 - Concentration of credit risk

The Board maintains cash deposits in excess of the federally insured amounts. At December 31, 1994, the excess amount over the federally insured limit was \$135,853.

SUPPLEMENTARY INFORMATION

THONI, HINTON & WARREN

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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 1994 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 2, 1995

**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, 1994
(With Comparative Totals for 1993)**

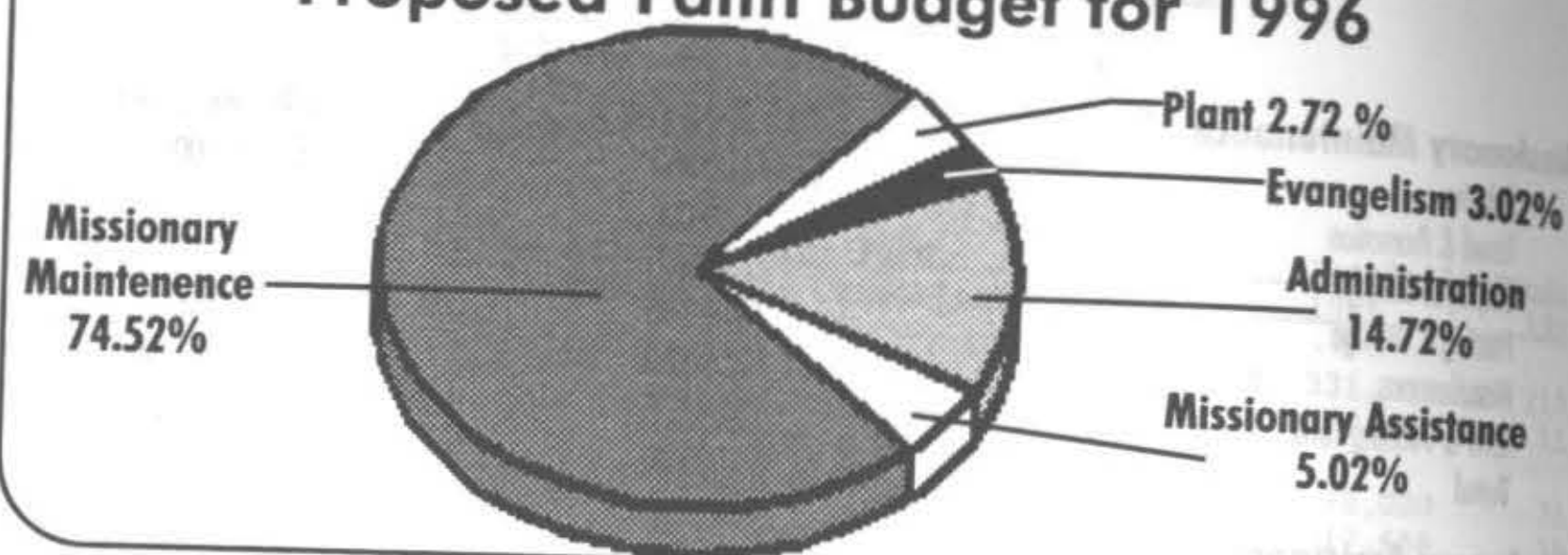
	Operating Fund		Plant Fund	Total All Funds	
	Unrestricted	Restricted		1994	1993
Administrative expenses					
Salaries and wages	\$ 231,701	\$	\$	\$ 231,701	\$ 215,775
Payroll taxes	12,446			12,446	11,141
Housing allowance and employee benefits	72,020			72,020	71,410
Employee savings	17,658			17,658	12,129
Cost of literature	1,394			1,394	898
Promotion expense	26,636			26,636	9,221
Utilities	5,350			5,350	8,232
Office expense	10,174			10,174	20,471
Printing and postage	79,835			79,835	91,995
Rent expense	65,280			65,280	63,180
Professional fees	3,000			3,000	2,560
Auto and travel expense	34,802			34,802	48,670
Board meeting expense	17,901			17,901	18,884
Insurance expense	33,821			33,821	33,357
Telephone	10,430			10,430	10,107
Interest expense	127			127	2,176
Amortization	940			940	940
Together Way Office	6,517			6,517	4,224
Miscellaneous	10,151			10,151	6,647
Total administrative expenses	640,183			640,183	632,017
Missionary expenses					
Salary and wages		1,321,908		1,321,908	1,305,186
Employee benefits		6,285		6,285	3,140
Employee savings		26,315		26,315	25,636
Promotion expense		5,904		5,904	3,000
Printing and postage		42,036		42,036	39,205
Auto and travel expense		71,889		71,889	82,210
Insurance expense		42,116		42,116	35,914
Missionary land & buildings		140,877		140,877	74,985
Designated contributions		91,592		91,592	91,323
Miscellaneous other expense		19,000		19,000	10,236
Total missionary expenses		1,767,922		1,767,922	1,670,835
Plant fund					
Depreciation			14,018	14,018	13,641
Total plant fund			14,018	14,018	13,641
Total expenses	\$ 640,183	\$1,767,922	\$14,018	\$2,422,123	\$2,316,493

See accountants' report on supplementary information.

**Home Missions Department
Proposed Faith Budget for 1996**

	1995 Budget	1996 Budget
Missionary Maintenance	\$1,673,000.00	\$1,675,000.00
Salaries	85,000.00	75,000.00
Travel & Promotion	27,000.00	28,000.00
Employee Savings	75,000.00	47,000.00
Printing & Postage	15,000.00	10,000.00
Miscellaneous	75,000.00	140,000.00
Land & Building Fund		\$1,975,000.00
Total	\$1,950,000.00	
Missionary Assistance	\$72,000.00	\$82,000.00
Printing & Postage	10,000.00	11,000.00
Telephone	15,000.00	17,000.00
Board Member Expense	3,000.00	3,500.00
Auditing	4,000.00	2,500.00
Literature	11,000.00	7,000.00
Together Way-WNAC	12,000.00	10,000.00
Miscellaneous	\$127,000.00	\$133,000.00
Total		
Administrative	\$250,000.00	\$260,000.00
Salaries	45,000.00	50,000.00
Housing	10,000.00	10,000.00
Social Security	9,000.00	11,000.00
Payroll Taxes	13,000.00	18,000.00
Employee Savings	35,000.00	35,000.00
Insurance	8,000.00	6,000.00
Utilities	\$370,000.00	\$390,000.00
Total		
Evangelism	\$46,000.00	\$35,000.00
Auto & Travel	10,000.00	27,000.00
Promotion	16,000.00	12,000.00
Revivals	6,000.00	6,000.00
Roll Call Sunday	\$78,000.00	\$80,000.00
Total		
Plant	\$48,000.00	\$50,000.00
Office Space	15,000.00	12,000.00
Equipment & Supplies	12,000.00	10,000.00
Depreciation	\$75,000.00	\$72,000.00
Total		
Build My Church Campaign:	\$100,000.00	\$100,000.00
Total Faith Budget:	\$2,700,000.00	\$2,750,000.00

Home Missions Department Proposed Faith Budget for 1996



Salary Breakdown

General Director (25 years)

	1994	1995	1996
Salary	\$31,257.48	\$32,891.40	\$0-
Housing	16,800.00	16,800.00	-0-
Utilities	2,000.00	2,100.00	-0-
Social Security	-0-	-0-	-0-
Retirement (Savings Bonus)	2,400.00	2,500.00	-0-
Insurance:	3,170.28	3,049.56	-0-
Travel	60.00	60.00	-0-
Life	310.32	286.68	-0-
Health	2,325.48	2,510.52	-0-
Dental	474.48	192.36	-0-
Total	\$55,627.76	\$57,340.96	
Office Car Furnished			

Associate Director (17 years)

	1994	1995	1996
Salary	\$30,362.28	\$32,088.36	\$34,232.88
Housing	10,800.00	10,800.00	10,800.00
Utilities	2,300.00	2,400.00	2,500.00
Social Security	-0-	-0-	-0-
Retirement (Savings Bonus)	2,000.00	2,150.00	2,300.00
Insurance:	4,499.16	5,518.68	6,281.88
Travel	60.00	60.00	60.00
Life	310.32	286.68	286.68
Health	3,488.28	4,770.48	5,533.68
Dental	640.56	401.52	401.52
Total	\$49,961.44	\$52,957.04	\$56,114.76
Office Car Furnished			

Director of Development (5 years)

	1994	1995	1996
Salary	\$22,601.88	\$23,963.04	\$26,001.77
Housing	16,800.00	16,800.00	16,800.00
Utilities	2,500.00	2,600.00	2,700.00
Social Security	-0-	-0-	-0-
Retirement (Savings Bonus)	780.00	2,100.00	-0-
Insurance:	3,170.28	3,451.20	2,200.00
Travel	60.00	60.00	60.00
Life	310.32	286.68	286.68
Health	2,325.48	2,510.52	2,912.16
Dental	474.48	192.36	192.36
Total	\$45,852.16	\$48,512.60	\$51,152.97
Office Car Furnished			

1994

1995

1996

Bookkeeper (14 years)

Salary	\$23,651.16	\$24,396.32	\$25,421.24
Social Security	1,809.60	1,866.28	1,944.80
Retirement (Savings Bonus)	1,200.00	1,300.00	1,400.00
Insurance:	209.52	194.28	194.28
Life	-0-	-0-	-0-
Health	-0-	-0-	-0-
Dental	-0-	-0-	-0-
Total	\$26,870.28	\$27,756.88	\$28,960.32

Director of Communications (17 years)

Salary	\$31,529.16	\$32,522.36	\$33,888.40
Social Security	2,411.76	2,488.20	2,592.72
Retirement (Savings Bonus)	1,450.00	6,050.00	7,050.00
Insurance:	8,012.76	2,989.56	1,242.28
Life	209.52	286.68	1,242.28
Health	7,162.68	2,510.52	-0-
Dental	640.56	192.36	-0-
Total	\$43,403.68	\$44,050.12	\$44,773.40

Circulation/Secretary (8 years)

Salary	\$16,534.44	\$17,055.48	\$17,772.04
Social Security	1,264.64	1,305.20	1,359.80
Retirement (Savings Bonus)	800.00	852.78	888.61
Insurance:	2,772.24	2,897.16	3,298.80
Life	209.52	194.28	194.28
Health	2,325.48	2,510.52	2,912.16
Dental	237.24	192.36	192.36
Total	\$21,371.32	\$22,110.62	\$23,319.25

Publications Editor (23 years)

Salary	\$25,570.48	\$26,375.96	-0-
Social Security	1,956.24	2,017.60	-0-
Retirement (Savings Bonus)	1,200.00	1,320.00	-0-
Insurance:	2,535.00	2,897.16	-0-
Life	209.52	194.28	-0-
Health	2,325.48	2,510.52	-0-
Dental	-0-	192.36	-0-
Total	\$31,261.72	\$32,610.72	

Loan Fund Secretary (5 years)

Salary	\$16,201.64	\$16,712.28	\$17,414.28
Social Security	1,239.68	1,278.68	1,332.24
Retirement (Savings Bonus)	300.00	835.62	870.72
Insurance:	2,535.00	2,897.16	3,298.80
Life	209.52	194.28	194.28
Health	2,325.48	2,510.52	2,912.16
Dental	-0-	192.36	192.36
Total	\$20,276.32	\$21,723.74	\$22,916.04

	1994	1995	1996
Secretary (5 years)			
Salary	\$16,201.64	\$16,712.28	\$17,414.28
Social Security	1,239.68	1,278.68	1,332.24
Retirement (Savings Bonus)	300.00	835.62	870.72
Insurance:	2,764.32	2,887.68	3,289.32
Life	201.60	184.80	184.80
Health	2,325.48	2,510.52	2,912.16
Dental	237.24	192.36	192.36
Total	\$20,505.64	\$21,714.26	\$22,906.56

Amended and Restated Charter Of the Board of Home Missions of the National Association of Free Will Baptists, Inc.

Pursuant to TCA Section 48-60-102, Provisions for Amendments; TCA Section 48-60-106, Provisions for Restatement; and TCA Section 48-67-101 & 102, a Tennessee Nonprofit Corporation; The Board of Home Missions of the National Association of Free Will Baptists, Inc., a Tennessee Nonprofit Religious Corporation existing under an original Charter filed with the Secretary of State on March 28, 1956, reference #BO20P0139; with amendment thereto filed on March 17, 1988, reference #755-0274A and; all of which are now to be amended and restated by this Amended and Restated Charter:

1. The name of the Corporation is:
The Board of Home Missions of the National Association of Free Will Baptists, Inc.
2. The Corporation's principal office is located at:
5233 Mount View Road, Antioch, Davidson County, Tennessee 37013
3. The Corporation's registered agent and address:
Roy L. Thomas, 5233 Mount View Road, Antioch, Tennessee 37013
4. The duration of this public benefit Corporation is perpetual.
5. The Corporation shall have no members.

Article I

The Corporation is a Nonprofit Religious Corporation as defined by the Tennessee Nonprofit Corporation Act, TCA Section 48-51-101 *et seq.*, and more specifically as a Nonprofit Religious Corporation as set forth in TCA Section 48-67-101 & 102. This Corporation shall have and be entitled to exercise all powers which a Nonprofit Religious Corporation of its nature may have and exercise under the laws of the State of Tennessee, as now in effect or hereafter amended, subject to the limitations contained in the Internal Revenue Code to retain its status as an exempt religious organization.

Article II Corporate Purposes

The purpose for which the Corporation is organized is to **Magnify Christ Jesus as Our Lord and to Glorify Our Heavenly Father.**

To implement this chief purpose the Corporation shall promote, carry on and maintain Home Missionary Work in accordance with the tenets and doctrines of the Free Will Baptists as set forth by the National Association of Free Will Baptists, Inc., as described in *Treatise of the Faith & Practices of Free Will Baptists* and all other purposes incident thereto.

The support of public worship, the building and maintenance of churches, parsonages, schools, hospitals, chapels and such other religious, educational or benevolent institutions as may be necessary or proper to the work of missionary bodies in the United States or in any foreign country, and the maintenance of all missionary undertakings. This Corporation is organized exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law) and its regulations (as they now exist or may hereafter be amended).

Article III Management of Corporation

The overall direction of the Corporation shall be vested in a Board of Trustees. The management and operation in accordance with the overall direction of the Corporation, shall be the responsibility of the Corporate officers. The Trustees shall be elected by the National Association of Free Will Baptists, Inc., in accordance with its Constitution and By-Laws.

Article IV Corporation's Powers As Trustee

The Corporation shall receive and administer funds and properties of all kinds for the above purposes, and to that end, the Corporation is authorized to take and to hold by bequest, devise, gift, purchase, loan or lease, either absolutely or in trust, for said purposes or any of them, any property, real, personal, or mixed, without limitation as to amount or value, in accordance with such limitations, as may be imposed by law or by provision of this Amended and Restated Charter: to sell, convey and dispose of any such property or to invest and reinvest the principal thereof, and to deal with and expend such principal or the income therefrom for any of the purposes of the Corporation, either by direct action of the Corporation or by means of trust created by it, without limitation, except such limitation, if any, as may be contained in the instrument under which such funds or property are received; to receive any property, real, personal, or mixed, in trust, under the terms of any deed, will, deed of trust, or other trust instrument consistent with the purposes of the Corporation, in administering the same to carry out the directions and exercise the powers contained in the instrument under which the property is received, including the expenditure of the principal as well as the income for one or more such purposes, if authorized and directed in the instrument under which it is received, to receive, take title to, hold and use the proceeds and income of real estate, personal estate, stocks, bonds, obligations, and other securities of any person or persons, corporation or corporations, domestic or foreign for the purposes of the Corporation. The Corporation is specifically authorized to serve as a Trustee of any and all funds donated to its use upon specified terms and conditions consistent with its nonprofit religious and educational purposes. Furthermore, it may serve as Trustee under specific terms and conditions of any and all funds so long as it is a beneficiary thereunder.

Article V Dissolution

In the event of the dissolution of this Corporation, any assets of the organization then remaining shall be conveyed to the National Association of Free Will Baptists, Inc., which organization is exempt under section 501(c)(3) of the Internal Revenue Code of 1954 as amended or under successor provisions of the Code as may be in effect at the time of dissolution.

Article VI Amendments

This Charter may be amended upon a two-thirds majority vote of the entire Board of Trustees consistent with the declared general programs, objects, Charter, By-Laws and purposes of the National Association of Free Will Baptists, Inc., in the following manner:

- 1) The written amendment shall be submitted at a regular or special meeting of the Board and upon the proposed written amendment being included in the notice for said meeting; and
- 2) Upon its adoption, the same will be included in the Board's Report to the next regular annual session of the National Association for discussion only; and
- 3) Thereafter, the Board will reconsider the Charter amendment in light of the discussion at the annual session of the National Association and the Board must again approve the Charter amendment or an amendment thereof and present the same to the next regular annual session of the National Association for approval; and
- 4) Only upon the approval of said proposed amendment at the next regular annual session of the National Association shall the Charter amendment be finally approved by the Board and filed of record with the Secretary of State.

We, the undersigned, as Trustees constituting the Board of Trustees of The Board of Home Missions, do hereby acknowledge that this Amended and Restated Charter was adopted at the recommendation of the General Board by the convention of the National Association of Free Will Baptists, Inc., meeting on the _____ day of _____, 1995, at _____.

By affixing my signature hereto, I, Roy L. Thomas, certify that I witnessed the signatures of the foregoing members of the Board of Trustees of The Board of Home Missions of the National Association of Free Will Baptists, Inc., dated this _____ day of _____, 1995.

Roy L. Thomas, General Director

Sworn and subscribed to before me on the _____ day of _____, 1995.

Notary

BY-LAWS AND RULES OF DECORUM OF THE BOARD OF HOME MISSIONS OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

I

Organization, Objective and Purposes

1. Organization. The Home Missions Board of the National Association of Free Will Baptists, Inc., (the "Corporation") is a nonprofit Corporation organized under the laws of the State of Tennessee.
2. Office. The Corporation shall maintain its principal office in Antioch, Tennessee or such other place within the State of Tennessee as determined by the Board of Trustees.
3. Objective and purposes. To implement, promote, carry on and maintain Home Missionary Work in accordance with the tenets and doctrines of the Free Will Baptists as set forth by the National Association of Free Will Baptists, Inc.

II

Board of Trustees

The Board of Trustees shall be considered the same as a Board of Directors.

1. Number, election and authority of Trustees. The Board of Trustees shall be composed of nine members who are elected by the National Association for a term of six years. These terms are to be arranged so that they expire in groups of three biennially. A Trustee shall serve no more than two full consecutive terms. The Trustees shall act in their Trustee capacity only as a Board and individual Trustees have no power to act for the Corporation without prior specific Board authority. The Board shall institute the overall program of the Corporation and the officers shall supervise and administer its operation. The Board shall be responsible for the actions of the Corporation to the National Association of Free Will Baptists, Inc.
2. Qualification of Trustee. Each Trustee shall hold membership in a regular Free Will Baptist Church that belongs to a Free Will Baptist District or State Association, or to a church which is recognized by the National Association as being affiliated.
3. Reports to the National Association. The Board shall prepare an annual budget of its proposed financial expenditures at the beginning of each fiscal year and shall present the same for approval to the National Association along with a properly qualified independent audit with an unqualified opinion on the Corporation's fiscal condition.
4. Vacancies. The Board of Trustees may seek to replace on an ad interim basis irregular vacancies that may occur among its members for any reason by requesting the General Board of the National Association of Free Will Baptists, Inc., to fill said vacancies.
5. Removal of Trustees. The National Association at any regular annual session shall have the power and right to declare the Trustee position vacant for any cause deemed valid by said Association and to elect successors to those who may thus be removed from office.
6. Executive Committee. The Board of Trustees is authorized to create an Executive Committee to act with such authority as the Board of Trustees shall grant when the Board of Trustees is not in session. The number, election and meetings of the Executive Committee is to be determined and changed as the Board of Trustees may from time to time direct. The General Director shall be a non-voting *Ex Officio* member of this Executive Committee.
7. Regular and special meetings. The Board of Trustees shall set the time, occasion or place of the annual meetings of the Board of Trustees which thereafter may be held without notice. Special meetings may be held at any time upon the call of the General Director or upon the call of three Trustees. Notice and purpose of such special meetings

shall be in writing postmarked at least two weeks before the meeting.

8. Quorum. A Quorum shall consist of at least six duly elected Trustees and a majority vote of the Trustees present shall decide the issues brought before the meeting except as otherwise required by the Charter, By-Laws or the Board of Trustees of this Corporation and/or by the National Association.

9. Compensation and expenses. Trustees shall serve as such without compensation. Expenses incurred in connection with the performance of their official duties may be reimbursed to Trustees upon approval of the Board of Trustees. A Trustee shall not be precluded from serving the Corporation in any other capacity nor from receiving compensation for such services.

III

Officers of the Board of Trustees Election and Duties

1. Officers. The officers of the Board of Trustees shall be the Chairman of the Board, Vice Chairman, and Secretary.
2. Election and term. Each of the officers shall be elected by the Board of Trustees for one year beginning with the regular annual meeting of the Board and they shall serve until their respective successors are elected.
3. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Trustees except when he directs or in his absence the Vice Chairman shall preside. The Chairman shall perform all the duties and have all the powers commonly incident to his office and shall carry out the directions of the Board of Trustees.
4. Vice Chairman. The Vice Chairman of the Corporation shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the Chairman and/or the Board of Trustees. The Vice Chairman shall preside at the meetings of the Board of Trustees when the Chairman directs or in his absence.
5. Secretary. The Secretary shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the Board of Trustees. He shall keep the minutes of all the meetings of the Board of Trustees.

IV

Corporate Officers

1. Officers. The officers of the Corporation shall be the General Director, Associate Director, Secretary and Treasurer. The officers of the Corporation shall not be members of the Board of Trustees. The Board of Trustees may from time to time elect other officers as it may deem proper. Any two officers, except those of General Director and Secretary, may be filled by the same person.
2. Election and term. Each of the Corporate officers shall be elected by the Board of Trustees and shall serve until their respective successors are chosen subject to the direction of the Board of Trustees.
3. General Director. The General Director shall be employed by the Board of Trustees. The General Director shall be the Chief Executive Officer of the Corporation. The General Director shall perform all the duties and have all the powers commonly incident to the office of President and shall have other powers and perform other duties as may be assigned to him by the Board of Trustees. The General Director shall be a non-voting *Ex Officio* member of the Board of Trustees.
4. Associate Directors. The Associate Director shall perform all the duties and have all the powers commonly incident to the office of Vice President and shall have other powers and perform other duties as may be assigned to him by the General Director. The Board of Trustees may from time to time elect Associate Directors assigning to their office such responsibilities as they may deem wise and necessary.
5. Secretary. The Secretary shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the General Director. He shall have charge of all Corporate books and records except for such financial books and records as are the responsibility of the Treasurer.
6. Treasurer. The Treasurer shall be the Corporate chief fiscal agent and shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the General Director. He may be required by the Board of Trustees to give bond for the faithful performance of his duties, in the sum and with the sureties as may be required. As the Corporate chief fiscal agent, he shall have the care and custody of all funds, securities, valuable papers, and accounts of the Corporation.
7. Removal of Officers. The General Director shall hold office at the pleasure of the Board of Trustees. The other officers of the Corporation shall hold office at the pleasure of the General Director and the Board of Trustees. Any elected or appointed officer may be removed at any time with or without cause upon the affirmative vote of the majority of the Board. Any vacancy occurring in any office shall be filled upon the recommendation of the General Director and the vote of the Board of Trustees.
8. Salaries. The salary of the General Director shall be fixed by the Board of Trustees or the Executive Committee. The salaries of all other salaried officers of the Corporation shall be fixed upon recommendation of the General Director by the Board of Trustees.

V Contracts, Loans and Checks

1. Contracts. The Board of Trustees may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Trustees. Such authority may be general or confined to specific instances; provided, however, no loans shall be made by the Corporation to its Trustees or officers which are prohibited by TCA Section 48-58-303.

3. Checks and other instruments. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

VI Limiting and Indemnifying the Liability of Trustees

The Trustees and/or Officers of the Corporation shall be immune from suit arising from the conduct of the affairs of the Corporation. The Trustees and/or Officers shall not be personally liable to the Corporation for monetary damages for breach of a fiduciary duty provided; however, this provision shall not eliminate or limit the liability of a Trustee and/or Officer for any breach of the Trustee's and/or Officer's duty of loyalty or for acts not in good faith or which involve an intentional misconduct or a knowing violation of law or for an unlawful distribution pursuant hereunder TCA Section 48-58-601. Further, the Trustees are indemnified by the Corporation from personal liability to the full extent as allowed by the Tennessee Statute as set forth in TCA Section 48-58-501 et seq.

VII Transactions with Trustees

1. No contract or other transaction between this Corporation and any of its Trustees shall be void or voidable if such contract shall be approved or ratified by an affirmative vote at any meeting of the Board of Trustees by a majority of the Trustees. The subject Trustee shall have no voice or vote concerning the approval or ratification of his action. Further, no Trustee shall be liable to account to the Corporation for any profit realized by him from or through any such contract or transaction ratified or approved as aforesaid.

2. Notwithstanding anything herein to the contrary, the Corporation shall not lend money to or use its credit to assist its Trustees or officers, whether or not employees.

VIII Miscellaneous

1. Written consent. Whenever the Trustees of this Corporation are required or permitted to take any action by vote, such action may be taken without a meeting, upon written consent setting forth the action so taken, and signed by all of the Trustees entitled to vote thereon.

2. Contracts and notes. Contracts in the regular order of business shall be executed by the General Director or by a person designated with that authority by the Board of Trustees or its Executive Committee as directed by written resolution.

3. Fiscal year. The fiscal year of the Corporation shall begin on the first day of January of each year and shall end on the last day of December next following.

IX Amendments

These By-Laws may be amended by a majority vote of the Trustees at any regular annual meeting or at a special meeting called for that purpose which call includes the proposed amendment(s). Such amendment(s) shall become effective upon approval by the National Association of Free Will Baptists, Inc.

Certification

These By-Laws and Rules of Decorum were duly adopted by a majority vote of the Board of Trustees at its duly called meeting on _____ day of _____, 1995, at _____.

Secretary

Proposed State Goals for 1996 Home Missions Department

State	1996 Goal
Alabama	\$250,000
Alaska	500
Arizona	20,000
Arkansas	170,000
California	50,000
Canada	7,500
Church Extension Loan Fund	90,000
Colorado	37,000
Florida	90,000
Georgia	80,000
Hawaii	2,000
Idaho	3,000
Illinois	50,000
Indiana	30,000
Iowa	2,500
Kansas	10,000
Kentucky	65,000
Louisiana	13,000
Maine	7,000
Maryland	30,000
Massachusetts	16,000
Mexico	500
Michigan	70,000
Minnesota	500
Mississippi	60,000
Missouri	125,000
Montana	1,000
Nebraska	1,000
New Hampshire	30,000
New Jersey	3,000
New Mexico	5,000
New York	1,000
North Carolina	240,000
Ohio	85,000
Oklahoma	235,000
Oregon	5,000
Other Income	80,000
Other States	5,000
Pennsylvania	2,000
Puerto Rico	2,000
Rhode Island	2,000
South Carolina	120,000
South Dakota	9,000
Tennessee	330,000
Texas	35,000
Vermont	500
Virginia	70,000
Virgin Islands	40,000
Washington	7,500
West Virginia	55,000
Wisconsin	1,500
WNAC	90,000
Wyoming	15,000
Total 1996 Goals	\$2,750,000

CHURCH EXTENSION LOAN FUND

Antioch, Tennessee

Financial Statements

December 31, 1994

Thoni, Hinton & Warren

CERTIFIED PUBLIC ACCOUNTANTS
NASHVILLE, TENNESSEE

CHURCH EXTENSION LOAN FUND

December 31, 1994

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THONI, HINTON & WARREN

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CERTIFIED PUBLIC ACCOUNTANTS
TENNESSEE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Church Extension Loan Fund
Antioch, Tennessee

We have audited the accompanying balance sheet of the Church Extension Loan Fund (a nonprofit organization) as of December 31, 1994, 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. Information for the year ended December 31, 1993 is presented for comparative purposes only and was extracted from the financial statements presented by the Fund for that year, on which an unqualified opinion, dated February 18, 1994, was expressed.

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, 1994 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 2, 1995

CHURCH EXTENSION LOAN FUND
Balance Sheet
December 31, 1994
(With Comparative Totals for 1993)

	<u>ASSETS</u>		<u>Total All Funds</u>	
	<u>Unrestricted Operating Fund</u>	<u>Plant Fund</u>	<u>1994</u>	<u>1993</u>
<u>Assets</u>				
Cash - Note 7	\$ 912,516	\$	\$ 912,516	\$1,054,993
Accounts receivable - Note 1	-0-			1,425
Notes receivable - Notes 1 & 5	6,662,465		6,662,465	5,446,024
Bonds receivable	51,717		51,717	47,586
Accrued interest receivable	46,380		46,380	56,713
Property and equipment - at cost, less accumulated depreciation of \$7,359 - Notes 1 & 2		13,833	13,833	17,274
Total assets	\$7,673,078	\$ 13,833	\$7,686,911	\$6,624,015
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts payable	\$ 3,948	\$	\$ 3,948	\$
Accounts payable - related party - Note 5	135,694		135,694	
Accrued interest	59,068		59,068	68,278
Revocable and irrevocable trusts	579,000		579,000	489,000
Deferred compensation	193,986		193,986	140,521
Notes payable - Notes 3 & 5	6,091,802		6,091,802	5,320,554
Note payable - other - Note 4	21,290		21,290	25,863
Total liabilities	7,084,788		7,084,788	6,044,216
<u>Fund balances</u>				
Unrestricted	588,290		588,290	562,525
Net investment in property and equipment		13,833	13,833	17,274
Total fund balances	588,290	13,833	602,123	579,799
Total liabilities and fund balances	\$7,673,078	\$ 13,833	\$7,686,911	\$6,624,015

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

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CHURCH EXTENSION LOAN FUND
Statement of Support and Revenue, Expenses and Changes in Fund Balances
For the Year Ended December 31, 1994
(With Comparative Totals for 1993)

	<u>Unrestricted Operating Fund</u>	<u>Plant Fund</u>	<u>Total All Funds</u>	
			<u>1994</u>	<u>1993</u>
<u>Support and revenue:</u>				
Designated contributions - Note 6	\$ 87,392	\$	\$ 87,392	\$ 91,323
Loan origination fees	7,966		7,966	4,000
Investment income	22,409		22,409	65,226
Interest income on notes receivable	531,385		531,385	459,588
Gain on sale of property and equipment				2,877
Gain (loss) on sale of investment				(46,502)
	<u>649,152</u>		<u>649,152</u>	<u>576,512</u>
<u>Expenses:</u>				
Interest expense	381,827		381,827	384,327
Office expense	6,303		6,303	2,143
Auto and travel	16,140		16,140	1,164
Management fee - Note 5	65,000		65,000	60,800
Promotion	12,382		12,382	16,763
Postage	1,789		1,789	3,132
Professional fees	3,551		3,551	4,498
Depreciation		4,142	4,142	3,296
Transfer to Free Will Baptists Home Missions	135,694		135,694	
	<u>622,686</u>	<u>4,142</u>	<u>626,828</u>	<u>476,123</u>
Excess (deficiency) of support and revenue over expenses	26,466	(4,142)	22,324	100,389
Equipment purchases and dispositions (701)		701		-0-
Fund balance - beginning of year	<u>562,525</u>	<u>17,274</u>	<u>579,799</u>	<u>479,410</u>
Fund balance - end of year	\$588,290	\$13,833	\$602,123	\$579,799

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, 1994
(With Comparative Totals for 1993)

	Operating Fund	Plant Fund	Total All Funds	
			1994	1993
<u>Operating activities</u>				
Excess (deficiency) of support and revenue over expenses	\$ 26,466	(\$ 4,142)	\$ 22,324	\$ 100,389
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation		4,142	4,142	3,296
Gain on sale of property and equipment				(2,877)
(Gain) loss on sale of investments				46,502
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	1,425		1,425	8,842
(Increase) decrease in accrued interest receivable	10,333		10,333	(9,326)
Increase (decrease) in accounts payable	139,642		139,642	
Increase (decrease) in accrued interest payable	(9,210)		(9,210)	19,120
Increase (decrease) in deferred compensation	53,465		53,465	27,049
Net cash provided by operating activities	222,121	-0-	222,121	192,995
<u>Investing activities</u>				
Purchase of equipment	(701)		(701)	(19,641)
Proceeds from sale of equipment				5,750
Sale of investments				627,174
Collection on notes receivable	560,458		560,458	226,641
Additions to notes and bonds receivable	(1,781,030)		(1,781,030)	(1,285,392)
Net cash used in investing activities	(1,221,273)	-0-	(1,221,273)	(445,468)
<u>Financing activities</u>				
Additions to trusts	90,000		90,000	204,000
Additions to notes payable	1,783,586		1,783,586	2,169,838
Repayment of notes payable	(1,016,911)		(1,016,911)	(1,181,585)
Net cash provided by financing activities	856,675	-0-	856,675	1,192,253
Increase (decrease) in cash and cash equivalents	(142,477)	-0-	(142,477)	939,780
Cash and cash equivalents at beginning of year	1,054,993	-0-	1,054,993	115,213
Cash and cash equivalents at end of year	\$ 912,516	\$ -0-	\$ 912,516	\$1,054,993

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

CHURCH EXTENSION LOAN FUND
Statement of Cash Flows
(Continued)
For the Year Ended December 31, 1994
(With Comparative Totals for 1993)

	Operating Fund	Plant Fund	Total All Funds	
			1994	1993
<u>Supplemental disclosures</u>				
Interest received	\$ 559,996	\$ -0-	\$ 559,996	\$ 511,687
Interest paid	\$ 391,037	\$ -0-	\$ 391,037	\$ 365,207

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

CHURCH EXTENSION LOAN FUND
Notes to the Financial Statements
December 31, 1994

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 8.5% (10% beginning with the February 1995 payment) over a fifteen year period except for churches still under construction which are required to pay interest only. The Board of Trustees changes the rate on these notes receivable as other interest rates change. The carrying value of these loans approximates market value. The churches are located throughout the United States.

The aggregate maturities of these notes are as follows:

1995	\$ 282,184
1996	311,733
1997	344,375
1998	380,436
1999	420,272
Thereafter	<u>4,923,465</u>
	<u>\$6,662,465</u>

CHURCH EXTENSION LOAN FUND
Notes to the Financial Statements
December 31, 1994

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

Allowance for doubtful accounts

Management considers accounts and notes receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

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, 1993, presented for comparative purposes, is not intended to be a complete financial statement presentation.

Note 2 - Property and equipment

A summary of property and equipment follows:

Automobile	\$ 15,714
Office equipment	<u>5,478</u>
	21,192
Less: Accumulated depreciation	<u>(7,359)</u>
	<u>\$ 13,833</u>

Note 3 - Notes payable

Notes payable consist of 4 1/2 - 6% 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. The Board of Trustees changes the interest rates on these notes payable as other interest rates change.

Note 4 - 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%, 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. The balance of this note at December 31, 1994 was \$21,290.

CHURCH EXTENSION LOAN FUND
Notes to the Financial Statements
December 31, 1994

Note 5 - Related party transactions

The Fund paid the Board of Home Missions of the National Association of Free Will Baptists, Inc. a management fee of \$65,000 to reimburse the Board of Home Missions for salary, rent and other expenses paid by the Board. The Board of Home Missions has invested in the note payable of the Fund. The balance of this note payable to the Board of Home Missions at year end was \$386,880. The Fund had accounts payable to the Board of Home Missions in the amount of \$135,694.

The Fund holds a note receivable from the National Association of Free Will Baptists, Inc. in the amount of \$1,068,901. This note is secured by a deed of trust note.

Note 6 - Designated contributions

The designated contributions are amounts given to the "Build My Church" program. The monies given to this program are loaned to churches in the same manner that other funds are loaned to churches. When the total amount given through the Build My Church program reaches \$1,000,000, then the interest earned from the loans made with the program will be used to purchase land for Home Mission's Churches. The total amount given through the end of the year is \$587,960.

Note 7 - Concentration of credit risk

The Fund maintains cash deposits in excess of the federally insured amounts. At December 31, 1994, the excess amount over the federally insured limit was \$812,516.

Amended and Restated Charter of The Church Extension Loan Fund, Inc.

Pursuant to TCA Section 48-60-102, Provisions for Amendments; TCA Section 48-60-106, Provisions for Restatement; and TCA Section 48-67-101 & 102, a Tennessee Nonprofit Corporation; The Church Extension Loan Fund, Inc., a Tennessee Nonprofit Religious Corporation existing under an original Charter filed with the Secretary of State on November 18, 1981, reference #248 01537; of which are now to be amended and restated by this Amended and Restated Charter:

1. The name of the Corporation is:
The Church Extension Loan Fund, Inc., of the Board of Home Missions of the National Association of Free Will Baptists, Inc., and shall be properly known The Church Extension Loan Fund, Inc.
2. The Corporation's principal office is located at:
5233 Mount View Road, Antioch, Davidson County, Tennessee 37013
3. The Corporation's registered agent and address:
Roy L. Thomas, 5233 Mount View Road, Antioch, Tennessee 37013
4. The duration of this public benefit Corporation is perpetual.
5. The Corporation shall have no members.

Article I

The Corporation is a Nonprofit Religious Corporation as defined by the Tennessee Nonprofit Corporation Act, TCA Section 48-51-101 *et seq.*, and more specifically as a Nonprofit Religious Corporation as set forth in TCA Section 48-67-101 & 102. This Corporation shall have and be entitled to exercise all powers which a Nonprofit Religious Corporation of its nature may have and exercise under the laws of the State of Tennessee, as now in effect or hereafter amended, subject to the limitations contained in the Internal Revenue Code to retain its status as an exempt religious organization.

Article II Corporate Purposes

The purpose for which the Corporation is organized is **To Magnify Christ Jesus as Our Lord And to Glorify Our Heavenly Father.**

To implement this chief purpose the Corporation shall encourage and motivate the making of contributions, donations, and gifts by deed, wills, contracts, trust agreements, securities or otherwise for the advancement, promotion, extensions and maintenance of the various causes, objectives, boards and commissions now or at any time hereafter fostered or officially sanctioned by The Board of Home Missions of the National Association of Free Will Baptists, Inc. The Corporation is organized exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law) and its regulations (as they now exist or may hereafter be amended).

Article III Management of Corporation

The overall direction of the Corporation shall be vested in a Board of Trustees. The management and operation in accordance with the overall direction of the Corporation, shall be the responsibility of the Corporate officers. Each member of the Board of Trustees of the Board of Home Missions shall likewise serve as a member of the Board of Trustees of The Church Extension Loan Fund.

Article IV Corporation's Powers As Trustee

The Corporation shall receive and administer funds and properties of all kinds for the above purposes, and to that end, the Corporation is authorized to take and to hold by bequest, devise, gift, purchase, loan or lease, either absolutely or in trust, for said purposes or any of them, any property, real, personal, or mixed, without limitation as to amount or value, in accordance with such limitations, as may be imposed by law or by provision of this Amended and Restated Charter: to sell, convey and dispose of any such property or to invest and reinvest the principal thereof, and to deal with and expend such principal or the income therefrom for any of the purposes of the Corporation, either by direct action of the Corporation or by means of

trust created by it, without limitation, except such limitation, if any, as may be contained in the instrument under which such funds or property are received; to receive any property, real, personal, or mixed, in trust, under the terms of any deed, will, deed of trust, or other trust instrument consistent with the purposes of the Corporation, in administering the same to carry out the directions and exercise the powers contained in the instrument under which the property is received, including the expenditure of the principal as well as the income for one or more such purposes, if authorized and directed in the instrument under which it is received, to receive, take title to, hold and use the proceeds and income of real estate, personal estate, stocks, bonds, obligations, and other securities of any person or persons, corporation or corporations, domestic or foreign for the purposes of the Corporation. The Corporation is specifically authorized to serve as a Trustee of any and all funds donated to its use upon specified terms and conditions consistent with its nonprofit religious and educational purposes. Furthermore, it may serve as Trustee under specific terms and conditions of any and all funds so long as it is a beneficiary thereunder.

Article V Dissolution

In the event of the dissolution of this Corporation, any assets of the organization then remaining shall be conveyed to the Board of Home Missions of the National Association of Free Will Baptists, Inc., if the same is in existence at the time, if not, to the National Association of Free Will Baptists, Inc., which organization is exempt under section 501(c)(3) of the Internal Revenue Code of 1954 as amended or under successor provisions of the Code as may be in effect at the time of dissolution.

Article VI Amendments

This Charter may be amended upon a two-thirds majority vote of the entire Board of Trustees consistent with the declared general programs, objects, Charter, By-Laws and purposes of the National Association of Free Will Baptists, Inc., in the following manner:

- 1) The written amendment shall be submitted at a regular or special meeting of the Board upon the proposed written amendment being included in the notice for said meeting; and
- 2) Upon its adoption, the same will be included in the Board's Report to the next regular annual session of the National Association for discussion only; and
- 3) Thereafter, the Board will reconsider the Charter amendment in light of the discussion at the annual session of the National Association and the Board must again approve the Charter amendment or an amendment thereof and present the same to the next regular annual session of the National Association for approval; and

- 4) Only upon the approval of said proposed amendment at the next regular annual session of the National Association shall the Charter amendment be finally approved by the Board and filed of record with the Secretary of State.

We, the undersigned, as Trustees constituting the Board of Directors of the Board of The Church Extension Loan Fund, Inc., do hereby acknowledge that this Amended and Restated Charter was adopted at the recommendation of the General Board by the convention of the National Association of Free Will Baptists, Inc., meeting on the _____ day of _____, 1995, at _____.

By affixing my signature hereto, I, Roy L. Thomas, certify that I witnessed the signatures of the foregoing members of the Board of Trustees of The Church Extension Loan Fund, Inc., dated this _____ day of _____, 1995.

Roy L. Thomas, General Director

Sworn and subscribed to before me on the _____ day of _____, 1995.

Notary

By-laws and Rules of Decorum of The Church Extension Loan Fund, Inc.

I

Organization, Objective and Purposes

1. Organization. The Church Extension Loan Fund, Inc., (the "Corporation") is a nonprofit Corporation organized under the laws of the State of Tennessee.
2. Office. The Corporation shall maintain its principal office in Antioch, Tennessee or such other place within the State of Tennessee as determined by the Board of Trustees.
3. Objective and purposes. To implement, encourage and motivate the making of contributions, donations and gifts by deed, wills, contracts, trust agreements or otherwise, for the advancement of the causes, objectives, boards and commissions fostered or sanctioned by The Board of Home Missions of the National Association of Free Will Baptists, Inc.

II

Board of Trustees

The Board of Trustees shall be considered the same as a Board of Directors.

1. Number, election and authority of Trustees. The Board of Trustees shall be composed of nine members who are elected by the National Association for a term of six years. These terms are to be arranged so that they expire in groups of three biennially. A Trustee shall serve no more than two full consecutive terms. The Trustees shall act in their Trustee capacity only as a Board and individual Trustees have no power to act for the Corporation without prior specific Board authority. The Board shall institute the overall program of the Corporation and the officers shall supervise and administer its operation. The Board shall be responsible for the actions of the Corporation to the National Association of Free Will Baptists, Inc.
2. Qualification of Trustee. Each Trustee shall hold membership in a regular Free Will Baptist Church that belongs to a Free Will Baptist District or State Association, or to a church which is recognized by the National Association as being affiliated.
3. Reports to the National Association. The Board shall prepare an annual budget of its proposed financial expenditures at the beginning of each fiscal year and shall present the same for approval to the National Association along with a properly qualified independent audit with an unqualified opinion on the Corporation's fiscal condition.
4. Vacancies. The Board of Trustees may seek to replace on an ad interim basis irregular vacancies that may occur among its members for any reason by requesting the General Board of the National Association of Free Will Baptists, Inc., to fill said vacancies.
5. Removal of Trustees. The National Association at any regular annual session shall have the power and right to declare the Trustee position vacant for any cause deemed valid by said Association and to elect successors to those who may thus be removed from office.
6. Executive Committee. The Board of Trustees is authorized to create an Executive Committee to act with such authority as the Board of Trustees shall grant when the Board of Trustees is not in session. The number, election and meetings of the Executive Committee is to be determined and changed as the Board of Trustees may from time to time direct. The General Director shall be a non-voting Ex Officio member of this Executive Committee.
7. Regular and special meetings. The Board of Trustees shall set the time, occasion or place of the annual meetings of the Board of Trustees which thereafter may be held without notice. Special meetings may be held at any time upon the call of the General Director or upon the call of three Trustees. Notice and purpose of such special meetings shall be in writing postmarked at least two weeks before the meeting.
8. Quorum. A Quorum shall consist of at least six duly elected Trustees and a majority vote of the Trustees present shall decide the issues brought before the meeting except as otherwise required by the Charter, By-Laws or the Board of Trustees of this Corporation and/or by the National Association.
9. Compensation and expenses. Trustees shall serve as such without compensation. Expenses incurred in connection with the performance of their official duties may be reimbursed to Trustees upon approval of the Board of Trustees. A Trustee shall not be precluded from serving the Corporation in any other capacity nor from receiving compensation for such services.

III

Officers of the Board of Trustees Election and Duties

1. Officers. The officers of the Board of Trustees shall be the Chairman of the Board, Vice Chairman, and Secretary.

2. Election and term. Each of the officers shall be elected by the Board of Trustees for one year beginning with the regular annual meeting of the Board and they shall serve until their respective successors are elected.

3. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Trustees except when he directs or in his absence the Vice Chairman shall preside. The Chairman shall perform all the duties and have all the powers commonly incident to his office and shall carry out the directions of the Board of Trustees.

4. Vice Chairman. The Vice Chairman of the Corporation shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the Chairman and/or the Board of Trustees. The Vice Chairman shall preside at the meetings of the Board of Trustees when the Chairman directs or in his absence.

5. Secretary. The Secretary shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the Board of Trustees. He shall keep the minutes of all the meetings of the Board of Trustees.

IV

Corporate Officers

1. Officers. The officers of the Corporation shall be the General Director, Associate Director, Secretary and Treasurer. The officers of the Corporation shall not be members of the Board of Trustees. The Board of Trustees may from time to time elect other officers as it may deem proper. Any two offices, except those of General Director and Secretary, may be filled by the same person.

2. Election and term. Each of the Corporate officers shall be elected by the Board of Trustees and shall serve until their respective successors are chosen subject to the direction of the Board of Trustees.

3. General Director. The General Director shall be employed by the Board of Trustees. The General Director shall be the Chief Executive Officer of the Corporation. The General Director shall perform all the duties and have all the powers commonly incident to the office of President and shall have other powers and perform other duties as may be assigned to him by the Board of Trustees. The General Director shall be a non-voting Ex Officio member of the Board of Trustees.

4. Associate Directors. The Associate Director shall perform all the duties and have all the powers commonly incident to the office of Vice President and shall have other powers and perform other duties as may be assigned to him by the General Director. The Board of Trustees may from time to time elect Associate Directors assigning to their office such responsibilities as they may deem wise and necessary.

5. Secretary. The Secretary shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the General Director. He shall have charge of all Corporate books and records except for such financial books and records as are the responsibility of the Treasurer.

6. Treasurer. The Treasurer shall be the Corporate chief fiscal agent and shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the General Director. He may be required by the Board of Trustees to give bond for the faithful performance of his duties, in the sum and with the sureties as may be required. As the Corporate chief fiscal agent, he shall have the care and custody of all funds, securities, valuable papers, and accounts of the Corporation.

7. Removal of Officers. The General Director shall hold office at the pleasure of the Board of Trustees. The other officers of the Corporation shall hold office at the pleasure of the General Director and the Board of Trustees. Any elected or appointed officer may be removed at any time with or without cause upon the affirmative vote of the majority of the Board. Any vacancy occurring in any office shall be filled upon the recommendation of the General Director and the vote of the Board of Trustees.

8. Salaries. The salary of the General Director shall be fixed by the Board of Trustees or the Executive Committee. The salaries of all other salaried officers of the Corporation shall be fixed upon recommendation of the General Director by the Board of Trustees.

V

Contracts, Loans and Checks

1. Contracts. The Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Trustees. Such authority may be general or confined to specific instances; provided, however, no loans shall be made by the Corporation to its Trustees or officers which are prohibited by TCA Section 48-58-303.

3. Checks and other instruments. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

VI

Limiting and Indemnifying the Liability of Trustees

The Trustees and/or Officers of the Corporation shall be immune from suit arising from the conduct of the affairs of the Corporation. The Trustees and/or Officers shall not be personally liable to the Corporation for monetary damages for breach of a fiduciary duty provided; however, this provision shall not eliminate or limit the liability of a Trustee and/or Officer for any breach of the Trustee's and/or Officer's duty of loyalty or for acts not in good faith or which involve an intentional misconduct or a knowing violation of law or for an unlawful distribution pursuant hereunder TCA Section 48-58-601. Further, the Trustees are indemnified by the Corporation from personal liability to the full extent as allowed by the Tennessee Statute as set forth in TCA Section 48-58-501 *et seq.*

VII

Transactions with Trustees

1. No contract or other transaction between this Corporation and any of its Trustees shall be void or voidable if such contract shall be approved or ratified by an affirmative vote at any meeting of the Board of Trustees by a majority of the Trustees. The subject Trustee shall have no voice or vote concerning the approval or ratification of his action. Further, no Trustee shall be liable to account to the Corporation for any profit realized by him from or through any such contract or transaction ratified or approved as aforesaid.

2. Notwithstanding anything herein to the contrary, the Corporation shall not lend money to or use its credit to assist its Trustees or officers, whether or not employees.

VIII

Miscellaneous

1. Written consent. Whenever the Trustees of this Corporation are required or permitted to take any action by vote, such action may be taken without a meeting, upon written consent setting forth the action so taken, and signed by all of the Trustees entitled to vote thereon.

2. Contracts and notes. Contracts in the regular order of business shall be executed by the General Director or by a person designated with that authority by the Board of Trustees or its Executive Committee as directed by written resolution.

3. Fiscal year. The fiscal year of the Corporation shall begin on the first day of January of each year and shall end on the last day of December next following.

IX

Amendments

These By-Laws may be amended by a majority vote of the Trustees at any regular annual meeting or at a special meeting called for that purpose which call includes the proposed amendment(s). Such amendment(s) shall become effective upon approval by the National Association of Free Will Baptists, Inc.

Certification

These By-Laws and Rules of Decorum were duly adopted by a majority vote of the Board of Trustees at its duly called meeting on _____ day of _____, 1995, at _____.

Secretary

Report of the Master's Men Department

The launching of a spaceship is an intricate maneuver. Everything has to be exact in terms of the centrifugal force of the earth's movement, the launching speed, the correct calculations by some of the most powerful computers on earth, the power of the spaceship as it is thrust into space, and the excellence of the crew and ground support workers who put it all together. The slightest margin of error on the launch would endanger the lives of the flight crew and cause the spaceship to be off the projected flight path by hundreds of thousands of miles as it goes into orbit.

The multiplicity of effort by thousands of lay people, professional Christian workers, pastors, church leaders . . . all in service to the King of Kings is no less awesome! The human mind cannot comprehend nor assess the effort of countless lives, daily living as unto the Lord, going to and fro, witnessing of the undying grace extended to mankind.

"There is a God-shaped vacuum in every one of us. Nothing else will fill it. Without God there will always be an emptiness in our lives." Master's Men, nearly 40 years ago, declared the purpose of this organization is to challenge men to find, accept and do the will of God in their individual lives. Master's Men Department is a vital part of this Holy effort, helping to fill the vacuum in empty lives. How fantastic to be a part of God's work today in Master's Men during the 38th year of Department ministry, rejoicing in the accomplishments of men in our denomination and in His service.

Blessed is the man . . .

The 1994 calendar year recorded continued progress of the laity in Free Will Baptist ministry involvement.

Master's Men Congress works through its fourth conclave at this convention. Moderator Roy Copeland (OK) has fulfilled his term of service. In accordance with the by-laws, a new moderator was elected on Tuesday. This Congress was formed to better utilize the talents and expertise of a larger group of layman than you elect to the Master's Men Board. This group helps us identify new lay potential. Congress will extend the work of the Master's Men Board through planning, ministry identification, leadership development and committee involvement. Three committees are now in place which plan conferences and retreats, develop programs and service ministries and gather data on our church laymen. All churches can be represented in the Congress gathering which is on Tuesday afternoon at each National Convention.

The Build-A-House Campaign was introduced among the Master's Men chapters and churches. A goal was set to "sell" 2,000 square feet of a house, at the price of \$35 each for a total goal of \$70,000. The income derived from the campaign will construct a new house. It will be sold on the open market. The profit from the sale will help meet the financial needs of the Department. By year's end 342 SF were purchased and \$11,967 received. By May 15, 1995, the time of writing this report, 567 SF were purchased, for a total of \$19,828. We've reached 28% of the total goal.

I'm happy to inform you that in April of '95 a house was started in Central Arkansas by John Fowlkes, a Master's Men Board Member. The Board designated this as the first house of the "Build-A-House campaign." The

bulk of these funds are being used to help construct this house. You may still get involved by stopping by the Master's Men Booth and declare your intention to purchase some square feet.

This year marked 10 years of church building. The first project in 1984 saw two Tennessee laymen travel to Brazil and help construct the Metcalf Memorial Dormitory. Carrol Poole and Don Wilbanks still share the blessings of that trip. By year's end our builders worked on 54 structures across America and around our missions points. It's extremely hard to know the value of their labor, the construction costs saved, the witness they provide. Yet we conservatively estimate over \$2.5 million of construction costs saved. A group of eight men traveled from First Free Will Baptist Church, Ada, Oklahoma to Cuba in October, '94 to work on the church pastored by Ruben Ginebra, near the city of Pinar del Rio. Our current mission project in a developing country is to raise \$4,000 to construct a much-needed access road for the local Christians to better utilize the property.

Representative examples of dedicated, yielded laymen were introduced during the 1994 National Convention. Thomas Evans, a member of the Faith Free Will Baptist Church, Adamsville, AL, was acclaimed the Layman of the Year. Sharing the award as Runner-Up Layman of the Year was Rudy Taylor, a member of the First Free Will Baptist Church, Pontiac, Michigan. This award exists to set before our people representative examples of a Christian man and to appropriately honor and recognize those men. The award does not exist to glorify individuals, but rather to praise God for a life being lived for Christ.

Master's Men Board action for the future included a new membership concept. Now, all the men of a church, without regard to numbers, may be members of Master's Men. How? A \$25 monthly gift from the church to the Department, or a once a year gift of \$300. These funds enable the Department to provide magazines, and underwrite ministry action for all the men of your church. It's a great way to get involved! This plan already has added nearly 200 men to the membership list. Just think of it, every man in your church receiving the study materials and information that can set him on fire for the Lord!

The 16th Annual National Master's Men Conference explored the theme "I Sought For a Man," was held for a second year at Camp Beaverfork, Conway, Arkansas. Oklahoma won the state sports competition for the fifth consecutive year. Men who develop the topics for each Conference seem to bet better each year. Doug Kite (TN) and Doug Duvall (AR) were the principal speakers.

The 14th Annual National Softball Tournament took place in August in Nashville, with 40 men's teams and 5 women's teams playing with nearly 800 competitors. Congratulations to all our trophy-winning teams!

The winners in the **Double Elimination Tournament** were:

- | | | |
|---------|-----------------|---------------|
| First: | High Point FWB, | Lancaster, SC |
| Second: | Kirby FWB, | Taylor, MI |
| Third: | Dailyville FWB, | Waverly, OH |
| Fourth: | Mt. Zion FWB, | Pell City, AL |

For the **Women's Tournament**, the winners were:

- | | | |
|---------|-------------------------|-------------------|
| First: | Good Springs FWB, | Pleasant View, TN |
| Second: | Woodhaven FWB, | Woodhaven, MI |
| Third: | Calvary Fellowship FWB, | Fenton, MO |

In the **Single Elimination Tournament**, the winners were:

First: First FWB, Columbia, TN
Second: Calvary Fellowship II, Fenton, MO

The Second Annual National Fund-Raiser Golf Tournament was conducted in August with 51 golfers. First place honors in the two-man team play, Championship Flight went to Melvin Worthington, TN and Milton Worthington, MI, with a low score of 67.

A spiritual impact is noted. The last two softball tournaments witnessed at least one player making a decision for Christ. This year we plan to give each player a witness tape, which provides testimony and the steps to receive Christ as Savior.

These tournaments provide a triple blessing for Master's Men—a great time of fellowship, an opportunity to introduce more men to our organization, and a method of income provision. Nearly \$3,000 net income helped us minister in 1994. More sports fellowship opportunities will be scheduled in coming years.

Master's Men Board voted in December, '94 to establish a Sports Fellowship. This organization provides a means of introducing new avenues of fellowship and friendly competition among our youth and men of all ages regarding the sports they enjoy. Information is available at the booth.

In the 1994 National Convention I mentioned several areas of ministry or service which lacked organized Free Will Baptist involvement. Boy Scouts of America, Father/Child events, College age, Retirement age, Ethnic ministries were included in that list. I'm happy today to inform you of the new areas of ministry for Master's Men.

The Boy Scouts of America is represented at this Convention at the invitation of Master's Men Department. Statistics indicate that more than half of the families served by Scouting programs are unchurched. Are you looking for new church prospects? Nearly half the children in public schools come from one-parent families. Do you see the need for Christian men to become involved in the lives of boys across our nation, many of whom do not have a male adult role model? Here's a real opportunity! Joe Yoke, BSA's denominational liaison, is at his booth. Investigate this good work and make it part of your men's ministry through Master's Men.

With the addition of the Sports Fellowship and the affiliation with the Boy Scouts of America, and The American Baptists for Scouting, Master's Men is truly ministering to all generations of the Free Will Baptist denomination, even the future generations!

Next year . . .

The Master's Men Board made plans for celebrating the 40th Anniversary of this Department in 1996. Included in those plans is a request for the planners of the National Convention. The Board desires permission to plan the Tuesday night session to highlight the ministry of the laity in our denomination. Depending on the willingness of WNAC, this could be a joint venture.

Regional Conferences, more sports activities including golf tournaments and fishing tournaments, preparation of plans for lay emphasis in local churches, a possible video—all these are on the calendar for 1996. This is a great time for your men to be in the action.

Words to the wise . . .

The Build-A-House campaign (already totaling over \$19,000) provides dollars for ministry in continuing years. The construction and sale of houses will make funds available to our operating budget.

The LifeMember Endowment Trust Fund (now totaling over \$97,000) generates interest income until the Lord returns! My long term goal as Director is to see this fund grow to at least a million dollars. That is a lot of money. Yet this fund has the potential to supply the bulk of our operating costs annually. The best feature is this fund can grow by increasing the stewardship awareness of our people. A few sentences in a will, a life insurance beneficiary clause, a portion of a Living Trust, donations of real property—these can all be avenues of fund donations for Master's Men, and in fact, for any portion of the denominational ministry.

The best investment you can make in Free Will Baptist ministries right now is Master's Men. This service agency "gives back" to the denomination much more value than the funds received. Already, 50 churches in this country exist because our men gave of themselves to build. Many lives are touched every year through the ministry of these churches and our men have a great part in that!

Income for 1994 exceeded \$120,000 for the first time. Master's men realized about \$4,000 increase in "spendable income." Thanks are due to every person who gave. Our restricted income grew by \$17,540. Nearly 15% of our annual income is designated to future ministry. This is good for the future, yet causes a current shortfall.

The Co-operative program, now called The Together Way provided \$34,702 during '94, a decrease from the previous year of about \$600. The defining problem of Master's Men has always been a lack of funding from churches who do not participate with men's chapters. If this Department is in fact a ministry of the denomination, to the denomination's men, our churches must quantify and qualify this work with funding. No single church can give everything any Department needs, yet all can provide a portion, just \$10 or \$20 monthly to help.

A pastor wrote me this year and stated, "Master's Men is a good additional arm of ministry for the local church but folks at every level in our denomination need to realize that each local church can only support so many additional outside ministries. Master's Men is not going to get the support and emphasis like 'Foreign & Home Missions and the Bible College' do, and probably should not. Therefore Master's Men should learn to live within its means and should have been doing that all along. The reason Master's Men got into this financial bind is that it tried to budget and spend money that it couldn't reasonably expect to collect. And when it did not come in it was spent anyway."

The paragraph is wrong in statement, concept and its conclusions. However, I will address only one of the areas mentioned. Every church can give to every portion of national ministry simply by giving through the Together Way. This method can supply funding to our ministries because of its structure. Every church doesn't need to write a check to every ministry. One check, one amount, can be divided to all needful ministries.

If Master's Men is to survive and minister, more churches or individuals must decide this, too, is a portion of Free Will Baptist ministries. That

decision, and consequent direct action must be soon. The Department has always existed on a "wing and a prayer." The denomination, this convention, you pastors and the laity present must determine an equitable, sufficient funding if Master's Men is to continue functioning.

Last year the Department report included financial information about the use of restricted funds for the operation of the office. Shortly after the Convention, five men provided money to replenish the restricted funds, using the method of a loan. Their loans will soon be retired. The restricted funds are at full strength. Changes were introduced in the method of handling monthly finances. The Director and a Board member now discuss the needs and co-sign Department checks for all fund distributions.

The Department is paying all the expenses of the building services and the rent each month when the Together Way funds are dispersed. Some compensation to the Director has not been met this year, and payment for a few bills has been delayed.

For 12 years this Director has asked you for help. The three previous Directors indicated in their reports that help was needed. Are you listening? Will you respond?

Respectfully submitted,
James Vallance
General Director

Summary of 1994 Board Actions

July, 1994

Devised method to replace designated funds in Endowment Trust.
Recommended the amended budget of \$106,500 for 1995.

Determined that Thurman Pate, Jr. be made Financial Coordinator and check co-signer. Duties include reviewing receipts and disbursements.

Accepted the investments of five men to provide funds to balance the Endowment Trust Fund.

December, 1994

Cliff Donoho chosen as speaker at the '95 Convention dinner.

Approval given to initiate the Sports Fellowship program.

Changed wording of two "Purposes of Master's Men" #1 and #5:

#1. Promote **Discipleship** among individuals and churches to stimulate participation in church and denominational affairs and activities.

#5. Make **Edification** a goal to maximize the effectiveness of every layman for Christ.

Approved the proposal to adopt the Boy Scouts of America program, affiliate with the Association of Baptists for Scouting and encourage the establishment of local Scout troops in our churches.

Made plans to celebrate 40th Anniversary of Master's Men.

Added "Church Membership Plan" to the membership options.

Voted to employ Michael Johnston as auditor since he is no longer an employee of a Free Will Baptist agency.

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

Antioch, Tennessee

Financial Statements

December 31, 1994

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

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MICHAEL JOHNSTON
Certified Public Accountant

RR 4, Box 665
Benton, Illinois 62812
Telephone: (618)439-0610

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

I have audited the accompanying balance sheets of The Master's Men, a Department of the National Association of Free Will Baptists, as of December 31, 1994 and 1993, 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, 1994 and 1993 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 16, 1995

Member of American Institute of Certified Public Accountants

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

BALANCE SHEET
December 31,

	1994	1993
ASSETS		
CURRENT ASSETS		
Cash	\$4,342	\$3,266
Trust account - Build A House campaign	9,694	0
Trust account - Lifetime membership	95,961	66,139
Accounts receivable	0	52
Accrued interest receivable	0	1,035
Inventories	2,796	1,978
Cash value of endowment insurance	2,477	1,969
Total current assets	\$115,270	\$74,439
PROPERTY AND EQUIPMENT, net (Note 2)	9,150	9,749
CAPITALIZED LEASE, net (Note 3)	3,315	3,516
Total assets	\$127,735	\$87,704
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	\$124,144	\$96,236
Deferred revenue (Note 4)	680	180
Accrued expenses	766	629
Current portion of long-term debt (Note 5)	3,163	1,652
Total current liabilities	\$128,753	\$98,697
LONG-TERM DEBT (Note 5)	22,144	2,831
Total liabilities	\$150,897	\$101,528
FUND BALANCE (DEFICIT) (Note 6)		
Unrestricted	(\$139,227)	(\$112,987)
Restricted	116,065	99,163
Total capital	(\$23,162)	(\$13,824)
Total liabilities and capital	\$127,735	\$87,704

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,

	1994			1993
	Unrestricted	Restricted	Total	Total
REVENUE				
Dues from members	\$8,475	\$0	\$8,475	\$9,318
Cooperative program	34,702	0	34,702	35,345
Merchandise sales	1,038	0	1,038	2,455
Gifts and other income	58,401	17,540	75,941	66,123
	<u>\$102,616</u>	<u>\$17,540</u>	<u>\$120,156</u>	<u>\$113,241</u>
EXPENSES				
Salaries and wages	\$32,117	\$0	\$32,117	\$31,397
Payroll taxes and employee benefits	11,752	0	11,752	10,851
Cost of sales and printing	7,574	0	7,574	11,165
Travel expense	11,870	0	11,870	15,884
Conferences and conventions	9,662	0	9,662	13,536
Office expense	9,809	0	9,809	9,401
Postage	4,686	0	4,686	4,920
Promotion expense	9,742	0	9,742	12,721
Rent expense	26,380	0	26,380	26,380
Professional fees	500	0	500	500
Bookkeeping expense	975	0	975	900
Depreciation	899	0	899	1,031
Amortization	201	0	201	200
Interest expense	1,176	0	1,176	939
Insurance expense	394	600	994	952
Dues, subscriptions and fees	1,119	0	1,119	358
Missions projects	0	38	38	603
	<u>\$128,856</u>	<u>\$638</u>	<u>\$129,494</u>	<u>\$141,538</u>
REVENUES OVER (UNDER) EXPENSES	(\$26,240)	\$16,902	(\$9,338)	(\$28,297)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	(112,987)	99,163	(13,824)	14,473
RETAINED EARNINGS, ENDING	<u>(\$139,227)</u>	<u>\$116,065</u>	<u>(\$23,162)</u>	<u>(\$13,824)</u>

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

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

STATEMENT OF CASH FLOWS
Years ended December 31,

	1994	1993
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue over (under) expenses	(\$9,338)	(\$28,297)
Adjustments to reconcile to net cash		
Depreciation	899	1,031
Amortization	201	200
Changes in assets and liabilities		
Change in accounts receivable	52	(52)
Change in inventories	(818)	(1,158)
Change in accrued interest receivable	1,035	79
Change in accounts payable	27,908	34,774
Change in deferred revenue	500	80
Change in accrued expenses	137	(88)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$20,576</u>	<u>\$6,569</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to trust accounts	(\$39,516)	(\$4,350)
Additions to cash value of endowment insurance	(508)	(587)
Additions to property and equipment	(300)	0
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	<u>(\$40,324)</u>	<u>(\$4,937)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Reduction of long-term debt	(\$4,596)	(\$2,512)
Proceeds from long-term debt	25,420	0
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	<u>\$20,824</u>	<u>(\$2,512)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$1,076</u>	<u>(\$880)</u>
CASH AT BEGINNING OF YEAR	<u>3,266</u>	<u>4,146</u>
CASH AT END OF YEAR	<u><u>\$4,342</u></u>	<u><u>\$3,266</u></u>

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

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

**NOTES TO FINANCIAL STATEMENTS
December 31, 1994**

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, 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,:

	1994	1993
Equipment and furniture	\$24,902	\$24,602
Less: accumulated depreciation	15,752	14,853
Property and equipment, net	<u>\$9,150</u>	<u>\$9,749</u>

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.

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

**NOTES TO FINANCIAL STATEMENTS
December 31, 1994**

NOTE 4 - DEFERRED REVENUE

Deferred revenue consists of dues received for future years as of December 31, 1994 and 1993.

NOTE 5 - NOTES PAYABLE

Following is a summary of the Department's notes payable at December 31,:

	1994	1993
Note payable to First American National Bank, Nashville, Tennessee; 12%; dated 6/28/91; due 7/20/95	\$1,652	\$4,483
Note payable to Free Will Baptist Foundation, Antioch, Tennessee; 8.50%; dated 8/94; due 9/04	23,655	0
	<u>\$25,307</u>	<u>\$4,483</u>
	3,163	2,831
Current portion	<u>\$22,144</u>	<u>\$1,652</u>
Long-term debt		

NOTE 6 - RESTRICTED FUND BALANCE

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

	1994	1993
Mission projects	\$7,199	\$7,197
Build A House campaign	11,512	0
Lifetime Membership	96,954	91,654
Endowment insurance	400	312
	<u>\$116,065</u>	<u>\$99,163</u>

**Master's Men 1996 Proposed Budget
1996 Board Approved
to be presented to National Association**

Income	
Gifts	\$30,000
Dues	12,000
Rest of the Family Offering	100
Promotion/Advertising	3,000
Together Way Plan (14% Undesignated Gifts)	40,000
Master's Men Conference	12,000
Master's Hands Special Projects	15,000
Heritage Hikes	-0-
Softball Tournament	10,000
Golf Tournament	4,000
Fishing Tournament	-0-
Missions Projects	1,000
Other (savings)	100
Build-a-House Revocable Trust	1,000
LifeMembership*	-0-
Master's Men Dinner	3,300
Endowment Insurance	500
Endowment Trust	3,000
Build-a-House	10,000
Miscellaneous Income	
Total	\$145,000

*Earned interest used to retire Endowment Trust loan

Expenses	
Conference, Leadership	-0-
Conference, National	11,000
Conferences, Regional	-0-
Convention Booth	250
Debt Retirement	2,928
Dinner, Convention	3,300
Endowment insurance	500
Endowment Trust**	3,000
Missions Projects	1,000
Office, Audit	600
Office, Bookkeeping Fee	1,200
Office, Eqpt. Maint.	500
Office, Equipment	1,000
Office, Postage	5,000
Office, Printing	10,000
Office, Rent and Utilities (\$1/sq. ft.)	20,292
Office, Supplies	7,500
Office, Telephone	1,500
Promotion/Sales	3,000
Salary, Casual Labor	1,000
Salary, Director's Ret. (5% salary)	1,680
Salary, Director's Insurance	10,000
Salary, Payroll Taxes (7.51%)	2,550
Salary, Staff	33,600
Tournament, Fishing	-0-
Tournament, Golf	3,000
Tournament, Softball	8,000
Travel, Board	2,000
Travel, Director	10,000
Miscellaneous	600
Total	\$145,000

**Actual deposits to Endowment Trust Fund

Board of Retirement

Nineteen ninety-four was one of those less than perfect years for the Retirement plan. It began after a fairly good earnings period in December 1993. January showed a good return, but then...the rest of the year seemed to be all down hill.

The Board announced our earnings for January-June at the National of only 1½% for active participants in Plan 1, less for all others. There was some improvement for our investments during the second half, so our annual average was a positive 3½%. Not bad in a market that saw most investments returning negative figures, but certainly not thrilling.

In addition to discouraging returns the aging of our participant base continued. Funds paid out during 1994 totaled \$532,060—16½% of our total payouts, \$3,255,000, since inception of the plan. This aging process for present participants relentlessly continues.

Is there a future for this plan? The answer is a resounding Yes! All the essential elements for a bright future are in place—

- New deposits continue to be strong—exceeding total outflows last year by \$162,000.
- New participants continue to be added to the plan with a net increase of 10 in 1994, and 16 already in 1995. Both numbers equal or exceed net increases experienced in the last several years.
- Cost of operation both as actual dollars and as a percent of assets under management decreased.
- Several state associations are setting in place plans to encourage participation for their pastors.
- New features are being added to the plan making it more participant friendly; including the two new Joint Life Annuity options with guaranteed payment periods of 10 or 15 years announced at last year's National meeting. Check our booth this year for details on other changes.

Settlement choices are extremely important for retirement assets. Life expectancy for individuals of retirement age continue to increase. Check the figures for government actuary life expectancies at our booth.

Hopefully we will be able to announce good returns to you at this meeting. (Returns will not be known until approximately July 14th, therefore it will be news to all of us.) One thing is important to remember though—a retirement investment is long term. During that time it is important to have good returns that match or exceed the rate of inflation. Even last year's returns achieve that.

Join us in this effort to prepare for retirement. Pastors, enroll in the plan personally. Layman, challenge your church to take this added step of care for your employees—pastors, associates, secretaries or teachers.

Thank you for the past year and a promising future. Thanks also to an able staff—Ray Lewis, David Brown and Diana Harris.

Respectfully submitted,

William W. Evans
Director

Synopsis of Minutes Free Will Baptist Board of Retirement & Insurance

The Board met on December 7, 1994 with all board members present with the exception of Wilburn Beasley who was recuperating from heart

surgery. The Board reviewed and adopted the amended charter and by-laws. The board reviewed four loan applications.

The Board met for its annual meeting on April 25, 1995 with all board members present. The Board adopted a policy of crediting or debiting participants' accounts with the actual earnings (or losses) incurred by investment returns. A policy was adopted to open entry into Plan 3 for a minimum \$10.00 monthly contribution with no insurance. The proposed budget for 1996 was reviewed and recommended for adoption. The Board authorized the staff to offer supplemental life and disability insurance to employees of Free Will Baptist churches and organizations.

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

Financial Statements

December 31, 1994

(With Independent Auditors' Report Thereon)

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

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

Independent Auditors' Report

**The 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 the Board of Retirement and Insurance of the National Association of Free Will Baptists as of December 31, 1994 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 for the year ended December 31, 1993 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 March 23, 1994.

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 Retirement and Insurance of the National Association of Free Will Baptists as of December 31, 1994, and fund transactions and changes in fund balances and cash flows for the year then ended in conformity with generally accepted accounting principles.

Hill, Neal & Allen, P.C.

April 4, 1995

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

Balance Sheet
December 31, 1994
(with comparative totals for 1993)

Assets	1994				1993
	Unrestricted Operations	Retirement Fund	Equipment	Total All Funds	Total All Funds
Cash and cash equivalents (notes 2 and 8)	\$ 11,856	362,900	-	374,756	930,184
Investments, fair market value (notes 2 and 8)	-	7,961,292	-	7,961,292	7,102,244
Funds invested with retirement fund	9,592	-	-	9,592	4,186
Accrued investment income receivable	-	64,900	-	64,900	74,848
Notes receivable (notes 3 and 8)	-	3,326,850	-	3,326,850	3,175,261
Allowance for doubtful collections	-	(80,000)	-	(80,000)	(78,300)
Office furniture, equipment, and automobiles, at cost, net of accumulated depreciation (note 4)	-	-	38,440	38,440	40,489
Due from equipment fund	-	3,717	-	3,717	10,311
Lease costs (note 5)	4,738	-	-	4,738	7,898
	<u>\$ 26,186</u>	<u>11,639,659</u>	<u>38,440</u>	<u>11,704,285</u>	<u>11,267,121</u>
Liabilities and Fund Balances					
Liabilities:					
Notes payable, accounts payable and accrued expenses \$	3,370	4,307	-	7,677	17,203
Due to retirement fund	-	-	3,717	3,717	10,311
Unearned loan origination fees (note 6)	-	61,992	-	61,992	46,562
Annuities payable (note 7)	-	384,630	-	384,630	384,767
Funds held for Free Will Baptist Foundation, Inc.	-	1,614,912	-	1,614,912	1,370,732
Total liabilities	<u>3,370</u>	<u>2,065,841</u>	<u>3,717</u>	<u>2,072,928</u>	<u>1,829,575</u>
Fund balances:					
Operations	13,224	-	-	13,224	9,669
Designed for future asset purchases	9,592	-	-	9,592	4,186
Retirement fund	-	9,628,797	-	9,628,797	9,197,578
Designated as reserve funds (deficit)	-	(54,979)	-	(54,979)	195,935
Net invested in equipment	-	-	34,723	34,723	30,178
Total fund balances	<u>22,816</u>	<u>9,573,818</u>	<u>34,723</u>	<u>9,631,357</u>	<u>9,437,546</u>
	<u>\$ 26,186</u>	<u>11,639,659</u>	<u>38,440</u>	<u>11,704,285</u>	<u>11,267,121</u>

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, 1994
(with comparative totals for 1993)

	1994				1993
	Unrestricted Operations	Retirement Fund	Equipment	Total All Funds	Total All Funds
Additions:					
Contributions from participants	\$ -	693,924	-	693,924	675,881
Gifts	26,825	-	-	26,825	31,706
Interest income - notes receivable (net of write-downs) (note 2)	164	282,466	-	282,630	297,522
Investment income (net of investment fees) (note 2)	-	279,839	-	279,839	264,099
Gains (losses) of investment portfolio (note 2)	-	87,303	-	87,303	134,361
Net realized gains	-	(260,076)	-	(260,076)	279,424
Net unrealized gains (losses)	-	3,133	-	3,133	3,167
Forfeitures and late charges	-	17,040	-	17,040	23,412
Amortization of loan origination fees (note 6)	-	-	-	-	18,000
Reimbursement from Free Will Baptist Foundation	18,000	-	-	18,000	18,000
Miscellaneous	1,728	-	-	1,728	1,371
Total additions	<u>46,717</u>	<u>1,103,629</u>	<u>-</u>	<u>1,150,346</u>	<u>1,728,943</u>
Deductions:					
Salaries	88,534	-	-	88,534	110,239
Fringe benefits	50,034	-	-	50,034	59,917
Travel and promotional	7,051	-	-	7,051	17,323
Office supplies and expense	22,061	-	-	22,061	25,176
Housing	35,800	-	-	35,800	42,000
Occupancy	66,889	-	-	66,889	62,711
Board members expense	7,925	-	-	7,925	10,629
Legal and auditing	14,755	-	-	14,755	13,131
Miscellaneous	10,250	1,905	-	12,155	16,003
Insurance	973	34,576	-	35,549	34,688
Depreciation (note 4)	-	-	9,904	9,904	13,963
Interest expense - trusts, annuities and other	-	73,818	-	73,818	92,384
Participants accounts transferred to annuity liability	-	-	-	-	204,588
Withdrawal of funds	-	532,060	-	532,060	493,555
Total deductions	<u>304,272</u>	<u>642,359</u>	<u>9,904</u>	<u>956,535</u>	<u>1,196,307</u>
Net increase (decrease) in funds for the year	<u>(257,555)</u>	<u>461,270</u>	<u>(9,904)</u>	<u>193,811</u>	<u>532,636</u>
Fund balance at beginning of year	<u>13,855</u>	<u>9,393,513</u>	<u>30,178</u>	<u>9,437,546</u>	<u>8,904,910</u>
Transfers among funds and other changes:					
To equipment fund for asset acquisition	(7,855)	-	7,855	-	-
To equipment fund for debt retirement	(6,594)	-	6,594	-	-
Enrollment and service fees	280,965	(280,965)	-	-	-
Fund balance at end of year	<u>\$ 22,816</u>	<u>9,573,818</u>	<u>34,723</u>	<u>9,631,357</u>	<u>9,437,546</u>

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, 1994
(with comparative totals for 1993)

	1994			1993	
	Unrestricted Operations	Retirement Fund	Equipment	Total All Funds	Total All Funds
Cash Flows from Operating Activities					
Cash received from:					
Contributions from participants	\$ -	693,924	-	693,924	675,881
Gifts	26,825	-	-	26,825	31,706
Interest income - notes receivable	-	284,166	-	284,166	375,822
Investment income	164	289,787	-	289,951	239,163
Forfeitures and late charges	-	3,133	-	3,133	2,747
Reimbursement from Free Will Baptist Foundation	18,000	-	-	18,000	18,000
Miscellaneous	1,728	-	-	1,728	1,371
Cash paid to / for:					
Suppliers and employees	(303,719)	(43,400)	-	(347,119)	(389,160)
Interest	-	(47,501)	-	(47,501)	(92,384)
Annuitants	-	(26,454)	-	(26,454)	(17,493)
Withdrawal of funds by participants	-	(532,060)	-	(532,060)	(493,555)
Net operating cash flows	(257,002)	621,595	-	364,593	352,098
Cash Flows from Investing Activities					
Purchases of office furniture and equipment	(7,855)	-	-	(7,855)	(9,164)
Investments:					
Purchases of investment securities	-	(6,462,163)	-	(6,462,163)	(3,109,412)
Funds invested with retirement fund	(5,406)	-	-	(5,406)	-
Proceeds from sale of investment securities	-	5,430,342	-	5,430,342	1,322,516
Notes receivable:					
New loans made	-	(607,319)	-	(607,319)	(727,292)
Collection of notes receivable	-	488,200	-	488,200	1,692,664
Net investing cash flows	(13,261)	(1,150,940)	-	(1,164,201)	(830,688)
Cash Flows from Financing Activities					
Interfund transfers and repayments	274,371	(274,371)	-	-	-
Net activity - Funds held for Free Will Baptist Foundation, Inc.	-	244,180	-	244,180	463,844
Net financing cash flows	274,371	(30,191)	-	244,180	463,844
Net increase (decrease) in cash	4,108	(559,536)	-	(555,428)	(14,746)
Cash at beginning of year	7,748	922,436	-	930,184	944,930
Cash at end of year	\$ 11,856	362,900	-	374,756	930,184

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, 1994

The Board of Retirement and Insurance of the National Association of Free Will Baptists (the Board) 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 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.

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 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 purposes of the statement of cash flows, the Board 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.

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, continued

(2) Cash and Cash Equivalents and Investments of the Retirement Fund

Cash and cash equivalents of the retirement fund consist of the following:

	Investment Income	Account Balances
Money market, checking and savings accounts	\$ 5,777	109,903
Money market accounts held by investment bankers	11,440	252,997
	<u>\$ 17,217</u>	<u>362,900</u>

Investments of the retirement fund consist of the following:

	Investment Income	Market /Stated Value	Cost	Unrealized Cumulative Gains	Unrealized Cumulative Losses
Church bonds (stated value)	\$ 2,917	6,500	6,500	-	-
Bond and U. S. Government Securities Funds	75,651	1,326,361	1,379,052	-	52,691
Common stocks	83,346	4,644,675	4,344,958	433,843	134,126
Fixed income bonds	18,093	172,045	185,418	-	13,373
U.S. Treasury notes and bills	148,869	1,811,711	1,781,225	62,730	32,244
	<u>\$ 328,876</u>	<u>7,961,292</u>	<u>7,697,153</u>	<u>496,573</u>	<u>232,434</u>
Total earnings on cash and cash equivalents and investments	\$ 346,093				
Less investment fees paid	(66,254)				
Net investment income	<u>\$ 279,839</u>				

Unrealized gains (losses) are reconciled as follows:

	Unrealized Cumulative Gains	Unrealized Cumulative Losses	Net Unrealized Gains (Losses)
As of December 31, 1993	\$ 681,357	(157,142)	524,215
As of December 31, 1994	496,573	(232,434)	264,139
Net unrealized loss for year ended December 31, 1994			<u>\$ (260,076)</u>

Yield earned on average total assets is computed as follows:

Interest income - notes receivable	\$ 282,466
Investment income	279,839
Net realized gains on disposition of investments	87,303
Net unrealized losses of investment portfolio	(260,076)
Amortization of loan origination fees and other	<u>\$ 20,173</u>
Average assets (beginning and end of year)	<u>\$ 11,423,230</u>
Yield as computed	<u>3.59%</u>

**BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS**
Notes to Financial Statements, continued

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

Following is a summary of notes receivable:

Participant notes at 8.50% - secured by retirement account balances	\$ 76,314
Churches and agency notes ranging to 13.00% - secured by related real property	3,250,536
	<u>\$ 3,326,850</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	71,484
Automobiles	15,594
	<u>123,877</u>
Accumulated depreciation	85,437
	<u>\$ 38,440</u>

Depreciation expense amounted to \$9,904.

(5) Capitalized Lease Payments

The Board entered into an agreement in 1991 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 1994, \$3,160 was charged against operations leaving a resultant balance of \$4,738.

(6) 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, 1993	\$ 46,562
Net fees charged on new loans	32,470
Revenue recognized:	
Fee charged on short term line of credit	\$ 1,500
Amortization of long-term origination fees	<u>15,540</u>
	<u>(17,040)</u>
Balance December 31, 1994	<u>\$ 61,992</u>

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

Notes to Financial Statements, continued

(7) 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, 1994, the recorded liability amounts to \$384,630 and is sufficient to provide benefits over the life expectancy of the annuitants.

(8) 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.

The following table summarizes the Board's accounting risk of loss:

	Account Balance	Amount Insured / Secured	Amount of Accounting Risk of loss
Notes receivable, net of allowance for doubtful collections	\$ 3,246,850	3,236,200	10,650
Cash and cash equivalents	374,756	299,786	74,970
Church bonds (mortgage bonds)	6,500	6,500	-
Bond and U. S. Government Securities Funds	1,326,361	-	1,326,361
Common stocks	4,644,675	-	4,644,675
Fixed income bonds	172,045	-	172,045
U.S. Treasury notes and bills	1,811,711	1,811,711	-
	<u>\$ 11,582,898</u>	<u>5,354,197</u>	<u>6,228,701</u>

(9) Related Party Transactions

The Board provided office space and certain administrative services to the Free Will Baptist Foundation, Inc. The Foundation reimbursed the Board \$18,000 for these services during the year ended December 31, 1994.

**Board of Retirement and Insurance
Proposed Budget for 1996**

	1993 Actual	1994 Budget	1994 Actual	1995 Proposed	1995 Projected	1996 Proposed
Salaries	\$96,239	\$87,167	\$88,534	\$90,925	\$91,168	\$91,833
Employee Benefits	59,917	53,315	50,034	55,381	51,224	55,421
Housing	42,000	36,000	35,800	36,000	36,000	37,440
Travel/Promotion	17,323	26,000	7,051	22,000	6,369	10,000
Auto/Travel/Maintenance	0	4,000	2,578	4,000	2,128	3,000
Auto Fund	6,000	6,000	6,000	6,000	6,000	6,000
Furniture Fund	0	6,000	6,000	6,000	3,717	1,000
Plant Fund	62,711	65,000	66,889	50,842	49,644	50,000
Office Expense	21,176	18,000	22,066	21,000	18,439	21,000
Equipment	0	5,000	7,855	5,000	5,000	5,000
Publications	0	5,000	4,137	5,000	5,000	5,000
Dept's Share of Ins. Premium	0	200	34	200	34	0
Alert Ministries	0	2,000	0	2,000	0	1,000
Board Expense	10,629	9,000	7,925	10,000	10,000	10,000
Insurance	0	2,200	973	0	0	0
Together Way	0	0	0	1,180	849	1,000
Legal/Auditing	13,131	15,000	14,755	15,000	15,000	15,000
Miscellaneous	6,791	1,500	278	2,500	1,324	2,500
Education/Training	0	3,600	3,224	3,000	3,000	3,000
Total	\$335,917	\$344,982	\$324,133	\$336,028	\$304,895	\$318,194

**Board of Retirement and Insurance
Salary and Benefits Breakdown**

	1994	1995	1996 Proposed
Director:			
Salary	\$20,592.00	\$22,581.60	\$23,484.00
Housing/Utilities	19,200.00	19,200.00	19,968.00
Social Security	7,187.93	7,324.24	8,462.00
Retirement	1,989.60	2,089.08	2,596.00
Insurance	7,414.68	6,468.24	6,918.00
Life	286.68	286.68	737.00
Hospital	6,532.92	5,533.68	5,533.68
Dental	595.08	401.52	401.52
Disability	.00	246.36	246.36
Total	\$56,384.21	\$57,663.16	\$61,428.00
Note: Office car furnished			
Executive Assistant:			
Salary	\$18,320.00	\$20,076.00	\$20,879.00
Housing/Utilities	16,800.00	16,800.00	17,472.00
Social Security	6,428.69	6,661.19	7,469.00
Retirement	1,756.00	1,843.00	1,918.00
Insurance	7,414.68	6,439.44	6,601.00
Life	286.68	286.68	448.68
Hospital	2,532.92	5,533.68	5,533.68
Dental	595.08	401.52	401.52
Disability	.00	217.56	217.56
Total	\$50,719.37	\$51,819.63	\$54,339.00

Member Services Manager

Salary	\$28,600.00	\$30,030.00	\$31,231.00
Housing/Utilities			
Social Security	5,166.23	5,424.55	6,082.00
Retirement	1,430.00	1,501.50	1,562.00
Insurance	7,414.68	8,642.88	8,733.00
Life	286.68	286.68	376.68
Hospital	6,532.92	7,578.12	7,578.12
Disability	.00	183.00	183.00
Total	\$42,610.91	\$44,625.25	\$47,608.00

Secretary/Receptionist

Salary	\$14,872.00	\$15,615.60	\$17,472.00
Housing	-0-	-0-	-0-
Social Security	1,137.71	1,194.59	1,337.00
Retirement	743.60	780.78	874.00
Insurance	2,897.16	2,912.16	3,026.00
Life	194.28	194.28	308.28
Hospital	2,510.52	2,912.16	2,912.16
Dental	192.36	192.36	192.36
Disability	.00	102.96	102.96
Total	\$19,650.47	\$20,620.49	\$22,709.00

Amended and Restated Charter of Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc.

Pursuant to TCA Section 48-60-102, Provisions for Amendments; TCA Section 48-60-106, Provisions for Restatement; and TCA Section 48-67-101 & 102, a Tennessee Nonprofit Corporation; Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc., a Tennessee Nonprofit Religious Corporation existing under an original Charter filed with the Secretary of State on January 24, 1964, reference #B025P0562; with amendment thereto filed on March 12, 1970, reference #B053P3009; and all of which are now to be amended and restated by this Amended and Restated Charter:

1. The name of the Corporation is:
Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc.
2. The Corporation's principal office is located at:
5233 Mount View Road, Antioch, Davidson County, Tennessee 37013
3. The Corporation's registered agent and address:
William W. Evans, 5233 Mount View Road, Antioch, Tennessee 37013
4. The duration of this public benefit Corporation is perpetual.
5. The Corporation shall have no members.

Article I

The Corporation is a Nonprofit Religious Corporation as defined by the Tennessee Nonprofit Corporation Act, TCA Section 48-51-101 et seq., and more specifically as a Nonprofit Religious Corporation as set forth in TCA Section 48-67-101 & 102. This Corporation shall have and be entitled to exercise all powers which a Nonprofit Religious Corporation of its nature may have and exercise under the laws of the State of Tennessee, as now in effect or hereafter amended, subject to the limitations contained in the Internal Revenue Code to retain its status as an exempt religious organization.

Article II Corporate Purposes

The purpose for which the Corporation is organized is **To Magnify Christ Jesus as Our Lord and to Glorify Our Heavenly Father.**

To implement this chief purpose of the Corporation shall establish, maintain, regulate, without individual profit or commission a program of retirement and insurance maintaining pension plans pursuant to Section 403(b) of the Internal Revenue code of 1986 and any amendments thereof for the benefit of ministers and employees of churches and other denominational agencies of the National Association of Free Will Baptists, Inc. This Corporation is organized exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue code of 1986 (or the corresponding provisions of any future United States Internal Revenue law) and its regulations (as they now exist or may hereafter be amended).

Article III Management of Corporation

The overall direction of the Corporation shall be vested in a Board of Trustees. The management and operation in accordance with the overall direction of the Corporation shall be the responsibility of the Corporate officers. The Trustees shall be elected by the National Association of Free Will Baptists, Inc., in accordance with its Constitution and By-Laws.

Article IV Corporation's Powers As Trustee

The Corporation shall receive and administer funds and properties of all kinds for the above purposes, and to that end, the Corporation is authorized to take and to hold by bequest, devise, gift, purchase, loan or lease, either absolutely or in trust, for said purposes or any of them, any property, real, personal, or mixed, without limitation as to amount or value, in accordance with such limitations, as may be imposed by law or by provision of this Amended and Restated Charter: to sell, convey and dispose of any such property or to invest and reinvest the principal thereof, and to deal with and expend such principal or the income therefrom for any of the purposes of the Corporation, either by direct action of the Corporation or by means of trust created by it, without limitation, except such limitation, if any, as may be contained in the instrument under which such funds or property are received; to receive any property, real, personal, or mixed, in trust, under the terms of any deed, will, deed of trust, or other trust instrument consistent with the purposes of the Corporation, in administering the same to carry out the directions and exercise the powers contained in the instrument under which the property is received, including the expenditure of the principal as well as the income for one or more such purposes, if authorized and directed in the instrument under which it is received, to receive, take title to, hold and use the proceeds and income of real estate, personal estate, stocks, bonds, obligations, and other securities of any person or persons, corporation or corporations, domestic or foreign for the purposes of the Corporation. The Corporation is specifically authorized to serve as a Trustee of any and all funds donated to its use upon specified terms and conditions consistent with its nonprofit religious and educational purposes. Furthermore, it may serve as Trustee under specific terms and conditions of any and all funds so long as it is a beneficiary thereunder.

Article V Dissolution

In the event of the dissolution of this Corporation, any assets of the organization then remaining shall be conveyed to the National Association of Free Will Baptists, Inc., which organization is exempt under section 501(c)(3) of the Internal Revenue Code of 1954 as amended or under successor provisions of the Code as may be in effect at the time of dissolution.

Article VI Amendments

This Charter may be amended upon a two-thirds majority vote of the entire Board of Trustees consistent with the declared general programs, objects, Charter, By-Laws and purposes of the National Association of Free Will Baptists, Inc., in the following manner:

- 1) The written amendment shall be submitted at a regular or special meeting of the Board upon the proposed written amendment being included in the notice for said meeting; and
- 2) Upon its adoption, the same will be included in the Board's Report to the next regular annual session of the National Association for discussion only; and

3) Thereafter, the Board will reconsider the Charter amendment in light of the discussion at the annual session of the National Association and the Board must again approve the Charter amendment or an amendment thereof and present the same to the next regular annual session of the National Association for approval; and

4) Only upon the approval of said proposed amendment at the next regular annual session of the National Association shall the Charter amendment be finally approved by the Board and filed of record with the Secretary of State.

We, the undersigned, as Trustees constituting the Board of Trustees of the Board of Retirement and Insurance, do hereby acknowledge that this Amended and Restated Charter was adopted at the recommendation of the General Board by the convention of the National Association of Free Will Baptists, Inc., meeting on the _____ day of _____, 1995, at _____.

By affixing my signature hereto, I, William W. Evans, certify that I witnessed the signatures of the foregoing members of the Board of Trustees of the Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc., dated this _____ day of _____, 1995.

William W. Evans, President

Sworn and subscribed to before me on the _____ day of _____, 1995.

Notary

By-Laws and Rules of Decorum of Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc.

I Organization, Objective and Purposes

1. Organization. The Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc., (the "Corporation") is a nonprofit Corporation organized under the laws of the State of Tennessee.
2. Office. The Corporation shall maintain its principal office in Antioch, Tennessee or such other place within the State of Tennessee as determined by the Board of Trustees.
3. Objective and purposes. To implement, establish, maintain and regulate a program of investments, annuities and life insurance designed to provide retirement benefits to qualified Free Will Baptists.

II Board of Trustees

The Board of Trustees shall be considered the same as a Board of Directors.

1. Number, election and authority of Trustees. The Board of Trustees shall be composed of nine members who are elected by the National Association for a term of six years. These terms are to be arranged so that they expire in groups of three biennially. A Trustee shall serve no more than two full consecutive terms. The Trustees shall act in their Trustee capacity only as a Board and individual Trustees have no power to act for the Corporation without prior specific Board authority. The Board shall institute the overall program of the Corporation and the officers shall supervise and administer its operation. The Board shall be responsible for the actions of the Corporation to the National Association of Free Will Baptists, Inc.

2. Qualification of Trustee. Each Trustee shall hold membership in a regular Free Will Baptist Church that belongs to a Free Will Baptist District or State Association, or to a church which is recognized by the National Association as being affiliated.

3. Reports to the National Association. The Board shall prepare an annual budget of its proposed financial expenditures at the beginning of each fiscal year and shall present the same for approval to the National Association along with a properly qualified independent audit with an unqualified opinion on the Corporation's fiscal condition.

4. Vacancies. The Board of Trustees may seek to replace on an *ad interim* basis irregular vacancies that may occur among its members for any reason by requesting the General Board of the National Association of Free Will Baptists, Inc., to fill said vacancies.

5. Removal of Trustees. The National Association at any regular annual session shall have the power and right to declare the Trustee position vacant for any cause deemed valid by said Association and to elect successors to those who may thus be removed from office.

6. Executive Committee. The Board of Trustees is authorized to create an Executive Committee to act with the full authority of the Board of Trustees when the Board of Trustees is not in session. The number, election and meetings of the Executive Committee is to be determined and changed as the Board of Trustees may from time to time direct. The President shall be an *Ex Officio* member of this Executive Committee.

7. Regular and special meetings. The Board of Trustees shall set the time, occasion or place of the annual meetings of the Board of Trustees which thereafter may be held without notice. Special meetings may be held at any time upon the call of the Chairman of the Board or upon the call of three Trustees. Notice and purpose of such special meetings shall be in writing postmarked at least two weeks before the meeting.

8. Quorum. A Quorum shall consist of at least six duly elected Trustees and a majority vote of the Trustees present shall decide the issues brought before the meeting except as otherwise required by the Charter, By-Laws or the Board of Trustees of this Corporation and/or by the National Association.

9. Compensation and expenses. Trustees shall serve as such without compensation. Expenses incurred in connection with the performance of their official duties may be reimbursed to Trustees upon approval of the Board of Trustees. A Trustee shall not be precluded from serving the Corporation in any other capacity nor from receiving compensation for such services.

III Officers of the Board of Trustees

Election and Duties

1. Officers. The officers of the Board of Trustees shall be the Chairman of the Board, Vice Chairman, and Secretary.
2. Election and term. Each of the officers shall be elected by the Board of Trustees for one year beginning with the regular annual meeting of the Board and they shall serve until their respective successors are elected.
3. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Trustees except when he directs or in his absence the Vice Chairman shall preside. The Chairman shall perform all the duties and have all the powers commonly incident to his office and shall carry out the directions of the Board of Trustees.
4. Vice Chairman. The Vice Chairman of the Corporation shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the Chairman and/or the Board of Trustees. The Vice Chairman shall preside at the meetings of the Board of Trustees when the Chairman directs or in his absence.
5. Secretary. The Secretary shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the Board of Trustees. He shall keep the minutes of all the meetings of the Board of Trustees.

IV Corporate Officers

1. Officers. The officers of the Corporation shall be the President, Vice President, Secretary and Treasurer. The officers of the Corporation shall not be members of the Board of Trustees. The Board of Trustees may from time to time elect other officers as it may deem proper. Any two offices, except those of President and Secretary, may be filled by the same person.
2. Election and term. Each of the Corporate officers shall be elected by the Board of Trustees and shall serve until their respective successors are chosen subject to the direction of the Board of Trustees.
3. President. The President shall be the Chief Executive Officer of the Corporation. The President shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the Board of Trustees. The President shall be an *Ex Officio* member of the Board of Trustees.
4. Vice Presidents. The Vice President shall perform all the duties and have all the powers commonly incident to his

office and shall have other powers and perform other duties as may be assigned to him by the President. The Board of Trustees may from time to time elect Vice Presidents assigning to their office such responsibilities as they may deem wise and necessary.

5. Secretary. The Secretary shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the President. He shall have charge of all Corporate books and records except for such financial books and records as are the responsibility of the Treasurer.

6. Treasurer. The Treasurer shall be the Corporate chief fiscal agent and shall perform all the duties and have all the powers commonly incident to his office and shall have other powers and perform other duties as may be assigned to him by the President. He may be required by the Board of Trustees to give bond for the faithful performance of his duties, in the sum and with the sureties as may be required. As the Corporate chief fiscal agent, he shall have the care and custody of all funds, securities, valuable papers, and accounts of the Corporation.

7. Removal of Officers. The President shall hold office at the pleasure of the Board of Trustees. The other officers of the Corporation shall hold office at the pleasure of the President. Any elected or appointed officer may be removed at any time with or without cause by the President or upon the majority vote of the Executive Committee. Any vacancy occurring in any office shall be filled upon the recommendation of the President and the ratification of the Board of Trustees.

8. Salaries. The salary of the President shall be fixed by the Board of Trustees or the Executive Committee. The salaries of all other salaried officers of the Corporation shall be fixed upon recommendation of the President by the Board of Trustees.

V

Contracts, Loans and Checks

1. Contracts. The Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Trustees. Such authority may be general or confined to specific instances; provided, however, no loans shall be made by the Corporation to its Trustees or officers which are prohibited by TCA Section 48-58-303.

3. Checks and other instruments. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

VI

Limiting and Indemnifying the Liability of Trustees

The Trustees and/or Officers of the Corporation shall be immune from suit arising from the conduct of the affairs of the Corporation. The Trustees and/or Officers shall not be personally liable to the Corporation for monetary damages for breach of a fiduciary duty provided; however, this provision shall not eliminate or limit the liability of a Trustee and/or Officer for any breach of the Trustee's and/or Officer's duty of loyalty or for acts not in good faith or which involve an intentional misconduct or a knowing violation of law or for an unlawful distribution pursuant hereunder TCA Section 48-58-601. Further, the Trustees are indemnified by the Corporation from personal liability to the full extent as allowed by the Tennessee Statute as set forth in TCA Section 48-58-501 *et seq.*

VII

Transactions with Trustees

1. No contract or other transaction between this Corporation and any of its Trustees shall be void or voidable if such contract shall be approved or ratified by an affirmative vote at any meeting of the Board of Trustees by a majority of the Trustees. The subject Trustee shall have no voice or vote concerning the approval or ratification of his action. Further, no Trustee shall be liable to account to the Corporation for any profit realized by him from or through any such contract or transaction ratified or approved as aforesaid.

2. Notwithstanding anything herein to the contrary, the Corporation shall not lend money to or use its credit to assist its Trustees or officers, whether or not employees.

VIII

Miscellaneous

1. Written consent. Whenever the Trustees of this Corporation are required or permitted to take any action by vote, such action may be taken without a meeting, upon written consent setting forth the action so taken, and signed by

all of the Trustees entitled to vote thereon.

2. Contracts and notes. Contracts in the regular order of business shall be executed by the President or by a person designated with that authority by the Board of Trustees or its Executive Committee as directed by written resolution.

3. Fiscal year. The fiscal year of the Corporation shall begin on the first day of January of each year and shall end on the last day of December next following.

IX

Amendments

These By-Laws may be amended by a majority vote of the Trustees at any regular annual meeting or at a special meeting called for that purpose which call includes the proposed amendment(s). Such amendment(s) shall become effective upon approval by the National Association of Free Will Baptists, Inc.

Certification

These By-Laws and Rules of Decorum were duly adopted by a majority vote of the Board of Trustees at its duly called meeting on the _____ day of _____, 1995, at _____.

Secretary

Commision for Theological Integrity Report

The purpose of this commission is: (1) To alert our people of theological trends that could threaten our theological integrity as a denomination, (2) To prepare materials that will contribute to the continued preservation of the theological integrity of the denomination, and (3) As need and opportunity arise, to conduct seminars on subjects which are pertinent to the purpose of the commission.

In carrying out our purpose, we sponsored a seminar at the Bible Conference at Free Will Baptist Bible College that surveyed current thinking among Evangelicals on the condition of the heathen. This seminar was conducted by J. Matthew Pinson. The different views were presented and the fact that the only way of salvation is by personal faith in Jesus Christ was defended.

We will sponsor a seminar at this year's National Association in Charlotte, North Carolina, on "The Use of Modern Translations." Our speaker will be Dr. Robert E. Picirilli.

At our December 7, 1994, meeting, we made a decision to sponsor a theological seminar. Plans are being made for it to meet at Free Will Baptist Bible College, October 25-26, 1996. We are excited about getting several from among us to present papers. We believe that there is a lot of talent among us that needs to be used and brought to our people's attention.

We are giving an open invitation to those among us who would like to read papers. These papers should be written on subjects that will help further the concerns that are mentioned in our purpose statement given above.

We are hoping that there will be several who will give careful and prayerful consideration to preparing papers. We are waiting until 1996 to have this seminar, so it will give plenty of time for research and careful thought to go into the preparation of these papers.

We also invite those who would like to come, but may not wish to read a paper. We believe that it will be a time of challenge for all.

It is our hope that such an interest will be generated that those who are in attendance will elect officers and will organize a Free Will Baptist Theological Society. It is our thought that when this society is formed that it will operate on its own apart from the Commission for Theological Integrity.

The allotted time for presenting a paper will be 45 minutes. Time should be allowed for discussion. If you would be willing to read a paper, please contact Leroy Forlines, 3606 West End Avenue, Nashville Tennessee 37205. Give the title of your paper and a few brief comments on the purpose and nature of your paper.

If you would like to be on a mailing list to receive information about the seminar, send us your name and address. You may also want to send names and addresses of others who may be interested.

We appreciate the opportunity of serving our people.

Leroy Forlines, Chairman
Fred Hall, Secretary
Daryl Ellis

Lonnie Skiles
Jeff Manning

Financial Report Commission for Theological Integrity

Balance in Bank, January 1, 1994 \$2,485.49

Income:

Gifts/Together Way:

Alabama	\$ 25.94	
Arkansas	180.92	
Arizona	59	
California	9.75	
Florida	41.69	
Georgia	25.43	
Illinois	43.40	
Indiana	97.92	
Kansas	26	
Kentucky	6.02	
Louisiana	09	
Maryland	8.56	
Michigan	47.39	
Mississippi	7.80	
Missouri	316.99	
New Mexico	78	
North Carolina	16.03	
Ohio	64.63	
Oklahoma	491.98	
South Carolina	2.03	
Tennessee	64.51	
Texas	35.53	
Virginia80	
Washington (Northwest)26	
West Virginia	143.62	
Miscellaneous Gifts	164.37	
Total Gifts		\$1,797.29
Misc. Sales of Literature	302.46	
Interest on Bank Account	52.97	2,152.72
Total Income and Balance		\$4,638.21

Expenditures:

Salary/Bookkeeping	\$ 250.00
Digest of Reports	65.68
Annual Meeting Expense	523.01
Seminar Speaker Expense	450.00
Shipping Literature	195.80
Miscellaneous Office Expense	87.03
Tape Duplication	95.00
Refunds (on mailing)	123.40
Reimbursement for book sold	218.00
Total Expenditures	\$2,007.92

Balance in Bank, December 31, 1994 \$2,630.29

Leroy Forlines, Chairman
Dari Goodfellow, Bookkeeper

1996 Recommended Budget

Anticipated Income

Gifts from the Together Way Plan	\$2,000
Interest on bank deposit	100
Total Anticipated Income	\$2,100

Anticipated Expenditures

Office expense	\$ 100
Bookkeeping	200
Annual Meeting expenses	800
Seminar expenses	1,000
Total Anticipated Expenditures	\$2,100

Radio and Television Commission Report

The Radio and Television Commission met this past year with a renewed vigor and excitement to see the media at work for us rather than against us. We thank you for sharing the vision of a positive influence in our society. Because of you, your prayers and financial assistance, we are able to exist. We receive one-half of one percent of the undesignated gifts of the Together Way Plan. Help us pray that we will be good stewards of that which is given. If your church can help in any way, please consider placing the commission in your church's regular system of giving.

We are currently producing a 15-minute radio program, "Victorious Faith", featuring announcer Jim Vallance and speaker Bob Shockey. In the near future, hopefully by the 1996 National Convention, we plan to be testing various markets with 30- and 60-second commercial public service announcements. These would be tremendous for use during special occasions, to promote your church or help a home missionary as he labors to establish a new church. Perhaps your church could help underwrite the cost for a home missionary to use our programming options in his community as he builds a Free Will Baptist church.

We are also trying to create a mailing list of interested friends across our denomination. With this list, we hope to keep you informed of what we do through a quarterly newsletter. If you are interested, please send your name, address, phone, and local radio station call letters to the address given below.

Thank you so much for your prayers and support. It is a pleasure to serve you.

For Tape Orders or to Be Placed on Our Mailing List:

Radio and Television Commission / Jim Vallance, Secretary/Treasurer
P. O. Box 5002 / Antioch, TN 37011-5002

Because of Christ,
Steve Faison, Acting Chairman

1994 Gifts		1996 Proposed Budget	
1994 Radio/TV Commission Financial Report		Income	
1994 Beginning Balance	\$3,420.13	Together Way Plan (.5%)	\$2,500
Receipts	1,704.61	Gifts	6,850
Disbursements	(869.17)	Total	\$9,350
Postage	\$290.00	Expenses	
Service Fees	38.56	Promotion	\$1,000
Bookkeeping	150.00	Commission Expenses	500
NAFWB	65.68	Bookkeeper	200
Equipment	269.98	Other help	200
Board Meeting	54.95	Production costs	500
Ending Balance	\$4,255.57	Supplies	500
Savings account ending balance	\$3,682.07	Postage	1,000
Total Monetary Funds	\$7,937.64	Equipment/Maintenance	1,500
		Telephone	250
		Printing	600
		Convention Booth	250
		Digest of Reports	150
		Convention Materials	200
		Broadcast time	2,500
		Total	\$9,350

Music Commission Report

The Music Commission was busy in 1994 preparing two major projects: the second printing of *Rejoice: The Free Will Baptist Hymn Book* and preparing a generic version, *Rejoice*. Both will be off the press in the spring of 1995.

During our September 1994 meeting, the commission adopted a five-year plan of action:

1995-1996

1. Establish non-profit organization (possibly Randall-Palmer Company, Inc.).
2. Record demo and publish book of songs.
3. Produce and record congregational tracks (10 songs).
4. Sponsor five music workshops with Antara Music and Brentwood Music.

1996-1997

1. Complete three publishing projects.
2. Conduct five workshops.
3. Sponsor three music festivals.
4. Complete three SATB projects.

1997-1998

1. Publish music for foreign missions in native languages.
2. Establish recording artist base label.
3. Conduct five music workshops.
4. Sponsor two music festivals.
5. Spin-off projects from first and third-year.

1998-1999

1. Recordings.
2. CBA marketing.
3. Children's music curriculum.
4. Hire some staff.
5. Get denominational approval to produce a new hymnal and appoint hymnal committee.

1999-2000

1. Publish new denominational hymnal.
2. Publish ensemble congregational helps.
3. CBA stores, music shops, training, motivational choral clinics.
4. Recording artists and demo products, custom projects.
5. Hire writers.
6. Copyright holdings and accumulation of royalties.

This plan reflects the vision of the Music Commission. Pray with us that God's grace will enable us to execute this five-year plan.

Enthusiastically His,
Vernon M. Whaley, Ph.D., Chairman

Music Commission Report January - December 1994

Beginning Balance		\$4,505.26
Income		
Together Way	\$491.97	
Alabama	25.37	
Missouri	316.66	
Oklahoma	489.55	
Texas	28.47	
Roaring Creek	5.36	
Fellowship, Antioch, TN	33.65	
Ruth's Chapel, New Bern, NC	40.00	
Music Sale	617.83	
Total Income		\$2,048.86
Expenses		
Convention Booth	250.00	
Digest of Reports	65.68	
Meeting at National	66.88	
FWB Convention Fund	89.10	
Commission Mtg. (Nashville)	1,125.89	
Total Expenses		1,597.55
Ending Balance		\$4,956.57

1996 Budget

Board Expense	\$2,000.00	
Postage		100.00
Telephone	200.00	
Digest of Reports	75.00	
National Convention		
Booth Materials	700.00	
Speakers	150.00	
Music Conference	500.00	
Total	\$3,725.00	

1995 Historical Commission Report

Commission members agreed to write 25 historical sketches for the 1995-96 Free Will Baptist Bulletin Service sponsored by Randall House Publications.

The Commission allocated \$2,000 to purchase fire-proof file cabinets for materials in the Free Will Baptist Historical Collection housed in Welch Library at Free Will Baptist Bible College.

Commission members participated in the annual "Heritage Week" emphasis at Free Will Baptist Bible College. We encourage all Free Will Baptist colleges to implement similar programs.

1994 Financial Report

Balance on hand, December 31, 1993		\$16,068.48
Income for 1994:		
Co-op gifts (designated & undesignated)	\$1,373.97	
Ruth's Chapel FWB Church (direct)	80.00	
Sales	5.00	
National Ministries Offering	.76	
Interest (First American Bank, Nashville)	577.40	
Total		\$ 2,037.13
Expenditures for 1994:		
Commission travel/expense	\$686.95	
A. Edgmon, labor in library	31.50	
National Convention (Digest fees)	32.84	
Total		(751.29)
Balance on hand, December 31, 1994		\$17,354.32

1996 Budget

Income		
Gifts (Together Way Plan)	\$1,800.00	
Interest (First American Bank)	600.00	
Miscellaneous	325.00	
Total	\$ 2,725.00	
Expenses		
Books, Materials, and Labor for Historical Collection	\$2,000.00	
Travel	650.00	
Executive Office (Digest fees)	75.00	
Total		(\$2,725.00)

The Ministerial Family Life Committee Report

Resolution #1, Ministerial Family Life Committee (1993), called for the National Association moderator to appoint a committee of five "to develop a ministry of restoration for our leaders." A report recommending an approach for restoring fallen ministers was presented at the 1994 convention in Little Rock, Arkansas.

The committee was granted a one-year extension. The focus of our four meetings this year has been on prevention.

Almost all of restoration literature focuses on sexual immorality. All that we have learned in recent years tells us that if a minister ever seriously violates his moral values, it will come nearer being in the area of sex than in any other area. It is our conviction that if a minister understands what the dangers are, what creates risks and will take proper precautions, by God's grace he can avoid falling into this sin.

Our report tries to get to the heart of what it is that causes Christians in general and ministers in particular to fall into the sin of sexual immorality. Our report includes two papers and the general practices regarding the minister's ordination, discipline and relationships as set forth in the *Treatise of the Faith and Practices of Free Will Baptists* (1992). While these reports were prepared by the person whose name each paper bears, each committee member has studied the papers and made observations. The first paper prepared by Leroy Forlines examines, from a practical viewpoint, what leads to the sin of sexual immorality and how it can be prevented. The second paper prepared by Melvin Worthington shows how properly maintaining the most basic relationships helps the minister avoid sexual sin.

During the year, Leroy Forlines conducted a Family Life Seminar sponsored by the Arkansas State Sunday School Board. It was held at the First Free Will Baptist Church in Walnut Ridge, Arkansas. The committee reviewed this tape along with the outline. We believe it will prove to be helpful in this area of special concern for ministers and all other Christians who want to remain pure in these difficult times.

Negotiations are currently in progress with Randall House Publications to print the committee's materials in a booklet. Plans call for the Family Life Seminar video to be produced and distributed as well.

The committee believes the following guidelines should be adhered to when dealing with ministers transferring from one association to another.

Ministers transferring from one association to another within the denomination generally use the following procedure:

1. He is examined by the local association's ordaining committee, though usually not so closely as the new ordination candidate.
2. He is required to present a letter of good standing from the association of which he was last a member. Associations should exercise great care in granting such letters of standing. An unqualified letter should not be granted if there are any questions about the minister's reliability. In general, no association should receive a minister into full ministerial standing who cannot secure a letter of good standing because he has been disfellowshipped or had his credentials revoked or who is in the process of being disciplined by another association. In no case should his credentials be ratified without consultation with the association which disciplined him.

3. His ordination credentials may then be "ratified" by the association upon recommendation of the ordaining council.

The committee requests a one-year extension in order to address the issue of the legal ramifications regarding ministerial discipline and restoration.

Leroy Forlines, Chairman
R. Eugene Waddell
Larry Powell

Trymon Messer
Ralph Hampton, Advisor
Melvin Worthington, Advisor

Maintaining Sexual Purity in the Ministry

Copyright 1995

By Leroy Forlines

If a person who is taking God seriously ever goes astray morally, it will come nearer being in the area of sex than any other area of life. What can be said of others can be said of ministers.

I used to wonder what it was that could lead a person, who had been committed to Christian values over an extended period of time, to become involved in that which would seriously violate his convictions. Many times we have been prone to think that those who did fall were wolves in sheep's clothing even when things seemed to be going right. We might have thought that they never were serious about their relationship with God.

If we have any ability to judge whether people are right with God and being used of God, the casualties of recent years seem to paint a different picture. Some of the people who have fallen into sexual immorality were at one time right with God and were sincere about their moral convictions and their service for God.

I believe I have been able to come to some understanding about how a person who has taken God seriously can fall into sin. Also, I believe I have gained some helpful insight in how a person can protect himself from getting involved in sexual immorality.

First, I want to make some general observations that apply to everybody, and then make application of these observations to pastors. What I will say about pastors can be applied to other church workers and much of it will be applicable to people across the board.

I. Contributing Factors Which Put Some People in a Position Where They Violate Their Values

I believe that there are three things that are involved when those who have been committed to Christian values become involved in sexual immorality. The first step leads to the second step, and the second step leads to the third step.

A. The first step in the wrong direction is for a person to have a prolonged experience with depression or some other form of unhappiness.

Unhappiness greatly increases the risk that a person will violate his values. Some of the worst decisions in life are made during low moments.

It was when Esau was faint from a hunting trip that he asked Jacob for some pottage. Jacob offered it on the condition that Esau would sell him his birthright. Esau said, "Behold, I am at the point to die: what profit

shall the birthright do to me" (Gen. 29:32)? In a low state of mind, Esau, for the sake of a deeply felt desire for food, decided to sell Jacob his birthright. If Esau had been feeling all right, he would not have bargained with Jacob to sell his birthright.

We find another example of doing the wrong thing when the going was rough. The writer of 2 Chronicles tells us, "And in the time of his distress did he trespass yet more against the Lord: this is *that* Ahaz" (28:22).

The passage that speaks directly to the point of our concern is Hebrews 12:12-16. Most of the time I see a truth in the Bible first and then I see it in life. Sometimes I see a truth in life first and then I see it in the Bible. What I am going to point out, I first observed in life. Later I saw it in the Bible.

Verse 12 reads, "Wherefore lift up the hands which hang down, and the feeble knees." This is a picture of a depressed person. The Christians who are being addressed were discouraged because of persecution and the corrective measures that God had been taking to bring about the needed changes in their lives. The writer in this verse admonishes them to get a hold of themselves and deal with their depression. Then he elaborates on why it was important for them to deal with and overcome their depression. One of the reasons is given in verse 16 where he says, "Lest there be any fornicator." The message here is that if a person continues in unhappiness he runs the risk of ending up in sexual immorality. Prolonged unhappiness and depression can have adverse effects on a person's moral judgment. Such a person is at higher risk of violating his moral values than a person who is getting along all right.

B. The second step in the wrong direction is for a person to talk to a person of the opposite sex about his or her problems in a non-professional way.

This may start off with the fullest intentions of the one wanting help and the other intending to give help. If it happens repeatedly, it will lead to the third step.

C. The third step is the development of emotional intimacy.

For a person who is committed to Christian values, it is not the mere power of passion or lust that leads to his fall. Men have to fight lust, but if a person cannot control his lust he should never enter the ministry. The problem comes when discussion leads to emotional intimacy.

Let me illustrate. Somebody's wife starts talking with a man other than her husband or a member of her family about her problems in a non-professional setting. In my illustration we will assume that the man she is talking to is married.

The reason she starts talking with this man is that she has a problem. One of the things we have to keep in mind is that when a person talks to someone about his or her problems, that person is nice, and in cases where it continues, that person is understanding. Otherwise, the troubled person would not continue.

In all likelihood when a woman talks to someone else about her problems, she thinks her husband does not understand her. In fact, when she tried to talk with her husband about her problems, as she perceived it, he was a part of her problem. They were not able to talk long before tension developed. They raised their voices at one another, or he would not talk.

When she starts talking to this other man, he will not raise his voice. He will be understanding. She has been hungering for understanding. She begins to think, "He understands me." She will run a high risk of thinking, "I wish that old brute that I am married to was as nice as he is. I wish he understood me like this man does." On her side, she is beginning to develop an emotional attachment.

As she talks to this man about her problems, she is nice. He begins to wonder why her husband would mistreat such a nice woman. In fact, she is nicer than his wife is. She is so nice that he introduces his problems. He gets a sympathetic ear. She understands.

He cannot talk with his wife the way he can talk to her. He and his wife seem to have the same problem talking to one another that she and her husband have. He begins to wonder why his wife is not as nice as she is. He wishes his wife understood him like this woman does. He is beginning to develop an emotional attachment.

The feeling is now strong toward one another. They like to find occasion to talk to one another over the phone. They make each other feel good. They do not see any harm in what they are doing. They have not done anything. They feel like they are ministering to one another's need. What's wrong with that? They think.

Eventually, one says to the other, "We understand each other." For someone who has been hungering to be understood and has been longing for emotional intimacy, those are among the most dangerous words that have ever been spoken. The tones have now become soft and the words are sweet and tender. A power comes over them that is greater than anything they have ever had to deal with. Satan's web has been woven. They have no desire to escape. They commit adultery. They become different persons.

II. Applying these Observations to Pastors

The details may differ, but the steps that lead to trouble will be the same as those given above.

A. The problems of the pastorate puts the pastor at risk for a prolonged experience with unhappiness.

1. There is a lot of pressure in the pastorate. There is the pressure of time. There is the pressure for growth. There is the pressure that comes from trying to do so many things and the desire for quality. There is the pressure of feeling that day after day the day runs out, but the work is never finished.

2. There is the problem of not knowing how to deal with feeling of Divine obligation. Somehow, when the thought of slowing up enters his mind, he feels guilty. He feels like God is wanting him to do more instead of less. He reasons that with so many people who are lost and so many who have problems, "How can I consider slowing up?" That may be what he thinks he is hearing other ministers say. There may be some who do not feel this way, but many do, and they do not know how to deal with it.

3. There is the problem of frustration from working so hard and reaching so few. There has never been a time when it has been so hard to reach people with the gospel. The problems of many who are saved demand more of a pastor's time than church members used to. Regardless of how much preparation a pastor received before entering the pastorate, he is likely to feel that it did not prepare him to reach people in today's world. He does not feel prepared to deal with the problems that people bring to him.

To add to this problem, he reads about the mega churches and how they are doing it. When he tries those things, it does not get the results for him that he heard about. That increases his despair and frustration.

4. There is the problem of balancing family responsibilities with other responsibilities. More than

ever before, pastors are aware of the fact that they must spend time with their families. Some used to preach to preachers that if they would spend time winning souls and ministering to the needs of their congregation, if they did not have time for their families God would take care of them. That philosophy has proved to be so disastrous that I have not heard it preached for a good while. I hope I never hear it preached again. In spite of his awareness and his desire to spend more time with his family, the pastor is at a loss about how to deal with the needs of his family, his personal needs and the demands of his work.

5. There is the problem in a lot of cases of being underpaid. While money is not the solution to every problem, if a person is under a lot of stress there are some things that can be done with money that will relieve stress. It helps if the pastor can take his wife and/or children out for a meal occasionally. Sometimes financial pressures rule that out. Even if he has the time for a day off, he may not have enough money to go anywhere.

Pastors are not the only people with financial problems, but they have more than their share. They feel guilty to even think they have a financial problem. Somehow they tend to figure that if God wants them to have more, He will see that they get it. So the only problem seems to be their inability to manage their money and for their family to learn to be happy with what they have. Some laymen seem to feel this way about the pastor's salary too. Fortunately, not all laymen are this way.

6. There is the problem of trouble in the church. Unfortunately, at one time or another problems develop in almost every church. Nobody feels the pressure from this like the pastor.

In many churches after a pastor has been in the church for about two or three years, there is a move on to get rid of him. If he gives in and leaves, he feels like a loser. His self-respect weakens. If he tries to ride the tide out, he may undergo merciless opposition. He may have the vast majority with him, but there may not be, among them, anyone who will speak up.

As strange as it may seem, it is easier to get people to face bullets than to face words. This can be seen in the large numbers of volunteers when the country goes to war. When you are under attack, few people will stand up and speak out on your behalf. They may not like what is happening, but they cannot take the heat. They would rather not get involved.

7. In many cases, there is the problem of an unhappy wife. I appreciate the fact that more attention is being given to marriage and family needs than used to be. However, I believe that they are some problems that have come out of so much attention being given to the relationship between husbands and wives.

A great deal of attention is given to what an ideal husband should be. This causes many wives to get hung up on the gap between their husband's performance and that of the ideal husband that they hear and read about. There is not enough attention given to the fact that no husband possesses all of these ideal qualities.

In many cases, pastors' wives spend too much time thinking about the disadvantages of being a pastor's wife and not enough time thinking about the many advantages. They think about all the advantages of those women whose husband punches a clock for a 40-hour work week. They forget about the fact that there are many other people besides ministers who do not punch a clock, and who work more than 40 hours a week.

It is not helpful when the pastor's wife is thinking about the disadvantages of being a pastor's wife when there are other women who are unhappy with their marriage who are thinking about how nice the pastor is. Someone needs to write and speak about the advantages of living in the parsonage for both the wives and the children.

8. The pastor and his family do not have a pastor. There are a lot of things that family members can do for each other better than outsiders can do. But in the strict sense of what counseling means, one family member cannot become a counselor for another family member. They are too involved with one another emotionally. When a pastor counsels with a member, tension does not develop between them. He could say to somebody else's wife, "You are going to have to get a hold of yourself." She will not raise her voice back at him and remind him of some of his problems. If he tries that on his wife, she will tell him about some changes that he needs to make and the tones will not likely be sweet. A husband may be able to help his wife, but it will not take on the form of a counselor-counselee relationship.

What this means is that his wife finds out that he can help other women, but he does not seem to be able to help her like he helps them. She will run the risk of thinking that it is because he does not love her like he should.

Another problem that grows out of this is that if his wife or children do develop needs that are not taken care of in the family, who do they go to? If they were from some other family in the church, they could go to the pastor. If he was not able to help his family, as husband or father, he is not going to be able to shift to the role of pastor and have them come to his office and expect the situation to be different.

He may end up having to get the help of a professional person and pay professional fees to do for someone in his family what he does for others at no cost as a part of his work. He may not be in a position financially to do so. If he is, his family may resent the fact that he does that for others, but he cannot do it for them.

The pastor does not have a pastor that he can go to relieve his stress. This means that the pressure may build. There may be a number of reasons that he does not feel free to go to another minister. Even if he does, unless it is an older and highly respected minister, it would be hard for him to receive the same kind of help from him that he, himself, gives to others.

Sad to say, one of the reasons that some pastors will not take some problems to another pastor is the fear of a lack of confidentiality. A fellow minister told me about the case of one of our mutual minister friends who was having family trouble. He suggested that he talk to someone about it. He said, "I will tell you one thing I am not going to talk to a preacher about it. I have been around them too many times when they were talking about other people."

There could be other things listed that add to the pressure and stress of the ministry, but I think I have mentioned enough to show that if a pastor is not careful he could find himself in some form of a low state of mind. That could extend over a period of time.

B. If the pastor does not know the danger of casual discussions with members of the opposite sex, there will be many opportunities for him to be in trouble before he knows what is happening.

This is true because he is in contact with a lot of women as he carries out his responsibilities. In many cases these ladies will want to talk over problems with him. If he does not realize the dangers, he will run the risk of dealing with some of these in a casual way instead of a professional way.

C. If the pastor does not know the dangers of emotional intimacy with someone of the opposite sex and cannot recognize when it is about to happen, his contacts with women will put him and them at risk.

It is more dangerous for ministers to counsel women than it is for doctors to examine women because of the risk of emotional attachment. Ministers' wives are prone to think about the problems of being a minister's wife. Women who are having difficulty with their husbands are prone to think about how nice ministers are. Also, troubled people are at higher risk of violating their values. This problem is compounded when a troubled woman goes to a troubled pastor for counseling.

Counseling sessions have a way of creating false impressions. Both the counselor and the counselee are very nice as they talk to one another. It gives a false impression of how husbands and wives should be able to talk to one another. They wonder why they cannot talk with their own mates as easy as they can talk to one another. If they are not aware of the fact that it is easier to talk to someone who is not a member of the family about problems than it is to a family member, they run the risk of thinking that if they had married each other they could have talked with one another about their problems with the same ease that they are talking to one another.

If the pastor is not aware of dangers, and if he does not work to protect himself and the woman counselee, he will run the risk of developing emotional intimacy with some woman counselee. If that happens, they both may be overcome by a power that will lead them into immorality. Problems

have happened this way with many ministers and women they were counseling. Both the pastor and the woman that he was counseling might have had the best of intentions when she first came to him for counseling. But the pastor did not know where he was going until he went too far.

Suggestions That Will Help Pastors Avoid Sexual Immorality

I. He needs to learn to deal with the pressures of life and of the ministry.

The minister needs to keep himself aware of the fact that if he remains depressed or down for a long time he will run a higher risk of violating his values. He needs to make himself very familiar with all the contributing factors that lead people to seriously violate their moral values. It is a must for him to find basic happiness, peace and satisfaction.

II. He needs to develop strong convictions.

In spite of his best efforts, he may find himself at times being weighed down with the load of life. The pastor must make himself aware of the fact that he is more vulnerable to the attacks of sin during such times. He must prepare himself ahead of time for such times.

Remember that storm shelters are built while the sun is shining, not while the storm is in process. We must decide while the going is good how we will live when the storms of life fall upon us.

The pastor cannot afford to think that he is immune to moral failure. There have been too many moral failures in recent years for anyone to take that approach. The only protection is a plan for protection.

When the going is good, the pastor needs to count the cost of moral failure. He needs to think of the devastation that would be brought upon his family and upon his own life. He needs to realize that moral failure will probably cost him his ministry. Some of the people that he could have won to Christ may not be won by anyone else. His moral failure could create havoc in his church and could become a stumblingblock to many. When a respected minister falls into sin, it shakes the very foundation of Christianity for some.

The pastor also needs to consider the fact that he, as a man of God, is doubly responsible for protecting the women that he comes into contact with. They should be able to count on him for help. He needs to consider the devastation that he would bring into the life of the woman and her family if he should end up committing adultery with her. Usually so much attention is given to the minister and his family that people overlook the hurt introduced to the woman and her family.

The pastor must have such strong convictions that no amount of suffering will cause him to violate them. This kind of conviction is developed. It is automatic neither with conversion nor the call to the ministry.

III. He needs to learn what is appropriate conduct around women.

A. He should avoid being flirty.

B. As much as possible, he should avoid being alone with a woman in casual settings.

If it cannot be totally avoided, he should be sure that it does not last long, and that the same thing is not repeated with the same woman.

C. The pastor needs to learn how to conduct himself around the female employees of the church.

The pastor should so conduct himself around the female employees of the church that he would be their protector not their betrayer.

D. It is imperative that the pastor avoid developing an emotional attachment for a woman other than his wife.

If he ever feels this coming on, he needs to realize that he is playing with fire. It must be halted immediately.

IV. He must learn how to safeguard himself while counseling women.

The work of a pastor often involves counseling women. This is as it should be. However, it is imperative for the pastor to understand the risk factors that are involved both for him and the women that he counsels.

A. Counseling must be professional rather than casual.

If the church has an office staff, it is easier for counseling to be kept professional if it is done in the office. It is better to have someone else in the building when the pastor is counseling a woman. It is also advisable that the desk be between him and the counselee. Discussion of problems with women in casual or informal settings must be kept to a minimum, and must not be repeated often with the same person.

In counseling, the pastor needs both a horizontal relationship and a vertical relationship with his people. A horizontal relationship helps people know that you are approachable. A vertical relationship helps people respect you. A pastor needs both a closeness and a distance with his people. The vertical relationship (or distance) helps people look up to you and believe you have something to offer. It also helps avoid the development of emotional intimacy which is inappropriate and extremely dangerous.

I know that there has been a trend away from addressing the pastor by an appropriate title and a trend toward calling him by his first name. When the pastor is addressed with a title, it helps in the development of a vertical relationship, and will reduce the risk of emotional intimacy and the problems that it may introduce.

B. It is more important for a pastor to protect himself than it is for him to help another person.

If he falls into sin with a counselee, in all likelihood that will be the end of his counseling and his ministry as an ordained minister. The cause of Christ needs men of God. We need more instead of fewer. It hurts when we have moral casualties in the ministry.

C. It is extremely important that a pastor avoid introducing his own problems into the discussion when he is counseling a woman.

When this is done, the woman he is talking to will be very understanding. The two of them will be feeling, and maybe saying, "We understand one another." That is a very dangerous experience for people who have been hungering for someone to understand them.

D. Pastors should avoid discussing details about sex with women counselees.

If it is necessary to deal with details, it will be better to refer the person to a medical doctor or a trained professional counselor. This kind of counseling

is best done by a person who is only known in a professional relationship as distinguished from a person who is a part of a person's social structure.

I am not saying that the subject of sex should not come up at all. Though it may be necessary for it to be mentioned, great discretion should be used.

Anyone who does a lot of counseling will observe that sex will be mentioned frequently in counseling. Sexual sins and sexual impropriety have a unique way of creating problems for people. I believe that is a part of what Paul is talking about in I Corinthians 6:18.

E. It is imperative that a pastor avoid touching a woman in a counseling session.

If he meant to console her, she may interpret it to be a flirtatious move. She could be a very suspicious person. If she tells others that he made an advance toward her and he has to admit that he touched her, he will never be able to explain it to the satisfaction of all concerned.

Conclusion

I have been dealing with a very sensitive area and an area of deep concern. It is imperative for many reasons that pastors remain pure and have an unimpeachable testimony when it comes to sexual purity. I believe that if a pastor will live by the principles that I have set forth and will be a man of the Word and a man of prayer that he will be able by God's help to live a pure life.

Practical Preventive Principles for Pastoral Purity

By Melvin L. Worthington

Pastors face unique pressures in today's society. The demands on their time and the diverse ministries which clamor for their attention produce a sense of frustration. There will never be enough time to fulfill all the tasks they face. Something is always left undone. Twenty-four hours a day they are immersed in their work. Sooner or later, such hectic schedules have devastating effects on a pastor's physical and psychological well-being. Family and church suffer when the pastor loses focus.

The pastoral role is a biblical ministry which requires balance, breadth and blending in the area of relationships. Giving attention to relationships serves as preventive protection from the stress and strain of ministry. Pastors with a biblical balance give emphasis to relationships in five areas. These areas are listed in the order of their importance as safeguards against mental, moral and ministry failure.

Relationship to Their Creator

When the pastor maintains a right relationship with the Lord, he gives adequate time to Bible reading and prayer. In the midst of ministry demands, pastors must carefully guard their relationship with the Lord. Pastors who fail to guard their personal time invariably flounder in the ministry—sometimes morally, sometimes spiritually.

When the pastor's relationship with the Lord is maintained, he will clearly understand his task. The task which God mandates for the pastor is not

more than can be done. When pastors lose their focus, they get bogged down in "things" and end up doing nothing well. God's task can be done without neglecting other responsibilities incumbent upon the pastor. He need not neglect his family, friends or finances to do the work God has assigned him.

When pastors maintain the proper relationship with the Lord, they are reminded of the trust which God has given them. Converted, called, compelled and commissioned, pastors serve a unique role in the life of the Church. Gifted by God, they have been given the responsibility to evangelize, educate and edify the Church, equipping it for ministry.

Relationship to Their Companion

The pastor's second priority is his relationship with his companion. I Corinthians 7 reminds us that marriage is given in order that men and women can live pure and chaste lives. Developing intimacy with his companion provides the basic safeguard against sexual sins for the pastor. Ministerial causalities can be traced to a lack of intimacy in their own marriages. Intimacy between the pastor and his wife should be a life-time goal.

God's design for marriage is that the husband and wife meet each other's physical, emotional, psychological and social needs. The pastor should love his companion with an unlimited, unselfish and unending love. The greatest gift that the pastor can give his church family is to love his companion. Pastors and their companions serve as role models to men and women in their congregations.

Maintaining the proper relationship with his wife enables the pastor to pray, preach and pastor effectively. It will also spare him the disaster of moral misconduct and sexual affairs.

Relationship to Their Children

The pastor who would effectively serve maintains the proper relationship with his children. He must teach, train, tend and treasure them. One of the requirements of a bishop is that he must rule his own house and have his children in subjection. This demands discipline and discernment. He must take the necessary time to lead, lecture, love and listen to them. Pastors' children need not grow up hating the ministry. Perceptive pastors give attention to the needs of their children. Churches expect pastors to spend time with their children. Children who grow up in pastoral families and love the ministry had a daddy who, as pastor, made time for them.

Relationship to Their Church

The pastor who develops and maintains the proper relationship with his Creator, companion and children will not neglect his work as pastor. Duties do not conflict. Pastors have enough time to do their pastoral work without neglecting their families or shirking other responsibilities. Pastors must learn to deal with time pressures and demands. Discipline requires saying yes and no. It is not a sin to say no when necessary. Organization and objectives will help the pastor get a handle on his time and use it wisely. Delegating some work to others is a good start. The pastor can not do everything. God gifts and calls others to serve in the church. Let them! Pas-

tors need to remember that it is the Lord's Church and He will build it. Pastors are required to be faithful, remembering that God worked in that church before they came and will continue to work after they leave. Learn your limits. Work on your weaknesses and develop your strengths.

Relationship to Their Community

Another requirement of a bishop in I Timothy 3 is that he have a good report of them that are without. The pastor's testimony in the community makes a significant impact on his effectiveness as a pastor and preacher. Recognizing the influence that a holy, honest, and humble life has on the unsaved community will help the pastor avoid behavior which would destroy his public testimony. Pastors must not allow their good to be evil spoken of. Some sins disqualify pastors from serving in the pastoral office. One preacher who had an adulterous affair said that the worst day of the week for him was Sunday. He said with deep sadness in his eyes, his voice flat and dead, "Every Sunday I am reminded that I cannot do the one thing I was born to do—preach." Another said, "You do not have to punish me. Not being able to do that which I was called to do is punishment enough." These men have joined an ever-increasing congregation of failed ministers, men who no longer can do the one thing they were born again to do.

Thoughts from the Treatise

By Melvin L. Worthington

Free Will Baptists have traditionally held the pastor and pastoral office in high esteem. *The Treatise of the Faith and Practices of Free Will Baptists* (1992), provides information regarding the ordination, discipline and relationships of Free Will Baptist ministers (Chapter 11, pages 56-60).

His Ordination

The authority to ordain ministers has its source in the local church. Free Will Baptists, in most areas, have delegated this authority to the association in which they voluntarily hold membership. Ordination procedure varies from one association to another but in most cases the following steps are followed.

1. The candidate must be licensed for a period of one year prior to ordination. In some cases, this license is issued by the local church and, in others, it is issued by the association upon request of the local church.
2. Before ordination, the candidate is examined by a committee of ministers appointed by the association for that purpose.
3. This committee usually makes recommendation directly to the association, which votes whether to ordain. Usually, a request for ordination must also be received from the local church of which the candidate is a member. In some areas, the association's ordination council makes recommendation back to the local church, which then proceeds to ordain.
4. The ministers of the association usually administer the actual ordination ceremony when the association has voted approval.
5. The actual ceremony generally includes the "presentation" of the Bible and a formal "charge." In many places, a sermon by a brother minister is preached. The service usually concludes with the "laying on of hands" and a prayer of consecration.

Ordination requirements vary greatly within the Free Will Baptist denomination. The following summarizes some of the general ordination requirements.

1. Examinations generally include sufficient materials to determine a reasonable acquaintance with the Bible, Christian doctrine and Free Will Baptist teachings.
2. Some associations require some type of ministerial educational preparation or at least manifestation of a desire for self-improvement and study.
3. All areas recognize the necessity of a definite conviction on the part of the candidate that he is divinely "called" to the ministry.
4. Some areas have certain specific requirements about special items of conduct, such as, for example, whether a minister can use tobacco. All areas require consistent Christian conduct and character.
5. Many associations require that the candidate already be involved in some specific ministry, usually either as a pastor or evangelist.

Ministers transferring from one association to another within the denomination generally use the following procedure:

1. He is examined by the local association's ordaining committee, though usually not so closely as the new ordination candidate.
2. He is required to present a letter of good standing from the association of which he was last a member. Associations should exercise great care in granting such letters of standing. An unqualified letter should not be granted if there are any questions about the minister's reliability. In general, no association should receive a minister into full ministerial standing who cannot secure a letter of good standing because he has been disfellowshipped or had his credentials revoked or who is in the process of being disciplined by another association. In no case should his credentials be ratified without consultation with the association which disciplined him.
3. His ordination credentials may then be "ratified" by the association upon recommendation of the ordaining council.

A minister from another denomination wishing to unite with the Free Will Baptist denomination must first unite with a local Free Will Baptist church and will then be subject to procedure similar to that outlined above. He can expect to be examined closely.

His Discipline

The authority to discipline a minister has its source in the local church. In many areas, this is delegated to the association along with the authority to ordain.

In most cases, any accusation against a minister that is offered concerning his conduct, character, profession or doctrine which is considered against his good standing, should be brought to the association by the local church. The only exception that should be made arises when an offense involves a fellow minister, as object or witness, in a situation unknown to the local church. In this case, charges should be preferred by three ministers jointly, with the local church fully apprised of the fact.

As with all other matters of church discipline, the minister accused should first be dealt with privately according to the principles outlined in Matthew 18:15-17. If a formal "trial" becomes necessary, it should proceed in the following manner.

1. A written notice of the exact charges should be furnished to the accused at least a week in advance.
2. The moderator of the association should be an impartial moderator of the meeting. He should read the charges without comment.

3. The moderator of the association should call for volunteer witnesses who wish to sustain the charges by testimony, allowing the accused, in an orderly way, to question the witnesses.

4. The moderator of the association should allow the accused to speak in his own behalf and ask for witnesses who wish to sustain his position.

5. When both sides are presented, the moderator of the association asks whether there is a motion concerning some type of discipline for the accused. If there is, and it is seconded, the motion is discussed and voted upon.

The association's disciplinary action against the minister can deal solely with his ordination and fellowship in the association as a minister. If an intermediate and temporary act of discipline is needed, the minister may be retained on the roll of ministers but listed as not in full fellowship and denied the right to vote as a standing delegate.

The final act of discipline, if labors are not fruitful in bringing satisfactory resolution of the problem, consists in revoking the minister's ordination and withdrawal of fellowship from him as a minister in good standing in the association. The association's discipline cannot deal with the minister's relationship to the local church, either as pastor or member. It can make recommendations concerning this to the local church, and the church's fellowship in the association might be endangered if those recommendations are not followed, but no force can be applied.

The minister is expected to submit to the decision of the association and relinquish his credentials of ordination if they are called for. Civil action is not recommended, however, if he should refuse. The minister who feels he has not been justly treated may, in union with at least one other sustaining minister, appeal to the next broader organization of which his district association is a member, which is the state association. The authority of the state in its relationship to the district is clearly set forth in the *Treatise of the Practices of Free Will Baptists* (1992) (Chapter III, pages 60-68).

His Relationships

The minister has unique relationships to many persons. As a divinely called preacher, he is subject foremost to the Lord and His Word. This relationship qualifies all the others.

The minister is uniquely related to his church. Most Free Will Baptist churches recognize their responsibility to support their pastors with such financial means as are available to them.

The minister maintains a unique relationship with the association in which he holds membership. When a minister becomes a pastor of a local church, it is his responsibility to obtain good standing in the association of which that church is a member if he is not already in good standing therein.

The minister has another unique relationship—to fellow ministers. Many associations maintain "ministers' conferences," organized for the fellowship and cooperation of ministers in the area of that association.

Ministers who recognize, respond and retain these relationships—with the Almighty, the assembly they pastor, the association where they hold membership and the associates in the ministry—have the necessary relationships to maintain ministerial integrity and moral purity.

Cross-Cultural Study Committee Report

Introduction

The following resolution was adopted by the National Association of Free Will Baptists at the 1994 convention held in Little Rock, Arkansas:

Recent years have brought immigrants to this nation from Latin America, the Pacific Rim nations and the Middle East in unprecedented numbers. This has presented churches in our nation with an unparalleled opportunity and obligation for reaching multitudes from other nations with the gospel without leaving our own shores. We are also provided unique opportunities for the training of workers for cross-cultural ministries at home and abroad. In the U.S.A., cross-cultural evangelistic/church planting efforts of the National Association of Free Will Baptists have been limited to Hispanics. Meanwhile the numbers of unevangelized coming to our shores continue to swell.

The magnitude of the opportunity as well as faithfulness to the command of our Lord Jesus Christ demands a major, concerted effort on the part of Free Will Baptists. We therefore recommend the following:

1) That the National Association of Free Will Baptists reaffirm our conviction that the Gospel is to be preached to every creature by committing ourselves and our resources in every way possible to the task of cross-cultural evangelism within the boundaries of our own nation.

2) That the National Association of Free Will Baptists authorize a study committee to be chaired by the Executive Secretary and composed of the General Directors of the Home Missions Department, the Foreign Missions Department, the Sunday School/CTS Department, the President of Free Will Baptist Bible College and three additional members to be selected by the committee members named above.

3) That the study committee assess the dimensions of the challenge and identify those peoples and cities to which Free Will Baptists might most readily minister as well as those that may be of highest priority.

4) That the study committee assess denominational resources and talents in light of needs.

5) That the committee propose plans, strategies and necessary structures for a united cross-cultural ministry of the National Association of Free Will Baptists.

6) That the committee determine denominational educational and training needs that will be required for this kind of ministry.

7) That the study committee offer suggestions for the development of cross-cultural ministries by local churches and district or state associations.

As a result of this resolution, a committee was formed to address the issues of cross-cultural ministries. This committee suggests the following mission statement regarding cross-cultural ministry within Free Will Baptists:

As Free Will Baptists, we recognize our responsibility to proclaim Jesus Christ as Lord and Savior, to persuade people to become His disciples and to become responsible member of His church. We acknowledge God's purpose for mankind and affirm our commitment to the evangelization of all people and language groups within our reach, both in the homeland and in other nations.

As directed, the cross-cultural study committee submits its findings in this report to the National Association of Free Will Baptists.

The Need*

Free Will Baptists have long been committed to missions, both home and foreign. It is increasingly apparent that any distinctions between home and foreign missions may not be as broad as they might once have been. In the article, "Free Will Baptists Face a New Generation," Alton E. Loveless says, "There's a new world at our front door. Evangelism and the mission work in America may never be the same again. The immigration flood of the past two decades will forever change the nation and the local church."

Changes in the People

It takes only a cursory look at current statistical and demographic information to be convinced of the growing cultural diversity in the United States. Cities in the United States are a mosaic of people from nearly every country in the world. The troubled 70's brought an avalanche of refugees: Vietnamese, Laotians and Cambodians from Southeast Asia; Haitians and Cubans from the Caribbean; Salvadorans, Guatemalans and other Hispanics from Central America. Add to this the continuing patter of the non-registered arriving from Mexico and other immigrants from Latin America and Asia.

One hundred years ago, 82% of immigrants to America were from Europe. Today 75% are from Asia and Latin America. This amount will increase as the government allows 700,000 each year to enter the United States.

While most Christians may realize that the composition of the population is changing dramatically, few may realize the implications of these changes, especially as it relates to the responsibility of the Church. People from most of the world's mission fields are coming to the United States in unprecedented numbers and remain nearly as unevangelized as they were in their native country.

It is important to remain mindful of: (1) the personal need for salvation of all people (regardless of race or ethnic group); (2) the personal responsibility of all believers to reach all people. When considering these two truths in light of the changes in America's population, the enormity of the need for missions in America is apparent.

Consider the following statistics compiled by Dr. Alton E. Loveless:

- Six years ago, 100 million Americans identified with 200 language culture groups other than Anglo-American, and with the more recent immigrants it has swollen.

- People from 1,350 unreached people groups have immigrated to the U.S. from all over the world (*Mission: America, Youth with a Mission*).

- "The American mosaic is composed of more than 500 ethnic groups and 495 American Indian tribes, speaking 636 languages and dialects. More than 100 million Americans have identified themselves as language-culture people" (*Southern Baptist Language Missions*, 1991).

- Two-thirds of all immigration in the world today consists of people entering the United States. Most are coming from the non-Christian countries of Asia, Africa and Latin America (James S. Kessler, Intercultural Ministries Department Secretary, Division of Home Missions, sermon, August 1985).

- The Census Bureau reported 7.9 percent of the American population is now foreign-born (*Springfield News-Leader*, December 19, 1992).

- The United States is becoming a multi-cultural society. During the 1990s, it will shift from a society dominated by whites and rooted in western culture to a world society characterized by three large racial and ethnic minorities—Black, Hispanic, Asian-Pacific Islander (*American Demographics*, October 1991).

- Daily newspapers are printed in more than 45 languages within the United States (*Southern Baptist Language Missions*, 1991).

- By 2000, nearly one-third of all school-age children will be from minority populations.

- By 2060, the entire U.S. will have a minority population. Most Americans will trace their roots to Africa, Asia, the Pacific Islands, the Middle East, or Hispanic nations.

- Islam is the fastest-growing major religion in America (*Action*, July-August 1990).

- The Islamic population has grown at a rate of 135 percent of the world's population since 1950 and is doubling every 22 years. In 1950, one out of every 7.5 people was a Muslim. Today, one out of every 5.25 people is a Muslim (*Action*, July-August 1990).

- Islam is the eighth largest religious denomination in the United States (*Christianity Today*, February 19, 1988).

- Eight million Muslims reside, work and worship in 1,000 mosques in the United States. They have become an easily identifiable people group in this country.

- Hindus number 2.4 million in America.

- Other groups by-passed by the Gospel include 1.4 million Native Americans and 6 million Jews.

- There are 25 million French-speakers, and emigres in varying numbers from every nation in the world.

- America has a population of 31,148,00 Blacks, the second largest Black population in the world after Nigeria. Blacks are still the dominant minority group in the U.S., representing 60 percent of all minority people (*America in the 21st Century*, 1991).

- There are more than one million Chinese in the U.S., yet less than 5% have been touched with the Gospel.

- Ten percent of the world's Spanish speakers live in the U.S. representing 5.4% of the population.

- The U.S. currently has the world's third largest Hispanic population of 21.4 million (*International Urban Associates*, Winter 1992).

- Hispanics are the fastest-growing ethnic group in the Mormon church (*Los Angeles Times*, March 8, 1992).

- By 2060, the entire U.S. will have a minority majority. Most Americans will trace their roots to Africa, Asia, the Pacific Islands, the Middle East or Hispanic nations.

Largest Ethnic Groups in the U.S.

Blacks.....	30,000,000
Hispanics (including undocumented).....	25,721,538
American Indians* (including Eskimo, Aleut).....	2,848,087
Chinese.....	1,585,270
Filipino.....	1,526,159
Japanese.....	1,398,189

Middle Easterners**	1,301,550
Germans (foreign-born)	849,384
Italians (foreign-born)	831,922
Asian Indians	755,811
Koreans	697,586
Vietnamese	478,159
Polish (foreign-born)	418,128
Ukrainian (foreign-born)	406,022
Greek (foreign-born)	210,998
Portuguese	177,437

* single ancestry

**Lebanese 44.9%, Syrian 16.2%, Iraqi 6.8% Egyptian 6.2%, Palestinian 3.2%, other 22.7%

Source: 1990 Census Profile, U.S. Department of Commerce

In a generation, millions of ethnic minorities coming into the United States will remain lost in their own pagan religions unless they are reached now. They are ready for Western learning and acceptance as their first priority (Augustine, V. Lopez, "Minority Majority," *American Horizon*, Jan./Feb. 1991). There is a misconception that all Americans could hear the Gospel if they wanted to, or another than no one should hear twice before all have heard once. But it is a very disquieting fact that many citizens of America live and die totally insulated from hearing the Gospel, sometimes within eye-sight of a church or living across from a "born-again" believer. Within the United States are people groups beyond the sound of the Gospel.

It becomes evident that the dimensions of the challenge for cross-cultural ministry and church planting in the United States go far beyond the average Christian's understanding and concern. God has literally sent the "nations" to America's doorstep. If Christians pretend they do not exist, they may be eternally lost to the Kingdom of God. An ethnocentric perception of reality could possibly cause Free Will Baptists to overlook and sinfully ignore one of the most diverse and easily reachable parts of God's vast harvest fields. John 4:35 says, "Say ye not, there are yet four months and then cometh harvest? Behold, I say unto you, Lift up your eyes and look on the fields; for they are white already to harvest."

Changes in the Place

The United States has moved from a rural people to an urban society, from 96% of America being rural in 1790 to nearly 80% now living in cities. In 1790, only New York City and Philadelphia had a population of 25,000. By the end of this decade, 90% of the United States' population will live in 44 major areas.

There are 58 million culturally distinct people living in American cities, and of this it is estimated that only about 14 million are church members. More than 160 million Americans are unchurched. Over 100 million of those unchurched live in cities. The number of unchurched Americans is surpassed by the population of only four countries in the world—China, India, Russia and Indonesia.

There is no question that American cities are a vast mission field with a variety of people, yet with one common need—Jesus Christ. Herein is an enormous mission potential. The mission of the Church is to reach all mankind everywhere.

The Free Will Baptist denomination has been largely a rural or small town people. Only 14% (367) of Free Will Baptist churches are in cities with a population of 50,000 or more. Conversely, 86% of churches are rural or in small towns.

Free Will Baptists have churches in only a few of the major cities of the United States. While the United States population has shifted from being primarily rural to urban, Free Will Baptist church growth has not mirrored those changes.

To experience growth, Free Will Baptists will have to accept change and begin to focus on urban areas. This is not to experience growth for the sake of numbers. The desire for growth must stem from a heart-felt burden to fulfill God's calling to those in desperate need living in urban areas. A new vision of Christian missions must focus on cities.

The following statistics provide information on American cities representing major mission fields in the United States:

- Columbus, Detroit, Chicago, Cleveland, New York, Dallas, Atlanta, Los Angeles and Miami are only a few of the numerous cities with populations exceeding a million.

- Los Angeles has a population greater than all states other than California, Texas and New York.

- With 4.5 million Hispanics, it is now the second largest Hispanic city in the world.

- It is the second largest Chinese city outside of Asia.

- It is the second largest Japanese city outside of Japan.

- It is the largest Korean city outside of Korea.

- It is the largest Philippine city outside of the Philippines.

- Only 17 percent of the public school children in Los Angeles are non-Hispanic whites, and some 80 different languages are spoken throughout the school system (*America in the 21st Century*, 1991).

- California has a continuous city beginning south of San Diego going north beyond San Francisco 450 miles away in widths of 10-20 miles.

- Los Angeles-Long Beach is now the largest metropolitan area, growing 17 percent in the 1980s. New York is second, Houston is third, and Riverside-San Bernadino is fourth (*American Demographics*, January, 1990).

- Phoenix, now a million plus, had only 65,000 at the end of World War II. Dallas and Houston were less than one-third their present size.

- Miami has been called the capital of Latin America. It is the second largest Cuban city in the world (*Southern Baptist Language Missions*, 1991).

- Approximately 22.8 million people live within a 50-mile radius of downtown New York City; this is 1.5 times the population of Texas.

- Chicago is home to the nation's largest population of Serbs and Croats (*U.S. News and World Report*, July 22, 1991).

- It has been reported that metropolitan areas adding the most people between 1995 and 2015 will be:

• Los Angeles	1.6 million
• Atlanta	1.6 million
• Houston	1.5 million
• Riverside/San Bernadino	1.5 million
• Washington, D.C.	1.4 million
• Phoenix	1.3 million
• San Diego	1.3 million
• Dallas	1.2 million
• Tampa/St. Petersburg	965,500
• Seattle	878,000
• Orange County, California	831,500

- Minorities became a majority in 21 of America's largest cities in the 1980s, making them the dominant group in 51 of the 200 cities over 100,000 (*USA Today*, September 16-17, 1991).

American Christianity has in part blinded eyes to areas where evange-

listic programs have been less successful. This is true both for geographic areas and for cross-cultural areas. As churches open their eyes to reach out to these urban areas and their peoples, they must become increasingly innovative in their methods.

Free Will Baptists must examine new areas and new opportunities for reaching people. With these massive changes in society, there is a need for Free Will Baptist churches to respond with innovative approaches. Christian workers must feel a unique call. They may need to speak another language. They must be cross-cultural, without prejudice, and feel as much a call as a foreign missionary—for in fact they are. Free Will Baptists must hear and accept the cry of the American city of all its peoples. The need is certain and immediate.

*The majority of the research and information provided in this section was compiled by Dr. Alton E. Loveless.

The Plan

Free Will Baptists have long been committed to evangelism through foreign missions, home missions and local outreach efforts. However, as societies and populations continue to change, evangelism and ministry efforts must also change to meet the needs of the quickly changing environment.

The message never changes—all people need to know the personal and marvelous plan of salvation so freely given through the Lord Jesus Christ. Christians are commissioned to share this plan in Acts 1:8. It is the work of the local church to share this Gospel with their own community and people. Herein is the immediate concern.

Communities are changing. Immigration is continuing at a quick pace. While these changes are occurring dramatically in urban and suburban areas, it is important to realize that even rural areas are impacted. With the mobile society in the United States, change affects all people. No one will be immune from these changes. The United States is a multi-cultural society.

People are pouring in from all over the world to seek better lives. They are seeking peace and security—a peace and security that can only truly be found in a personal relationship with Jesus Christ.

In his book, *The Church is in A Stew*, Jerry Appleby states:

—God is calling the church to reach people of every ethnic distinction where they are with careful consideration being given to language, culture, and values. It is vital that each denomination, district, and local congregation have an up-to-date plan to evangelize each segment of their area, using knowledge they have regarding each particular culture.¹

In fulfillment of the Great Commission, Free Will Baptists must face these opportunities and obligations nationwide with a cross-cultural ministry approach that can reach and meet the needs of a variety of cultures. Cross-cultural ministry bridges the lines of distinction dealing with traditions, priorities, languages and other areas of uniqueness which give each group of people their sense of identity.

In developing a plan for cross-cultural ministry, it is important to set initial objectives and strategies to begin the process. It is also necessary to suggest possible structures under which these objectives and strategies can be administered so that a formal plan can be established and monitored. The following is a skeleton list of initial objectives and strategies. It also includes suggestions for a structure under which these plans could be developed and overseen.

Objectives and Strategies

1. There must be an increased awareness of the need for cross-cultural ministries by Free Will Baptists within the United States. There must be increased acceptance of other cultural groups within Free Will Baptist churches.

It is important that the Free Will Baptist people become intensely aware of the need for cross-cultural ministries within the confines of the United States. The United States is a mission field made up of numerous cultures each with specific languages, needs and traditions. These many ethnic groups must be reached for the cause of Christ, often in their own languages, and with an understanding of their individual cultures. Free Will Baptist people can no longer see themselves as the facilitators for missions, rather as the missionaries themselves. These groups will not come to the church; the church must go to them. The Great Commission does not call the lost to the church, it calls the church to go to the lost, regardless of cultural differences.

This enormous unmet need for cross-cultural ministry in the United States may not be completely understood by many Free Will Baptist church members and even pastors. This need must be communicated to the Free Will Baptist people so that they can have a heart to reach out to other cultural groups.

Prejudice must be overcome. The Bible teaches that God so loved the world (John 3:16). Jesus demonstrated his concern for all people through His earthly ministry. When Jesus was asked, "And who is my neighbor?" He answered with the story of the Good Samaritan. This familiar parable teaches the importance of showing mercy and compassion, regardless of differences. It shows that everyone should be loved equally.

It is often easy for people to consider their culture as being superior to others. Foremost, the biblical plan for Christian living should never be compromised. However, traditions and customs may be different and should be understood. It is important that cultural barriers and different traditions not choke out the spreading of the Gospel. Something is wrong when it conflicts with scripture; it is not necessarily wrong just because it is strange or different.

Specific strategies to meet these objectives may include:

a. Free Will Baptist publications such as *Contact*, *Heartbeat*, *Mission Grams*, *Co-Laborer*, etc., could publish articles on the need for cross-cultural ministries within the United States. Information must be shared so that local churches realize the opportunities for ministering to other ethnic groups.

b. Sunday School literature and other curriculum could address these cross-cultural needs through Bible study, articles, etc. All ages within the church should be taught to understand the needs of the people living in their communities, their country and their world.

c. Denominational-wide mailings could be done to pastors and church leaders addressing these cross-cultural needs and sharing valuable information on cross-cultural ministry.

d. Videotapes and documentation could be provided to address cross-cultural ministry and the opportunities available.

e. Seminars, workshops and speakers could be provided at national, state and local levels to communicate the needs and efforts regarding cross-cultural ministries.

f. Documentation of a national plan and strategies could be provided to pastors and church leaders to facilitate local involvement in the plan.

g. A "Cross-Cultural" Sunday could be observed each year (such as Roll Call Sunday, etc.). Sunday School lessons could focus on outreach to all people.

h. Local churches can be encouraged to do community studies to assess cross-cultural ministry opportunities, what other churches are doing, and areas of ministry they can focus on.

2. Education and training within Free Will Baptist colleges and departments should include courses on cross-cultural evangelism.

Free Will Baptists must equip future pastors, foreign/home missionaries, church leaders and laypersons, by presenting them with all the necessary tools to become effective missionaries in their communities. First, it is important that they understand their calling. They must also understand their own culture. Then language resources and hands-on practice should be provided wherever possible.

The training should also profile specific ethnic groups by addressing their customs, traditions, values, religions, etc. Although the message never changes, the methods of evangelism and ministry must change as needed. The apostle Paul said, "I am made all things to all men, that I might by all means save some. And this I do for the gospel's sake, that I might be partaker thereof with you" (1 Corinthians 9:22b-23).

Current pastors, missionaries and church workers must also be trained in cross-cultural ministry. Resources and training should also be developed to provide support for those currently serving in Free Will Baptist churches and mission efforts.

Specific strategies to meet these objectives may include:

a. Free Will Baptist colleges should provide course work on cross-cultural ministries. Studies should be provided to detail specific cultures and needs. Mission classes, sociology classes and evangelism classes should also incorporate these specific issues into existing curriculum.

b. A variety of foreign language classes should be offered wherever possible. Liaisons could be developed with other schools to provide language study in areas deemed necessary.

c. Seminars could be provided through colleges and/or national departments on various cross-cultural ministry. Depending upon the area, a specific ethnic group could be studied as well as general evangelistic tools and ministry ideas.

d. Other evangelistic organizations and denominations who have developed effective cross-cultural ministries could be contacted to provide training to Free Will Baptist pastors and leaders.

e. Home missionary training should include specific course work, and perhaps internship work, to address the needs of other ethnic groups.

f. Existing foreign missionaries, home missionaries and other Free Will Baptist personnel knowledgeable in this area could provide training to current pastors through seminars, videotapes and/or written articles.

g. Free Will Baptist young people could be trained through efforts of

the National Youth Conference to see the need for cross-cultural missions and ministry within their own communities. Cross-cultural mission trips can provide life-changing experiences for Free Will Baptist young people and could be promoted at all levels.

h. Foreign missionaries and bilingual Christian workers should be recruited to work among language groups within the United States in the field of their second language skill.

i. Christian minority students should be recruited. They could share cultural information and could be trained to reach those within their own cultural group.

3. Free Will Baptists should identify existing cross-cultural opportunities within local churches. Current resources within the Free Will Baptist denomination should also be identified.

Some Free Will Baptist churches are keenly aware of the needs of various cultures within their communities. Others realize that various ethnic groups are moving in, but may not know exactly how their church can reach out to these groups. It is important that a more formal method of communication be established so that national leaders can assess the existing needs of established churches. This communication would also enable church leaders to make use of those personnel within the denomination who are knowledgeable and capable of helping tackle the tasks ahead.

Specific strategies to meet these objectives may include:

a. The National Association of Free Will Baptists may wish to conduct a national survey of churches and pastors asking for their input into current needs faced by local churches. This survey could also ask for specific information on existing programs and personnel who are impacting cross-cultural groups.

b. A resource list of Free Will Baptist pastors, missionaries and members who speak other languages, are of various cultural backgrounds, who have spent time living in other countries, etc., could be compiled based on the survey above. This group of people could provide immediate support within their area of expertise.

c. Demographic information should be compiled and maintained to help ascertain the most promising areas within the existing Free Will Baptist works where cross-cultural efforts in ministry could begin immediately.

4. Baseline information and resources should be shared with existing Free Will Baptist churches providing suggestions through which cross-cultural ministry can begin.

It is important to note here that every cultural group has different behaviors, assumptions, values, patterns of thinking and communication styles. No one plan or approach can be developed that will be appropriate or effective in ministering to every cultural group. Consequently, it is important that specific plans are carefully developed for particular cultures which consider the traditions and beliefs of that culture. It is important to realize that those implementing the plan are yet another variable in the development and effectiveness of the effort.

Implementing a successful cross-cultural ministry effort, whether through a denomination or through a local church, is a difficult, long-term, but rewarding effort. However, the work must have a beginning and the task is immediate. A formal "plan" does not have to be provided to encourage Chris-

tians to simply reach out and share the Gospel with other ethnic groups. Churches and pastors should have a burden for the lost in their communities and want to minister to others. Loving one's neighbor as himself (Mark 12:31) is the simple beginning.

From that simple beginning of being willing to reach out to others, it is wise to take successes and failures in ministry experience to minister more effectively. It is important that churches and pastors are provided with some immediate encouragement and information regarding cross-cultural ministry so that opportunities are not wasted in the short-term.

Baseline information that has been developed through national leaders, pastors and churches (as well as information provided through other evangelistic groups) should be shared with local pastors and churches. Conversely, local pastors and churches should be asked to share strategies and ideas that have proven successful in their areas. This sharing of existing information can provide an impetus for the work in cross-cultural ministry to take off nationally.

Specific strategies could include:

a. A resource library could be established on a national level which provides suggested readings, population information, and maintains a database of resources within the denomination. Information could also be compiled on work done by other evangelical groups which address specific cultures and strategies.

b. A database could be developed to provide information on where to purchase materials in other languages for gospel tracts, discipleship and church growth materials.

c. Information, resources, and plans could be developed at a national level to address specific cross-cultural ministry efforts and ideas such as:

- (1) Church planting for purposes of ministering to a specific ethnic group,
- (2) Shared facilities with other ethnic church groups,
- (3) Integration of cross-cultural cell groups into the local church,
- (4) Establishing cross-cultural cell groups by tailoring to specific groups:

♦ Bi-lingual Services	♦ Women's Ministries
♦ Sunday School	♦ Children's Ministries
♦ Home Bible Studies	♦ Christian Schools
♦ Good News Clubs	♦ Day Care Centers
♦ Music Programs	♦ English Classes
♦ Vacation Bible School	♦ Community Services
♦ Youth Activities	♦ Hospital Outreach
♦ Sports Programs	♦ Nursing Home Outreach

5. Free Will Baptists must be willing to concentrate new mission efforts in culturally diverse areas where the need for cross-cultural ministry and evangelism is tremendous.

Large urban areas throughout the United States have tremendous concentrations of varied cultural groups. Many of these groups have not yet received the Gospel message. Perhaps because of language barriers, misunderstandings or even unacceptance, they have remained unevangelized.

Many Christians assume that with technology, media and intense communication as it is in the United States, that all persons have been reached with the Gospel message. In many subcultures within in the Unit-

ed States, this is untrue. Millions have not heard or do not understand the plan of salvation. It is our responsibility to target these mission fields within our own country and to reach these groups for Jesus Christ.

Strategies could include:

a. Mission works should target areas with large concentrations of minority groups and establish churches equipped to meet their needs.

b. Denominational mission efforts should reach out to all geographical areas, particularly urban areas, where Free Will Baptist churches have never been established.

c. National mission efforts should be established based on demographics and thorough investigation of population needs.

d. Existing churches should be integrated to include other subcultures as their environment changes. This approach could stop churches from simply dying as environments change.

e. Retired missionaries and other personnel could be strategically used where they can make use of their cross-cultural talents.

f. Free Will Baptists in university settings should seek to start outreach programs to the thousands of university students who will be returning to their homelands after receiving college degrees, or could work with those of their same culture in the United States.

Structure

There must be someone to administer the plan for a cross-cultural ministry of the National Association of Free Will Baptists. A plan cannot be implemented effectively without direct responsibility and supervision. Restraints in personnel and financial resources in existing national departments make the decision of where to place responsibility a difficult one. The following suggests several scenarios under which the work could be implemented.

Scenario #1

The cross-cultural ministry effort could be undertaken by the Home Missions Department. The Home Missions Department has already established some works in cross-cultural ministries. However, it is important to note that there would need to be monies designated specifically to cross-cultural ministries so that it is not lost in the pool of other responsibilities.

Scenario #2

The responsibility of cross-cultural ministry could be undertaken as a joint effort between the Home Missions Board and the Foreign Missions Board. This would need to be a united effort where both boards could pool resources to effectively oversee and administer a nationally adopted program for cross-cultural ministries. Both boards have unique expertise in various aspects of this ministry and could provide a wider range of resources.

Scenario #3

The National Association of Free Will Baptists could create a Department of Cross-Cultural Ministries. This department could provide support functions for all other national departments. It could be funded through a joint effort of other national departments or through an established budget

from the National Association of Free Will Baptists. This department could be comprised of a full time Director of Cross-Cultural Ministries who could perhaps share office resources within the current make-up of the National Offices. The director could report to the Executive Committee, to the executive secretary, or to an established committee.

Suggested Responsibilities

Regardless of organizational placement, the following responsibilities should be undertaken:

- Developing, administering, implementing and updating a plan for cross-cultural ministry within the denomination;
- Organizing and administering a national survey of Free Will Baptist pastors/churches to determine current needs and progress in the area of cross-cultural ministry and to generate ideas;
- Communicating to the Free Will Baptist people the cross-cultural needs within the nation and specific communities;
- Promoting awareness and acceptance of other cultural groups and the specific needs they have;
- Providing education and training through joint efforts with other denominational groups, as well as providing specific training on cross-cultural ministries on site;
- Researching and maintaining information on demographics, trends in populations, and immigration of specific cultural groups;
- Providing cross-cultural resources to local pastors and churches, as well as to other state and national departments as needs arise;
- Providing a clearinghouse/network for news and dialogue within the denomination on cross-cultural ministry, as well as efforts made by other evangelical groups;
- Providing support in cross-cultural denominational efforts wherever possible.

Regardless of the specifics of the structure, it is important that the responsibilities of promoting and supporting cross-cultural ministries within the Free Will Baptist denomination are assigned and carried out.

¹Appleby, Jerry, *The Church Is In A Stew*, p. 35, Beacon Hill Press of Kansas City, Missouri, 1990.

Existing Ministries

Free Will Baptists have always been mission-minded. Free Will Baptist workers and the Home Missions Board have taken the Gospel to ethnic groups and minorities in the United States, the Virgin Islands and Puerto Rico. The countries of Mexico and Canada also fall under the auspices of the Home Missions Board and great strides have been made there in establishing churches. In fact, some of the Mexican pastors have migrated to the United States and are pastoring Hispanic churches in several states.

It appears that Free Will Baptists have been most successful in outreach to the Hispanic segments. A considerable amount of Spanish teaching and training materials (such as follow-up lessons, gospel tracts, evangelism materials and church growth materials) are available through both

Randall House and the Home Missions Department. Thus it would seem prudent to discover and target Hispanic groups in an initial strategic outreach to more cross-cultural ministries.

It must be recognized that much of what exists as Free Will Baptist Hispanic ministry in the United States may not actually be credited to a zeal to reach Hispanics, but rather to Cuban brothers and sisters being evangelistic where they settled after coming to the United States. Although giving credit is not the focus, it is important to realize the dynamics that have existed in the development of current works. These co-laborers who have worked so faithfully in cross-cultural ministries should be included in a consulting and advisory capacity in evaluating future ministries within the United States.

It is important that personnel within the Free Will Baptist denomination be identified who have expertise and insight in cross-cultural ministry. Retiring or returning foreign missionaries can be used to establish or assist with cross-cultural works. Local church members who are bilingual or are of another ethnic group may be sources of valuable information and insight. This information can be shared and documented to aid those who are beginning cross-cultural works.

Some local churches, district associations and state associations have successfully reached out to other ethnic groups simply because they have responded to an immediate need in their area. These local churches are the primary agents in reaching other ethnic groups. A great potential exists among local churches who will commit and involve themselves in some approach to reach other ethnic groups within their communities.

It is important to study the history of the cross-cultural churches and ministries now in existence to determine how they were started and what approaches and tools have been successful. There are a variety of approaches and models to cross-cultural ministry that are working successfully in Free Will Baptist ministries. Some churches share facilities, others provide interpreters, others have separate worship services or Bible studies. In several cases, churches have begun to vanish as populations changed and were re-opened by bringing in an ethnic pastor to reach the changing needs of the population. There are a variety of approaches that have been used and are currently working.

The ministries listed below are examples of some that currently exist within Free Will Baptist Churches.

Existing Cross-Cultural Ministries in the U.S.*

*Includes reported ministries, others may exist.

In developing strategies for cross-cultural ministry, it is important to be open to all options used in the past and perhaps to others that may be developed in the future. Although there will be national planning, it is the local churches, along with district and state associations, who will be the primary agents in reaching other ethnic groups. As the Holy Spirit moves, local churches and workers must be sensitive to the needs of their communities and reach out to those in need as God charts the course.

National Inquiry

Each local church, district association, state association and national agency will be helpful in determining feasible places and plans to begin cross-cultural ministries. Cooperation among each level of the denominational structure will be essential to establish and maintain successful ministries. Consequently, a national inquiry should be made of all Free Will Baptist pastors and workers to identify current programs, strategies and feelings regarding cross-cultural ministry.

A survey could be sent to all Free Will Baptist pastors requesting their response to questions regarding cross-cultural ministry. This survey could help provide valuable information on what is currently being done either by their own church or other evangelical churches in their area. It could also provide basic information on trends, opportunities and needs in their community. Awareness of the need for cross-cultural ministry, as well as the willingness among their church could be addressed. A sample of questions that could be included is provided.

Pastors, leaders and church workers who are successfully working in cross-cultural ministries should also be interviewed. Ideally, this could be done as a focus group where the information-sharing and brainstorming could be guided. A group of six to twelve people could be brought together to discuss current ministries, strategies, programs, developments, trends, successes/failures, etc. Their responses and ideas could be incorporated and then used to help guide local churches, associations, states and even the national efforts.

Even if a focus group could not be brought together, it is still important to identify valuable personnel resources and interview them for their input, even if it is done one-on-one. Where individual interviews cannot be done, perhaps a more detailed survey could be sent to all others currently working in cross-cultural ministries. The survey could be more open-ended to allow for the history of the ministry, problems and opportunities encountered, and practical suggestions they might have for beginning and working in cross-cultural ministry. More information on the nature of their group and the participants could be shared as well as general insights they may have.

It is important that the existing cross-cultural ministries be studied as the national approach is being organized. Past experiences, successes and even failures, will offer valuable information in the formation of suggestions, plans and strategies as local churches, districts, states and national departments, collaborate on this effort. Free Will Baptists have established successful cross-cultural ministries, and it is important that their stories and efforts be united to provide a beginning for the task at hand.

Summary

It is important to note that this discussion and these objectives/strategies are not all-inclusive. They are merely suggestions which should stimulate thinking and ideas on how Free Will Baptists can more effectively undertake the tasks of cross-cultural ministry. Cross-cultural ministry is not new to Free Will Baptists, but it is time that a formal plan be developed so that a national effort can be seen.

Arizona:	Sunset FWB Mission	Flagstaff	Sponsors Native American Ministry
California:	Berea FWB Church	Los Angeles	Hispanic Church
	Cedars of Lebanon FWB Church	Bell Gardens	Hispanic Church
	New Jerusalem FWB Church	Riverside	Hispanic Church
	Pines of Lebanon FWB Church	South Gate	Hispanic Church
	Resurrection FWB Church	Culver City	Hispanic Church
	Sherwood Forest FWB Church	El Sobrante	Sponsors Taiwanese Ministry
	First FWB Church	Lamont	Hispanic Church
	Garden Grove FWB Church	Garden Grove	Sponsors Korean Ministry
Florida:	Cedars of Lebanon FWB Church	Hialeah	Hispanic Church
	Ebenezer FWB Church	Miami	Hispanic Church
	First FWB Church	Hialeah	Hispanic Church
	Renacer FWB Church	Miami	Hispanic Church
	Calvary Chapel FWB Church	Hollywood	Korean Church uses facilities
Hawaii:	Waipahu FWB Church	Waipahu	Multi-racial congregation
Louisiana:	FWB Mission (Anglo, French)	New Orleans	Will be multi-racial
New Jersey:	Christ Total Solution FWB Church	Elizabeth	Hispanic Church
North Carolina:	First FWB Church	Raleigh	Sponsors Hispanic Ministry
	Emmanuel FWB Church	Sharpsburg	Hispanic Ministry
	Mt. Calvary FWB Church	Hookerton	Sponsors Hispanic Ministry
	New Beginning FWB Church	Elm City	Sponsors Hispanic Ministry
	Highland Drive FWB Church	Lincolnton	Sponsors Hispanic Ministry
Oklahoma:	Northwest FWB Church	Oklahoma City	Sponsors Hispanic Ministry
Tennessee:	Woodbine FWB Church	Nashville	Sponsors Hispanic Ministry
Texas:	First FWB Church	Houston	Sponsors Hispanic Ministry
	Primera Iglesia Bautista Libre	Weslaco	Hispanic Church
	First FWB Church	Dallas	Sponsors Hispanic Ministry
	First FWB Church	Duncanville	Sponsors Korean Ministry

These ideas are not to be undertaken in order that Free Will Baptists can simply grow in number and as a denomination. More importantly, plans should be made so that Free Will Baptists can effectively reach out to the numbers of people, very often people of different cultures, who are dying within our own nation and communities without the knowledge of the Lord Jesus Christ. Statistics show that these groups are numerous, with many different languages, dialects and cultures.

Thus, the need for a heart-felt and organized plan to meet the needs of those around us. It is not simply a decision on whether or not cross-cultural ministries should be more actively undertaken, but rather a decision on how best to begin.

Melvin Worthington, Executive Secretary
 Ralph Hampton, National Moderator
 Roy Thomas, Director of Home Missions
 Eugene Waddell, Director of Foreign Missions
 Alton Loveless, Director of Sunday School/CTS Department
 Tom Malone, President, Free Will Baptist Bible College
 Milburn Wilson, Committee Member
 Eddie Payne, Committee Member
 James Munsey, Committee Member

Suggestions for a National Survey on Cross-Cultural Ministry*

1. Do you feel there is a need in your church community for cross-cultural ministry and evangelism?
☐ Yes ☐ No
2. If so, what groups are represented in your area that need to be reached? (Check any that apply)
☐ Hispanics ☐ Koreans
☐ American Indians ☐ Vietnamese
☐ Chinese ☐ Middle Easterners
☐ Japanese ☐ Filipino
☐ Others (please specify) _____
3. Is your church currently involved in any type of cross-cultural ministry?
☐ Yes ☐ No
4. If yes, what types of cross-cultural ministry do you have? (Choose any that apply)
☐ Bible studies for other ethnic groups ☐ Interpreter provided
☐ Language study ☐ Bi-lingual services
☐ Shared facilities ☐ Other (please specify) _____
5. Do other evangelical churches in your area have cross-cultural ministries?
☐ Yes ☐ No
6. If yes, to whom and how are they ministering?

7. How dramatically is your church's community being affected by population changes that involve increases in other ethnic groups? (Please check one)
☐ Greatly affected ☐ Somewhat affected ☐ Not affected ☐ Unsure
8. Do you feel there is a willingness among your church to minister to other ethnic groups?
☐ Yes ☐ No ☐ Unsure
9. Do you feel that Free Will Baptists should place cross-cultural ministry as a high priority?
☐ Yes ☐ No ☐ Unsure
10. Please feel free to offer any comments, suggestions or concerns that you have regarding cross-cultural ministry.

Age of Respondent

- ☐ Under 24
☐ 25-34
☐ 35-44
☐ 45-54
☐ 55-64
☐ 65 or over

Level of Education

- ☐ High School or Less
☐ Some College
☐ College Degree
☐ Graduate Degree

Ethnic Group

- ☐ White
☐ Black
☐ Hispanic
☐ Other

Size of Church

- ☐ Under 50
☐ 50-100
☐ 101-200
☐ 201-300
☐ Over 300

Size of Community

- ☐ Under 5,000
☐ 5,001-10,000
☐ 10,001-25,000
☐ 25,000-50,000
☐ 50,000-100,000
☐ Over 100,000

*Please note that this is only a sample list of questions that could be included.

Minutes of the Sixtieth Annual Session of the Women Nationally Active for Christ Convention of the National Association of Free Will Baptists when convened in Charlotte, North Carolina July 18, 1995

WNAC
P. O. Box 5002
Antioch, TN. 37011-5002

**WNAC Executive Committee
1995-1997**

President
Everyl Getz
4304 N. 3rd
McAllen, TX 78504
Phone: 210/687-4320

Vice President
Marjorie Workman
3601 Central Avenue
Nashville, TN 37205
Phone: 615/298-4929

Secretary
Jo Ann Wood
P. O. Box 4203
Bryan, TX 77805-4203

**Members at Large
of the Executive Committee**

Diana L. Bryant
2156 54th Avenue
Vero Beach, FL 32966
Phone: 407/567-1956

Barbara Chaffin
1550 Hiner Road
Orient, OH 43146
Phone: 614/975-7087

Annette Aycock
1300 Pamplico Highway
Florence, SC 29505
Phone: 803/662-1303

Theme: Great and Mighty things Through Prayer
Scripture: Jeremiah 33:3
Chorus: Call on Me
Music Coordinator: Patricia Zeigler
Pianist: Carolyn Riddick
Organist: Susan Irvin

Tuesday Morning, July 18, 1995

The sixtieth session of the Women Nationally Active for Christ Convention convened in the New Charlotte Convention, Charlotte, North Carolina at 9:00 A.M.

Pat Zeigler led the congregation in singing "Call on Me" (written by Beverly Welch) and "Blessed Assurance."

Tanya Hart, Greenville, NC, missionary appointee to Côte d'Ivoire, presented the devotion, "He trembles When We Pray" using visual aids. She used Jeremiah 33:3, Matthew 24:14 and Psalm 2:8 and closed with prayer.

Jamie and Lange Patrick, accompanied by Kevin Skiles, sang "Giving My Best."

Welcome: Joanne King, North Carolina State president

Suzanne Franks presented the Creative Arts Awards.

Programs: 1. Carolyn Franks, 2. Ruth Bivens, 3. Jean Jenkerson 4. Judy Delong and Brenda Shores.

Articles: 1. Vicki Turner, 2. Annette Aycock, 3. Bentrena Johnson, 4. Darla Trimble

Poetry: 1. Betty Kittle, 2. Lita Gorrell, 3. Cindy Weaver, 4. Freeda Lucas.

Plays: 1. Pat Franks, 2. Vicki Turner, 3. Dottie Wright, 4. Jackie L. Utley

Art: 1. Ruth Bivens

MSC to receive the Credentials Committee report, presented by Everyl Getz and seat the delegates. (See reports.)

MSC to receive the Executive Secretary-Treasurer's report, presented by Mary R. Wisheart and adopt the 1996 budget. (See reports.)

MSC to accept the Resolutions Committee report, presented by Yvonne Brown. (See reports.)

MSC to accept the Appreciation Committee report, presented by Judy Delong. (See reports.)

MSC to accept the Nominating Committee report, presented by Shirley Sharpston, and allow for any nominations from the floor. (See reports.)

Prayer by Mary Wisheart for the new slate of officers and Executive Committee members.

Morning Worship Service

Congregational led by Pat Zeigler

Singing: "Call on Me," "Send the Light," and "People Need the Lord."

Offertory prayer: Everyl Getz.

Offertory: Cramerton Ladies Handbell Choir

Special music: Patricia Zeigler, "No Other Name"

Message: Steve Lytle, missionary to Panama

"The Invitation to Call upon God," Jeremiah 33:1-3.

He used the following thoughts: the invitation is extended and the affirmation granted. Things that cause us to pray are circumstances, urgency, certainty. He asked us not to give up on America. Revival has come to Korea, Asia, South America, and even to Russia but not here in America. God is still at work and his promises are true. We need to have intercessory prayer. Conclusion: if we do not have prayer there is a form of godliness but no power. Learn to pray with the posture of the heart. Prayer by Brother Lytle.

Dismissed in prayer by Diane Thomas.

Tuesday Afternoon, 1:30 p.m.

Opened with congregational singing.

Special music by the Cramerton Christian Academy Girls' Quartet, "How Majestic Is His Name."

MSC to accept the Registration Committee report, presented by Betty Hill. (See reports.)

WNAC special feature was "Incense on the Altar" presented by Lorene Miley and Laura Thigpen with the following missionaries: Judy Lytle, Lynette Morgan, Ruth McDonald and Ruth Bivens.

Congregational song, "Power in the Blood."

Adjourned with closing prayer by Jo Ann Wood.

Committee Reports

Report of the Resolutions Committee

Be it resolved that the executive secretary research the feasibility of producing a video of the new offices and staff and report back to the executive committee in December 1995. If the video is approved by the executive committee, it will be placed on sale during the 1996 national convention for the WNAC emphasis program.

Resolutions Committee
Yvonne Brown (CA)
Brenda Evans (TN)
Shirley Frye (OH)
Faye Hanna (SC)
Anne Truett (NC)

Report of the Nominating Committee

We the nominating committee submit the following names for WNAC officers for the years 1995-1997:

President: Everyl Getz, Texas
Vice President: Marjorie Workman, Tennessee
Secretary: Jo Ann Wood, Oklahoma
Members at large of the Executive Committee
Barbara Chaffin, Ohio
Diana Bryant, Florida
Annette Aycock, South Carolina
Chairman, Shirley Sharpston (Ohio)

Report of the Credentials Committee

We your credentials committee wish to submit the following report.

The following 21 state conventions have submitted reports and paid dues: Alabama, Arkansas, California, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Maryland, Michigan, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

The following districts have submitted reports and paid dues: First Arizona District and Rocky Mountain District, Colorado.

The following local groups have submitted reports and paid dues: Riverview, Bettendorf, Iowa; Maranatha, Omaha, Nebraska; and Virgin Islands.

One hundred and eleven local delegates with \$5 fee have also registered.

Reports and dues received from 21 states, 2 districts, 3 local groups and 111 local delegates with \$5 registration fee.

Respectfully submitted,
Everyl Getz (chairperson), Texas
Peggy Clyatt, Illinois
Karen Owen, Florida
Janie Campbell, Arkansas

Appreciation Committee Report

We, the appreciation committee submit the following recommendations:

1. That we give a rising vote of thanks to president Joanne King and the North Carolina Women Active for Christ Convention for arranging the WNAC registration, the executive luncheon, the banquet decorations, and for all they have done to make our 60th session a comfort and blessing.
2. That we express our thanks to our missionary speakers, Steve Lytle and Tanya Hart, our seminar speaker, Pam Wood, and to those who provided special music and to Mabel Willey, our banquet speaker.
3. That we express appreciation to president Mary Neal, Dr. Wisehart and our executive committee for planning our convention and seminar and the many hours of labor on behalf of the WNAC.
4. That we give special thanks to Lorene Miley and Laura Thigpen for our special feature with missionaries Tuesday afternoon.
5. That we thank the nominating committee and the officers that have faithfully served the WNAC the past two years.

Respectfully submitted,
Judy Delong, chairperson (Kentucky)
Karen Southwell (Maryland)
Rose Mertz (Missouri)
Rachel Horne (Georgia)
Linda Harvey (Arizona)

Registration Committee Report

Delegates:	
Local (\$5)	115
State	158
State presidents and field workers	27
National officers	6
Visitors	820
Total Attendance	1126

Betty Hill, chairperson
Rita Rackley
Nancy Rogers
Faye Corey
Shirley Lee

WNAC Seminar

Omni Hotel

Monday Afternoon, July 17, 1995

1:30-2:30

Theme: Great and Might Things Through Prayer
Presiding: Mary Neal
Speaker: Pam Wood

WNAC State Officers Meeting

Omni Hotel

3:00-4:00

Presiding: Mary R. Wisehart

WNAC Fellowship Dinner

Invocation: Ray Thomas

Speaker: Mabel Willey

Benediction: Mabel Willey

Number present: 790

Executive Committee Meeting Minutes

July 17, 1995

Omni Hotel

Morehead Executive Boardroom

The executive committee met for breakfast.

Devotion by Diane Thomas.

The committee discussed submitting a resolution for a new \$48,000 organ for Free Will Baptist Bible College project. (carry over from December '94 meeting.)

MSC to re-consider this at our December meeting.

MSC to submit the following resolution.

Be it resolved that the executive secretary research the feasibility of producing a video of the new offices and staff and report back to the executive committee in December 1995. If approved by the executive committee, make the video available for sale during the 1996 national convention for the WNAC emphasis program.

Mary Neal
Jo Ann Wood
Everyl Getz
Marjorie Workman
Diane Thomas
Mary R. Wisehart

WNAC Annual Executive Committee Meeting

December 7, 1994

National Office Building, Nashville Tennessee

Began meeting with a devotion by Jo Ann Wood. Prayer by Everyl Getz.

Information: Magazine report was given. 12,000 subscribers. Melissa Riddle will complete the March/April issue. Suzanne Franks has been hired as new editor beginning December 13, 1994. She has been working evenings and Saturdays with Melissa.

President declared meeting open for business.

Executive Secretary-Treasurer Mary Ruth Wisehart gave her treasurers report.

MSC to accept this report.

MSC to give Melissa Riddle a \$50 gift as a thank you for her service.

MSC to give our new bookkeeper, Martha Burttram, a \$50 bonus.

Financial report was given by Dr. Wisehart.

Proposed budget for 1996 presented.

MSC to accept the 1996 budget with the following change: That we give Yvonne Wolfenbarger a \$1,000 raise beginning in 1996 in addition to her budgeted raise, if finances are available. 1996 will be her 10th anniversary with the department.

MSC to retain auditing firm of Thoni, Hinton and Warren.

Reviewed WNAC 1994 convention income and expense.

MSC to accept WNAC convention budget.

Planned WNAC 1995 convention.

Resolution from WNAC Executive Committee:

Be it resolved that since WNAC purchased the first organ for Free Will Baptist Bible College and since the present organ is inoperable, that WNAC women raise funds during 1995-96 toward the purchase of a new organ for Free Will Baptist Bible College. A specified amount was not set.

Planned Glorieta, New Mexico retreat.

Dismissed in prayer by Barbara Fletcher

The WNAC Executive Committee

Mary Neal

Marjorie Workman

Barbara Fletcher

Everyl Getz

Jo Ann Wood

Mary Ruth Wisehart

WNAC Annual Report 1995

Organization	Districts	Locals	Members	Actionettes	Members
Alabama	8	42	416	1	5
Arkansas	12	79	871	1	13
California	4	23	251		
Florida	6	19	185		
Georgia	10	49	502	2	25
Illinois	2	21	198		
Indiana	1	5	62		
Kentucky	5	23	244		
Maryland	2	10	86		
Michigan	4	26	260		
Mississippi	4	23	150		
Missouri	8	55	620	2	19
New Mexico	1	3	19		
North Carolina	6	60	732	3	15
Ohio	4	29	341		
Oklahoma	14	96	938	1	8
South Carolina	4	45	364		
Tennessee	3	45	590		
Texas	3	32	187		
Virginia	3	15	155		
West Virginia	1	9	149		
Districts:					
First Arizona	1	4	21	1	8
Kansas First	1	3	24		
Northwest (WA, OR)					
Rocky Mountain (CO)	1	5	35		
Locals:					
Iowa (Bettendorf)		1	9		
Nebraska (Omaha)		1	7		
Virgin Islands		1	7		
Totals	108	724	7423	11	93

Report of Women Nationally Active for Christ

"Great and Mighty Things Through Prayer" is the WNAC theme for 1995. We can certainly thank the Lord for the answers to prayer we have seen among our women this year.

In answer to prayers God supplied two staff members. Martha Burttram Harris became the book keeper in September 1994. Suzanne Franks became the editor in December 1994.

Subscriptions to *Co-Laborer* have remained consistent with about 13,000 on the subscription list.

Women have given faithfully to WNAC this year so that giving is up for the general fund and for gifts to other agencies.

In 1994 we had requests for materials from 44 new or reorganizing women's groups. January 1995 through April 1995 we have received 15 requests for materials from new women's groups and 6 from Actionette groups.

New publications coming this year are the 1996 Yearbook and the new Manual, both mandated by the adoption of the Study Committee's report in 1993.

The 1994 retreat at Ridgecrest Conference Center, Ridgecrest, North Carolina had 635 in attendance. We are looking forward to the 1995 retreat at Glorieta Conference Center, Glorieta, New Mexico, October 20-22.

The Convention voted to cease accepting funds for the Eunice Edwards Loan Fund for Churches Abroad. The fund totaled \$43,429.23. The last \$8,429.23 of the fund went to help with the renovation of the church in Rivera, Uruguay.

The staff deserves special appreciation for their service during the year: Yvonne Wolfenbarger, executive assistant; Suzanne Franks, editor; Martha Harris, book keeper.

The Executive Committee has served wisely and well this year in planning and evaluating the work: Mary Neal, president; Barbara Fletcher, vice president; JoAnn Wood, secretary; and members of the executive committee, Diane Thomas, Marjorie Workman, and Everyl Getz.

"Call unto me," the Lord says as recorded in Jeremiah 33:3, "and I will answer thee, and show thee great and mighty things, which thou knowest not." We do not know what lies ahead for WNAC, but we are celebrating 60 years of service together, 1935-1995. The women who preceded us laid a solid spiritual foundation with prayer and God's guidance. Free Will Baptist women were not afraid of change. They were willing to risk in order to forge ahead for God. Keeping true to that early vision, united in the work He has given us to do, we can look ahead to blessed and fruitful service for our Lord until He comes again.

Respectfully submitted,

Mary R. Wisehart
WNAC Executive Secretary-Treasurer

WOMEN NATIONALLY ACTIVE FOR CHRIST
(Formerly Woman's National Auxiliary Convention)
(An Auxiliary of the National Association of Free Will Baptists)

Antioch, Tennessee

Financial Statements

December 31, 1994

Thoni, Hinton & Warren

CERTIFIED PUBLIC ACCOUNTANTS
NASHVILLE, TENNESSEE

WOMEN NATIONALLY ACTIVE FOR CHRIST
(Formerly Woman's National Auxiliary Convention)
(An Auxiliary of the National Association of Free Will Baptists)

December 31, 1994

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THONI, HINTON & WARREN

CERTIFIED PUBLIC ACCOUNTANTS
THE SPENCE BLDG.—SUITE 200
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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
Women Nationally Active for Christ

We have audited the accompanying balance sheet of the Women Nationally Active for Christ (formerly Woman's National Auxiliary Convention) (an auxiliary of the National Association of Free Will Baptists) (a nonprofit organization) as of December 31, 1994, 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. Information for the year ended December 31, 1993 is presented for comparative purposes only and was extracted from the financial statements presented by the Organization for that year, on which an unqualified opinion dated February 21, 1994 was expressed.

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 Women Nationally Active for Christ as of December 31, 1994 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 2, 1995

WOMEN NATIONALLY ACTIVE FOR CHRIST
(Formerly Woman's National Auxiliary Convention)
(An Auxiliary of the National Association of Free Will Baptists)

Balance Sheet
December 31, 1994
(With Comparative Totals for 1993)

ASSETS

	General Fund	Memorial Student Loan Fund	Eunice Edwards Fund	Total All Funds	
				1994	1993
Cash	\$ 70,281	\$ 52,452	\$	\$122,733	\$ 58,425
Certificate of deposit	10,000			10,000	10,000
Accounts receivable - Note 1	8,360			8,360	5,165
Inventory - Note 1	10,304			10,304	12,124
Notes receivable		32,801		32,801	46,560
Accrued interest receivable		6,803		6,803	6,324
Advances to General Fund		2,500		2,500	18,476
Property and equipment at cost, less accumulated depreciation of \$18,163 - Notes 1 & 2	19,061			19,061	21,539
Capitalized lease - Note 3	8,103			8,103	8,594
Total assets	\$126,109	\$ 94,556	\$ -0-	\$220,665	\$187,207

LIABILITIES AND FUND BALANCES

Accounts payable and accrued expenses	\$ 26,348	\$	\$	\$ 26,348	\$ 24,597
Deferred revenue - Note 4	30,612			30,612	32,140
Restricted deferred revenue - Notes 1 & 9	2,959			2,959	9,907
Advances from Student Loan Fund and Eunice Edwards Fund		2,500		2,500	18,476
Total liabilities	59,919	2,500		62,419	85,120
Commitments - Note 8					
Fund balances					
Restricted - Note 5	6,536	92,056		98,592	103,533
Unrestricted	59,654			59,654	(1,446)
	66,190	92,056		158,246	102,087
	\$126,109	\$ 94,556	\$ -0-	\$220,665	\$187,207

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

WOMEN NATIONALLY ACTIVE FOR CHRIST
(Formerly 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, 1994
(With Comparative Totals for 1993)

	General Fund	Memorial Student Loan Fund	Eunice Edwards Fund	Total All Funds	
				1994	1993
Support and revenues:					
Dues and fees	\$ 72,204	\$	\$	\$ 72,204	\$ 21,292
Designated contributions	301,381			301,381	264,604
Magazine and literature sales	68,725			68,725	69,832
Convention and retreat income	16,719			16,719	10,852
Gifts and offerings	79,419	2,013	8,269	89,701	79,479
Interest income	1,302	3,052	771	5,125	3,475
	539,750	5,065	9,040	553,855	449,534
Expenses:					
Salaries and wages	67,394			67,394	70,686
Payroll taxes and employee benefits	16,065			16,065	16,777
Cost of magazine and literature printing	31,135			31,135	32,015
Travel and promotion	4,163			4,163	3,413
Conventions and retreats	18,875			18,875	16,490
Office expense	5,488	10		5,498	3,933
Postage	3,287			3,287	3,312
Rent expense	31,980			31,980	31,173
Professional fees	3,000			3,000	3,605
Administrative expense		300		300	400
Depreciation	2,478			2,478	2,506
Amortization	491			491	491
Bad debt expense					838
Insurance expense	53			53	54
Dues and subscriptions	93			93	50
Special projects	437			437	392
Foreign student scholarships	1,000			1,000	1,000
Continuing education					1,100
Designated contributions	301,802		8,429	310,231	264,525
Miscellaneous	1,216			1,216	1,058
	488,957	310	8,429	497,696	453,818
Excess (deficiency) of support and revenue over expenses	50,793	4,755	611	56,159	(4,284)
Transfers	10,611	(10,000)	(611)	-0-	-0-
Fund balance - beginning of year	4,786	97,301		102,087	106,371
Fund balance - end of year	\$ 66,190	\$ 92,056	\$ -0-	\$158,246	\$102,087

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

WOMEN NATIONALLY ACTIVE FOR CHRIST
(Formerly 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, 1994
(With Comparative Totals for 1993)

	General Fund	Memorial Student Loan Fund	Eunice Edwards Fund	Total All Funds 1994	1993
Operating activities					
Excess (deficiency) of support and revenue over expenses	\$50,793	\$ 4,755	\$ 611	\$ 56,159	(\$ 4,284)
Adjustment to reconcile net income to net cash provided by operating activities:					
Depreciation	2,478			2,478	2,506
Amortization	491			491	491
Changes in operating assets and liabilities:					
(Increase) decrease in accounts receivable	(3,195)			(3,195)	1,786
(Increase) decrease in inventory	1,820			1,820	2,987
(Increase) decrease in accrued interest receivable		(479)		(479)	112
Increase (decrease) in accounts payable	1,879	(128)		1,751	22,080
Increase (decrease) in deferred revenue	(398)		(8,078)	(8,476)	(2,888)
Net cash provided (used) by operating activities	53,868	4,148	(7,467)	50,549	22,790
Investing activities					
Collection of loans receivable		13,759		13,759	13,700
Net cash provided by investing activities		13,759		13,759	13,700
Financing activities					
Repayment of note payable				(5,000)	
Net cash used by financing activities				(5,000)	
Increase (decrease) in cash and cash equivalents	53,868	17,907	(7,467)	64,308	31,490
Transfers					
Transfer of accumulated interest and repayment of interfund loan, net	(8,416)	3,559	4,857		
Cash and cash equivalents at beginning of year	24,829	30,986	2,610	58,425	26,935
Cash and cash equivalents at end of year	\$70,281	\$52,452	\$ -0-	\$122,733	\$58,425

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

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WOMEN NATIONALLY ACTIVE FOR CHRIST
(Formerly Woman's National Auxiliary Convention)
(An Auxiliary of the National Association of Free Will Baptists)
Notes to the Financial Statements
December 31, 1994

Note 1 - Organization and summary of significant accounting policies

The Women Nationally Active for Christ (formerly 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.

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WOMEN NATIONALLY ACTIVE FOR CHRIST
(Formerly Woman's National Auxiliary Convention)
(An Auxiliary of the National Association of Free Will Baptists)
Notes to the Financial Statements
December 31, 1994

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.

Comparative data

The financial information for the year ended December 31, 1993, presented for comparative purposes, is not intended to be a complete financial statement presentation.

Note 2 - Property and equipment

A summary of property and equipment follows:

Equipment	\$ 37,224
Less: Accumulated depreciation	(18,163)
	<u>\$ 19,061</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 in 1991 and will be amortized over a period of twenty years. Amortization expense for the year amounted to \$491.

WOMEN NATIONALLY ACTIVE FOR CHRIST
(Formerly Woman's National Auxiliary Convention)
(An Auxiliary of the National Association of Free Will Baptists)
Notes to the Financial Statements
December 31, 1994

Note 4 - Deferred revenue

Deferred revenue in the general fund resulted from magazine subscriptions received for 1995 issues.

Note 5 - Restricted fund balances

The restricted fund balances are revenue designated for specific purposes and are as follows:

Endowment Trust Fund	<u>\$ 6,536</u>
Memorial Student Loan Fund	<u>\$ 92,056</u>

Note 6 - 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 14 years. The rent expense for the year amounted to \$31,980.

The future minimum lease payments are as follows:

1995	\$ 31,980
1996	31,980
1997	31,980
1998	31,980
1999	31,980
Thereafter (estimated)	287,820

Note 7 - 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 \$2,748. 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.

WOMEN NATIONALLY ACTIVE FOR CHRIST
(Formerly Woman's National Auxiliary Convention)
(An Auxiliary of the National Association of Free Will Baptists)
Notes to the Financial Statements
December 31, 1994

Note 8 - Commitments

The Women Nationally Active for Christ (formerly 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 9 - Restricted deferred revenue

Change in restricted deferred revenue is as follows:

	Foreign Student Scholarship	Eunice Edwards Fund
Gifts and offerings	\$ 1,519	\$ 802
Interest income		771
	1,519	1,573
Transfer to General Fund		(611)
Revenue recognized in the current year (expenses)	(1,000)	(8,422)
Increase (decrease) in deferred revenue	519	(7,467)
Balance, December 31, 1993	2,440	7,467
Balance, December 31, 1994	\$ 2,959	\$ -0-

Note 10 - Change of Organization's name

The Executive Committee of the Woman's National Auxiliary Convention voted in 1993 to change the name of the Organization to Women Nationally Active for Christ. This change became effective in 1994 when the constitution and by-laws were changed.

Note 11 - Concentration of credit risk

The Organization maintains cash deposits in excess of the federally insured amounts. At December 31, 1994, the excess amount over the federally insured limit was \$32,733.

Gifts to Missions/Missionary Objectives

January 1, 1994 to December 31, 1994

Cash Gifts		\$301,591.89
Foreign Missions	200,437.42	
Sent through WNAC	101,154.47	
Sent direct to department		82,184.68
Home Missions	82,184.68	
Sent through WNAC		
Sent direct, not available		
		9,341.67
Bible Colleges		4,260.69
Memorial Student Loan Fund		11,678.19
Other Gifts	1,518.86	
Foreign Student Scholarship	1,152.62	
Building Fund	9,006.71	
Mission Objectives		8,571.42
Provision Closet		802.52
Eunice Edwards Loan Fund		125,174.95
WNAC Operating Expense	37,905.94	
Co-Laborer Offering	15,384.01	
Emphasis Offering	470.00	
Endowment Trust Fund	71,415.00	
Dues		
Non-Cash Gifts		31,714.35
Provision Closet		
Total Cash and Non-Cash Gifts		\$575,320.36

1994 Top Ten Contributors to WNAC

Co-Laborer Offering		Emphasis Offering		Combined	
1. Tennessee	\$6,153.58	1. South Carolina	\$2,303.51	1. Tennessee	\$8,091.56
2. Missouri	\$3,909.32	2. Missouri	\$1,818.76	2. Missouri	\$5,728.08
3. Georgia	\$3,751.45	3. Tennessee	\$1,762.98	3. Arkansas	\$5,240.67
4. Arkansas	\$3,703.11	4. North Carolina	\$1,567.06	4. North Carolina	\$4,674.11
5. North Carolina	\$3,107.05	5. Arkansas	\$1,537.56	5. Georgia	\$4,510.18
6. Oklahoma	\$3,037.21	6. Alabama	\$1,121.16	6. Oklahoma	\$3,897.35
7. Texas	\$1,687.84	7. Oklahoma	\$860.14	7. South Carolina	\$3,237.79
8. Ohio	\$1,534.48	8. Virginia	\$807.25	8. Alabama	\$2,623.30
9. Alabama	\$1,502.14	9. Georgia	\$758.73	9. Texas	\$2,344.28
10. California	\$1,225.34	10. Texas	\$656.44	10. Ohio	\$1,754.14

WNAC Salary Breakdown

	1994	1995	1996
Executive Secretary-Treasurer			
Salary	\$28,282.80	\$29,697.00	\$31,181.85
Social Security	2,163.63	2,271.82	2,584.20
Retirement	1,414.14	1,484.85	1,559.09
Insurance	3,132.09	3,125.12	3,853.20
Travel/Life	302.40		
Hospital	2,558.03	285.12	277.20
Dental	271.66	2,640.00	3,360.00
Christmas Bonus		200.00	216.00
Total Salary and Benefits	200.00 \$35,192.66	571.10 \$37,149.89	599.65 \$39,777.99
Executive Assistant			
Salary	\$17,898.92	\$18,795.84	\$20,735.63
Social Security	1,369.27	1,465.53	1,616.78
Retirement	894.95	939.79	1,036.78
Insurance	3,039.21	3,030.00	3,760.80
Life	209.52		
Hospital	2,558.03	190.00	184.80
Dental	271.66	2,640.00	3,360.00
Christmas Bonus		200.00	216.00
Total Salary and Benefits	100.00 \$23,302.35	361.42 \$24,592.58	398.76 \$27,548.75
Bookkeeper			
Salary		\$14,054.05	\$16,114.32
Social Security		1,117.30	1,256.45
Retirement		421.62	483.43
Insurance		3,030.00	3,760.80
Life		190.00	184.80
Hospital		2640.00	3,360.00
Dental		200.00	216.00
Christmas Bonus		270.27	309.89
Total Salary and Benefits	\$.00	\$18,893.24	\$21,924.89
Editor			
Salary	\$17,680.00	\$18,564.00	\$19,492.20
Social Security	1,352.52	1,447.46	1,519.83
Retirement	530.40	556.92	584.77
Insurance	3,031.29	3,030.00	3,760.80
Life	201.60		
Hospital	2,558.03	190.00	184.80
Dental	271.66	2,640.00	3,360.00
Christmas Bonus		200.00	216.00
Total Salary and Benefits	100.00 \$22,694.21	357.00 \$23,955.38	374.85 \$25,732.45

WNAC Receipts for January - December 1994

State	Building Fund	Colleges Fund	Co-Laborer Fund	Dues Fund	Emphasis Offering	Endowm. Trust	Foreign Student Fund	Provision Closet	Foreign Missions	World Missions	Home Missions	Missions Objectives	Loan	Totals
Alabama	\$ 100.00	\$ 315.00	\$ 1,502.14	\$ 4,600.00	\$ 1,121.16	\$ 50.00	\$ 75.00	\$ 50.00	\$ 10,399.36	\$ 926.25	\$ 9,112.30	\$2,541.56	\$ 326.00	\$ 31,118.77
Arizona			160.00	210.00	106.20		25.00		50.00				75.00	576.20
Arkansas			3,703.11	9,660.00	1,537.56		250.00	1,163.00	24,268.32	1,391.53	15,709.07		450.36	58,019.33
California			1,225.34	772.00	356.91			535.00	230.00	150.78	250.00	10.00	70.00	3,650.03
Colorado			120.00	350.00					60.00		60.00			590.00
Florida			442.02	406.00	215.00		35.00	47.00	2,401.18	210.09	615.95	136.66	182.00	4,822.90
Georgia			3,751.45	4,740.00	758.73		120.00	207.00	13,807.75	1,690.97	1,362.35	1,068.25	133.00	28,673.50
Hawaii				80.00				20.00		127.40				227.40
Idaho														.00
Illinois			1,151.62	2,130.00	225.00			75.51	6,445.27	485.61	6,289.09	185.00	15.00	17,002.10
Indiana			350.00	830.00	198.50			9.50	1,923.00		100.00			3,411.00
Iowa			140.00	80.00										220.00
Kansas			210.22	360.00	120.95				1,374.89	70.00	569.62	425.00	5.00	2,715.68
Kentucky			1,000.00	2,700.00	120.00			171.50	8,484.45	10.00	6,078.91			19,064.46
Louisiana			620.96	880.00	95.00			105.00	275.00	75.00	650.00		10.00	925.00
Maryland			849.25	2,290.00	94.00		25.00	200.00	2,391.72		1,214.40	270.00		3,116.96
Michigan			50.00	2,100.00	396.05		45.00	1,025.00	4,067.50	239.00	1,805.31	10.00	249.32	7,359.37
Mississippi			3,909.32	6,989.00	1,818.76		131.14	460.00	22,722.76	1,100.21	5,322.52	743.33	413.88	11,182.80
Missouri			180.00	70.00	60.00				638.00					44,488.04
Nebraska														948.00
New Hampshire			42.35	110.00										.00
New Mexico			3,107.05	8,020.00	1,567.06		140.00	260.00	24,142.59	1,028.70	8,022.63	266.00	379.25	152.35
N. Carolina														50,679.92
NW/Wash.			1,534.48	3,310.00	202.81		30.00	329.00	7,472.85	1,147.94	269.50	482.00	36.50	742.50
Ohio			3,037.21	9,388.00	860.14		115.00	1,174.86	16,572.84	1,481.40	8,641.71	839.47	190.70	14,987.03
Oklahoma			934.28	1,206.00	2,303.51			1,043.00	16,914.79	2,149.52	6,459.71	206.00		42,853.03
South Carolina								70.00	8,652.34	2,237.74	6,657.42	1,619.44	1,650.23	31,490.81
South Dakota			6,153.58	5,773.00	1,762.98		438.12	1,308.00	3,796.04	126.44	604.47	134.00	104.45	38,030.35
Tennessee			1,687.84	1,481.00	656.44			270.05					120.00	10,340.23
Texas			807.10	1,810.00	807.25		35.00	48.00	4,179.69	100.00	2,223.72	70.00	20.00	10,100.76
Virgin Islands														1,627.00
Virginia			197.00	1,380.00						45.00				3,151.00
West Virginia														10,100.76
Retreat														1,627.00
1994 Totals	\$1,152.62	\$9,341.67	\$37,905.94	\$71,415.00	\$15,384.01	\$470.00	\$802.50	\$8,571.42	\$185,643.84	\$14,793.58	\$82,184.68	\$9,006.71	\$4,260.69	\$442,451.52

WNAC 1996 Proposed Budget

Estimated Income		
Co-Laborer Fund		\$ 40,000
Convention Offering		1,500
Convention Expense Gift		6,000
Delegate Fees		650
Dues		80,000
Interest Income		2,000
Literature Sales		8,000
Magazine Subscriptions		60,000
Miscellaneous		600
Retreat Fees		9,000
WNAC Emphasis Offering		10,000
Total Income		\$217,750
Estimated Expense		
Salaries		\$87,684
Employee Benefits		27,461
Payroll Tax Expense	6,977	
Employee Retirement	3,665	
Health & Life Ins.	15,136	
Christmas Bonus	1,683	
Insurance—General & Comp.		1,000
Audit		3,255
Convention Expense		6,000
Executive Committee Expense		2,000
Co-Laborer Magazine Expense		32,750
Mailing	1,500	
Miscellaneous	250	
Printing	27,000	
Postage	4,000	
Miscellaneous Expense		500
Office Rent		24,600
Office Supplies & Miscellaneous		2,000
Phone		1,000
Postage		4,000
Printing		5,000
Retreat Expense		5,000
Service Contracts		500
Subscriptions		100
Travel and Promotion		3,000
Continuing Education		2,000
Equipment		3,000
Special Projects		705
Contingency Fund		6,195
Total Expense		\$217,750

The General Board Report

The General Board of the National Association of Free Will Baptists met July 17, 1995, in the Radisson Plaza Hotel, Charlotte, North Carolina. As a result of this meeting, we offer the following recommendations.

1. We have heard the reports of the Executive Office, Free Will Baptist Bible College, Foreign Missions Department, Sunday School and Church Training Department, Free Will Baptist Foundation, Home Missions Department, Master's Men Department, Retirement Department, Commission for Theological Integrity, the Budget Committee, the Special Investigative Committee on Alcohol and Drug Addiction Rehabilitation, the Ministerial Family Life Committee, and the Cross-Cultural Study Committee. We recommend that these reports be received and the budgets and recommendations be adopted as each is presented.
2. Several boards and departments are presenting Amended and Re-stated Charters. We recommend the adoption of these proposed charters. They will of necessity be laid on the table until the 1996 session of the National Association.
3. We recommend Louisville, Kentucky, as the site of the convention of the National Association of Free Will Baptists in the year of 2005.

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, Arizona, Arkansas, California, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Maryland, Michigan, Mississippi, Missouri, 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 Association, Northeast Association, New Mexico District Association, Mexico Association, First Louisiana District Association, and First District New Jersey.

3. From the following churches with the right to one delegate each:

West Madison FWB Church, Madison, Wisconsin,
Maranatha FWB Church, Omaha, Nebraska,
Riverview FWB Church, Bettendorf, Iowa,
Free Will Baptist Church, St. Croix, Virgin Islands,
First FWB Church, Billings, Montana.

4. 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.

5. We recommend that all legally appointed lay delegates of standing boards be seated, if properly registered.

Committee: Charles Cooper, Chairman
David Taylor, Member
Dwayne Broad, Member
Robert Helms, Member
James Munsey, Member

1995 Resolutions Committee Report

We the Resolutions Committee recommend the adoption of Resolution #1 from the Executive Committee of the South Carolina State Association of Free Will Baptists.

#1 — Resolution on Evangelicals and Catholics Together

WHEREAS, forty (40) Evangelical and Catholic leaders have signed a 25-page document entitled Evangelicals and Catholics Together, the Christian Mission in the Third Millennium, and,

WHEREAS, a 250-word clarifying statement signed by some of the original Evangelical signers does not change the intent or goals of the original document;

BE IT RESOLVED that we stand opposed to this document because it:

- 1) Discourages the evangelization of Roman Catholics;
- 2) Declares the brotherhood of the Roman Catholics and Evangelicals ignoring the vast gulf between the two in matters of doctrine and church government such as justification by faith alone, sanctification, the sole authority of Scripture and the priesthood of the believer.
- 3) Dilutes the transforming gospel that calls for believers to secede from the Roman Catholic religion due to its doctrine and church government;

BE IT FURTHER RESOLVED that our Foreign and Home Mission Departments continue to recognize Roman Catholics as a mission field and that every local church be encouraged to do the same.

We the Resolutions Committee recommend the adoption of Resolution #2.

#2 — Resolution Concerning Racism

WHEREAS, all people are created in the image of God (Genesis 1:26) and,

WHEREAS, all people have descended through "one blood" from Adam (Acts 17:26) and

WHEREAS, God desires for all people to be saved (II Peter 3:9),

BE IT RESOLVED that the National Association of Free Will Baptists do hereby condemn racism in any form and do pledge to proclaim the Gospel freely to all men of every race.

#3 — Resolution on Areas of Concern

WHEREAS, the North Carolina Association of Free Will Baptists has presented the following resolution entitled "Areas of Concern to Call Us Back to God," addressing philosophical differences among Free Will Baptists, and

WHEREAS, the Executive Committee and the General Board of the National Association of Free Will Baptists have suggested that the 1995 Leadership Conference be devoted to addressing philosophical differences among us, with the goal of seeking to resolve our differences, and

WHEREAS, sufficient time should be allotted for an in-depth analysis and study of the resolution by all the constituents of the denomination,
BE IT THEREFORE RESOLVED:

1. That the resolution be referred to the Executive Office and the Executive Secretary for inclusion into the program of the Leadership Conference.
2. That the Leadership Conference be open to all who desire to attend.
3. That the Leadership Conference be conducted in a location sufficient to accommodate those who desire to attend.

Areas of Concern to Call Us Back to God

Confusion in religious circles is the order of the day. Many churches and pastors are in a state of flux and change. The pious pipers of philosophical and methodological change play their tunes to ever increasing numbers of young as well as seasoned preachers.

On the one hand there is enormous pressure to succeed. Many seem to live with the notion that growth must come at any cost. Some allow this passion for success to drive them to unusual and sometimes unscriptural methods.

On the other hand, there are those who sit idly by and blame "the times" for no growth or soul winning.

As a result of these two extremes there is a new emphasis on methodology is market-oriented, people-pleasing, user-friendly, and appealing to the flesh. Doctrines of holiness and personal separation are being pushed aside and those who adhere to strong standards are labeled as "legalists." Not of-fending has become the cardinal virtue. Softness is gaining momentum!

We must keep focused. We must not neglect the essentiality of teaching and preaching on matters of godliness, obedience, purity, and personal holiness in accordance with the Bible. We must recognize that methods are not neutral. We must not retreat from the paths of our spiritual predecessors who held this historic Free Will Baptist position.

We must stay the course that has made Free Will Baptists a viable witness to the world and thereby move the adoption of the following resolutions and guidelines for the North Carolina Association of Free Will Baptists.

WHEREAS, there are a number of issues that generally unite the conservative element of Free Will Baptists and;

WHEREAS, there is a significant drift and softness among us and;

WHEREAS, many of our churches struggle with empty pews, barren altars and dry baptistries

BE IT THEREFORE RESOLVED that this is a call for revival. It is not a power struggle but a call back to God. We are concerned. We need revival in our local churches, state works and our National programs and meetings. This will do more to unite us than all the resolutions on unity put together.

BE IT FURTHER RESOLVED that the attached seven guidelines be adopted by our State Association and sent to our National Association.

BE IT FINALLY RESOLVED that a statement of adherence (to these guidelines) must be signed for anyone to be considered as a National Association speaker, board member, department head or an officer of the National Association.

1. **Music**—That even though as Free Will Baptists our musical tastes are varied we believe in singing and in music that ministers to the heart.

We are not interested in performers or performances. The worship service at the National Association is not to be a "talent search" program or even a place to showcase our talent. It is a place where good, tasteful, heart-warming music should be ministered. It should set a good standard for the local church.

We stand absolutely against Christian rock believing that even the term itself is a misnomer. If it is Christian, it is not rock and if it is rock, it is not Christian. We also believe that any music which would lead us away from a worshipful spirit and a revival atmosphere should be avoided.

2. **Sunday School**—Free Will Baptists can pride themselves in having built a fine curriculum for our Sunday Schools through the work of Randall House. While this is a great accomplishment, what is needed now is the founding and building of Sunday Schools. Several years ago churches were having conferences and had Sunday School emphases. There was even a Sunday School Revival organization and a Sunday School revivalist. This was done, however, outside the auspices of the Sunday School Department. This should be the main job of a Sunday School Department but we have turned it into a printing house. There is no need for literature if we have no Sunday Schools.

Therefore, we recommend an office in the Sunday School Department that promotes the establishment of new Sunday Schools and supports revival in existing ones. This would include the training and challenge that is necessary and the growth of the Sunday Schools. This office should be filled by someone who has had successful Sunday School experience in administration and growth.

3. **Preaching**—That Bible preaching be magnified as God's way and the Bible method of giving solid nourishment and counsel to our people. That we encourage our pastors to place priority on the true preaching of God's Word and on submission to it by believers, always recognizing the sufficiency of God's Word to build believers up in both their faith and their lives. That true Bible preaching can still plow deep in the fallow ground of the unbeliever's heart through the conviction of the Holy Spirit.

4. **Separation**—That Bible separation is two-fold. It is separation to God and away from the world. To know that God commands separation, that the world expects us to be separate and that the church needs to be separate in order to know God's blessings.

We still hold to the Bible principles of modesty, purity, and God's creative distinction of the sexes. We still believe that the use of tobacco, the consumption of alcohol, dancing and theater-going are unacceptable practices for the believer and are a sin in God's eyes. We oppose worldliness in every form.

We are therefore conservative in our philosophy, practice and politics. We reject liberalism in every arena of life, be it in philosophy, manner of living, politics, literature, teaching or preaching.

5. Missions—That our missionaries be challenged to plant churches. That these churches be built on New Testament principles of evangelism, edification and enlistment. That these churches and missionaries, both home and foreign, recognize their interdependence with all other Free Will Baptist churches and that they must operate according to the principles of the Free Will Baptist *Treatise of Faith and Practice*.

That our Free Will Baptist missions departments recognize that with world vision comes a call for a pioneering spirit. That they be challenged to open the doors to new fields when possible.

6. National Association Speakers, Officers, Board Members, Writers and Employees of Each Department—That we sound a strong note from the local churches throughout every ministry and office of the denomination, that we believe such positions should be filled only with those who hold a strong conservative philosophy that embraces both evangelism and separation.

7. New-Evangelicalism—That we are against a drift towards and the influence of the National Association of Evangelicals (NAE) and its new evangelicalism. New evangelicalism is clearly in violation of Scripture in as much as it repudiates the Biblical principle of separation from false doctrine and its teachers. Splinter groups within our movement who get their signals from and who support new evangelicalism should be rejected. Those who embrace new evangelicalism and its liberal philosophy should be opposed for consideration as National Association speakers, board members and officers of our denomination. Our pastors must be taught the necessity of ecclesiastical separation and to realize that compromise in this area is simply apostasy on the installment plan.

In accordance with the wishes of the General Board that all resolutions submitted by state or district associations be presented to the body, we the Resolutions Committee present the two following resolutions from the Virginia State Association of Free Will Baptists without recommendations.

#4 — Resolution Passed at Virginia State Meeting 6-16-95

WHEREAS the Executive Committee of the National Association of Free Will Baptists has directed the Fellowship of Encouragement (F.O.E.) not to host any more banquets at the National Association of Free Will Baptists, believing that such meetings are divisive, and

WHEREAS the F.O.E. has defiantly continued to host such meetings disregarding the directive of the Executive Committee and plans to hold such a banquet again this year,

BE IT RESOLVED that the Virginia State Association of Free Will Baptists go on record as condemning the action of the F.O.E., and that we forward a copy of this resolution to our national body encouraging it to do the same.

#5 — Resolution 2 Passed at the Virginia State Meeting

WHEREAS the book *Of Mice and Men* clearly violates Biblical principles of morality and decency, and

WHEREAS said book was recommended by the WNAC *Co-Laborer* editor, and

WHEREAS a personal apology has not been forthcoming from either the editor or the executive secretary of WNAC,

BE IT RESOLVED that our state go on record as condemning the endorsement given to the book, and insisting that personal apologies be made to the National Association by the editor of *Co-Laborer* and the Executive Secretary of WNAC.

#6 — Resolution of Appreciation

WHEREAS, the North Carolina Association of Free Will Baptists has given us a gracious and warm welcome to the 59th session of the National Association of Free Will Baptists in Charlotte, North Carolina,

THEREFORE BE IT RESOLVED that we give a rising vote of thanks to acknowledge our appreciation for every kindness and consideration shown us during this session.

Respectfully Submitted,

Resolutions Committee

Millard Sasser (FL), Chairman
Jim Mullen (IN)
Gerald Fowler (NC)
Tim York (KY)
David Joslin (AR)

Nominating Committee Report

Nominees to General Board

Term to expire in 1996 (1-year term)

New Mexico: Dennis Conley

Terms to expire in 1997

Alabama: Richard Cordell
Arizona: George Harvey, Jr.
Arkansas: David Joslin
Atlantic Canada: Dwayne Broad
California: Nuel Brown
Colorado: Bob Thomas
Florida: Millard Sasser
Georgia: Herbert Waid
Idaho: Gene Kissinger
Illinois: Ernie Lewis
Indiana: Robert Helms
Kansas: Jerry Murphree
Kentucky: Tim York
First Louisiana: Ron Parker
Maryland: Lester Horton
Mexico: James Munsey
Michigan: Gene Norris
Mississippi: J.L. Gore
Missouri: Nathan Ruble

Nominees to Executive Committee

Terms to expire in 1997

Replacing Charles Cooper (MI), Gene Norris
Replacing Nathan Ruble (MO), Nathan Ruble
Replacing David Joslin (AR), David Joslin

Nominees to Home Missions Board

Terms to expire in 2001

Replacing Fred Hanson (CN), Richard Atwood (MD)
Replacing Earl Hendrix (SC), Earl Hendrix
Replacing J. D. Norris (AL), J. D. Norris

Nominees to Master's Men Board

Terms to expire 2001

Replacing Johnny Fowlkes (AR), Johnny Fowlkes
Replacing James Orr (KY), Jerry Atwell (MS)
Replacing Waymon Ray (OK), Waymon Ray

Nominees to Board of Retirement

Terms to expire 2001

Replacing Jack Daniel (GA), Jack Daniel
Replacing Waymon Fields (AL), Waymon Fields
Replacing Wilburn Beasley (SC), Bobby Bowers (SC)

Nominee to Commission For Theological Integrity

Term to expire in 2000

Replacing Daryl Ellis (IL), Daryl Ellis

Nominee to Historical Commission

Term to expire in 2000

Replacing Steve Hasty (TN), Steve Hasty

Nominee to Radio-Television Commission

Term to expire in 2000

Replacing Bob Shockey (TN), Bob Shockey

Nominee to Music Commission

Term to expire in 2000

Replacing Vernon Whaley (OH), Vernon Whaley

Nominees for General Officers

Terms to expire in 1996

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

(For those elected see proceedings or Officers and Boards in front of Year-book.)

Obituary Committee Report

Alabama

Bob Black
Malone Cobb, Minister

Arkansas

Justin Beavers, Child
Virginia Johnson
Robert King, Minister
Bill Whiteaker, Minister

California

Neal Moore, Minister
K. Rymer, Deacon's Wife

Florida

Robert Hogan, Deacon

Georgia

Eva Clenney
Richard E. Hays, Deacon
Clarence McMillian, Minister
Odis McVey, Deacon
Minnie Mock
Lee Smith
William Travis, Minister
Coy Watson, Minister

Illinois

Vera Case
Eudene Dees
C. J. Kettman, Minister
Sylvia Spitzner

Kentucky

Anna Burns
James Dewey Conley, Minister
Roy Gibbs
Carlenus Helms
Edward McKenzie, Minister
Larry Salyers, Minister

Michigan

Eugene Altridge, Deacon

Mississippi

Jular Raper

New Mexico

Bob Childers
Wyvaughn Flippen
Danny Mabrey
Gary Pinson

North Carolina

Homer Arrowhead, Minister
Loyad "Jack" Bumgarner,
Minister
Grace Bailey
Saddie Capps
James Carter
Alberta Harrell
Mary Harrell
William Lowe
Thomas McLaurin
Tom Morgan, Minister
Richard Swann
Ruth Underwood
D. F. Woodside

Ohio

Bascom Click, Deacon

Oklahoma

Dorothy Akin, Minister's Wife
Patsy Blair, Minister's Wife
Phyllis Blair, Minister's Wife
Mary Alice Bridgeman
Steve Curry, Bombing Victim
Riley Haskins, Minister
Marguerite Kern
A. L. "Cotton" McAffrey, Minister
Jerry Parker, Bombing Victim
Jess Stepp, Minister
Carl Strickland, Deacon
J. Reford Wilson, Minister

South Carolina

Lucy Boone
Claudie Coker
Harold Duncan
Ida Flair
Richard Hayes
Ruby Haynes
Roland A. Norris, Deacon
Ida Player, Minister's Wife
Manley Poston
Gary Prasser, Deacon

Tennessee

Fred Bailey, Minister
Pinky Christian

Gail Fender

Arch McLain, Minister
George Mellons
Pauline Nicholson
Homer Ray Smith, Minister
Johnny Sauceman, Minister
Alice Woolsey
P. C. Vaughn, Deacon

Texas

Helen Sanders, Minister's Wife

Virginia

Jackson Goodfellow
Cossie Meade, Deacon
Max Puckett, Deacon

West Virginia

Harold Black

Others

Eugene Aldridge
Glenda Leatherbury,
Missionary
Bertie Rentz

Committee Members

Ken Walker, Chairman
Bill Poteat
Berton Perry
Gene Outland
J. L. Gore

Budget Committee Report

The National Association of Free Will Baptists, Inc. has approved in this convention the following budgets for 1996:

Executive Office	\$ 544,696.00
Free Will Baptist Bible College	3,644,500.00
(Includes \$1 million in unrestricted gifts)	
Foreign Missions	4,509,132.00
(Does not include \$667,850.00 Vision Projects)	
Home Missions	2,750,000.00
Master's Men	145,000.00
Retirement and Insurance	318,194.00
Free Will Baptist Foundation	89,500.00
Sunday School and Church Training	2,654,604.60
Commission for Theological Integrity	2,100.00
Historical Commission	2,725.00
Music Commission	3,725.00
Radio and Television Commission	9,350.00
Total	\$14,673,526.60

All these ministries receive funds through the Together Way Plan except for the Sunday School and Church Training Department which is self-sustaining.

The Budget Committee recommends that gifts received through the Together Way Plan be allocated to the national ministries on the following basis:

1. Underwrite the Executive Office Administration Budget above designated gifts, not to exceed 55% of cooperative gifts.
2. Disburse the balance of cooperative gifts to the following national ministries according to these percentages:

Free Will Baptist Bible College	23.0%
Foreign Missions	23.0%
Home Missions	18.0%
Retirement and Insurance	14.0%
Master's Men	14.0%
Free Will Baptist Foundation	6.0%
Commission for Theological Integrity	0.5%
Historical Commission	0.5%
Music Commission	0.5%
Radio and Television Commission	0.5%
Total	100.0%

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
Alton Loveless, General Director of Sunday School and Church Training Department

1995 Convention Registration

National Convention	3,480
Ordained Ministers	895
Ordained Deacons	221
Licensed Ministers	21
Local Church Delegates	123
State Delegates	87
Home Missionaries	77
Foreign Missionaries	30
National Board Members	23
National Officers	4
Non-Delegates	1,999
National Youth Conference	2,288
Women Nationally Active for Christ	1,204
Grand Total	6,972

Report of the Special Investigative Committee on Alcohol and Drug Addiction Rehabilitation

1. The Committee's Task, as Defined by the National Association

On July 22, 1993, the National Association of Free Will Baptists adopted a resolution requesting the moderator to appoint a study committee to investigate the feasibility of a denominational program of rehabilitation for those addicted to alcohol and drugs. The committee was appointed, and in July, 1994, it reported to the National Association requesting authorization and funding to survey a representative cross-sampling of Free Will Baptists to determine the needs, interests, and support regarding such a program. The request was granted, and the committee, with the assistance and expertise of research professional Mark McPeak, set about the task of making the survey. The survey was completed and based in part on the survey, recommendations have been prepared for presentation at the National Association in Charlotte, North Carolina.

2. Addictive Problems, as Perceived by Free Will Baptists

In March through May of 1995, 3,000 Free Will Baptist leaders were randomly selected to receive a survey questionnaire. A total 632 surveys were returned—398 from pastors, 88 from laymen and 146 from women.

The research found that Free Will Baptist pastors, laymen and women are actively involved in dealing with people's personal problems. The most frequent problems deal with family relationship issues. But, the survey also revealed that Free Will Baptist leaders feel a higher level of competence in dealing with family related issues.

Alcohol and drug addiction is a problem Free Will Baptist pastors and laymen frequently encounter. The survey results revealed that more than 23% of all pastors and laymen indicated that alcohol and drug addiction is a critical personal problem for those with whom they are ministering. Additionally, the leaders surveyed felt that they are much better equipped to deal with family concerns than with addictive problems.

When asked if the National Association should develop programming to assist pastors and churches, 80% of all respondents said, "yes." Respondents most favor programs designed to equip pastors and church leaders in dealing with alcohol/drug addicted persons—such as training materials and seminars.

3. The Theological Basis of Addictive-Related Ministries

Addictive problems are rooted in sin and can only be successfully overcome through Jesus Christ—that is, through the application of biblical truths regarding sin, salvation and sanctification. Any programs developed by the National Association must therefore be Christ-centered and Bible-based. We further understand that in view of (1) the highly addictive nature of our society; and (2) the stubborn nature of addiction, that gifted Christ-

centered, Bible-based professional Christian workers and ministries are needed to address this issue specifically and effectively.

4. How could an "On-going Rehabilitation Program" be structured, staffed, and funded by the National Association of Free Will Baptists?

a. Current agencies could be directed to address this need within their own spheres of ministry, which might include:

- Randall House**—Serving as a developer and/or clearing house of information.
- FWBBC**—Developing a curriculum for on-campus and off-campus seminars and courses.
- Master's Men**—Develop a wilderness program for men with addictive problems.
- Executive Office**—Serve as a clearing house for information (like 'stewardship'); Employing a developer and coordinator of rehabilitation ministries.
- WNAC**—Develop women's rehabilitation programs/centers; provide training in dealing with addicted loved ones.
- Home Missions**—Helping churches grow by developing strategic ministries to the addictive prone.

The Problem: (1) Unwillingness or inability of various departments and agencies to seriously commit adequate resources to this area; (2) The effort would be spread too thinly, too broadly, and without serious coordination.

b. Establish a separate Commission, Board, Office, or Agency to address this issue.

The Problem: A poorly or marginally funded effort would limp along, dying a slow death, getting the leftover time and energy of already overly-committed people and would be of questionable effectiveness.

c. Expand and commission an existing agency to hire a professional who has experienced and been trained in addictive ministries, and whose duties might include:

- ♦ Serve as a consultant to local churches who want to establish addiction-related ministries, support groups, Bible-based rehabilitation programs, etc.
- ♦ Develop and/or route material to our churches.
- ♦ Conduct seminars at national, state, district meetings and in local churches.
- ♦ Lecture and teach at our colleges as an adjunct professor; help develop courses and curriculum.
- ♦ Maintain a hot-line, giving referrals and counsel.
- ♦ Help spearhead a chain of regional outward-bound type wilderness rehabilitation centers, or serve as a consultant to state or local associations who want to establish such programs.
- ♦ Keep this issue and its needs before our people.

This could conceptually fit under one of several of our denominational agencies as an extension of its ministry.

The Problem: Commitment by the agency and initial funding until the ministry becomes self-supporting and/or profit-generating.

5. Committee Recommendation

In light of the research findings and these available options, we feel that an on-going program of alcohol and drug addiction rehabilitation is feasible. And in light of the options available, we feel *option c* is the most preferable. We therefore recommend that a committee be appointed and charged to work with departmental leaders in implementing such a program. Additionally, we recommend that a fund be established with the Free Will Baptist Foundation so that those wishing to support this project may do so.

LaVerne D. Miley, chairman

Statistical Report — Reporting Period 1994-1995

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	Personages
Alabama	14	170	170	62	108	95	75	359	651	412	17,949	311,385	4	31
Arizona	2	8	8	7	1	4	4	31	36	22	239	6,065,051	2	3
Arkansas	15	219	209	95	124	96	108	580	1,178	499	19,673	2,537,269	45	68
California	8	64	64	54	10	47	77	432	393	412	3,371	220,211	31	26
Canada	1	12	11	2	10	4	6	8	8	2	348	88,657	3	3
Colorado	1	8	7	8	6	6	2	31	73	34	355	1,449,994	4	41
Florida	8	70	64	35	31	43	19	222	372	267	5,343	3,544,532	27	61
Georgia	10	122	121	48	74	91	29	249	503	318	9,890	827,728	35	8
Hawaii	1	1	1	1	1	1	5	5	7	4	24	45,865	1	1
Idaho	2	6	6	6	16	23	21	147	169	82	3,719	1,122,403	3	14
Illinois	6	45	44	29	7	11	11	104	110	31	1,475	207,064	19	1
Indiana	3	23	23	16	1	1	3	7	3	15	51	4,347,790	1	1
Iowa	2	8	8	8	119	35	120	888	999	713	16,503	1,228,526	1	5
Kansas	10	155	155	36	10	7	6	206	122	53	1,562	827,728	13	8
Kentucky	3	23	23	13	26	22	20	183	256	144	3,638	1,652,054	13	16
Louisiana	1	2	2	1	6	22	20	116	206	114	3,152	404,543	6	14
Maryland	3	31	31	36	31	34	9	478	740	375	14,621	4,922,939	47	43
Massachusetts	6	46	42	12	100	94	83	478	740	375	14,621	4,922,939	47	43
Michigan	4	52	41	27	1	1	1	2	2	1	10	30,487	1	1
Minnesota	17	177	159	77	1	1	1	17	40	8	202	38,147	2	2
Missouri	1	1	1	1	1	1	1	1	6	2	69	49,674	46	47
Montana	1	1	1	1	1	1	1	1	15	9	334	4,347,790	1	1
Nebraska	1	1	1	1	1	1	1	1	1	1	1	8,381,851	31	34
New Jersey	1	4	4	3	1	1	3	17	40	8	202	2,381,383	1	1
New Mexico	1	4	4	3	1	1	3	17	40	8	202	2,381,383	1	1
North Carolina	8	190	175	61	114	120	55	859	1,427	646	20,555	4,509,880	46	47
Northwest Assoc.	1	5	5	2	3	4	1	15	21	9	334	1,091,127	1	1
Northwest Assoc.	1	5	5	2	3	4	1	15	21	9	334	1,091,127	1	1
Ohio	19	147	147	70	77	50	94	602	763	498	9,864	1,711,007	12	7
Oklahoma	24	255	235	144	101	142	98	723	1,590	594	21,598	68,000	14	8
Puerto Rico	7	113	66	43	71	91	21	281	401	151	10,756	1,509,853	9	33
South Carolina	8	205	205	92	122	148	87	476	1,086	479	26,000	8,254	1	1
South Dakota	6	50	36	26	10	16	12	77	181	71	2,010	49,674	12	7
Tennessee	5	87	87	22	65	25	62	157	333	232	6,051	1,711,007	14	8
Texas	1	1	1	1	1	1	1	1	1	1	1	68,000	1	1
Virginia	20	184	184	29	155	69	115	781	913	2	12,497	1,509,853	9	33
Virgin Islands	1	1	1	1	1	1	1	1	1	1	1	8,254	1	1
West Virginia	1	1	1	1	1	1	1	1	1	1	1	8,254	1	1
Wisconsin	1	1	1	1	1	1	1	1	1	1	1	8,254	1	1
Wyoming	1	1	1	1	1	1	1	1	1	1	1	8,254	1	1
Totals	216	2,491	2,342	1,045	1,369	1,318	1,087	8,069	12,701	6,232	213,716	49,109,694	450	570

Statistical Report — Reporting Period 1994-1995

Value of Church and Personage Property	Sunday School Enrollment	CTS Enrollment	WNAAC Enrollment	MM Enrollment	Ordained Ministers	Licensed Ministers	Deacons	Day Cares	Kindergartens	Christian Day Schools	Bible Institutes	Colleges	Value of Associational Property
Alabama	8,817	1,807	696	151	257	25	484	8	8	6	1	1	882,308
Arizona	291	124	49	27	9	29	578	2	2	2	1	1	2,000,000
Arkansas	12,707	2,612	1,228	219	350	26	115	1	5	5	1	1	265,000
California	4,939	372	346	40	103	4	4	1	1	1	1	1	660,000
Canada	404	372	22	98	9	1	137	4	2	2	1	1	3,400,000
Colorado	379	638	384	261	159	23	411	2	2	2	1	1	750,000
Florida	3,102	1,082	706	261	1	1	1	1	1	1	1	1	308,000
Georgia	5,712	1,082	706	261	1	1	1	1	1	1	1	1	400,000
Hawaii	56	26	10	8	8	1	7	1	1	1	1	1	610,000
Idaho	3,400,000	32	24	10	8	7	106	1	1	2	1	1	750,000
Illinois	197	32	330	97	73	7	43	2	2	2	1	1	308,000
Indiana	3,579	662	330	68	41	5	43	2	2	2	1	1	400,000
Iowa	1,379	87	9	6	1	1	5	1	1	1	1	1	610,000
Kansas	70	87	9	6	1	1	5	1	1	1	1	1	400,000
Kentucky	215	33	33	51	397	32	257	1	1	1	1	1	610,000
Louisiana	7,780	1,022	484	12	2	5	37	1	1	1	1	1	400,000
Maryland	67	108	178	12	36	5	37	1	1	1	1	1	610,000
Massachusetts	2,603	192	269	137	78	7	79	1	1	1	1	1	610,000
Michigan	2,437	503	287	66	62	3	150	1	1	1	1	1	610,000
Minnesota	2,097	296	884	98	279	37	361	6	4	4	1	1	610,000
Mississippi	9,768	1,270	884	98	279	37	361	6	4	4	1	1	610,000
Missouri	15	8	7	8	1	1	1	1	1	1	1	1	610,000
Montana	150,000	7	7	7	7	1	1	1	1	1	1	1	610,000
Nebraska	350,000	29	7	7	7	1	1	1	1	1	1	1	610,000
New Jersey	126	126	18	3	4	79	534	5	10	10	1	1	610,000
New Mexico	63	1,206	954	167	250	79	534	5	10	10	1	1	610,000
North Carolina	16,521	8	12	10	5	5	5	5	5	5	3	3	610,000
Northwest Assoc.	245	395	341	57	339	17	278	5	5	5	3	3	610,000
Northwest Assoc.	9,719	395	341	57	339	17	278	5	5	5	3	3	610,000
Ohio	15,535	3,011	1,308	233	424	72	614	5	5	5	3	3	610,000
Oklahoma	6,769	1,113	658	370	183	19	193	4	4	4	4	4	610,000
Puerto Rico	28,788,732	6,769	1,113	658	370	183	193	4	4	4	4	4	610,000
South Carolina	13,000	5,596	1,460	196	472	107	607	5	5	5	3	3	610,000
South Dakota	34,096,002	295	169	27	47	6	71	3	3	3	3	3	610,000
Tennessee	7,940,000	1,288	295	80	192	15	266	3	3	3	3	3	610,000
Texas	16,748,006	3,743	671	538	80	3	392	1	1	1	1	1	610,000
Virginia	2,200,000	192	18	82	464	9	392	1	1	1	1	1	610,000
Virgin Islands	20,196,675	10,219	635	1,123	82	1	1	1	1	1	1	1	610,000
West Virginia	12	12	12	12	12	1	1	1	1	1	1	1	610,000
Wisconsin	145,294	23,467	12,673	2,590	4,333	558	5,745	47	47	47	54	54	610,000
Wyoming	530,098,391	23,467	12,673	2,590	4,333	558	5,745	47	47	47	54	54	610,000
Totals	145,294	23,467	12,673	2,590	4,333	558	5,745	47	47	47	54	54	19,498,763