

1997

Free Will Baptist Yearbook



THE NATIONAL ASSOCIATION OF
Free Will Baptists

Published by
The Executive Office
National Association of Free Will Baptists, Inc.
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Minutes
of the
Sixtieth Annual Session
of the
National Association
of
Free Will Baptists, Inc.
when convened in
Fort Worth, Texas
July 21-25, 1996

Future Sessions to Be Held In

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
2006	Birmingham, Alabama	July 16-20

Officers and Board Members

General Officers

Moderator	Carl Cheshier
Assistant Moderator	Tim York
Clerk	Waldo Young
Assistant Clerk	Keith Burden
Executive Secretary-Treasurer	Melvin Worthington

General Board

1997

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

1998

New Jersey: Vergel Maness
 New Mexico: Len Blanchard
 North Carolina: Dann Patrick
 Northeast Association: Jim Nason
 Northwest Association: Darrell Smith
 Ohio: Delmar Sparks
 Oklahoma: Jack Richey
 South Carolina: Joe Cagle
 Tennessee: Charles Thigpen
 Texas: Thurmon Murphy
 Virginia: Glen Johnson
 West Virginia: Carl Vallance

Executive Committee

Chairman: Carl Cheshier, 2405 South 87th Drive, Fort Smith, AR 72903

Clerk: Waldo Young, 1722 North Union, Shawnee, OK 74801

1997

David Joslin (Ark.)
 Gene Norris (Mich.)
 Nathan Ruble (Mo.)

1998

Glen Johnson (Va.)
 Jack Richey (Okla.)
 Charles Thigpen (Tenn.)

Officers

Carl Cheshier (Ark.)
 Tim York (Ky.)
 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

1998

Richard Bowers (Ala.)
 Larry Powell (Ga.)
 Douglas Little (Ark.)

2000

Richard Barnes (Va.)
 Gary Fry (Mo.)
 Howard Price (Ga.)

2002

Archie Ratliff (N.C.)
 Larry Montgomery (Tenn.)
 Gene Outland (Ill.)

Foreign Missions Board

Chairman: Joe Grizzle, 4716 Stonegate Drive, Norman, OK 73072

Director: Eugene Waddell, P.O. Box 5002, Antioch, TN 37011-5002

1998

Joe Grizzle (Okla.)
 David Shores (Ill.)
 Dean Dobbs (N.C.)

2000

William Reagan (Canada)
 Milton Worthington (Mich.)
 James Forlines (Ark.)

2002

Bill Jones (Okla.)
 David Williford (Fla.)
 Bill Van Winkle (Miss.)

Home Missions Board

Chairman: Earl Hendrix, 88 Blackstock Road, Inman, SC 29349

Director: Trymon Messer, P.O. Box 5002, Antioch, TN 37011-5002

1997

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

1999

Lynn Wood (Texas)
 Don Guthrie (Ark.)
 Wendell Walley (N.C.)

2001

Richard Atwood (Md.)
 Earl Hendrix (S.C.)
 J. D. Norris (Va.)

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

Howard Gwartney (Okla.)
 George Brunkhorst (Calif.)
 Thurman Pate, Jr. (Tenn.)

1999

Don Neal (Ind.)
 Dwight Fletcher (Miss.)
 Gary Wilson (Ala.)

2001

Jerry Atwell (Miss.)
 Johnny Fowlkes (Ark.)
 Waymon Ray (Okla.)

Board of Retirement

Chairman: Waymon Fields, P. O. Box 174, Millport, AL 35576
Director: William Evans, P.O. Box 5002, Antioch, TN 37011-5002

1997	1999	2001
Ron Barber (Okla.)	Robert Morgan (Tenn.)	Bobby Bowers (S.C.)
Roger Harwell (Mo.)	Lincoln Varney (Ky.)	Jack Daniel (Ga.)
Milton Hollifield (N.C.)	Henry Van Kluyve (N.C.)	Waymon Fields (Ala.)

Sunday School and Church Training Board

Chairman: David Sutton, 615 Adams Drive, Duncanville, TX 75137
Director: Alton Loveless, P.O. Box 17306, Nashville, TN 37217

1998	2000	2002
Will Harmon (Texas)	Jeff Crabtree (Canada)	David Sutton (Texas)
Edwin Hayes (Ohio)	Billy Hanna (Ga.)	David Reece (Md.)
Larry Clyatt (Ill.)	Dennis Wiggs (N.C.)	Nuel Brown (Calif.)

Commission For Theological Integrity

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

1997	1998	1999
Leroy Forlines (Tenn.)	Fred Hall (Tenn.)	Jeff Manning (N.C.)
	2000	2001
	Daryl Ellis (Ill.)	Paul Harrison (Tenn.)

Historical Commission

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

1997	1998	1999
Jack Williams (Tenn.)	Mary Wisehart (Tenn.)	Robert Picirilli (Tenn.)
	2000	2001
	Darrell Holley (Tenn.)	Thomas Marberry (Okla.)

Radio-Television Commission

Chairman: Steve Faison, 6700 Cabot Drive, Apt. A-5, Nashville, TN 37209

1997	1998	1999
Bill Gardner (Tenn.)	Steve Faison (Tenn.)	James Vallance (Tenn.)
	2000	2001
	Doug Kite (N.C.)	Ron Hunter (Fla.)

Music Commission

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

1997	1998	1999
Douglas Little (Ark.)	Bill Gardner (Tenn.)	Randy Sawyer (N.C.)
	2000	2001
	Vernon Whaley (Ohio)	David Bates (Mo.)

Proceedings

The 60th session of the National Association of Free Will Baptists met in the Tarrant County Convention Center at Fort Worth, Texas, July 21-25, 1996. The convention theme was, "I Will Build My Church," taken from Matthew 16:18. Randy Sawyer served as convention music coordinator, Carol Reid as organist and Jerry Carraway as pianist.

Sunday Morning—July 21, 1996

Mike Lewis led the congregation in singing, "There Is Power In The Blood" and "Nothing But The Blood" to open Sunday School for adults. Classes for children and teens were also conducted in the convention center.

Gene Norris, presider, introduced Ron Barber, deacon from Oklahoma, who taught the adults. The Sunday School lesson was titled, "The Old Covenant Versus the New Covenant," based on Hebrews Chapter 8.

Gene Norris called the morning worship service to order at 11:00 a.m. Mike Lewis led the congregation in singing, "Since Jesus Came Into My Heart," "He Touched Me," and "Heaven Came Down." Presider Gene Norris gave a welcome and led in prayer.

The congregation sang, "Blessed Assurance," after which the offering was received. Jerry Pilgrim (Oklahoma) presented special music.

Gerald Fowler, pastor of Trinity FWB Church in LaGrange, North Carolina, was introduced as the speaker.

After the message, announcements were made and the service concluded with the benediction.

Sunday Evening—July 21, 1996

Just before 7:00 p.m. the Meadow Brook Quartet from Black Mountain, North Carolina, presented pre-service music to begin the Sunday evening worship service. Scott Bullman, Broken Arrow, Oklahoma, led the congregation in singing, "All Hail The Power," "His Name Is Wonderful" and "Jesus Is The Sweetest Name I Know." Presider Charles Thigpen welcomed the congregation and led in prayer.

The Meadow Brook Quartet again presented special music. The congregation sang, "What A Savior" and "Something About That Name."

Billy Fields from Wolcottville, Indiana, sang a solo.

The offering was received for convention expenses.

David Williford, pastor of First FWB Church in Chipley, Florida, was introduced as the speaker. Before he preached, Billy Fields sang.

Pastor Williford read Matthew 16:13-18 and brought the message on the convention theme, "I Will Build My Church."

"Have Thine Own Way" was sung as an invitation hymn. Sherwood Lee prayed the benediction. The services concluded at 8:25 p.m.

Monday Evening—July 22, 1996

The Durbins from New Hope FWB Church in Fredericktown, Missouri, presented pre-service music at 6:55 p.m. to begin the Monday evening worship service.

David Bates of Farmington, Missouri, led the congregation in singing, "When We All Get To Heaven," "Sweet By And By," "I'll Fly Away" and "What A Day That Will Be." Len Blanchard, home missionary from New Mexico, led in prayer. Presider Thurmon Murphy, executive secretary for Texas Free Will Baptists, gave a Texas welcome to convention attendees.

The Durbins presented offertory music and special music for the service.

Leanne Ledbetter from Russellville, Arkansas, sang, "His Eye Is On The Sparrow."

Tim Hall, pastor of First FWB Church in Owensboro, Kentucky, was introduced as the speaker. He read I Kings 19:1-9 and brought the message on "What Doest Thou Here?"

After announcements, the worship service ended.

Clerk Waldo Young called the 60th convention of the National Association into session. He introduced Moderator Ralph Hampton. The moderator read the names of the committees to serve during the convention. Those named to the Resolutions Committee were Richard Hendrix (AL), David McDougal (OK), Bill Van Winkle (MS), Don Walker (MO) and David Malone (IL).

Those serving as the Nominating Committee were General Board members from states whose terms expire in 1997.

Those serving on the Obituary Committee were Wayne Wagner (TN), Wendell Walley (NC), Leroy Cutler (FL), Daniel Parker (OK) and Doice McAlister (CA).

The Credentials Committee was Tom Lilly (NC), Glen Johnson (VA), Jim Nason (NH), Charles Thigpen (TN) and Vergel Maness (NJ).

David Ferguson from Houston, Texas, prayed the benediction.

Tuesday Evening—July 23, 1996

The combined college groups presented pre-service music to begin the service Tuesday evening. Jack Baines, Jr. led the congregation in singing, "Saved, Saved" and "Since Jesus Came Into My Heart." Evidence, a men's trio, sang, "God's Men," a song by Vernon Whaley written especially for the Master's Men 40th anniversary celebration.

Master's Men director James Vallance presided because of the Master's Men celebration. He gave a welcome to the service and led in prayer. Master's Men board members Waymon Ray, Dwight Fletcher, Howard Gwartney, Johnny Fowlkes and Gary Wilson gave brief statements about the Master's Men.

The combined college groups were the special singers for the evening. The convention offering was received.

Trymon Messer, director of the Home Missions Department, was intro-

duced as the speaker. He read Acts 9:31, Acts 2:46-47 and brought the message, emphasizing the need to establish new churches.

After announcements, James Vallance led in the closing prayer. The service concluded at 9:10 p.m.

Wednesday Morning—July 24, 1996

Moderator Ralph Hampton called the business session of the 60th annual convention of the National Association of Free Will Baptists to order at 9:00 a.m. He read Matthew 16:18, I Corinthians 6:9-11 and I Corinthians 1:26-29. He then brought the Moderator's Message from those passages and led in prayer.

The clerk read the Credentials Committee report. A motion carried that the Credentials Committee report be adopted and the delegates seated.

The clerk then read a partial report of the General Board. A motion carried that Item #1 of the General Board report be adopted and that the reports of the various departments and commissions be considered as each is presented.

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

A motion carried to take from the table the Amended and Restated Charter which is the Constitution of the National Association of Free Will Baptists, Inc. A motion carried to adopt the amended and restated charter and by-laws.

Robert Picirilli, committee chairman, gave the report of committee from the Leadership Conference. A motion carried that this report be substituted for the resolution coming from North Carolina to the National Association in 1995.

By common consent two words in the report were changed. In number 1, "We Call for Commitment to Holiness, the word "should not be sanctioned," was changed to "will not," and under number 2, "We Call for Commitment" the word "seem to have received . . ." was changed to "claim to have received"

A motion carried to adopt the substitute resolution, that is, the report from the Leadership Conference.

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

A motion carried to take from the table the Amended and Restated Charter and By-Laws of the Board of Retirement and Insurance, Inc. A motion carried to approve this restated charter.

An addendum to the Credentials Committee Report was read, recommending that the Mexico Association which is entitled to three delegates be seated during this session. A motion carried to accept the addendum.

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

A motion carried to take from the table the Amended and Restated Charter and By-Laws of the Free Will Baptist Foundation, Inc. A motion

then carried to adopt this document.

Director Trymon Messer gave the report of the Home Missions Department. Retiring Army Chaplain Gerald Mangham was recognized for 30 years of service. A motion carried to receive the report and adopt the budget.

A motion carried to take from the table the Amended and Restated Charter and By-Laws of the Board of Home Missions, Inc. A motion carried to adopt the Amended and Restated Charter and By-Laws.

A motion carried to remove from the table the Amended and Restated Charter of the Church Extension Loan Fund, Inc. A motion carried to approve this document.

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

Ralph Staten from Tennessee, a former moderator of the National Association and a member of the original Treatise Committee in 1935, was recognized. He was present for the session.

The meeting recessed until 1:30 p.m.

Wednesday Afternoon—July 24, 1996

The moderator called the meeting to order at 1:30 p.m. Assistant Moderator Carl Cheshier read I John 3:1-2 and led in prayer.

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

The clerk read a partial report of the Nominating Committee. Archie Ratliff (NC), Larry Montgomery (TN) and Gene Outland (IL) were elected to the Board of Trustees of Free Will Baptist Bible College.

Director Eugene Waddell gave the report of the Foreign Missions Department. Leroy and Fay Forlines reported on their ministry as short-term missionaries to Russia. A motion carried to receive the report and adopt the budget.

A motion carried to take from the table the Amended and Restated Charter and By-Laws of the Board of Foreign Missions, Inc. A motion carried to adopt the document.

Bill Jones (OK), David Williford (FL) and Bill Van Winkle (MS) were elected to six-year terms on the Foreign Missions Board.

A motion carried to refer the charter and by-laws of Free Will Baptist Bible College, Inc., to the Board of Trustees, and that they report back to this body in the 1997 convention recommending changes necessary to bring the charter and by-laws in line with other denominational departments.

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.

A motion carried to take from the table the Amended and Restated Charter and By-Laws of the Sunday School and Church Training Board and Randall House Publications, Inc. A motion carried to adopt the document.

David Sutton (TX), Nuel Brown (CA) and David Reece (MD) were elected to six-year terms on the Sunday School and Church Training Board.

A plaque was presented to James McAllister in recognition of his 12 years of service on the Sunday School and Church Training Board.

The clerk read from the Nominating Committee Report those nominated to two-year terms on the General Board. Those elected to two-year terms on the General Board were Vergel Maness (NJ), Len Blanchard (NM), Dann Patrick (NC), Jim Nason (NE Association), Darrell Smith (NW Association), Delmar Sparks (OH), Jack Richey (OK), Joe Cagle (SC), Charles Thigpen (TN), Thurmon Murphy (TX), Glen Johnson (VA) and Carl Vallance (WV).

Doice McAlister was elected to a one-year term replacing Nuel Brown (CA) who was elected to another standing board.

Jack Richey (OK), Glen Johnson (VA) and Charles Thigpen (TN) were elected to two-year terms on the Executive Committee.

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

Paul Harrison (TN) was elected to a five-year term on the Commission for Theological Integrity.

Chairman Steve Faison gave the report of the Radio-Television Commission. A motion carried to receive the report and adopt the budget.

Ron Hunter (FL) was elected to a five-year term on the Radio-Television Commission.

Chairman Randy Sawyer, with assistance from Vernon Whaley, gave the report of the Music Commission. A motion carried to receive the report and adopt the budget.

David Bates (MO) was elected to serve a five-year term on the Music Commission.

Chairman Mary R. Wisheart gave the report of the Historical Commission. A motion carried to receive the report and adopt the budget.

Thomas Marberry (OK) was elected to a five-year term on the Historical Commission.

The clerk read Item #2 of the General Board report, recommending Birmingham, Alabama, as the convention site for July 16-20, 2006. Item #2 was adopted.

The moderator declared a recess until Thursday morning at 9:00 a.m.

Wednesday Evening—July 24, 1996

Adoration, a ladies trio from First FWB Church in Farmington, Missouri, presented special music to open the Wednesday night service.

The congregation, directed by Randy Riggs, sang, "O Worship The King" and "To God Be The Glory."

Presider Carl Cheshier gave a welcome and led in prayer.

Richard Adams, director of development for the Home Missions Department, introduced the home missionaries present for the service.

Eugene Waddell, director of the Foreign Missions Department, introduced the foreign missionaries present for the service.

The Men's Chorale sang, "God's Men," a song written by Vernon Whaley for the Master's Men celebration.

The congregation sang, "Breathe On Me" and "Spirit Of The Living God."

The Adoration trio sang, "Jesus Is Coming Soon."

An instrumental ensemble played, "Because He Lives" as the missions offering was received. It was later announced that the offering was more than \$33,000.

Nancy Copeland of Austin, Texas, sang, "He The Pearly Gates Will Open."

Will Harmon, pastor of Collin Creek FWB Church in Plano, Texas, was introduced as the speaker. He read Numbers 13:26 and brought the message on, "Our Time Is Now."

After announcements were made, the service was dismissed.

Thursday Morning—July 25, 1996

The moderator called the meeting to order at 9:00 a.m. Clerk Waldo Young read Proverbs 3:5-6 and led in prayer.

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

Executive Secretary-Treasurer Mary R. Wisheart gave the report of Women Nationally Active for Christ. A motion carried to receive the report as information.

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

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

Melvin Worthington gave the report of the Double in a Decade Committee. This report was received as information.

Chairman Wayne Wagner gave the report of the Obituary Committee. After a moment of silence, Pastor Wagner led in prayer.

The clerk read Resolution #1 of the Resolutions Committee report. By common consent the words, "We consider," were substituted for the word, "is." A motion carried to adopt Resolution #1.

Resolution #2 of the Resolutions Committee Report was read. A motion carried to adopt Resolution #2.

Resolution #3 was read. A motion was made and seconded to adopt the item. A motion was made to amend the resolution by deleting the words, "African American," and "Whereas, a number of other churches have been destroyed, and . . ." The motion to amend carried. The resolution was adopted as amended.

Resolution #4 was read. A motion carried to adopt Resolution #4.

A motion was made and seconded to adopt Resolution #5. A motion carried to table both Resolution #5 and Resolution #6. These resolutions were given without recommendation from the committee.

A motion was made and seconded that the moderator appoint a committee of five men and instruct them to bring a written report back to this body next year dealing with,

- A. The doctrinal beliefs of the Board of Directors and the field representatives of the Promise Keeper movement.
- B. The stated goals and practices of Promise Keepers relating to doctrinal purity.

A motion carried to amend by making the above-mentioned committee consist of the Commission for Theological Integrity. The motion as amended was adopted.

The clerk read the final report of the Nominating Committee:

Keith Burden (OK) was elected as Assistant Clerk.

Waldo Young (OK) was elected as Clerk.

Tim York (KY) was elected as Assistant Moderator.

Carl Cheshier (AR) was elected as Moderator.

A motion was made and seconded that the Nominating Committee print their report with a short biographical sketch of each nominee in Contact prior to the convention.

A motion was made and seconded to amend by changing the time of doing this to the Convention News before the business session on Wednesday.

A motion carried to refer the motion and amendment to the Leadership Conference in December.

A motion was made and seconded to study the possibility of term limits for the moderator and assistant moderator and bring recommendations back to this body next year. The motion carried. The moderator ruled that the matter would be referred to the Executive Committee.

A motion carried to give Ralph Hampton a rising vote of thanks for his service as moderator, and that the Executive Committee be authorized to purchase an appropriate token of appreciation.

Since Tim York was elected assistant moderator, a replacement for the Kentucky General Board Member had to be elected. Tim Hall was elected to represent Kentucky on the General Board for a one-year term.

A motion carried to adjourn.

The Executive Secretary's Report 1995

The Executive Office operated smoothly during 1995. I count it a special privilege to serve the National Association of Free Will Baptists as executive secretary. We commend the efficient Executive Office staff for their dedicated service.

The Executive Office represented the National Association of Free Will Baptists at the Religious Conference Management Association, Christian Stewardship Association, Association of Statisticians of American Religious Bodies and 25 Free Will Baptist state/district meetings.

The 1995 convention in Charlotte, North Carolina, went well. Registration totaled 6,972. The music, messages and meetings were a special blessing. We commend the North Carolina State Association of Free Will Baptists for their excellent job hosting the convention. Preparations for the 1996 convention in Fort Worth, Texas, went smoothly. Site inspection visits for the 2006 convention will be made in the early summer of 1996.

Speakers for the 1996 national convention in Fort Worth, Texas, were selected by the Executive Committee during its December 1995 meeting. They include Gerald Fowler (NC), David Williford (FL), Tim Hall (KY), Trymon Messer (TN), Will Harmon (TX) and Ron Barber (OK). The 1996 theme is **I Will Build My Church.**

The Free Will Baptist Hymn Book: Rejoice (1995) and *The Rejoice Hymnal For the Church At Worship* (1995) were released in July 1995. Sales of both versions of *Rejoice* have been steady. Through December 31, 1995, sales of both editions totaled 11,323. Eighty thousand books were printed. Fifty thousand were bound and the other 30,000 were stored at the printer. Due to cost of storing the additional 30,000 which were printed but not bound and because they were not covered by our insurance, we decided to have them bound and stored at Randall House. *The Free Will Baptist Hymn Book: Rejoice* may be ordered from Randall House Publications. It is available in shaped or round note editions and three colors. *The Rejoice Hymnal For the Church At Worship* is also available in both shaped and round note editions in two colors. It is distributed by Tempo Music Publications in Leawood, Kansas. The Executive Office and Randall House Publications are working on a companion to the hymn book which will be released in 1997.

The International Fellowship of Free Will Baptist Churches, Inc., was organized October 16-21, 1995, in Brazil. Plans call for this fellowship to meet every three years. The Executive Committee of the fellowship consists of John Poole, president (Brazil); Ramon Sanchez, vice-president (Cuba) and Melvin Worthington, secretary-treasurer (USA). The next meeting is scheduled for October 12-16, 1998, in Uruguay.

Contact provides current information regarding denominational life. Subscriptions are \$12 per year. Life-time subscriptions cost \$500. Life-time subscribers totaled eight in 1995. We encourage each church to purchase a life-time subscription. Each life-time subscriber, whether church or individual, receives a leather-bound copy of *The Free Will Baptist Hymn Book: Rejoice* (1988). *Contact* subscriptions totaled 5,625 in the December 1995 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.

Reporting Forms 501, 502, 503 and 504 are designed to report statistical data (*Treatise* page 75). Using these forms enables us to compile an accurate statistical table. Recording and reporting statistical data continues to improve but still remains a denominational problem. In order to provide accurate historical data, it's necessary to record and report complete, correct and consistent data.

Capital Stewardship/Victory Campaign contributions through December 31, 1995, totaled \$271,233.82. Gifts for this campaign will be credited through December 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.

Contributions to national ministries in 1995 totaled \$8,777,067.71. Together Way Plan contributions totaled \$2,491,009.85, the highest in history. Of this amount \$362,694.52 was cooperative and \$2,128,315.33 was designated. Per capita giving was \$41.07; our goal was \$43.80. Together Way Plan notebooks can be ordered at no cost from the Executive Office. We encourage each church and association to adopt The Together Way Plan, the financial plan which supports denominational ministries.

Together Way Plan contributions for the Executive Office totaled \$334,840.13. Of this amount \$217,616.55 was cooperative and \$117,223.58 was designated. We appreciate your generous support of the Executive Office ministry.

The Rest Of The Family Offering in September totaled \$5,931.36. After expenses, the balance was disbursed to participating national agencies. September 29, 1996, has been designated as The Rest Of The Family Sunday.

Together Way Totals

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
1990	\$6,933,944.49	1995	\$8,777,067.71

Tracking The Together Way Totals

	Designated	Co-op	Total
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 86%	(+31.16%)	243,195.98 14%	(-26.09%)	1,724,043.49 (+18.24%)
1993	1,786,527.81 86%	(+20.64%)	278,925.67 14%	(+14.69%)	2,065,453.48 (+19.80%)
1994	\$2,071,808.59 87%	(+15.97%)	\$313,198.40 13%	(+12.29%)	\$2,385,006.99 (+15.47%)
1995	\$2,128,315.33 85%	(+2.73%)	\$362,694.52 15%	(+15.80%)	\$2,491,009.85 (+4.44%)

The Together Way Totals increase/decrease from 1986-1995:
Designated 172.51% CO-OP -1.57%

Executive Office

	Designated	Co-op	Total
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
1995	117,223.58	217,616.55	334,840.13

Foreign Missions

	Designated	Co-op	Total
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
1995	1,219,696.08	33,367.82	1,253,063.90

Free Will Baptist Bible College

	Designated	Co-op	Total
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
1995	157,993.66	33,367.82	191,361.48

Home Missions

	Designated	Co-op	Total
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
1995	539,687.11	26,114.04	565,801.15

Retirement & Insurance

	Designated	Co-op	Total
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
1995	10,066.31	20,310.94	30,377.25

Master's Men

	Designated	Co-op	Total
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
1995	22,607.06	20,310.94	42,918.00

Free Will Baptist Foundation

	Designated	Co-op	Total
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**
1995	9,927.89	8,704.77	18,632.66**

* 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 represents Endowment gifts made through the Together Way of \$3,450 in 1994 and \$3,700 in 1995 that do not benefit the Foundation.

Historical Commission

	Designated	Co-op	Total
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	966.21	491.97	1,458.18
1995	1,161.46	725.41	1,886.87

Commission for Theological Integrity

	Designated	Co-op	Total
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
1995	1,296.68	725.41	2,022.09

Radio & TV Commission

	Designated	Co-op	Total
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
1995	1,113.75	725.41	1,839.16

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
1995	978.22	725.41	1,703.63

The Double in A Decade Campaign began January 1, 1991, with the two-fold goal of planting 250 new churches and doubling denominational membership by the year 2000. Statistical data for 1995 indicates 8,089 baptisms; 12,701 members added; 6,232 members lost, with a net membership gain of 6,469.

1988-1995

	1988	1989	1990	1991	1992	1993	1994	1995	Total
Membership	204,382	210,364	215,579	221,533	227,224	232,124	238,359	243,244	
Baptisms	7,910	8,678	7,946	8,703	9,283	8,828	7,804	8,089	67,241
Members Added	12,436	12,726	12,537	12,931	12,123	12,246	12,393	12,701	100,093
Members Lost	6,454	7,511	6,583	7,240	7,223	6,011	7,508	6,232	54,762
Net Increase	5,982	5,215	5,954	5,691	4,900	6,235	4,885	6,469	45,331
Total Membership	210,364	215,579	221,533	227,224	232,124	238,359	243,244	249,713	

The annual Free Will Baptist Leadership Conference met December 4-6, 1995, in Nashville, Tennessee. The unique format provided an opportunity for conference attendees to *Discuss Philosophical Differences*. The conference registration totaled 455. Following the discussion, a committee was appointed. The committee's specific assignment was set forth in the following motion passed at the Leadership Conference: Motion made, seconded and carried that we accept the spirit of this meeting and the principles of the document from North Carolina. We direct the committee to word a statement that reflects our consensus of opinion in these areas. We further direct the committee to include steps to prevent drift as a denomination.

The two resolutions from the Virginia State Association of Free Will Baptists were referred to the Executive Committee for consideration. The committee met January 22-24, 1996, and drafted its report (see below). The report was printed in *Contact* and mailed to conference attendees and Free Will Baptist pastors. The 1996 Free Will Baptist Leadership Conference will meet December 2-3, 1996, at the Regal Maxwell House Hotel. We encourage each state leader to attend.

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

Leadership Conference Committee Report

The Leadership Conference devoted its time in December to discussion of the resolutions presented to the National Association of Free Will Baptists by the North Carolina State Association of Free Will Baptists and the Virginia State Association of Free Will Baptists in July 1995. At the end of that conference, this committee was formed and charged to write a report and to prepare a statement affirming the spirit of the meeting and the principles of the North Carolina resolution, reflecting the consensus of opinion in those areas that seemed to be expressed in the meeting, and offering suggestions about ways to prevent drift in the denomination. The Virginia resolutions were referred to the Executive Committee of the National Association for action.

We may say, in summary, that the spirit of free and helpful discussion which characterized the conference in December also characterized the committee meeting on January 22-24, 1996. We believe, through both meetings, that an important measure of understanding was achieved, even when differences remain. We also found that many of our people have concerns about the same kinds of things that the North Carolina resolution expressed concern about, at least to some significant degree. There was a strong expression of appreciation, especially during the meetings of this committee, for the things all Free Will Baptists have in common, especially for the great doctrines of the faith that provide for us a fundamental unity.

The work of our committee, as directed, has been to prepare a statement, which will follow. We recommend that this statement be dealt with, at the National Convention in July 1996, as a proposed amendment by substitution for the resolution from North Carolina. That way, if the body votes to substitute it for that original resolution, this statement will become the item of business to be acted on, even though we have not presented it in the form of a resolution. We present it as a statement to express the denomination's common concerns and commitment.

Statement

There are problems for all branches of the body of Christ, including the Free Will Baptist people in particular. Some of those problems are no different from those the church has always faced; some of them take on new dimensions or seriousness in our day. No doubt we should expect this, given that the Bible warns us that perilous times shall come, that evil men and seducers shall wax worse and worse, deceiving, and being deceived (II Tim. 3:1, 13).

The society around us becomes ever more secular and relativistic, and we hardly escape being affected. The pervasive materialism of our times, both as a view of what is real and as a view of what is worthwhile to live for, affects believers too. Our young people especially, although not exclusively, tend to be more and more negatively affected by the spirit of the age, by the mind-set of our society about values and standards.

The Biblical worldview that used to be more or less taken for granted in our country no longer prevails. Even faithful Christians are desensitized to sin, often without realizing it. Many churches are in decline. Our denomination does not experience widespread growth. In far too many places

there is scant evidence of spiritual fervor or of evangelistic zeal. In many quarters there is perception of a drift away from the fundamental elements that keep the church alive and well and true to its heritage, and it is difficult to argue the falsity of that perception.

Likewise, from almost every quarter there is a sense of need for revival and some uneasiness about the future of our movement if that revival does not come. While we cannot bring revival by any prescribed formula, we can speak to concerns and call for commitment in regard to them. And then we can pray for revival and trust the God whose work it is to bring that in His own time and purpose.

1. We call for commitment to holiness (I Pet. 1:15, 16; Eph. 5:11). In the Bible, holiness is often a synonym of sanctification. This, in turn, is the progressive work of the Holy Spirit to separate believers to God and to separate them from sin. It is His internal work, applying the Word of God, that is inevitably manifested in the Christian's attitudes and behavior.

As noted above, the mind-set of our age is affecting our thinking. We do not have among us the same degree of sensitivity toward sin that we once had, and therefore we do not always have the same level of devotion to values like modesty and purity. Moral relativism has powerfully influenced us; our children often do not have any basis for distinguishing right and wrong.

We believe that, among other offenders against Biblical holiness, the modern entertainment industry is especially effective and destructive. The spirit of antichrist dominates the movies, television, the theater, art and popular literature. Christians must beware!

Some of those who survey Christian opinion tell us that there is little difference between the beliefs of Christian youth and those of unbelievers about sexual activity. We are convinced that there is special need, in our day, for renewed emphasis on sexual purity. The authority of God lies behind the restriction of sexual intimacy to heterosexual marriage. Christians need to promote the kinds of attitude, dress and conduct that help each other obey God's standard and maintain His creative distinction between the sexes (Heb. 13:4).

We also believe that the use of illegal drugs and alcoholic beverages is a curse on society that will not be sanctioned by the Christian. Even the use of tobacco, although legal, is increasingly understood to be both detrimental to one's physical health and to pose the danger of addiction. We would reemphasize the historic and Biblical stand of Free Will Baptists for total abstinence from the use, as well as sanction of the sale, of intoxicating beverages. Our covenant statement remains trustworthy in this regard and applies in principle to other forms of voluntary self-enslavement (I Cor. 6:12; II Cor. 7:1).

Free Will Baptists have generally been known as a conservative people—conservative in theology and lifestyle. We believe that holiness requires us to continue to be conservative of Biblical values in private and public life, values like the traditional family and the right to life.

2. We call for commitment to ecclesiastical separation from false doctrine and its teachers. Within our generation, many churchmen appear to have ignored the fact that some whom they recognize or cooperate with, as though they were

Christians, deny doctrines essential to the Christian faith and therefore show themselves to be proponents of a false religion. It seems clear that this tendency is one of the deplorable effects of the new evangelicalism.

We believe that the Bible clearly forbids Christians from such recognition or fellowship on religious grounds. This is most certainly one form of being "unequally yoked together with unbelievers," forbidden in II Corinthians 6:14. We believe that II John 10,11, in principle, applies.

There are movements which tend to promote disobedience to this Biblical principle. Among these may be a pragmatic desire to reach a broader audience, the ecumenical movement, or the charismatic acceptance of all who claim to have received the gift of tongues.

In the midst of compromise we must be wise about such trends and faithful in guarding the Biblical principle that is at stake here.

3. We call for a commitment to sound, Biblical preaching (II Tim. 4:1-5; I Cor. 1:18-25). There have always been, from time to time in some circles, ill-advised efforts to build the church on something other than the forthright proclamation of the Word of God. Indeed, there are some voices abroad in our day that appear to play down the importance of the preaching of the Word.

We believe that the preaching that is needed, and that should be at the heart of the local church, especially, is exposition of the Word of God by the pastor-teacher (Eph. 4:11) in the power of the Spirit—regardless what variety of sermon structure he may use. The church's traditional theologians have always insisted that the proclamation of the Word of God is one of the marks of the true church.

We believe that the preacher, insofar as it is the Word of God which he preaches, and interprets and applies correctly, does so with the authority of God Himself.

We believe that the Word of God should be preached for evangelism and for edification. Thus we believe that it is by the preaching and teaching of the Word of God that people are spiritually begotten (I Pet. 1:23), nourished (I Tim. 4:6), guided (Ps. 119:105) and sanctified (Jn. 17:17).

4. We call for commitment to church music that has artistic craftsmanship, lyrical value and sound theology. We believe that music plays an important role in the life of the church, both for the glorification of God and for the teaching of believers—as indicated in Eph. 5:18-20 and Col. 3:16. Good church music is both worshipful and instructive.

Music is both an art form and a means of ministry. We recognize that esthetic tastes differ, and that there is room for some variety in the styles of Christian music preferred. At the same time, we are confident that the musical composition, even apart from the lyrics, has meaning and value that may indicate whether a given composition or style is an appropriate medium for spiritual truth. Any artistic medium that attracts attention to itself, away from the message linked to it, is defective art.

Among other implications of these principles is the fact that we need to consider carefully

whether the associations of a given musical style are such that it will not provide an appropriate medium for the message. If for no other reason than this, therefore, we believe that rock music is one clear example of a musical medium that is not appropriate for spiritual truth. No doubt there are others.

We urge the training of ministers of music in Bible and theology, and we believe that the pastor should play an active role in general oversight and evaluation of the musical ministry of the local church.

5. We call for commitment to the revitalization of Sunday schools as a key part of the life of our churches, both for evangelism and for edification.

We appreciate the concerted efforts that the Sunday School Department has made toward developing what is an excellent program of literature for use in Sunday schools. We appreciate especially the fact that it is deliberately based on thorough coverage of the Bible.

But we remember days when the building of Sunday schools was deliberately and effectively promoted as one of the most basic methods of reaching new people and growing the church. And we are saddened to learn that, in many circles—including many Free Will Baptist churches, Sunday schools are in decline, thus testifying to the fact that the Sunday school is neglected in this manner.

We believe there can be a renewal of focus on the building of Sunday schools as an effective means of promoting the growth of the church. We urge our pastors and church workers in general, and our Sunday School Department in particular, to give deliberate and concerted efforts to provide personnel who will motivate and educate us toward this end.

6. We call for a commitment to missions, both at home and abroad, that has evangelism and church planting as its strategic goal.

We believe that the Lord's commission to the church is to evangelize and to disciple converts in the teachings of the Lord Jesus (Matt. 28:19, 20). We believe that this typically calls for the planting of local churches that continue the accomplishment of the mission.

At the same time, we believe that Free Will Baptists have not yet reached their full potential in carrying out the missionary endeavor. Both in the United States and in the countries of the world there is need for the taking of the gospel and the planting of churches. We need to mobilize our denomination for this task, a mobilization that includes provision for training, sending and supporting those who go.

We believe that those who are sent should have a clearly defined strategy for accomplishing this basic objective. Even those who go in roles that provide support for the church planter, or who look to longer-term goals, should have a clear understanding of the strategy involved.

We also believe that those who plant churches for Free Will Baptists should make every effort, and have it as part of their strategy, to plant churches that will be Free Will Baptist in name and practice, as defined in our *Treatise of Faith and Practices*, and that will appreciate and maintain their ties with Free Will Baptists everywhere.

7. We call for a commitment to servant leadership that will uphold the principles set forth in this document. Leaders set the tone for the movement, whether local pastors and church workers or those serving the organization at the district, state or national level. We, therefore, urge those who are chosen to lead to commit themselves to these principles, and we urge all those who help choose leaders to consider these principles in making those choices.

Since our document speaks especially to the needs of the national body, this should be specifically applied to the selection of officers, speakers, board members and the employees of the several agencies. We will always need leaders who demonstrate the high qualities of leadership ability, integrity, spiritual maturity, wisdom, purity of motive and life, discernment, statesmanship, a servant spirit and a concern to minister to all Free Will Baptists.

No policy can control the free elections of a deliberative body such as the National Association of Free Will Baptists, nor should it. To repeat then, we urge care in the selection of leaders. Only as we have sound leadership can we expect to have a vital and progressive organization.

Ways to Prevent Spiritual Decline

In conclusion, as we consider ways to prevent spiritual decline, we are first impressed with the fact that keeping the commitments called for in this document will be primary in this regard. These are the principles, and the implementing of these principles should make a significant contribution toward keeping us true to the Bible and the values that have made us what we are.

Beyond that, we would also suggest the following more specific things.

1. We must promote evangelism. One of the points effectively made at the Leadership Conference was that a continuing burden for the lost and active efforts toward winning them will contribute greatly toward maintaining spiritual zeal and purity.

2. We must promote, at all levels of our church life, positive preaching and teaching of the Bible. This should include preaching about godliness and holiness on the one hand, and about sin and Hell on the other. Hearing the full counsel of God on such subjects can help resensitize us toward sin and kindle within us a love for holiness.

3. We must make it a special concern, throughout our churches, to teach a basic Biblical worldview and morality. Our minds, including the thinking of each new generation, must be conditioned by the Word of God or else God's way will be foreign to us.

4. Life at the National Association level, and at other levels too, ought to reflect the concerns and commitments expressed in principle in this document. While the true life of the denomination is found in the local churches, what transpires at a denominational meeting ought to exemplify what is

desirable and good. Thus care should be exercised that the selection of music and speakers, for example, provide examples of the kind that have been defined above. As has been noted, people in leadership roles should be chosen because they personify a high quality of leadership. Missions agencies should foster concern about these principles in the appointment and supervision of missionaries. Educational endeavors should model sound, Biblical teaching and goals.

5. We must promote prayer. People of energetic prayer are much less likely to drift spiritually. We believe that prayer is too often neglected, and that there should be a renewal of emphasis on the importance of seeking God. We need to pray for revival, for a burden for the lost, for a heart for holiness, for discernment, for courage to stand for the right and for the unity of the Spirit.

6. We must promote getting to know one another lest we drift in different directions and lest we perceive about others what is not accurate. We need to find ways of fostering interaction that will help us to be transparent and honest with each other and to influence one another for good. We need ways to express dissent and differences, such as has been true during the 1995 Leadership Conference and this committee meeting, without being misunderstood.

Robert Picirilli (Tenn.), Chairman
Dann Patrick (N.C.)
Tom Lilly (N.C.)
Keith Burden (Okla.)
James Forlines (Ark.)
Milton Worthington (Mich.)
Daryl Ellis (Ill.)
Ralph Hampton (Tenn.), Advisor
Melvin Worthington (Tenn.), Advisor

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

Financial Statements
December 31, 1995 and 1994
(With Independent Auditors' Report Thereon)

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

Table of Contents

	<u>Page Number</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Functional Costs and Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 8



Hill, Harper & Associates, P.C.
Certified Public Accountants

Terry A. Hill
Ernest R. Harper

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 303
Brentwood, TN 37027
TEL: 615/377-3485

We have audited the statements of financial position of the Executive Office of the National Association of Free Will Baptists, Inc. as of December 31, 1995 and 1994 and the related statements of activities, functional costs and expenses, and changes in net assets 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.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Executive Office of the National Association of Free Will Baptists, Inc. as of December 31, 1995 and 1994, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

As discussed in note 1 to the financial statements, in 1995 the Executive Office changed its method of accounting for contributions and its method of financial reporting and financial statement presentation.

May 8, 1996

Hill, Harper & Associates, P.C.

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

Statements of Financial Position
December 31, 1995 and 1994

<u>Assets</u>	<u>1995</u>	<u>1994</u>
Current assets:		
Cash and cash equivalents	\$ 177,787	135,675
Funds held by Free Will Baptist Foundation	4,000	400
Receivables:		
Hymnal sales	22,749	-
Master's Men	3,634	3,634
Other	847	4,541
Total receivables	27,230	8,175
Allowance for Master's Men accounts	3,634	-
Net receivables	23,596	8,175
Inventory, at lower of cost (first-in, first-out method) or market	271,026	101,000
Prepaid expenses	27,350	30,749
Total current assets	503,759	275,999
Office equipment and furniture	101,859	80,324
Less accumulated depreciation	59,541	50,766
	42,318	29,558
	<u>\$ 546,077</u>	<u>305,557</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 43,995	1,865
Notes payable	140,000	-
Deferred subscription revenues	17,648	15,577
Total current liabilities	201,643	17,442
Net assets:		
Executive office	149,933	150,521
Net investment in equipment	42,318	29,558
Contact magazine	(15,877)	(24,070)
Special projects	119,239	117,249
Convention fund	48,821	14,857
Total net assets	344,434	288,115
	<u>\$ 546,077</u>	<u>305,557</u>

See accompanying notes to financial statements.

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

Statements of Activities and Changes in Net Assets

For the years ended December 31, 1995 and 1994

<u>Revenues:</u>	<u>1995</u>	<u>1994</u>
The Together Way plan receipts	\$ 2,491,010	2,385,007
Disbursed to departments and agencies	(2,156,170)	(2,058,586)
Executive Office Together Way plan receipts	334,840	326,421
Subscriptions to Contact Magazine	61,629	61,685
Sales of hymnals	67,767	39,642
Gifts and offerings	15,162	9,564
Interest income	4,733	2,524
Convention fees	129,967	70,800
Leadership Conference	22,290	12,200
Other income	4,268	8,948
Total revenues	640,656	531,784
Cost of sales and expenses:		
Cost of hymnal sales	53,995	33,221
Expenses of operations:		
Executive office	349,414	324,985
Contact magazine	62,288	58,734
Special projects	20,413	9,656
Convention fund	98,227	81,299
Total expenses of operations	530,342	474,674
Total costs and expenses	584,337	507,895
Increase in net assets	56,319	23,889
Net assets, beginning of year	288,115	264,226
Net assets, end of year	<u>\$ 344,434</u>	<u>288,115</u>

See accompanying notes to financial statements.

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

**Statements of Functional Costs and Expenses
For the years ended December 31, 1995 and 1994**

	Executive Office	Contact Magazine	Special Projects	Convention Fund	1995 Totals	1994 Totals
Cost of hymnal sales:						
Beginning inventory	\$ -	-	101,000	-	101,000	33,221
Costs of production	-	-	224,021	-	224,021	101,000
Total cost of inventory	-	-	325,021	-	325,021	134,221
Less ending inventory	-	-	271,026	-	271,026	101,000
Cost of hymnal sales	-	-	53,995	-	53,995	33,221
Expenses of operations:						
Salaries	123,138	-	2,548	1,843	127,529	132,763
Housing allowance	34,650	-	-	-	34,650	33,000
Employee fringe benefits	32,994	-	-	-	32,994	24,733
Payroll taxes	18,300	-	250	141	18,691	5,841
Travel	19,197	876	-	17,298	37,371	39,738
Executive committee	7,307	-	-	-	7,307	5,946
Occupancy costs	32,084	-	-	-	32,084	41,052
Depreciation	8,774	-	-	-	8,774	7,144
Legal and audit	3,122	932	932	1,554	6,540	4,846
Insurance - general	4,727	-	-	466	5,193	2,841
Equipment maintenance and	1,425	-	-	-	1,425	1,835
Supplies, office expense	12,839	1,053	351	12,320	26,563	23,644
Printing and promotion	5,770	39,462	-	23,977	69,209	60,241
Postage / mail services	1,419	15,137	30	617	17,203	16,842
Dues, subscriptions, books	1,447	732	-	695	2,874	3,460
Telephone	2,199	84	6	813	3,102	3,022
Writer's fees	-	3,461	-	-	3,461	3,808
Interest expense	-	-	2,023	-	2,023	-
Auditorium	-	-	-	29,632	29,632	28,298
Meal functions	-	-	-	2,760	2,760	2,025
Music	-	-	-	790	790	-
Leadership conference	21,426	-	-	-	21,426	12,618
International fellowship	247	-	1,887	-	2,134	-
Addiction recovery committee	-	-	2,523	-	2,523	-
Ministerial family life	-	-	842	-	842	-
Ministry to ethnic groups	-	-	1,352	-	1,352	-
Doctrinal survey	-	-	2,336	-	2,336	-
The Together Way Plan	693	-	-	-	693	792
Auto and copier leases	12,502	-	-	-	12,502	11,508
Other	2,756	551	5,333	4,085	12,725	8,677
Provision for Master's Men accounts	2,398	-	-	1,236	3,634	-
Total expenses	349,414	62,288	20,413	98,227	530,342	474,674
Total costs and expenses \$	349,414	62,288	74,408	98,227	584,337	507,895

See accompanying notes to financial statements.

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

**Statements of Cash Flows
For the years ended December 31, 1995 and 1994**

	1995	1994
Cash Flows from Operating Activities		
Increase in net assets	\$ 56,319	23,889
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	8,774	7,144
Provision for Master's Men accounts	3,634	-
(Increase) decrease in:		
Receivables	(19,055)	6,747
Inventories	(170,026)	(67,779)
Prepaid expenses	3,399	6,447
Increase (decrease) in:		
Accounts payable and accrued expenses	42,130	(487)
Deferred subscription revenue	2,071	5,186
Net operating activities	(72,754)	(18,853)
Cash Flows from Investing Activities		
Collections from Building Services Fund	-	14,249
Funds held by Free Will Baptist Foundation	(3,600)	(400)
Purchase of equipment	(21,534)	(3,134)
Net investing activities	(25,134)	10,715
Cash Flows from Financing Activities		
Proceeds from notes payable	140,000	-
Net increase (decrease) in cash	42,112	(8,138)
Cash and cash equivalents at beginning of year	135,675	143,813
Cash and cash equivalents at end of year	\$ 177,787	135,675
Supplemental disclosures:		
Interest paid	\$ 2,023	-

See accompanying notes to financial statements.

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

Notes to Financial Statements

December 31, 1995 and 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

Basis of Presentation

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

Effective December 31, 1995, the Executive Office adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Executive Office is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Executive Office is required to present a statement of cash flows. As permitted by this new statement, the Executive Office has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the classes of net assets. This reclassification had no effect on total net assets as reported December 31, 1994. Further, the Executive Office adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," as is required. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

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 an original maturity of three months or less to be cash and cash equivalents.

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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain 1994 amounts have been reclassified to conform to the 1995 presentation. These reclassifications had no impact on total net assets as reported.

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

Notes to Financial Statements, continued

(2) 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, 1995 as compared to 1994 totals.

	Designated	Cooperative	1995 Total	1994 Total
Receipts:				
Alabama	\$ 79,067	-	79,067	98,263
Arizona	4,201	175	4,376	4,454
Arkansas	213,918	131,730	345,648	344,788
California	50	8,732	8,782	7,987
Florida	985	29,932	30,917	26,853
Georgia	150,437	33,479	183,916	146,504
Illinois	111,789	26,716	138,505	127,276
Indiana	7,900	1,788	9,688	8,032
Kentucky	3,875	4,664	8,539	10,716
Maryland	-	4,307	4,307	6,548
Michigan	162,138	38,963	201,101	197,983
Mississippi	2,081	4,145	6,226	9,119
Missouri	140,918	78	140,996	139,286
New Mexico	4,801	354	5,155	6,347
North Carolina	14,054	9,617	23,671	26,212
Ohio	78,322	41,510	119,832	81,862
Oklahoma	626,645	212	626,857	584,314
South Carolina	281,608	1,387	282,995	242,654
Tennessee	81,394	16,683	98,077	123,493
Texas	90,297	4,885	95,182	114,971
Virginia	12,298	2,063	14,361	18,360
West Virginia	60,882	1,017	61,899	54,077
Contributions totaling \$1,000 or less	655	258	913	4,908
Total receipts	\$ 2,128,315	362,695	2,491,010	2,385,007
Disbursements:				
Executive Office	\$ 117,224	217,616	334,840	326,421
Foreign Missions	1,219,696	33,368	1,253,064	1,202,290
Free Will Baptist Bible College	157,994	33,368	191,362	141,891
Home Missions	539,687	26,116	565,803	460,088
Retirement & Insurance	10,066	20,311	30,377	23,352
Master's Men	22,607	20,311	42,918	34,702
Commission for Theological Integrity	1,297	725	2,022	1,633
Foundation	9,928	8,705	18,633	15,384
Historical Commission	1,161	725	1,886	1,458
Music Commission	978	725	1,703	1,391
Radio & Television Commission	1,114	725	1,839	1,531
Hillsdale Free Will Baptist College	15,466	-	15,466	23,895
Other, including the Capital				
Stewardship Campaign	31,097	-	31,097	150,971
Total disbursements	\$ 2,128,315	362,695	2,491,010	2,385,007

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

Notes to Financial Statements, continued

(3) Operating Leases

The Executive Office has entered into non-cancellable lease arrangements relating to a copy machine and two automobiles. Total expenses amounted to \$12,502 for 1995 and \$11,508 for 1994. The following schedules the required payments under these lease arrangements.

1996	14,040
1997	12,114
1998	9,661
1999	3,864
2000	2,898

(4) Inventory of Hymnals

The Executive Office has an agreement with Sunday School and Church Training and Randall House Publications ("Randall House"), whereby Randall House warehouses and distributes Free Will Baptist and "generic" hymnals. Further, Randall House invoices the customer, collects funds and remits to the Executive Office \$6.32 for each Free Will Baptist Hymnal sold. A third party distributor sales the "generic" hymnal and remits to the Executive Office \$5.00 for each "generic" hymnal sold.

Randall House, as of December 31, 1995, warehoused hymnals valued at a cost of \$158,000. Further, the printer is warehousing inventory in process valued at a cost of approximately \$113,000.

The leather hymnals remaining from the first printing (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.

(5) 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 \$5,370 in 1995 and \$5,114 in 1994. 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) Notes Payable

11.25% demand note payable to The Board of Retirement and Insurance of the National Association of Free Will Baptists in the amount \$140,000 for the purpose of production of the hymnals as discussed in note 4. The debt is secured by the inventory of hymnals and general income and assets of the Executive Office.

(7) 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 1995, \$2,192 was charged against operations leaving a resultant balance of \$1,095 which is included on the balance sheet in prepaid expenses.

**1997
Executive Office Budget**

	1995	1996	1997
Administrative	\$335,215.48	\$350,000.00	\$366,000.00
Convention	96,345.40*	110,000.00**	115,050.00***
Contact	83,300.00	84,696.00	84,000.00
Totals	\$514,860.88	\$544,696.00	\$565,050.00
	*1994	**1995	***1996

**1997
Administrative Budget**

	1995	1996	1997
Projected Expenses	\$131,969.10	\$138,285.03	\$147,081.73
Salaries	34,650.00	35,000.00	35,000.00
Housing	18,975.35	19,734.46	20,666.52
Social Security	6,449.11	6,758.88	7,099.24
Retirement	30,000.65	30,338.68	30,338.68
Employees Insurance (Dental, Hospital, Life, Travel)	29,892.00	29,892.00	29,892.00
Office Rental (\$1.00 per sq. ft. x 2,491)	6,000.00	6,000.00	6,000.00
Office Supplies/Expense	4,000.00	5,000.00	7,000.00
Computer Supplies	3,000.00	3,000.00	3,000.00
Equipment Maintenance	3,500.00	3,500.00	3,500.00
Telephone	3,000.00	3,000.00	3,000.00
Postage	3,000.00	3,500.00	3,500.00
General Insurance	20,000.00	22,000.00	22,000.00
Travel	9,000.00	10,000.00	10,000.00
Executive Committee	4,000.00	4,000.00	4,000.00
Auditing/Legal	3,500.00	4,000.00	5,000.00
Printing	1,500.00	1,500.00	3,000.00
Promotion	2,000.00	2,000.00	2,000.00
Leadership Conference	4,500.00	4,500.00	4,500.00
Equipment Purchase/Computer	2,500.00	2,500.00	2,500.00
Subscriptions/Dues/Registrations	2,000.00	2,000.00	2,000.00
Together Way Plan/Stewardship Education	7,823.27	9,000.00	9,000.00
Automobile Lease (2 Cars)	3,456.00	3,456.00	4,000.00
Copier Lease	500.00	500.00	500.00
Double In A Decade	.00	.00	600.00
International Fellowship of Free Will Baptist Churches	.00	534.95	821.83
Other	.00		
Total	\$335,215.48	\$350,000.00	\$366,000.00
Projected Income			
The Together Way Plan	\$224,183.48	\$215,000.00	\$226,000.00
Cooperative Gifts	111,032.00	135,000.00	140,000.00
Designated Gifts	\$335,215.48	\$350,000.00	\$366,000.00
Total			

Salary Breakdown

	1995	1996	1997
Executive Secretary			
Salary	\$26,361.52 (5%)	\$28,071.98 (4%)	\$29,954.86 (4%)
Housing and Utilities	18,900.00 (5%)	19,000.00 (4%)	19,000.00 (4%)
Social Security	6,925.01 (15.30%)	7,202.01 (15.30%)	7,490.09 (15.30%)
Retirement	1,318.08 (5%)	1,403.60 (5%)	1,497.74 (5%)
Insurance	3,998.01	4,305.25	4,305.25
Travel/Life/Disability	\$ 754.56	\$ 754.56	\$ 754.56
Hospital	3,012.62	3,319.86	3,319.86
Dental	230.83	230.83	230.83
NOTE: Office car furnished.			
	\$57,502.62	\$59,982.84	\$62,247.94
Administrative Assistant/Contact Editor			
Salary	\$20,413.21 (5%)	\$21,609.74 (4%)	\$23,114.13 (4%)
Housing and Utilities	15,750.00 (5%)	16,000.00 (4%)	16,000.00 (4%)
Social Security	5,532.97 (15.30%)	5,754.29 (15.30%)	5,984.48 (15.30%)
Retirement	1,020.66 (5%)	1,080.49 (5%)	1,155.71 (5%)
Insurance	6,816.00	6,816.00	6,818.00
Travel/Life/Disability	\$ 609.60	\$ 609.60	\$ 609.60
Hospital	5,724.58	5,724.58	5,724.58
Dental	481.82	481.82	481.82
NOTE: Office car furnished.			
	\$49,532.84	\$51,260.52	\$53,070.30
Bookkeeper			
Salary	\$22,501.58 (5%)	\$23,401.64 (4%)	\$24,337.71 (4%)
Social Security	1,721.37 (7.65%)	1,790.23 (7.65%)	1,861.83 (7.65%)
Retirement	1,125.08 (5%)	1,170.08 (5%)	1,216.89 (5%)
Insurance	6,527.16	6,538.75	6,538.75
Life/Disability	\$ 320.76	\$ 332.35	\$ 332.35
Hospital	5,724.58	5,724.58	5,724.58
Dental	481.82	481.82	481.82
	\$31,875.19	\$32,900.70	\$33,955.18
Editorial Assistant/Secretary			
Salary	\$21,998.48 (5%)	\$22,878.42 (4%)	\$23,793.56 (4%)
Social Security	1,682.88 (7.65%)	1,750.20 (7.65%)	1,820.21 (7.65%)
Retirement	1,099.92 (5%)	1,143.92 (5%)	1,189.68 (5%)
Insurance	3,551.85	3,563.23	3,563.23
Life/Disability	\$ 308.40	\$ 319.78	\$ 319.78
Hospital	3,012.62	3,012.62	3,012.62
Dental	230.83	230.83	230.83
	\$28,333.13	\$29,335.77	\$30,366.68
Yearbook Coordinator/Secretary			
Salary	\$21,586.89 (5%)	\$22,450.37 (4%)	\$23,348.38 (4%)
Social Security	1,651.40 (7.65%)	1,717.45 (7.65%)	1,786.15 (7.65%)
Retirement	1,079.34 (5%)	1,122.52 (5%)	1,167.42 (5%)
Insurance	3,559.05	3,560.71	3,560.71
Life/Disability	\$ 315.60	\$ 317.26	\$ 317.26
Hospital	3,012.62	3,012.62	3,012.62
Dental	230.83	230.83	230.83
	\$27,876.68	\$28,851.05	\$29,862.66

	1995	1996	1997
Contact Circulation Manager/Receptionist			
Salary	\$16,120.54 (5%)	\$16,765.36 (4%)	\$17,435.97 (4%)
Social Security	1,233.22 (7.65%)	1,282.55 (7.65%)	1,333.85 (7.65%)
Retirement	806.03 (5%)	838.27 (5%)	871.80 (5%)
Insurance	5,548.58	5,554.74	5,554.74
Life/Disability	\$ 238.44	\$ 244.60	\$ 244.60
Hospital	4,826.88	4,826.88	4,826.88
Dental	483.26	483.26	483.26
	\$23,708.37	\$24,440.92	\$25,196.36
Part-time Help			
Salary (82 days)	\$2,986.88 (\$7.18 hr.)	\$3,107.52 (\$7.47 hr.)	\$5,097.12 (\$7.77 hr.)
Social Security	228.50 (7.65%)	237.73 (7.65%)	389.93 (7.65%)
	\$3,215.38	\$3,345.25	\$5,487.05

Convention Budget National Association of Free Will Baptists, Inc. July 21-25, 1996 Fort Worth, Texas

Projected Expenditures	1994 Little Rock	1995 Charlotte	1996 Fort Worth
Auditorium	\$34,374.00	\$ 35,825.00	\$ 34,500.00
Printing and Promotion	22,538.00	25,273.00	27,945.00
Convention Office	7,450.00	10,750.00	13,895.00
Convention Personnel	9,605.00	11,345.88	12,493.80
Meals	2,313.00	2,295.00	2,052.00
Travel	2,408.00	3,334.00	4,004.00
Lodging	4,884.00	5,716.88	6,437.80
Convention Officials	6,063.40	8,443.84	9,124.20
Honorariums	1,000.00	1,750.00	750.00
Decorator Services	4,930.00	5,590.00	5,958.00
Meal Functions	1,885.00	2,399.83	2,109.68
Executive Committee (Meal and Motel Expenses)	1,500.00	1,500.00	1,800.00
Pre-Convention Expenses	7,000.00	7,122.45	6,474.32
Total	\$96,345.40	\$110,000.00	\$115,050.00
Projected Receipts			
Booth Fees	\$14,850.00	\$ 12,500.00	\$12,950.00
State Assoc. Representation Fees (\$25 per Church)	25,130.00	62,400.00	62,275.00
Local Church Delegate Fees (\$25 per Delegate)	1,500.00	2,500.00	2,500.00
Host State (Texas)	20,000.00	20,000.00	12,000.00
Offerings	34,865.40	12,600.00	23,325.00
Total	\$96,345.40	\$110,000.00	\$115,050.00

Convention Budget
National Association of Free Will Baptists, Inc.
July 21-25, 1996
Fort Worth, Texas

Projected Receipts	1994	1995	1996
Booth Fees	\$14,850.00	\$ 12,500.00	\$ 12,950.00
State Assoc. Representation Fees (\$25 per Church)	25,130.00	62,400.00	62,275.00
Local Church Delegate Fees (\$25 per Delegate)	1,500.00	2,500.00	2,500.00
Host State (Texas)	20,000.00	20,000.00	12,000.00
Offerings	34,865.40	12,600.00	25,325.00
Total	\$96,345.40	\$110,000.00	\$115,050.00
Projected Expenditures			
Auditorium			
Rental, Set-up, Tear Down, Meeting Rooms	\$19,780.00	\$22,500.00	\$12,000.00
Convention Banner	300.00	300.00	300.00
Flowers	125.00	125.00	150.00
Police Security	1,120.00	2,150.00	6,000.00
Convention Tapes	200.00	200.00	200.00
Other	12,849.00	10,550.00	15,850.00
Music Stand Rental (Decorator)	.00	500.00	500.00
Sound System/AV Equipment	10,000.00	7,000.00	12,000.00
Usher Badges	200.00	200.00	200.00
Liability, ASCAP, BMI, Insurance	800.00	800.00	800.00
First Aid Staff	1,024.00	1,200.00	1,500.00
Courtesy Car	150.00	150.00	150.00
Offering Buckets	175.00	200.00	300.00
Signs	500.00	500.00	400.00
Total	\$34,374.00	\$35,825.00	\$34,500.00
Printing and Promotion			
Publicity and Art Work	\$10,000.00	\$11,000.00	\$12,000.00
Photos	500.00	500.00	500.00
Convention Materials	9,538.00	10,773.00	12,445.00
Programs	3,070.00	3,230.00	3,345.00
Song Sheets	1,115.00	1,149.00	1,224.00
Digest of Reports	5,353.00	6,394.00	7,876.00
Pre-Convention Printing	2,500.00	3,000.00	3,000.00
(Sunday Convention News pre-printed, copier reimb.)			
Total	\$22,538.00	\$25,273.00	\$27,945.00
Convention Office			
Registration/Pre-Reg. (Supplies, Salaries, Postage)	\$1,000.00	\$3,000.00	\$4,500.00
Registration Computers/Printers	1,000.00	2,000.00	1,000.00
Paper and Printing Supplies	500.00	700.00	2,000.00
Equipment Rentals	1,800.00	2,350.00	2,845.00
Copiers (2)	1,200.00	1,200.00	2,240.00
Typewriters (3)	90.00	150.00	105.00
Typewriters (10)	.00	500.00	350.00
Other	250.00	250.00	.00
Typing Stands/Chairs (Office)	260.00	250.00	150.00
Telephone	1,000.00	700.00	800.00
During Convention (Office)	600.00	300.00	400.00
Pre/Post Convention	400.00	400.00	400.00
Postage	800.00	800.00	800.00

	1994	1995	1996
Musical Instruments Rental and Service	1,350.00	1,200.00	1,950.00
Piano/tuning	350.00	300.00	1,050.00
Forklift	200.00	150.00	150.00
Organ Shipping	600.00	600.00	600.00
Music	200.00	150.00	150.00
Total	\$7,450.00	\$10,750.00	\$13,895.00
Convention Personnel			
Meals			
Dari 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	189.00	189.00
Marilyn Pritchard (30 Meals @ \$9.00 Each)	270.00	270.00	270.00
Nancy Smith (21 Meals @ \$9.00 Each)	189.00	189.00	189.00
Security Officer (27 Meals @ \$9.00 Each)	243.00	243.00	.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	\$2,313.00	\$2,295.00	\$2,052.00
Travel			
Dari Goodfellow	\$ 196.00	\$ 240.00	\$ 434.00
Melody Hood	196.00	240.00	227.00
Marilyn Pritchard	196.00	240.00	227.00
Nancy Smith	196.00	240.00	434.00
Steve Pate (Trans. Coord., Rental)	1,000.00	1,500.00	1,800.00
Motel/Meals on road (12 meals @ \$9.00 ea.)	36.00	154.00	228.00
Jack Williams	196.00	240.00	200.00
Anne Worthington	196.00	240.00	227.00
Melvin Worthington	196.00	240.00	227.00
Total	\$2,408.00	\$3,334.00	\$4,004.00
Lodging			
Dari Goodfellow (7 nights @ \$113.35)	\$ 585.20	\$ 739.76	\$ 793.45
Melody Hood (9 nights @ \$107.35)	752.40	796.32	966.15
Steve Pate (9 nights @ \$73.45)	545.60	528.64	661.05
Marilyn Pritchard (9 nights @ \$107.35)	752.40	796.32	966.15
Nancy Smith (6 nights @ \$73.45)	409.20	530.88	440.70
Jack Williams (11 nights @ \$118.65)	919.60	1,162.48	1,305.15
Melvin Worthington (11 nights @ \$118.65)	919.60	1,162.48	1,305.15
Total (Includes applicable tax and parking)	\$4,884.00	\$5,716.88	\$6,437.80
Convention Officials			
Moderator- Ralph Hampton	\$1,379.00	\$1,463.08	\$1,703.10
Travel (From Nashville, TN to Fort Worth, TX, 1,400 miles @ \$.31 per mile)	196.00	240.00	434.00
Meals (21 meals @ \$9.00 each)	189.00	189.00	189.00
Lodging (6 nights @ \$113.35)	594.00	634.08	680.10
Honorarium	400.00	400.00	400.00
Clerk - Waldo Young	1,507.80	1,908.44	1,424.10
Travel (From Shawnee, OK to Fort Worth, TX, 500 miles @ \$.31 per mile)	196.00	420.00	155.00
Meals (21 meals @ \$9.00 each)	243.00	243.00	189.00
Lodging (6 nights @ \$113.35)	668.80	845.44	680.10
Honorarium	400.00	400.00	400.00

	1994	1995	1996
Assistant Moderator - Carl Cheshier	690.60	982.76	1,115.55
Meals (27 meals @ \$9.00 each)	189.00	243.00	243.00
Lodging (7 nights @ \$113.35)	501.60	739.76	872.55
Assistant Clerk - Keith Burden	335.50	717.00	839.25
Meals (24 meals @ \$9.00 each)	.00	216.00	216.00
Lodging (5 nights @ \$124.65)	335.50	501.00	623.25
Usher Coordinator - Raymond Lee	501.60	634.08	751.45
Lodging (7 nights @ \$107.35)			
Music Coordinator - Randy Sawyer	501.60	392.32	440.70
Lodging (6 nights @ \$73.45)			
Pianist - Jerry Carraway / Lodging (5 nights @ \$73.45)	.00	330.40	367.25
Organist - Carol Reid / Lodging (5 nights @ \$73.45)	.00	264.32	367.25
Registration Coordinator - George Harvey	409.20	619.36	514.15
Lodging (7 nights @ \$73.45)			
Press Officer - Thomas Marberry	402.60	601.20	440.70
Lodging (6 nights @ \$73.45)			
Photographer - Jim Vallance	335.50	530.88	367.25
Lodging (5 nights @ \$73.45)			
Tape Coordinator - Doug Kite	.00	.00	793.45
Lodging (7 nights @ \$113.35)			
Total (Includes applicable tax and parking)	<u>\$6,063.40</u>	<u>\$8,443.84</u>	<u>\$9,124.20</u>

Honorariums	Daryl Ellis \$125.00	Wendell Leckbee \$125.00	Ron Barber \$125.00
	Gary Fry 125.00	Roger Harwell 125.00	Gerald Fowler 125.00
	Kenneth Frisbee 125.00	Jim Turnbough 125.00	Tim Hall 125.00
	Dean Dobbs 125.00	Keith Burden 125.00	Trymon Messer 125.00
	Don Guthrie 125.00	William Evans 125.00	Will Harmon 125.00
	Mark Paschall 125.00	James Munsey 125.00	Bob Shockey 125.00
	Glen McGriff 250.00	Norman Geisler 1,000.00	
		(Travel, Lodging, Meals, Honorarium)	
Total	<u>\$1,000.00</u>	<u>\$1,750.00</u>	<u>\$750.00</u>

Decorator Services

Booth (60) Installation & Drape Tables	\$2,400.00	\$1,800.00	\$2,580.00
Stage	1,630.00	1,441.00	1,342.00
Skirting/Draping/Stage Set-up	865.00	718.00	220.00
Skirted Tables/Chairs	40.00	48.00	190.00
Carpet	625.00	600.00	832.00
Hanging Banner	100.00	75.00	100.00
Exhibitor Badges	250.00	275.00	275.00
Registration	650.00	2,074.00	1,761.00
Desks	.00	1,200.00	500.00
Skirted Tables	300.00	324.00	251.00
Chairs	.00	250.00	490.00
Electricity	350.00	300.00	300.00
Easels/Trash Cans	.00	.00	220.00
Total	<u>\$4,930.00</u>	<u>\$5,590.00</u>	<u>\$5,958.00</u>

Meal Functions

Executive Committee	\$635.00	\$743.68	\$ 687.58
Coffee Breaks (2)	250.00	250.00	250.00
Luncheon (22 people @ \$19.89)	385.00	493.68	437.58
General Board Breakfast (55 people @ \$12.29)	500.00	659.45	675.95
State Leaders Breakfast (55 people @ \$8.78)	500.00	684.20	482.90
State Exec. Sec./Promo. Director's Breakfast (25 people @ \$10.53)	250.00	312.50	263.25
Total	<u>\$1,885.00</u>	<u>\$2,399.83</u>	<u>\$2,109.68</u>

Executive Committee

Meal and Motel Expenses (For the Executive Committee Meeting Prior to the 1996 National Convention)

Charles Cooper	\$ 250.00	Charles Cooper	\$ 250.00	Gene Norris	\$ 300.00
Nathan Ruble	250.00	Nathan Ruble	250.00	Nathan Ruble	300.00
Thurmon Murphy	250.00	Thurmon Murphy	250.00	Thurmon Murphy	300.00
Tom Lilly	250.00	Tom Lilly	250.00	Tom Lilly	300.00
David Joslin	250.00	David Joslin	250.00	David Joslin	300.00
Jim Nason	250.00	Charles Thigpen	250.00	Charles Thigpen	300.00
Total	<u>\$1,500.00</u>		<u>\$1,500.00</u>		<u>\$1,800.00</u>
Pre-Convention Expenses	<u>\$7,000.00</u>		<u>\$7,122.45</u>		<u>\$6,474.32</u>

1997 Contact Budget

Projected Expenses	1995	1996	1997
Printing	\$33,000.00	\$36,000.00	\$36,000.00
Postage	13,000.00	17,000.00	17,000.00
Art	1,000.00	1,000.00	2,000.00
Writer's Fees and Photos	4,000.00	4,000.00	4,000.00
Promotion	4,000.00	3,000.00	6,000.00
Computer	7,000.00	5,000.00	5,000.00
Mail Services	5,000.00	3,000.00	3,000.00
Telephone	300.00	200.00	300.00
Office Supplies	2,000.00	3,000.00	3,000.00
Travel	4,000.00	2,500.00	2,700.00
Bound Copies	1,000.00	600.00	600.00
Other	500.00	496.00	1,000.00
Books, Dues, Registrations	1,500.00	1,000.00	1,000.00
Audit	1,000.00	700.00	1,200.00
Debt Retirement (To reimburse Executive Office)	6,000.00	7,200.00	1,200.00
Total Expenses	<u>\$83,300.00</u>	<u>\$84,696.00</u>	<u>\$84,000.00</u>
Projected Income			
Convention Coverage	\$ 8,252.00	\$ 9,000.00	\$ 12,000.00*
Subscriptions	75,048.00	75,696.00	72,000.00**
Total Income	<u>\$83,300.00</u>	<u>\$84,696.00</u>	<u>\$84,000.00</u>

* Three issues

** Based on 6,000 subscriptions @ \$12.00 per year

1996 Gift Goals For Executive Office

States	Membership	Gift Goals
Alabama	17,949	\$ 29,394.85
Arizona	239	391.41
Arkansas	19,673	32,218.22
California	3,371	5,520.64
Canada	348	569.92
Colorado	355	581.38
Florida	5,343	8,750.16
Georgia	9,890	16,196.73
Hawaii	24	39.30
Idaho	176	288.23
Illinois	3,719	6,090.56
Indiana	1,425	2,333.70
Iowa	51	83.52
Kansas	149	244.02
Kentucky	16,503	27,026.76
Louisiana	123	201.44
Maryland	1,562	2,558.07
Mexico	2,800	4,585.52
Michigan	3,638	5,957.91
Mississippi	3,152	5,161.99
Missouri	14,621	23,944.63
Montana	10	16.38
Nebraska	29	47.49
New Jersey	202	330.81
New Mexico	69	113.00
North Carolina	20,555	33,662.66
Northeast Association	334	546.99
Northwest Association	0	.00
Ohio	9,864	16,154.15
Oklahoma	21,598	35,370.77
Pennsylvania	0	.00
Puerto Rico	0	.00
South Carolina	10,256	16,796.12
South Dakota	0	.00
Tennessee	26,000	42,579.87
Texas	2,010	3,291.75
Virginia	6,051	9,909.65
Virgin Islands	130	212.90
West Virginia	11,497	18,828.50
Wyoming	0	.00
Totals	213,716	\$350,000.00

Gift Goals Per Person **\$1.64**

1995 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	%
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	\$ 31,222.57	\$ 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	255	411.80	5,297.33	1,228.47	3,316.86	412.80	1,300.83	65.11	3.32	3.35	4.91	13.39	232.43	49.14	11,169.74	1.7%
Arkansas	19,656	31,742.57	408,330.54	94,693.03	255,671.18	31,819.51	10,084.81	5,018.73	255.67	258.04	378.77	1,032.15	17,916.49	3,787.72	860,989.21	9.47%
California	3,570	5,765.21	74,162.60	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	156,376.23	1.77%
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	0.6%
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	9,603	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	470,338.96	4.63%
Hawaii	21	33.91	436.25	101.17	273.15	34.00	10.77	5.36	.27	.28	.40	1.10	19.14	4.05	919.85	0.1%
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	9,023.42	1.0%
Illinois	4,051	6,541.98	84,154.81	19,515.74	52,692.51	6,557.84	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	564.37	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	.78	.81	1.16	3.15	54.69	11.56	2,628.17	0.3%
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	1.0%
Kentucky	16,327	26,366.55	339,174.44	78,655.53	212,369.93	26,330.46	8,376.81	4,168.74	212.37	214.34	314.62	857.35	14,882.10	3,146.22	715,169.46	2.87%
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	0.4%
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%
Massachusetts	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	60,477.64	14,023.78	37,864.20	4,712.38	1,493.53	743.26	37.86	38.21	56.10	152.86	2,653.38	560.95	127,510.14	1.40%
Mississippi	3,400	5,490.68	70,631.05	16,379.54	44,274.77	5,503.99	1,744.42	868.12	44.22	44.63	65.52	178.54	099.11	655.18	148,929.77	1.64%
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	.13	.13	.19	.53	9.12	1.93	439.04	0.0%
Nebraska	32	51.68	664.76	154.16	416.23	51.80	16.42	8.17	.42	.42	.62	1.68	29.17	6.17	1,401.70	0.2%
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	0.6%
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	0.5%
North Carolina	20,793	33,578.72	431,950.39	100,170.54	270,400.46	33,660.11	10,668.16	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	0.7%
Ohio	9,586	15,480.48	199,138.00	46,180.68	124,687.83	15,518.00	4,918.24	2,447.58	124.69	125.84	184.72	503.37	8,737.66	1,847.23	419,894.32	4.62%
Oklahoma	21,931	35,416.48	455,591.02	105,652.87	285,262.75	35,502.32	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%
Pennsylvania	30	48.45	623.22	144.53	390.22	48.56	15.39	7.66	.39	.39	.58	1.58	27.35	5.78	1,314.10	0.1%
Puerto Rico	10,794	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	4.76%
South Carolina	71	114.66	1,474.94	347.04	923.52	114.93	36.43	18.13	.92	.93	1.37	3.73	46.72	13.68	3,110.00	0.3%
South Dakota	19,607	31,663.44	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%
Tennessee	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%
Texas	6,132	9,902.60	127,385.17	29,540.99	79,760.67	9,926.60	3,146.12	1,563.67	79.76	80.50	118.16	322.00	5,589.33	1,181.64	268,599.21	2.95%
Virginia	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	0.6%
Virgin Islands	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%
West Virginia	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	0.5%
Wyoming	207,576	335,215.48	54,312,150.00	\$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%
Totals																
Gift Goals Per Person		\$1.62	\$20.77	\$4.82	\$13.01	\$1.62	\$5.51	\$2.6	\$0.1	\$0.1	\$0.2	\$0.5	\$9.1	\$1.9	\$48.80	

1995 The Together Way Totals

States	Executive Office	Foreign Missions	FWBBC	Home Missions	Retirement & Insurance	Master's Men	Theological Integrity	WNAC	FWB Foundation	Historical Commission	Radio & TV Commission	Music Commission	Totals
Alabama	\$ 2,004.19	\$ 215,147.39	\$ 58,410.06	\$ 276,151.91	\$ 704.02	\$ 3,428.77	\$ 29.19	\$ 5,972.00	\$ 205.16	\$ 25.84	\$ 27.27	\$ 25.67	\$ 542,131.47
Alaska	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
Arizona	440.34	9,283.39	2,255.51	20,003.83	7,376.91	649.79	35	370.00	4.20	35	1.1	35	33,039.02
Arkansas	79,038.23	176,539.08	43,749.53	201,404.66	7,376.91	31,443.91	263.46	4,293.32	3,141.53	265.74	265.27	263.46	548,265.10
California	5,538.99	88,943.18	79,794.67	36,900.69	488.98	818.98	17.47	4,657.70	209.36	17.47	17.47	17.47	168,227.43
Canada	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
Colorado	0.00	5,891.07	220.00	27,799.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,345.00
Connecticut	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33,910.42
Delaware	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
Florida	18,277.63	84,518.73	21,463.58	76,152.71	1,636.17	2,046.17	59.87	2,914.25	718.56	60.07	60.07	59.87	175.00
Georgia	20,331.74	199,515.91	62,411.65	71,344.44	1,879.83	4,302.52	66.96	8,956.02	803.51	68.01	67.95	66.96	208,008.25
Hawaii	0.00	200.00	250.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	370,855.50
Idaho	0.00	1,056.38	0.00	2,542.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	650.00
Illinois	16,079.69	147,048.58	26,337.03	38,382.50	1,571.12	10,920.14	53.42	3,452.90	641.20	53.83	55.67	53.42	3,623.41
Indiana	1,294.95	42,219.17	5,710.40	31,132.51	343.97	534.10	186.45	1,684.97	225.74	186.44	3.59	3.59	744,449.50
Iowa	0.00	2,902.00	92.47	17,907.09	7.27	7.27	25	385.00	3.12	25	25	25	82,986.03
Kansas	77.97	6,614.81	14,500.51	63,466.28	261.17	421.17	14.00	3,635.00	111.93	9.34	9.34	9.34	5,970.00
Kentucky	2,798.15	60,862.79	235.83	11,472.20	4.48	44.48	16	0.00	1.97	31	16	16	25,006.00
Louisiana	78.00	2,557.44	5,098.79	21,141.22	241.21	241.21	8.62	2,896.38	103.37	8.62	8.62	8.62	14,347.14
Maine	2,584.23	32,513.97	0.00	16,843.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,235.00
Maryland	23,417.46	166,944.72	20,558.47	65,446.85	2,181.92	10,971.92	77.94	3,482.25	935.10	77.94	77.94	77.94	64,054.86
Massachusetts	3,248.03	81,510.04	19,412.30	69,134.99	222.15	732.15	8.29	2,568.41	99.50	8.49	8.49	8.49	16,842.31
Michigan	63,127.17	305,317.93	28,902.24	156,657.49	5,469.84	10,533.94	341.66	13,045.48	2,141.10	341.66	349.88	341.66	278,416.15
Minnesota	0.00	2,417.50	50.00	1,970.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	176,969.24
Mississippi	0.00	859.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,566.15
Missouri	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,140.16
Montana	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
Nebraska	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
Nevada	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Hampshire	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Jersey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Mexico	212.47	1,500.87	203.69	2,977.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,919.75
New York	8,459.39	552,420.01	143,014.50	197,289.98	578.53	2,274.28	64.86	11,753.56	298.21	104.86	65.05	24.86	916,298.59
North Carolina	25,180.88	147,524.87	21,338.05	71,864.14	2,324.55	2,974.55	83.01	5,450.55	1,071.25	83.01	91.79	83.01	283,020.41
Ohio	37,583.28	434,781.42	16,070.34	257,967.84	2,079.71	20,531.75	531.36	14,516.37	2,072.95	517.36	519.56	517.36	787,689.30
Oklahoma	0.00	636.25	0.00	1,227.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,227.00
Oregon	0.00	0.00	0.00	4,240.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,876.94
Pennsylvania	2,554.50	249,529.18	52,135.43	148,543.80	148.09	671.18	5.09	8,294.20	51.83	5.28	5.08	5.09	461,968.75
Rhode Island	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
South Carolina	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
South Dakota	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
Tennessee	15,711.94	712,613.88	45.00	9,858.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,933.00
Texas	3,329.68	101,159.55	161,085.06	351,148.53	3,084.93	17,177.67	191.56	10,354.16	1,491.16	78.66	100.15	76.56	1,273,315.26
Utah	0.00	0.00	7,965.72	27,234.79	373.54	958.54	52.73	2,588.52	160.23	52.73	52.73	52.73	143,981.49
Vermont	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
Virginia	2,840.58	115,236.27	100.00	115.54	115.54	1,277.54	4.13	2,202.29	49.52	4.41	5.46	4.13	239,143.24
Washington	936.50	104,715.78	842.73	9,446.50	7.70	2.70	0.00	0.00	1.16	2.04	133.04	2.04	10,516.09
West Virginia	0.00	0.00	6,227.11	56,710.76	383.53	2,062.93	122.62	1,815.00	24.41	2.04	0.00	0.00	173,145.76
Wisconsin	0.00	0.00	0.00	1,408.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,408.01
Wyoming	0.00	0.00	0.00	17,801.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,801.06
Northwest Assoc.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Northwest Assoc.	28.97	2,470.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,470.00
Puerto Rico	0.00	8,078.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,078.34
Virgin Islands	0.00	3,039.50	550.00	33,460.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34,049.50
WNAC	0.00	198,474.65	3,472.15	92,544.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,395.00
Other	0.00	39,972.91	242,538.79	162,414.29	278.00	0.00	6.01	0.00	0.00	0.00	0.00	0.00	294,491.21
Totals	\$334,840.13	\$4,304,193.01	\$1,014,039.89	\$31,827.79	\$31,827.79	\$130,747.00	\$2,200.26	\$15,720.46	\$3,704.52	\$1,974.88	\$1,927.92	\$1,703.43	\$8,777,867.71

- *FM — Other includes national offerings, miscellaneous sources and states.
- *FWBBC — Other includes gifts from College Family, Matching Gifts, Foreign Missionaries, Estates, Alumni Project and \$179,657.42 Claim the Land Campaign.
- *HM — Other includes interest, miscellaneous sources and states.
- *Master's Men — Total does not include sales, Conference or Tournament fees, or Dinner ticket sales. Total includes restricted Endowment contributions.
- *WNAC — Total does not include Memorial Student Loan Fund, Foreign Student Scholarship or gifts designated to other departments.
- *Foundation — Other includes Endowment gifts through The Together Way.

1996 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	%
1996 Budgets		\$350,000.00	\$4,509,132.00	\$1,000,000.00	\$2,750,000.00	\$318,194.00	\$145,000.00	\$89,500.00	\$2,100.00	\$3,775.00	\$3,775.00	\$9,350.00	\$217,750.00	\$50,000.00	\$9,447,476.00	100.00%
Alabama	17,949	29,394.85	378,700.75	83,985.29	230,959.54	26,723.62	12,177.87	7,516.68	176.37	228.86	312.85	785.26	18,287.80	4,199.26	793,449.00	8.40%
Alaska	239	391.41	5,042.59	1,118.31	3,075.34	355.84	162.15	100.09	2.35	3.05	4.17	10.46	243.51	55.92	10,565.19	1.1%
Arizona	19,673	32,218.22	415,074.93	92,052.07	253,143.19	29,290.42	13,347.55	8,238.66	193.31	250.84	342.89	860.69	20,044.34	4,602.60	869,659.71	9.21%
Arkansas	3,371	5,520.64	71,123.75	15,773.27	43,376.49	5,018.96	2,287.12	1,411.71	33.12	42.98	58.76	147.48	3,434.63	788.66	149,017.57	1.58%
California	348	5,699.62	7,342.35	1,628.33	4,477.91	518.12	236.11	145.74	3.42	4.44	6.07	15.22	354.57	81.42	15,383.62	1.6%
Colorado	355	581.38	7,490.04	1,661.08	4,567.98	528.55	240.86	148.67	3.49	4.53	6.19	15.53	361.70	83.05	15,693.05	1.7%
Florida	5,343	8,750.16	112,730.41	25,000.47	68,751.29	7,955.00	3,625.07	2,237.54	52.50	68.13	93.13	233.75	5,443.85	1,250.02	236,191.32	2.50%
Georgia	9,890	16,196.73	208,666.25	46,276.37	127,260.01	14,724.86	6,710.07	4,141.73	97.18	126.10	172.38	432.68	10,076.68	2,313.82	437,194.86	4.63%
Hawaii	24	39.30	506.37	112.30	308.82	35.73	16.28	10.05	24	31	42	1.05	24.45	5.61	1,060.93	0.01%
Idaho	176	288.23	3,713.37	823.52	2,264.69	262.04	119.41	73.71	1.73	2.24	3.07	7.70	179.32	41.18	7,780.21	0.08%
Illinois	3,719	6,090.56	78,466.10	17,401.60	47,854.40	5,537.08	2,523.23	1,557.44	36.54	47.42	64.82	162.70	3,789.20	870.08	164,401.17	1.74%
Indiana	1,425	2,333.70	30,065.66	6,667.73	18,336.25	2,121.63	966.82	596.76	14.00	18.17	24.84	62.34	1,451.90	333.39	62,993.19	0.7%
Iowa	51	83.52	1,076.03	238.63	656.24	75.93	34.60	21.36	1.46	1.90	2.60	6.52	151.81	34.86	2,544.47	0.02%
Kansas	149	244.02	3,143.71	697.19	1,917.76	221.84	101.09	62.40	1.46	1.90	2.60	6.52	151.81	34.86	2,544.47	0.02%
Kentucky	16,303	27,026.76	348,192.02	77,219.30	212,353.08	24,570.72	11,194.80	6,911.13	162.16	210.42	287.64	722.00	16,814.50	3,840.97	779,527.50	7.72%
Louisiana	123	201.44	2,995.14	575.53	1,882.71	183.13	83.45	51.51	1.21	1.57	2.14	5.38	125.32	28.78	5,437.31	0.06%
Louisiana	1,562	2,558.07	3,956.19	7,308.76	20,099.10	2,325.61	1,059.77	654.13	15.35	19.92	27.23	68.34	1,591.48	355.44	69,049.39	0.73%
Maryland	2,800	4,585.52	59,076.39	13,101.50	36,029.12	4,168.82	1,899.72	1,172.58	27.51	35.70	48.80	122.50	2,852.85	655.07	123,776.08	1.31%
Massachusetts	3,638	5,957.91	76,752.11	17,022.59	5,416.49	5,416.49	2,468.28	1,523.52	35.75	46.39	63.41	159.16	3,706.67	851.13	160,820.53	1.70%
Michigan	3,152	5,161.99	66,503.14	14,748.54	40,558.50	4,692.90	2,138.54	1,319.99	30.97	40.19	54.94	137.90	3,211.50	737.43	139,336.53	1.47%
Mississippi	14,621	23,944.63	308,484.25	68,413.22	188,136.36	21,768.68	9,919.92	6,122.98	145.67	186.43	254.84	639.66	14,896.98	3,470.66	646,332.28	6.84%
Missouri	10	210.99	46.79	46.79	128.68	14.89	6.78	4.19	10	13	17	44	10.19	2.34	44.07	0.00%
Montana	29	47.49	611.86	135.69	373.16	43.18	19.68	12.14	28	37	51	127	29.55	6.78	1,281.96	0.01%
Nebraska	202	330.81	4,261.94	84.59	2,599.24	259.24	137.05	84.59	1.98	2.58	3.52	8.84	205.81	47.26	8,929.55	0.09%
New Jersey	69	113.00	1,455.81	322.86	887.86	102.73	46.81	28.90	68	88	120	302	70.30	16.14	3,050.19	0.03%
New Mexico	20,555	33,662.66	433,683.99	96,179.04	264,492.36	30,603.59	13,945.96	8,608.02	201.98	262.09	358.27	899.28	20,943.00	4,808.95	908,449.19	9.62%
North Carolina	334	546.99	7,046.97	1,562.82	4,977.76	497.76	226.61	139.87	3.28	4.26	5.82	14.61	340.30	78.14	14,764.71	0.16%
Northwest Assoc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
Northwest Assoc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
Ohio	9,864	16,154.15	208,117.68	46,154.71	126,925.45	14,686.15	6,697.43	4,130.85	96.92	125.77	171.93	431.55	10,050.19	2,307.74	426,045.52	4.62%
Oklahoma	21,598	35,370.77	455,689.95	101,059.35	277,913.21	32,156.48	14,653.61	9,044.83	212.22	275.37	376.41	944.90	22,005.67	5,052.97	954,755.74	10.11%
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
Puerto Rico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
South Carolina	10,256	16,796.12	216,388.37	47,988.92	131,949.53	15,269.79	6,958.39	4,295.01	100.78	130.77	178.76	448.70	10,449.59	2,399.45	453,374.18	4.80%
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
Tennessee	26,000	42,579.87	548,566.47	121,456.78	334,556.14	38,710.46	17,440.24	10,888.28	255.48	331.51	453.17	1,137.49	26,490.76	6,082.84	1,149,349.49	12.17%
Texas	2,010	3,291.75	42,408.41	9,405.01	25,863.77	2,992.60	1,363.73	841.75	19.75	25.63	35.03	87.94	2,047.94	470.25	88,853.56	0.94%
Virginia	5,909	9,909.65	127,668.30	28,313.28	77,861.51	9,009.11	4,105.42	2,534.04	59.46	77.15	105.47	264.73	6,165.22	1,415.66	267,489.00	2.83%
Virgin Islands	130	212.90	2,742.84	608.28	1,672.78	193.55	88.20	54.44	1.28	1.66	2.27	5.69	132.45	30.41	5,746.75	0.06%
West Virginia	11,497	18,828.50	242,571.87	53,795.69	147,938.15	17,117.47	7,800.38	4,814.71	112.98	146.59	200.39	502.99	11,714.01	2,689.79	508,233.52	5.38%
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
Totals	213,716	\$350,000.00	\$4,509,132.00	\$1,000,000.00	\$2,750,000.00	\$318,194.00	\$145,000.00	\$89,500.00	\$2,100.00	\$3,775.00	\$3,775.00	\$9,350.00	\$217,750.00	\$50,000.00	\$9,447,476.00	100.00%
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BUILDING SERVICES FUND OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

Financial Statements

December 31, 1995 and 1994

(With Independent Auditors' Report Thereon)

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

Table of Contents

	<u>Page Number</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Notes to Financial Statements	5 - 7



Hill, Harper & Associates, P.C.
Certified Public Accountants

Terry A. Hill
Ernest R. Harper

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 303
Brentwood, TN 37027
TEL: 615/377-3485

We have audited the statements of financial position sheets of Building Services Fund of the National Association of Free Will Baptists, Inc. as of December 31, 1995 and 1994, and the related statements of activities and changes in net assets and cash flows for the years 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 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 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, 1995 and 1994, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

As discussed in note 1 to the financial statements, in 1995 the Fund changed its method of accounting for contributions and its method of financial reporting and financial statement presentation.

Hill, Harper & Associates, P.C.

May 8, 1996

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

Statements of Financial Position
December 31, 1995 and 1994

<u>Assets</u>	<u>1995</u>	<u>1994</u>
Cash and interest bearing deposits	\$ 30,375	32,182
Accounts receivable:		
Master's Men (rent, interest and other charges)	117,872	116,961
Other departments and unbilled items	34,215	1,479
Total accounts receivable	152,087	118,440
Allowance for Master's Men outstanding balance	110,000	-
Net accounts receivable	42,087	118,440
Prepaid insurance and other expenses	1,623	2,019
Note receivable: (note 3)		
Sale of property	516,110	582,350
Less deferred profits from sale of property	369,970	417,535
Net note receivable	146,140	164,815
Property and equipment and capitalized leases (notes 2 and 4):		
Land and land improvements		
Building	209,671	209,671
Building services equipment	1,299,334	1,299,334
Departmental workstations	41,791	36,661
Departmental van	64,135	64,135
	7,746	7,746
Less accumulated depreciation and amortization	1,622,677	1,617,547
Net property and equipment and capitalized leases	319,476	249,335
Loan costs, net of amortization	1,303,201	1,368,212
	3,864	4,189
	<u>\$ 1,527,290</u>	<u>1,689,857</u>
<u>Liabilities and Net Assets</u>		
Notes payable, long-term debt and capitalized lease obligations (note 2)	\$ 948,215	1,075,211
Accounts payable and accrued expenses	7,279	6,838
Accrued realtor fee (note 3)	33,766	39,814
Deferred rentals	2,678	8,032
Total liabilities	991,938	1,129,895
Net assets:		
Operations	176,502	262,772
Net investment in property, plant and equipment	358,850	297,190
Total net assets	535,352	559,962
	<u>\$ 1,527,290</u>	<u>1,689,857</u>

See accompanying notes to financial statements.

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

Statements of Activities and Changes in Net Assets
For the years ended December 31, 1995 and 1994

	<u>Unrestricted Funds</u>	<u>Capital</u>	<u>1995</u>	<u>1994</u>
	<u>Operations</u>	<u>Services for Departments</u>	<u>Stewardship Campaign</u>	<u>Totals</u>
Revenues:				
Building rental and other revenues	\$ 250,249	-	-	250,249
Sale of property: (note 3)				
Interest income	34,560	-	-	34,560
Gain recognized	47,566	-	-	47,566
Contributions, net of campaign expenses	-	-	10,282	10,282
Reimbursement from departments	-	305,498	-	305,498
Departmental reimbursements	305,498	(305,498)	-	-
Net assets released from restrictions	10,282	-	(10,282)	-
Net revenues	648,155	-	-	648,155
Expenses:				
Expenses incurred for departments:				
Employee benefits	167,468	-	-	167,468
The Together Way Plan	22,512	-	-	22,512
General insurance	16,739	-	-	16,739
Telephone	20,204	-	-	20,204
Mailroom and other	62,090	-	-	62,090
Interest expense - Telephone	713	-	-	713
	289,726	-	-	289,726
Building operating expenses:				
Salaries	27,979	-	-	27,979
Payroll taxes	2,086	-	-	2,086
Employee benefits	12,905	-	-	12,905
Janitorial services	15,430	-	-	15,430
Depreciation	70,142	-	-	70,142
Amortization of loan costs	325	-	-	325
Audit and legal	6,711	-	-	6,711
General insurance	7,673	-	-	7,673
Interest expense	82,266	-	-	82,266
Supplies	3,773	-	-	3,773
Utilities / telephone	24,719	-	-	24,719
Repairs and maintenance	11,192	-	-	11,192
Mailroom and other	7,838	-	-	7,838
Provision for Master's Men accounts	110,000	-	-	110,000
	383,039	-	-	383,039
Total expenses	672,765	-	-	672,765
Increase (decrease) in net assets	(24,610)	-	-	(24,610)
Net assets at beginning of year	559,962	-	-	559,962
Net assets at end of year	<u>\$ 535,352</u>	<u>-</u>	<u>-</u>	<u>535,352</u>

See accompanying notes to financial statements.

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

Statement of Cash Flows
Years ended December 31, 1995 and 1994

	1995	1994
<u>Cash Flows from Operating Activities</u>		
Net increase (decrease) in net assets	\$ (24,610)	221,911
Adjustments to reconcile net increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	70,142	70,071
Amortization of loan costs	325	325
Gain recognized on property sale	(47,566)	(44,346)
Provision for Master's Men accounts	110,000	-
(Increase) decrease in:		
Receivables	(33,647)	(28,838)
Prepaid expenses	396	4,472
Increase (decrease) in:		
Accounts payable and accruals	441	(3,319)
Accrued realtor fee	(6,048)	(6,048)
Deferred rentals	(5,354)	(5,354)
Net operating activities	64,079	208,874
<u>Cash Flows from Investing Activities</u>		
Collections from notes receivable	66,240	61,850
Purchase of equipment	(5,130)	-
Net investing activities	61,110	61,850
<u>Cash Flows from Financing Activities</u>		
Repayments of debt	(126,996)	(276,421)
Net financing activities	(126,996)	(276,421)
Net decrease in cash	(1,807)	(5,697)
Cash at beginning of year	32,182	37,879
Cash at end of year	\$ 30,375	32,182
Supplemental disclosures:		
Interest paid	\$ 79,802	86,624

See accompanying notes to financial statements.

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

Notes to Financial Statements

December 31, 1995 and 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

Basis of Presentation

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

Effective December 31, 1995, the Fund adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Fund is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Fund is required to present a statement of cash flows. As permitted by this new statement, the Fund has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the classes of net assets required. This reclassification had no effect on total net assets as reported December 31, 1994. Further, the Fund adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," as is required. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and / or nature of any donor restrictions.

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 an original maturity of three months or less to be cash and cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain 1994 amounts have been reclassified to conform to the 1995 presentation. These reclassifications had no impact on total net assets as reported.

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

(2) 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:

Notes payable and long-term debt consist of the following:

8.5% 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 3) 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 \$11,100 including principal and interest, with final payment scheduled for October 2007. Further, the note provides for revision of the interest rate annually.

Capital lease obligations: 15.8% obligation for telephone system under capital lease payable monthly \$396 through 1996 - see note 4.

Notes payable and long-term debt and capitalized lease obligations
Less scheduled current maturities of notes payable,
long-term debt and capital lease obligations

Long-term portion

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, 1995.

	<u>Long-Term Debt</u>	<u>Capital Leases</u>
1996	\$ 54,905	2,376
1997	59,758	-
1998	65,039	-
1999	70,789	-
2000	77,046	-
2001 and thereafter	618,408	-
Total maturities of long-term debt	\$ 945,945	2,376
Less amount representing interest		106
Present value of net minimum lease payments		\$ 2,270

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

(3) 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, 1995:

	<u>Note Receivable</u>	<u>Deferred Profits</u>	<u>Realtors Fee</u>
Balance December 31, 1994	\$ 582,350	414,315	39,814
Collections on note receivable	\$ 100,800		
Interest portion of collections	34,460	66,340	-
Gain recognized based on collections	-	47,566	-
Realtor fee paid based on collections	-	-	6,048
Balance December 31, 1995	\$ 516,010	366,749	33,766

(4) Property and Equipment and Capitalized Leases (see note 2)

Depreciation and amortization charged to operations computed on the straight-line method amounted to \$70,142 in 1995 and \$70,071 in 1994.

Components of capitalized leases are as follows:

	<u>1995</u>	<u>1994</u>
Telephone equipment	\$ 16,783	16,783
Less accumulated amortization	15,104	11,748
	\$ 1,679	5,035

(5) Pension

The Fund participates in the master defined contribution pension plan of the Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. The plan is contributory and is matched up to a maximum of 5% of earned compensation. Employees may participate at date of employment. Pension expenses amounted to \$1,269 in 1995 and \$1,208 in 1994. 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.

1997 Projected Building Services Budget

Projected Income		
Murfreesboro Road Property Payments (7 mos. @ \$8,400 mo.)	1996	1997
Final Payment (August '97)	\$100,800.00	\$ 58,800.00
Square Footage (20,329 @ \$1.00 = \$20,329.00 mo.)	.00	403,160.00
Total Income	<u>243,948.00</u>	<u>243,948.00</u>
	<u>\$344,748.00</u>	<u>\$705,908.00</u>
Projected Expenses		
Audit & Legal	\$ 9,000.00	\$ 9,000.00
General Supplies	3,000.00	3,000.00
Insurance (Plant)	8,000.00	9,000.00
Janitorial Services	20,000.00	21,000.00
Janitorial Supplies	2,500.00	2,500.00
Mail Room	7,000.00	7,000.00
Mail Truck	2,500.00	4,000.00
Maintenance (General)	25,000.00	25,000.00
Payroll Taxes (Employer's S.S.)	2,393.28	2,489.07
Postage Meter	1,838.13	1,500.00
Retirement	1,319.21	1,371.99
Salaries	31,284.70	32,536.88
Telephone	4,000.00	5,000.00
Utilities	30,000.00	30,000.00
Home Mission's Note Payable (\$825,945.00)		
Principal & Interest Payments	177,554.71	491,358.86
Principal (Includes Final Payment of \$403,160.00)	94,752.00	432,242.40
Interest (8.5%)	82,802.71	57,116.46
Insurance (Employee)	12,309.97	12,316.69
Realtor's Fee	6,048.00	27,717.60
Emergency Maintenance Fund	.00	20,116.91
Other	1,000.00	1,000.00
Total Expenses	<u>\$344,748.00</u>	<u>\$705,908.00</u>

Building Services Salary Breakdown

	1995	1996	1997
Maintenance Superintendent			
Salary	\$19,492.20 (5%)	\$20,271.89 (4%)	\$21,082.77 (4%)
Social Security	1,491.15 (7.65%)	1,550.80 (7.65%)	1,612.83 (7.65%)
Insurance	8,857.44	8,987.08	8,987.08
Dental	714.10	714.10	714.10
Health	7,839.50	7,839.50	7,839.50
Life/Disability	303.84	433.48	433.48
Retirement	974.61 (5%)	1,013.59 (5%)	1,054.14 (5%)
	<u>\$30,815.40</u>	<u>\$31,823.36</u>	<u>\$32,736.82</u>
Receptionist			
Salary	\$5,877.39 (5%)	\$6,112.49 (4%)	\$ 6,356.99 (4%)
Social Security	449.62 (7.65%)	467.61 (7.65%)	486.31 (7.65%)
Insurance	3,322.89	3,322.89	3,329.61
Dental	230.83	230.83	230.83
Health	3,012.62	3,012.62	3,012.62
Life/Disability	79.44	79.44	86.16
Retirement	293.87 (5%)	305.62 (5%)	317.85 (5%)
	<u>\$9,943.77</u>	<u>\$10,208.61</u>	<u>\$10,490.76</u>
Part-time Worker (4% increase)			
82 days	\$4,710.08 (5%/7.18 hr.)	\$4,900.32 (4%/7.47 hr.)	\$5,097.12 (4%/7.77 hr.)
Social Security	360.32 (7.65%)	374.87 (7.65%)	389.93 (7.65%)
	<u>\$5,070.40</u>	<u>\$5,275.19</u>	<u>\$5,487.05</u>

1997 The Together Way Plan Budget

	1995	1996	1997
Honorariums	\$3,750.00	\$3,750.00	3,000.00
Salary	10,500.00	6,900.00	6,900.00
Office Rent	.00	3,600.00	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	1,750.00
Totals	\$30,000.00	\$30,000.00	\$30,000.00

The Together Way Plan Coordinator	
Salary	
Health Insurance	\$.00
	2,612.00

Editor of The Together Way Plan Materials	
Salary	\$10,500.00

1. The Budget Committee will have general oversight of the work including budget approval.
2. All expenditures will be approved by the Executive Secretary.
3. At the end of each calendar year, any unused funds in excess of one month's budget will be credited to the departments' share for the following year.

	1997 Budgets	Percent of Total Denominational Giving Budget	1997 Share
Foreign Missions	\$4,451,766.00	47.38%	\$14,214.00
Home Missions	2,800,000.00	29.80%	8,940.00
Bible College	1,000,000.00	10.64%	3,192.00
Retirement & Insurance	334,904.00	3.56%	1,068.00
Executive Office	366,000.00	3.90%	1,170.00
WNAC	219,100.00	2.33%	699.00
Master's Men	131,900.00	1.40%	420.00
Foundation	93,000.00	0.99%	297.00
Totals	\$9,396,670.00	100.00%	\$30,000.00

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 General 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 _____, 1996, at Fort Worth, Texas.

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 _____, 1996.

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 _____, 1996, 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 any one 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 Board of Retirement

1995 was an exciting year. Enrollments were up—earnings were the best ever—growth of the fund exceeded 2.4 million dollars.

Some of the excitement and growth was the result of a good investment return. There are other areas, areas over which we have more direct control, that also evidence reasons for optimism.

The numbers increased.

New enrollments for 1995 more than doubled compared to the past few years. A good number of these enrolled before the announcement of high earnings in Charlotte. More importantly, the average age of new participants was lower than previous years. An early beginning in retirement funding is very important. This trend has continued into 1996.

Older prospects are also overcoming the tendency to procrastinate or assume it is too late for them. Two 66 year-old men enrolled last year and one age 73 enrolled this year.

Pre-retirement funding is being adopted by more churches, district and state associations. Missouri, Arkansas and Florida have had state funded programs to encourage their pastors. Georgia joined their ranks by adopting a state-sponsored program in 1996. The Illinois State Association encouraged their cooperative giving churches on the local level to contribute a percentage to their pastor's account.

The level of participation increased.

Some of that increase is due to the aging of participants. Several reasons that make this possible: children finish school, leave home and discretionary spending is increased; and the nearness of retirement are the two major ones. However, participants are enrolling earlier and making larger contributions. Actual contributions by or for participants exceeded \$773,000.00 last year, almost \$65,000 per month.

The Plan is becoming more participant friendly.

New settlement options have been added and enrollment made less restrictive. The vesting schedule related to earnings was amended this year to the following:

Years of Continuous Participation	Vested Percentage
less than 1 year	0
1 yr but less than 2	20%
2 years	40%
3 years	60%
4 years	80%
5 years or more	100%

The cost of operation decreased.

This is true both in terms of actual dollars spent and as a percentage of assets under management. Operation for 1993 cost \$349,880.00; 1994 it was

\$314,176.00; and in 1995 only \$305,699. I do not foresee cost as a dollar figure going lower but increases should be slight.

Some things are beyond our control. Investment may be managed in such a way as to maximize returns but we cannot control the total investment market.

Plan returns have averaged:

Since 1969	-	8.59%
Last 10 years (1986-1995)	-	8.40%
Last 5 years (1991-1995)	-	8.75%
Last 3 years (1993-1995)	-	10.25%
One year (1995)	-	21.82%

This has been achieved with a portfolio that invested 100% in fixed rate instruments from 1969 to 1986. Beginning in 1986 the Board began a slow move into an equities exposure. Our portfolio was invested 36.82% in equities and 63.18% in fixed rate instruments at the close of the year. This provides opportunity for good returns with limited volatility and will change as the fund grows.

These are very positive steps. We have not arrived, but it is movement in the right direction.

Our short term goals for 1996 are:

- enrollment of 100 new participants
- growth in total assets under management to \$13.5 million
- the reduction of expenses as a percentage of assets managed
- the increase of individual monthly deposits, by or above inflation

Our long term goals:

- maintain *average* earnings at 10% or more annually
- reducing management cost to less than 1% annually
- enrolling employees of every Free Will Baptist church and agency into the plan

All of us are nearer retirement than ever before. Come join us by opening an account, by increasing your contribution level, by recruiting other denominational employees.

Summary of Board Meetings

April 25-26, 1995: Annual meeting—all members of Board present. Policy of crediting or debiting participants accounts with the actual earnings (or losses) incurred by investments was adopted. Retirement annuity reserves were established. Prospective money managers were interviewed and short term direction adopted. Three loans were approved.

December 7, 1995: All members present except Ron Barber. Operational reports and analysis were reviewed and approved. One loan was approved and specific problems addressed.

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

Financial Statements

December 31, 1995 and 1994

(With Independent Auditors' Report Thereon)

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

Table of Contents

	<u>Page Number</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Notes to Financial Statements	5 - 8



Hill, Harper & Associates, P.C.
Certified Public Accountants

Independent Auditors' Report

Terry A. Hill
Ernest R. Harper

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 303
Brentwood, TN 37027
TEL: 615/377-3485

We have audited the statements of financial position of the Board of Retirement and Insurance of the National Association of Free Will Baptists as of December 31, 1995 and 1994 and the related statements of activities and changes in net assets 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 audit.

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 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, 1995 and 1994, and the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in note 1 to the financial statements, in 1995 the Board changed its method of accounting of contributions and its method of financial reporting and financial statement presentation.

Hill, Harper & Associates, P.C.

April 22, 1996

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

Statements of Financial Position

December 31, 1995 and 1994

	<u>Assets</u>	1995	1994
Operating Assets (note 8):			
Cash and cash equivalents		\$ 31,840	11,856
Funds invested with the Free Will Baptist Foundation		16,681	9,592
Total operating assets		48,521	21,448
Retirement assets:			
Cash and short term liquid investments (note 5)		862,443	362,900
Investment in marketable securities and instruments, at fair market value (note 5)		8,316,039	7,961,292
Accrued investment income receivable		70,622	64,900
Notes receivable, net of allowance for doubtful collections of \$110,000 and \$80,000, in 1995 and 1994, respectively (notes 2 and 8)		3,244,794	3,246,850
Total retirement assets		12,493,898	11,635,942
Other assets:			
Office furniture, equipment and automobiles, at cost, net of accumulated depreciation (note 3)		35,380	38,440
Lease costs, net of related amortization (note 4)		1,578	4,738
Total other assets		36,958	43,178
		\$ 12,579,377	11,700,568
	<u>Liabilities and Net Assets</u>		
Liabilities:			
Annuities payable (note 7)		389,902	384,630
Unearned loan origination fees (note 6)		53,467	61,992
Accounts payable, accrued expenses and other liabilities		16,908	7,677
Funds held for Free Will Baptist Foundation, Inc.		-	1,614,912
Total liabilities		460,277	2,069,211
Net assets:			
Unrestricted:			
Operations:			
Operating funds		22,148	13,224
Designated for future asset purchases		15,592	9,592
Net invested in equipment		35,380	34,723
Operating net assets		73,120	57,539
Retirement accounts:			
Net assets available for participants		12,013,283	9,628,797
Designated as reserve funds (deficit)		30,697	(54,979)
Designated as annuity reserve funds		2,000	-
Retirement net assets		12,045,980	9,573,818
Total net assets		12,119,100	9,631,357
		\$ 12,579,377	11,700,568

See accompanying notes to financial statements.

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

Statements of Activities and Changes in Net Assets

Years ended December 31, 1995 and 1994

	<u>1995</u>			1994
	<u>Retirement Accounts</u>	<u>Operations</u>	<u>Total</u>	
Additions:				
Contributions from participants	\$ 773,761	-	773,761	693,924
Investment income				
Gains (losses) of investment portfolio (note 5)	1,543,322	-	1,543,322	87,303
Net realized gains	325,755	-	325,755	(260,076)
Net unrealized gains (losses)	1,869,077	-	1,869,077	(172,773)
Interest and dividends from investments (net of investment fees) (note 5)	401,221	-	401,221	279,839
Total investment income	2,270,298	-	2,270,298	107,066
Income earned from interest bearing notes				
Interest income - notes receivable (net of write-downs) (note 8)	290,800	-	290,800	282,630
Loan origination fees earned (note 6)	12,649	-	12,649	17,040
Total income earned from interest bearing notes	303,449	-	303,449	299,670
Forfeitures and late charges	3,326	-	3,326	3,133
Gifts	-	32,786	32,786	26,825
Reimbursement from Free Will Baptist Foundation	-	22,000	22,000	18,000
Miscellaneous	-	3,396	3,396	1,728
Total additions	3,350,834	58,182	3,409,016	1,150,346
Allocation for operations	(263,098)	263,098	-	-
Net additions after allocation	3,087,736	321,280	3,409,016	1,150,346
Deductions:				
Withdrawals by participants	421,526	-	421,526	532,060
Insurance deductions from participants accounts	36,294	-	36,294	35,549
Income allocated to trusts, annuities and other	156,108	-	156,108	73,818
Salaries	-	93,934	93,934	88,534
Housing	-	36,000	36,000	35,800
Fringe benefits	-	52,655	52,655	50,034
Travel and promotional	-	11,565	11,565	7,051
Office supplies and expense	-	22,104	22,104	22,061
Occupancy	-	48,893	48,893	66,889
Board members expense	-	11,867	11,867	7,925
Legal and auditing	-	11,776	11,776	14,755
Depreciation (note 3)	-	9,669	9,669	9,904
Miscellaneous	1,646	7,236	8,882	12,155
Total deductions	615,574	305,699	921,273	956,535
Increase in net assets	2,472,162	15,581	2,487,743	193,811
Net assets at beginning of year	9,573,818	57,539	9,631,357	9,437,546
Net assets at end of year	\$ 12,045,980	73,120	12,119,100	9,631,357

See accompanying notes to financial statements.

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

Statements of Cash Flows
Years ended December 31, 1995 and 1994

	1995			
	Retirement Accounts	Operations	Total	1994
Cash Flows from Operating Activities				
Cash received from:				
Contributions from participants	\$ 773,761	-	773,761	693,924
Gifts	-	32,786	32,786	26,825
Income earned from interest bearing notes	324,924	-	324,924	316,800
Investment income	395,499	222	395,721	289,787
Forfeitures and late charges	3,326	-	3,326	3,133
Reimbursement from Free Will Baptist Foundation	-	22,000	22,000	18,000
Miscellaneous	-	2,085	2,085	1,728
Cash paid to / for:				
Suppliers and employees	(37,698)	(283,881)	(321,579)	(347,393)
Allocation of income to trusts	(123,969)	-	(123,969)	(47,501)
Annuitants	(26,867)	-	(26,867)	(26,454)
Withdrawal of funds by participants	(421,526)	-	(421,526)	(532,060)
Net operating cash flows	887,450	(226,788)	660,662	396,789
Cash Flows from Investing Activities				
Purchases of office furniture and equipment	-	(6,609)	(6,609)	(7,855)
Investments:				
Purchases of investment securities	(13,039,711)	-	(13,039,711)	(6,462,163)
Funds invested with Free Will Baptist Foundation	-	(6,000)	(6,000)	(5,406)
Proceeds from sale of investment securities	14,554,041	-	14,554,041	5,430,342
Notes receivable:				
New loans made	(446,530)	-	(446,530)	(607,319)
Collection of notes receivable	418,586	-	418,586	456,004
Net investing cash flows	1,486,386	(12,609)	1,473,777	(1,196,397)
Cash Flows from Financing Activities				
Interfund transfers and repayments	(259,381)	259,381	-	-
Net activity - Funds held for Free Will Baptist Foundation, Inc.	(1,614,912)	-	(1,614,912)	244,180
Net financing cash flows	(1,874,293)	259,381	(1,614,912)	244,180
Net increase (decrease) in cash	499,543	19,984	519,527	(555,428)
Cash at beginning of year	362,900	11,856	374,756	930,184
Cash at end of year	\$ 862,443	31,840	894,283	374,756
Reconciliation of increase in net assets to cash flows from operating activities				
Increase in net assets	\$ 2,472,162	15,581	2,487,743	193,811
Depreciation and amortization of lease costs	-	12,829	12,829	13,064
Interfund transfers	263,098	(263,098)	-	-
Realized and unrealized gains or losses on investment transactions	(1,869,077)	-	(1,869,077)	172,773
Increase in allowance for notes receivable	30,000	-	30,000	1,700
Earnings added to investment with Free Will Baptist Foundation	-	(1,089)	(1,089)	(274)
(Increase) decrease in accrued investment income	(5,722)	-	(5,722)	9,948
Increase (decrease) in annuities payable	5,272	-	5,272	(137)
Increase (decrease) in accounts payable, accrued expenses and other	242	8,989	9,231	(9,526)
Increase (decrease) in loan origination fees	(8,525)	-	(8,525)	15,430
	\$ 887,450	(226,788)	660,662	396,789

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, 1995 and 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.

Basis of Presentation

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

The Board presents its financial statements under the methodology required by Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Board reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets (the Board has no net assets which meet the definition of temporarily restricted net assets or permanently restricted net assets). In addition, a statement of cash flows is required.

Further, the Board will follow the provisions of SFAS No. 116, "Accounting for Contributions Received and Contributions Made". In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and / or nature of any donor restrictions.

Equipment and Depreciation

Property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets.

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.

**BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS**
Notes to Financial Statements, continued

(1) Summary of Significant Accounting Policies, continued

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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) 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:

	1995	1994
Participant notes secured by retirement account balances	\$ 153,412	76,314
Churches and agency notes secured by related real property	3,201,382	3,250,536
	3,354,794	3,326,850
Less allowance for doubtful collections	(110,000)	(80,000)
	<u>\$ 3,244,794</u>	<u>3,246,850</u>

(3) Office Furniture, Equipment, and Automobiles

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

	1995	1994
Office furniture and fixtures	\$ 36,799	36,799
Computer equipment	26,904	71,484
Automobiles	15,594	15,594
	79,297	123,877
Accumulated depreciation	43,917	85,437
	<u>\$ 35,380</u>	<u>38,440</u>
Depreciation expense	<u>\$ 9,669</u>	<u>9,904</u>

(4) 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 1995 and 1994, \$3,160 was charged against operations leaving a resultant balance of \$1,578 as of December 31, 1995.

**BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS**
Notes to Financial Statements, continued

(5) Cash and Cash Equivalents and Investments for Retirement Accounts

Cash and cash equivalents and investments for retirement accounts consist of the following:

	1995	1994	(A) 1995	(B) 1995	Total Investment
	Unrealized Cumulative Gains/ (Losses)	Unrealized Cumulative Gains/ (Losses)	Unrealized Cumulative Gains/ (Losses)	Realized Gains/ (Losses)	Income
Cash and cash equivalents:					
Interest bearing accounts	\$ 280,118	-	-	-	4,236
Short term liquid investments held by investment bankers	582,325	-	-	-	28,009
Total cash and cash equivalents	862,443	-	-	-	32,245
Investments:					
Church bonds (stated value)	-	-	-	-	894
Mutual funds	799,255	107,277	(54,586)	106,434	196,260
Common stocks	3,723,888	3,344,758	299,717	1,392,831	1,551,449
Fixed income bonds	-	147,715	13,373	13,955	38,666
U.S. Government issues	3,792,896	318,041	30,486	30,102	514,207
Less investment fees	-	-	-	-	(63,423)
Total investments	8,316,039	254,992	325,755	1,543,322	2,238,053
	<u>\$ 9,178,482</u>	<u>844,886</u>	<u>325,755</u>	<u>1,543,322</u>	<u>2,270,298</u>

(A) Unrealized gains (losses) is the increase (decrease) in market values of investments from the beginning of year to the end of year.

(B) Realized gains (losses) is the excess (deficit) of proceeds from sale of investments as compared to cost.

Yield earned on average total assets is computed as follows:

Income earned from cash and cash equivalents, and investments	\$ 2,270,298
Income earned from interest bearing notes receivable	303,449
Forfeitures and late charges	3,326

Total earnings from retirement account assets

1995	\$ 2,577,073
1994	409,869

Yield computed from total retirement account assets

1995	21.36%
1994	3.59%

Yield computed from cash and cash equivalents, and investments

1995	25.94%
1994	1.31%

Yield computed from interest bearing notes receivable

1995	9.35%
1994	9.45%

**BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS**
Notes to Financial Statements, continued

(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:

	1995	1994
Balance at beginning of year	\$ 61,992	46,562
Net fees charged on new loans	4,124	32,470
Fee recognized on short term line of credit	-	(1,500)
Amortization of long-term origination fees	(12,649)	(15,540)
Balance end of year	\$ 53,467	61,992

(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, 1995, the recorded liability amounts to \$389,902 and is sufficient to provide benefits over the life expectancy of the annuitants.

(8) Information Regarding Financial Instruments (see notes 2 and 5)

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	\$ 3,244,794	3,244,794	-
Cash and cash equivalents	311,958	311,958	-
Funds invested with the Free Will Baptist Foundation	16,681	16,681	-
Short term liquid investments	582,325	-	582,325
Mutual funds	799,255	-	799,255
Common stocks	3,723,888	-	3,723,888
U.S. Treasury notes and bills	3,792,896	3,792,896	-
	\$ 12,471,797	7,366,329	5,105,468

(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 \$22,000 and \$18,000 for these services during the years ended December 31, 1995 and 1994, respectively.

**Board of Retirement and Insurance
Proposed Budget for 1997**

	1994 Budget	1994 Actual	1995 Budget	1995 Actual	1996 Budget	1996 Projected	1997 Proposed
Salaries	\$87,167	\$88,534	\$90,925	\$93,934	\$91,833	\$94,823.56	\$92,222
Employee Benefits	53,315	50,034	55,381	52,655	55,421	49,603.84	53,743
Housing	36,000	35,800	36,000	36,000	37,440	37,440.00	38,189
Travel/Promotion	26,000	7,051	22,000	11,565	10,000	3,438.16	15,000
Auto Maintenance	4,000	2,578	4,000	1,983	3,000	7,430.28	3,000
Auto Fund	6,000	6,000	6,000	6,000	6,000	6,000.00	6,000
Furniture Fund	6,000	6,000	6,000	3,717	1,000	1,000.00	1,000
Plant Fund	65,000	66,889	50,842	45,733	50,000	48,866.60	50,000
Office Expense	18,000	22,066	21,000	22,104	21,000	20,205.40	22,500
Equipment	5,000	7,855	5,000	6,609	5,000	10,986.72	10,000
Publications	5,000	4,137	5,000	2,263	5,000	5,000.00	10,000
Dept's Share of Ins. Premium	200	34	200	34	0	0.00	0
Alert Ministries	2,000	0	2,000	0	1,000	1,000.00	0
Board Expense	9,000	7,925	10,000	11,867	10,000	10,000.00	12,000
Insurance	2,200	973	0	0	0	.00	0
Together Way	0	0	1,180	849	1,000	752.64	750
Legal/Auditing	15,000	14,755	15,000	11,776	15,000	15,000.00	15,000
Miscellaneous	1,500	278	2,500	877	2,500	2,500.00	2,500
Education/Training	3,600	3,224	3,000	1,230	3,000	3,000.00	3,000
Total	\$344,982	\$324,133	\$336,028	\$309,196	\$318,194	\$317,047.00	\$334,904

**Board of Retirement and Insurance
Salary and Benefits Breakdown**

	1995	1996	1997 Proposed
Bill Evans			
Salary	\$22,581.60	\$23,484.00	\$23,953.68
Housing/Utilities	19,200.00	19,968.00	20,367.36
Social Security	7,324.24	8,462.00	8,006.04
Retirement	2,089.08	2,596.00	3,102.47
Insurance	6,468.24	6,934.25	6,939.37
Life	286.68	742.68	742.68
Hospitalization	5,533.68	5,533.68	5,533.68
Dental	401.52	401.52	401.52
Disability	246.36	256.37	261.49
Total	\$57,663.16	\$61,444.25	\$62,368.93
Note: Office Car Furnished			

Ray Lewis			
Salary	\$20,076.00	\$20,879.00	\$21,296.58
Housing/Utilities	16,800.00	17,472.00	17,821.44
Social Security	6,661.19	7,469.00	7,066.18
Retirement	1,843.00	1,918.00	2,738.26
Insurance	6,439.44	6,610.15	3,784.00
Life	286.68	448.68	448.68
Hospitalization	5,533.68	5,533.68	2,912.16
Dental	401.52	401.52	192.36
Disability	217.56	226.27	230.80
Total	\$51,819.63	\$54,348.15	\$52,706.46

David Brown

Salary		\$28,665.00	\$29,811.60	\$30,407.83
Social Security		5,177.98	5,385.09	5,194.68
Retirement		1,433.25	1,490.58	2,128.55
Insurance		8,629.00	8,731.76	8,735.29
Life	286.68			
Hospitalization	7,578.12	382.68	382.68	
Dental	595.08	7,578.12	7,578.12	
Disability	169.12	595.08	595.08	
Total		\$43,905.23	\$45,419.03	\$46,466.34

Dianna Harris

Salary		\$15,615.60	\$16,239.00	\$16,563.78
Social Security		1,194.59	1,242.00	1,372.09
Retirement		780.78	812.00	1,159.46
Insurance		3,401.76	3,514.61	3,516.53
Life	194.28			
Hospitalization	2,912.16	314.28	314.28	
Dental	192.36	2,912.16	2,912.16	
Disability	102.96	192.36	192.36	
Total		\$20,992.73	\$21,807.61	\$22,611.87

**Disability Insurance is .059 per \$10

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 July, 1996, at Fort Worth, Texas.

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 _____, 1996.

William W. Evans, President

Sworn and subscribed to before me on the _____ day of _____, 1996.

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 _____, 1996, at _____.

Secretary

Free Will Baptist Foundation

Interest in and understanding of the Foundation is increasing, but still leaves much to be desired. The future success of this ministry depends on the different areas of our denomination understanding and using its services.

What is the Foundation?

It is the agency whose chief purpose is to "encourage" and "motivate" gifts for all ministries officially sanctioned by the National Association of Free Will Baptists, Inc.

The Foundation Works for You.

Our purpose is to serve as an arm of each agency trained to provide information about deferred gift opportunities. This requires a focus on the needs and obligations of the donor; the legal and tax implications for both the donor and beneficiary; the management, investing and tax reporting related to each agreement; and finally delivery of benefit to the named beneficiary.

How does the Foundation Operate?

Printed Material:

Through various written materials describing gift opportunities, the Foundation provides information for education to our people.

Seminars/Speaking Appointments:

Personal presentations are available by appointment for State, District or local church groups.

Personal Interviews:

Individuals or families who are interested in details of gift options, tax implications and various other areas involved in establishing funding and managing deferred gifts may make appointments with a Foundation representative.

To accomplish these objectives the Foundation employed Mr. Frank Giunta as a Field Representative. He is now available to work with you. There is no charge for his services although gifts to help with expenses would be appreciated. There is no obligation or pressure applied during these visits to complete a gift. All information will be held in strict confidence unless the donor requests otherwise.

Who does the Foundation serve?

It serves any Free Will Baptist ministry, not just the National Departments. The following chart illustrates the ministries we presently benefit.

Name of Ministry	Current Endowments	Future Planned Gifts	Total
FWBBC	\$112,788.32	\$253,889.79	\$ 366,678.11
Foreign Missions	277,612.69	236,932.91	514,545.60
Home Missions	82,408.49	16,377.96	98,786.45
Masters Men	98,437.67	8,188.98	106,626.65
Executive Office	42,450.00	70,545.72	112,995.72
Board of Retirement	95,078.51		95,078.51
WNAC & Others	13,070.92	7,335.78	20,406.70
Local/State	121,034.89	133,990.44	255,025.33
Grand Total	\$842,881.49	\$727,261.58	\$1,570,143.07

Any individual or family, Free Will Baptist or otherwise who wish to support a Free Will Baptist agency may use the Foundation.
Agreements include:

Revocable Trusts
Charitable Remainder Unitrusts
Charitable Remainder Annuity Trusts
Charitable Gift Annuities
Endowments

Allow us to help you achieve your ministry goals, retain or increase your income and possibly receive a significant charitable tax deduction too.

Summary of Board Meeting

The Board met only once, April 24, 1995. all members or their appointed proxies were present. The plan to separate all Foundations accounts from those of the Board of Retirement was reviewed and approved. The need for a field representative, budgetary implications and funding prospects were discussed. Hiring was approved for early 1996.

FREE WILL BAPTIST FOUNDATION, INC.

Financial Statements

December 31, 1995 and 1994

(With Independent Auditors' Report Thereon)

FREE WILL BAPTIST FOUNDATION, INC.

Table of Contents

	Page Number
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Notes to Financial Statements	5 - 7



Hill, Harper & Associates, P.C.
Certified Public Accountants

Independent Auditors' Report

The Board of Directors Free Will Baptist Foundation, Inc.

Terry A. Hill
Ernest R. Harper

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761 Old Hickory Boulevard
Suite 303
Brentwood, TN 37027
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We have audited the statements of financial position of the Free Will Baptist Foundation, Inc. as of December 31, 1995 and 1994 and the related statements of activities and changes in net assets and cash flows for the years 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.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Free Will Baptist Foundation, Inc. as of December 31, 1995 and 1994, and the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in note 1 to the financial statements, in 1995 the Foundation changed its method of accounting of contributions and its method of financial reporting and financial statement presentation.

Hill, Harper & Associates, P.C.

April 22, 1996

FREE WILL BAPTIST FOUNDATION, INC.

Statements of Financial Position

December 31, 1995 and 1994

	1995	1994
<u>Assets</u>		
Cash and interest bearing deposits	\$ 70,867	59,024
Accrued earnings receivable	29,622	41,745
Investments (note and 76):		
Interest bearing accounts with the Board of Retirement and Insurance of the National Association of Free Will Baptists	-	1,577,960
Short term liquid investments	99,460	-
Certificates of deposit	642,946	396,887
U.S. Government instruments	1,537,868	349,904
Common stocks	188,272	-
Mutual funds	145,807	-
Rental real property	80,000	80,000
Unimproved land	2,000	2,000
Total investments	2,696,353	2,406,751
Notes receivable, secured by revocable trust accounts	-	23,655
	<u>\$ 2,796,842</u>	<u>2,531,175</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Interest bearing revocable and savings trusts (note 3)	\$ 1,147,021	1,015,478
Future gift interests payable (note 4)	727,305	690,913
Funds held for Free Will Baptist Foreign Missions	8,674	-
Accrued earnings payable	21,147	14,361
Total liabilities	<u>1,904,147</u>	<u>1,720,752</u>
Net assets		
Unrestricted funds for operations	49,814	(13,766)
Permanently restricted funds (endowment) (note 2)	842,881	824,189
Total net assets	<u>892,695</u>	<u>810,423</u>
	<u>\$ 2,796,842</u>	<u>2,531,175</u>

See accompanying notes to financial statements.

FREE WILL BAPTIST FOUNDATION, INC.

Statements of Activities and Changes in Net Assets Years ended December 31, 1995 and 1994

	1995		Totals	Totals
	Unrestricted	Permanently Restricted	Totals	1994
Revenues:				
Investment income: (note 3)				
Income allocated from the Board of Retirement and Insurance of the National Association of Free Will Baptists	\$ 123,879	-	123,879	49,423
Interest and dividends, net of investment fees	133,664	-	133,664	10,883
Realized net gains on sale of investments	16,815	-	16,815	-
Unrealized net gain from investments	3,884	-	3,884	-
Earnings allocated to permanently restricted endowments	(74,786)	74,786	-	-
Total investment income	203,456	74,786	278,242	60,306
Support through "The Together Way" plan	15,053	3,700	18,753	15,147
Contributions	222	9,487	9,709	516,949
Interest income notes receivable	1,836	-	1,836	627
Endowment income	452	-	452	201
Miscellaneous	40	-	40	159
Total revenues	221,059	87,973	309,032	593,389
Allocations of earnings to revocable trusts, savings trusts, beneficiaries and annuitants	117,424	69,281	186,705	73,422
Net revenues	103,635	18,692	122,327	519,967
Expenses:				
Reimbursement to the Board of Retirement of the National Association of Free Will Baptists (note 5)	22,000	-	22,000	18,000
Travel and promotion	7,446	-	7,446	4,370
Office expense	4,001	-	4,001	3,766
Publications	700	-	700	5,729
Training and education	385	-	385	-
Legal and auditing	5,195	-	5,195	5,841
Miscellaneous	328	-	328	1,450
Depreciation	-	-	-	1,636
Total expenses	40,055	-	40,055	40,792
Increase in net assets	63,580	18,692	82,272	479,175
Net assets at beginning of year	(13,766)	824,189	810,423	331,248
Net assets at end of year	\$ 49,814	842,881	892,695	810,423

See accompanying notes to financial statements.

FREE WILL BAPTIST FOUNDATION, INC.

Statements of Cash Flows Years ended December 31, 1995 and 1994

	1995	1994
Cash Flows from Operating Activities		
Cash received from:	\$ 28,462	532,255
Contributions	269,666	63,989
Investment income	2,328	-
Other income	(40,055)	(40,792)
Cash paid to suppliers and employees	-	(2,904)
Distributions of National Ministries Offering	(179,919)	(66,487)
Payments made to beneficiaries and annuitants	80,482	486,061
Net operating activities		
Cash Flows from Investing Activities		
Distributions from (deposits made to) the Board of Retirement and Insurance of the National Association of Free Will Baptists (net)	1,577,960	(253,926)
Note receivable advances	-	(25,420)
Repayments received on note receivable	23,655	1,765
Proceeds from sale of investment securities	626,991	-
Purchases of investment securities	(2,473,854)	(746,906)
Net investing activities	(245,248)	(1,024,487)
Cash Flows from Financing Activities		
Proceeds from additions to revocable and savings trusts	510,561	584,160
Proceeds from future gift interests, net of distributions	36,392	289,031
Net change in funds held for Free Will Baptist Foreign Missions	8,674	-
Withdrawals from revocable and savings trusts	(379,018)	(282,913)
Net financing activities	176,609	590,278
Net increase in cash	11,843	51,852
Cash at beginning of year	59,024	7,172
Cash at end of year	\$ 70,867	59,024
Reconciliation of increase in net assets to cash flows from operating activities		
Increase in net assets	\$ 82,272	479,175
Realized and unrealized (gains) losses on investment transactions	(20,699)	-
Increase in accrued investment income	12,123	4,953
Increase in accrued earnings payable	6,786	4,837
Decrease in funds held for the National Ministries Offering	-	(2,904)
	\$ 80,482	486,061

See accompanying notes to financial statements.

FREE WILL BAPTIST FOUNDATION, INC.

Notes to Financial Statements

December 31, 1995 and 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.

Basis of Financial Statements

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

The Foundation presents its financial statements under the methodology required by Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets (the Foundation has no net assets which meet the definition of temporarily restricted net assets). In addition, a statement of cash flows is required.

Further, the Foundation will follow the provisions of SFAS No. 116, "Accounting for Contributions Received and Contributions Made". In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and / or nature of any donor restrictions.

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 1994 figures to conform with current year presentation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FREE WILL BAPTIST FOUNDATION, INC.

Notes to Financial Statements, continued

(1) Summary of Significant Accounting Policies, continued

Investments and Realized and Unrealized Gains and Losses on Investment Portfolio

Investments are accounted for as follows:

Investments intended to be held to maturity are recorded at cost and the difference between face value and cost is accreted to or against earnings through the maturity of the specific investment.

Investments which have no maturity (i.e. common stocks and mutual funds) and investments which have a maturity but are not necessarily intended to be held to maturity are recorded at market values.

Recognition of gains and losses on investment transactions.

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.

(2) Permanently Restricted Funds - Endowment

Endowment funds are subject to restrictions by the donor requiring that the principal, and in certain instances earnings, be invested in perpetuity, and only the income be distributed to the beneficiaries of the endowment. The rate of interest paid is dependent upon the amount of income earned from these related investments. As of December 31, 1995, the Foundation held \$842,881 in endowment funds.

(3) Interest Bearing Revocable and Savings Trusts

The Foundation maintains revocable trusts and savings trusts amounting to \$1,147,021 as of December 31, 1995 and pays interest to the trust beneficiaries. The rate of interest paid is dependent upon the amount of income earned from these related investments. Withdrawal from the accounts is without penalty, but withdrawal requires a 90 day notice. The trusts are without maturity.

(4) Future Gift Interests Payable

The Foundation maintains charitable unitrusts amounting to \$273,352 and gift annuities amounting to \$453,953 as of December 31, 1995. These future gift interests pay interest at specified rates ranging from 5.0% to 8.7%.

(5) 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 \$22,000 and \$18,000 for the years ended December 31, 1995 and 1994.

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

(6) Investments (see note 7)

During the year ended December 31, 1995, the Foundation liquidated all investments transactions with the Board of Retirement and Insurance in order to separate activities and to better serve the needs of the beneficiaries of the funds held by the Foundation.

The following summarizes investments of the Foundation as of December 31, 1995.

Marketable Securities:

Investments intended to be held to maturity recorded at cost and the difference between face value and cost accreted to or against earnings over the life of the investment instrument.

Investments carried at cost:
Certificates of deposit
U.S. Government instruments

Cost, net of Accretion	Face Value
\$ 642,946	642,000
450,000	450,000
<u>\$ 1,092,946</u>	<u>1,092,000</u>

Investments carried at market:
Short term liquid investments
U.S. Government instruments
Common stocks
Mutual funds

Market Value	Cost	Unrealized Cumulative Gains	Unrealized Cumulative Losses
\$ 99,460	99,460	-	-
1,087,868	1,060,372	27,496	-
188,272	196,599	10,785	19,115
145,807	161,089	-	15,282
<u>\$ 1,521,407</u>	<u>1,517,520</u>	<u>38,281</u>	<u>34,397</u>

Total marketable securities

\$ 2,614,353

Other investments:
Rental real property
Unimproved land

80,000
2,000

Total other investments

\$ 82,000

Total investments

\$ 2,696,353

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

The Foundation has an accounting risk of loss in the areas of cash and cash equivalents and investments to the extent cash funds are not insured by a governmental agency, investments are not guaranteed by the United States Government and potential market values of other investments. The following table summarizes the Board's accounting risk of loss:

Account Balance	Amount Insured / Secured	Amount of Accounting Risk of loss
Cash and cash equivalents	\$ 70,867	-
Short term liquid investments	99,460	99,460
Certificates of deposit	642,946	-
U.S. Government instruments	1,537,868	-
Common stocks	188,272	188,272
Mutual funds	145,807	145,807
Rental real property	80,000	80,000
Unimproved land	2,000	2,000
<u>\$ 2,767,220</u>	<u>2,251,681</u>	<u>515,539</u>

7

1997 Budget

	Actual 1994	Appr'd 1995	Actual 1995	Appr'd 1996	Proj. 1996	Proposed 1997
Income						
The Together Way	\$11,447	\$14,000	\$15,053	\$15,000	\$16,800	\$18,850
Gifts	426	2,500	222	4,000	500	500
Interest Income	0	0	1,046	0	600	600
Endowment	0	0	452	0	300	450
Miscellaneous	360	500	147	600	450	1,500
Management Fees	(14,501)	36,000	87,401	69,900	45,500	71,100
Total	<u>(\$ 2,268)</u>	<u>\$53,000</u>	<u>\$104,321</u>	<u>\$89,500</u>	<u>\$64,150</u>	<u>\$93,000</u>
Expenses						
Salaries & Benefits	\$18,000	\$20,000	\$18,000	\$55,000	\$55,000	\$59,350
Travel & Promotion	4,370	8,500	7,446	12,500	12,500	15,000
Office Expense	3,766	8,000	1,925	4,000	2,000	2,000
Rent	0	0	4,000	0	2,000	2,000
Printing	5,729	8,000	2,075	6,500	3,000	4,500
Publications	0	0	700	0	500	650
Training & Education	0	3,500	385	3,500	3,000	3,000
Auditing	5,060	4,000	3,973	6,500	4,000	4,000
Legal	0	0	1,222	0	1,000	1,000
Miscellaneous	1,450	1,000	328	1,500	1,500	1,500
Total	<u>\$38,375</u>	<u>\$53,000</u>	<u>\$40,054</u>	<u>\$89,500</u>	<u>\$84,500*</u>	<u>\$93,000*</u>

*Reimburse Board of Retirement \$15,000 in 1996 and \$18,000 in 1997 for use of office, equipment and employees.

**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 July, 1996, at Fort Worth, Texas.

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 _____, 1996.

William W. Evans, President

Sworn and subscribed to before me on the _____ day of _____, 1996.

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 _____, 1996, at _____.

Secretary

Home Missions Board Report

1995 brought many blessings and changes to the Home Missions Department.

Blessings—Nine new home missionaries were approved: Bob Trimble, Battle Creek, MI; Charley Carmack, Lewisburg, TN; Dennis Haygood, Huntsville, AL; David Carlson, Paducah, KY; Roger Raper, Ft. Collins, CO; Ken Bozeman, Madison, MS; Jeff Crabtree, Fredericton, New Brunswick, Canada; Bill Phillips, Salt Lake City, Utah; Jose Rodriguez, Miami, FL.

A new state was entered by Bill Phillips, Salt Lake City, Utah.

The Church Extension Loan Fund grew to \$9,142,834.00. A total of 109 loans have been made. A total of 13 *Old Time Camp Meetings* were conducted by the staff, plus one at the National Association.

On *Roll Call Sunday*, March 26, 1995, a total of 213,656 people attended Free Will Baptist churches. There were 552 conversions on that day.

Income for the department was \$2,818,828.08. More than \$171,000.00 was received as a result of *Benjamin Randall Day*, 1995.

Two new chaplains were assigned during 1995. They were: Chaplain David L. Spears, U.S. Army and Chaplain Doyle Coffman, U.S. Army. We welcome these new chaplains to our present family and they are: 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. Chaplain Gerald Mangham will be retiring in 1997. He has been an outstanding chaplain and has reached the full rank of colonel. Several national guard and reserve chaplains are endorsed by the Home Missions Department. One police chaplain is also endorsed.

Several Aquila and Priscilla workers and a number of tentmakers also served under the Home Missions Department during 1995. We commend these faithful workers.

The faithful staff which served the department during 1995 are:

Roy Thomas, General Director
Trymon Messer, Incoming General Director
Richard Adams, Director of Development
Bill Daniel, Director of Communications
Sue Hayes, Loan Fund Bookkeeper/Secretary
Kathy Brown, Bookkeeper
Joan Gardner, Circulation/Secretary
Doni Hirtzer, Incoming Data Processing Clerk
Carolyn Adams, CELF Secretary
Pam Anis, Secretary
Iva Mae Bracey, part time
Pat Thomas, Publications Editor
Ida Lewis, Incoming Publications Editor

Changes—Roy Thomas, general director for 18 years retired and relocated to Greeley, Colorado. Of course, his wife, Pat Thomas retired with him and this left a vacancy in our publications area. Ida Lewis was hired to take Pat's position as publications editor. Trymon Messer was appointed by our board to replace Roy Thomas as general director. The transition has gone smoothly.

We appreciate the help of our other departments, colleges, state and dis-

strict 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,
Trymon Messer, General Director

A Synopsis of Minutes of National Home Missions Board Meetings for 1995

Special Meeting February 27-March 1, 1995:

MSC to approve a loan to the Westgate Free Will Baptist Church, Bob Lewis, Pastor for \$94,000 to purchase property and build a church in Grand Junction, Colorado.

MSC to hire Rodriguez as a full-time missionary to Renacer Free Will Baptist Church, Miami, Florida.

MSC to grant a loan of \$80,000 to the First Free Will Baptist Church of Palm Bay, Florida.

MSC to accept Brother Trymon Messer as the new General Director of the National Home Missions Department contingent upon an interview with him at the May 1995 Board meeting.

May 1-3, 1995:

MSC to adopt the 1996 budget of \$2,750,000.

Trymon Messer was officially elected as the new General Director of the National Home Missions Department. The Board had a season of prayer, laying on of hands, and commitment of support with Brother Messer, Brother Thomas and Brother Adams.

The Board voted to show its appreciation to Roy and Pat Thomas for their 25 years of service to the Department.

Five requests for loans were granted: Heritage FWB Church, Kearneysville, WV—\$200,000; Townsend FWB Church, Townsend, DE—\$300,000; Camden FWB Church, Kingsley, GA—\$50,000; Thompson Memorial FWB Church, Vineland, NJ—\$18,000; New Vision, Rock Hill, SC—\$75,000.

MSC to elect a committee to study the feasibility of relocating the Mexico Bible Institute.

MSC that a loan freeze be lifted and that loans be made to both mission churches as well as organized churches.

July 20, 1995:

Richard Atwood was welcomed as our newest Board member to replace Fred Hanson. Earl Hendrix and J. D. Norris were re-elected. A letter of appreciation was sent to Brother Fred Hanson for six years of service to the National Home Missions Board.

August 31, 1995 (Telephone Conference):

MSC for Brother Trymon Messer to begin his role as General Director on September 1, 1995.

November 14, 1995:

Glenn Thomas, Chairman; Wendell Walley, and Larry Russell, Secretary along with staff members met at Johnson City, TN to approve Charley Carmack as associate missionary to Lewisburg, TN and Jeff Crabtree as a National Home Missionary to Fredericton, New Brunswick, Canada.

December 4-8, 1995:

The following new missionaries were approved: Bob Trimble, Battle Creek, MI; Charley Carmack, Lewisburg, TN; Dennis Haygood, Huntsville, AL; David Carlson, Paducah, KY; Roger Raper, Ft. Collins, CO; Ken Bozeman, Madison, MS; Jeff Crabtree, Fredericton, New Brunswick, Canada; and Bill Phillips, Salt Lake City, Utah.

New loans approved from the Church Extension Loan Fund were: First FWB Church, Houston, TX—\$35,000; Shreveport FWB Mission, Shreveport, LA—\$12,000; Chesnee, SC—\$125,000; Covenant FWB Church, Soddy Daisy, TN—\$58,000; Turlock, CA—\$170,000; Harmony, CA—\$360,000; and Windwood, OK—\$90,000.

The Board accepted resignations of: Luther Burns, Bob Thomas, Terry Miller and Leon Gibson.

The Board set a goal to erase all deficit accounts by December 1996.

MSC to place all missionary building fund monies in the Church Extension Loan Fund so their accounts will draw interest.

MSC to authorize the general director and staff to meet with each missionary, as time permits, to develop a goal to become self supporting.

Milburn Wilson was elected vice-chairman of the national Home Missions Board.

David Crowe was hired as director of missionary assistance.

MSC to purchase 25 acres of property at Reynosa, Mexico and relocate the Bible Seminary of the Cross Institute to that location.

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, 1995

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

December 31, 1995

Contents

<u>Financial Statements</u>	<u>Page</u>
Independent auditor's report	1
Statement of financial position	2
Statement of activities	3
Statement of cash flows	4
Notes to the financial statements	5-9
<u>Supplementary Information</u>	
Independent auditor's report on supplementary information	10
Schedule of functional expenses	11

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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 statement of financial position 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, 1995, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Home Missions of the National Association of Free Will Baptists of the United States of America, Inc. as of December 31, 1995 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Thoni, Hinton & Warren

January 31, 1996

BOARD OF HOME MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
OF THE UNITED STATES OF AMERICA, INC.
Statement of Financial Position
December 31, 1995

ASSETS

Assets

Cash - Note 10	
Investments in Church Extension	\$ 64,606
Loan Fund - Note 6	
Inventory - Note 1	690,285
Property and equipment, at cost,	11,815
less accumulated depreciation of	
\$65,369 - Notes 1 & 2	
Capitalized lease - Note 3	165,676
	<u>14,571</u>
Total assets	<u>\$946,953</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses	\$ 13,275
Deferred compensation - Note 4	148,755
Notes payable - related party -	
Note 7	<u>20,251</u>
Total liabilities	<u>182,281</u>

Commitments - Note 9

Net assets

Unrestricted	31,348
Temporarily restricted - Note 5	<u>733,324</u>
Total net assets	<u>764,672</u>
Total liabilities and net assets	<u>\$946,953</u>

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 Activities
For the Year Ended December 31, 1995

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue:			
Cooperative program	\$ 93,048	\$ 472,480	\$ 565,528
Designated contributions	463,422	1,638,528	2,101,950
Management fees - Note 6	60,000		60,000
Interest income	47,341		47,341
Gain (loss) on disposal of			
property and equipment	187		187
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>1,962,919</u>	<u>(1,962,919)</u>	
Total revenue	<u>2,626,917</u>	<u>148,089</u>	<u>2,775,006</u>
Expenses:			
Administrative expenses	702,265		702,265
Missionary expenses	<u>1,962,919</u>		<u>1,962,919</u>
Total expenses	<u>2,665,184</u>		<u>2,665,184</u>
Increase (decrease) in net assets	(38,267)	148,089	109,822
Net assets - beginning			
of year - as restated	<u>69,615</u>	<u>585,235</u>	<u>654,850</u>
Net assets - end of year	<u>\$ 31,348</u>	<u>\$ 733,324</u>	<u>\$ 764,672</u>

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, 1995

<u>Operating activities</u>	
Increase in net assets	
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	\$109,822
Depreciation	
amortization	15,396
(Gain) loss on disposal of property and equipment	940
Exchange of services	(187)
	908
Changes in operating assets and liabilities:	
(Increase) decrease in receivables	135,694
(Increase) decrease in inventories	(1,742)
Increase (decrease) in accounts payable and accrued expenses	7,419
Increase (decrease) in deferred compensation	(40,924)
Net cash provided by operating activities	<u>227,326</u>
<u>Investing activities</u>	
Purchase of investments	
Purchase of property and equipment	(303,405)
	(79,939)
Net cash used by investing activities	<u>(383,344)</u>
<u>Financing activities</u>	
Payments on notes payable	(15,229)
Net cash used by financing activities	<u>(15,229)</u>
Increase (decrease) in cash and cash equivalents	(171,247)
Cash and cash equivalents at beginning of year	<u>235,853</u>
Cash and cash equivalents at end of year	<u>\$ 64,606</u>
<u>Supplemental disclosures</u>	
Cash paid during the year for interest	<u>\$ 2,171</u>
<u>Noncash investing activity</u>	
Purchase of property and equipment	\$115,419
Note payable on property	(35,480)
Cash paid for property and equipment	<u>\$ 79,939</u>

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

-4-

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, 1995

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 located in Antioch, Tennessee. The purpose of the Organization is to establish and support Free Will Baptist Mission churches in the United States (including U.S. Virgin Islands and Puerto Rico) and Mexico. The Organization's support comes primarily from donor contributions.

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:

Basis of accounting

The Organization prepares its financial statements using the accrual basis of accounting, which involves the application of generally accepted accounting principles; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

-5-

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, 1995

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

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization has no permanently restricted net assets.

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.

Note 2 - Property and equipment

A summary of property and equipment is as follows:

Land - Puerto Rico	\$105,000
Automobile	27,460
Office furniture & equipment	98,585
	231,045
Less: Accumulated depreciation	(65,369)
	<u>\$165,676</u>

-6-

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, 1995

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 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 4 - 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	\$189,679
Contribution for the year	
Missionaries	26,102
Administrative employees	26,535
Transfer and terminations	(93,561)
Balance at end of year	<u>\$148,755</u>

Note 5 - Restrictions on net assets

Temporarily restricted net assets are available for the following purposes:

Missionaries	\$733,339
Church Extension Loan Fund	(15)
	<u>\$733,324</u>

These net assets are restricted due to donor restrictions. They are released when the donor restriction is satisfied.

Note 6 - 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 \$690,285. This investment is uncollateralized. The Board of Home Missions' management constantly scrutinizes the monthly financial statements of the Loan Fund to make sure that the Loan Fund is solvent and to minimize the credit risk of the investment. This investment is short term in nature and the interest can be changed, therefore cost approximates fair value.

-7-

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, 1995

Note 7 - Notes payable - related party

Note payable to Church Extension Loan Fund secured by a mortgage on property in Puerto Rico, payable in monthly installments of \$381, which includes both principal and interest at 10% maturing in 2001. The fair market value of this note approximates the book value.

The aggregate maturities of this note is as follows:

1996	\$ 2,680
1997	2,961
1998	3,271
1999	3,613
2000	3,991
Thereafter	<u>3,735</u>
	<u>\$ 20,251</u>

See Note 6 for other related parties transactions.

Note 8 - 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 \$50,220. The term of the lease will expire when all mortgages on the building are satisfied, which approximates 12 years.

The future minimum lease payments are as follows:

1996	\$ 50,220
1997	50,220
1998	50,220
1999	50,220
2000	50,220
Thereafter	<u>355,725</u>
	<u>\$606,825</u>

Note 9 - 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.

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, 1995

Note 10 - Concentration of credit risk

The Board maintains cash deposits at a financial institution located in the United States. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 1995 all of the Board's deposits were insured.

The Board also has \$690,285 invested in a demand note of the Church Extension Loan Fund. This note is uninsured.

Note 11 - Change for new pronouncements

The Organization elected to adopt SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, in 1995. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. As permitted by SFAS No. 116, the Organization has retroactively applied the provisions of this new Statement by restating net assets as of December 31, 1994. The adjustment of \$585,235 made to net assets as of December 31, 1994 represents time and purpose-restricted contributions previously reported as deferred revenue. Under SFAS No. 116, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction or compliance with the purpose restriction. The effect of this new Statement on the Organization's change in net assets for 1995 was an increase of \$148,089.

In 1995, the Organization also elected to adopt SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by this new Statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statement to present the three classes of net asset required. This reclassification had no effect on the change in net assets for 1995.

SUPPLEMENTARY INFORMATION

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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 1995 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

January 31, 1996

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, 1995

<u>Administrative expenses</u>	\$242,424
Salaries and wages	12,883
Payroll taxes	
Housing allowance and employee benefits	69,503
Employee savings	20,882
Cost of literature	3,157
Promotion expense	24,528
Utilities	5,001
Office expense	24,879
Printing and postage	79,556
Rent expense	50,220
Professional fees	4,412
Auto and travel expense	29,656
Board meeting expense	20,636
Insurance expense	38,292
Telephone	10,488
Interest expense	2,171
Amortization	940
Together Way Office	5,706
Miscellaneous	41,535
Depreciation	15,396
Total administrative expenses	<u>702,265</u>
<u>Missionary expenses</u>	1,435,342
Salary and wages	26,552
Employee savings	3,818
Promotion expense	52,381
Printing and postage	142,656
Auto and travel expense	52,281
Insurance expense	141,149
Missionary land & buildings	66,241
Designated contributions	42,499
Miscellaneous other expense	
Total missionary expenses	<u>1,962,919</u>
Total expenses	<u>\$2,665,184</u>

See accountants' report on supplementary information.

Home Missions Department Proposed Faith Budget for 1997

	1996	1997
Missionary Maintenance		
Salaries	\$ 1,675,000.00	\$ 1,655,000.00
Travel & Promotion	75,000.00	125,000.00
Employee Savings	28,000.00	30,000.00
Postage & Handling	47,000.00	55,000.00
Miscellaneous	10,000.00	20,000.00
Land & Building Fund	140,000.00	115,000.00
Total	\$ 1,975,000.00	\$ 2,000,000.00
Missionary Assistance		
Printing & Postage	\$ 82,000.00	\$ 82,000.00
Telephone	11,000.00	11,000.00
Board Member Expense	17,000.00	20,000.00
Auditing	3,500.00	4,000.00
Literature	2,500.00	4,500.00
Together Way Office & WNAC	7,000.00	6,500.00
Miscellaneous	10,000.00	15,000.00
Total	\$ 133,000.00	\$143,000.00
Administration		
Salaries	\$260,000.00	\$265,000.00
Housing	50,000.00	50,000.00
Social Security	10,000.00	
Payroll Taxes	11,000.00	13,000.00
Employee Savings	18,000.00	20,000.00
Insurance	35,000.00	40,000.00
Utilities	6,000.00	6,000.00
Total	\$390,000.00	\$394,000.00
Evangelism		
Auto & Travel	\$35,000.00	\$35,000.00
Promotion	27,000.00	27,000.00
Revivals	12,000.00	12,000.00
Roll Call Sunday	6,000.00	4,000.00
Total	\$80,000.00	\$78,000.00
Plant		
Office Space	\$50,000.00	\$50,000.00
Equipment & Supplies	12,000.00	20,000.00
Interest		
Depreciation	10,000.00	15,000.00
Total	\$72,000.00	\$85,000.00
Build My Church Campaign	\$100,000.00	\$100,000.00
Total Faith Budget	\$2,750,000.00	\$2,800,000.00

Home Missions Salaries

	1995	1996	1997
General Director			
Salary	\$32,088.36	\$34,232.88	\$39,642.24
Housing	10,800.00	10,800.00	10,800.00
Utilities	2,400.00	2,500.00	2,600.00
Social Security	.00	.00	.00
Retirement (Savings Bonus)	2,150.00	2,300.00	2,500.00
Insurance			
Travel	60.00	60.00	60.00
Life	286.68	286.68	286.68
Health	4,770.48	5,533.68	5,810.37
Dental	401.52	401.52	421.60
Total	\$52,957.04	\$56,114.76	\$62,120.89
Office Car Furnished			
Director of Development			
Salary	\$29,998.16	\$30,914.44	\$32,823.02
Housing	16,800.00	16,800.00	16,800.00
Utilities	2,600.00	2,700.00	2,800.00
Social Security	.00	.00	.00
Retirement (Savings Bonus)	2,100.00	2,200.00	2,300.00
Insurance			
Travel	60.00	60.00	60.00
Life	286.68	286.68	286.68
Health	2,510.52	2,912.16	3,057.77
Dental	192.36	192.36	201.98
Total	\$54,547.72	\$56,065.64	\$58,329.45
Office Car Furnished			
Director of Missionary Assistance			
Salary	\$0.00	\$36,314.44	\$37,623.02
Housing	.00	11,400.00	12,000.00
Utilities	.00	2,100.00	2,200.00
Social Security	.00	.00	.00
Retirement (Savings Bonus)	.00	850.00	950.00
Insurance	.00		
Travel	.00	60.00	60.00
Life	.00	286.68	286.68
Health	.00	7,578.12	7,957.03
Dental	.00	595.08	624.84
Total	\$0.00	\$59,184.32	\$61,701.57
Office Car Furnished			
Bookkeeper			
Salary	\$24,396.32	\$25,421.24	\$26,438.09
Social Security	1,866.26	1,944.80	1,982.86
Retirement (Savings Bonus)	1,300.00	1,400.00	1,500.00
Insurance			
Life	194.28	194.28	194.28
Health	.00	.00	.00
Dental	.00	.00	.00
Total	\$27,756.88	\$28,960.32	\$30,115.23

Director of Communications

	1995	1996	1997
Salary	\$32,522.36	\$33,888.40	\$0.00
Social Security	2,488.20	2,592.72	.00
Retirement (Savings Bonus)	6,050.00	7,050.00	.00
Insurance			
Life	286.68	1,242.28	.00
Health	2,510.52	.00	.00
Dental	192.36	.00	.00
Total	<u>\$44,050.12</u>	<u>\$44,773.40</u>	<u>\$0.00</u>

Publications Editor

Salary	\$0.00	\$20,800.00	\$21,632.00
Social Security	.00	1,560.00	1,622.40
Retirement (Savings Bonus)	.00	416.00	432.64
Insurance			
Life	.00	194.28	194.28
Health	.00	2,912.16	3,057.77
Dental	.00	192.36	201.98
Total	<u>\$0.00</u>	<u>\$26,074.80</u>	<u>\$27,141.07</u>

Loan Fund Secretary

Salary	\$16,712.28	\$17,414.28	\$18,110.86
Social Security	1,278.68	1,332.24	1,358.32
Retirement (Savings Bonus)	835.62	870.72	905.55
Insurance			
Life	194.28	194.28	194.28
Health	2,510.52	2,912.16	3,057.77
Dental	192.36	192.36	201.98
Total	<u>\$21,723.74</u>	<u>\$22,916.04</u>	<u>\$23,828.76</u>

Secretary

Salary	\$16,712.28	\$17,414.28	\$18,110.86
Social Security	1,278.68	1,332.24	1,358.32
Retirement (Savings Bonus)	835.62	870.72	905.55
Insurance			
Life	184.80	184.80	184.80
Health	2,510.52	2,912.16	3,057.77
Dental	192.36	192.36	201.98
Total	<u>\$21,714.26</u>	<u>\$22,906.56</u>	<u>\$23,819.28</u>

Secretary/Loan Fund Bookkeeper

Salary	\$0.00	\$23,896.08	\$24,851.93
Social Security	.00	1,792.21	1,863.90
Retirement (Savings Bonus)	.00	1,194.81	1,242.60
Insurance	.00	.00	.00
Total	<u>\$0.00</u>	<u>\$23,883.10</u>	<u>\$27,958.43</u>

Circulation (Part-Time)

Salary	\$0.00	\$5,400.00	\$0.00
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**Proposed State Goals for 1997
National Home Missions Department**

State	1997 Goal
Alabama	\$ 260,000
Arizona	25,000
Arkansas	180,000
California	50,000
Canada	8,000
CELF	63,000
Colorado	34,000
Florida	80,000
Georgia	75,000
Hawaii	2,000
Idaho	3,000
Illinois	40,000
Indiana	30,000
Iowa	2,000
Kansas	10,000
Kentucky	65,000
Louisiana	13,000
Maine	7,000
Maryland	25,000
Massachusetts	16,000
Michigan	75,000
Mississippi	70,000
Missouri	150,000
Montana	1,000
Nebraska	2,000
New Hampshire	30,000
New Jersey	3,000
New Mexico	5,000
North Carolina	200,000
Ohio	82,000
Oklahoma	250,000
Oregon	3,000
Other Income	90,000
Other States	2,000
Pennsylvania	4,000
Puerto Rico	6,000
South Carolina	150,000
South Dakota	10,000
Tennessee	350,000
Texas	30,000
Virginia	90,000
Virgin Islands	40,000
Washington	7,500
West Virginia	55,000
Wisconsin	1,500
WNAC	90,000
Wyoming	15,000
Total 1997 Goals	<u>\$2,800,000</u>

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:
Trymon Messer, 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 _____, 1996, at _____.

By affixing my signature hereto, I, Trymon Messer, 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 _____, 1996.

Trymon Messer, General Director

Sworn and subscribed to before me on the _____ day of _____, 1996.

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 _____, 1996, at _____.

Secretary

CHURCH EXTENSION LOAN FUND

Antioch, Tennessee

FINANCIAL STATEMENTS
December 31, 1995

CHURCH EXTENSION LOAN FUND

December 31, 1995

Contents

	Page
<u>Financial Statements</u>	
Independent auditor's report	1
Statement of financial position	2
Statement of activities	3
Statement of cash flows	4
Notes to the financial statements	5-9

THONI, HINTON & WARREN

CERTIFIED PUBLIC ACCOUNTANTS
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LARRY BRUCE WALLACE, CPA
* Retired

Members
AMERICAN INSTITUTE OF
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 statement of financial position of the Church Extension Loan Fund (a nonprofit organization) as of December 31, 1995, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Church Extension Loan Fund as of December 31, 1995 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Thoni, Hinton & Warren

January 31, 1996

CHURCH EXTENSION LOAN FUND
Statement of Financial Position
December 31, 1995

ASSETS

Assets

Cash - Note 7
Notes receivable - Notes 1, 5 & 10
Bonds receivable - Note 8
Accrued interest receivable
Property and equipment - at cost, less
accumulated depreciation of \$11,452 - Notes 1 & 2

Total assets

\$1,907,109
7,103,129
56,206
61,491
14,899
\$9,142,834

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable - related party - Note 5
Accrued interest
Revocable and irrevocable trusts - Note 11
Deferred compensation - Note 12
Notes payable - Notes 3, 5 & 10
Note payable - other - Note 4

Total liabilities

Net assets

Unrestricted

Total net assets

Total liabilities and net assets

\$ 39,000
101,931
569,000
260,576
7,492,158
16,435
8,479,100
663,734
663,734
\$9,142,834

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

-2-

CHURCH EXTENSION LOAN FUND
Statement of Activities
For the Year Ended December 31, 1995

Revenue:	
Designated contributions - Note 6	
Investment income	\$ 60,453
Interest income on notes receivable	67,544
	<u>694,818</u>
	<u>822,815</u>
Expenses:	
Interest expense	602,770
Office expense	9,433
Auto and travel	14,898
Management fee - Note 5	61,420
Promotion	19,461
Postage	1,432
Professional fees	8,697
Depreciation	4,093
Transfer to Free Will Baptists Home Missions	<u>39,000</u>
	<u>761,204</u>
Increase in net assets	61,611
Net assets - beginning of year	<u>602,123</u>
Net assets - end of year	<u>\$663,734</u>

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

-3-

CHURCH EXTENSION LOAN FUND
Statement of Cash Flows
For the Year Ended December 31, 1995

<u>Operating activities</u>	\$ 61,611
Increase in net assets	
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	4,093
Changes in operating assets and liabilities:	
(Increase) decrease in accrued interest receivable	(15,111)
Increase (decrease) in accounts payable	(100,642)
Increase (decrease) in accrued interest payable	42,863
Increase (decrease) in deferred compensation	<u>66,590</u>
	<u>59,404</u>
Net cash provided by operating activities	
<u>Investing activities</u>	(5,160)
Purchase of equipment	460,171
Collection on notes receivable	(905,324)
Additions to notes and bonds receivable	<u>(450,313)</u>
Net cash used in investing activities	
<u>Financing activities</u>	(10,000)
Termination of trusts	2,144,462
Additions to notes payable	(748,960)
Repayment of notes payable	<u>1,385,502</u>
Net cash provided by financing activities	994,593
Increase (decrease) in cash and cash equivalents	<u>912,516</u>
Cash and cash equivalents at beginning of year	<u>\$1,907,109</u>
Cash and cash equivalents at end of year	
<u>Supplemental disclosures</u>	\$ 742,762
Interest received	<u>\$ 559,907</u>
Interest paid	

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

-4-

CHURCH EXTENSION LOAN FUND
Notes to the Financial Statements
December 31, 1995

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. located in Antioch, Tennessee. 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 Organization's support comes primarily from interest on notes receivable.

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:

Basis of accounting

The Fund prepares its financial statements using the accrual method of accounting which involves the application of generally accepted accounting principles; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Fund is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Contributions

The Fund accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

CHURCH EXTENSION LOAN FUND
Notes to the Financial Statements
December 31, 1995

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

Contributions - continued

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Fund has no temporarily restricted or permanently restricted net assets.

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 10% (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:

1996	\$ 290,535
1997	322,553
1998	358,100
1999	397,564
2000	441,377
Thereafter	<u>5,293,000</u>
	<u>\$7,103,129</u>

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.

CHURCH EXTENSION LOAN FUND
Notes to the Financial Statements
December 31, 1995

Note 2 - Property and equipment

A summary of property and equipment follows:

Automobile	\$ 15,714
Office equipment	10,637
	26,351
Less: Accumulated depreciation	(11,452)
	<u>\$ 14,899</u>

Note 3 - Notes payable

Notes payable consist of 6 1/2 - 8% 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, 1995 was \$16,435. The interest rate is comparable to the interest rate that the Fund is paying on its unsecured demand notes. Therefore, the balance approximates fair value.

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 \$61,420 to reimburse the Board of Home Missions for salary, rent and other expenses paid by the Board. The Fund holds a note receivable from the Board of Home Missions in the amount of \$34,866. This note was secured by a deed of trust on land in Puerto Rico. 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 \$563,667. The Fund had accounts payable to the Board of Home Missions in the amount of \$39,000.

The Fund holds a note receivable from the National Association of Free Will Baptists, Inc. in the amount of \$945,945. This note is secured by a deed of trust note.

CHURCH EXTENSION LOAN FUND
Notes to the Financial Statements
December 31, 1995

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 \$648,414.

Note 7 - Concentration of credit risk

The Fund maintains cash deposits in excess of the federally insured amounts. At December 31, 1995, the excess amount over the federally insured limit was \$1,807,109.

Note 8 - Fair value of bonds

The Fund has invested in church bonds of a Free Will Baptist Church in Arizona. Interest on the bonds is compounded on a semi-annual basis at 8 1/2% and is added to the principal balance of the bonds. The 8 1/2% interest rate is comparable to the rate that the Fund could receive on other investments. Therefore, the book value approximates the fair value of the bonds.

Note 9 - Change for new pronouncements

The Fund elected to adopt SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, in 1995. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

In 1995, the Fund also elected to adopt SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Fund is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by this new Statement, the Fund has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for 1995.

CHURCH EXTENSION LOAN FUND
Notes to the Financial Statements
December 31, 1995

Note 10 - Concentration

Included in notes receivable at December 31, 1995 is \$945,945 receivable from the National Association of Free Will Baptists. This one balance represents 13.32% of total notes receivable.

Notes payable includes twenty-seven notes which total \$4,115,245 or 54.93% of total notes payable. Of these twenty-seven notes payable, two total \$1,063,667 or 7.04% of total notes payable.

Note 11 - Revocable and irrevocable trusts

Six irrevocable and three revocable charitable remainder trusts pay interest at 9% per year. The principal of these trusts was used to make mortgage loans. Interest expense for the year ended December 31, 1995 amounted to \$52,630.

Note 12 - Deferred compensation

Deferred compensation represents savings trusts transferred from the Board of Home Missions of the National Association of Free Will Baptists for the benefit of their principal employees upon their retirement or departure from Home Missions. These trusts pay interest at a rate of 10% per year. Interest expense for the year ended December 31, 1995 was \$21,178.

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:
Trymon Messer, 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, con-

vey 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 _____, 1996, at _____.

By affixing my signature hereto, I, Trymon Messer, 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 _____, 1996.

Trymon Messer, General Director

Sworn and subscribed to before me on the _____ day of _____, 1996.

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 _____, 1996, at _____.

Secretary

Report of the Master's Men Department

1995, A Year of Hope

"Man's mind, once stretched to a new idea, never goes back to its original dimensions." The preceding statement, written by Oliver Wendell Holmes, is a perceptive insight which helps describe the work of Master's Men. As new groups join the efforts, the men show keen excitement and desire to be about the Father's business. 1995 was the 39th year of service by Master's Men to the Lord through the Free Will Baptist denomination.

The year proved to be a great time of rallying effort for the needs of Master's Men. Debts had escalated until it seemed nearly impossible to expect to be able to reverse the downward spiral. But, the men responded in a marvelous way. The 1995 audit shows the total income for 1995 was \$166,462. This is an increase of over \$46,000 from 1994 and the best financial year in the history of the department. I wish I could state this occurred because our churches joined in the cause and gave us men and money for the work. But that isn't what happened.

The work was accomplished by the few "over-involved" men who make up the core of laborers in the Master's Hands Projects and the Helping Hands workers for Home Missions Department. Over \$14,000 of debt was wiped off the ledger in 1995 by efforts of our volunteer builders. They labored on several construction projects, using the gifts provided by churches to aid in this debt reduction.

In addition to their efforts, a house was built and sold for profit in Arkansas, providing \$20,000 to Master's Men Department. The efforts of John and Jackie Fowlkes of Vilonia, Arkansas, made this gift the largest ever received by Master's Men. The first "Build-A-House Campaign" graphically demonstrates the potential of this project.

The "BAH Campaign" funds on deposit (\$17,000) were loaned at 9% interest for the project. This first return provided 128% profit. Amen! Our goal remains to achieve \$70,000 on deposit, using the Build-A-House concept to provide future funding for department ministry. In May 1996, this project had on deposit \$26,772, or 38.25% of the goal. You, your church, your men, are urged to help us achieve the goal.

The Master's Men Board chose David S. Coombs as Layman of the Year 1994. Coombs is a member of Providence FWB Church, Hampton, VA. Runner-up Layman of the Year was Orel Creech, member of First FWB Church, Tulsa, OK. These men are representative of the vast number of dedicated men who quietly serve the Master without thought of reward or recognition in this life. These awards are presented for accomplishments in the previous year.

The national Master's Men conference was conducted for the third consecutive year at Camp Beaverfork in Arkansas. Attendance was disappointing, but the speakers, singers, food and facilities were great. The Arkansas State Master's Men and workers at Camp Beaverfork were excellent hosts.

Sports Fellowship activities showed tremendous growth in 1995. The 16th annual national Softball Tournament had 48 teams competing, six of them women's teams. Over 900 players participated in the competition. Six other teams were unable to compete because of the limitations of the sports complex. Winners and top place finishers included:

First place	High Point FWB, Lancaster, SC
Second Place	First FWB "A" Team, Sylacauga, AL
Third Place	Mt. Zion FWB, Pell City, AL
Fourth Place	Woodhaven FWB, Woodhaven, MI

Women's Tournament winners were:

First Place	Woodhaven FWB, Woodhaven, MI
Second Place	Good Springs FWB, Pleasant View, TN

In 1996, two complexes are to be used, allowing all teams to compete. The 1996 tournament is scheduled for August 16-17. The deadline for registering is July 25. Details are available at the Master's Men booth.

The third annual Fund-Raiser Golf Tournament had 88 men competing. Victors were Toby Youngblood and Greg Cleveland, both from Cavanaugh FWB Church in Fort Smith, Arkansas, with a score of 68. This is the fastest growing activity and should provide good funding for department ministry.

In all, eleven known tournaments were held around the states, several benefiting Master's Men Department, and others helping various state ministries. For example, the Oklahoma MM Tournament raised about \$2,000 for Hillsdale College and scholarships for men. For the fourth annual National Fund-Raiser Golf Tournament, Hermitage Golf Course is scheduled for August 15, 1996. This is one of the finest courses in Nashville. The two-man scramble format will be used.

1996, A Year of Celebration

January 1, 1996, was a special Day of Prayer. Master's Men across the nation used a designated hour of that day to pray for every worker in each department ministry. The men also prayed for every home missionary and foreign missionary. This intercessory ministry will continue on the first day of each year. Your church and men are invited to join in for "One Sweet Hour of Prayer" Wednesday, January 1, 1997. Sign up at the Master's Men booth to receive the prayer schedule and the list of all employees in every national ministry.

February 20 was a day of celebration for Master's Men. A LifeMember deposit received that day for the Endowment Trust Fund pushed the total funds on deposit past the \$100,000 level. This fund is beginning to do what it was planned for in December 1985. Over \$9,000 interest was earned in 1995, providing a good portion of operation funds. The stated goal of this director is to see this fund grow to over \$1 million on deposit. Most of the operations for the department could be funded from this one source.

LifeMembership continues to show growth, although the numbers of men completing the fees has slowed. In April 1995, the number of LifeMembers topped 800. LifeFriends number 60, with only two LifeFriend churches. Nearly 10 more men are making payments to achieve LifeMembership. Surprisingly, few churches seem interested in helping the Endowment Trust Fund grow by making contributions on a regular basis. The growth of the fund has been through deposits of individuals.

Already, 18 individuals have pledged portions of their estates to Master's Men. These promised funds are nearing \$500,000. As the Lord takes His servants home, they will leave behind a beautiful testimony of their love for this part of denominational ministry. Their funds, as a portion of the irrevocable Endowment Trust fund, will provide help until the Lord returns.

Sports Fellowship offered a weekend of golf February 22-24 in Dothan, Alabama. A group of 25 men gathered for the Deep South Golf Competition. Winners of the tournament were the two-man team of Jerry Atwell (MS), and Danny Dwyer (NC). A date is set for 1997: February 27 - March 1 at Olympia Golf Resort.

"... Be filled with the Spirit; speaking to yourselves in psalms and hymns and spiritual songs, singing and making melody in your heart to the Lord." Paul's exhortation to the Ephesians provided inspiration for a gift from the department to the denomination as we celebrate 40 years of men's ministry. Dr. Vernon Whaley was commissioned to write a special song about men in service to the Master. The effort, showcased at this convention is named, "God's Men."

We live today as holy men
Commissioned by His grace.
With a love for God and our fellow man,
We faithfully take our place—

Compelled to follow His commands
We're called to seek His face,
Consumed by love for a holy Lord
And challenged to walk by faith—

Our one desire as we face this hour
Is to walk with God alone.
He provides to us His amazing pow'r
Lovingly from His throne—

Oh, God above in majesty,
Look down on us we pray
May we always be faithful men
In all that we do and say—

Refrain:

We're men, God's men,
And we boldly take our stand,
To live and love and labor for the Kingdom
We go forth as the Master's Men.

The words and music are available in written form and as soundtracks for accompaniment. They may be purchased at the Master's Men booth. Our prayer is that this song will challenge and inspire laity to greater effort for the Master.

To continue the celebration, this year the Master's Men Dinner features Dr. Robert C. Hill as guest speaker. Hill was the primary person in the founding of Master's Men in 1955-1956. Brother Bob served as the first director of the fledgling organization, serving for eight years without pay. His efforts in providing principles, purposes and projects are still being used today as guidelines for operation.

Three regional Pastors and Laymen Conferences are slated for the fall. These meetings are a fantastic time of uplifting and challenge. If your church is located near enough for your men to attend, they need these spiritual

meetings. Illinois, at Camp Hope, September 5-7; West Virginia at Ripley, October 3-5; Georgia at Statesboro, October 10-12.

Master's Men is sponsoring a booth for Boy Scouts of America at this convention. We also maintain membership in American Baptists for Scouting. Investigate the benefits available for your men and church. The Boy Scouts of America are representing again at this convention. Irving, Texas, is the location of their national office. Your church needs this organization in order to invest in the lives of the young men in your community.

A scout leader spends eight times more quality time with the fellows than do Sunday School teachers. Boy Scouts have taken a strong stand against homosexuality, and have refused to remove their challenge to learn of God. They've spent several million dollars defending their right to maintain the high standards that have always been part of their commitment to boys. We need this good organization to prepare young men for life and leadership in our churches.

Master's Men is a strong force of service and challenge for every layman. Individual men react to the challenge of yielded servanthood in many ways. Master's Men continues to expand the ministry and fellowship possibilities for Free Will Baptist laity. Part of our goal is to provide ministry opportunities to every age group.

Forty years of service is commendable and the denomination should give thanks for the faithful efforts of the department. More than that, every church and every pastor should investigate the opportunities for laity through personal involvement in Master's Men.

Respectfully submitted,
James E. Vallance, Director

Summary of Board Activity in 1995

April 21

1. The board voted to adopt and partially underwrite the financing of the first "Build-A-House Campaign" being constructed in Arkansas.

July 18

1. The board discussed incorporation for the department.
2. The board requested the Executive Committee give time on the national convention program for celebration of the department's 40th anniversary.

July 19

1. The board welcomed Jerry Atwell (MS) as it's new member.
2. The board elected as officers: chairman, Waymon Ray (OK); vice-chairman, Thurman Pate, Jr. (TN); secretary, Rev. Dwight Fletcher (MS); assistant secretary, Gary Wilson (AL).

December 7

1. The board sent a letter to the Executive Committee requesting that no state and local meal functions conflict with events scheduled by national departments. It was noted that the Master's Men Dinner lost over \$600

- in ticket sales this year because of a conflicting meal function.
2. Voted to postpone incorporation proceedings until resources are available to seriously consider the matter.
 3. Voted to employ Michael Johnston as auditor for 1995.
 4. Voted to present a budget for 1997 totaling \$131,900.
 5. Voted to apply \$2,000 from the Build-A-House sale in Arkansas to the indebtedness with the Executive Office.

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

Financial Statements

December 31, 1995

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

CONTENTS

Opinion of Certified Public Accountant	1
Balance Sheet	2
Statement of Activity and Changes in Fund Balance	3
Statement of Cash Flows	4
Notes to Financial Statements	5-6

MICHAEL JOHNSTON

Certified Public Accountant

13166 Lake Benton Road
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, 1995 and 1994, 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, 1995 and 1994 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 23, 1996

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,

ASSETS	1995	1994
CURRENT ASSETS		
Cash	\$891	\$4,342
Trust account - Build A House campaign	5,835	9,694
Trust account - Lifetime membership	99,029	95,961
Prepaid expenses	100	0
Accrued interest receivable	1,036	0
Inventories	2,126	2,796
Cash value of endowment insurance	2,941	2,477
Total current assets	\$111,958	\$115,270
NOTES RECEIVABLE (Note 4)	17,000	0
PROPERTY AND EQUIPMENT, net (Note 2)	10,229	9,150
CAPITALIZED LEASE, net (Note 3)	3,114	3,315
Total assets	\$142,301	\$127,735
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	\$121,900	\$124,144
Deferred revenue (Note 5)	575	680
Accrued expenses	801	766
Current portion of long-term debt (Note 6)	0	3,163
Total current liabilities	\$123,276	\$128,753
LONG-TERM DEBT (Note 6)	0	22,144
Total liabilities	\$123,276	\$150,897
FUND BALANCE (DEFICIT) (Note 7)		
Unrestricted	(\$113,173)	(\$139,227)
Restricted	132,198	116,065
Total capital	\$19,025	(\$23,162)
Total liabilities and capital	\$142,301	\$127,735

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,

	1995		1994	
	Unrestricted	Restricted	Total	Total
REVENUE				
Dues from members	\$8,354	\$0	\$8,354	\$8,475
Cooperative program	40,299	0	40,299	34,702
Merchandise sales	2,766	0	2,766	1,038
Interest income	9,144	0	9,144	3,473
Gifts and other income	86,126	19,773	105,899	72,468
	\$146,689	\$19,773	\$166,462	\$120,156
EXPENSES				
Salaries and wages	\$29,997	\$2,000	\$31,997	\$32,117
Payroll taxes and employee benefits	13,561	0	13,561	11,752
Cost of sales and printing	11,338	0	11,338	7,574
Travel expense	7,784	0	7,784	11,870
Conferences and conventions	8,690	0	8,690	9,662
Office expense	6,148	0	6,148	9,809
Postage	3,680	0	3,680	4,686
Promotion expense	14,757	0	14,757	9,742
Rent expense	19,238	0	19,238	26,380
Professional fees	500	0	500	500
Bookkeeping expense	575	175	750	975
Depreciation	919	0	919	899
Amortization	201	0	201	201
Interest expense	2,295	0	2,295	1,176
Insurance expense	319	600	919	994
Dues, subscriptions and fees	633	0	633	1,119
Helping Hands construction expense	0	735	735	0
Missions projects	0	130	130	38
	\$120,635	\$3,640	\$124,275	\$129,494
REVENUES OVER (UNDER) EXPENSES	\$26,054	\$16,133	\$42,187	(\$9,338)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	(139,227)	116,065	(23,162)	(13,824)
RETAINED EARNINGS, ENDING	(\$113,173)	\$132,198	\$19,025	(\$23,162)

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

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

STATEMENT OF CASH FLOWS
Years ended December 31,

	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue over (under) expenses	\$42,187	(\$9,338)
Adjustments to reconcile to net cash		
Depreciation	919	899
Amortization	201	201
Changes in assets and liabilities		
Change in accounts receivable	0	52
Change in inventories	670	(818)
Change in prepaid expenses	(100)	0
Change in accrued interest receivable	(1,036)	1,035
Change in accounts payable	(2,244)	27,908
Change in deferred revenue	(105)	500
Change in accrued expenses	35	137
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$40,527	\$20,576
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to trust accounts	\$791	(\$39,516)
Additions to notes receivable	(17,000)	0
Additions to cash value of endowment insurance	(464)	(508)
Additions to property and equipment	(1,998)	(300)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(\$18,671)	(\$40,324)
CASH FLOWS FROM FINANCING ACTIVITIES		
Reduction of long-term debt	(\$25,307)	(\$4,596)
Proceeds from long-term debt	0	25,420
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	(\$25,307)	\$20,824
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(\$3,451)	\$1,076
CASH AT BEGINNING OF YEAR	4,342	3,266
CASH AT END OF YEAR	\$891	\$4,342

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

-4-

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

NOTES TO FINANCIAL STATEMENTS
December 31, 1995

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,:

	1995	1994
Equipment and furniture	\$26,900	\$24,902
Less: accumulated depreciation	16,671	15,752
Property and equipment, net	\$10,229	\$9,150

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.

-5-

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

NOTES TO FINANCIAL STATEMENTS
December 31, 1995

NOTE 4 - NOTES RECEIVABLE

Following is a summary of the Department's notes receivable at December 31,:

	1995	1994
Note receivable from John Fowlkes, Vilonia, Arkansas; 9%; dated 4/21/95; due on demand	\$17,000	\$0
	<u>\$17,000</u>	<u>\$0</u>

NOTE 5 - DEFERRED REVENUE

Deferred revenue consists of dues received for future years as of December 31, 1995 and 1994.

NOTE 6 - NOTES PAYABLE

Following is a summary of the Department's notes payable at December 31,:

	1995	1994
Note payable to First American National Bank, Nashville, Tennessee; 12%; dated 6/28/91; due 7/20/95	\$0	\$1,652
Note payable to Free Will Baptist Foundation, Antioch, Tennessee; 8.50%; dated 8/94; due 9/04	0	23,655
	<u>\$0</u>	<u>\$25,307</u>
Current portion	0	3,163
Long-term debt	<u>\$0</u>	<u>\$22,144</u>

NOTE 7 - RESTRICTED FUND BALANCE

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

	1995	1994
Mission projects	\$7,099	\$7,199
Build A House campaign	23,633	11,512
Lifetime Membership	100,022	96,954
Master's Hands projects	1,000	0
Endowment insurance	444	400
	<u>\$132,198</u>	<u>\$116,065</u>

**Master's Men
1997 Proposed Budget**

Income

	1997 Board Approved to be Presented to National
Gifts	\$ 35,000
Dues	10,000
Rest of the Family Offering	500
Promotion/Advertising/Sales Advertising/(Profit)	2,000
Together Way Plan (14% Undesignated Gifts)	45,000
Master's Men Conference(s)	2,500
Master's Hands Special Projects	7,000
Heritage Hikes	0
Softball Tournament (Profit)	2,500
Golf Tournament (Profit)	1,000
Fishing Tournament (Profit)	500
Missions Projects	100
Other (savings)	100
Build-a-House Revocable Trust	10,000
LM Endowment Interest*	6,000
Master's Men Dinner (Profit)	100
Endowment Insurance	600
Endowment Trust/LM,LF Account Deposits	2,000
Build-a-House Projects	7,000
Miscellaneous Income	0
Designated Gift/Computer	0
Total	<u>\$131,900</u>

*Earned Interest used to retire Endowment Trust Loan

Expenses

	1997 Board Approved to be presented to National
Conference, Leadership	\$ 0
Conference, Master's Men National	0
Conferences, Regional	0
Convention Booth	250
Debt Retirement	5,000
Dinner, Convention	0
Endowment Insurance	600
Endowment Trust**	0
Missions Projects	0
Office, Audit	600
Office, Bookkeeping Fee	1,200
Office, Equipment Maintenance	500
Office, Equipment	1,800
Office, Postage	5,500
Office, Printing	8,000
Office, Rent and Utilities (\$1/sq. ft.)	20,292
Office, Supplies	5,000
Office, Telephone	1,500
Promotion/Sales Advertising	1,000
Salary, Casual Labor	1,000
Salary, Director's Retirement (5% salary)	1,764
Salary, Director's Insurance	10,000
Salary, Payroll Taxes (7.51%)	2,650
Salary, Staff Director	35,280
Travel, Board	2,000
Travel, Director	10,000
Contingency Fund	5,364
Miscellaneous	500
Transfers to Fund Balance	12,100
Endowment Trust	2,000
Missions Projects	100
Build-a-House Revocable Trust	10,000
Total	<u>\$131,900</u>

**Actual Deposits to Endowment Trust Fund

Free Will Baptist Bible College Report

For 54 years FWBBC has been a servant to our Free Will Baptist Denomination. God has blessed us with the privilege of training outstanding Christian leaders who serve Him in this country and around the world. They are men and women who have a love for Christ, His church and a world that is spiritually lost. These people will be the leaders who will take us well into the 21st century.

It is with sincere gratitude we say "Thank You!" for your faithful support and encouragement. You have proven your love for the college in so many ways.

The college is still moving forward in the accreditation process with the Southern Association of Colleges and Schools. The "Claim the Land" campaign has been an overwhelming success, with all 123 acres sold.

The Christian Service Department has enjoyed another year of success with more than 300 salvation decisions and 425 other decisions. Through our preaching trips, our student preachers are receiving first-hand experience as they visit with our pastors and preach in pulpits across the denomination.

One of the greatest assets the denomination and college have is our consecrated and well-equipped faculty and staff. These men and women have given themselves to the purpose of preparing students to know God, His Word and His will. I am so grateful for their dedicated service.

As always, many major decisions are before us. Pray that our God will lead us down a clear path.

In Christ,
Tom Malone, President

Synopsis of Minutes, FWBBC Board of Trustees

Semi-Annual Meeting, December 7-8, 1995, at Free Will Baptist Bible College

The Trustees met on campus December 7-8, 1995, with all members present. Reports from various departments were heard, and matters of enrollment, recruitment, faculty needs and budget items were reviewed. An update was given on campus relocation and the Claim the Land drive.

The Board adopted a policy for presidential evaluation and a solicitation policy according to SACS recommendations.

Annual Meeting, May 13-15, 1996, at Free Will Baptist Bible College

The Trustees met on campus May 13-15, 1996, with all board members present. Reports were heard from the heads of the various college departments. The SACS accrediting process was reviewed and recent team recommendations considered. The college President gave the Board his list of goals for the 1996-97 school year for evaluation. The board affirmed revisions to student life policy. Authority was given to investigate hiring of a consulting firm to help in recruitment and fund-raising. Physical plant needs were considered and repairs to the library and auditorium were authorized. The 1996-97 Budget was considered. Board officers were elected. Dr. Miley's retirement was recognized by naming the science lab the LaVerne Miley Science Lab.

Registration Report

Annual, 1995-96

Enrollment373

Enrollment Breakdowns

By State

Alabama	.29
Arkansas	.15
California	.2
Colorado	.2
Delaware	.2
Florida	.14
Georgia	.18
Illinois	.41
Indiana	.11
Kentucky	.18
Michigan	.7
Mississippi	.10
Missouri	.19
Nebraska	.2
New York	.2
North Carolina	.26

Ohio	.17
Oklahoma	.3
Pennsylvania	.2
South Carolina	.13
South Dakota	.1
Tennessee	.79
Texas	.3
Virginia	.15
Washington	.2
West Virginia	.3

Virgin Islands	.1
Foreign	.16
(The student body represents 26 states, USVI, and 7 foreign countries.)	

By Classification

Freshmen	.112	Juniors	.78
Sophomores	.112	Seniors	.61
Special	.10		

Others

Male	.202	Ministerial	.65
Female	.171	Missionary	.50
Free Will Baptist	.341	Single	.317
Other	.32	Married	.56

Enrollment Summary 1995-96

Enrollment First Semester	.346
Additional Enrollment Second Semester	.22
Total Enrollment First and Second Semesters	.368
Summer 1995 Enrollment Not Already Counted	.5
Total Enrollment	.373

Financial Aid Report

Loans Issued	85	\$ 103,407.39
Student Workers	111	155,421.71
Scholarship Recipients	56	37,158.00
SEOG Program	59	16,893.00
College Work Study Program	16	12,793.00
Pell Grant Awards	118	167,113.00
Stafford Loan Program	167	551,013.00
Unsubsidized Stafford Loan Program	37	79,441.00
Plus Loan Program	8	32,536.00
Total Financial Aid Administered 1995-96		\$1,137,162.10

Welch Library

Total books, bound volumes, microforms, sound recordings, video-cassettes, instructional materials, etc. 62,717

May 31, 1996, financial report and proposed budget of the Bible College will be presented at the National Association. The audit report will be presented as the college's official report.

Free Will Baptist Bible College Salary Breakdown

	1994-95	1995-96	1996-97		1994-95	1995-96	1996-97
President				Stewardship Development Director			
Salary	\$48,150	\$50,558	\$51,308	Salary	\$30,000	\$31,500	\$32,250
Social Security	3,683	3,868	3,925	Social Security	2,295	2,410	2,467
Retirement	2,552	2,680	2,960	Retirement	1,590	1,670	1,861
Insurance	2,388	2,370	2,487	Insurance	2,388	2,370	2,487
Life	201	183	183	Life	201	183	183
Medical	2,187	2,187	2,304	Medical	2,187	2,187	2,304
Total	\$56,773	\$59,476	\$60,680	Total	\$36,273	\$37,950	\$39,065
Academic Dean				Treasurer			
Salary	\$41,195	\$43,255	\$44,005	Salary	\$36,380	\$38,199	\$38,949
Social Security	3,151	3,309	3,366	Social Security	2,783	2,922	2,980
Retirement	2,183	2,293	2,539	Retirement	1,928	2,025	2,247
Insurance	2,388	2,370	2,487	Insurance	2,388	2,370	2,487
Life	201	183	183	Life	201	183	183
Medical	2,187	2,187	2,304	Medical	2,187	2,187	2,304
Total	\$48,917	\$51,227	\$52,397	Total	\$43,479	\$45,516	\$46,663

Salary includes housing allowance where applicable.
Some administrators have chosen a voluntary reduction from listed salaries.

Proposed General Fund Gift Income Budget 1996-97

	1996-97
State	\$72,000
Alabama	2,500
Arizona	48,000
Arkansas	12,000
California	1,000
Canada	1,000
Colorado	5,000
Connecticut	500
Delaware	25,500
Florida	70,000
Georgia	500
Hawaii	500
Idaho	40,000
Illinois	12,000
Indiana	1,400
Iowa	1,800
Kansas	20,000
Kentucky	500
Louisiana	10,000
Maryland	35,000
Michigan	30,000
Mississippi	38,000
Missouri	500
Nebraska	500
Nevada	500
New Jersey	500
New Mexico	148,000
North Carolina	20,000
Ohio	27,000
Oklahoma	62,000
South Carolina	800
South Dakota	183,000
Tennessee	13,000
Texas	1,000
Vermont	2,000
Virgin Islands	25,000
Virginia	2,000
Washington	12,000
West Virginia	10,000
W.N.A.C.	65,000
Other	\$1,000,000
Total	

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

1995-96 Financial Report



Hill, Harper & Associates, P.C.
Certified Public Accountants

Independent Auditors' Report

Terry A. Hill
Ernest R. Harper

The Board of Trustees
Free Will Baptist Bible College:

Brentwood Executive Center
761 Old Hickory Boulevard
Suite 303
Brentwood, TN 37027
TEL 615/377-3485

We have audited the statement of financial position of Free Will Baptist Bible College as of May 31, 1996 and the related statements of activities and changes in net assets, and cash flows 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, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

As explained in notes 1 and 11 to the financial statements, the College has given retroactive effect to the change in accounting for contributions as prescribed by Statement of Financial Accountants Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made, and the financial statement presentation prescribed by SFAS No. 117, Financial Statements of Not-for-Profit Organizations.

July 2, 1996

Hill, Harper & Associates, P.C.

FREE WILL BAPTIST BIBLE COLLEGE Statement of Financial Position May 31, 1996

	Unrestricted Funds	Temporarily Restricted Funds	Permanently Restricted Funds	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 213,424	5,059	-	218,483
Accounts receivable:				
Student accounts	23,392	-	-	23,392
Pledges	42,450	114,750	-	157,200
Employee and other	28,805	-	-	28,805
Prepaid expenses	18,081	-	-	18,081
Inventories	37,713	-	-	37,713
Due from (to) other funds	66,495	(66,495)	-	-
Total current assets	430,360	53,314	-	483,674
Non current assets:				
Cash restricted for endowments	-	-	203,076	203,076
Cash restricted for student loans	-	-	410,762	410,762
Cash held under life income agreements	-	5,000	-	5,000
Investment securities, at cost	-	-	38,224	38,224
Loans to students, less allowance for doubtful loans of \$15,000	-	-	313,093	313,093
Total non current assets	-	5,000	965,155	970,155
Property, plant and equipment:				
Investment in property, plant and equipment	5,324,395	-	-	5,324,395
Accumulated depreciation	2,055,784	-	-	2,055,784
Net property, plant and equipment	3,268,611	-	-	3,268,611
Total assets	\$ 3,698,971	58,314	965,155	4,722,440
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued expenses	\$ 74,973	275	3,791	79,039
Student deposits and agency funds	50,738	-	-	50,738
Accrued salaries	75,198	-	-	75,198
Deferred revenues - summer school and other	4,435	-	-	4,435
Total current liabilities	205,344	275	3,791	209,410
Notes payable and long term debt:				
Notes payable and capital lease obligations	66,224	-	-	66,224
Notes payable to individuals	-	-	181,955	181,955
Total other liabilities and long term debt	66,224	-	181,955	248,179
Total liabilities	271,568	275	185,746	457,589
Net assets:				
Unrestricted funds	3,427,403	-	-	3,427,403
Temporarily restricted funds	-	58,039	-	58,039
Permanently restricted funds	-	-	779,409	779,409
Total net assets	3,427,403	58,039	779,409	4,264,851
Total liabilities and net assets	\$ 3,698,971	58,314	965,155	4,722,440

See accompanying notes to financial statements.

FREE WILL BAPTIST BIBLE COLLEGE
Statement of Activities and Changes in Net Assets
For the year ended May 31, 1996

	Unrestricted Funds	Temporarily Restricted Funds	Permanently Restricted Funds	Total
Revenues:				
Tuition and fees	\$ 1,272,826	-	-	1,272,826
Federal grants and contracts	-	28,253	-	28,253
Private gifts	827,125	280,972	36,377	1,144,474
Endowment income	7,622	9,481	-	17,103
Investment income	12,505	90	18,284	30,879
Sales and services of auxiliary enterprises	997,838	-	-	997,838
Other sources	12,718	5,363	30,610	48,691
Net assets released from restrictions	3,130,634	324,159	85,271	3,540,064
	339,061	(339,061)	-	-
Total revenues	3,469,695	(14,902)	85,271	3,540,064
Expenditures:				
Educational and general:				
Instruction	883,223	-	-	883,223
Academic support	243,698	-	-	243,698
Student services	297,117	-	-	297,117
Operation and maintenance of plant:	380,495	-	-	380,495
Institutional support	809,770	-	-	809,770
	31,492	-	-	31,492
Total educational and general expenditures	2,645,795	-	-	2,645,795
Auxiliary enterprises:				
Dormitories	279,869	-	-	279,869
Dining hall	409,554	-	-	409,554
Bookstore	94,916	-	-	94,916
Snackshop	27,785	-	-	27,785
Total auxiliary enterprises expenditures	812,124	-	-	812,124
Total expenditures	3,457,919	-	-	3,457,919
Increase (decrease) in net assets	11,776	(14,902)	85,271	82,145
Net assets at beginning of year as restated	3,415,627	72,941	694,138	4,182,706
Net assets at end of year	\$ 3,427,403	58,039	779,409	4,264,851

See accompanying notes to financial statements.

FREE WILL BAPTIST BIBLE COLLEGE
Statement of Cash Flows
For the year ended May 31, 1996

	Unrestricted Funds	Temporarily Restricted Funds	Permanently Restricted Funds	Total
Cash flows from operating activities				
Cash collected from students	\$ 2,290,455	-	-	2,290,455
Federal grants	-	28,253	-	28,253
Pell grants considered to be agency fund transactions	-	169,195	-	169,195
Private gifts and grants	821,575	254,024	-	1,075,599
Endowment income	7,622	9,481	-	17,103
Investment income	12,505	90	-	12,595
Other revenues	12,718	-	-	12,718
Cash paid for scholarships, to vendors and for payroll	(3,318,356)	(28,253)	-	(3,346,609)
Cash paid for Pell grants	-	(169,195)	-	(169,195)
Interest paid	(7,388)	-	-	(7,388)
Interfund transfers and net assets released	263,595	(263,595)	-	-
Cash provided from operating activities	82,726	-	-	82,726
Cash flows from investing activities				
Expended for property, plant and equipment	(166,962)	-	-	(166,962)
Student notes receivable made	-	-	(116,762)	(116,762)
Student note receivable collections	-	-	73,689	73,689
Cash provided used by investing activities	(166,962)	-	(43,073)	(210,035)
Cash flows from financing activities				
Retirement of notes payable and long term debt:				
Related to plant assets	(46,682)	-	-	(46,682)
Temporarily restricted funds	(9,500)	-	-	(9,500)
Loans for student loans	-	-	(6,127)	(6,127)
Gifts received for:				
Endowments and student loans	-	-	36,377	36,377
Other student loan transactions:				
Interest income on student loans	-	-	39,744	39,744
Investment income	-	-	18,284	18,284
Collection costs and other transactions, net	-	-	(5,009)	(5,009)
Cash provided from (used by) financing activities	(56,182)	-	83,269	27,087
Net increase (decrease) in cash and cash equivalents	(140,418)	-	40,196	(100,222)
Cash and cash equivalents at beginning of year	353,842	10,099	573,642	937,543
Cash and cash equivalents at end of year	\$ 213,424	10,099	613,838	837,321

FREE WILL BAPTIST BIBLE COLLEGE

Statement of Cash Flows, continued

For the year ended May 31, 1996

	Unrestricted Funds	Temporarily Restricted Funds	Permanently Restricted Funds	Total
Cash and cash equivalents consist of the following:				
Current assets	\$ 213,424	5,059	-	218,483
Non current assets:				
Cash restricted for endowments	-	-	203,076	203,076
Cash restricted for student loans	-	-	410,762	410,762
Cash held under life income agreements	-	5,000	-	5,000
Total cash and cash equivalents	\$ 213,424	10,059	613,838	837,321
Reconciliation of increase (decrease) in net assets to cash flows provided from operating activities				
Increase (decrease) in net assets	\$ 11,776	(14,902)	85,271	82,145
Transactions considered to be capital additions:				
Gifts for endowments and student loans	-	-	(36,377)	(36,377)
Net other transactions from student loan funds	-	-	(48,894)	(48,894)
Depreciation	149,854	-	-	149,854
Net interfund transfers	(14,902)	14,902	-	-
(Increase) decrease in current assets:				
Accounts receivable:				
Student accounts	1,234	-	-	1,234
Pledges	(32,500)	-	-	(32,500)
Employee and other	(14,135)	-	-	(14,135)
Inventories	8,595	-	-	8,595
Prepaid expenses	(9,706)	-	-	(9,706)
Increase (decrease) in current liabilities:				
Accounts payable and accrued expenses	(29,354)	-	-	(29,354)
Student deposits and agency funds	20,012	-	-	20,012
Accrued salaries	(6,695)	-	-	(6,695)
Deferred revenues	(1,453)	-	-	(1,453)
Cash provided from operating activities	\$ 82,726	-	-	82,726

See accompanying notes to financial statements.

See accompanying notes to financial statements.

FREE WILL BAPTIST BIBLE COLLEGE

Notes to Financial Statements

May 31, 1996

The Free Will Baptist Bible College operates under the auspices of the National Association of Free Will Baptists, Inc. and is governed by a Board of Trustees.

(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 purposes into funds that are in accordance with activities or objectives as specified by donors, in accordance with regulations, restrictions, or limitations imposed by sources outside the institution, or in accordance with directions issued by the governing board.

These financial statements, however, have been prepared to focus on the entity as a whole and to present transactions according to the existence or absence of donor-imposed restrictions in conformity with Statements of Financial Accounting Standards (SFAS) No. 116 "Accounting for Contributions Received and Contributions Made" and No. 117 "Financial Statements of Not-for-Profit Organizations" adopted by the Financial Accounting Standards Board (FASB) in June 1993. This has been done by classification of fund transactions into three categories of net assets: unrestricted net assets which have no donor-imposed restrictions, temporarily restricted assets which have donor-imposed restrictions that expire in the future, and permanently restricted net assets which have donor-imposed restrictions which do not expire, as follows: (see note 12)

Reporting prior to SFAS No. 116 and 117

Fund Group

Unrestricted current funds
Restricted current funds
Annuity (life income) funds
Loan funds
Endowment funds:
 True
 Scholarship
 Quasi
Plant funds:
 Unexpended plant funds
 Net investment in plant
Agency funds

Reporting in compliance with SFAS No. 116 and 117

Net Asset Group

Unrestricted
Temporarily restricted
Temporarily restricted
Permanently restricted
Permanently restricted
Permanently restricted
Unrestricted
Temporarily restricted
Unrestricted
Unrestricted liability

Expiration of Donor-Imposed Restrictions

The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires and at that time the related resources are reclassified to unrestricted net assets. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Accrual Basis

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

Pledges Receivable (note 3 and 12)

These amounts, less an appropriate reserve, are recorded at their estimated fair value with amounts due later than one year at the present value of estimated future cash flows.

Property, Plant and Equipment

Plant assets, consisting of land, buildings, other land improvements, equipment and furnishings, library books, and construction in progress are stated at cost or estimated fair value at date of gift. Expenditures for acquisition of assets in excess of \$250 are capitalized as investment in plant.

Depreciable assets are depreciated on a straight-line basis over the estimated useful lives of the assets, ranging from 5 to 50 years. The current provision for depreciation is reported as an expenditure of the College.

Inventories

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

Income 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.

FREE WILL BAPTIST BIBLE COLLEGE

Notes to Financial Statements, continued

(1) Summary of Significant Accounting Policies, continued

Investments

Investments are stated at cost, except those received by gift, which are stated at market or appraised value at date of receipt. All gains and losses from the sale, collection, or other disposition of investments are accounted for in the fund group that owns the assets. Ordinary income derived from investments of endowment funds is accounted for in the fund group to which it is restricted or, if unrestricted, as revenue in unrestricted funds.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the College considers all cash on hand, deposits in financial institutions and highly liquid debt instruments with an original maturity of three months or less to be cash and cash equivalents.

(2) Investments - Marketable Securities

Investment securities are stated at cost. The following table summarizes by type the relationship between carrying value and market value of the investment assets.

	Carrying Value	Market Value	Excess of Market Over (Under) Cost
Balance May 31, 1996			
Common stocks	\$ 38,224	59,763	21,539
Balance May 31, 1995			
Common stocks	\$ 38,224	45,890	7,666
Unrealized gain due to change in the cumulative change in market value pools			13,873
Realized gain on sale of investments			-
Net gain from investments at market values			\$ 13,873

(3) Pledges Receivable

Pledges receivable consist of the following at May 31, 1996:

Fund Group	Estimated to be collected		Total
	Year ended May 1997	Years after May 1997	
Unrestricted - operations	\$ 42,450	-	42,450
Temporarily restricted - proposed new campus	107,050	7,700	114,750
	\$ 149,500	7,700	157,200

Pledges receivable are recorded at estimated realizable value after an allowance for potential uncollectible pledges. Also pledges receivable expected to be collected in years after May 1997 are discounted to their present values of future cash flows using an 8% interest factor.

(4) 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 \$296,721 through May 31, 1996. Relocation of the present campus to the new property is subject to several factors, including the following:

- > Obtaining an acceptable sales price of 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.

(5) Remaining Net Assets of Temporarily Restricted Funds

Net assets of temporarily restricted funds are available for the following purposes:

Proposed new campus	\$ 16,576
Scholarships	21,398
Life income funds	4,725
Other instructional and institutional	15,340
	\$ 58,039

FREE WILL BAPTIST BIBLE COLLEGE

Notes to Financial Statements, continued

(6) Net Assets Released From Restrictions

Donor imposed restrictions expired on temporarily restricted net assets as follows:

Expenditures made for donor imposed restrictions:	\$ 12,505
Private scholarships	16,893
Supplemental Educational Opportunity Grant	9,594
College Work Study Program	1,765
Administrative allowance - Federal programs	24,766
Equipment and library books capitalized	44,519
Other instructional and institutional	
Proposed new campus debt repayment and other related costs	229,019
Net assets released from restrictions	\$ 339,061

Pell grants to students amounting to \$169,195 are not included in expenditures or net assets released from restrictions, as scheduled above. Pell grants are considered to be an agency transaction in that the student payments are entitlements and the funds are not under the control of the College.

(7) 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. The College also maintains certain accounts for sponsored groups, staff purchases, student telephone charges, etc. The College also has a substantial amount of pledges receivable which are dispersed among numerous supporters of the College. 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. The College also owns marketable securities received by gifts which are subject to accounting risk of loss amounting to the recorded balance.

(8) Property, Plant and Equipment and Capitalized Leases (see note 8)

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

	Total	Purchased Assets	Acquired By Capital Leases
	\$ 296,519	296,519	-
Land	294,721	294,721	-
Land and costs incurred, proposed new campus	3,374,969	3,374,969	-
Buildings	1,016,067	870,743	145,324
Equipment	342,119	342,119	-
Library Books	5,324,395	5,179,071	145,324
	2,055,784	1,939,833	115,951
Accumulated depreciation and amortization	\$ 3,268,611	3,239,238	29,373
Net investment in plant			

Depreciation and amortization charged to expenditures computed on the straight - line method was \$149,854.

(9) Notes Payable and Long Term Debt

Permanently Restricted Funds - Student Loan Funds

5% demand notes payable to individuals

\$ 8,046

Unrestricted Funds - Related to plant asset financing:

8% installment obligation, secured by passenger bus, payable monthly at \$722 through May 1996 and \$8,046 payable in June 1996.

24,980

7% installment obligation payable monthly at \$793 through April 1999 secured by computer equipment.

Capital lease obligations, secured by computer and telephone equipment, as follows: (payments required are substantially funded by billing to users.)

1,358

10% obligation payable in monthly installments of \$688 maturing July 1996.

31,840

7% to 8% obligations payable in monthly installments of \$2,263

\$ 66,224

FREE WILL BAPTIST BIBLE COLLEGE

Notes to Financial Statements, continued

(9) Notes Payable and Long Term Debt, continued

Annual maturities of long-term debt installment obligations are as follows for each year ended May 31:

	Long-Term Debt	Capitalized Lease Obligations	Total
1,997 \$	16,069	26,367	42,436
1,998	8,603	8,524	17,127
1,999	8,354	-	8,354
	<u>\$ 33,026</u>	<u>34,891</u>	<u>67,917</u>
		<u>1,693</u>	<u>1,693</u>
		<u>\$ 33,198</u>	<u>66,224</u>

Less amount representing interest

(10) Pension Plan

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 to 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, 1996.

Actuarial present value of benefit obligation:

Accumulated benefit obligation (of which \$1,143,189 is vested)	\$ (1,159,337)
Projected benefit obligation for services rendered to date	(1,555,215)
Plan assets, at fair value	1,389,470
Projected benefit obligation in excess of plan assets	(165,745)
Unrecognized net (gain) or loss	195,432
Prior service cost not yet recognized in net periodic pension cost (benefit)	151,414
Unrecognized net asset at June 1, 1989 being amortized over 15 years	(199,292)
Accrued pension cost, included in accounts payable	\$ (18,121)
Net pension cost for 1996 included the following components:	
Service cost - benefits earned during period	\$ 59,522
Interest cost on projected benefit obligation	111,002
Actual return on plan assets	(94,343)
Net amortization and deferral	(14,700)
Net pension cost	<u>\$ 61,481</u>

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 percent and 5 percent, respectively. The expected long-term rate of return on assets was 8.5 percent.

(11) Net Assets

Net assets of the College consist of the following as of May 31, 1996:

	Unrestricted Funds	Temporarily Restricted Funds	Permanently Restricted Funds	Total
Operations	\$ 225,016	-	-	225,016
Net investment in property, plant and equipment	3,202,387	-	-	3,202,387
Life income funds	-	4,725	-	4,725
Unexpended funds restricted for:				
Operating purposes	-	36,738	-	36,738
Plant facilities	-	16,576	-	16,576
Student loan funds	-	-	538,109	538,109
True endowment funds	-	-	86,880	86,880
Scholarship endowment funds	-	-	154,420	154,420
Net assets as of May 31, 1996	<u>\$ 3,427,403</u>	<u>58,039</u>	<u>779,409</u>	<u>4,264,851</u>

FREE WILL BAPTIST BIBLE COLLEGE

Notes to Financial Statements, continued

(12) Change in Accounting Principles (see note 1)

To implement Statements of Financial Accounting Standards (SFAS) No. 116 "Accounting for Contributions Received and Contributions Made" and No. 117 "Financial Statements of Not-for-Profit Organizations", the following changes in accounting principles were made as of May 31, 1995.

These changes reconcile total fund balances as previously reported to total net assets as restated.

Fund balances as previously reported as of May 31, 1995:

	Unrestricted Funds	Temporarily Restricted Funds	Permanently Restricted Funds	Total
Current unrestricted funds	\$ 110,075	-	-	110,075
Current restricted funds	-	68,216	-	68,216
Loan funds	-	-	482,138	482,138
Endowment funds	263,471	-	212,000	475,471
Annuity (life income) funds	-	4,725	-	4,725
Plant funds:				
Unexpended plant funds	-	18,284	-	18,284
Net investment in plant	2,899,097	-	-	2,899,097
Total fund balances as previously reported as of May 31, 1995	3,272,643	91,225	694,138	4,058,006
Adjustments necessary to implement SFAS No. 116 and 117:				
Recording of pledges receivable	31,900	92,800	-	124,700
Net assets released for debt repayment	101,584	(101,584)	-	-
Reclassifications of fund balances	9,500	(9,500)	-	-
Total net assets as restated as of May 31, 1995	<u>\$ 3,415,627</u>	<u>72,941</u>	<u>694,138</u>	<u>4,182,706</u>

FREE WILL BAPTIST BIBLE COLLEGE
Revenues and Expenditures Recasted to Comply
With SFAS No. 116 and 117
For the year ended May 31, 1996

	Unrestricted Funds	Unrestricted Funds Adjustments	Restricted Funds	Unexpended Plant Funds	Permanently Restricted Funds	Total
Revenues:						
Tuition and fees	\$ 1,272,826	-	-	-	-	1,272,826
Federal grants	-	-	-	-	-	-
Private gifts and grants	821,575	5,550	28,253	-	-	855,378
Endowment income	7,622	-	40,742	240,230	36,377	324,971
Investment income	12,505	-	9,481	-	-	21,986
Sales and services of auxiliary enterprises	-	-	90	-	18,284	18,374
Other sources	997,838	-	-	-	-	997,838
Total revenues	14,483	-	(1,765)	5,363	30,610	48,691
Expenditures and transfers:	3,126,849	5,550	76,801	245,593	85,271	3,540,064
Educational and general:						
Instruction	826,487	(980)	-	57,716	-	883,223
Academic support	242,566	(23,470)	2,480	22,122	-	243,698
Student services	288,084	(604)	1,325	8,312	-	297,117
Operation and maint- enance of plant	356,709	(2,150)	7,104	18,832	-	380,495
Institutional support	775,571	(21,525)	37,497	18,227	-	809,770
Scholarships and fellowships	2,094	-	-	-	-	2,094
Total educational and general expenditures	2,491,511	(48,729)	77,804	125,209	-	2,645,795
Debt service transfers	46,682	-	-	(46,682)	-	-
Total educational and general	2,538,193	(48,729)	77,804	78,527	-	2,645,795
Auxiliary enterprises	775,328	(4,537)	5,708	35,625	-	812,124
Total expenditures and transfers	3,313,521	(53,266)	83,512	114,152	-	3,457,919
Decrease in unrestricted net assets before recasting for SFAS No. 116 and 117	\$ (186,672)					

SUMMARY OF FINANCIAL INFORMATION

This summary is provided to help the denomination better understand the overall financial condition of Free Will Baptist Bible College.

MAJOR CHANGES IN ACCOUNTING PRINCIPLES

Beginning June 1, 1995 FWBBC was required to implement major accounting changes as mandated by the Federal Accounting Standards Board (FASB) for all non-profit institutions. FASB now requires depreciation to be counted as an expense, pledges (such as gift checkbooks or promises to give) to be counted as income, and the net investment of the physical plant to be included as part of the unrestricted funds. Other sweeping changes includes the reclassifying of fund groups (including the General Fund, Loan Funds, Endowment Funds, Plant Funds and Agency Funds) into three categories of Net Asset Groups:

1. Unrestricted
2. Temporarily restricted
3. Permanently restricted

Refer to Page 6, Note (1) Summary of Significant Accounting Policies, Fund Accounting, for more information.

CLAIM THE LAND CAMPAIGN A SUCCESS

Fiscal Year 1995-96 saw the ahead-of-schedule completion of FWBBC's "Claim the Land" capital campaign which underwrote the acquisition and related costs for the 123-acre tract of land. Located 16 miles northwest of Nashville, the site was purchased in anticipation of possible relocation of the campus. Cash gifts for 1995-96 totaled \$218,218. When added to the previous year's gifts the cumulative total received as of May 31, 1996, was \$291,052. Pledges for the remaining balance of the campaign are on file.

OPERATIONAL SHORTFALL

The college suffered a \$186,672 deficit in operations due to a loss of approximately \$250,000 in budgeted student income. Also, unrestricted gifts fell short of the budgeted amount by \$184,590.

UNRESTRICTED GIVING

Unrestricted gifts totaled \$815,410 of the budgeted \$1,000,000 for 1995-96.

Denominational giving is important: Without the above gifts the cost of tuition would have been approximately \$223 per semester hour, instead of the \$132 per semester hour for 1995-96.

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 \$181,955. The College's Permanently Restricted Net Asset Group has sufficient cash and savings to completely liquidate these loans.

Installment note payable for the purchase of a 21-passenger mini-bus has a balance of \$8,046.

Lease obligations for the campus telephone system and computer equipment amounted to \$58,178.

FINANCIAL STRONG POINTS

1. The College has almost no debt whatsoever.
2. The College continues to experience a steady undergirding of gift income.
3. The College administration adheres to a "no frills" expense budget in the face of insufficient income.

THIS INFORMATION IS NOT PART OF THE AUDITOR'S REPORT.

FREE WILL BAPTIST BIBLE COLLEGE
Proposed Budget for the Year Ending May 31, 1997

Current Unrestricted Funds

Revenues:	
Tuition and fees	
Gifts:	1,477,150
Together Campaign	
Estates and Annuities	1,000,000
Net Operating Gifts	60,000
	<u>1,060,000</u>
Endowment Income	
Investment Income	7,000
Sales & Services of Auxiliary Enterprises	15,000
Other Sources	1,105,500
	<u>11,000</u>
Total Revenues	<u>3,675,650</u>
Expenditures:	
Educational & General:	
Instruction	906,352
Academic Support	317,966
Student Services	300,222
Operation & Maintenance of Plant	390,866
Institutional Support	822,075
	<u>2,737,481</u>
Total Educational & General Expenditures	
Auxiliary Enterprises:	
Expenditures	938,169
	<u>3,675,650</u>
Total Expenditures	
Excess of Revenues over Expenditures	<u>0</u>

FREE WILL BAPTIST BIBLE COLLEGE - Gifts 1995-96

STATE	General	Land	Total
Alabama	57,002.68	11,906.00	68,908.68
Arizona	1,944.93		1,944.93
Arkansas	49,771.96	8,930.00	58,701.96
California	29,807.74	75.00	29,882.74
Colorado	517.86		517.86
Connecticut			25.00
Delaware	25.00		25.00
Florida	20,361.03	2,105.25	22,466.28
Georgia	70,665.06	18,210.00	88,875.06
Hawaii	250.00	500.00	750.00
Idaho			25.00
Illinois	26,024.10	20,500.00	46,524.10
Indiana	4,458.35	68.00	4,526.35
Iowa	862.00		862.00
Kansas	90.67		90.67
Kentucky	12,299.19	4,600.00	16,899.19
Louisiana	233.64		233.64
Maryland	3,504.46		3,504.46
Michigan	17,534.00	6,755.00	24,289.00
Mississippi	21,800.81	250.00	22,050.81
Missouri	28,734.17	6,800.00	35,534.17
Nebraska	50.00		50.00
Nevada			12.00
New Jersey	12.00		12.00
New Mexico	249.42		249.42
North Carolina	147,439.93	76,391.03	223,830.96
Ohio	16,453.02	296.18	16,749.20
Oklahoma	15,711.85	568.00	16,279.85
South Carolina	53,691.65	5,641.70	59,333.35
South Dakota	25.00		25.00
Tennessee	161,665.05	21,779.10	183,444.15
Texas	8,391.89	4,109.00	12,500.89
Vermont	100.00		100.00
Virginia	13,938.34	4,150.00	18,088.34
Washington	861.00	50.00	911.00
West Virginia	7,540.20	1,025.00	8,565.20
W.N.A.C.	2,916.84	1,003.00	3,919.84
Canada			800.00
Virgin Islands	800.00		800.00
Other:			
College Family	19,845.27	3,950.00	23,795.27
Matching gifts	16,737.00	2,700.00	19,437.00
Foreign Msyrs	1,160.00	500.00	1,660.00
Miscellaneous	1,933.67		1,933.67
Total Gifts	<u>815,409.78</u>	<u>202,862.26</u>	<u>1,018,272.04</u>
Alumni Project		15,418.00	15,418.00
Estates/Trusts	3,835.66		3,835.66
	<u>819,245.44</u>	<u>218,280.26</u>	<u>1,037,525.70</u>

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.

AMENDMENT: 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 ongoing 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.

F. 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 plant 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 respon-

sible 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.

Foreign Missions Report

Evangelizing the world is like a farmer harvesting a large field of grain. Jesus uses that image to remind us of the enormity of the task—"the field is the world." "The good seed," He says, "are the children of the kingdom" who, at harvest-time, will be gathered into His barn. He pictures the ripened grain ready for harvest as a mass of people bound for eternity who are waiting for the gospel.

News from the Harvest Fields

Free Will Baptist churches in Côte d'Ivoire have taken a big step forward in the last year. In June of 1995 the Ivory Coast Bible Institute held its second graduation. Ten students finished the two years of classroom studies plus one year internship. They have gone into the villages of northeastern Côte d'Ivoire, preaching the gospel and nurturing believers.

For several years we have recognized the need for dormitories at the Ivory Coast institute in Bouna. Thanks to our generous donors, two teams of builders from the United States, and our hardworking missionaries, this dream is about to become a reality.

The Lord continues to bless the witness of our medical ministry at Doropo. Last year 15,069 patients were treated. Of this number, 367 were hospitalized. The staff delivered 332 babies and vaccinated 5,412 people.

Last September our Brazilian Free Will Baptist churches participated in a door-to-door evangelistic outreach. Six of our Free Will Baptist churches participated and contacted 420 people. Praise the Lord that 94 made professions of faith.

At long last the church building at Rivera, Uruguay, has been completed.

We are encouraged by the interest 11 students have shown in studying for Christian service in the Madrid, Spain, area.

The Panamanian Free Will Baptist convention is excited over the prospect of Eddie and LaRhonda Bowerman coming to their country to work with the Cuna Indians.

During December 1-12, the ship LOGOS II was anchored at Nantes, France, and our missionaries and French brethren participated in a mass evangelistic effort. Through this outreach approximately 100,000 brochures were distributed and over 7,000 people visited the Christian bookstore aboard the ship. Evening conferences drew an average of 100 Christians. The climax of the evangelistic thrust occurred when nearly 1,500 people filled an auditorium in downtown Nantes for a presentation of the gospel by the international team of the LOGOS II.

Although Cuba is suffering many shortages, Cuban Free Will Baptists are effectively witnessing and winning souls. They recorded 379 converts during 1995. During the annual convention in February of this year, the Department of Foreign Missions entered into an agreement of mutual cooperation and support. This agreement is based upon the realization that our Cuban Convention of Free Will Baptists is a strong, autonomous association of churches.

In spite of setbacks caused by the withdrawal of two pastors from the Free Will Baptist fellowship in Japan, we rejoice in the establishing of the new "Cornerstone" Free Will Baptist Mission in Sapporo.

Your Foreign Missions Department broke new ground by sending

short-term missionaries, Leroy and Fay Forlines, to Russia and Ukraine. They have helped pave the way for cooperation with the Russian Baptists Federation. Three Free Will Baptist pastors, James Forlines, Randy Wilson, and Jim Turnbough, accompanied by Overseas Secretary Jimmy Aldridge, participated in a pastors' conference in Chelyabinsk, Russia, April 1-5. The group joined the Forlines who had been in the former Soviet Union since February 1. We praise the Lord for the Free Will Baptist gifts which made it possible for 130 pastors and preachers to attend this conference.

Discussions on the doctrinal similarities between Russian Baptists and Free Will Baptists, together with precious times of fellowship, confirmed the board's decision to minister in Russia.

The area Free Will Baptists have targeted encompasses three oblasts (districts or states) around Chelyabinsk and Yekaterinburg. This area of nine million people with only 22 Baptist churches offers a great challenge.

A group of 10 people went to Kopeysk, a city of 80,000 people which has no evangelical church, on June 15. The group was led by Overseas Secretary Jimmy Aldridge and his wife, Janie. Others in the group included Reverend and Mrs. Richard Hendrix, Mr. and Mrs. Mike Corley, Heather Hasty, Mrs. Denise Phillips, and Reverend and Mrs. Terry Eagleton. The Aldridges are still in Russia working with a Russian church planter to follow up and stabilize converts.

Our mission is also sponsoring church-planting efforts in Yekaterinburg, a city of nearly two million people. A year ago the city only had one Baptist church, three charismatic churches, and one independent church. Now, God has brought 60 people to Himself to constitute the beginning of a new church.

At the request of Reverend Peter Konovalchik, President of the Russian Baptists Federation, our foreign missions board started supporting Pastor Pasel Rodak in Noyabrsk, Russia, a year ago. During the April pastors' conference we discovered that Pastor Rodak has enlisted the help of four other pastors who are reaching villages in the far North Arctic Circle area of Western Siberia. These include the Khantis, the Mansi and the Nenets, three ethnic groups which missionaries have classified as "unreached" peoples. Our department also is seeking funding to help get the Bible translated into these native languages.

Again this summer two students are working at Seltso, Russia.

We are excited over the ministry of TEAM (Teens Equipped and Active in Missions). Ten young people have just returned from Brazil where they have been ministering and witnessing for three weeks.

We have six members of our fellowship who are working in restricted access areas.

We praise God for Terry and JaNelda Walker and their family, who plan to leave next month for Mongolia. Please uphold this family in your prayers.

Three years ago our North India Free Will Baptist Conference undertook the huge challenge of evangelizing every home in every village in the two districts where our churches are located. In responding to this challenge, they prayed that God would bring 100 new churches into existence. Rejoice with us that 60 groups represented at the North India Free Will Baptist Conference in March.

Several new church buildings have been built in North India and one new church is being established in South India.

The annual 1995 statistical report for overseas ministries is very encouraging. Our annual 52-week Sunday attendance average went up 1,178, an astounding 21 percent over 1994. See **Figure 1**.

Free Will Baptists are in the process of organizing a church in Abidjan, the

Figure 1 Status of Free Will Baptist Overseas Ministries
As of January 1, 1996

Field	Missionaries Assigned to Each Field	Ordained Pastors	Licensed and Lay Preachers	Bible Institutes	Students	Organized Churches	Mission Works	1995 Converts	1995 Baptisms	52-Week Av. Sunday Attendance
Brazil	20	8	11	1	29	8	7	92	29	726
Cuba	0	9	115	1	14	15	59	379	193	1,602
France	9	0	3	0	3	0	4	6	5	175
India	2	10	52	0	1	24	41	379	213**	3,250
Côte d'Ivoire	30	6	30	1	57	12	35	53	83	2,300
Japan	14	1*	6	0	4	6*	2	10	2	134
Panama	8	3	29	1	5	5	5	71	22	391
Spain	5	1	2	1	8	1	2	1	2	77
Uruguay	7	3	5	1	29	6	8	23	5	206
Restricted Countries	Affiliate 8									
TOTALS	103	41	253	6	150	77	163	1,014	554	8,861

*Japan--lost one church and two pastors in 1995.

**South India not available.

metropolis of Côte d'Ivoire. Approximately 30 people are worshipping on a regular basis. The missionaries are searching for land upon which to build an adequate church building. We purpose to involve an African pastor in leadership from the beginning.

October 16-20 was a historic week for Free Will Baptists. The International Fellowship of Free Will Baptists was organized with the following countries represented: Brazil, Cuba, France, Côte d'Ivoire, Japan, Spain, Panama, Uruguay, and the United States. This act has encouraged our co-workers around the world.

Support from the Home Front

We praise the Lord for providing \$4,362,686 for our foreign missions ministry. Although we fell \$242,487 short of our overall budget, we managed to exceed our operational budget by \$127,511. The shortfall we experienced was in our VISION fund which is generally used for capital improvements and projects overseas. Please see the following summary.

Foreign Missions Financial Summary for the Year of 1995

	Grand Total	Without VISION
Total Income	\$4,362,686.68	\$4,336,185.31
Total Expenses	4,316,054.35	4,244,401.97
Excess/(Deficit)	\$ 46,632.33	\$ 91,783.34
Budget	4,605,174.00	4,208,674.00
Income Over/(Under) Budget	(242,487.32)	127,511.31
Expenses Over/(Under) Budget	(\$ 289,119.65)	\$ 35,727.97

We received a total of \$3,149,867 from 1,645 churches. These gifts, combined with those from the Free Will Baptist Foundation and other organizations, provided 87 percent of our support for 1995. In addition, 2,339 individuals sent \$523,522 in offerings directly to the foreign missions office. This

accounted for 12 percent of our income. Approximately one percent of our receipts in 1995 came from interest and dividends.

The names of the 142 churches which gave more than \$5,000 last year are posted at the foreign missions booth. These churches gave 49 percent of the total received from churches. Therefore, we conclude that 5.6 percent of our churches gave almost as much as the other 94.4 percent of Free Will Baptist churches combined. These facts indicate the potential for a much larger missionary outreach if we all catch the vision.

Every gift to foreign missions which comes from a heart of love for Jesus and His Church truly glorifies God. Even as Jesus commended the widow who gave her last two coins to God, we honor every person in every church who exercises good stewardship in getting out the gospel. However, it is encouraging to read the list of the 47 churches which gave more than \$10,000 last year:

Central, Royal Oak, MI	\$70,002.71	Bethlehem, Ashland City, TN	14,889.34
Donelson, Nashville, TN	41,007.31	Statesboro, Statesboro, GA	14,381.09
Norman First, Norman, OK	40,555.73	First, Morehead City, NC	14,064.76
First, Russellville, AR	34,632.00	Bellview, Colquitt, GA	14,057.21
Ina, Ina, IL	29,935.00	Sherwood Forest, El Sobrante, CA	13,576.15
First, Florence, AL	27,499.09	New Hope, Pleasant View, TN	13,574.56
Fellowship, Kingsport, TN	26,629.55	Bethany, Broken Arrow, OK	13,560.50
Cross Timbers, Nashville, TN	26,203.90	Forest Valley, Springfield, OH	13,418.00
Cofer's Chapel, Nashville, TN	24,872.39	First, Darlington, SC	12,990.53
Bethel, Kinston, NC	24,620.00	Calvary, Norman, OK	12,780.66
Limestone, Limestone, TN	24,460.92	Campbell, Campbell, CA	12,352.84
Trinity, Greenville, NC	23,889.72	First, Church Hill, TN	11,960.00
Horse Branch, Turbeville, SC	23,074.95	Sherwood Forest, New Bern, NC	11,742.40
Immanuel, Durham, NC	22,516.50	Calvary Fellowship, Fenton, MO	11,470.59
First, Albany, GA	20,405.19	Maranatha, Ardmore, OK	11,429.34
First, Beaufort, NC	19,691.79	Mt. Olive, Guin, AL	11,415.00
Unity, Greenville, NC	19,216.53	Unity, Smithfield, NC	11,072.70
Southern Oaks, Oklahoma City, OK	18,809.02	First, Duncanville, TX	10,938.26
First, Raleigh, NC	18,300.35	First, Northport, AL	10,874.35
First, Locust Grove, OK	17,968.00	Hannon, Liberal, MO	10,814.74
First, Newport News, VA	17,625.00	First, Newport, TN	10,763.20
Forest Grove, Knoxville, TN	15,774.30	First, Monett, MO	10,184.00
Garner, Garner, NC	15,711.41	Sand Hill, Coward, SC	10,143.17
Fulton, Fulton, MS	14,949.37		

We appreciate the generous offerings of those from every state. The following list shows the faith goals and amount of support from the top 11 states:

State	Goal	Actual	State	Goal	Actual
Tennessee	\$685,000	\$712,613*	Georgia	154,000	199,515*
North Carolina	569,000	552,420	Arkansas	305,000	176,539
Oklahoma	410,000	434,781*	Michigan	205,000	166,944
Missouri	347,000	305,317	Ohio	133,000	147,574*
South Carolina	254,000	249,529	Illinois	111,000	147,068*
Alabama	174,000	215,147*			

* States which met their faith goals.

These states also met their 1995 goals: Arizona, California, Florida, Indiana, Louisiana, Maryland, Mississippi, Montana, Texas and Virgin Islands.

Figure 2 illustrates our budget, income and expenses over the last 10 years. Please note that our budget and income have increased 3.5 percent

Figure 2

Ten year Look at Budget vs. Income vs. Expenses

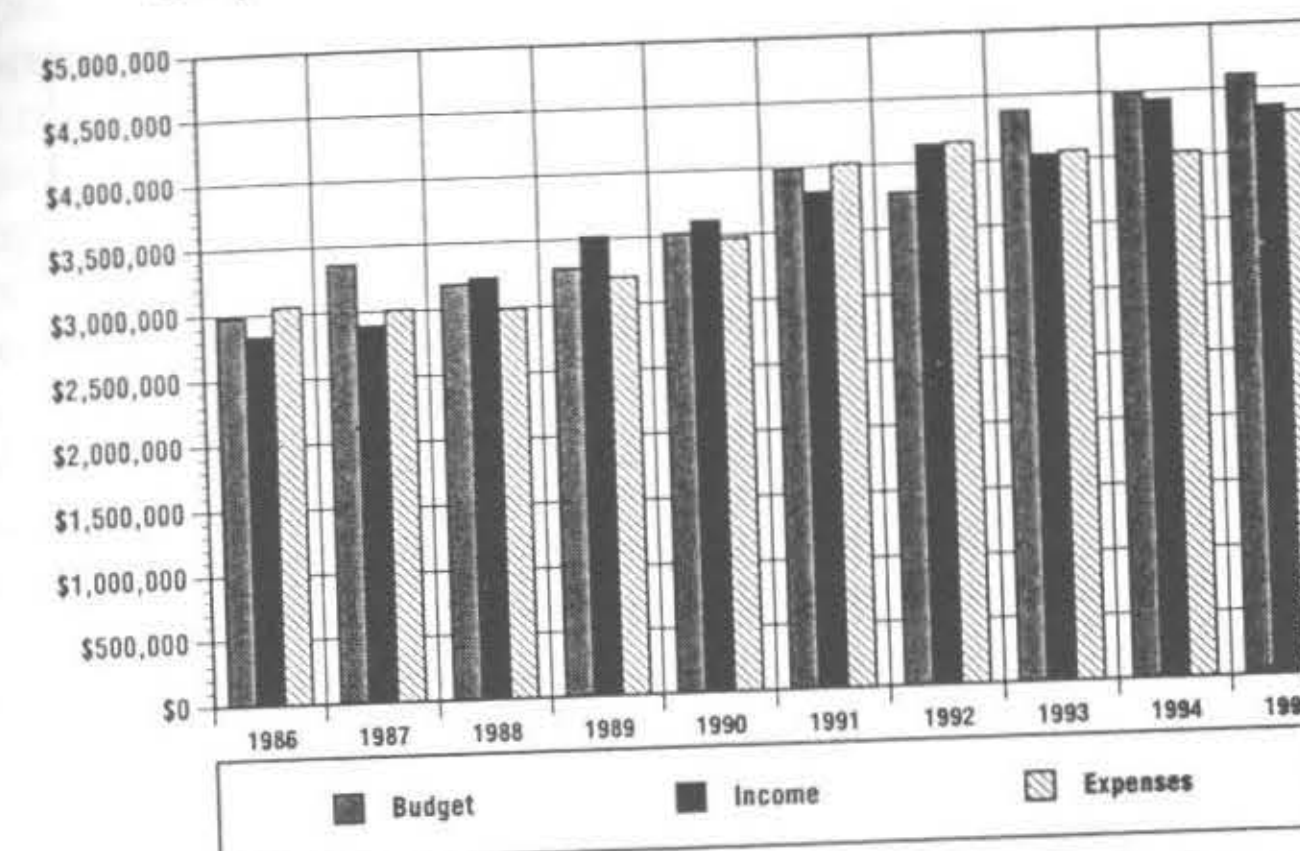
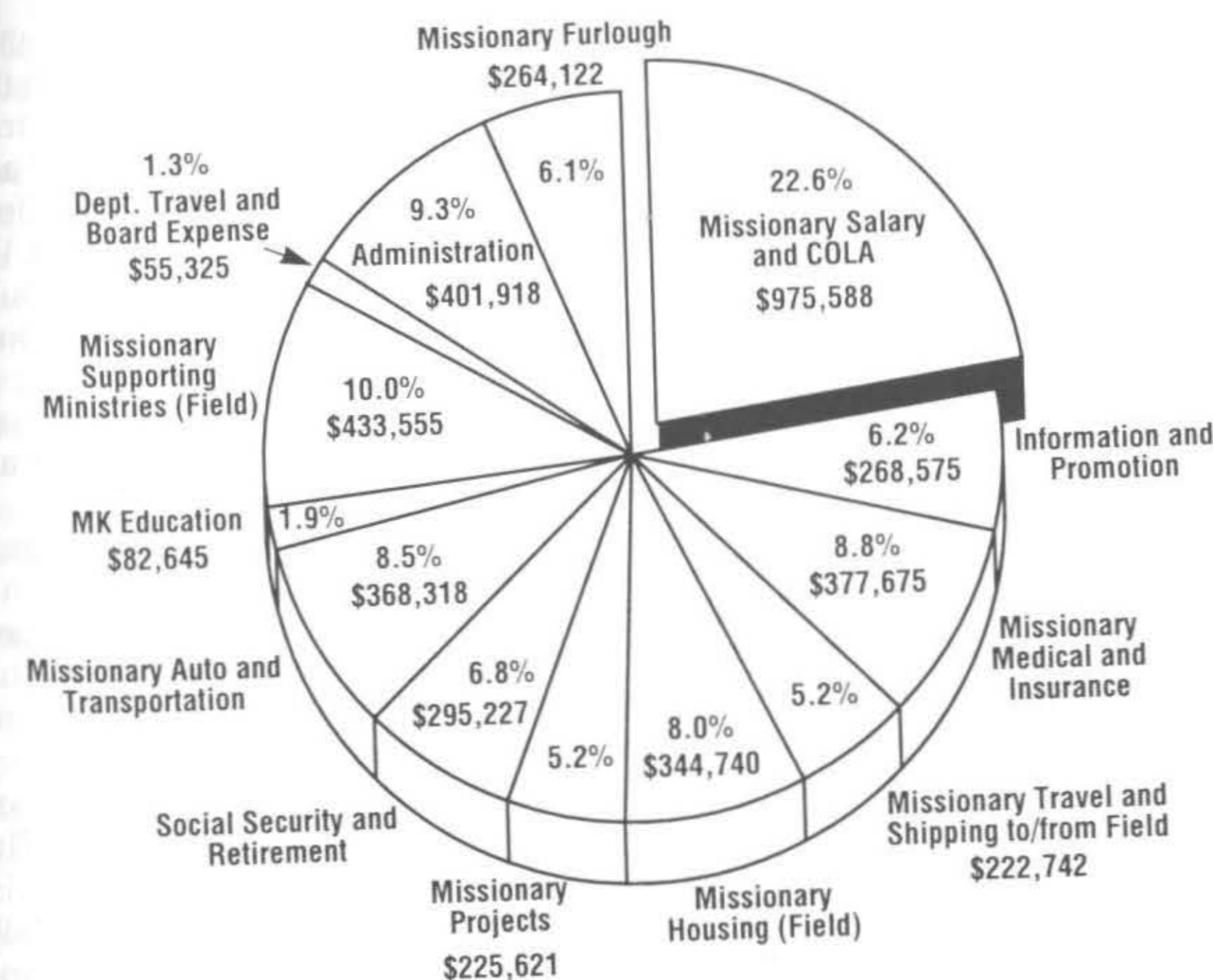


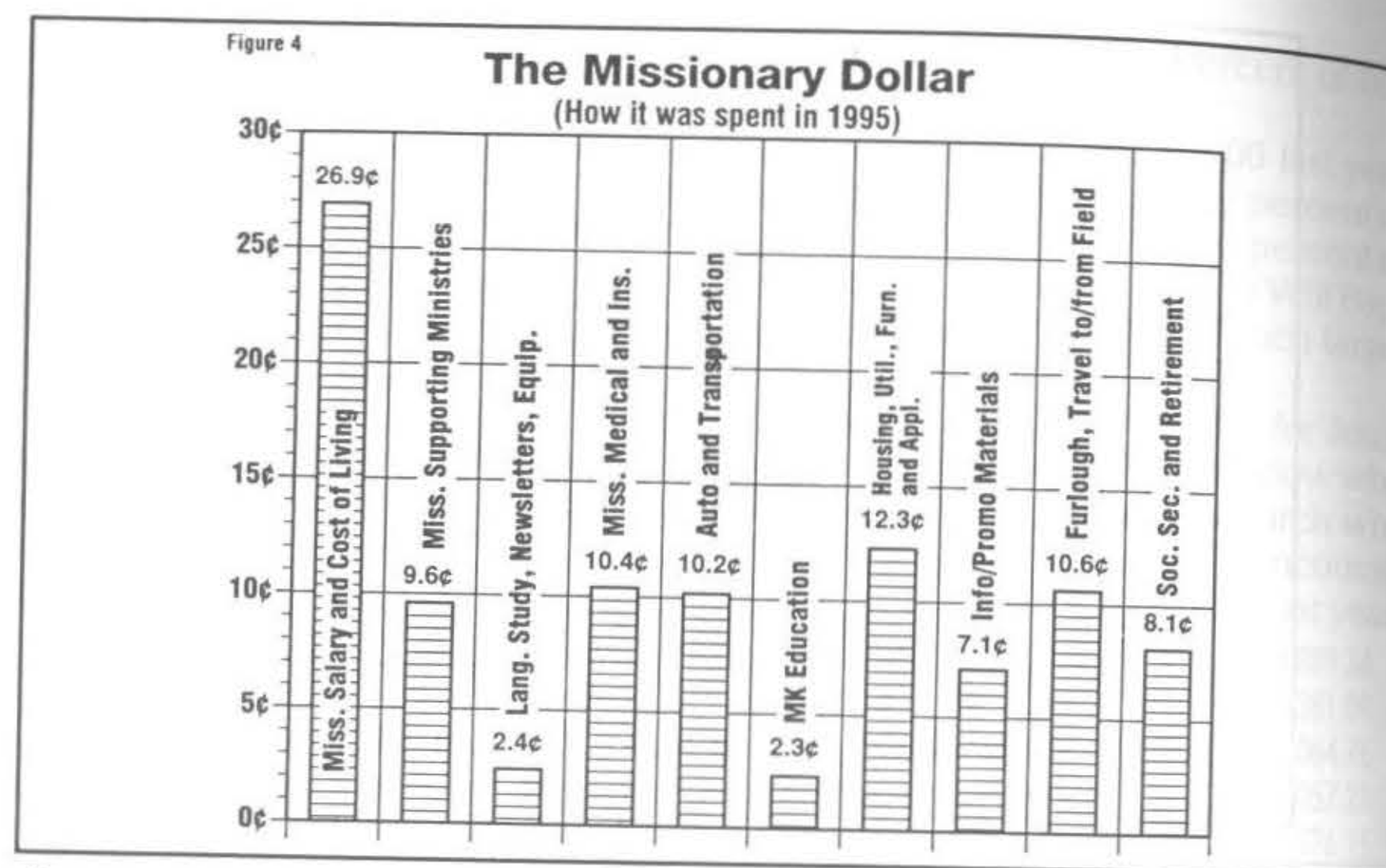
Figure 3

Total Expenditures for 1995 \$4,316,054



per year, but our expenses have only increased 2.9 percent per year. You will note that our department has experienced a growth in income over expenses of \$558,176 during the last 10 years.

In 1995 our expenditures totaled \$4,316,054. **Figure 3** lists the percentage



of our expenditures for various categories.

If you are interested in how the typical missionary support dollar was spent in 1995, please see **Figure 4**.

We commend the Arkansas State Association for developing and instituting the A.C.T.S. 1:8 Plan (Arkansas Committed for Total Support). Through this plan the state intends, by the year 2000, to completely underwrite the missionary ministry of those missionary families in which both the husband and wife are from Arkansas. In the families where either the husband or wife is from Arkansas, they plan to underwrite 50 percent of the needed support. We are overjoyed to announce that at this time the state is ahead of schedule. This program is making it possible for at least one missionary family to return to the field on schedule this summer.

Thanks to the "Norman Invasion," sponsored by the youth in Arkansas, the church construction project at Agnibilekrou is well underway. We are thankful for the three builders who have helped with the construction.

The Foreign Missions Department has developed a new support program which can be used by any church, individual, quarterly meeting or even a state association. It is called "Global Link." The intent of the program is to provide a basic agreement between the missionary and the sending individual or church body to be mutually accountable stewards of the gospel. Reverend Terry Eagleton is the coordinator of this new program.

In Oklahoma and perhaps other states, a number of individuals have volunteered to serve as "proxies" for missionaries while they are overseas. The proxy represents his missionary colleague at quarterly meetings and even visits churches to encourage generous support. These efforts are especially helpful when a missionary has been overseas for two or three years and some of his supporters have dropped out.

Various states and districts have methods of supporting their missionaries. One of the most successful state efforts is the annual Don and Billie Sexton Walk-a-thon in Tennessee. Last year the walkers raised \$120,000 for foreign missions.

We are pleased to participate in the "Together Way Plan." The goal of the

Laura Belle Barnard World Missions Offering, April 27, 1997, is \$100,000. We also are praying and searching for many more churches to participate in this annual foreign missions Sunday. Please mark it on your calendar. Contact our office for materials and help all the members of your church to look on the fields which are white to harvest.

We appreciate Master's Men's Helping Hands who have helped in building projects overseas.

Again in 1995, Women Nationally Active for Christ generously supported missions and met missionary family needs through the provision closet. WNAC also channeled \$199,746.11 to foreign missions.

We are pleased to welcome Reverend Frank Giunta to the Free Will Baptist Foundation as their field representative. We believe he will serve our Free Will Baptist people well. If you know of people who need some professional assistance in planning their estate, please contact the Free Will Baptist Foundation.

Highlights from Foreign Missions Board Meetings

The board met July 17 during the National Association in Charlotte, North Carolina, with the following members present: Joe Grizzle, chairman, Dean Dobbs, vice-chairman, Galen Dunbar, secretary, James Forlines, Bill Jones, Archie Mayhew, Bill Reagan and Milton Worthington.

The board authorized an agreement between the Free Will Baptist Foundation and missionaries Dennis and Carol Teague and Cathy Crawford to secure funds for the purchase of a building in St. Sebastien, France.

The board met July 31 - August 3 during the missions retreat in Nashville, Tennessee, with the following members present: Joe Grizzle, chairman, Galen Dunbar, secretary, James Forlines, Archie Mayhew, David Shores, Bill Reagan, Bill Jones and Milton Worthington. The board appointed Kim Zegelian and Traci Epps as short-term missionary teachers to International Christian Academy, in Bouake, Côte d'Ivoire. They also approved a \$53,000 building project for two dormitories at the Bible institute in Bouna, Côte d'Ivoire. The funds for this project will be channeled through the VISION budget.

In other action the board made an exception to the normal policy and granted voting rights to associate missionaries Dr. Kenneth Eagleton and Robert West, as requested by the Ivory Coast Field Council.

Two missionary couples resigned: Jim and Olena McLain and Ron and Linda Moore.

The board met December 7, 1995, with the following members present: Dean Dobbs, vice-chairman, Galen Dunbar, secretary, David Shores, Bill Jones, Bill Reagan, Milton Worthington, Archie Mayhew and James Forlines. Chairman Joe Grizzle had to return to Oklahoma because of the death of a church member.

The following student missionaries were approved for 1996: Stephen Beck, Kristie Ann Bell, Andy Moore, Bethany Osborne, Michael Phillips, Mark Picklesimer, Elizabeth Rasar, Valerie Sturgill and Andrea Woodfin. Another group of students was approved to join the "Go and Be" Team in Côte d'Ivoire this summer: Chris Adams, Tonya Blanchard, Kathy Durden, Angela Emerick, Diana Frye, Julie Grindstaff, Kyle Hood, Kristi Johnson, Tim Johnson, Matt Markins, Jeremy Maxwell, Angel Mertz and Donna Pennington.

The board appointed Marc Gibbs and Jonathan Miley as short-term missionaries for six months' service in Côte d'Ivoire.

Jim and Karen Cowart were granted a year's leave of absence from June 1, 1996, until May 31, 1997.

The Foreign Missions Department held a first-ever gathering of all field chairmen, the staff and the board. This took place at the annual meeting, April 22-24, 1996, with all board members present. During the discussions it became obvious that certain policies need clarification and revision. The suggestions of the field chairmen have been referred to the *Handbook* revision committee. The meeting was so successful that the board plans to hold another meeting with all the field chairmen next April.

The board expressed sincere regrets that Dwain and Debbie Crosby have resigned from service in Spain.

The department will be working very closely with Bill Evans and the Free Will Baptist Foundation. The possibility of building a mission house on the new Free Will Baptist Bible College campus is also being discussed by the board.

The board adopted a budget of \$4,945,615.88 for 1997.

Two faithful foreign missions board members, whose terms expired at this meeting, will not be eligible for reelection. We deeply appreciate the service of Brother Archie Mayhew. After serving 17 and one-half years as a missionary in Côte d'Ivoire, he has rendered valuable service as a board member. Brother Galen Dunbar has served as the secretary of the foreign missions board for the last eight years. We sincerely appreciate his ministry as a board member. We do commend both of them to their work as pastors, realizing that they will continue to pray for us and be strong advocates of foreign missions.

Laborers for God's Harvest

Jesus said, "The harvest truly is plenteous, but the labourers are few. . . ." This statement characterizes our age as much or more than the New Testament era. The world's population today is 34.1 times as large as when Jesus walked on the earth. Therefore, there are more unsaved people in the world today than ever before. Today, the harvest is plenteous. But the laborers are few.

Last fall Tanya Hart, short-term missionary teacher at International Christian Academy, was forced to come home because of health problems. God touched the heart of Tina Tolbert, and since January she has been teaching those classes.

Lloyd and Betty Plunkett have served very effectively for two and one-half years as short-term dorm parents at International Christian Academy. They have been taking care of 20 senior high boys while the Creeches were on deputation and in language school. We wish them well as they return this month to a stateside ministry.

Our missionaries are pleading for more workers on almost every field. **Figure 5** shows a listing of some of the urgent personnel needs. In addition to the needs on our older fields, you will note the need for English teachers in China, Vietnam, and Mongolia.

The board approved plans to cooperate with Russian Baptists in establishing a Bible training program in Chelyabinsk, Russia, within the next year. The course of study will combine non-resident studies with a couple of two-week sessions in the classroom each year. We need qualified teachers to help conduct these studies.

Many doors are open to new fields. But we need *workers*. Thank God for the dedicated young college students who are studying missions.

Figure 5

Opportunities for Missionary Service Now!!!

Personnel Needs

80+ additional missionaries are needed to fill positions listed below:

Brazil	2 church-planting couples-São Paulo 3 church-planting couples-Minas Gerais 1 church planting couple-Minas Triangle 1 Bible institute teacher-pastoral trainer/career or short-term 1 specialist to train leaders/trainers for youth, camp and Sunday school programs/career or short-term 1 instructor for church music ministries/career or short-term
Côte d'Ivoire	10 church-planting couples 2 RNs, Doropo 1 teacher, Bouake, ICA-Master's degree preferred 2 teachers for Bible institute, Bouna
Japan	5 units (a unit is one couple or a single) general missionaries 1 institute director
Panama	2 church-planting couples
Spain	8 church-planting couples, some able to teach in the Bible institute
Uruguay	4 church-planting couples 1 Bible institute teacher-administrator
China, Mongolia Vietnam	Teachers of English*
Commonwealth of Independent States (Former USSR)	Teachers, pastoral trainers and short-term businessmen*

* See Free Will Baptist Foreign Missions for details

Our Lord commanded all His disciples to do one thing to meet the manpower shortage—"Pray ye therefore the Lord of the harvest, that he will send forth laborers into his harvest."

If you do not currently receive *Heartbeat* magazine and wish to be added to our mailing list, please stop by the booth, or mail your name and address to our office.

If anyone in our office can render a service by providing literature, a speaker for a special service, or assist you in any other way, please feel free to call us. We count it a privilege to serve you.
Respectfully submitted,

R. Eugene Waddell
General Director

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

December 31, 1995

Contents

Financial Statements

	<u>Page</u>
Independent auditor's report	1
Statement of financial position	2
Statement of activities	3
Statement of cash flows	4
Notes to the financial statements	5-10

Supplementary Information

Independent auditor's report on supplementary information	11
Schedule of functional expenses	12-13

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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 statement of financial position of the Board of Foreign Missions of the National Association of Free Will Baptists (a nonprofit organization) as of December 31, 1995, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Foreign Missions of the National Association of Free Will Baptists as of December 31, 1995 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 11 to the financial statements, in 1995 the Organization changed its method of accounting for contributions and its method of financial reporting and financial statement presentation.

Thoni, Hinton & Warren

March 13, 1996

BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Statement of Financial Position
December 31, 1995

ASSETS

Cash and cash equivalents - Notes 1 & 2	\$ 868,608
Investments - Notes 1 & 2	492,053
Accounts receivable from employees and missionaries - Note 2	174,172
Property and equipment, at cost, net of accumulated depreciation - Notes 1 & 4	189,783
Total assets	<u>\$1,724,616</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 498,759
Total liabilities	<u>498,759</u>
Commitments - Notes 8 & 9	
Net assets (deficit):	
Unrestricted	(32,617)
Temporarily restricted	1,258,474
Total	<u>1,225,857</u>
Total liabilities and net assets	<u>\$1,724,616</u>

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

-2-

BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Statement of Activities
For the Year Ended December 31, 1995

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenue</u>			
Contributions - Notes 1 & 6	\$ 376,713	\$3,924,436	\$4,301,149
Investment income	76,629		76,629
Gain on disposal of property & equipment	7,033		7,033
Other	3,267		3,267
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>3,780,371</u>	<u>(3,789,371)</u>	<u>-0-</u>
Total revenue	<u>4,253,013</u>	<u>135,065</u>	<u>4,388,078</u>
<u>Expenses</u>			
Informational and promotional	155,556		155,556
Travel and board	60,060		60,060
Administrative	565,533		565,533
Missionaries	3,460,085		3,460,085
VISION campaign	<u>71,652</u>		<u>71,652</u>
Total expenses	<u>4,312,886</u>		<u>4,312,886</u>
Increase (decrease) in net assets	(59,873)	135,065	75,192
Net assets - beginning of year as restated	<u>27,256</u>	<u>1,123,409</u>	<u>1,150,665</u>
Net assets	<u>(\$ 32,617)</u>	<u>\$1,258,474</u>	<u>\$1,225,857</u>

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

-3-

BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Statement of Cash Flows
For the Year Ended December 31, 1995

<u>Operating activities</u>	
Increase in net assets	
Adjustment to reconcile increase in net assets to net cash provided by operating activities:	\$ 75,192
Increase in value of investments	
Depreciation	(25,972)
Amortization	38,165
Gain on disposal of property and equipment	13,169
Changes in operating assets and liabilities:	(7,033)
Increase in accounts receivable	
Increase in accounts payable	(129,412)
Net cash used by operating activities	<u>18,601</u>
	(17,290)
<u>Investing activities</u>	
Purchase of equipment	
Proceeds from sale of equipment	(117,952)
Purchase of investment	33,400
Proceeds of investment redeemed	(91,583)
Net cash used in investing activities	<u>160,000</u>
	(16,135)
<u>Financing activities</u>	
Net cash provided by financing activities	
Decrease in cash and cash equivalents	-0-
Cash and cash equivalents at beginning of year	(33,425)
Cash and cash equivalents at end of year	<u>902,033</u>
	<u>\$868,608</u>

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

-4-

BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Notes to the Financial Statements
December 31, 1995

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, located in Antioch, Tennessee. The purpose of the Organization is to establish and support Free Will Baptist Mission Churches throughout the world. The Organization's support comes primarily from donor contributions.

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:

Basis of accounting

The Organization prepares its financial statements using the accrual basis of accounting, which involves the application of generally accepted accounting principles; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

-5-

BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Notes to the Financial Statements
December 31, 1995

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

Contributions

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization has no permanently restricted net assets.

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, 1995.

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, 1995

Note 2 - Summary of significant concentrations of financial instruments

As of December 31, 1995, the Board had deposits with financial institutions and investment bankers located in the United States and the Board of Retirement and Insurance of the National Association of Free Will Baptists located in Nashville, Tennessee. Accounts at the financial institutions are insured up to \$100,000 by the Federal Deposit Insurance Corporation. Accounts at the investment bankers are insured up to \$500,000 by the Securities Investor Protection Corporation. Accounts at the Board of Retirement and Insurance of the National Association of Free Will Baptists are uninsured. The Board also has accounts receivable from employees and missionaries which are uninsured. A substantial amount of this balance was collected subsequent to year end. The following is summary of those deposits, accounts receivable and the corresponding risk of accounting loss:

	Account Balance	Amount Insured/ Secured	Amount of Accounting Risk of Loss
Demand deposit accounts with financial institutions	\$ 9,367	\$ 9,367	\$ -0-
Interest bearing deposit accounts with financial institutions	859,241	105,214	754,027
Total cash and cash equivalents	868,608	114,581	754,027
Interest bearing deposits on account with the Board of Retirement and Insurance of the National Assoc. of Free Will Baptists	15,327		15,327
Accounts held by investment bankers	476,076	476,076	-0-
Common stock	650		650
Total investments	492,053	476,076	15,977
Accounts receivable from employees and missionaries	174,172		174,172
Total	\$1,534,833	\$590,657	\$ 944,176

BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Notes to the Financial Statements
December 31, 1995

Note 3 - 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 1995, \$13,169 was charged against operations leaving a resultant balance of \$-0-.

Note 4 - Property and equipment

A summary of property and equipment is as follows:

Office furniture and equipment	\$ 45,875
Cameras and projectors	84,876
Automobiles	88,600
Computer equipment	<u>130,338</u>
	349,689
Less: accumulated depreciation	(<u>159,906</u>)
	<u>\$189,783</u>

Depreciation expense, computed utilizing the straight line method amounted to \$38,165.

Note 5 - Restrictions on net assets

Temporarily restricted net assets are available for the following purposes:

Missionaries	\$1,164,237
VISION campaign	<u>94,237</u>
	<u>\$1,258,474</u>

These net assets are restricted due to donor restrictions. They are released when the donor restriction is satisfied.

Note 6 - Informational and promotional material and equipment transfers

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

BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Notes to the Financial Statements
December 31, 1995

Note 7 - 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 \$81,034. 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 8 - 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 12 years. The rent expense for the year was \$75,028.

The future minimum lease payments are as follows:

1996	\$ 74,988
1997	74,988
1998	74,988
1999	74,988
2000	74,988
Thereafter (estimated)	<u>531,165</u>
	<u>\$906,105</u>

Note 9 - 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 94 employees on a self-insured basis. The Board has a stop loss policy with Boston Mutual Life Insurance for individual claims in excess of \$20,000. During the year the Board paid \$156,696 in benefit payments and \$59,627 in stop loss premiums.

BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Notes to the Financial Statements
December 31, 1995

Note 10 - Correction of an error

The Organization performed a detailed analysis of the net asset accounts during the year. As a result of this analysis the net assets at the beginning of the year were restated to reflect the proper balance in the account. The unrestricted net assets were increased \$62,991 and the temporarily restricted net assets were reduced \$62,991.

The Organization determined that the liability for severance pay was understated in prior years. Accordingly, the liability was increased \$104,217 and the temporarily restricted net assets were restated \$104,217.

Note 11 - Change for new pronouncements

The Organization elected to adopt SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, in 1995. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. As permitted by SFAS No. 116, the Organization has retroactively applied the provisions of this new Statement by restating net assets as of December 31, 1994. The adjustment of \$1,290,617 made to net assets as of December 31, 1994 represents time and purpose-restricted contributions previously reported as deferred revenue. Under SFAS No. 116, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction or compliance with the purpose restriction. The effect of this new Statement on the Organization's change in net assets for 1995 was an increase of \$135,065.

In 1995, the Organization also elected to adopt SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by this new Statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statement to present the three classes of net asset required. This reclassification had no effect on the change in net assets for 1995.

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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 1995 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 of functional expenses is 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.

Thoni, Hinton & Warren

March 13, 1996

BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Schedule of Functional Expenses
For the Year Ended December 31, 1995

Informational and promotional expenses:	
Video and audio visual	\$ 1,140
Heartbeat	36,515
Postage	44,836
Data processing	4,690
Publicity	37,373
Telephone	9,051
Surveys	319
Dues	1,089
Paper and supplies	3,898
Retreat	3,787
Togather Way program	1,666
Tracts and books	8,604
Seminar and training	1,428
Convention expense	1,160
Total informational and promotional expenses	<u>155,556</u>
Travel and board expenses:	
Department auto	5,794
Board members	16,464
Administrative - overseas travel	1,956
Department insurance	2,580
Department travel	32,672
Traveler's insurance	594
Total travel and board expenses	<u>60,060</u>
Administrative expenses:	
Salaries	241,968
Housing	51,600
Social security	22,795
Employer payroll taxes	9,511
Retirement	12,704
Hospitalization	61,828
Legal and professional	4,787
Office rent	75,028
Amortization of capital lease payments	13,169
Office equipment	283
Maintenance of office equipment	200
Office supplies	3,598
Estate expenses	234
Bank service charges	1,795
Office help	1,018
Miscellaneous	14,283
Depreciation	38,165
Project expenses	12,567
Total administrative expense	<u>565,533</u>

See accountants' report on supplementary information.

BOARD OF FOREIGN MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
Schedule of Functional Expenses
For the Year Ended December 31, 1995

Missionary expenses:	\$ 987,013
Ivory Coast	409,086
France	162,680
India	645,909
Brazil	467,201
Japan	98,411
Panama	255,371
Spain	280,096
Uruguay	41,494
Commonwealth of Independent States	59,313
Summer missionaries	53,511
Other projects	<u>3,460,085</u>
Total missionary expenses	
VISION campaign expenses:	<u>71,652</u>
Project expenses	<u>71,652</u>
Total VISION campaign expenses	
	<u>\$4,312,886</u>
Total expenses	

See accountants' report on supplementary information.

1997 Foreign Missions Budget

Foreign Fields *

Ivory Coast	\$1,069,235.35
Brazil	694,492.17
France	416,432.55
India	130,000.00
Japan	548,642.41
Panama	271,688.15
Spain	207,854.03
Uruguay	300,963.07
C.I.S.	132,000.55
Other Fields	122,100.00
	\$3,893,408.28

Information and Promotion

Audio visuals, films & filmstrips	\$ 5,000.00
Art Supplies	6,000.00
Video	8,900.00
Equipment	4,100.00
Heartbeat	31,250.00
Postage	21,000.00
Data Processing	6,500.00
Publicity Materials	16,400.00
Telephone	9,000.00
Informational Services	32,200.00
Paper supplies	4,000.00
Books & Subscriptions	4,000.00
Retreat & debriefing sessions	5,000.00
Misc. projects (Together Way Funding)	12,000.00
Personnel	139,088.12
	\$ 304,438.12

Less: Transfer of 7% info/promo charges
from Miss. Budgets

(248,821.10)

\$ 55,617.02

Travel & Board Expenses

Department auto expenses	\$ 7,000.00
Board members' expenses	16,000.00
Board members' overseas travel	1,250.00
Honorariums	1,000.00
Department travel expenses	32,000.00
Travelers' insurance	800.00
	\$ 58,050.00

Administrative

Salaries	\$ 190,127.57
Administrative Housing	42,000.00
Administrative Social Security	30,285.54
Hospitalization insurance	40,322.00
Retirement	11,755.46
Medicare supplement insurance	1,800.00
Audit	6,000.00
Office rent	74,400.00
Office equipment	7,000.00
Maintenance of office equipment	2,000.00
Office supplies	2,500.00
Miscellaneous expenses	20,000.00
Payroll taxes	8,500.00
	\$ 436,690.57

Other

Retired missionaries	\$ 8,000.00
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Total Regular Budget \$4,451,765.88

Additional Approved Vision Projects

France (church building at Nantes)	\$ 93,000.00
India church buildings	90,000.00
Panama (down payment on house)	7,500.00
Uruguay (new church property)	150,000.00
Brazil - Evangelandia	20,000.00
Brazil - Belo Horizonte	15,000.00
Brazil - Barbacena	20,000.00
Compinas apartment	25,350.00
Ivory Coast Bible Inst. Dorms	23,000.00
Other	50,000.00
	\$ 493,850.00

Total Budget \$4,945,615.88

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

Salary Breakdown

1994 1995 1996 1997

General Director

Salary	\$17,202	\$19,218	\$21,487	\$24,846
Housing & Utilities	16,800	16,800	16,800	16,800
Social Security	5,595	6,078	6,174	6,716
Retirement	1,220	1,340	1,914	2,082
Insurance	7,415	8,527	6,222	6,222
Total Dept. Expense to Employ	\$48,232	\$51,963	\$52,597	\$56,666

Director of Communications

Salary	\$21,738	\$23,390	\$25,009	\$26,009
Housing & Utilities	9,600	9,600	9,600	9,600
Social Security	5,156	5,478	5,581	5,742
Retirement	1,447	1,541	1,730	1,780
Insurance	7,415	8,527	8,460	8,460
Total Dept. Expense to Employ	\$45,356	\$48,535	\$50,380	\$51,592

Overseas Secretary

Salary	\$20,538	\$22,154	\$22,609	\$23,513
Housing & Utilities	10,800	12,000	12,000	12,000
Social Security	5,156	5,478	5,581	5,727
Retirement	1,387	1,479	1,730	1,776
Insurance	5,372	6,178	6,222	6,222
Total Dept. Expense to Employ	\$43,253	\$47,289	\$48,142	\$49,238

Director of Missionary-Church Relations

Salary	\$18,138	\$19,682	\$21,409	\$22,265
Housing & Utilities	13,200	13,200	13,200	13,200
Social Security	5,156	5,479	5,581	5,719
Retirement	1,267	1,355	1,730	1,773
Insurance	5,459	6,278	6,222	6,222
Total Dept. Expense to Employ	\$43,220	\$45,995	\$48,142	\$49,180

Treasurer

Salary	\$31,338	\$33,278	\$34,609	\$35,993
Social Security	5,192	5,511	5,515	5,735
Retirement	1,927	2,035	1,874	1,949
Insurance	7,415	8,527	8,460	8,460
Total Dept. Expense to Employ	\$45,872	\$49,351	\$50,458	\$52,137

Information Systems Manager

Salary	\$17,715	\$20,000	\$20,800	\$27,040
Social Security	1,355	1,530	1,591	2,069
Retirement	886	1,000	1,040	1,352
Insurance	2,897	3,332	8,367	8,367
Total Dept. Expense to Employ	\$22,853	\$25,862	\$31,798	\$38,828

1994 1995 1996 1997

Editorial Assistant

Salary	\$15,184	\$16,389	\$17,045	\$17,727
Social Security	1,162	1,254	1,304	1,356
Retirement	759	819	852	886
Insurance	2,511	2,888	3,299	3,299
Total Dept. Expense to Employ	\$19,616	\$21,351	\$22,500	\$23,268

Bookkeeper

Salary	\$19,467	\$20,051	\$20,853	\$21,687
Social Security	1,489	1,534	1,595	1,659
Retirement	973	1,003	1,043	1,084
Insurance	2,888	3,321	3,299	3,299
Total Dept. Expense to Employ	\$24,817	\$25,908	\$26,790	\$27,730

Accounting Clerk

Salary	\$16,377	\$15,265	\$15,875	\$16,510
Social Security	1,253	1,168	1,214	1,263
Retirement	819	763	794	826
Insurance	2,888	3,321	3,299	3,299
Total Dept. Expense to Employ	\$21,337	\$20,517	\$21,183	\$21,898

Secretary

Salary	\$23,381	\$24,083	\$25,046	\$26,048
Social Security	1,789	1,842	1,916	1,993
Retirement	1,169	1,204	1,252	1,302
Insurance	2,511	2,888	3,299	3,299
Total Dept. Expense to Employ	\$28,850	\$30,017	\$31,513	\$32,642

Secretary

Salary	\$17,611	\$18,139	\$18,865	\$19,619
Social Security	1,347	1,388	1,443	1,501
Retirement	881	907	943	981
Insurance	2,897	3,332	3,299	3,299
Total Dept. Expense to Employ	\$22,736	\$23,766	\$24,550	\$25,400

Global Link Coordinator

Salary				\$19,264
Social Security				1,474
Retirement				963
Insurance				3,299
Total Dept. Expense to Employ				\$25,000

1997 State Goals With 1995 Comparison

State	1995 Goal	1995 Actuals	1997 Goal
Alabama	\$ 174,000.00	\$ 215,147.39	\$ 195,000.00
Arizona	6,400.00	9,283.39	6,500.00
Arkansas	305,000.00	176,539.08	300,000.00
California	81,000.00	88,043.18	83,000.00
Canada	0.00	6,466.73	10,000.00
Colorado	8,500.00	5,891.07	8,000.00
Florida	79,000.00	84,518.73	85,000.00
FWB Foundation	0.00	22,987.87	23,000.00
Georgia	154,000.00	199,515.91	200,000.00
Hawaii	2,700.00	200.00	1,000.00
Idaho	3,000.00	1,056.38	1,000.00
Illinois	111,000.00	147,068.58	150,000.00
Indiana	35,000.00	42,219.17	40,000.00
Iowa	3,200.00	2,902.00	3,000.00
Kansas	14,000.00	6,614.81	9,000.00
Kentucky	82,000.00	60,862.29	80,000.00
Louisiana	1,700.00	2,557.44	2,000.00
Maryland	13,000.00	32,513.97	29,000.00
Michigan	205,000.00	166,944.22	200,000.00
Miscellaneous	86,250.00	10,525.31	19,365.88
Mississippi	76,000.00	81,510.04	75,000.00
Missouri	347,000.00	305,317.93	325,000.00
Montana	1,700.00	2,417.50	2,500.00
Nebraska	1,000.00	859.50	1,000.00
New Mexico	2,100.00	1,500.87	2,000.00
North Carolina	569,000.00	552,420.01	570,000.00
Northeast Association	2,500.00	2,470.00	2,400.00
Northwest Association	13,000.00	8,078.34	10,000.00
Ohio	133,000.00	147,574.82	135,000.00
Oklahoma	410,000.00	434,781.42	420,000.00
Pennsylvania	1,300.00	636.25	1,000.00
South Carolina	254,000.00	249,529.18	255,000.00
Tennessee	685,000.00	712,613.88	715,000.00
Texas	100,000.00	101,159.55	100,000.00
Virgin Islands	2,400.00	3,039.50	3,000.00
Virginia	121,000.00	115,236.27	110,000.00
West Virginia	110,000.00	104,715.78	110,000.00
WNAC	150,000.00	198,474.65	170,000.00
Totals	\$4,343,750.00	\$4,304,193.01	\$4,451,765.88

Note: 1995 Actuals include VISION gifts

Note: 1995 & 1997 Goals do not include VISION gifts

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 the laws of the State of Tennessee.

dance 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 _____, 1996, 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 _____, 1996.

R. Eugene Waddell, General Director

Sworn and subscribed to before me on the _____ day of _____, 1996.

Notary
A - 212

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 _____, 1996, at _____.

Secretary

Sunday School and Church Training Report

When I became the General Director of the Free Will Baptist Sunday School and Church Training Department in January 1994, I outlined a vision that included the following:

(1) streamlining the organization; (2) stabilizing our financial picture; (3) updating our material; (4) strengthening the biblical content of everything we publish; (5) moving into the 21st century with technology, resources, methods, and processes; (6) promoting Sunday school growth; and (7) helping Free Will Baptists to move toward revival.

I shared some of my convictions and desires. Primarily, Christian education and Sunday school are a vital part of evangelism and teaching and training new converts is essential for their growth. Christian education of all our people is necessary for our churches to continue to exist. Secondly, I expressed concern about what our people think about their publishing house. Therefore, I wanted to offer innovative ideas to make us as good as the competition. This was not only to be in content, which presents our biblical teaching and champions our doctrine, but in graphic design and teaching methods. Thirdly, I promised to help our churches by providing teacher training both in the local church or in broader gatherings. Lastly, I wanted to call our people to revival. I asked for their prayers and patience as I began the task before me.

I have the privilege of reporting that we are well within our budget and have shown a profit and growth. We have seen an incredible turnaround.

One important reason we have been able to erase our debts and purchase items necessary to increase our productivity is that our employees have made a supreme effort cutting costs and living within the budget, listening to the wants and needs of churches who buy our materials and services, improving existing products, developing creative new resources, and solving problems.

Our challenge for the future is to establish an ongoing pattern of efficient, effective operations while growing and improving our materials, services, and ministries.

I believe that the purpose for Randall House seeking greater revenues always must be to provide more ministry. There are some things we could do to generate money that we should not and will not do because I want us to become more ministry oriented. I have to struggle, sometimes mightily, with the tension between business and ministry. However, this is a healthy tension. We have to have black ink if we are to expand into any meaningful ministry.

Due to our financial growth, I am seeking God's man to represent us in the area of Sunday school growth, outreach, etc., with our churches. Your prayers are solicited for this person.

After some difficult times, it has been rewarding to celebrate progress and commit ourselves to continued efforts of service and ministry. I do not ever want to lose sight of the fact that the Free Will Baptist Sunday School Department is an incredible instrument God can use to help our churches and support ministries. We must be about the Great Commission every day. We have the greatest opportunity ever to take the gospel to the ends of the earth. We must pass on to those who come behind us the tradition of reaching, teaching, discipling, ministering, and service. I do not want to leave a legacy of failed opportunities.

We are making every effort to make our Sunday school curriculum

life-related, innovative, fresh, but always Bible-based. We are designing our material to emphasize holy living, making full opportunity to create life-change and enhance spiritual living. Every new quarter you should see changes in our methodology and updates of style, while remaining true to the Word of God.

Please let me give a few reasons I believe one should use Randall House Lifeline Bible-based curriculum:

- * We are attempting to provide material with Bible truths that apply to everyday life. Our curriculum is designed to meet pupil needs while helping teachers of all age groups find different approaches to make lessons fresh.
- * We are pledged to evangelism, making sure our lessons are based on the Word of God and centered on the Person of Christ.
- * We have a large variety of teaching courses for every age group.
- * We offer you both value and quality. Our curriculum is less expensive than any other in the market place. We are increasing our helps and methods to be more competitive.
- * Your money when spent on our material is not given to any organization that is opposed to conservative biblical Christianity.
- * We use only dedicated Bible believing writers and editors who are active in their churches and whose purpose is reaching mankind with the redemptive Word of God. Our commitment is to help churches fulfill the Great Commission by teaching church members to affect their community with the message of God's love and grace.
- * We continue to use the tested King James Version of the Bible combined with biblical and academic research to provide our users with the best exposition possible.

It is my hope that our churches will use our material, enabling us to develop a better curriculum that champions the doctrines we believe. We cannot grow or create new material without your help. Likewise we want to hear from our users and churches advising us of our mistakes so we can correct them in future editions.

Your brother and friend,
Alton Loveless, General Director

1995-96 Minutes Summary of the Sunday School and 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 Charlotte. In that meeting we elected officers and agreed to continue the same committee assignments until the December meeting.

We voted by mail to authorize the publishing of the *Companion Book* to be used in conjunction with the new *Free Will Baptist Rejoice Hymnal*. Our second meeting took place in Nashville after the December Leadership

Conference. We developed a procedure for the General Director's salary review. The Board voted to hold its spring meeting in Fresno, California. We approved the speakers for the 1996 NYC. We authorized the NYC Director to form a committee to formulate a dress code for the NYC. We approved increases in the registration for NYC. We voted to honor Dr. Malcolm Fry with a letter of appreciation for 18 1/2 years of faithful and effective service to Randall House. We voted to retain the current Board Committees. The Board expressed its appreciation to Chairman James McAllister for his faithful service to the Board.

Our third meeting took place on Monday, May 6, in Fresno, California. We voted on a standard inscription to be placed in all Sunday school literature. We voted to review the salary scale and receive a report of pay packages for all employees yearly. The 1997 NYC theme was approved. A National Youth Activity Dress Code and a mission fund-raising program were adopted. We voted to no longer include non-Free Will Baptists' names in the staff listing. We approved the list of writers for Randall House. We established a criteria and procedure for approved writers. The current revisions in our Teen and Primary curriculum were endorsed. A development team was authorized for the purpose of improving the Nursery and Preschool curriculum.

Edwin Hayes, Clerk

SUNDAY SCHOOL AND CHURCH TRAINING BOARD AND RANDALL HOUSE PUBLICATIONS

Financial Statements

November 30, 1995 and 1994

(With Independent Auditors' Report Thereon)

SUNDAY SCHOOL AND CHURCH TRAINING BOARD AND RANDALL HOUSE PUBLICATIONS

Table of Contents

	<u>Page Number</u>
Independent Auditors' Report	1
Financial Statements:	
Balance Sheets	2
Statements of Activity and Changes in Fund Balance	3
Statements of Cash Flows	4
Notes to Financial Statements	5-9

HHA Hill, Harper & Associates, P.C.
Certified Public Accountants

Independent Auditors' Report

Terry A. Hill
Ernest R. Harper
**Board of Directors
Sunday School and Church Training Board
and Randall House Publications**

Brentwood Executive Center
761 Old Hickory Boulevard
Suite 303
Brentwood, TN 37027
TEL: 615/377-3485

We have audited the balance sheets of Sunday School and Church Training Board and Randall House Publications as of November 30, 1995 and 1994, 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, 1995 and 1994, 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, Harper & Associates, P.C.

January 19, 1996

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

Balance Sheets

November 30, 1995 and 1994

<u>Assets</u>	<u>1995</u>	<u>1994</u>
Current assets:		
Cash and interest bearing deposits	\$ 228,930	206,714
Certificates of deposit (note 3)	150,000	-
Accounts receivable: (notes 3 and 8)		
Trade, net of allowance for doubtful accounts of \$7,000	275,568	218,909
Employees and other	1,060	1,560
Total receivables	276,628	220,469
Inventory, at lower of cost (first-in, first-out method) or market (note 7)	468,160	469,317
Deferred charges and prepaid expenses	23,924	27,385
Total current assets	1,147,642	923,885
Property, plant and equipment and capitalized leases, at cost (notes 2 and 3):		
Land	140,341	140,341
Building	668,698	654,798
Printing service equipment	596,209	414,585
Office and administrative equipment	504,764	445,539
Automobiles and trucks	51,698	51,698
	1,961,710	1,706,961
Less accumulated depreciation and amortization	1,205,808	1,116,626
Net property, plant and equipment and capitalized leases	755,902	590,335
Other assets:		
Loan cost, net of amortization of \$824 in 1995, and \$505 in 1994	3,961	4,280
Inventory, at lower of cost (first-in, first-out method) or market (note 7)	371,639	384,232
Total other assets	375,600	388,512
	\$ 2,279,143	1,902,732
<u>Liabilities and Fund Balance</u>		
Current liabilities:		
Notes payable (note 3)	\$ -	96,267
Current installments of long-term debt and capitalized lease obligations (note 3)	67,528	32,067
Accounts payable	85,654	109,256
Accrued expenses	56,360	61,343
Due to affiliated organization (note 6)	10,605	-
Total current liabilities	220,147	298,933
Long-term debt and capitalized lease obligations (note 3)	411,244	229,442
Fund balance	1,647,752	1,374,357
	\$ 2,279,143	1,902,732
Commitments (notes 4, 5, and 6)		

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 years ended November 30, 1995 and 1994

	<u>1995</u>	<u>1994</u>
Revenues:		
Net sales:	\$ 1,824,728	1,797,092
Curriculum	63,512	80,063
Randall House books	16,564	22,499
Merchandise	9,794	10,326
Vacation Bible School	196,013	153,375
Bookstore	87,180	56,083
Printing	74,600	88,406
Other sales	2,272,391	2,207,844
Net sales	94,480	88,507
Freight and handling	15,970	7,949
Other income	53,180	28,686
Commission income on hymnal sales (note 6)	2,436,021	2,332,986
Expenses:		
Cost of sales:	853,549	909,872
Inventory at beginning of year	220,433	231,779
Merchandise purchases	34,221	19,114
Depreciation	335,456	336,446
Editorial and printing preparation	607,101	545,516
Printing production	20,771	25,865
Spanish department	2,071,531	2,068,592
	839,798	853,549
Less inventory at end of year	1,231,733	1,215,043
Selling, general and administrative:	121,303	168,743
Administrative	65,111	62,364
Bookstore	153,562	147,051
Bookkeeping	130,547	122,480
Building	124,962	90,537
Sales and promotion	146,503	132,416
Shipping	74,989	97,851
General	319	319
Amortization of loan costs	54,960	54,346
Depreciation	36,736	42,276
Interest expense, including finance charges	908,992	918,383
Total expenses	2,140,725	2,133,426
Excess of revenues over expenses from operations	295,296	199,560
Youth Department (note 5)	(21,901)	(8,534)
Excess of revenues over expenses	273,395	191,026
Fund balance, beginning of year	1,374,357	1,183,331
Fund balance, end of year	\$ 1,647,752	1,374,357

See accompanying notes to financial statements.

SUNDAY SCHOOL AND CHURCH TRAINING BOARD AND RANDALL HOUSE PUBLICATIONS

Statements of Cash Flows

For the years ended November 30, 1995 and 1994

	1995	1994
<u>Cash Flows from Operating Activities</u>		
Excess of revenues over expenses	\$ 273,395	191,026
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	89,500	73,779
(Increase) decrease in:		
Receivables	(56,159)	11,868
Inventories	13,751	56,323
Deferred charges and prepaid expenses	3,461	1,281
Increase (decrease) in:		
Accounts payable	(23,602)	(121,291)
Accrued expenses	(4,983)	21,505
Due to affiliated organization	10,605	(5,271)
Net cash provided by operating activities	305,968	229,220
<u>Cash Flows from Investing Activities</u>		
Purchase of certificates of deposit	(150,000)	-
Purchase of equipment	(254,749)	(99,472)
Net cash used by investing activities	(404,749)	(99,472)
<u>Cash Flows from Financing Activities</u>		
Proceeds from borrowings	254,000	42,800
Repayments of debt	(133,003)	(60,020)
Net cash provided (used) by financing activities	120,997	(17,220)
Net increase in cash	22,216	112,528
Cash at beginning of year	206,714	94,186
Cash at end of year	\$ 228,930	206,714
Supplemental disclosures:		
Interest, including finance charges paid	\$ 34,392	42,276

See accompanying notes to financial statements.

SUNDAY SCHOOL AND CHURCH TRAINING BOARD AND RANDALL HOUSE PUBLICATIONS

Notes to Financial Statements

November 30, 1995 and 1994

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 \$89,181 for the year ended November 30, 1995, and \$73,460 for the year ended November 30, 1994.

Equipment includes capitalized leases as follows:

	1995	1994
Printing service equipment	\$ 22,000	22,000
Office and administrative equipment	164,157	164,157
	186,157	186,157
	168,311	152,314
Less accumulated amortization	\$ 17,846	33,843

**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:

	<u>1995</u>	<u>1994</u>
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
13.5% equipment obligations, maturing through December 1995, payable monthly \$394 including interest, secured by related equipment.	\$ 390	4,747
9.75% installment obligation payable to a local bank, payable in monthly installments of \$2,377 including interest, through 2000. The note contains a five year call provision in the year 2000 at which time Randall House has the option to renegotiate the financing arrangement or the amount of \$112,763 will be due. The note is secured by a \$50,000 certificate of deposit and related equipment.	175,352	-
7.5% installment obligation payable to a local bank, payable in monthly installments of \$3,340 including interest, through October 1997 secured by certificates of deposit totaling \$100,000 and related equipment.	74,000	-
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.		
Total long-term debt	223,258	234,185
Capital lease obligations: 9.1% to 16.8% obligations under capital leases payable monthly \$5,402 - see note 2	473,000	238,932
	5,772	22,577
Less current maturities of long-term debt and capital lease obligations	478,772	261,509
	67,528	32,067
	\$ 411,244	229,442

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.

**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, continued

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, 1995.

<u>November 30,</u>	<u>Long-Term Debt</u>	<u>Capital Leases</u>
1996	\$ 62,883	4,983
1997	60,914	1,158
1998	27,988	-
1999	29,354	-
2000	133,072	-
2001 and thereafter	158,789	-
Total maturities of long-term debt	\$ 473,000	6,141
Less amount representing interest		369
Present value of net minimum lease payments		\$ 5,772

(4) 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 \$20,393 for the year ended November 30, 1995 and \$19,576 for the year ended November 30, 1994. 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.

(5) 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:

	<u>1995</u>	<u>1994</u>
Revenue from conferences and related services	\$ 148,674	122,282
Expenditures for conferences and related services	106,916	80,413
General and administrative expenses	63,659	50,403
Total expenditures	170,575	130,816
Excess of revenue over expenses	\$ (21,901)	(8,534)

(6) Agreement with Affiliated Organization to Distribute Hymnals

During the year ended November 30, 1995 the Board agreed to warehouse and distribute hymnals for the Executive Board of the National Association of Free Will Baptist. There are two types of hymnals being warehoused and distributed by the Board; The Free Will Baptist Hymn Book, Rejoice, and The Rejoice Hymn Book for the Church at Worship.

SUNDAY SCHOOL AND CHURCH TRAINING BOARD AND RANDALL HOUSE PUBLICATIONS

Notes to Financial Statements, continued

(6) Agreement with Affiliated Organization to Distribute Hymnals, continued

The Free Will Baptist Hymn Book, Rejoice

The Board will invoice the customer, collect funds and remit \$6.32 to the Executive Board. As of November 30, 1995 the Board was warehousing approximately 21,000 hymnals with an estimated replacement value of \$273,000. The following summarizes the transactions under this agreement as of November 30, 1995.

	1995	Since Inception
Amount due to Executive Office at beginning of period	\$ -	-
Total sales of hymnals	105,825	105,825
Less total fees earned	(53,180)	(53,180)
Less remittances made to the Executive Office	(42,040)	(42,040)
Amount due to (from) Executive Office at end of period	\$ 10,606	10,606

The Rejoice Hymn Book for the Church of Worship

The Board will warehouse and distribute these hymnals and receive a commission of 5% plus costs of shipping per hymnal. As of November 30, 1995 the Board was Warehousing approximately 18,000 hymnals with an estimated replacement value of \$180,000. During the year ended November 30, 1995 the Board received \$1,029 in commissions.

(7) 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, 1995.

	Current Asset	Long-term Asset
Bookstore merchandise	\$ 81,221	-
Printing production and preparation raw materials	47,410	-
Work in process	48,059	-
Finished literature:		
Curriculum	26,879	-
Shipping	154,591	-
Lifequest material	5,000	26,668
Randall House Books and merchandise	65,000	40,714
Spanish curriculum	40,000	391,757
	468,160	459,139
Allowance for obsolescence	-	87,500
Total inventory	\$ 468,160	371,639

SUNDAY SCHOOL AND CHURCH TRAINING BOARD AND RANDALL HOUSE PUBLICATIONS

Notes to Financial Statements, continued

(8) 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 1997

Revenues	
Total Sales	\$ 2,485,730.95
Other Income	
Freight and Handling	98,000.00
Commission on Hymnals	50,000.00
Youth Division	150,085.00
Miscellaneous Income	9,000.00
Total Revenues	\$2,792,815.95
Cost of Sales	
Cost of Outside Purchases	\$ 250,000.00
Editorial/Graphic Arts	339,700.00
Printing Production	661,500.00
Spanish	
Depreciation	30,165.00
Total Cost of Sales Expenses	\$ 1,293,365.00
General Expenses	
Youth Division	\$ 166,250.00
Sales Division	161,900.00
Bookstore	106,950.00
Sunday School Growth	54,979.92
Administration	111,100.00
Accounting	137,550.00
Shipping	182,750.00
Building	146,850.00
General Expenses	249,000.00
Total General Expenses	\$1,317,329.92
Grand Total of all Expenses	\$2,610,694.92
Total Revenues	\$2,792,815.95
Net Income	\$ 182,121.03
Debt Retirement	\$ 175,000.00
Working Capital	\$ 7,121.03

Expenses

Cost of Outside Purchases

Curriculum	\$ 60,000.00
Merchandise	110,000.00
Bookstore	80,000.00
	\$250,000.00

Editorial/Graphic Arts

Salaries	\$196,000.00
Housing	16,000.00
Travel	2,700.00
Supplies	7,000.00
Curriculum Development	2,000.00
Writers' Fees	40,000.00
Equipment Maintenance	1,000.00
Color Separations	25,000.00
Freelance Artwork	1,500.00
Conventions and Seminars	300.00
Dues and Subscriptions	700.00
Postage	800.00
Telephone	1,200.00
FICA	16,000.00
Retirement	4,700.00
Insurance	24,500.00
Miscellaneous	300.00
	\$339,700.00

Printing Production

Salaries	\$172,000.00
Travel	1,000.00
Supplies	18,000.00
Equipment Maintenance	12,000.00
Dues and Subscriptions	300.00
Stock	160,000.00
Parts	3,000.00
Ink	9,000.00
Outside Printing	222,000.00
Telephone	600.00
FICA	13,300.00
Retirement	6,000.00
Insurance	21,000.00
Camera Supplies	3,000.00
Camera Maintenance	1,000.00
Camera Film-Negatives	5,000.00
Stripping Masking Supplies	1,500.00
Stripping Supplies	4,000.00
Plates	8,500.00
Miscellaneous	300.00
	\$661,500.00

Spanish

Salaries	\$ 14,600.00
Travel	1,000.00
Supplies	500.00
Equipment Maintenance	400.00
Translation	4,000.00
Postage	700.00
Telephone	2,200.00
FICA	1,200.00
Retirement	715.00
Insurance	4,500.00
Dues and Subscriptions	150.00
Miscellaneous	200.00

	\$ 30,165.00
Depreciation	\$ 12,000.00
Total Cost of Sales	\$1,293,365.00

General Expenses

Youth Division

Salaries	\$ 40,000.00
Entertainment	750.00
Travel and Expense	2,000.00
Supplies	500.00
In House Printing	500.00
NYC '97	56,050.00
Truth & Peace '97	30,250.00
NYET '97	4,250.00
National Youth Workers' Retreats '97	16,750.00
Conventions & Seminars	500.00
Dues & Subscriptions	100.00
Postage	500.00
Telephone	700.00
FICA	3,000.00
Retirement	1,900.00
Insurance	11,000.00
Miscellaneous	500.00
	\$ 166,250.00

Sales Division

Salaries	\$ 38,000.00
Housing	10,000.00
Entertainment	500.00
Travel	6,000.00
Supplies	4,000.00
Advertising and Promotion	60,000.00
Printing	16,000.00
Dues and Subscriptions	300.00
Postage	12,000.00
Telephone	600.00
FICA	2,700.00
Retirement	1,000.00
Insurance	6,500.00
Conventions and Seminars	4,000.00
Miscellaneous	300.00
	\$ 161,900.00

Bookstore

Salaries	\$ 72,250.00
Entertainment	200.00
Travel	2,000.00
Supplies	1,500.00
In House Printing	2,000.00
Equipment Rental	1,500.00
Postage	2,500.00
Telephone	1,100.00
FICA	3,500.00
Retirement	1,300.00
Insurance	12,000.00
Advertising and Promotion	3,500.00
Dues and Subscriptions	400.00
Miscellaneous	200.00
	\$106,950.00

Sunday School Growth	
Salary	\$20,000.00
Housing	16,000.00
Travel	6,000.00
Insurance	8,425.92
FICA	2,754.00
Retirement	1,800.00
	<u>\$54,979.92</u>
Administrative	
Salaries	\$ 54,000.00
Housing Allowance	20,000.00
Printing	300.00
Entertainment	1,200.00
Travel	12,000.00
Auto Expense	1,800.00
Auto Lease	4,700.00
Supplies	2,000.00
Equipment Maintenance	100.00
Equipment Rental	1,000.00
Conventions and Seminars	300.00
Dues and Subscriptions	300.00
Postage	800.00
Telephone	600.00
FICA	1,700.00
Retirement	3,400.00
Insurance	6,600.00
Miscellaneous	300.00
	<u>\$111,100.00</u>
Accounting	
Salaries	\$77,000.00
Royalties	5,000.00
Equipment Rental	400.00
Supplies	5,000.00
Equipment Maintenance	3,000.00
Dues and Subscription	150.00
Postage	5,000.00
Telephone	13,500.00
FICA	6,100.00
Retirement	1,000.00
Insurance	19,000.00
Travel	900.00
In House Printing	1,200.00
Miscellaneous	300.00
	<u>\$137,550.00</u>
Shipping/Payables	
Salaries	\$ 80,000.00
Supplies	12,000.00
Equipment Maintenance	1,300.00
Equipment Rental	650.00
Freight	57,000.00
Postage	7,800.00
Telephone	600.00
FICA	5,800.00
Retirement	1,000.00
Insurance	16,300.00
Miscellaneous	300.00
	<u>\$ 182,750.00</u>

Building	
Salaries	\$ 40,500.00
Housing	9,500.00
Supplies	6,500.00
Equipment Maintenance	4,000.00
Building Maintenance	6,600.00
Utilities	38,000.00
Insurance (Building)	22,000.00
Telephone	600.00
FICA	3,600.00
Retirement	1,600.00
Insurance	13,650.00
Miscellaneous	300.00
	<u>\$ 146,850.00</u>
General Expenses	
Automobile Expense	\$ 2,000.00
Automobile Lease	2,000.00
Supplies	2,000.00
Equipment Maintenance	6,000.00
Equipment Rental	1,500.00
Equipment/Lease/Purchase	44,000.00
Employees' Insurance	1,000.00
Board Travel & Expense	16,000.00
Legal & Auditing	11,000.00
Taxes	19,000.00
Payroll Services	3,500.00
Church Directory	30,000.00
Together Way Printing	1,000.00
Depreciation	58,000.00
Interest Expense	35,000.00
Service Charge Expense	4,000.00
Miscellaneous	13,000.00
	<u>\$ 249,000.00</u>
Total General Expenses	
	<u>\$1,317,329.92</u>

Budget — 1997 Sunday School Literature

Quantity	Description	Cost	Revenue
4,682	Nursery Teacher	3.75	\$ 17,407.50
18,894	Make N Do	2.10	39,677.40
15,946	My Bible Lesson Cards	2.10	33,488.60
4,540	Nursery-Preschool Flannelgraph	8.95	40,633.00
2,242	Nursery-Preschool Teaching Pictures	8.95	20,065.90
8,104	Preschool Teacher	3.75	30,390.00
22,037	Preschool Student	2.10	46,277.70
34,312	Preschool Companion	2.10	72,055.20
25,147	Picture Lesson Cards	2.00	50,294.00
6,364	Bible Times	2.35	14,955.40
9,698	Primary Teacher	3.75	36,367.50
36,574	Primary Student	2.10	76,805.40
46,148	Primary Companion	2.10	96,910.80
3,127	Memory Verse Packet	8.95	27,986.65
8,447	Primary Days	2.40	20,272.80
3,845	Primary-Junior Flannelgraph	8.95	34,412.75
3,038	Primary-Junior Teaching Pictures	8.95	27,190.10
11,556	Junior Teacher	8.95	45,335.00
55,504	Junior Student	3.75	116,558.45
49,146	Junior Companion	2.10	103,206.60
8,327	Junior Counselor	2.10	19,568.45
5,371	Turning Point Teacher	2.35	20,141.25
1,711	Turning Point Packet	3.75	15,826.75
28,414	Turning Point Student	9.25	63,931.50
10,557	Teen Power	2.25	24,808.95
7,291	Horizon Teacher	2.35	27,341.25
1,855	Horizon Packet	3.75	17,158.75
44,365	Horizon Student	9.25	99,821.25
37,146	Bible Teacher	2.25	139,297.50
13,468	Bible Challenge	3.75	28,282.80
18,811	Visitor's Lesson Leaflets	2.10	28,282.80
4,288	Power For Living	2.10	39,503.10
13,421	Depth	2.10	10,076.80
125,069	Bible Scholar	2.35	28,184.10
188,814	Bible Scholar Large Print	2.10	262,644.90
341	Bible Teacher Cassette	2.30	434,272.20
		19.95	6,802.95
Total Sunday School Literature Sales			<u>\$2,185,951.20</u>

C.I.S. Literature

Quantity	Description	Cost	Revenue
452	Helpers Leader's Guide	3.75	1,695.00
1,382	Helpers Packet	3.75	5,182.50
537	Discoverers Leader's Guide	3.75	2,013.75
1,940	Discoverers Packet	4.95	9,603.00
689	Learners Leader's Guide	3.75	2,583.75
2,559	Learners Student	2.10	5,373.90
749	Adventurers Leader's Guides	3.75	2,808.75
3,014	Adventurers Student	2.10	6,329.40
234	LifeQuest Leader's Guides	17.95	4,200.30
1,545	LifeQuest Student Handouts	2.10	3,244.50
761	Focus Leader's Guides	3.75	2,853.75
8,015	Focus Students	2.25	18,033.75
4,694	Lifeline Students	2.10	9,857.40

Total CTS Literature Sales

\$ 73,779.75

Total Sunday School and CTS Literature Sales

\$ 2,259,730.95

Less Discount to Bookstores

(339,000.00)

Grand Total Literature Sales

\$ 1,920,730.95

Other Sales and Income

Spanish Curriculum	\$ 32,000.00
RHP Books	75,000.00
Merchandise	20,000.00
Bulletin Service	25,000.00
Vacation Bible School	11,000.00
Bookstore Sales	225,000.00
Printing Sales	90,000.00
Miscellaneous Income	87,000.00

Total Other Sales and Income

\$ 565,000.00

Total All Sales

\$ 2,485,730.95

Other Income

Freight and Handling	\$ 98,000.00
Commission on Hymnals	50,000.00
Youth Division	150,085.00
Miscellaneous Income	9,000.00

Total Other Income

\$ 307,085.00

Total Revenue

\$ 2,792,815.95

Salary Report**General Director**

Salary	\$32,669.62
Housing and Utilities	20,000.00
Social Security	4,054.34
Retirement	3,117.40
Insurance	5,003.64
Medical	4,562.88
Dental	440.76
	<u>\$64,845.00</u>

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

Editor-in-chief - Adult Curriculum

Salary	\$20,000.00
Housing Allowance	16,000.00
Social Security	2,754.00
Retirement	1,800.00
Insurance	8,425.92
Life	164.76
Medical	7,770.12
Dental	491.04
	<u>\$48,979.92</u>

Youth Division Director

Salary	\$30,000.36
Social Security	2,329.45
Retirement	1,500.00
Insurance	8,483.76
Life	85.20
Medical	7,770.12
Dental	491.04
Long-term Care	18.00
Disability	119.40
	<u>\$42,313.57</u>

Sunday School Growth Director

Salary	\$20,000.00
Housing	16,000.00
Travel	6,000.00
Social Security	2,754.00
Retirement	1,800.00
Insurance	8,425.92
Life	164.76
Medical	7,770.12
Dental	491.04
	<u>\$54,979.92</u>

A Cost Comparison Report 1996

Nursery Teacher
Teacher's Resource Pkt
Pupil's Handwork
Bible Lesson Cards
Preschool Teacher
Teacher's Resource Pkt
Preschool Student
Preschool Workbook
Picture Lesson Cards
Primary Teacher
Visual Packet
Primary Student
Primary Workbook
*Memory Verse Packet
Junior Teacher
Visual Packet
Junior Student
Junior Workbook
Teen Teacher
Visual Packet
Teen Student
High Teen Teacher
Visual Packet
High Teen Student
Bible Teacher/Young Adt
Challenge (Young Adult)
Bible Teacher
Bible Scholar
Bible Scholar (Lge Prt)
Visual Packet
Visitor's Lesson Lft
Depth

SP	GL	ST	**UGP	AY	DCC	RHP
4.40	4.39	4.39		4.50	4.50	3.75
9.60	9.99	10.59		9.90	9.90	8.95
2.35	2.19	2.29		2.40	2.40	2.10
2.30	+2.19	+2.30		2.40	2.40	2.10
4.40	4.39	4.39	1.35	4.50	4.50	3.75
9.60	9.99	10.59	6.00	9.90	9.90	8.95
2.35	2.19	2.29	1.35	2.40		2.10
2.30				2.40	2.40	2.10
4.40	4.39	4.39	.75			2.00
9.60	9.99	10.59	1.35	4.50	4.50	3.75
2.35	2.19	2.29	6.00	9.90	9.90	8.95
			1.35	2.40	2.40	2.10
			1.20	2.40	+2.40	2.10
4.40	4.39	4.39				8.95
9.60	9.99	10.59	1.35	3.45	4.50	3.75
2.35	2.19	2.29	6.00		9.90	8.95
			1.55	2.70	2.40	2.10
4.40	16.99	4.39		2.60	+2.40	2.10
9.60		10.59	1.45	4.25	4.50	3.75
2.35		2.99			9.90	9.25
4.40	16.99	4.39	1.55	2.70	2.40	2.25
+9.99		10.59	1.65	4.25	4.50	3.75
+5.50		2.99			9.90	9.25
			1.55	2.70	2.40	2.25
			1.65	4.25		3.75
4.40	16.99	4.39	1.60	2.70		2.10
2.35	9.99	2.49	3.45	4.25	4.50	3.75
3.25		3.29	1.70	2.90	2.50	2.10
+9.99		9.49		3.65	2.90	2.30
					9.90	
				2.50	2.50	2.10
		1.79		2.50		2.10

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

+ Comparable product.
*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, 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, buy, 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. 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 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 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 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 _____, 1996, 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 _____, 1996.

Alton E. Loveless, President

Sworn and subscribed to before me on the _____ day of _____, 1996.

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 this 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 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 _____, 1996, at _____

Secretary

Commission For Theological Integrity

The mission of the Commission for Theological Integrity is to serve Free Will Baptists by bolstering the doctrinal integrity of our movement. Therefore, our purpose is three-fold: 1) alert our people of theological trends that could threaten our theological integrity as a denomination; 2) prepare materials that will contribute to the preservation of the theological integrity of our denomination; and 3) conduct seminars on subjects which are pertinent to the purpose of this commission.

Our denominational role is two-pronged: 1) Reactive—responding to the issues as they arise; and 2) Proactive—providing opportunities to improve our scholarship in order to enhance our integrity.

We continue to reduce our inventory of materials printed in recent years. We foresee the role of literature in the Commission's work will be reduced.

Our 1995-96 activities consisted of a seminar at the National Association with Dr. Robert Picirilli addressing the controversy of King James Version only—a belief that not only is the KJV a venerable translation, but it is the only inspired version. He adroitly described the logical conclusion of such a position.

During the annual Bible Conference at Free Will Baptist Bible College, Dr. Garnett Reid spoke on the usefulness of the Old Testament to the believer. He challenged us to explore the riches of the older testament.

At the National Association in Fort Worth, Dr. Picirilli will revisit the topic of translations and present informative material on manuscripts.

Convinced that conservative Christianity has reaped the benefits of scholarly development in the 20th century, we are conducting a Theology Seminar at Free Will Baptist Bible College, October 25-26, 1996. Perhaps a theological society will form and perpetuate the scholarly interaction needed to develop a sound interpretation of the times in light of God's Word. The response encourages us and a full program will be announced in August.

We applaud the faithful work of our retiring bookkeeper, Dari Goodfellow. Our new assistant is Audra Kite.

Leroy Forlines, Chairman
Dari Goodfellow, Bookkeeper

Financial Report

Balance in Bank, January 1, 1995 \$2,630.29

Income:

Gifts/Together Way:

Alabama	\$25.69
Arkansas	263.46
Arizona	.35
California	17.47
Florida	59.87
Georgia	66.96
Illinois	53.42
Indiana	186.45
Kansas	.25
Kentucky	9.34
Louisiana	.16
Maryland	8.62
Michigan	77.94
Mississippi	8.29
Missouri	341.66
North Carolina	24.86
New Mexico	.70
Ohio	83.01
Oklahoma	517.36
South Carolina	5.09
Tennessee	81.56
Texas	52.73
Virginia	4.13
Washington (Northwest)	.10
West Virginia	132.62

Miscellaneous Gifts 178.17

Total Gifts \$2,200.26

Misc. Sales of Literature 109.95

Interest on Bank Account 59.90 2,370.11

Total Income and Balance \$5,000.40

Expenditures:

Salary/Bookkeeping	\$ 200.00
Digest of Reports	65.68
Annual Meeting Expense	1,045.12
Seminar Speaker Expense	500.00
Seminar Miscellaneous Expense	128.69
Shipping Literature	74.73
Miscellaneous Office Expense	18.15

Total Expenditures \$2,032.37

Balance in Bank, December 31, 1995 \$2,968.03

Leroy Forlines, Chairman
Dari Goodfellow, Bookkeeper

1997 Budget Proposal

Anticipated Income	\$2,100.00
Together Way Plan	240.00
Miscellaneous Gifts	60.00
Interest on Bank Account	\$2,400.00
Total Income	

Anticipated Expenditures	\$ 200.00
Bookkeeper Stipend	75.00
Office Expense	1,125.00
Meeting Expenses	1,000.00
Seminar Expenses	\$2,400.00
Total Expenditures	

Radio-Television Commission Report

The Free Will Baptist Radio-Television Commission was begun in 1984 for the purpose of using the media to evangelize the sinner, edify the saint and encourage stewardship of the brethren. In accomplishing this, the 15-minute program, "Victorious Faith," was established. Mr. Jim Vallance serves as host of the program and provides exclusively Free Will Baptist music before he introduces the speaker, Rev. Bob Shockey.

We are also able to provide custom made 30- or 60-second commercial announcements to help you advertise different events in your church. In addition, there are other ideas in the planning stages. If there are any suggestions or input, please let any one of us know. Please pray with us as we seek the Lord's leadership in providing the best possible media ministry to the Free Will Baptist denomination.

The Commission has no paid staff. All five men are volunteer and the budget is minimal. We operate on .5% of the undesignated Together Way Plan offerings to the National Association and the free will gifts of people like you. Thank you for helping us continue the work set before us.

If there are questions or comments, please direct them to:

Mr. Jim Vallance
P. O. Box 5002
Antioch, TN 37011-5002

Respectfully submitted,

Steve Faison, Chairman
Jim Vallance, Secretary/Treasurer
Sandy Goodfellow
Bill Gardner
Doug Kite

Financial Report

1995 Income	\$ 27.27
Alabama	265.27
Arkansas	1.10
Arizona	17.47
California	60.69
Florida	67.95
Georgia	.00
Iowa	55.67
Illinois	3.59
Indiana	.25
Kansas	9.34
Kentucky	.16
Louisiana	8.62
Maryland	77.94
Michigan	349.88
Missouri	8.60
Mississippi	65.05
North Carolina	1.16
New Mexico	91.79
Ohio	519.56
Oklahoma	5.08
South Carolina	100.15
Tennessee	52.73
Texas	5.46
Virginia	.10
Washington	133.04
West Virginia	139.41
Interest, Savings Account	37.73
Interest, Revocable Trust	
Total	\$2,107.06

Expenses	\$730.00
Convention expenses	23.00
Commission meeting expenses	250.00
FWB Convention	115.50
FWB Convention Fund (Digest of Reports)	100.00
Bookkeeping	516.00
Promotion	299.40
Postage	
Total	\$2,033.90

Interest earned on the savings account held by First American Bank in 1995 was \$139.41. The bank charges were excessive in view of the limited checking activity.

In December 1995, the funds on hand (checking and savings accounts) were placed into a revocable trust account held by the Free Will Baptist Foundation.

The account earned \$37.73 interest for the period 07-01-95 to 12-31-95.

Balance in account held by Free Will Baptist Foundation, 12-31-95: \$7,582.95

Proposed Budget for 1997

Income	
Together Way Plan (.05%)	\$2,500
Gifts	5,850
Total	\$8,350
Expenses	
Promotion	\$1,000
Commission expenses	500
Bookkeeper	200
Other help	200
Production costs	500
Supplies	1,000
Postage	500
Equipment/maintenance	250
Telephone	250
Printing	600
Convention booth	250
Digest of Reports	150
Convention materials	450
Broadcast time	2,500
Total	\$8,350

Free Will Baptist Music Commission Report, 1996

The Free Will Baptist Music Commission has enjoyed an exciting and eventful year. We have been able to initiate a number of the goals presented to the convention at our meeting last year in Charlotte, North Carolina.

Sound tracks to the Rejoice Hymnal. The Music Commission is pleased to premiere the first in a series of products based on our hymnal. The Free Will Baptist Music Commission has joined with Prism Music of Brentwood, TN, to produce CDs and cassette sound tracks for congregation, choir, Bible study, nursing homes, Sunday School class meetings or youth activities. We have selected 20 favorite songs and produced them as split-track accompaniments including missionary hymns, hymns of worship, evangelistic songs, a Christmas carol, a Thanksgiving hymn and two songs for invitation. These tracks are piano tracks with light orchestrations. Each song is arranged for 2 verses and chorus, modulation, 1 verse and chorus and some type of repeated ending. A demonstration tape, sung by the Donelson FWB Church choir, is available.

In addition to the congregational tracks, Prism Music, Inc. has released a choir book of the same twenty songs, based on the same sound tracks. We are especially excited about this because it provides opportunity for smaller churches to have tools practical in building a good adult and youth choir program. Most arrangements may be sung by solo, duet, trio or quartet. The same book may be used in larger churches that have well established choir programs but need something quick to learn and prepare. (For those weeks when extra practice time is in short supply.) Orchestrations are simple and may be played by the average high school band student.

A special word of appreciation goes to Danny Dawson and Jack Price of Prism Music, Inc. They have encouraged us and provided opportunity for the Music Commission to make this endeavor possible. We believe the Lord has allowed us to help develop an invaluable resource tool for churches all across the country.

The series is called *Rejoice Volume 1*. Congregational and choir tracks (TX 049601 or CDX 949601), books (PK 049601) and instrumental parts may be purchased at the Music Commission booth, ordered through Randall House Publications or directly from Prism Music. We are already working on the second set of 40 songs to be delivered early next year. We hope to eventually record all of the hymns in our present hymnal.

The Rejoice Hymnal. Both *Rejoice: The Free Will Baptist Hymnal* (1988) and *The Rejoice Hymnal: For the Church at Worship* (1995) (Tempo Music) are experiencing strong sales. The Tempo publication has allowed us to reach beyond the denominational structure to other evangelical groups.

Companion to the Rejoice Hymnal. We are pleased to announce that the Executive Office and the Board of Sunday School and Church Training are producing a *Companion to the Rejoice Hymnal*. This book, co-authored by Drs. Vernon M. Whaley and Tim Sharp will contain stories, historical data, and short devotional thoughts about each hymn. The hymnal, scheduled for release sometime before the end of the year, will be the first contribution Free Will Baptists have made to this area of evangelical hymnody. The Music Commission is pleased to have a part in the development of this book.

Workshops at the National continue to enjoy extraordinary response.

For the last three years, the Music Commission has sponsored a workshop on Tuesday afternoon where more than \$150.00 worth of music is received for a registration fee of \$15.00. Prism Music, Integra Music Group, Candela Press, Intrada Music, Celebration Press, Fred Bock Music and Brentwood Music have provided assistance in making this event successful. This year Prism Music and Intrada Music Distribution have provided product for both the workshop and Music Commission booth.

Free Will Baptist Music Fellowship Merged with Music Commission. At the request of the Free Will Baptist Music Fellowship president, Scott Bullman, and vice president, Mike Lewis, the Commission agreed to undertake the responsibilities of planning and funding the annual Music Fellowship Breakfast at the national convention. This provides a focal point for music ministry at the convention.

The Music Commission continues to assist in the music planning for the national convention. Significant time was spent helping Randy Sawyer, coordinator of music for the national convention, plan the 1996 convention music. We invite your comments and suggestions about our music ministry at the convention. Please feel free to give any of our commission members the names and addresses of people you wish to see us use at upcoming conventions.

Thank you for the opportunity to serve the Lord by serving this grand denomination. We encourage each church to join us in providing tools for successful music ministry. May God continue to bless your labors as you lead your congregation in worship week after week.

Enthusiastically His,

Randy Sawyer, Chairman
David Bates, Secretary
Vernon M. Whaley
R. Douglas Little
Bill Gardner

Financial Report January - December 1995

Beginning Balance			\$4,962.52
Income			
Co-op			
Together Ministry Offering	\$	725.41	
States and Churches		3.01	
Alabama		25.67	
Missouri		341.51	
Oklahoma		516.93	
South Carolina		2.31	
Texas		42.98	
Fellowship Church		43.20	
Roaring Creek Church		5.62	
Ruth's Chapel Church		80.00	
Total		1,058.22	
Music Sales at National		1,058.22	
Total Income		2,708.84	\$4,495.48
Expenses			
Digest of Reports		65.68	
Convention Expenses		1,346.73	
Music for Booth		3,110.55	
Music Commission Meeting		1,128.55	
Music Ministry Breakfast		182.06	
Miscellaneous Expenses		127.40	
Total Expenses			(\$5,960.97)
Ending Balance			\$3,497.03

1997 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

1996 Historical Commission Report

The Commission gave \$2,500 to the First Free Will Baptist Church in New Durham, New Hampshire, to assist with improvements (painting, etc.) in the historic Ridge Church.

The Commission also allocated \$2,000 to purchase fireproof file cabinets for material in the Free Will Baptist Historical Collection housed in the Welch Library at Free Will Baptist Bible College.

Our 1996-97 project is to bring the inventory of minutes in the Historical Collection up to date. The last inventory was done in 1989. The project will be completed in time for the 1997 national convention.

The Commission encourages associational clerks to send copies of current minutes to the Historical Collection.

1995 Financial Report

Balance on hand December 31, 1994	\$17,354.32
Income for 1995	
Co-op gifts (designated/undesignated)	\$1,944.32
Ruth's Chapel FWB Church (direct)	80.00
Sales	7.00
National Ministries Offering	6.01
Interest (First American Bank)	806.11
Total	\$ 2,843.44
Expenditures for 1995	
Enterprise Travel (Marberry)	\$232.00
Thomas Marberry, travel (bus)	99.00
New Durham Church	2,500.00
D. Sargeant, labor in library	156.05
The Quarters (Marberry lodging)	35.95
National Convention, Digest fee	32.84
Total	\$ 3,055.84
Balance on hand December 31, 1995	\$17,141.92

1997 Budget

Income	
Gifts (Together Way Plan)	\$2,000.00
Interest (First American Bank)	850.00
Miscellaneous	25.00
Total	\$2,875.00
Expenses	
Books, materials and labor for Historical Commission	\$2,150.00
Travel	650.00
Executive Office (Digest Fee)	75.00
Total	\$2,875.00

Minutes
of the
Sixty-First Annual Session
of the
**Women Nationally Active
for Christ Convention**
of the
**National Association of
Free Will Baptists**
when convened in
Fort Worth, Texas
July 23, 1996

WNAC
P. O. Box 5002
Antioch, TN 37011-5002

Executive Committee

President
Everyl Getz
4304 N. Third
McAllen, TX 78504
Phone: 210/687-4320

Vice President
Marjorie Workman
3601 Central Avenue
Nashville, TN 37205
Phone: 615/298-4929

Secretary
JoAnn 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

Barbara Chaffin
1550 Hiner Road
Orient, OH 43146
Phone: 614/975-7087

Annette Aycock
1300 Pamplico Highway
Florence, SC 29505
Phone: 803/662-130

Executive Secretary-Treasurer

Mary R. Wisehart
P. O. Box 5002
Antioch, TN 37011-5002
Phone: 615/731-6812 Ext. 210

Theme: "Hold the Light High"
Scripture: Acts 13:47
Hymn: "Let My Life Be a Light"
Music Coordinator: Debbie Burden
Organist: Sharon Beam
Pianist: Marian Pilgrim

Tuesday Morning, July 23, 1996

The sixty-first session of the Women Nationally Active for Christ Convention convened in the Tarrant County Convention Center, Fort Worth, Texas at 9:00 A.M.

Barbara Chaffin opened the session with prayer.

Debbie Burden led the congregation in singing "There Is A Fountain."

Marie Hanna brought a devotional thought based on Acts 13:44-47. She used physical lights, such as kerosene lamps, lanterns, candles, and

electric lights to illustrate protection from danger and lighting the path ahead. Jesus, our spiritual light, reveals our sin, brings us joy and helps us grow in grace. The beauty of that Light, which is the Light of the World, draws others to Christ. She challenged us to be those lights.

Nancy Copeland sang a solo, "Shepherd of My Heart."

Brenda Doffing welcomed the women to Texas.

Suzanne Franks presented the Creative Arts Awards.

MSC to accept the Credentials Committee Report, presented by Marjorie Workman, and seat the delegates. (See reports.)

MSC to accept the Executive Secretary-Treasurer's report and adopt the budget for 1997. (See budget.)

Mary Wisehart presented Mary Neal an olive wood piano music box in recognition of twelve years on the executive committee of WNAC.

MSC to adopt the Resolutions Committee Report, presented by Delois Loveless. (See reports.)

MSC to accept the Appreciation Committee Report, presented by Shirley Jackson. (See reports.)

The congregation sang "Let My Life Be A Light."

Morning Worship Service

Debbie Burden led the congregation in singing "Nothing But the Blood," "Power in the Blood," "People Need the Lord," and "To God Be the Glory."

Diana Bryant prayed the offertory prayer.

Elaine Holland sang "Hold Forth the Light."

Carlisle Hanna brought the morning message, using Acts 13:2,3,47; 26:14-18; and Isaiah 42:6; 49:6. He thrilled the congregation with the news that the goal of 100 churches in North India was in sight with 84 established and the rest expected by February 1997. He also mentioned an answer to Paul Woolsey's prayer with the establishment of a church in Nepal.

At Carlisle's request, the congregation sang "He Is Lord," followed "Oh, How I Love Jesus."

Carlisle dismissed with prayer.

Tuesday Afternoon, 1:30 p.m.

Debbie Burden led the congregation in singing "Send the Light," "People Need the Lord," and "Lord, Lay Some Soul Upon My Heart."

Terry Van Winkle, home missionary to Overland Park, Kansas, sang "Revive Us, Oh Lord."

MSC to accept the Registration Committee Report, presented by Bettie Ferguson. (See reports.)

Marjorie Workman and Susan Turnbough presented the special feature, using the idea of a time capsule opened in 2096 with items showing how women of 1996 held the light high.

Elaine Holland, missionary to Côte d'Ivoire used a cooking pot and stool. Patsy Vanhook, missionary to France, had walking shoes. Mary Holland, mis-

sionary to Brazil, used a language book. Susan Turnbough, missionary to Spain, suggested using a coffee pot. Pam Jones held up a brochure used to reach people in Pittsburgh, Pennsylvania, where she and her husband serve as missionaries. Marjorie concluded by showing some baby clothes used by the women in her church to win a woman in the community to the Lord.

A trio of woman sang "Carry the Light."

Everyl Getz dismissed in prayer.

Committee Reports

Credentials Committee Report

We your Credentials Committee wish to submit the following report.

The following twenty state conventions have submitted reports and paid dues: Alabama, Arkansas, California, Florida, Georgia, Illinois, Indiana, Kentucky, Maryland, Michigan, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.

The following four districts have submitted reports and paid dues: Arizona District, Kansas District, New Mexico District, Rocky Mountain District, Colorado.

The following three local groups with no district or state conventions have submitted reports and paid dues: Maranatha, Omaha, Nebraska; Riverview, Bettendorf, Iowa; St. Croix, Virgin Islands.

In addition there are sixty-three delegates from local groups who are in good standing with its representing higher body (district or state) who have paid their \$5 representation fee.

Respectfully submitted,
Marjorie Workman, TN, Chairperson
Nora McCarty, GA
Nancy Trimble, MI

Appreciation Committee Report

We the appreciation Committee submit the following recommendations:

1. That we give a rising vote of thanks to President Everyl Getz and the Texas Women Active for Christ Convention for arranging the WNAC registration, the executive luncheon, the Fellowship Dinner decorations, and for all they have done to make our 61st session a comfort and blessing.
2. That we express our thanks to our missionary speakers, Carlisle and Marie Hanna, our seminar speakers, Annette Aycock, Christine Roysden, Ruth Mullen, Sue Aycock, Everyl Getz and Ruth Bivens and to those who provided special music, also to Marcia Ellison, our Fellowship Dinner speaker.
3. That we express appreciation to President Everyl Getz, Dr. Mary R.

Wisehart, and our Executive Committee for planning our convention and seminars and the many hours of labor on behalf of the WNAC.

4. That we give special thanks to Marjorie Workman and Susan Turnbough for our special feature Tuesday afternoon.

Respectfully submitted,
Shirley Jackson, MO, Chairperson
Ruth Mullen, IN
Melinda Pinson, GA
Vada Lee, SC

Resolutions Committee Report

We your Resolutions Committee submit the following report:

1. Be it resolved that WNAC publish materials for young girls (ages 9-12) and teen women when a writer for such materials has been secured.
2. Be it resolved to give our foreign student scholarship of \$1,000 to Silas in Côte d'Ivoire.

Respectfully submitted,
Delois Loveless, TN, Chairperson
Betty Wiggs, NC
Myrtle Samms, WV
Debe Taylor, AZ
Nadine Hood, OK

Registration Committee Report

We your Registration Committee wish to submit the following report:

Number of Persons Registered

WNAC Officers and Staff	10
Missionaries from 10 Countries (including the USA)	108
Standing Delegates (state presidents and field workers)	29
Elected Delegates (state, district and local)	131
Local Delegates Paying \$5 Registration Fee	64
Ministers and Visitors	600
Total Registered	942

Respectfully submitted,
Bettie Ferguson, TX, Chairperson
Dawn Sweeney, TN
Hope Van Winkle, MS
Artelle Cox, TX

Monday Afternoon Seminars

How Can I Help My Pastor's Wife?

Radisson Plaza Hotel
Grand Crystal Ballroom, A
Presiding: Annette Aycock

Speakers: Sue Aycock, Ruth Mullen, Christine Roysden

Ministers' Wives Seminar

Radisson Plaza Hotel
Grand Crystal Ballroom, B

Theme: Privileges and Responsibilities of Holding the Light in the Parsonage
Speaker: Everyl Getz

State Leaders Meeting

Radisson Plaza Hotel
Grand Crystal Ballroom, A
Introducing the New Manual
Presiding: Mary R. Wisehart

Fellowship Dinner

July 23, 1996

Tarrant County Convention Center
West Hall - Bay 4

Invocation: David Aycock
Speaker: Marcia Ellison
Benediction: Randy Bryant

WNAC Executive Committee Minutes

December 7, 1995

Free Will Baptist National Office Building

The WNAC Executive Committee met December 7, 1995 in the National Office Building.

Members present were Everyl Getz, Marjorie Workman, Jo Ann Wood, Mary R. Wisehart, Diana Bryant, Barbara Chaffin and Annette Aycock.

The meeting opened with a devotion by President Everyl Getz. The topic was "Saturate Our Work in Prayer." Prayer is an invitation for God to get involved in my life. Phil. 1:9,10.

She challenged us to pray for each other on this committee in the next two years, one each day for the seven days in a week.

Prayer by Marjorie Workman.

Dr. Wisehart reported on Co-Laborer magazine subscriptions. She

reported that home and foreign missionaries receive complimentary magazine subscriptions. Newly organized groups receive their first month complimentary.

The report from Editor Suzanne Franks was presented.

The executive secretary-treasurer presented her report with the 1997 proposed budget.

MSC that the budget be approved, giving Dr. Wisehart the authority to make adjustments if they become necessary.

MSC to remain with the auditing firm of Thoni, Hinton and Warren.

The committee reviewed the convention budget for 1996 in Fort Worth, Texas.

MSC that Dr. Wisehart investigate the possibility of making a video of the National Office and Provision Closet to be used for the 1997 Emphasis Month.

Dr. Wisehart presented an invitation from Alice Smith and Robert Bryan to attend the women's annual retreat for 1996 in Cote d'Ivoire. The approximate cost is \$1398.

Motion by Barbara Chaffin and second by Diana Bryant that WNAC pay her expenses. The motion carried.

The Executive Committee of the National Association of Free Will Baptists, Inc. recommend that WNAC incorporate.

Motion by Diana Bryant and second by Marjorie Workman that we do not pursue incorporation at this time. Motion carried.

MSC that we send volunteers a note of thanks.

The committee planned the following program for the 60th annual session of WNAC when convened in Fort Worth, Texas, July 22-23, 1996. The committee chose Debbie Burden as music coordinator, Marie Hanna as devotional speaker, Carlisle Hanna for the 11:00 o'clock service and Marcia Ellison as the Fellowship Dinner speaker. Everyl Getz will take charge of the seminar for pastors' wives. Annette Aycock will plan the seminar "How Can I Help My Pastor's Wife?" Marjorie Workman assisted by Lynette Miley will plan the special feature for Tuesday afternoon. Mary Wisehart will plan a brief Manual study for the state officers' meeting.

Plans for the WNAC National Retreat at Ridgecrest, North Carolina, September 12-14, 1996 were made as follows:

Theme: *Brighten Your Corner*

Scripture: Matthew 5:14,15

Hymn: *Brighten the Corner Where You Are*

The committee chose Camille Scott as music coordinator.
The speakers chosen were as follows:

Marjorie Workman - My Corner—My Family

Kathy Coats - My Corner—the Church

Tammy Gentuso - My Corner—The Workplace

Karen Cowart - My Corner of the World

Angie Outlaw - My Corner—My Community

Everyl Getz will plan the candlelight service for Friday evening.

Instead of a devotional speaker the committee agreed to use worship videos. Marjorie Workman will take care of the videos.

July 21, 1996

Radisson Plaza Hotel

General Worth Boardroom

Fort Worth, Texas

The WNAC Executive Committee met July 21, 1996 in the General Worth Boardroom of the Radisson Plaza Hotel.

Diana Bryant opened the meeting with prayer.

Marjorie Workman presented the devotional thought, "Prayer A Joint Effort," using Psalm 102:1-2; Acts 26:18; II Corinthians 1:11; John 4:36 and John 3:27.

The committee reviewed the responsibilities for the afternoon seminars.

Mary R. Wisehart gave the Executive Secretary's report.

The committee agreed to pass the following resolutions on to the WNAC Resolutions Committee.

1. Be it resolved that WNAC publish materials for young girls (ages 9-12) and teen women when a writer for such materials has been secured.
2. Be it resolved to give our foreign student scholarship of \$1,000 to Silas in Côte d'Ivoire.

Marjorie Workman moved and Barbara Chaffin seconded the motion that the WNAC Executive Committee meet on Sunday afternoon preceding the National Convention. Carried.

Mary R. Wisehart moved and Diana Bryant seconded the motion that the Financial Policy for the Executive Committee be changed to include three nights lodging and exclude the two meals on Monday. Carried.

Marjorie Workman moved and Barbara Chaffin seconded the motion that we transfer bank interest on the Memorial Student Loan Fund F.A.I.R. account to the WNAC General Fund account. Carried.

MSC that Dr. Mary Wisehart present a job description and qualifications to the Executive Committee at the December 1997 meeting.

MSC that we honor Mary Neal for 12 years of service to WNAC, four years as vice president, 8 years as president, at the 1996 convention in Fort Worth, Texas.

Meeting dismissed with prayer.

WNAC Annual Report 1996

Organization	Districts	Locals	Members	Actionettes	Members
Alabama	8	42	435		
Arkansas	11	72	852		
California	4	21	240		
Florida	5	16	160		
Georgia	10	51	534		
Illinois	2	21	199	3	42
Indiana	1	4	40		
Kentucky	5	24	202		
Maryland	2	10	96		
Michigan	4	30	232		
Mississippi	3	18	210		
Missouri	8	56	572	1	7
North Carolina	6	55	708	1	12
Ohio	3	9	321	4	20
Oklahoma	14	101	946		
South Carolina	4	44	430	2	8
Tennessee	3	47	514		
Texas	3	20	172		
Virginia	3	15	149		
West Virginia	1	11	173		
Districts:					
First Arizona	1	4	29		
Kansas First	1	4	29	1	9
New Mexico					
Northwest (WA,OR)	1	3	14		
Rocky Mtn. (CO)	1	4	40		
Locals:					
Iowa (Bettendorf)		1	9		
Nebraska (Omaha)		1	7		
Virgin Islands		1	6		
Totals	104	685	7319	15	98

Report of Women Nationally Active for Christ

The WNAC theme for 1996 is "Hold the Light High." We know the Light of the World, and we have that light. The women of WNAC purpose to hold that light high in their homes, communities, and around the world.

The magazine continues with about 13,000 subscribers. Sales have gone well for the new *Manual*.

In 1995 we had requests for materials from 34 new or reorganizing women groups and 13 requests for Actionette materials. From January through April of 1996 we have had 18 requests from new or reorganizing women's groups and 8 requests for Actionette materials.

Our plan for the future is to publish new materials for the Actionette groups. This year we worked at updating materials, such as brochures, record books, membership and Prayer Fellowship cards.

The WNAC Endowment Fund has increased to about \$9,000. We are thankful for those who give to this fund, realizing that their gift will continue to WNAC in the years ahead.

The retreat at Glorieta Conference Center in Glorieta, New Mexico was a success with 300 women registered. The next retreat there will be in 1997. The Ridgecrest retreat is set for September 12-14, 1996.

I had the privilege in this past year to visit two of our mission fields. In September I went to Uruguay for the dedication of the Central Free Will Baptist Church, Rivera, Uruguay. WNAC contributed to this church from the Eunice Edwards Loan Fund for Churches Abroad, and we can be grateful that God gave us the opportunity to help with this beautiful building. In February I went to the women's retreat at Tanda in Cote d'Ivoire. There I was able to visit the service in Abidjan, the prayer service in Agnibilekrou and one of Alice Smith's classes in the public schools, the church in Bondoukou, the Bible Institute at Bouna and the hospital and clinic at Doropo. Thank the Lord that Free Will Baptists have these opportunities to be a part of God's work in the world today.

The women on WNAC's Executive Committee deserve appreciation for their work in planning and advising: Everyl Getz, president; Marjorie Workman, vice president; Jo Ann Wood, secretary; and members of the executive committee, Annette Aycock, Diana Bryant, and Barbara Chaffin.

The WNAC staff has served well during the year: Yvonne Wolfenbarger, executive assistant; Suzanne Franks, editor; and Martha Harris, book keeper.

The Executive Committee and the staff appreciate Free Will Baptist women. They offer praise and encouragement. They support us with their prayers and finances. We thank the Lord for faithful women.

We look back and thank the Lord for His faithfulness. We look ahead with hope, for He has promised us the strength and wisdom for the tasks before us.

Respectfully submitted,
Mary R. Wisheart
WNAC Executive Secretary-Treasurer

WOMEN NATIONALLY ACTIVE FOR CHRIST
 (An Auxiliary of the
National Association Of Free Will Baptists)
Antioch, Tennessee

FINANCIAL STATEMENTS
 December 31, 1995

WOMEN NATIONALLY ACTIVE FOR CHRIST
 (An Auxiliary of the National Association of Free Will Baptists)

December 31, 1995

Contents

Financial Statements

Independent auditor's report	1
Statement of financial position	2
Statement of activities	3
Statement of cash flows	4
Notes to the financial statements	5-9

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 DAVID C. HINTON, CPA
 ROBERT RAY WARREN, CPA
 WILLIAM H. DENNEY, CPA
 LARRY BRUCE WALLACE, CPA
 Retired

INDEPENDENT AUDITOR'S REPORT

To the Executive Committee of the
 Women Nationally Active for Christ

We have audited the accompanying statement of financial position of the Women Nationally Active for Christ (an auxiliary of the National Association of Free Will Baptists) (a nonprofit organization) as of December 31, 1995, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Women Nationally Active for Christ as of December 31, 1995 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 8 to the financial statements, in 1995 the Organization changed its method of accounting for contributions and its method of financial reporting and financial statement presentation.

Thoni, Hinton & Warren

February 1, 1996

WOMEN NATIONALLY ACTIVE FOR CHRIST
(An Auxiliary of the National Association of Free Will Baptists)
Statement of Financial Position
December 31, 1995

ASSETS

Cash	
Certificate of deposit	
Accounts receivable - Note 1	\$130,608
Inventory - Note 1	10,000
Notes receivable, net of allowance for doubtful accounts of \$2,438	9,883
Accrued interest receivable	15,822
Property and equipment at cost, less accumulated depreciation of \$20,206 - Notes 1 & 2	21,171
Capitalized lease - Note 3	6,607
Total assets	17,462
	<u>7,612</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	
Deferred revenue - Note 10	\$ 21,388
Total liabilities	<u>32,262</u>
Commitments - Note 7	<u>53,650</u>
Net assets	
Unrestricted	54,576
Temporarily restricted	102,433
Permanently restricted	<u>8,506</u>
Total liabilities and net assets	<u>165,515</u>
	<u>\$219,165</u>

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

WOMEN NATIONALLY ACTIVE FOR CHRIST
(An Auxiliary of the National Association of Free Will Baptists)
Statement of Activities
For the Year Ended December 31, 1995

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and other support:				
Dues and fees	\$ 64,975	\$	\$	\$ 64,975
Designated contributions	303,538			303,538
Magazine and literature sales	76,101			76,101
Convention and retreat income	16,194			16,194
Gifts and offerings	62,680	4,926	1,324	68,930
Interest income	1,705	5,975	646	8,326
Loss on sale of fixed assets	(366)			(366)
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>3,483</u>	<u>(3,483)</u>		<u>-0-</u>
Total revenue and other support	<u>528,310</u>	<u>7,418</u>	<u>1,970</u>	<u>537,698</u>
Expenses:				
Salaries and wages	84,059			84,059
Payroll taxes and employee benefits	23,252			23,252
Cost of magazine and literature printing	35,597			35,597
Travel and promotion	4,680			4,680
Conventions and retreats	23,370			23,370
Office expense	9,879			9,879
Postage	3,867			3,867
Rent expense	24,601			24,601
Professional fees	3,100			3,100
Administrative expense	200			200
Depreciation	2,637			2,637
Amortization	491			491
Bad debt expense	4,205			4,205
Insurance expense	1,607			1,607
Dues and subscriptions	254			254
Special projects	801			801
Collection fees	1,465			1,465
Continuing education	2,755			2,755
Designated contributions	303,700			303,700
Miscellaneous	<u>2,868</u>			<u>2,868</u>
	<u>533,388</u>			<u>533,388</u>
Increase (decrease) in net assets	(5,078)	7,418	1,970	4,310
Net assets - beginning of year - as restated	<u>59,654</u>	<u>95,015</u>	<u>6,536</u>	<u>161,205</u>
Net assets - end of year	<u>\$ 54,576</u>	<u>\$102,433</u>	<u>\$ 8,506</u>	<u>\$165,515</u>

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

WOMEN NATIONALLY ACTIVE FOR CHRIST
(An Auxiliary of the National Association of Free Will Baptists)
Statement of Cash Flows
For the Year Ended December 31, 1995

<u>Operating activities</u>	
Increase in net assets	\$ 4,310
Adjustment to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	2,637
Amortization	491
Loss on disposal of fixed assets	366
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(1,523)
(Increase) decrease in inventory	(5,518)
(Increase) decrease in accrued interest receivable	196
Increase (decrease) in accounts payable	(4,960)
Increase (decrease) in deferred revenue	1,650
Net cash provided (used) by operating activities	(2,351)
<u>Investing activities</u>	
Purchase of equipment	(1,404)
Collection of loans receivable	11,630
Net cash provided by investing activities	10,226
Increase (decrease) in cash and cash equivalents	7,875
Cash and cash equivalents at beginning of year	122,733
Cash and cash equivalents at end of year	\$130,608

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

-4-

WOMEN NATIONALLY ACTIVE FOR CHRIST
(An Auxiliary of the National Association of Free Will Baptists)
Notes to the Financial Statements
December 31, 1995

Note 1 - Organization and summary of significant accounting policies

The Women Nationally Active for Christ is a nonprofit organization and an auxiliary of the National Association of Free Will Baptists, Inc. located in Antioch, Tennessee. The purpose of the Organization is to publish the Free Will Baptists' magazine for women, to receive and disburse funds for missionaries and provide other services to Free Will Baptist women. The Organization's support comes primarily from donor contributions, dues and fees, and magazine sales.

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:

Basis of accounting

The Organization prepares its financial statements using the accrual basis of accounting, which involves the application of generally accepted accounting principles; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Contributions

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

-5-

WOMEN NATIONALLY ACTIVE FOR CHRIST
(An Auxiliary of the National Association of Free Will Baptists)
Notes to the Financial Statements
December 31, 1995

Note 1 - Organization and summary of significant accounting policies - Continued
Contributions - continued

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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. There are numerous loans with varying interest rates and maturity dates. Accordingly, the fair value of these notes approximates the carrying value net of the allowance for doubtful accounts.

Management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required for accounts receivable. Management considers the notes receivable that are overdue to be only partially collectible and accordingly has recorded an allowance for doubtful accounts in the amount of \$2,438.

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.

WOMEN NATIONALLY ACTIVE FOR CHRIST
(An Auxiliary of the National Association of Free Will Baptists)
Notes to the Financial Statements
December 31, 1995

Note 2 - Property and equipment

A summary of property and equipment follows:

Equipment	\$ 37,668
Less: Accumulated depreciation	(20,206)
	<u>\$ 17,462</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.

Note 4 - Restrictions on net assets

Temporarily restricted net assets are available for the following purposes:

Student Loan	\$ 97,996
Foreign scholarship	4,437
	<u>\$102,433</u>

Permanently restricted assets are restricted to:

Endowment Trust	<u>\$ 8,506</u>
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Note 5 - 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 12 years. The rent expense for the year amounted to \$24,601.

The future minimum lease payments are as follows:

1996	\$ 24,600
1997	24,600
1998	24,600
1999	24,600
2000	24,600
Thereafter (estimated)	<u>174,250</u>
	<u>\$297,250</u>

WOMEN NATIONALLY ACTIVE FOR CHRIST
(An Auxiliary of the National Association of Free Will Baptists)
Notes to the Financial Statements
December 31, 1995

Note 6 - Pension plan

The Organization participates in the master pension plan of the Board of Retirement and Insurance of the National Association of Free Will Baptists. The plan is a defined contribution plan. The Organization contributes 5% of gross salary for all employees with five or more years of service and 3% of gross salary for employees with less than five years of service. Employees are allowed to contribute to the plan but are not required to contribute. Pension expense for the year amounted to \$3,419. 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.

Note 7 - Commitments

The Women Nationally Active for Christ 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 8 - Change for new pronouncements

The Organization elected to adopt SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, in 1995. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. As permitted by SFAS No. 116, the Center has retroactively applied the provisions of this new Statement by restating net assets as of December 31, 1994. The adjustment of \$2,959 made to net assets as of December 31, 1994, represents time and purpose-restricted contributions previously reported as deferred revenue. Under SFAS No. 116, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction or compliance with the purpose restriction. The effect of this new Statement on the Organization's change in net assets for 1995 was an increase of \$1,479.

In 1995, the Organization also elected to adopt SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by this new Statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for 1995.

WOMEN NATIONALLY ACTIVE FOR CHRIST
(An Auxiliary of the National Association of Free Will Baptists)
Notes to the Financial Statements
December 31, 1995

Note 9 - Concentration of credit risk

The Organization maintains cash deposits at a financial institution located in the United States. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 1995, the excess amount over the federally insured limit was \$40,608.

Note 10 - Deferred revenue

Deferred revenue resulted from magazine subscriptions received for 1996 issues.

Gifts to Missions/Missionary Objectives

January 1, 1995 to December 31, 1995

Cash Gifts

Foreign Missions		\$310,422.65
Sent through WNAC	187,379.61	
Sent direct to department	123,043.04	
Home Missions		92,544.44
Sent through WNAC	92,544.44	
Send direct, not available		
Bible Colleges		12,848.47
Memorial Student Loan Fund		3,842.28
Other Gifts		12,762.22
Foreign Student Scholarship	1,478.47	
Building Fund	518.33	
Mission Objectives	10,765.42	
Provision Closet		5,898.91
WNAC Operating Expense		107,700.50
Co-Laborer Offering	30,135.10	
Emphasis Offering	11,725.40	
Endowment Trust Fund	1,630.00	
Dues	64,210.00	

Non-Cash Gifts

Provision Closet	28,662.00
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Total Cash and Non-Cash Gifts **\$574,681.47**

1995 Top Ten Contributors to WNAC

Co-Laborer Offering		Emphasis Offering		Combined	
1. Missouri	\$3,941.28	1. South Carolina	\$2,094.00	1. Missouri	\$5,235.48
2. Tennessee	\$3,134.81	2. North Carolina	\$1,608.35	2. North Carolina	\$4,433.56
3. Arkansas	\$2,932.52	3. Missouri	\$1,294.20	3. Tennessee	\$4,312.63
4. North Carolina	\$2,825.21	4. Tennessee	\$1,177.82	6. Oklahoma	\$3,662.37
5. Georgia	\$2,663.02	5. Oklahoma	\$1,075.42	4. Arkansas	\$3,623.82
6. Oklahoma	\$2,586.95	6. Alabama	\$ 744.25	5. Georgia	\$3,393.02
7. Ohio	\$1,602.05	7. Georgia	\$ 730.00	7. South Carolina	\$3,094.70
8. California	\$1,347.06	8. Arkansas	\$ 691.30	8. Alabama	\$1,766.00
9. Alabama	\$1,021.75	9. Maryland	\$ 481.00	9. Ohio	\$1,709.05
10. South Carolina	\$1,000.70	10. Florida	\$ 458.75	10. California	\$1,662.70

WNAC Salary Breakdown

	1995	1996	1997
Executive Secretary-Treasurer			
Salary	\$29,697.00	\$31,181.85	\$32,740.92
Social Security	2,271.82	2,431.28	2,552.85
Retirement	1,484.85	1,559.09	1,668.53
Insurance	3,125.12	3,853.20	3,853.20
Travel/Life	285.12	277.20	277.20
Hospital	2,640.00	3,360.00	3,360.00
Dental	200.16	216.00	216.00
Christmas Bonus	571.10	599.65	629.63
Total Salary and Benefits	\$37,149.89	\$39,777.99	\$41,445.13
Executive Assistant			
Salary	\$18,795.84	\$20,735.63	\$21,772.40
Social Security	1,465.53	1,616.78	1,697.52
Retirement	939.79	1,036.78	1,109.56
Insurance	3,030.00	3,760.80	3,760.80
Life	190.00	184.80	184.80
Hospital	2,640.00	3,360.00	3,360.00
Dental	200.00	216.00	216.00
Christmas Bonus	361.42	398.76	418.70
Total Salary and Benefits	\$24,592.58	\$27,548.75	\$28,759.08
Editor			
Salary	\$18,564.00	\$19,492.20	\$20,467.20
Social Security	1,447.46	1,519.83	1,595.85
Retirement	556.92	584.77	625.83
Insurance	3,030.00	3,760.80	3,760.80
Life	190.00	184.80	184.80
Hospital	2,640.00	3,360.00	3,360.00
Dental	200.00	216.00	216.00
Christmas Bonus	357.00	374.85	393.60
Total Salary and Benefits	\$23,955.38	\$25,732.45	\$26,843.28
Bookkeeper			
Salary	\$14,054.05	\$16,114.32	\$16,920.80
Social Security	1,117.30	1,256.45	1,319.17
Retirement	421.62	483.43	517.28
Insurance	3,030.00	3,760.80	3,760.80
Life	190.00	184.80	184.80
Hospital	2,640.00	3,360.00	3,360.00
Dental	200.00	216.00	216.00
Christmas Bonus	270.27	309.89	325.40
Total Salary and Benefits	\$18,893.24	\$21,924.89	\$22,843.45

WNAC Receipts for January - December 1995

State	Building Fund	Colleges	Co-Laborer Fund	Dues	Emphasis Offering	Endowm. Trust	Together Way	Foreign Student Scholar.	Provision Closet	Foreign Missions	World Missions	Home Missions	Missions Objectives	Loan	Totals
Alabama	\$ 50.00	\$ 235.00	\$ 1,021.75	\$ 4,160.00	\$ 744.25	\$ 36.00	\$ 11.93	\$ 65.00	\$ 10.00	\$ 5,204.49	\$ 1,205.61	\$ 6,687.46	\$3,031.36	\$ 247.00	\$ 22,709.85
Arizona				210.00	60.00				100.00	15.00	95.00	75.00		25.00	580.00
Arkansas		114.43	2,932.52		691.30	5.00	22.68	50.00	394.50	12,262.65	3,299.52	16,201.78		306.63	36,281.01
California			1,347.06	2,510.00	315.64	180.00			305.00	1,016.23	63.00	1,679.38		65.00	7,481.31
Colorado															.00
Florida		2,140.26	605.50	1,850.00	458.75		11.93	30.00		2,532.59	15.00	724.90	390.00	342.00	9,100.93
Georgia	313.33	599.00	2,663.02	5,270.00	730.00	135.00	113.68	147.00	108.00	14,266.90	1,222.00	4,138.96	1,278.25	483.33	31,468.47
Hawaii															.00
Idaho															.00
Illinois			861.49	1,980.00	107.00		32.95		504.41	6,609.61	551.38	5,378.26	693.00	60.00	16,728.10
Indiana			388.00	620.00	220.26		243.87		30.00	1,086.85					2,588.98
Iowa			280.40	90.00			120.00								490.40
Kansas			70.00	310.00	5.00					1,207.53	10.00	72.00			1,674.53
Kentucky		746.53	738.00	2,540.00	60.00				300.00	9,382.15	796.05	8,089.66	762.00	130.00	23,544.39
Louisiana							11.70			135.00	25.00	541.75			713.45
Maryland			755.38	860.00	481.00					1,317.85	286.00	1,319.90	50.00	10.00	5,260.13
Michigan		180.00	698.25	2,600.00	100.00		30.00	175.00		1,565.63	250.00	1,402.30	100.00		6,921.18
Mississippi		945.00	599.00	1,680.00	107.41	180.00	16.35	20.00		1,440.00	242.00	4,528.01	185.00	75.00	10,017.77
Missouri	20.00	827.77	3,941.28	6,180.00	1,294.20	100.00		75.71	1,530.00	21,324.48	1,543.11	7,773.75	1,781.61	644.08	47,035.99
Nebraska			180.00	70.00	60.00					144.50					454.50
New Hampshire															.00
New Mexico			14.92	190.00			49.52			350.59		165.05			770.08
North Carolina		4,443.73	2,825.21	7,170.00	1,608.35			145.83	150.00	22,877.22	2,565.48	6,716.71	335.00	231.75	49,069.28
NorthWest/Washington															154.00
Ohio			1,602.05	3,410.00	107.00		103.78		291.50	10,510.91	689.00	1,087.22	558.50	45.00	18,404.96
Oklahoma		21.00	2,586.95	9,460.00	1,075.42	724.00		154.00	670.00	23,232.28	2,379.92	10,692.41	388.70	327.00	51,711.68
South Carolina		111.00	1,000.70	3,640.00	2,094.00		237.31		1,337.50	12,866.18	2,316.64	4,819.45		312.00	28,734.78
South Dakota									30.00						30.00
Tennessee	135.00	2,312.00	3,134.81	5,230.00	1,177.82	270.00	497.68	600.93	38.00	11,956.31	3,847.03	7,462.41	1,082.00	463.49	38,207.48
Texas		172.75	878.52	1,590.00	75.00				45.00	2,484.92	363.84	221.23	130.00	50.00	6,011.26
Virgin Islands			910.29	1,030.00	153.05		22.01	15.00	55.00	1,142.16	72.00	536.85		25.00	3,961.31
Virginia			100.00	1,490.00			175.00								1,765.00
West Virginia															2,736.00
Retreat										456.00		2,280.00			2,736.00
1994 Totals	\$518.33	\$12,848.47	\$30,135.10	\$64,210.00	\$11,725.40	\$1,630.00	\$1,700.39	\$1,478.47	\$5,898.91	\$165,542.03	\$21,837.58	\$92,544.44	\$10,765.42	\$3,842.28	\$424,676.82

Budget For the year Ending December 31, 1997

Estimated Income	\$40,000.00
Co-Laborer Fund	1,500.00
Convention Offering	7,000.00
Convention Expense Gift	600.00
Delegate Fees	77,000.00
Dues	3,000.00
Interest Income	12,000.00
Literature Sales	65,000.00
Magazine Subscriptions	1,000.00
Miscellaneous	12,000.00
WNAC Emphasis Offering	\$219,100.00
Total Income	91,901.32
Estimated Expense	27,989.62
Salaries	
Employee Benefits	7,165.49
Payroll Tax Expense	3,921.20
Employee Retirement	15,135.60
Health and Life Insurance	1,767.33
Christmas Bonus	1,000.00
Insurance—General & Workers' Compensation	4,000.00
Legal and Professional Services	7,000.00
Convention Expense	2,500.00
Executive Committee Expense	31,850.00
Co-Laborer Magazine Expense	
Mailing	1,600.00
Miscellaneous	250.00
Printing	26,000.00
Postage	4,000.00
Miscellaneous Expense	500.00
Office Rent	24,600.00
Office Supplies and Materials	4,000.00
Phone	1,400.00
Postage	3,000.00
Printing	5,000.00
Service Contracts	2,000.00
Subscriptions	75.00
Travel and Promotion	3,000.00
Continuing Education	1,000.00
Equipment (additions and repairs)	4,000.00
Special Projects	800.00
Contingency Fund	3,484.06
Total Expense	\$219,100.00

Cross-Cultural Study Committee Report

The Cross-Cultural Study Committee met May 3, June 11 and July 8, 1996, to discuss and determine the structure and strategies needed to implement a cross-cultural ministry among Free Will Baptists.

The committee concluded that the Home Missions Department should be responsible to implement, direct and supervise the denomination's cross-cultural ministry. The committee unanimously agreed to designate the responsibility for and the supervision of the Cross-Cultural Ministry to the Home Missions Department.

We recommend that the committee continue to function in order to complete the task assigned in the July 1994 resolution and to encourage maximum denominational involvement.

We further recommend that the membership of the committee be enlarged to include all national departments, the Executive Office and WNAC.

The committee will advise and facilitate the cooperation of denominational agencies.

Respectfully Submitted,
Melvin Worthington, Executive Secretary (Chairman)
Ralph Hampton, Moderator
Trymon Messer, Director of Home Missions
R. Eugene Waddell, Director of Foreign Missions
Alton Loveless, Director of Sunday School and Church Training
Tom Malone, President, Free Will Baptist Bible College
Milburn Wilson, Committee Member
Eddie Payne, Committee Member
James Munsey, Committee Member

The General Board Report

The General Board met in the Grand Crystal Ballroom of the Radisson Plaza Hotel in Fort Worth, Texas, on July 22, 1996. As a result of this meeting we offer the following recommendations.

1. We have heard the reports of the Executive Office, the Retirement Department, the Free Will Baptist Foundation, the Home Missions Department, the Music Commission, the Master's Men Department, Free Will Baptist Bible College, the Foreign Missions Department, the Commission for Theological Integrity, the Sunday School and Church Training Department and the Radio-Television Commission. We recommend that these reports be received and their budgets adopted as each is given.
2. We recommend Birmingham, Alabama, as the site of the convention of the National Association of Free Will Baptists when it meets July 16-20, 2006.

Report of the Credentials Committee

We, the Credentials Committee, have examined the letters from the following states, districts and local churches and found them in order as presented below.

1. From the following state associations which are entitled to be represented by five delegates:

Alabama	Illinois	Mississippi	Tennessee
Arkansas	Indiana	Missouri	Texas
California	Kansas	North Carolina	Virginia
Florida	Kentucky	Ohio	West Virginia
Georgia	Maryland	Oklahoma	
Idaho	Michigan	South Carolina	

2. From the following district associations entitled to be represented by three delegates:

Arizona District Association	New Mexico District Association
Atlantic Canada Association	Northeast Association
First Colorado Association	Northwest Association
First District Association of New Jersey	

3. From the following local churches entitled to be represented by one delegate:

Waipahu FWB Church, Hawaii
Riverview FWB Church, Bettendorf, Iowa
Maranatha FWB Church, Omaha, Nebraska
Free Will Baptist Church, St. Croix, Virgin Islands
West Madison FWB Church, Madison, Wisconsin

4. We recommend that the delegates from the state associations, district associations and local churches listed above be seated for this session, along with all their other delegates which are properly registered.

5. We recommend that all lay delegates entitled to represent by virtue of their positions on a standing board be seated if properly registered.

Respectfully submitted,
The Credentials Committee:
Tom Lilly, Chairman
Jim Nason
Vergel Maness
Glen Johnson
Charles Thigpen

Addendum to Credentials Committee Report

We recommend that the Mexico Association which is entitled to three delegates be seated during this session.

The order of Mexico's letter and representation has been verified by the Home Missions Department.

Respectively submitted,
The Credentials Committee

Report of the Resolutions Committee

1. Disney Corporation

Whereas, we are dissatisfied with the direction of the Walt Disney Corporation concerning their support and approval of homosexuality which is a perverted life style and a sin against God,

Be it resolved that the National Association of Free Will Baptists go on record encouraging our churches to boycott their products and inform the Disney Corporation of our action.

2. Partial-Birth Abortion Ban

Whereas, we as Free Will Baptists believe in the sanctity of human life and that abortion is biblically and morally wrong;

Therefore be it resolved, that Free Will Baptists go on record in support of the Partial-Birth Abortion Ban and write elected officials urging them to override President Clinton's veto of the Partial-Birth Abortion Ban, and

Be it further resolved, that the National Association of Free Will Baptists inform President Clinton of our disapproval of his actions.

3. Destruction of Churches

Whereas, a number of churches have been destroyed under suspicious circumstances, and

Whereas, we view these attacks as satanically inspired,

Be it resolved that we support our brethren prayerfully and financially.

4. Appreciation

Whereas, the Texas State Association of Free Will Baptists has given us a "big" and warm welcome to the 60th session of the National Association of Free Will Baptists in Fort Worth, Texas,

Therefore, be it resolved that we give a rising vote of thanks to acknowledge our appreciation for every kindness and consideration shown us during the session.

We submit the following regarding Promise Keepers for your information:

5. Promise Keepers (1)

Whereas today's society is in a time of moral and spiritual crisis and like Isaiah said in Isaiah 59:12-14, we have "multiplied our transgressions, lied against the Lord, and departed from God" and,

Whereas, there is a national movement called Promise Keepers that encourages Christians to "break down the walls", to reject denominational and doctrinal barriers, and to "come together" with little regard for truth and ecclesiastical separation and,

Whereas, Promise Keepers is interwoven with the modern-day charismatic and ecumenical movement and,
Whereas, Promise Keepers have held meetings in Roman Catholic churches, have used Roman Catholic priests as speakers, and treat Roman Catholics as Christian brothers and,
Whereas, cults like Mormons and members of liberal denominations are actively involved in Promise Keepers and,
Whereas, the Promise Keeper movement has created confusion and chaos among many fundamental churches and pastors,
Be it resolved that the National Association of Free Will Baptists go on record strongly opposing the Promise Keeper movement and,
Be it further resolved that member churches and pastors be encouraged to avoid any contact and involvement with the movement and,
Be it further resolved that the National Association of Free Will Baptists reaffirm a commitment to earnestly contend for the truth through sound preaching and holy living, and continued ecclesiastical separation from false doctrines and movements.

6. Promise Keepers (2)

Whereas, it is God's desire to see men come to repentance, and
Whereas, God has used the Promise Keepers movement to call men of our movement to repent of their lack of commitment to their families, churches and Christ, and

Whereas, many of our men have experienced a revival spirit due directly to their attendance and participation at Promise Keeper rallies, and
Whereas, Promise Keepers has been used to present the gospel to many men who would otherwise never hear the gospel message,

Be it therefore resolved, that the National Association of Free Will Baptists go on record as supporting the Promise Keeper movement, and
Be it further resolved that we encourage all of our men to attend a Promise Keepers rally in their area.

Resolutions Committee
Richard Hendrix (AL), Chairman
David McDougal (OK)
Bill Van Winkle (MS)
Don Walker (MO)
David Malone (IL)

Nominating Committee Report

Nominees to General Board

Terms to expire in 1998

New Jersey: Vergel Maness
New Mexico: Len Blanchard
North Carolina: Dann Patrick
Northeast Association: Jim Nason
Northwest Association: Darrell Smith
Ohio: Delmar Sparks
Oklahoma: Jack Richey
South Carolina: Joe Cagle
Tennessee: Charles Thigpen
Texas: Thurmon Murphy
Virginia: Glen Johnson
West Virginia: Carl Vallance

Nominees to Executive Committee

Terms to expire in 1998

Replacing Tom Lilly (NC), Jack Richey (OK)
Replacing Thurmon Murphy (TX), Glen Johnson (VA)
Replacing Charles Thigpen (TN), Charles Thigpen (TN)

Nominees to Free Will Baptist Bible College Trustees

Terms to expire in 2002

Replacing Sam Truett (NC), Archie Ratliff (NC)
Replacing Larry Montgomery (TN), Larry Montgomery (TN)
Replacing J. M. Creech (GA), Gene Outland (IL)

Nominees to Foreign Missions Board

Terms to expire in 2002

Replacing Bill Jones (OK), Bill Jones (OK)
Replacing Galen Dunbar (SC), David Williford (FL)
Replacing Archie Mayhew (CA), Bill Van Winkle (MS)

Nominees to Sunday School and Church Training Board

Terms to expire in 2002

Replacing David Sutton (TX), David Sutton (TX)
Replacing James McAllister (CA), Nuel Brown (CA)
Replacing Dean Stone (CO), David Reece (MD)

Nominee to Commission for Theological Integrity

Term to expire in 2001

Replacing Lonnie Skiles (AL), Paul Harrison (TN)

Nominee to Radio-Television Commission

Term to expire in 2001

Replacing Sandy Goodfellow (TN), Ron Hunter (FL)

Nominee to Music Commission

Term to expire in 2001

Replacing David Bates (MO), David Bates (MO)

Nominee to Historical Commission

Term to expire in 2001

Replacing Thomas Marberry (OK), Thomas Marberry (OK)

Nominees for General Officers

Terms to expire in 1997

Replacing moderator Ralph Hampton (TN), Carl Cheshier (AR)
Replacing assistant moderator Carl Cheshier (AR), Tim York (KY)
Replacing clerk Waldo Young (OK), Waldo Young (OK)
Replacing assistant clerk Keith Burden (OK), Keith Burden (OK)

Obituary Committee Report

Alabama

Harold Pitts, Minister
Ed C. Dubose, Minister
Hattie Aldridge, Mother of Jimmy Aldridge

Florida

Bonnie Duncan, Mother of Roger Duncan

Georgia

Gerald Baxley, Minister
James Bruce, Minister
Linda McMillian, Minister's Wife
Charles Russell Brewton, Sr., Charter
Member/Deacon
Sylvia Dodd, Wife of Reverend Damon C.
Dodd
Viola Messer
Janet Baxley, Wife of Reverend Walter Baxley
Juanell Martin
Ray Brannen, Deacon

Illinois

William Mishler, Retired Minister
Arthur Norris, Father of Gene & Jerry Nor-
ris and Lorene Miley

Kentucky

Dewey Conley, Minister

Louisiana

Terry Buckley

Mississippi

Bennie Burrow, Minister

Missouri

Lindell Hovis, Father of Judy Lytle

North Carolina

Wayne Smith, Minister
Richard Swann, Minister
Bennie Turner, Minister
Herbert Winchester, Minister
Talmadge Manard, Minister
Ralph Osburn, Retired Minister
Dalton Ray Robinson, Sr., Chairman Dea-
con Board
Lawrence Tart
Beatrice Thomas
Rena Waddell, Mother of Eugene Waddell

Ohio

Franklyn Harness, Minister
Louis Bartum, Minister
Phillip Wiley, Minister
Wallace Jackson, Minister
Allen Williams, Jr., Minister
Oral Maggard, Minister

Oklahoma

Joe Zumner
Don Conn
Lucille Hampton, Mother of Ralph, Charles
and Larry Hampton
Howard Brown

South Carolina

Fred Stanley

Tennessee

Kenneth Gene Ricker
Vestal Estapp
Leland Archer
Winford Floyd, Minister
James Stewart
Ethel Burroughs
Jarman Goodman, Deacon

Committee Members
Wayne Wagner (TN), Chairman
Wendall Wally (NC)
Leroy Cutler (FL)

Daniel Parker (OK)
Doice McAlister (CA)

Budget Committee Report

The National Association of Free Will Baptists, Inc. has approved in this convention the following budgets for 1997:

Executive Office	\$ 565,050.00
Free Will Baptist Bible College	3,675,650.00
(Includes \$1 million in unrestricted gifts)	
Foreign Missions	4,541,765.88
(Does not include \$493,850.00 Vision Projects)	
Home Missions	2,800,000.00
Master's Men	131,900.00
Retirement and Insurance	334,904.00
Free Will Baptist Foundation	93,000.00
Sunday School and Church Training	2,792,816.00
Commission for Theological Integrity	2,400.00
Historical Commission	2,875.00
Music Commission	3,725.00
Radio and Television Commission	8,350.00
Total	\$14,952,435.88

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 50% 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%

Registration Committee Report

1996 Conventon Registration

National Convention3,289

Ordained Ministers724

Ordained Deacons146

Licensed Ministers17

Local Church Delegates74

State Delegates68

Home Missionaries72

Foreign Missionaries43

National Board Members . . .21

National Officers4

Non-Delegates2,120

National Youth Conference2,531

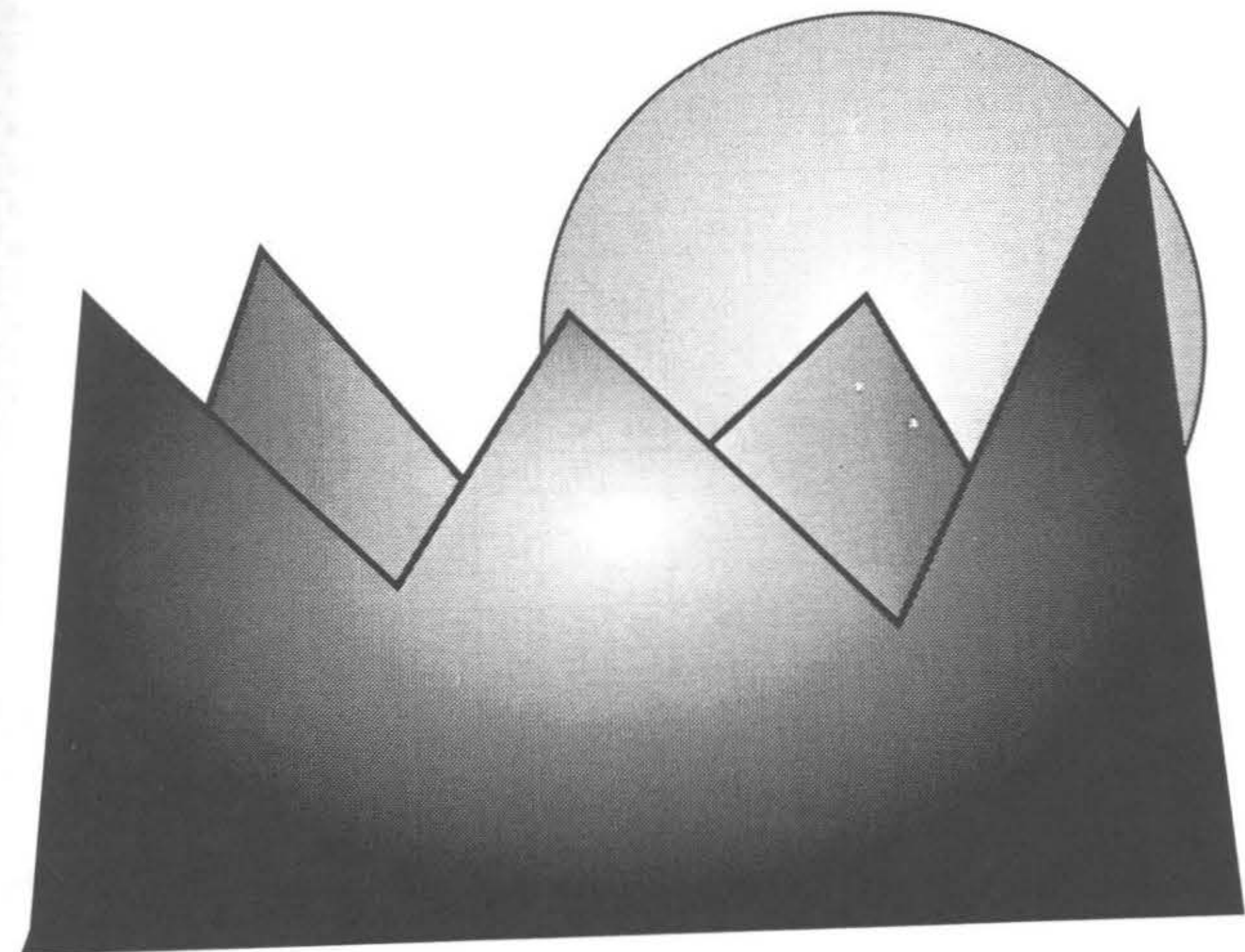
Women Nationally Active for Christ951

Grand Total6,771

Double In a Decade Report 1995

Statistical Summary 1985-1995

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	Total
Membership		217,838	222,576	228,129	234,111	239,326	245,280	250,971	255,871	262,106	266,991	
Baptisms	8,515	8,517	8,407	7,910	8,678	7,946	8,703	9,283	8,828	7,804	8,089	92,680
Members Added	12,858	12,052	12,134	12,436	12,726	12,537	12,931	12,123	12,246	12,393	12,701	137,137
Members Lost	7,765	7,314	6,581	6,454	7,511	6,583	7,240	7,223	6,011	7,508	6,232	76,422
Net Increase	5,093	4,738	5,553	5,982	5,215	5,954	5,691	4,900	6,235	4,885	6,469	60,715
Total Membership	217,838	222,576	228,129	234,111	239,326	245,280	250,971	255,871	262,106	266,991	273,460	



1996 National Youth Conference Report

The 1996 National Youth Conference met for its 29th annual conference in Fort Worth, Texas, July 21-24. The theme of "Takin' It To the Streets" was emphasized in many ways. A total of 2,531 participants were registered. A total of 912 competitive entries were conducted during the four-day conference.

Worship services were conducted for Children (1st - 3rd grades), Tweeners (4th - 6th grades) and Youth (7th - 12th grades) Sunday morning and Sunday through Tuesday nights. An average of 1,300 students attended the evening services with over 300 decisions made.

Over 250 students participated in "Stormin' The Streets of Fort Worth." The six service project opportunities involved working at the Union Gospel Rescue Mission and the Fort Worth Area Food Bank where they assisted in sorting four tons of donated food. Individuals and entire youth groups joined the projects.

A total of 28 Street Talk Seminars were presented during the conference for children, youth and youth workers, including one which introduced the new guidelines for the National Youth Conference competitive program.

Over 2,500 Love Boxes containing school supplies and personal hygiene items were donated by youth and adults from across the country. These will be distributed to children in Bosnia and needy parts of America.

The 30th annual National Youth Conference is scheduled for Cincinnati, Ohio, in July 1997. Our theme will be "Walk in the Light of the Lord!"

Statistical Report Reporting Period 1995-1996

	Associations	Number Reporting	Churches	Number Reporting	City	Rural	Full-Time Pastors	Part-Time Pastors	Baptisms	Reported 1994-95 Membership	Members Added	Members Lost	Net Membership Gain/Loss	Actual 1995-96 Membership	Reported 1995-96 Membership	Combined Income of All Churches
Alabama	14	14	167	167	56	111	92	50	380	17,949	673	486	187	18,136	19,216	
Arizona	1	1	9	9	8	1	4	5	33	239	49	23	26	265	220	224,031
Arkansas	15	15	218	207	94	124	118	90	765	19,673	1,342	527	815	20,488	19,421	6,331,364
California	8	8	64	61	49	12	37	24	407	3,371	286	192	94	3,465	2,985	2,473,783
Canada	1		12	12	2	10	8	4	20	348	8	3	5	353	323	
Colorado			7	5	7		2	5	8	355	23	6	17	372	148	232,861
Florida	8	8	70	67	36	34	46	20	158	5,343	238	115	123	5,466	5,841	1,649,630
Georgia	10	10	123	121	51	72	78	44	217	9,890	460	413	47	9,937	10,202	3,933,706
Hawaii	1		1	1	1		1			24	3		3	27	27	73,164
Idaho	2	2	6	5	6			4	22	176	3	42	(39)	137	141	
Illinois	6	6	45	45	28	17	27	18	136	3,719	218	100	118	3,837	3,924	1,666,976
Indiana	3	3	25	25	19	6	18	7	109	1,425	207	76	131	1,556	3,314	
Iowa			1	1	1		1		7	51	3		3	54	51	45,865
Kansas	2	2	8	8	8		4	4	19	149	13	10	3	152	156	172,681
Kentucky	10	10	154	154	39	115	59	95	655	16,503	858	526	332	16,835	16,009	1,787,515
Louisiana	1	1	2	2	1	1	1	1	5	123	9	1	8	131	77	42,411
Maryland	3	3	22	22	11	11	14	8	224	1,562	135	53	82	1,644	1,516	800,180
Mexico	3		37							2,800				2,800	2,499	
Michigan	6	6	46	44	39	7	29	17	98	3,638	196	73	123	3,761	2,773	677,315
Mississippi	4	4	53	48	19	34	39	9	172	3,152	257	85	172	3,324	3,526	583,281
Missouri	17	17	175	167	82	92	93	81	535	14,621	977	489	488	15,109	14,993	6,473,458
Montana			2							10				10	62	
Nebraska			1	1	1		1		2	29	4		4	33	29	36,443
New Jersey	1	1	4	4	3	1	2	2	12	202	21	2	19	221	108	
New Mexico	1	1	4	4	3	1	2	1	1	69	16	4	12	81	66	54,499
N. Carolina	8	8	183	183	74	76	142	41	928	20,555	1,224	393	831	21,386	20,254	
N.E. Assoc.	1	1	4	4		4	4		21	334	28	4	24	358	276	
N.W. Assoc.		6	6	6		2	4	28		23	6	17	17	181	113,773	
Ohio	19	19	142	139	80	62	47	94	626	9,864	836	661	175	10,039	10,201	4,770,944
Oklahoma	23	22	246	227	139	94	143	88	931	21,598	1,508		1,508	23,106	20,830	9,085,175
Puerto Rico			1												70	
S. Carolina	7	7	114	114	52	62	83	18	392	10,256	668	255	413	10,669	8,151	3,137,187
S. Dakota			1												63	
Tennessee	8	8	216	216	87	112	114	76	507	26,000	1,176	564	612	26,612	22,440	5,399,187
Texas	6	5	48	46	31	17	22	16	145	2,010	234	93	141	2,151	2,944	1,088,984
Virgin Islands	1	1	1	1		1	1		25	130	27	8	19	149	149	64,000
Virginia	5	5	90	90	23	67	25	65	207	6,051	432	364	68	6,119	6,006	645,369
West Virginia	20	20	180	180	28	152	62	113	633	11,497		411	(411)	11,086	11,086	1,502,315
Wisconsin			1	1	1		1		8						27	10,912
Wyoming																
Totals	215	208	2,489	2,387	1,085	1,296	1,322	1,004	8,436	213,716	12,155	5,985	6,170	219,886	210,305	53,077,009

Statistical Report

Reporting Period 1995-1996

	Number of Churches with Budgets	Parsonages	Value of Church and Parsonage Property	Sunday School Enrollment	CTS Enrollment	WNAC Enrollment	Master's Men Enrollment	Ordained Ministers	Licensed Ministers	Deacons	Day Cares	Kindergartens	Christian Day Schools	Bible Institutes	Colleges	Value of Associational Property
Alabama	21	28	11,828,694	8,889	1,959	745	148	258	21	522	8	6	5			
Arizona	3	3	2,096,500	192	42	27	28	8	1	6						
Arkansas	44	70	35,050,430	12,047	2,712	1,233	214	340	33	553	2	5	3	1		882,308
California	24	24	21,447,793	3,713	239	259	73	69	21	70	1	5	5	1	1	
Canada	2	3		440				6	4							265,000
Colorado	2		1,072,700	159		6		8	2							
Florida	24	39	21,552,944	3,094	558	343	81	88	23	123	4	2	2	1		
Georgia	41	67	23,897,633	5,342	993	796	145	160	11	415	2	2	2			400,000
Hawaii	1	1	3,400,000	50	26	9	0	1	2	1						3,400,000
Idaho		3	430,000	181	18	18		9		3						
Illinois	19	16	10,626,295	2,834	578	293	83	67	15	110	1	1	2			
Indiana				3,060	332	331	269	48	2	51	1	2	2			
Iowa	1	1	308,000	70		9	6	1								308,000
Kansas	2	1	1,242,780	214		35		8	1	5						
Kentucky	15	5	11,012,500	7,125	695	392	28	396	39	295			1			
Louisiana	2		566,000	25			4	3		1	1					
Maryland	14	8	7,393,000	1,496	130	192	21	40	6	38						500,000
Mexico																
Michigan	17	13	4,544,455	2,364	62	242	68	77	6	74	1					
Mississippi	7	26	2,448,500	2,532	681	281	79	62	19	125	1	1	1			
Missouri	35	42	28,193,250	9,138	1,109	765	108	287	60	358	6	5	5	2		560,000
Montana																
Nebraska			250,000	25		8		1								
New Jersey	1	1		117	8	10		8	1	1				1		
New Mexico	1	2	395,000	54		14	4	5		4						
N. Carolina	71			13,500	1,691	1,213	224	249	63	507	12	16	15		1	360,000
N.E. Assoc.		1						4								
N.W. Assoc.	3	1	1,939,500		59	30		6		6			1			
Ohio	37	19	28,100,741	9,438	279	662	72	324	20	266		1	1	1		
Oklahoma	61	77	46,420,346	16,651	2,671	1,188	196	415	49	583	6	7	5		1	
Puerto Rico																
S. Carolina	33	47	15,460,000	6,680	1,158	952	312	194	12	226	3	4	4	5		475,000
S. Dakota																
Tennessee			22,110,470	15,607	2,688	1,188	231	358	74	563	4	2	3	2	1	
Texas	10	13	4,436,130	1,646	269	205	33	64	11	81						
Virgin Islands	1	1	2,200,000	198		12	6	3			1	1	1			
Virginia	18	8	15,105,247	3,816	629	526	92	199	13	247	3	4	3			
West Virginia	180	30	11,888,375	9,314	562	1,055	81	416	12	369	1	2				
Wisconsin	1			19				1	1							
Wyoming																
Totals	691	550	335,417,283	140,030	20,148	13,039	2,606	4,183	522	5,603	58	66	61	14	4	7,150,308