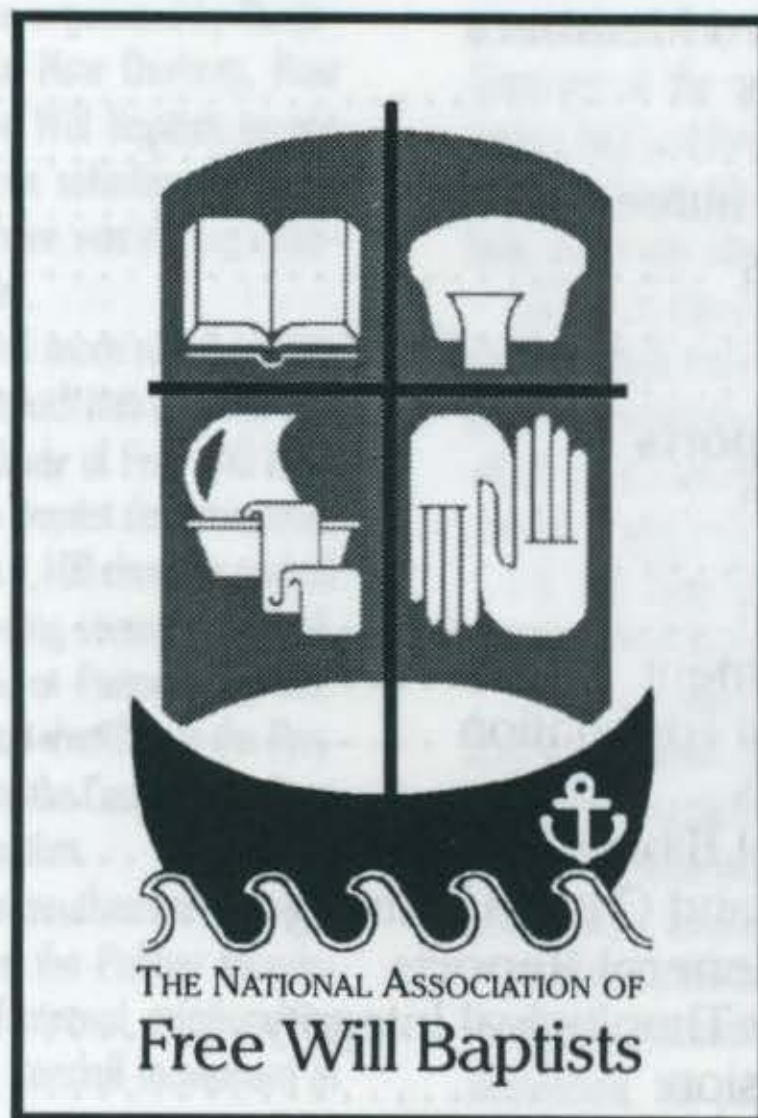


# **2001 Free Will Baptist Yearbook**



© 2001  
The Executive Office  
National Association of Free Will Baptists, Inc.  
P. O. Box 5002, Antioch, Tennessee 37011-5002  
5233 Mt. View Road, Antioch, Tennessee 37013-2306  
Telephone: 615/731-6812 FAX: 615/731-0771

Printed by Randall House Publications



**Minutes**  
of the  
**Sixty-Fourth Annual Session**  
of the  
**National Association**  
of  
**Free Will Baptists, Inc.**  
when convened in  
**Anaheim, California**  
**July 16-20, 2000**

**Future Sessions to Be Held In**

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
2007	Little Rock, Arkansas	July 15-19
2008	Charleston, West Virginia	July 20-24
2009	Cincinnati, Ohio	July 19-23
2010	Oklahoma City, Oklahoma	July 18-22



## Officers and Board Members

### General Officers

Moderator . . . . .	Carl Cheshier
Assistant Moderator . . . . .	Tim York
Clerk . . . . .	Keith Burden
Assistant Clerk . . . . .	John Hibbard
Executive Secretary-Treasurer . . . . .	Melvin Worthington

### General Board

2001	2002	2003
Alabama: Rick Cash	Indiana: Chris Clay	North Carolina: Jim Marcum
Arizona: George Harvey, Jr.	Kansas: Dale McCoy	Northeast Assoc: Jim Nason
Arkansas: David Joslin	Kentucky: James Patton	Northwest Assoc: Brent Nix
Atl. Canada: Fred Hanson	First Louisiana: Ron Parker	Ohio: Delmar Sparks
California: Doice McAlister	Mid-Atlantic: Jay Baines	Oklahoma: Ernest Hamison, Jr.
Colorado: Mark Thomas	Mexico: Luis Felipe Tijerina	South Carolina: Sigbee Dilda
Florida: Tim Owen	Michigan: Gene Norris	Tennessee: Charles Thigpen
Georgia: William Smith	Mississippi: J. L. Gore	Texas: Keith Woody
Idaho: Earl Jenkins	Missouri: Nathan Ruble	Virginia: Glen Johnson
Illinois: Ernie Lewis	New Jersey: William Brown	West Virginia: Carl Vallance
	New Mexico: Tim Byers	

### Executive Committee

**Moderator:** Carl Cheshier, P. O. Box 7208, Moore, OK 73153

**Assistant Moderator:** Tim York, 12708 Copley Road, Ashland, KY 41102

**Clerk:** Keith Burden, P. O. Box 183, Locust Grove, OK 74352

**Assistant Clerk:** John Hibbard, 928 Yellow Brick Road, Modesto, CA 95351-4449

2001	2002	2003
David Joslin (Ark.)	J. L. Gore (Miss.)	Ernest Harrison, Jr. (Okla.)
Doice McAlister (Calif.)	Gene Norris (Mich.)	Glen Johnson (Va.)
Rick Cash (Ala.)	Nathan Ruble (Mo.)	Charles Thigpen (Tenn.)

### Bible College Trustees

**Chairman:** Gary Fry, 401 South Main, Mountain Grove, MO 65711

**President:** Tom Malone, 3606 West End Avenue, Nashville, TN 37205

2002	2004	2006
Archie Ratliff (N.C.)	Richard Bowers (Ala.)	Richard Barnes (Va.)
Larry Montgomery (Ga.)	Larry Powell (Tenn.)	Gary Fry (Mo.)
Gene Outland (Ill.)	Steve Ashby (Ind.)	A. C. Allen (S.C.)

## Foreign Missions Board

**Chairman:** Doug Little, 1103 East L Street, Russellville, AR 72801

**Director:** James Forlines, P. O. Box 5002, Antioch, TN 37011-5002

2002	2004	2006
Bill Jones (Texas)	David Shores (Ill.)	Randy Wilson (Okla.)
David Williford (Fla.)	Terry Eagleton (Tenn.)	Doug Little (Ark.)
Bill Van Winkle (Miss.)	Sherwood Lee (S.C.)	Milton Worthington (Mich.)

### Home Missions Board

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

**Director:** Larry Powell, P. O. Box 5002, Antioch, TN 37011-5002

2001	2003	2005
Matt Upton (Calif.)	Ronnie Adkins (Tenn.)	Harold Blankenship (N.C.)
Earl Hendrix (S.C.)	Loyd Locklear (Mich.)	Robert Thebeau (Mo.)
J. D. Norris (Va.)	Jim Puckett (Okla.)	Lynn Wood (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

2001	2003	2005
Bobby Bowers (S.C.)	William Ferguson (Mich.)	Ron Barber (Okla.)
Jack Daniel (Ga.)	Roger Harwell (Mo.)	Henry Van Kluyve (N.C.)
Waymon Fields (Ala.)	James Lowe (Ohio)	Milburn Wilson (Texas)

### Free Will Baptist Foundation Board

**Chairman:** Henry Van Kluyve, P. O. Box 568, Beaufort, NC 28516

**Director:** William Evans, P. O. Box 5002, Antioch, TN 37011-5002

2001	2003	2005
Bobby Bowers (S.C.)	James Lowe (Ohio)	Ron Barber (Okla.)
Jack Daniel (Ga.)	Roger Harwell (Mo.)	Henry Van Kluyve (N.C.)
Waymon Fields (Ala.)	William Ferguson (Mich.)	Milburn Wilson, (Texas)

### Plus these directors of national agencies:

James Forlines, Foreign Missions Dept.	Alton Loveless, S.S. / Church Training Dept.
Larry Powell, Home Missions Department	Marjorie Workman, WNAC
Tom Dooley, Master's Men Department	Melvin Worthington, Executive Office
Tom Malone, Free Will Baptist Bible College	



## Sunday School and Church Training Board

**Chairman:** David Sutton, 1412 East Main, Moore, OK 73160

**Director:** Alton Loveless, P. O. Box 17306, Nashville, TN 37217

2002	2004	2006
David Sutton (Okla.)	Will Harmon (Ark.)	Edwin Hayes (Ohio)
David Reece (Va.)	Brian Hampton (Tenn.)	Dennis Wiggs (N.C.)
Nuel Brown (Calif.)	Michael Waddell (Tenn.)	Jeff Crabtree (Canada)

### Master's Men Board

**Chairman:** Waymon Ray, 3705 South 65th West Avenue, Tulsa, OK 74107

**Director:** Tom Dooley, P. O. Box 5002, Antioch, TN 37011-5002

2001	2003	2005
Jerry Atwell (Miss.)	Cliff Donoho (Tenn.)	Mike Mounts (Ohio)
Johnny Fowlkes (Ark.)	Clarence Lewis (Tenn.)	Don Neal (Ind.)
Waymon Ray (Okla.)	Thurman Pate, Jr. (Tenn.)	Ernie Taylor (Ill.)

### Commission for Theological Integrity

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

2001 Paul Harrison (Tenn.)	2004 Jeff Manning (N.C.)
2002 Leroy Forlines (Tenn.)	2005 Daryl Ellis (Ill.)
2003 Matt Pinson (Ga.)	

### Historical Commission

**Chairman:** Thomas Marberry, P. O. Box 810, Pharr, TX 78577

2001 Thomas Marberry (Texas)	2004 Robert Picirilli (Tenn.)
2002 Jack Williams (Tenn.)	2005 Darrell Holley (Tenn.)
2003 Paul Kennedy (Calif.)	

### Media Commission

**Chairman:** Steve Faison, P. O. Box 295, Cedar Springs, GA 31732

2001 Ron Hunter (Tenn.)	2004 Michael Jones (S.C.)
2002 Bill Gardner (Tenn.)	2005 Doug Kite (N.C.)
2003 Steve Faison (Ga.)	

### Music Commission

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

2001 Scott Bullman (Okla.)	2004 Randy Sawyer (N.C.)
2002 Douglas Little (Ark.)	2005 Chris Truett (N.C.)
2003 Bill Gardner (Tenn.)	

## Proceedings

The 64th annual session of the National Association of Free Will Baptists met July 16-20, 2000, at the Anaheim Convention Center in Anaheim, California. The theme was "Witnesses in the World." Randy Sawyer served as the music coordinator. Jamie Patrick served as organist, Jerry Carraway as pianist and Chris Truett as orchestra conductor.

### Sunday School – July 16, 2000

Trent Walley led the congregation in singing "To God Be The Glory" and "Thou Art Worthy." Brent Nix called the Sunday School session to order at 10:00 a.m., welcomed the attendees and led in prayer.

The Jenks Road Quartet from Jenks, Oklahoma, sang "I Am Redeemed." Paul Kennedy from Pioneer, California, was introduced as the adult teacher. The lesson topic was "The Curse of Self-Interest." The scripture text was Mark 9:33-50. The session concluded at 10:50 a.m. Brother Nix closed the session in prayer.

### Sunday Morning – July 16, 2000

The morning worship service was called to order at 11:00 a.m. as Trent Walley led the congregation in singing "A New Name In Glory" and "I'm So Glad Jesus Lifted Me." Brent Nix gave the welcome and led in prayer.

The congregation sang "He Touched Me." Stanley Outlaw called for the convention offering and led in prayer. The Jenks Road Quartet sang "He Will Take Me All The Way."

Ron Helms, pastor from Southgate, Michigan, was introduced as the speaker. Before he spoke, the Jenks Road Quartet sang "I Believe In A Hill Called Mount Calvary."

Pastor Helms read Acts 1:8 and Acts 8:1-5 for a sermon text, led in prayer, then spoke on the subject "Can He Get A Witness?" Clayton Hampton prayed the benediction.

### Sunday Evening – July 16, 2000

At 7:00 p.m. Brad Williams and a praise team led the congregation in singing a medley of hymns including "When We All Get To Heaven/Won't It Be Wonderful There?/Amazing Grace/Beulah Land."

Legacy of Praise, a quartet from Tennessee, sang "I Want To Stroll Over Heaven" and "One More Chance To Change The World." Doice McAlister welcomed the congregation and led in prayer.

Brad Williams led in the singing of another medley of hymns which included "When The Roll Is Called Up Yonder/Do Lord/I'll Fly



Away/What A Day That Will Be/The King Is Coming."

California Executive Secretary Nuel Brown called for the convention offering and led in prayer. As an offertory Legacy of Praise sang "The Fire Has No Power."

Doice McAlister introduced Edward Cook, pastor of Oak Park FWB Church in Pine Bluff, Arkansas, to bring the evening message. Before he spoke, a Men's Chorale under the direction of Daron Dwyer sang "Midnight Cry."

Pastor Cook read Acts 10:34-48 for his sermon text and spoke on the subject "God Has Always Had A Witness." Doice McAlister led in the dismissal prayer.

### Monday Evening – July 17, 2000

The evening worship service began at 7:00 p.m. with Daron Dwyer leading the congregation in singing "Glory To His Name," "At Calvary" and "Wonderful Grace of Jesus." Jay Baines welcomed the congregation and led in prayer.

Clerk Keith Burden called the 64th convention of the National Association into official session and introduced Moderator Carl Cheshier.

The moderator announced the appointments to four committees:

**Nominating Committee:** David Joslin – Chairman (AR), Ernest Harrison (OK), Mirchael Jones (SC), Gene Norris (MI), Glen Johnson (VA) and Jim Marcum (NC).

**Credentials Committee:** George Harvey – Chairman (AZ), William Smith (GA), Tim Owen (FL), Jim Patton (KY) and Brent Nix (NW).

**Resolutions Committee:** Emie Lewis – Chairman (IL), Jack Richey (OK), Mike Mounts (OH), Charles Thigpen (TN) and Fred Hanson (CAN).

**Obituary Committee:** Carl Vallance – Chairman (WM), Henry Van Kluyve (NC), David Sutton (OK), Ron Parker (1st LA) and Dale McCoy (KS).

California Executive Secretary Nuel Brown brought official greetings to the convention from the California State Association of Free Will Baptists.

The congregation sang "All Because Of God's Amazing Grace," "Grace Alone," and then Daron Dwyer led in a special prayer for all the pastors in attendance.

Jay Baines called for the convention offering. Jim Fairchild led in prayer. The Cornerstone Quartet from Tulsa, Oklahoma, sang "What A Meeting In The Air."

The Convention Choir under the direction of Thurman Lucas sang "The Unseen Hand." The congregation then sang "The Old Rugged Cross" and "Until Then."

Jay Baines introduced Doug King, pastor of Cramerton FWB Church in Cramerton, North Carolina, to bring the evening message. The Cornerstone Quartet sang "Master, I See."

Pastor King read Philippians 1:27 for his scripture text and spoke on the subject "Evangelizing The World." Jay Baines led in the prayer of benediction.

### Tuesday Evening – July 18, 2000

The congregation sang "All Hail The Power Of Jesus' Name," "Majesty" and "Blessed Be The Lord God Almighty" to begin the evening worship service. Fred Hanson welcomed the congregation, shared prayer requests and introduced Jeff Crabtree who offered the invocation.

Ron Hunter introduced a special film presentation by the Media Commission. Trymon Messer made an appeal for financial support for the commission's "Raise the Standard" campaign.

The Men's Chorale under the direction of Daron Dwyer sang an acappella rendition of "More Precious Than Gold" and "Stand In Awe." Scott Bullman then led the congregation in singing "Crown Him With Many Crowns," "All Hail, King Jesus," "I'll Worship You, Almighty God" and "O Come, Let Us Adore Him."

Fred Hanson called for the convention offering. Canadian Pastor Oral McAfee led in prayer. A praise team sang "Covered By The Blood."

Tim Owen, pastor of Piney Grove FWB Church in Chipley, Florida, was introduced as the speaker for the evening service. The praise team sang "The Lamb Has Overcome."

Pastor Owen read Acts 1:8 and Acts 2:1-4 for his sermon text and spoke on the subject "Why Have We No Power?" Scott Bullman led the congregation in singing "Have Thine Own Way Lord." Fred Hanson led in the benediction.

### Wednesday Morning – July 19, 2000

Moderator Carl Cheshier called the meeting to order at 9:00 a.m. He read Philippians 2:5-11, shared devotional thoughts and led in prayer.

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

The clerk read a partial report of the General Board. A motion carried to receive Item #1 of this report.

A motion carried to receive a partial report of the Nominating Committee for nominations to standing boards.

Executive Secretary Melvin Worthington gave the report of the Executive Office. He presented a plaque to George Harvey, Jr., for 15 years of service as registration coordinator for the convention. A



motion carried to receive the Executive Office report and adopt the budgets contained in the report.

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

Director Trymon Messer gave the report of the Home Missions Department. Plaques were presented to various Home Missionary pastors whose churches have gone self-supporting during the past year. CH COL Kerry Steedly, U.S. Army Chaplain, brought greetings to the convention. A motion carried to receive the report and adopt the budget.

Matt Upton (CA) was elected to fill an unexpired one-year term on the Home Missions Board. Robert Thebeau (MO) was elected to fill an unexpired five-year term on the Home Missions Board.

Director Williams Evans gave the report of the Board of Retirement. Ray Lewis gave the financial report. A motion carried to receive the report and adopt the budget.

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

Director James Forlines gave the report of the Foreign Missions Department. He presented a plaque to William Reagan (CAN) for serving two full terms on the Foreign Missions Board. Dave and Pat Franks were presented a plaque of appreciation and a monetary gift acknowledging their years of ministry in Brazil. Fred Warner was recognized for his years of service with the Foreign Missions Department. A motion carried to receive the report and adopt the budget.

Randy Wilson (OK), Douglas Little (AR) and Milton Worthington (MI) were elected to six-year terms on the Foreign Missions Board.

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

Richard Barnes (VA), Gary Fry (MO) and A.C. Allen (SC) were elected to six-year terms on the Bible College Board of Trustees.

The moderator declared a lunch break at 12:00 noon.

### **Wednesday Afternoon – July 19, 2000**

Assistant Moderator Tim York called the meeting to order at 1:30 p.m. He read Psalm 119:89 and led in prayer.

Director Alton Loveless gave the report of the Sunday School and Church Training Department. He presented a plaque to Billy Hanna (GA) for serving two full terms on the Sunday School and Church Training Board. A motion carried to receive the report and adopt the budget.

Edwin Hayes (OH), Dennis Wiggs (NC) and Jeff Crabtree (CAN) were elected to six-year terms on the Sunday School and Church Training Board.

Leroy Forlines gave the report of the Commission for Theological Integrity. Matt Pinson shared information about the commission's newest publication, *Integrity: A Journal Of Christian Thought*. A motion carried to receive the report and adopt the budget.

Daryl Ellis (IL) was elected to a five-year term on the Commission for Theological Integrity.

Steve Faison gave the report of the Media Commission. Commission members Mirchael Jones, Ron Hunter and Bill Gardner, assisted by video clips, presented information about the commission's "Raise the Standard" campaign. A motion carried to receive the report and adopt the budget.

Doug Kite (NC) was elected to a five-year term on the Media Commission.

Randy Sawyer gave the report of the Music Commission. A motion carried to receive the report and adopt the budget.

Chris Truett (NC) was elected to serve a five-year term on the Music Commission.

Thomas Marberry gave the report of the Historical Commission. A motion carried to receive the report and adopt the budget.

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

The remainder of the General Board report was considered. The clerk read Item #2 which outlined the procedure regarding the election of the executive secretary. A motion carried to lay Item #2 on the table until Thursday morning, July 20, 2000.

The clerk read Item #3 which pertained to the site selection for the national convention. A motion carried to adopt this item.

The clerk read Item #4 which recommended the site for the 2010 convention. A motion carried to adopt this item.

The clerk read Item #5 which addressed efforts to reconcile problems in Mexico. There was a motion and second to adopt this item. There was a subsequent motion and second that a committee of five people be appointed to study the validity of the appeal by the Mexico Association and report back to this body on Thursday, July 20, 2000. A motion carried for the previous question. The motion for the appointment of the committee of five carried.

A partial report of the Nominating Committee for General Board members was read. The following were elected to the General Board:

**Serving unexpired 2001 terms** – George Harvey, Jr. (AZ) and



Tim Owen (FL).

**Serving 2003 terms** – Jim Marcum (NC), Jim Nason (Northeast), Brent Nix (Northwest), Delmar Sparks (OH), Ernest Harrison (OK), Sigbee Dilda (SC), Charles Thigpen (TN), Keith Woody (TX), Glen Johnson (VA) and Carl Vallance (WV).

The clerk read a partial report of the Nominating Committee nominating persons to the Executive Committee. Rick Cash (AL) was elected to a one-year term on the Executive Committee. Glen Johnson (VA), Ernest Harrison (OK) and Charles Thigpen (TN) were elected to three-year terms on the Executive Committee.

The moderator appointed the following to serve on the five-member committee to study the validity of the appeal by the Mexico Association: Nathan Ruble (Chairman), Gene Norris, Leroy Forlines, Matt Pinson and David Joslin.

The moderator declared a recess until Thursday morning.

### **Wednesday Evening – July 19, 2000**

The Wednesday evening missions service began with a children's choir and the congregation singing "Jesus Loves the Children," "Go Tell It On the Mountain," "Send the Light" and "Jesus Loves the Little Children."

Tim York gave the welcome and called on Jeff Davis to offer the invocation. Danny Thomas led the congregation in singing "I Love To Tell the Story" and "Shine, Jesus, Shine."

Steve Lytle introduced all foreign missionaries present for the service as they marched across the platform. David Crowe introduced home missionaries present for the service.

The Convention Choir, under the direction of Vernon Whaley, sang "Hallelujah To The Lamb." Tim York called for the missions offering, and as it was being received a Russian choir provided special music.

David Shores, pastor of Ina FWB Church in Ina, Illinois, was introduced as the speaker. A male trio and the Convention Choir sang "I Will Follow Christ." The congregation sang "I Pledge Allegiance to the Lamb."

Pastor Shores read Acts 1:8 for his sermon text and spoke on the subject "Witnesses In The World." Danny Thomas led the congregation in singing "Wherever He Leads I'll Go." After sharing some announcements, Tim York dismissed the service.

### **Thursday Morning – July 20, 2000**

The meeting was called to order at 9:00 a.m. Assistant Clerk John Hibbard read Psalm 127:1 and led in prayer.

The clerk read the Report of the Special Committee on Mexico.

A motion carried to receive the report.

The clerk read Item #5 of the General Board Report. There was a motion and second to table Item #5. It was questioned whether it was in order to table this item. The moderator ruled the motion to table was in order. The vote to sustain the chair passed. The motion to table Item #5 carried.

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

WNAC executive secretary-treasurer Marjorie Workman gave the report of the Women Nationally Active for Christ. A motion carried to receive the report as information.

A motion carried to remove Item #2 of the General Board Report from the table. The clerk read the item. There was a motion and second to amend Item #2 by changing the words "a majority vote" to "a two-thirds majority vote." The motion to amend failed. The original motion to adopt Item #2 carried.

Melvin Worthington gave the Educational Task Force Report. A motion carried to adopt the report.

The clerk read the Registration Committee Report. A motion carried to receive the report.

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

The clerk read the Obituary Committee Report. A motion carried to receive the report. Billy Hanna led the convention in prayer.

The clerk read the Resolutions Committee Report. A motion carried to receive the report.

The clerk read the final report of the Nominating Committee. A motion carried to receive the report and elect the officers.

Carl Cheshier (OK) was elected moderator.

Tim York (KY) was elected assistant moderator.

Keith Burden (OK) was elected clerk.

John Hibbard (CA) was elected assistant clerk.

A motion carried to adjourn.



## The Executive Secretary's Report 1999

The Executive Office continues to operate smoothly. The staff does its work efficiently. We appreciate and applaud the quality work of Steve Pate, Melody Hood, Dari Goodfellow, Anne Worthington, Marilyn Pritchard, Altha Keifer, Janis Williams and Jack Williams.

The Executive Office represented the National Association of Free Will Baptists at 22 Free Will Baptist state/district meetings, the Religious Conference Management Association, Christian Stewardship Association, Association of Statisticians of American Religious Bodies and the Executive Committee of the International Fellowship of Free Will Baptist Churches, Inc.

*The Free Will Baptist Hymn Book: Rejoice* and *The Rejoice Hymnal For The Church At Worship* are experiencing steady sales. *The Free Will Baptist Hymn Book: Rejoice* may be ordered from Randall House Publications. It is in three colors in round or shaped note editions. *The Rejoice Hymnal For The Church At Worship*, in both shaped and round note editions in two colors, is distributed by Tempo Music Publications, Inc. A companion for the two hymnals, *Rejoice, The Free Will Baptist Hymn Book* and *The Rejoice Hymnal For The Church At Worship*, is being compiled. The Executive Office and Randall House are working together on this project.

The 1999 convention in Atlanta, Georgia, was one of the best ever. Registration totaled 6,592. The music, messages and meetings were a special blessing. We commend the Georgia State Association of Free Will Baptists for their excellent job hosting the convention. Preparations for the 2000 convention in Anaheim, California, are on schedule.

Speakers and a theme for the 2000 national convention were selected by the Executive Committee during its December 1999 meeting in Nashville, Tennessee. The theme chosen was *Witnesses in the World*. The speakers include Winston Sweeney (TN), Paul Kennedy (CA), Edward Cook (AR), Doug King (NC), Tim Owen (FL), David Shores (IL) and H. B. London (CO).

*Contact* provides current information regarding denominational life. Life-time subscriptions cost \$500. We now have 22 life-time subscribers. Life-time subscribers receive a leather-bound copy of the *Free Will Baptist Hymn Book: Rejoice* (1988). We encourage each church to purchase a life-time subscription. Every church should be a *Contact* subscriber. Complimentary copies are provided for students at Free Will Baptist Bible College, Hillsdale FWB College, California Christian College and Southeastern FWB College. The December 1999 mailing of *Contact* totaled 5,996.

Capital Stewardship/Victory Campaign contributions through December 1999, totaled \$310,529.72. The indebtedness on the National Office building was \$34,225.14 on December 31, 1999.

The Rest of the Family Offering totaled \$16,378.90 in 1999. After expenses, the balance was disbursed to participating national agencies.

The Free Will Baptist Leadership Conference met December 6-7, 1999, at Regal Maxwell House Hotel in Nashville, Tennessee. Speakers Ronnie Adkins (TN), Roger Childers (OH), Tom Dooley (TN), Gary Fry (MO), Ernest Harrison, Jr. (OK), Rick Ketchum (AR), Jim Marcum (NC), Matt Pinson (GA) and Nathan Ruble (MO) developed the theme *Working Together*.

The reporting forms (501, 502, 503 and 504) need to be used when

reporting statistical data. We encourage local church, district and state association clerks to take the necessary time to accurately fill out these National Association reporting forms. These forms are carefully designed to report denominational data which enables us to compile an accurate statistical table. The reporting forms are supplied at no cost and may be ordered from the Executive Office.

*The Treatise of the Faith and Practices of the National Association of Free Will Baptists, Inc.*, may be ordered from Randall House Publications. The *Together Way* stewardship notebook and brochure, *Stewards on Task*, may be order at no charge from the Executive Office.

Gifts for the Executive Office totaled \$327,671.74 in 1999. Of this amount, \$304,209.03 was *cooperative* and \$23,462.71 was *designated*. The Executive Office 1999 budget called for \$379,000. Gift income left a budget shortfall of \$51,328.26.

Gifts for national ministries in 1999 totaled \$11,474,176.13. Per capita giving was \$54.52. *Together Way Plan* gifts through the Executive Office totaled \$3,742,572.57. Of this amount, \$676,020.36 was *cooperative* and \$3,066,552.21 was *designated*. Thank you for your systematic and sacrificial support to national ministries in 1999.

### The Together Way Totals

1990	\$6,933,944.49	1995	\$8,777,067.71
1991	\$7,848,694.01	1996	\$9,687,919.11
1992	\$7,832,441.46	1997	\$10,020,229.65
1993	\$7,864,572.01	1998	\$11,279,076.53
1994	\$8,750,648.37	1999	\$11,474,176.13

### Tracking The Together Way Totals (Through the Executive Office)

	Designated		Co-op		Total
1990					
	1,035,463.36	(+2.55%)	330,567.40	(+3.47%)	1,366,030.76 (+2.77%)
	76%		24%		
1991					
	1,129,064.33	(+9.04%)	329,050.08	(-0.46%)	1,458,114.41 (+6.74%)
	77%		23%		
1992					
	1,480,847.51	(+31.16%)	243,195.98	(-26.09%)	1,724,043.49 (+18.24%)
	86%		14%		
1993					
	1,786,527.81	(+20.64%)	278,925.67	(+14.69%)	2,065,453.48 (+19.80%)
	86%		14%		
1994					
	2,071,808.59	(+15.97%)	313,198.40	(+12.29%)	2,385,006.99 (+15.47%)
	87%		13%		
1995					
	2,128,315.33	(+2.73%)	362,694.52	(+15.80%)	2,491,009.85 (+4.44%)
	85%		15%		
1996					
	2,110,182.97	(-0.85%)	375,760.11	(+3.60%)	2,485,943.08 (-0.20%)
	85%		15%		



	Designated		Co-op		Total
<b>1997</b>					
	2,775,292.31	(+31.52%)	442,453.17	(+17.75%)	3,217,745.48 (+29.44%)
	86%		14%		
<b>1998</b>					
	3,004,636.43	(+8.26%)	608,297.49	(+37.48%)	3,612,933.92 (+12.28%)
	83%		17%		
<b>1999</b>					
	\$3,066,552.21	(+2.06%)	\$676,020.36	(+11.13%)	\$3,742,572.57 (+3.59%)
	82%		18%		

The Together Way Totals increase/decrease from 1990-1999:  
Designated 196.15% Cooperative 104.50%

#### Executive Office

	Designated	Co-op	Total
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
1996	113,665.59	206,667.60	320,332.19
1997	100,925.33	221,226.99	322,152.32
1998	36,680.05	273,733.63	310,413.68
1999	23,462.71	304,209.03	327,671.74

#### Foreign Missions

	Designated	Co-op	Total
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
1996	1,164,284.76	38,891.12	1,203,175.88
1997	1,652,641.05	50,882.05	1,703,523.10
1998	1,758,589.14	76,949.58	1,835,538.72
1999	1,795,075.28	85,516.57	1,880,591.85

#### Free Will Baptist Bible College

	Designated	Co-op	Total
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
1996	150,132.44	38,891.12	189,023.56
1997	157,522.68	50,882.05	208,404.73
1998	245,940.89	76,949.58	322,890.47
1999	213,519.34	85,516.57	299,035.91

#### Home Missions

	Designated	Co-op	Total
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
1996	590,400.81	30,436.66	620,837.47
1997	723,293.97	39,820.70	763,114.67
1998	824,074.15	60,221.42	884,295.57
1999	879,042.73	66,926.03	945,968.76

#### Retirement & Insurance

	Designated	Co-op	Total
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
1996	10,481.55	23,672.89	34,154.44
1997	13,634.99	30,971.63	44,606.62
1998	6,654.14	46,838.93	53,493.07
1999	5,198.57	52,053.61	57,252.18

#### Master's Men

	Designated	Co-op	Total
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
1996	19,034.94	23,672.89	42,707.83
1997	20,526.60	30,971.63	51,498.23
1998	8,734.39	46,838.93	55,573.32
1999	5,427.86	52,053.61	57,481.47

#### Free Will Baptist Foundation

	Designated	Co-op	Total
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**
1996	9,513.75	10,145.63	19,659.38**
1997	13,162.31	13,273.56	26,435.87**
1998	5,254.24	20,073.90	25,328.14**
1999	4,001.29	22,308.66	26,309.95**

\* 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 Plan that do not benefit the Foundation.



### Historical Commission

	Designated	Co-op	Total
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
1996	1,060.83	845.55	1,906.38
1997	867.70	1,106.14	1,973.84
1998	374.95	1,672.88	2,047.83
1999	288.81	1,859.07	2,147.88

### Commission for Theological Integrity

	Designated	Co-op	Total
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
1996	1,276.01	845.55	2,121.56
1997	1,077.90	1,106.14	2,184.04
1998	635.44	1,672.88	2,308.32
1999	883.46	1,859.07	2,742.53

### Media Commission

	Designated	Co-op	Total
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
1996	1,322.22	845.55	2,167.77
1997	885.05	1,106.14	1,991.19
1998	3,073.57	1,672.88	4,746.45
1999	434.69	1,859.07	2,293.76

### 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
1996	985.74	845.55	1,831.29
1997	808.02	1,106.14	1,914.16
1998	378.07	1,672.88	2,050.95
1999	260.51	1,859.07	2,119.58

Thank you for the privilege of serving as executive secretary for the National Association of Free Will Baptists, Inc.

Rejoicing and Resting in the Redeemer, Your Servant,

Melvin Worthington, Th.D., Ed.D., CMP

### Statistical Summary

Year	Beginning Membership Totals	Baptisms	Members Added	Members Lost	Net Increase	Ending Membership Totals
1988	204,382	7,910	12,436	6,454	5,982	210,364
1989	210,364	8,678	12,726	7,511	5,215	215,579
1990	215,579	7,946	12,537	6,583	5,954	221,533
1991	221,533	8,703	12,931	7,240	5,691	227,224
1992	227,224	9,283	12,123	7,223	4,900	232,124
1993	232,124	8,828	12,246	6,011	6,235	238,359
1994	238,359	7,804	12,393	7,508	4,885	243,244
1995	243,244	8,089	12,701	6,232	6,469	249,713
1996	249,713	8,436	12,155	5,985	6,170	255,883
1997	255,883	8,971	11,946	6,660	5,286	261,169
1998	261,169	10,169	14,089	6,345	7,744	268,913
1999	268,913	10,200	13,965	7,715	6,250	275,163
Totals		105,017	152,248	81,467	70,781	



**EXECUTIVE OFFICE OF THE  
NATIONAL ASSOCIATION OF  
FREE WILL BAPTISTS, INC.  
Financial Statements  
December 31, 1999 and 1998  
(With Independent Auditors' Report Thereon)**

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

**Table of Contents**

	<b>Page Number</b>
<b>Independent Auditors' Report</b>	<b>1</b>
<b>Financial Statements:</b>	
<b>Statements of Financial Position</b>	<b>2</b>
<b>Statements of Activities and Changes in Net Assets</b>	<b>3</b>
<b>Statements of Functional Expenses</b>	<b>4</b>
<b>Statements of Cash Flows</b>	<b>5</b>
<b>Notes to Financial Statements</b>	<b>6 - 10</b>



**Independent Auditors' Report**

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

Terry A. Hill  
Ernest R. Harper

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, 1999 and 1998 and the related statements of activities and changes in net assets, functional expenses, 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, 1999 and 1998, and its changes in net assets and cash flows for the years then ended in conformity with generally accepted accounting principles.

*Hill, Harper & Associates*

May 3, 2000



**EXECUTIVE OFFICE OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
Statements of Financial Position  
December 31, 1999 and 1998**

<u>Assets</u>	<u>1999</u>	<u>1998</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 126,591	207,455
Funds held by Free Will Baptist Foundation	9,000	9,000
Receivables:		
Hymnal sales	36,901	61,580
Other departmental and agency charges	481	638
Total receivables	37,382	62,218
Inventory, at lower of cost (first-in, first-out method) or market	167,352	212,635
Prepaid expenses	36,250	37,924
Total current assets	376,575	529,232
Office equipment and furniture	115,055	113,695
Less accumulated depreciation	100,769	91,380
Net office equipment and furniture	14,286	22,315
	<u>\$ 390,861</u>	<u>551,547</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 22,074	48,993
Funds held for other denominational agencies	14,559	7,912
Notes payable	0	67,022
Deferred host state fee	0	30,000
Deferred subscription revenues	20,344	23,295
Total current liabilities	56,977	177,222
<b>Net assets:</b>		
Executive Office	237,699	207,502
Net investment in equipment	14,286	22,315
Contact Magazine	(15,716)	(7,757)
Special Projects	130,990	121,188
Convention Fund	(33,375)	31,077
Total net assets	333,884	374,325
	<u>\$ 390,861</u>	<u>551,547</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, 1999 and 1998**

	<u>Executive Office</u>	<u>Contact Magazine</u>	<u>Special Projects</u>	<u>Convention Fund</u>	<u>1999 Totals</u>	<u>1998 Totals</u>
<b>Revenues:</b>						
The Together Way Plan	\$ 3,742,572	0	0	0	3,742,572	3,612,933
Disbursed to agencies and departments	(3,414,900)	0	0	0	(3,414,900)	(3,302,519)
	327,672	0	0	0	327,672	310,414
Subscriptions to Contact Magazine	0	57,205	0	0	57,205	57,730
Sales of hymnals	0	50	83,306	0	83,356	95,892
Gifts and offerings	2,220	0	0	6,981	9,201	13,026
Interest income	8,650	864	0	0	9,514	11,447
Convention fees	0	12,000	0	118,550	130,550	105,050
Other income	12,069	488	2,404	10,632	25,593	30,495
Total revenues	350,611	70,607	85,710	136,163	643,091	624,054
<b>Cost of hymnal sales:</b>						
Beginning inventory	0	0	212,635	0	212,635	251,967
Costs of production	0	0	8,915	0	8,915	21,892
	0	0	221,550	0	221,550	273,859
Total cost of inventory	0	0	167,352	0	167,352	212,635
Less ending inventory	0	0	54,198	0	54,198	61,224
Cost of hymnal sales	0	0	54,198	0	54,198	61,224
Gross profit	350,611	70,607	31,512	136,163	588,893	562,830
<b>Expenses of operations:</b>						
Executive Office	328,443	0	0	0	328,443	334,613
Contact Magazine	0	78,566	0	0	78,566	77,746
Special Projects	0	0	21,710	0	21,710	26,910
Convention Fund	0	0	0	200,615	200,615	133,467
Total expenses	328,443	78,566	21,710	200,615	629,334	572,736
<b>Increase (decrease) in net assets</b>	22,168	(7,959)	9,802	(64,452)	(40,441)	(9,906)
<b>Net assets, beginning of year as restated</b>	229,817	(7,757)	121,188	31,077	374,325	384,231
<b>Net assets, end of year as restated</b>	<u>\$ 251,985</u>	<u>(15,716)</u>	<u>130,990</u>	<u>(33,375)</u>	<u>333,884</u>	<u>374,325</u>

See accompanying notes to financial statements.



**EXECUTIVE OFFICE OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
Statements of Functional Expenses  
For the years ended December 31, 1999 and 1998**

	Executive Office	Contact Magazine	Special Projects	Convention Fund	1999 Totals	1998 Totals
<b>Expenses of operations:</b>						
Salaries	132,874	0	9,886	2,302	145,062	141,550
Housing allowance	41,000	0	0	0	41,000	40,000
Employee fringe benefits and general insurance	34,008	0	0	40	34,048	30,122
Payroll taxes	20,432	0	756	176	21,364	21,241
Travel	19,677	2,068	27	32,509	54,281	60,383
Executive Committee	583	0	0	6,490	7,073	5,306
Occupancy costs	29,892	0	0	0	29,892	29,892
Depreciation	9,389	0	0	0	9,389	9,909
Legal and audit	1,134	959	2,359	959	5,411	6,372
Equipment maintenance	1,895	0	0	200	2,095	1,858
Supplies, office expense	8,756	3,993	(526)	12,802	25,025	20,150
Printing and promotion	3,786	49,376	4,996	23,314	81,472	88,946
Postage / mail services	980	16,627	17	808	18,432	14,257
Telephone	3,004	47	2	207	3,260	1,770
Writers' fees	0	3,559	0	0	3,559	3,365
Interest expense	0	0	2,518	0	2,518	13,265
Auditorium	0	0	0	76,064	76,064	43,469
Meal functions	0	0	0	2,087	2,087	1,498
Music	0	0	0	2,070	2,070	1,106
Leadership Conference	712	0	0	0	712	250
International Fellowship	1,200	0	0	0	1,200	4,691
Educational Task Force	0	0	0	6,217	6,217	0
Doctrinal Survey	0	0	0	0	0	799
The Together Way Plan	785	0	0	0	785	920
Auto and copier leases	14,606	0	0	0	14,606	13,809
Other	3,730	1,937	1,675	34,370	41,712	17,808
<b>Total expenses</b>	<b>\$ 328,443</b>	<b>78,566</b>	<b>21,710</b>	<b>200,615</b>	<b>629,334</b>	<b>572,736</b>

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, 1999 and 1998**

	1999	1998
<b>Cash Flows from Operating Activities</b>		
Decrease in net assets	\$ (40,441)	(9,906)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities.		
Depreciation and amortization	9,389	9,909
(Increase) decrease in:		
Receivables	24,836	21,305
Inventories	45,283	39,332
Prepaid expenses	1,674	908
Increase (decrease) in:		
Accounts payable and accrued expenses	(26,919)	(13,360)
Funds held for other denominational agencies	6,647	(816)
Deferred state host fee	(30,000)	0
Deferred subscription revenue	(2,951)	2,633
<b>Net operating activities</b>	<b>(12,482)</b>	<b>50,005</b>
<b>Cash Flows from Investing Activities</b>		
Funds held by Free Will Baptist Foundation	0	(3,500)
Purchase of equipment	(1,360)	(2,931)
<b>Net investing activities</b>	<b>(1,360)</b>	<b>(6,431)</b>
<b>Cash Flows from Financing Activities</b>		
Prepayments of notes payable	(67,022)	(77,085)
<b>Net financing activities</b>	<b>(67,022)</b>	<b>(77,085)</b>
<b>Net decrease in cash</b>	<b>(80,864)</b>	<b>(31,879)</b>
Cash and cash equivalents at beginning of year	207,455	239,334
Cash and cash equivalents at end of year	\$ 126,591	207,455
<b>Supplemental disclosures:</b>		
Interest paid	\$ 2,015	14,053

See accompanying notes to financial statements.



**EXECUTIVE OFFICE OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
Notes to Financial Statements  
December 31, 1999 and 1998**

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.

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 required. 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.

The Executive Office also follows the provisions of an interpretation of SFAS No. 116 (Accounting for Contributions Received and Contributions Made), Interpretation No. 42, "Transfers of Assets in Which a Not-for-Profit Organization Acts as an Agent, Trustee, or Intermediary". In accordance with Interpretation No. 42, funds received from donors which are designated by the donor to be transferred to third parties are accounted for as liability transactions. (see note 8)

**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.

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

**(1) Summary of Significant Accounting Policies, continued**  
**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.

**Compensated Absences**

Employees of the Executive Office are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Executive Office's policy is to recognize the cost of compensated absences when actually paid to employees.

**Presentation of Financial Statements**

Certain amounts as reported in the 1998 financial statements have been reclassified to conform to current year presentation.

**(2) 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 approximately \$5.00 for each "generic" hymnal sold, at which time Randall House is paid an amount equal to 5% of the sales price for shipping and handling.

Randall House, as of December 31, 1999, warehoused hymnals valued at a cost of \$167,000.

The leather hymnals remaining from the first printing (approximately 480) valued at \$24,465 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.

**(3) Notes Payable**

10.75% demand note payable to The Board of Retirement and Insurance of the National Association of Free Will Baptists with an outstanding amount due of \$67,022 as of December 31, 1998 was repaid during 1999. The purpose of the note was for production of the hymnals as discussed in note 2. The debt was secured by the inventory of hymnals and general income and assets of the Executive Office.

**(4) 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 \$6,721 in 1999 and \$5,492 in 1998. 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.



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

**(5) Operating Leases**

The Executive Office has entered into non-cancellable lease arrangements relating to a copy machine and two automobiles. Total expenses amounted to \$14,606 for 1999 and \$13,809 for 1998. The minimum payments required are \$12,492 for 2000 and \$7,259 for 2001.

Further, the Executive Office rents office space from the National Office Building located in Antioch, Tennessee. The lease agreement is cancelable with 90 day written notice after the mortgage has been retired. The mortgage note is scheduled to be retired in June 2000. Office lease expense amounted to \$29,892 for 1999 and 1998.

**(6) 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, 1999 as compared to 1998 totals.

Receipts:	Designated	Cooperative	1999 Total	1998 Total
Alabama	\$ 6,255	0	6,255	6,233
Arizona	3,464	214	3,678	4,975
Arkansas	205,526	183,095	388,621	382,612
California	0	13,335	13,335	13,841
Florida	655	13,934	14,589	20,669
Georgia	316,037	21,027	337,064	266,326
Illinois	93,383	24,349	117,732	128,051
Indiana	13,672	2,758	16,430	15,637
Iowa	450	2,848	3,298	3,521
Kentucky	15,060	6,248	21,308	19,121
Maryland	150	9,642	9,792	3,092
Michigan	221,305	34,330	255,635	284,705
Mississippi	84,291	6,187	90,478	186,525
Missouri	504,657	148,608	653,265	578,658
New Mexico	7,122	451	7,573	10,864
North Carolina	14,984	23,583	38,567	31,862
Ohio	122,992	35,019	158,011	158,683
Oklahoma	628,838	125,452	754,290	700,640
South Carolina	536,260	0	536,260	499,007
Tennessee	142,281	19,628	161,909	154,037
Texas	105,859	3,515	109,374	83,160
Virginia	9,260	60	9,320	8,735
West Virginia	30,432	1,194	31,626	35,474
Africa	0	0	0	12,960
Canada	3,403	159	3,562	2,525
Contributions totaling \$1,000 or less	216	384	600	1,020
Total receipts	\$ 3,066,552	676,020	3,742,572	3,612,933

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

**(6) The Together Way Plan, continued**

**Disbursements:**

Executive Office	\$ 23,463	304,209	327,672	310,414
Foreign Missions	1,795,075	85,517	1,880,592	1,835,539
Free Will Baptist Bible College	213,519	85,517	299,036	322,890
Home Missions	879,043	66,926	945,969	884,295
Retirement & Insurance	5,199	52,053	57,252	53,493
Master's Men	5,428	52,053	57,481	55,573
Commission for Theological Integrity	883	1,859	2,742	2,308
Foundation	4,001	22,309	26,310	25,327
Historical Commission	289	1,859	2,148	2,048
Music Commission	261	1,859	2,120	2,051
Radio & Television Commission	435	1,859	2,294	4,747
Hillsdale Free Will Baptist College	19,293	0	19,293	17,627
Other, including the Capital				
Stewardship Campaign	119,663	0	119,663	96,621
Total disbursements	\$ 3,066,552	676,020	3,742,572	3,612,933

**(7) Correction of Accounting Error**

In 1997, the host state, Georgia, for the 1999 National Convention paid its host state fees in advance. The fee, amounting to \$30,000, was inadvertently recorded as and reported on as revenues in the 1997 financial statements in error. This fee should have been recorded as deferred revenue and recognized as revenue in the year of the Convention which was 1999. Accordingly, the financial statements as issued as of and for the year ended December 31, 1997 have been restated to correct this error.

The effect of the restatement is as follows:

	As Originally Reported	Restate- ment	As Restated
<b>Statements of Activities and Changes in Net Assets</b>			
Convention fees	\$ 139,425	(30,000)	109,425
Total revenues	\$ 653,422	(30,000)	623,422
Increase (decrease) in net assets	\$ 50,808	(30,000)	20,808
Net assets at end of year	\$ 421,327	(30,000)	391,327
<b>Statements of Financial Position</b>			
Deferred host state fee	\$ 0	30,000	30,000
Total liabilities	\$ 227,122	30,000	257,122
Net assets - convention fund	\$ 74,581	(30,000)	44,581
Total net assets	\$ 421,327	(30,000)	391,327



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

**(8) Change in Accounting Principle**

The Executive Office follows the provisions of an interpretation of SFAS No. 116 (Accounting for Contributions Received and Contributions Made), Interpretation No. 42, "Transfers of Assets in Which a Not-for-Profit Organization Acts as an Agent, Trustee, or Intermediary". In accordance with Interpretation No. 42, funds received from donors which are designated by the donor to be transferred to third parties are accounted for as liability transactions. The "Rest of The Family" contributions qualifies as a liability transaction and accordingly, the financial statements have been restated as follows to conform to these requirements.

	<u>Funds Held for Other Denomi- national Agencies</u>	<u>Net Assets</u>	<u>Total Revenues</u>	<u>Total Costs and Expenses</u>
To determine earliest reported net asset balance:				
1997 balances as reported as of 1998	\$ 0	391,327	N/A	N/A
Net transactions as of December 31, 1997	7,096	(7,096)	N/A	N/A
Restated balances as of December 31, 1997	\$ 7,096	384,231	N/A	N/A
To determine 1998 comparative amounts:				
1998 amounts as reported as of 1998	\$ 0	382,237	633,639	642,729
Net transactions as of 1997 - see above	7,096	(7,096)	N/A	N/A
Net transactions as of December 31, 1998	816	(816)	(9,585)	(8,769)
Restated balances as of December 31, 1998	\$ 7,912	374,325	624,054	633,960

	<b>2001 Executive Office Budget</b>		<b>2001</b>
	<b>1999</b>	<b>2000</b>	
Administrative	\$379,000.00	\$372,000.00	\$390,000.00
Convention	138,358.15*	179,326.88**	217,535.25***
Contact	87,000.00	90,400.00	93,105.00
<b>Totals</b>	<b>\$604,358.15</b>	<b>\$641,726.88</b>	<b>\$700,640.25</b>
	*1998		
	**1999		
	***2000		

	<b>2001 Administrative Budget</b>		
<b>Projected Expenses</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Salaries	\$ 153,999.95	\$ 145,242.39	\$ 149,732.99
Housing	41,000.00	42,000.00	45,000.00
Social Security	22,204.54	23,000.00	22,778.72
Retirement	7,350.42	6,898.57	7,108.49
Employees Insurance (Dental, Hospital, Life, Travel)	26,684.91	24,410.47	28,604.20
Auditing/Legal	5,000.00	5,000.00	5,000.00
Automobile Lease (2 Cars)	11,536.15	10,237.56	10,355.56
Computer Supplies	5,000.00	7,000.00	7,000.00
Copier Lease	3,928.40	3,843.71	4,500.00
Equipment Maintenance	3,000.00	3,000.00	3,000.00
Equipment Purchase/Computer	4,000.00	4,000.00	4,000.00
Executive Committee	10,000.00	8,000.00	10,000.00
General Insurance	4,000.00	4,000.00	5,000.00
International Fellowship of Free Will Baptist Churches	1,200.00	1,200.00	2,400.00
Leadership Conference	2,000.00	2,000.00	2,000.00
Office Rental (\$1.00 per sq. ft. x 2,491)	29,892.00	29,892.00	29,892.00
Office Supplies/Expense	7,000.00	7,000.00	7,500.00
Other	1,703.63	2,000.00	1,728.64
Postage	2,000.00	1,500.00	1,500.00
Printing	3,000.00	3,000.00	3,000.00
Promotion	4,000.00	3,000.00	3,000.00
Subscriptions/Dues/Registrations	2,000.00	3,000.00	3,000.00
Telephone	3,000.00	3,000.00	4,000.00
Together Way Plan/Stewardship Education	1,500.00	1,500.00	1,500.00
Travel	24,000.00	25,000.00	25,000.00
Christmas Bonus(Extra Week's Salary)	.00	1,695.71	1,763.55
Extra Week Retirement in lieu of 4th week vacation beginning with the 16th year of service.	.00	1,579.59	1,635.85
<b>Totals</b>	<b>\$ 379,000.00</b>	<b>\$ 372,000.00</b>	<b>\$ 390,000.00</b>
<b>Projected Income</b>			
The Together Way Plan	\$ 239,000.00	\$ 272,000.00	\$ 300,000.00
Cooperative Gifts	140,000.00	100,000.00	90,000.00
Designated Gifts			
<b>Totals</b>	<b>\$ 379,000.00</b>	<b>\$ 372,000.00</b>	<b>\$ 390,000.00</b>



## Salary Breakdown

### Executive Secretary

	1999	2000	2001
Salary	\$27,949.57 (4%)	\$29,067.55 (4%)	\$29,270.25 (4%)
Housing and Utilities	25,000.00 (4%)	26,000.00 (4%)	28,000.00 (4%)
Social Security	8,101.28 (15.30%)	8,425.34 (15.30%)	8,762.35 (15.30%)
Retirement	1,397.48 (5%)	1,453.38 (5%)	1,463.51 (5%)
Insurance	3,585.68	3,585.68	4,248.61
Travel/Life/Disability	\$ 815.56	\$ 815.56	\$ 894.49
Hospital	2,547.50	2,547.50	3,116.12
Dental	222.62	222.62	238.00

NOTE: Office car furnished.

\$66,034.01 \$68,531.95 \$71,744.72

### Administrative Assistant/Contact Editor

Salary	\$26,305.85 (4%)	\$27,998.08 (4%)	\$28,758.00 (4%)
Housing and Utilities	16,000.00 (4%)	16,000.00 (4%)	17,000.00 (4%)
Social Security	6,472.80 (15.30%)	6,731.71 (15.30%)	7,000.97 (15.30%)
Retirement	1,315.29 (5%)	1,399.90 (5%)	1,437.90 (5%)
Insurance	6,303.60	6,303.60	7,169.41
Travel/Life/Disability	\$ 762.48	\$ 762.48	\$ 807.54
Hospital	5,132.88	5,132.88	5,925.48
Dental	408.24	408.24	436.39

NOTE: Office car furnished.

\$56,397.54 \$58,433.29 \$61,366.28

### Bookkeeper

Salary	\$26,323.67 (4%)	\$27,376.62 (4%)	\$28,471.68 (4%)
Social Security	2,013.76 (7.65%)	2,094.31 (7.65%)	2,178.08 (7.65%)
Retirement	1,316.18 (5%)	1,368.83 (5%)	1,423.58 (5%)
Insurance	5,633.64	5,633.64	6,742.99
Life/Disability	\$ 381.12	\$ 381.12	\$ 381.12
Hospital	4,844.28	4,844.28	5,925.48
Dental	408.24	408.24	436.39

### Editorial Assistant/Secretary

Salary	\$25,735.11 (4%)	\$26,764.51 (4%)	\$27,835.09 (4%)
Social Security	1,968.74 (7.65%)	2,047.49 (7.65%)	2,129.38 (7.65%)
Retirement	1,286.76 (5%)	1,338.23 (5%)	1,391.75 (5%)
Insurance	3,283.92	3,283.92	3,716.16
Life/Disability	\$ 362.04	\$ 362.04	\$ 362.04
Hospital	2,699.28	2,699.28	3,116.12
Dental	222.60	222.60	238.00

### Yearbook Coordinator/Secretary

Salary	\$ 25,253.61 (4%)	\$ .00	\$ .00
Social Security	1,931.90 (7.65%)	.00	.00
Retirement	1,262.68 (5%)	.00	.00
Insurance	3,084.96	.00	.00
Life/Disability	\$314.88	\$0.00	\$ .00
Hospital	2,547.48	.00	.00
Dental	222.60	.00	.00

\$31,533.15 \$ .00 \$ .00

### Contact Circulation Manager/ Yearbook Coordinator

	1999	2000	2001
Salary	\$15,440.68 (4%)	\$26,764.51 (4%)	\$27,835.09 (4%)
Social Security	1,181.21 (7.65%)	2,047.49 (7.65%)	2,129.38 (7.65%)
Retirement	772.03 (5%)	1,338.23 (5%)	1,391.75 (5%)
Insurance (60%)	4,793.11	5,603.63	6,727.03
Life/Disability	\$ 226.73	\$ 351.11	\$ 365.16
Hospital	4,214.59	4,844.28	5,925.48
Dental	351.79	408.24	436.39

### Part-time Worker

Salary (104 days)	\$6,991.46 (\$8.40 hr.)	\$ 7,271.12 (\$8.74 hr.)	\$7,562.88 (\$9.09 hr.)
Social Security	534.85 (7.65%)	556.24 (7.65%)	578.56 (7.65%)

## Convention Budget

National Association of Free Will Baptists, Inc.  
July 16-22, 2000  
Anaheim, California

### Projected Expenditures

	1998 Tulsa	1999 Atlanta	2000 Anaheim
Auditorium	\$47,550.00	\$59,500.00	\$ 67,350.00
Printing and Promotion	28,139.70	29,332.75	28,997.00
Convention Office	18,074.00	19,891.00	36,600.00
Convention Personnel	10,789.89	10,038.85	16,022.00
Meals	2,280.00	2,376.00	2,805.00
Travel	3,421.50	2,682.00	8,404.50
Lodging	5,088.39	4,980.85	4,812.50
Convention Officials	7,619.81	12,492.28	14,184.50
Honorariums	1,350.00	2,900.00	2,900.00
Decorator Services	6,176.00	22,147.00	17,103.00
Meal Functions	1,858.75	2,925.00	3,128.75
Executive Committee Meal and Motel Expenses	1,800.00	2,100.00	3,150.00
Pre-Convention Expenses	15,000.00	18,000.00	28,100.00
<b>Total</b>	<b>\$138,358.15</b>	<b>\$179,326.88</b>	<b>\$217,535.25</b>

### Projected Receipts

Booth Fees	\$17,650.00	\$24,075.00	\$11,050.00
State Assoc. Representation Fees (\$50 per church)	62,350.00	56,050.00	123,800.00
Local Church Delegate Fees (\$50)	1,600.00	1,700.00	2,500.00
Host State (California)	12,000.00	30,000.00	15,000.00
Offerings	44,758.15	67,501.88	65,185.25
<b>Total</b>	<b>\$138,358.15</b>	<b>\$179,326.88</b>	<b>\$217,535.25</b>

## Convention Budget



**National Association of Free Will Baptists, Inc.**  
**July 16-20, 2000**  
**Anaheim, California**

**Projected Receipts**

	1998	1999	2000
Booth Fees	\$ 17,650.00	\$ 24,075.00	\$ 11,050.00
State Assoc. Representation Fees (\$50 per church)	62,350.00	56,050.00	123,800.00
Local Church Delegate Fees (\$50)	1,600.00	1,700.00	2,500.00
Host State (California)	12,000.00	30,000.00	15,000.00
Offerings	44,758.15	67,501.88	65,185.25
<b>Total</b>	<b>\$138,358.15</b>	<b>\$179,326.88</b>	<b>\$217,535.25</b>

**Projected Expenditures**

<b>Auditorium</b>			
Rental	\$15,400.00	\$26,500.00	\$20,500.00
Meeting Rooms	4,600.00	.00	.00
Convention Banner	300.00	.00	.00
Flowers	150.00	150.00	150.00
Police Security	3,500.00	5,000.00	5,000.00
Convention Tapes	250.00	250.00	250.00
Other	23,350.00	27,600.00	41,450.00
Music Stand Rental (Decorator)	350.00	1,800.00	200.00
Sound System/AV Equipment	20,000.00	24,000.00	25,000.00
Usher Badges	200.00	200.00	200.00
Liab., ASCAP, BMI, Ins.	800.00	1,000.00	1,000.00
First Aid Staff	1,500.00	0.00	1,500.00
Courtesy Car	150.00	150.00	150.00
Offering Buckets	100.00	200.00	0.00
Signs	250.00	250.00	400.00
Union Personnel	.00	.00	13,000.00
<b>Total</b>	<b>\$47,550.00</b>	<b>\$59,500.00</b>	<b>\$67,350.00</b>

**Printing and Promotion**

Publicity and Art Work	\$13,000.00	\$14,000.00	\$16,000.00
Photos	700.00	500.00	200.00
Convention Materials	11,439.70	11,332.75	9,297.00
Program	3,625.00	2,800.25	1,955.00
Song Sheets/CCU License	502.20	1,000.00	500.00
Digest of Reports	7,312.50	7,532.50	6,842.00
Pre-Convention Printing (Sunday C. News pre-printed, copier reimb.)	3,000.00	3,500.00	3,500.00
<b>Total</b>	<b>\$28,139.70</b>	<b>\$29,332.75</b>	<b>\$28,997.00</b>

**Convention Office**

Convention Manager	\$ .00	\$ .00	\$12,000.00
Pre-Registration Coordinator	.00	.00	3,000.00
Registration/Pre-Reg. (Supplies, Pstg.)	3,000.00	5,000.00	7,500.00
Registration Computers/Printers	3,000.00	3,000.00	3,000.00
Paper and Printing Supplies	2,000.00	1,000.00	400.00
Equipment Rentals	3,524.00	4,216.00	4,000.00
Copiers (2)/Paper	2,000.00	1,700.00	2,100.00
Typewriters (2)	100.00	200.00	.00
Computers, Printers—			
Office/Registration	1,000.00	1,000.00	500.00
Tables/Chairs/Trash Cans, etc. (Office)	424.00	1,316.00	1,400.00

	1998	1999	2000
Telephone	600.00	800.00	800.00
During Convention (Office)	300.00	500.00	500.00
Pre/Post Convention	300.00	300.00	300.00
Office Expense/Supplies	2,500.00	3,500.00	3,500.00
Postage	800.00	800.00	800.00
Musical Instruments Rental and Service	2,650.00	1,575.00	1,600.00
Piano/Tuning	1,600.00	425.00	425.00
Forklift	150.00	150.00	175.00
Organ Shipping	600.00	.00	700.00
Music	300.00	1,000.00	300.00
<b>Total</b>	<b>\$18,074.00</b>	<b>\$19,891.00</b>	<b>\$36,600.00</b>

**Convention Personnel**

<b>Meals</b>			
Dari Goodfellow (24 meals @ \$11.00 each)	\$270.00	\$264.00	\$264.00
Melody Hood (33 meals @ \$11.00 each)	300.00	330.00	363.00
Steve Pate (24 meals @ \$11.00 each)	210.00	198.00	264.00
Cheri Ham (27 meals @ \$11.00 each)	300.00	297.00	297.00
Security Officer (27 meals @ \$11.00 each)	.00	.00	297.00
Deanna Hollifield (21 meals @ \$11.00 each)	180.00	198.00	231.00
Jack Williams (36 meals @ \$11.00 each)	360.00	396.00	396.00
Anne Worthington (27 meals @ \$11.00 each)	300.00	297.00	297.00
Melvin Worthington (36 meals @ \$11.00 each)	360.00	396.00	396.00
<b>Total</b>	<b>\$2,280.00</b>	<b>\$2,376.00</b>	<b>\$2,805.00</b>

<b>Travel</b>			
Dari Goodfellow	\$396.50	\$186.00	\$209.00
Melody Hood	193.00	186.00	230.00
Marilyn Pritchard	193.00	186.00	.00
Security Officer	.00	.00	230.00
Press Officer	.00	.00	214.50
Steve Pate (Trans. Coord., rental)	2,000.00	1,500.00	6,000.00
Motel/Meals on road (21 meals @ \$11.00 each)	60.00	66.00	831.00
Jack Williams	193.00	186.00	230.00
Anne Worthington	193.00	186.00	230.00
Melvin Worthington	193.00	186.00	230.00
<b>Total</b>	<b>\$3,421.50</b>	<b>\$2,682.00</b>	<b>\$8,404.50</b>

<b>Lodging</b>			
Dari Goodfellow (9 nights @ \$137.50)	\$803.43	\$1,277.01	\$1,237.50
Melody Hood (10 nights @ \$137.50)	803.43	1,418.90	1,375.00
Steve Pate (8 nights @ \$137.50)	714.16	1,007.93	1,100.00
Cheri Ham (8 nights @ \$137.50)	803.43	1,277.01	1,100.00
Jack Williams	981.97	.00	.00
Melvin Worthington	981.97	.00	.00
<b>Total (Includes applicable tax and parking)</b>	<b>\$5,088.39</b>	<b>\$4,980.85</b>	<b>\$4,812.50</b>

<b>Convention Officials</b>			
Moderator - Carl Cheshier	\$1,216.00	\$2,252.94	\$3,080.00
Travel (3,000 miles @ \$.325 per mile)	97.50	620.00	975.00
(From Oklahoma City, OK to Anaheim, CA)			
Meals (30 meals @ \$11.00 each)	210.00	297.00	330.00
Lodging (10 nights @ \$137.50)	508.50	935.94	1,375.00
Honorarium	400.00	400.00	400.00



	1998	1999	2000
Clerk - Keith Burden	1,216.00	2,252.94	3,080.00
Travel (3,000 miles @ \$.325 per mile)	97.50	620.00	975.00
(From Tulsa, OK to Anaheim, CA)			
Meals (30 meals @ \$11.00 each)	210.00	297.00	330.00
Lodging (10 nights @ \$137.50)	508.50	935.94	1,375.00
Honorarium	400.00	400.00	400.00
Assistant Moderator - Tim York	789.96	1,133.94	1,193.50
Meals (21 meals @ \$11.00 each)	180.00	198.00	231.00
Lodging (7 nights @ \$137.50)	609.96	935.94	962.50
Assistant Clerk - John Hibbard	641.04	1,133.94	1,193.50
Meals (21 meals @ \$11.00 each)	180.00	198.00	231.00
Lodging (7 nights @ \$137.50)	461.04	935.94	962.50
Usher Coordinator - Raymond Lee	535.62	923.94	962.50
Lodging (7 nights @ \$137.50)			
Music Coordinator - Randy Sawyer	593.25	461.97	1,100.00
Lodging (8 nights @ \$137.50)			
Pianist - Jerry Carraway	609.96	923.94	687.50
Lodging (5 nights @ \$137.50)			
Organist - Jamie Patrick	508.30	769.95	1,100.00
Lodging (5 nights @ \$153.99)			
Registration Coordinator Lodging	624.89	1,077.93	.00
Press Officer - Larry Hampton	461.04	851.34	962.50
Lodging (7 nights @ \$137.50)			
Photographer - Eddie Payne	423.75	709.45	825.00
Lodging (6 nights @ \$137.50)			
<b>Total</b> (Includes applicable tax and parking)	\$7,619.81	\$12,492.28	\$14,184.50
<b>Honorariums</b>			
Garry Ritchie	\$150.00	John Maxwell	\$2,000.00
Loyd Locklear	150.00	Tim Thompson	150.00
Randy Wilson	150.00	Cliff Donoho	150.00
David Taylor	150.00	Danny Williams	150.00
Edwin Hayes	150.00	Kent Barwick	150.00
Eugene Waddell	150.00	Roger Hogan	150.00
George Lynn	150.00	Rob Morgan	150.00
J. L. Gore	150.00		
Thurmon Murphy	150.00		
<b>Total</b>	\$2,900.00	\$1,350.00	\$2,900.00

#### Decorator Services

Booths (81) Installation/Drape Tables/Exhibit Hall Rental	\$2,059.00	\$14,455.00	\$2,600.00
Stage	2,056.00	2,248.00	10,139.00
Skirting/Draping/Stage Set-Up/Carpet	974.00	1,600.00	8,539.00
Skirted Tables/Chairs	94.00	148.00	200.00
Carpet	667.00	.00	900.00
Hanging Banner	.00	500.00	500.00
Usher Room Rental	321.00	.00	.00
Exhibitor Badges	300.00	300.00	300.00
Convention Office (Two-way radio)	.00	1,344.00	1,334.00
Registration	1,761.00	3,800.00	2,730.00
Desks	175.00	1,920.00	500.00
Skirted Tables	390.00	880.00	800.00
Chairs	600.00	500.00	850.00
Electricity/Masking Drape	300.00	300.00	300.00
Easels/Trash Cans/Carpet	296.00	200.00	280.00
<b>Total</b>	\$6,176.00	\$22,147.00	\$17,103.00

	1998	1999	2000
<b>Meal Functions</b>			
Executive Committee	\$580.00	\$838.50	\$1,000.00
Coffee Breaks (2)	250.00	250.00	250.00
Luncheon (30 people @ \$25.00)	330.00	588.50	750.00
General Board Breakfast (55 people @ \$16.25)	536.25	882.75	893.75
State Leaders Breakfast (45 people @ \$16.25)	438.75	722.25	731.25
State Exec./Sec./Promo. Directors' Breakfast	243.75	401.25	406.25
(25 people @ \$16.25)			
Presidents' Breakfast (6 people @ \$16.25)	60.00	80.25	97.50
<b>Total</b>	\$1,858.75	\$2,925.00	\$3,128.75

#### Executive Committee

Meal And Motel Expenses (For the Executive Committee Meeting prior to the 2000 National Convention)

Gene Norris	\$300.00	Gene Norris	\$350.00	Gene Norris	\$350.00
Nathan Ruble	300.00	Nathan Ruble	350.00	Nathan Ruble	350.00
Jack Richey	300.00	Jack Richey	350.00	Jack Richey	350.00
Glen Johnson	300.00	Delmar Sparks	350.00	Delmar Sparks	350.00
David Joslin	300.00	David Joslin	350.00	David Joslin	350.00
Charles Thigpen	300.00	Charles Thigpen	350.00	Charles Thigpen	350.00
				J. L. Gore	350.00
				Millard Sasser	350.00
				Doice McAlister	350.00
<b>Total</b>	\$1,800.00	\$2,100.00	\$3,150.00		

#### Pre-Convention Expenses

Executive Committee			\$10,000.00
Nominating Committee			1,500.00
Pre-Convention Meetings/Site Inspections			14,000.00
Advance Convention Center Deposits			2,600.00
<b>Total</b>	\$15,000.00	\$18,000.00	\$28,100.00



**2001  
Contact Budget**

<b>Projected Expenses</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Printing	\$42,000.00	\$50,000.00	\$50,000.00
Postage	17,000.00	13,000.00	15,000.00
Art	1,500.00	2,000.00	1,500.00
Writers' Fees and Photos	4,000.00	4,000.00	4,000.00
Promotion	3,500.00	3,500.00	3,000.00
Computer Services/Supplies	3,500.00	3,500.00	3,500.00
Mail Services	6,000.00	5,000.00	5,000.00
Telephone	200.00	200.00	200.00
Office Supplies	3,600.00	3,000.00	3,000.00
Travel	2,500.00	2,000.00	3,000.00
Books/Dues/Registrations/Bound Copies	1,000.00	2,000.00	2,500.00
Audit	1,000.00	1,000.00	1,000.00
Other	1,200.00	1,200.00	1,205.00
Convention Truck	.00	.00	200.00
<b>Total Expenses</b>	<b>\$87,000.00</b>	<b>\$90,400.00</b>	<b>\$93,105.00</b>
<b>Projected Income</b>			
Convention coverage	\$12,000.00	\$13,000.00	\$15,000.00*
Subscriptions	75,000.00	77,400.00	78,105.00**
<b>Total Income</b>	<b>\$87,000.00</b>	<b>\$90,400.00</b>	<b>\$93,105.00</b>

\*Three issues

\*\*Based on 5,207 subscriptions @ \$15.00 per year

**2000  
Gift Goals for Executive Office**

<b>States</b>	<b>Membership</b>	<b>Gift Goals</b>
Alabama	17,447	\$ 31,606.11
Arizona	310	561.58
Arkansas	19,657	35,609.64
California	3,244	5,876.67
Canada	263	476.44
Colorado	159	288.04
Florida	5,846	10,590.32
Georgia	9,429	17,081.11
Hawaii	54	97.82
Idaho	268	485.50
Illinois	3,334	6,039.71
Indiana	975	1,766.26
Kansas	131	237.31
Kentucky	16,994	30,785.48
Louisiana	65	117.75
Maryland	1,935	3,505.35
Mexico	0	.00
Michigan	3,536	6,405.64
Mississippi	3,391	6,142.97
Missouri	15,299	27,714.90
Montana	14	25.36
New Jersey	0	.00
New Mexico	72	130.43
North Carolina	20,411	36,975.55
Northeast Assoc.	150	271.73
Northwest Assoc.	328	594.19
Ohio	10,058	18,220.57
Oklahoma	24,048	43,564.16
Puerto Rico	20	36.23
South Carolina	8,793	15,928.96
South Dakota	0	.00
Tennessee	22,726	41,169.29
Texas	2,053	3,719.11
Virgin Islands	200	362.31
Virginia	4,793	8,682.76
West Virginia	9,304	16,854.66
Wisconsin	42	76.09
<b>Totals</b>	<b>205,349</b>	<b>\$372,000.00</b>
<b>Gift Goals Per Person</b>		<b>\$1.81</b>



**1999 The Together Way Plan Gifts/Executive Office  
Cooperative**

	January	February	March	April	May	June	July	August	September	October	November	December	Year To Date Totals
Alabama	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00
Arizona	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Arkansas	6,007.73	7,972.32	4,875.80	6,086.22	9,716.99	5,552.03	6,590.41	8,361.83	4,657.91	3,947.57	11,321.80	7,302.07	96.48
California	649.98	386.63	623.24	468.86	485.57	310.01	553.42	570.66	563.43	475.46	352.23	561.27	82,392.68
Canada	6.90	5.33	5.22	4.72	5.23	5.94	4.95	4.55	6.42	5.17	11.34	5.75	6,000.76
Florida	.00	.00	2,700.00	.00	.00	.00	2,700.00	.00	.00	.00	.00	.00	71.52
Georgia	1,140.91	739.40	695.32	824.81	655.78	920.50	726.15	659.44	813.51	876.87	818.67	870.15	6,270.15
Illinois	905.97	923.08	902.28	737.43	969.97	1,025.04	985.73	779.70	1,181.35	912.32	850.32	590.86	9,462.22
Indiana	93.02	.00	358.52	42.13	51.03	37.26	139.46	124.71	53.76	233.78	61.60	45.98	10,957.05
Iowa	285.12	.00	253.80	.00	244.89	.00	.00	262.28	.00	.00	.00	.00	1,241.25
Kansas	366.25	294.01	307.46	33.16	257.85	14.10	.00	.00	.00	.00	.00	235.58	1,281.67
Kentucky	.00	.00	.00	199.36	.00	223.55	188.64	175.26	232.29	228.45	157.68	40.26	1,540.7
Louisiana	2,702.89	.00	59.06	910.25	.00	261.46	59.06	.00	.00	.00	.00	180.81	2,811.61
Maryland	1,028.12	1,689.63	54.00	2,235.42	920.86	856.61	3,662.22	529.94	476.25	228.22	.00	59.06	4,339.06
Michigan	.00	105.75	288.52	440.31	225.25	.00	.00	630.76	101.01	218.04	3,083.85	693.72	15,448.66
Mississippi	6,251.93	4,681.47	5,349.41	5,691.45	4,852.76	5,716.03	6,141.77	4,892.46	6,575.06	5,400.39	6,793.06	4,527.71	2,783.94
Missouri	14.12	14.32	8.53	36.18	12.67	.00	25.55	20.15	11.35	27.73	13.01	19.40	66,873.50
New Mexico	3,571.70	727.13	225.00	170.42	491.47	645.60	627.66	1,424.17	600.56	834.28	627.52	667.01	203.01
North Carolina	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	10,612.52
Northwest Assoc.	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Ohio	1,825.01	1,215.35	1,320.60	1,343.65	1,129.15	1,395.06	1,495.27	1,950.71	887.00	1,561.12	1,635.78	.00	.00
Oklahoma	4,755.90	3,841.98	6,455.35	3,668.22	.00	9,628.97	3,779.21	4,377.27	4,597.38	5,219.15	4,708.96	.00	15,758.70
South Carolina	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	56,453.33
Tennessee	475.43	353.93	694.13	734.36	582.39	551.72	2,335.81	1,000.21	519.49	720.64	475.81	388.77	8,832.69
Texas	34.01	124.99	244.30	378.08	.00	112.26	97.03	138.50	113.68	122.53	.00	216.54	1,581.92
Virginia	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	27.00
West Virginia	.00	118.63	.00	18.51	52.49	28.05	.00	165.05	16.46	.00	70.95	67.10	537.24
<b>Totals</b>	\$30,162.27	\$23,193.95	\$25,536.29	\$24,023.54	\$20,654.35	\$27,284.19	\$30,112.34	\$26,067.65	\$21,465.97	\$21,557.08	\$31,456.56	\$22,694.84	\$304,209.03

**1999 The Together Way Plan Gifts/Executive Office  
Designated**

	January	February	March	April	May	June	July	August	September	October	November	December	Year To Date Totals
Alabama	\$ 150.50	\$ 465.67	\$ 132.89	\$ 173.06	\$ 207.71	\$ 132.42	\$ 174.10	\$ 158.98	\$ 104.16	\$ 142.20	\$ 146.41	\$ 109.98	\$ 2,098.08
Arizona	.00	.00	106.60	.00	.00	.00	.00	.00	.00	.00	.00	.00	106.60
Arkansas	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
California	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Canada	4.81	4.86	4.80	4.91	5.08	4.97	4.99	4.89	4.94	5.01	10.03	5.05	64.34
Florida	98.93	26.26	120.00	.00	.00	80.20	.00	.00	97.20	.00	.00	121.52	517.85
Georgia	26.45	26.26	25.03	23.23	24.50	32.80	24.08	25.94	33.68	24.40	33.99	28.24	378.60
Illinois	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Indiana	.00	.00	.00	.00	.00	.00	.00	.00	.00	98.10	.00	.00	98.10
Iowa	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Kansas	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Kentucky	100.00	.00	50.00	.00	50.00	100.00	50.00	.00	.00	100.00	.00	.00	600.00
Louisiana	.00	.00	.00	140.00	.00	10.00	20.00	10.00	.00	.00	.00	.00	180.00
Maryland	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Michigan	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Mississippi	.00	25.00	180.00	50.00	25.00	.00	.00	256.50	.00	50.00	25.00	.00	611.50
Missouri	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
New Mexico	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
North Carolina	539.13	135.85	326.89	291.44	127.78	252.85	274.73	110.00	412.78	494.53	128.02	181.29	3,275.29
Northwest Assoc.	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Ohio	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Oklaoma	35.00	10.00	35.00	10.00	10.00	35.00	10.00	25.00	20.00	10.00	10.00	.00	210.00
South Carolina	200.53	515.02	274.46	439.56	334.67	425.85	123.00	533.35	.00	548.62	.00	25.00	300.00
Tennessee	772.94	751.41	300.97	731.59	291.17	1,606.37	461.56	1,230.23	532.86	881.76	792.60	1,109.13	4,504.19
Texas	25.82	34.21	30.67	142.36	.00	54.04	23.98	25.13	104.37	20.78	.00	122.26	8,996.07
Virginia	119.32	50.52	39.95	77.53	.00	75.64	31.38	40.06	.00	30.97	75.88	33.10	583.62
West Virginia	32.60	32.60	32.60	32.60	32.60	32.60	32.60	32.60	38.33	38.33	38.33	38.33	574.35
<b>Totals</b>	\$2,131.03	\$2,076.40	\$1,684.86	\$2,141.28	\$1,108.51	\$2,892.74	\$1,230.42	\$2,502.68	\$1,348.32	\$2,494.70	\$1,385.26	\$2,466.51	\$23,462.71



## The Together Way Gift Goals — 2000

States	Membership	Executive Office	Foreign Missions	FWBCC	Home Missions	Retirement & Insurance	Master's Men	FWB Foundation	Theological Integrity	Historical Commission	Music Commission	Media Commission	WNAC	MYC	Totals	%
2000 Budgets	\$372,000.00	\$372,000.00	\$6,177,485.00	\$1,200,000.00	\$4,100,000.00	\$382,134.00	\$270,842.00	\$132,200.00	\$2,800.00	\$4,800.00	\$45,850.00	\$2,100.00	\$240,561.00	\$85,000.00	\$12,965,972.00	100.00%
Alabama	17,447	31,606.11	524,872.63	101,955.21	348,346.96	32,467.13	18,163.33	11,232.07	237.90	407.82	3,895.54	178.42	20,338.71	7,221.83	1,101,623.66	8.50%
Arizona	310	561.58	9,325.99	1,811.55	6,189.46	576.88	333.39	199.57	4.23	7.25	69.22	3.17	363.16	178.32	19,573.77	1.5%
Arkansas	19,657	35,609.64	591,357.90	114,869.79	392,471.84	36,579.72	21,140.06	12,654.82	268.03	459.48	4,388.98	201.02	23,027.66	8,136.61	1,241,165.55	9.57%
California	3,244	5,976.67	97,591.95	18,957.00	64,787.73	6,036.76	3,488.76	2,068.43	44.23	75.83	724.32	33.17	3,800.26	1,342.80	204,829.90	1.58%
Colorado	263	476.44	7,912.05	1,536.90	5,251.06	489.42	282.84	169.31	3.59	6.15	58.72	2.69	308.10	108.86	16,606.13	0.13%
Florida	159	288.04	4,783.33	929.15	3,174.60	295.88	171.00	102.36	2.17	3.72	35.50	1.63	186.26	65.81	10,039.45	0.08%
Georgia	5,846	10,590.32	175,870.09	34,162.33	116,721.29	10,878.82	6,287.06	3,763.55	79.71	136.65	1,305.29	59.78	6,848.44	2,419.83	389,123.16	2.85%
Idaho	9,429	17,081.11	283,660.45	55,100.34	188,259.50	17,546.43	10,140.39	6,070.22	128.57	220.40	2,105.29	96.43	11,045.83	3,902.94	595,357.90	4.59%
Hawaii	54	97.82	1,624.53	315.56	1,078.16	100.49	58.07	34.76	74	1.26	12.06	5.5	63.26	22.35	3,409.61	0.03%
Illinois	268	485.50	8,062.47	1,566.11	5,350.89	498.72	288.22	175.53	3.65	6.26	59.84	2.74	313.96	110.93	16,921.82	0.13%
Indiana	3,334	6,039.71	100,299.50	19,482.93	66,566.67	6,204.24	3,585.54	2,146.37	45.46	77.93	744.41	34.10	3,905.69	1,380.04	210,512.59	1.62%
Iowa	975	1,766.26	29,331.74	5,897.62	19,466.86	1,814.38	1,048.56	627.69	13.29	22.79	217.70	9.97	1,142.19	403.58	61,562.63	0.47%
Kansas	131	237.31	3,940.98	765.53	2,615.55	245.78	140.88	84.34	1.79	3.06	29.25	1.34	153.46	54.22	8,271.49	0.06%
Kentucky	16,994	30,785.48	511,244.66	99,308.01	339,302.36	31,624.14	18,276.15	10,940.43	231.72	397.23	3,794.39	173.79	19,908.03	7,034.32	1,073,020.71	8.28%
Louisiana	65	117.75	1,955.45	379.84	1,297.79	120.96	69.90	41.85	89	1.52	14.51	66	76.15	26.91	4,104.18	0.03%
Maryland	1,935	3,505.35	58,212.22	11,307.58	38,634.23	3,600.84	2,080.99	1,245.72	26.38	45.23	432.01	19.79	2,266.80	800.95	122,178.09	0.94%
Massachusetts	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Michigan	3,536	6,405.64	106,376.43	20,463.36	70,599.81	6,580.14	3,802.78	2,276.41	48.21	82.65	789.51	36.16	4,142.33	1,463.65	223,267.08	1.72%
Minnesota	3,391	6,142.97	102,014.28	19,816.02	67,704.74	6,310.31	3,646.84	2,183.06	46.24	79.26	757.14	34.68	3,972.47	1,403.63	214,111.44	1.65%
Mississippi	15,299	27,714.90	440,252.56	89,402.92	305,459.98	28,449.91	16,453.27	9,849.22	208.61	357.61	3,415.94	156.46	17,972.38	6,332.71	965,986.47	7.45%
Montana	14	25.36	421.17	81.81	279.52	26.05	15.06	9.01	19	33	3.13	14	16.40	5.80	883.97	0.01%
New Jersey	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
New Mexico	72	130.43	2,166.04	420.75	1,437.55	133.98	77.43	46.35	98	1.68	16.08	74	84.35	29.80	4,546.16	0.04%
North Carolina	20,411	36,975.55	614,041.11	119,275.96	407,526.21	37,982.83	21,950.96	13,140.24	278.31	477.10	4,557.34	208.73	23,910.95	8,448.71	1,288,774.00	9.94%
Northwest Assoc.	150	271.73	4,512.57	876.56	2,994.90	279.14	161.32	96.57	2.05	3.51	33.49	1.53	175.72	62.09	9,471.18	0.07%
Ohio	328	594.19	9,867.50	1,916.74	6,548.85	610.38	352.75	211.16	4.47	7.67	73.74	3.35	384.24	135.77	20,710.31	0.16%
Oklahoma	10,058	18,220.57	302,583.19	58,776.03	200,818.12	18,716.93	10,816.85	6,475.16	137.14	235.10	2,465.73	102.86	11,787.68	4,163.30	635,073.66	4.99%
Puerto Rico	24,048	43,564.16	773,456.01	140,529.54	480,147.59	44,750.92	25,842.35	15,481.67	327.90	562.12	5,369.40	245.93	28,171.61	9,954.18	1,518,418.38	11.71%
South Carolina	20	34.23	601.68	116.87	399.32	37.22	21.51	12.88	27	47	4.47	20	23.43	8.28	1,262.83	0.01%
South Dakota	8,793	15,928.96	244,527.14	51,383.74	175,561.12	16,362.90	9,456.41	5,640.78	119.90	205.53	1,963.29	89.92	10,300.77	3,639.68	555,200.14	4.28%
Tennessee	22,726	41,167.29	683,685.19	132,804.15	453,747.52	42,290.82	24,440.61	14,630.59	309.88	531.22	5,074.23	232.41	26,627.92	9,406.96	1,434,945.79	11.07%
Texas	2,053	3,719.11	61,742.11	11,997.14	40,990.22	3,820.43	2,207.89	1,321.68	27.99	47.99	459.39	20.99	2,405.04	849.80	129,628.78	1.00%
Virgin Islands	200	362.31	6,016.77	1,168.74	3,993.20	372.18	215.09	128.76	2.73	4.67	44.66	2.05	234.29	82.79	12,628.24	0.10%
Virginia	4,793	8,682.76	144,191.81	28,008.90	95,697.08	8,919.29	5,154.62	3,085.65	65.35	112.04	1,070.17	49.02	5,614.87	1,983.96	302,635.52	2.33%
West Virginia	9,304	16,854.66	279,899.98	54,369.88	185,763.75	17,313.82	10,005.96	5,989.75	126.86	217.48	2,077.38	95.15	10,899.39	3,851.20	587,465.26	4.53%
Wisconsin	42	76.09	1,263.52	245.44	838.52	78.16	45.17	27.04	52	99	9.38	43	49.20	17.39	2,651.95	0.02%
Totals	205,349	\$372,000.00	\$6,177,485.00	\$1,200,000.00	\$4,100,000.00	\$382,134.00	\$270,842.00	\$132,200.00	\$2,800.00	\$4,800.00	\$45,850.00	\$2,100.00	\$240,561.00	\$85,000.00	\$12,965,972.00	100.00%

## The Together Way Gift Goals — 1999

States	Membership	Executive Office	Foreign Missions	FWBCC	Home Missions	Retirement & Insurance	Master's Men	FWB Foundation	Theological Integrity	Historical Commission	Music Commission	Media Commission	WNAC	MYC	Totals	%
1999 Budgets		\$379,000.00	\$5,565,821.00	\$1,200,000.00	\$3,500,000.00	\$361,014.00	\$150,150.00	\$119,325.00	\$2,800.00	\$4,375.00	\$7,100.00	\$18,675.00	\$238,375.00	\$50,000.00	\$11,596,635.00	100.00%
Alabama	18,479	33,277.14	488,692.95	105,342.99	307,308.72	31,697.93	13,183.54	10,477.03	245.85	384.14	623.40	1,639.71	20,929.92	4,390.12	1,018,213.44	8.78%
Arizona	247	444.80	6,532.13	1,408.34	4,107.65	423.69	176.22	140.04	3.29	5.13	8.33	21.92	279.76	58.68	13,609.98	0.12%
Arkansas	19,701	35,477.73	521,009.78	112,330.55	327,630.77	33,794.08	14,055.36	11,169.87	262.10	409.54	664.62	1,748.14	22,314.00	4,680.44	1,085,546.98	9.36%
California	3,209	5,778.80	84,864.75	18,296.98	53,366.18	5,504.55	2,899.41	1,819.41	42.69	66.71	108.26	284.75	3,634.62	762.37	176,819.48	1.52%
Colorado	259	466.41	6,849.48	1,476.76	4,442.28	444.28	184.78	146.85	3.45	5.38	8.74	22.98	293.35	61.53	14,271.20	0.12%
Florida	143	257.52	3,781.76	815.35	2,378.11	245.29	102.02	81.08	1.90	2.97	4.82	12.69	161.97	33.97	7,879.45	0.07%
Georgia	5,730	10,318.63	151,534.75	32,671.14	95,290.81	9,028.95	4,087.98	3,248.74	76.23	119.11	193.30	508.44	6,489.99	1,361.30	315,729.37	2.72%
Hawaii	9,906	17,838.81	261,972.64	56,481.72	164,738.36	16,992.24	7,067.28	5,616.40	131.79	205.92	334.18	879.00	11,219.86	2,353.41	545,831.61	4.71%
Idaho	40	72.03	1,057.83	228.07	665.21	68.61	28.54	22.68	53	83	1.35	3.55	45.31	9.50	2,204.04	0.02%
Illinois	256	461.01	6,770.14	1,459.65	4,257.32	439.13	182.64	145.14	3.41	5.32	8.64	22.72	289.95	60.82	14,105.89	0.12%
Indiana	3,606	6,493.72	95,363.75	20,560.58	59,968.36	6,185.55	2,572.64	2,044.49	47.97	74.96	121.65	319.97	4,084.27	856.69	198,694.60	1.71%
Iowa	1,697	3,055.97	44,878.62	9,675.90	28,221.38	2,910.95	1,210.70	962.15	22.58	35.28	57.25	150.58	1,922.08	403.16	93,506.60	0.81%
Kansas	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Kentucky	135	243.11	3,570.19	769.74	2,245.07	231.57	96.31	76.54	1.80	2.81	4.55	11.98	152.91	32.07	7,438.65	0.06%
Louisiana	16,648	29,979.86	440,270.59	94,923.05	276,858.90	28,557.12	11,877.25	9,438.91	221.49	346.07	561.63	1,477.24	18,856.07	3,955.13	917,323.31	7.91%
Maryland	106	190.89	2,803.26	604.39	1,762.80	181.83	75.62	40.10	1.41	2.20	3.58	9.41	120.06	25.18	5,840.73	0.05%
Massachusetts	1,768	3,183.83	46,756.27	10,080.73	29,402.12	3,032.74	1,261.35	1,002.40	23.52	36.75	59.64	156.88	2,002.49	420.03	97,418.75	0.84%
Mexico	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Michigan	3,544	6,382.07	93,724.11	20,207.07	58,937.29	6,079.20	2,528.41	2,009.34	47.15	73.67	119.56	314.47	4,014.05	841.96	195,278.35	1.68%
Minnesota	3,934	7,084.38	104,037.99	22,430.76	65,423.05	6,148.18	2,806.65	2,230.46	52.94	81.78	132.72	349.08	4,455.78	934.61	216,767.78	1.87%
Mississippi	14,813	26,675.38	391,742.44	84,460.30	246,342.55	25,409.46	10,568.10	8,998.52	197.07	307.93	499.72	1,314.41	16,777.69	3,519.18	816,212.75	7.04%
Montana	10	18.01	264.46	57.02	166.30	17.15	7.13	5.67	13	21	34	89	11.33	2.38	551.02	0.00%
Nebraska	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
New Jersey	110	198.09	2,909.04	627.19	1,879.32	188.69	78.48	62.37	1.46	2.29	3.71	9.76	124.59	26.13	6,061.12	0.05%
New Mexico	84	151.27	2,221.45	478.95	1,396.93	144.09	59.93	47.63	1.12	1.75	2.83	7.45	95.14	19.96	4,288.50	0.04%
North Carolina	23,341	42,932.68	617,272.69	133,084.99	388,164.55	40,037.95	16,652.26	13,233.64	310.53	485.21	787.42	2,071.14	26,436.78	5,545.21	1,286,115.05	11.09%
Northwest Assoc.	238	428.59	6,294.11	1,357.02	4,285.99	408.25	169.80	134.94	3.17	4.95	8.07	21.10	269.57	56.54	13,114.07	0.11%
Northwest Assoc.	328	590.67	8,674.24	1,870.18	5,454.69	562.63	234.01	185.97	4.36	6.95	11.03	29.12	371.50	77.92	18,073.16	0.16%
Ohio	10,194	18,357.44	269,589.04	58,123.83	169,527.85	17,486.26	7,272.74	5,779.69	135.62	211.91	343.90	904.55	11,546.06	2,421.83	561,700.72	4.84%
Oklahoma	23,369	42,083.09	618,013.16	133,244.64	388,630.21	40,086.01	16,672.22	13,249.49	310.93	485.78	788.37	2,073.62	26,468.46	5,551.88	1,287,657.86	11.10%
Pennsylvania	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Puerto Rico	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
South Carolina	8,987	16,183.87	237,668.90	51,241.80	149,455.24	15,415.84	6,411.63	5,095.36	119.56	186.82	303.18	797.45	10,178.97	2,135.07	495,193.69	4.27%
South Dakota	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Tennessee	19,461	35,045.54	514,662.78	110,962.13	323,639.53	33,382.40	13,884.14	11,033.80	258.91	404.55	656.53	1,726.85	22,042.16	4,623.42	1,072,322.74	9.25%
Texas	2,590	4,664.09	68,494.76	14,767.58	43,072.11	4,442.75	1,947.79	1,468.45	34.46	53.84	87.37	229.82	2,933.52	615.32	142,711.86	1.23%
Virgin Islands	201	361.96	5,315.62	1,146.06	3,342.66	344.79	143.40	113.96	2.67	4.18	6.78	17.84	227.66	47.75	11,075.33	0.10%
Virginia	5,779	10,406.87	152,830.59	32,950.52	96,105.69	9,913.63	4,122.93	3,276.52	76.88	120.13	194.96	512.79	6,545.48	1,374.94	318,429.10	2.75%
West Virginia	11,223	20,750.72	304,735.58	65,701.48	191,629.33	19,765.96	8,220.90	6,533.19	153.30	239.54	388.73	1,022.48	13,051.33	2,737.56	634,920.10	5.48%
Wisconsin	25	45.02	661.15	142.54	415.75	42.88	17.84	14.17	33	52	84	2.22	28.32	5.94	1,377.52	0.01%
Totals	210,461	\$379,000.00	\$5,565,821.00	\$1,200,000.00	\$3,500,000.00	\$361,014.00	\$150,150.00	\$119,325.00	\$2,800.00	\$4,375.00	\$7,100.00	\$18,675.00	\$238,375.00	\$50,000.00	\$11,596,635.00	100.00%
Gift Goods Per Person		1.80	26.45	5.70	16.63	1.72	.71	.57	.01	.02	.03	.09	1.13	.24	55.10	



[illegible]

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

## Financial Statements

December 31, 1999 and 1998

(With Independent Auditors' Report Thereon)

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

## Table of Contents

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





Hill, Harper & Associates  
Certified Public Accountants

### Independent Auditors' Report

Terry A. Hill  
Ernest R. Harper

**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 Building Services Fund of the National Association of Free Will Baptists, Inc. as of December 31, 1999 and 1998, 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 provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Building Services Fund of the National Association of Free Will Baptists, Inc. as of December 31, 1999 and 1998, and its changes in net assets and cash flows for the years then ended in conformity with generally accepted accounting principles.

*Hill, Harper & Associates*

May 3, 2000

### BUILDING SERVICES FUND OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC. Statements of Financial Position

	<u>1999</u>	<u>1998</u>
<b>Assets</b>		
Cash and interest bearing deposits	\$ 25,000	617
Accounts receivable	10,596	120,954
Prepaid expenses	2,168	1,623
Property and equipment:		
Land and land improvements	209,671	209,671
Building	1,309,865	1,309,865
Building services equipment	70,140	69,441
Departmental workstations	64,135	64,135
Departmental van	13,769	13,769
	<u>1,667,580</u>	<u>1,666,881</u>
Less accumulated depreciation	584,461	507,230
Net property and equipment	<u>1,083,119</u>	<u>1,159,651</u>
Loan costs, net of amortization	0	2,889
	<u>\$ 1,120,883</u>	<u>1,285,734</u>
<b>Liabilities and Net Assets</b>		
Notes payable and long-term debt	\$ 68,251	229,619
Accounts payable and accrued expenses	228	5,971
Total liabilities	<u>68,479</u>	<u>235,590</u>
Net assets:		
Operations	37,536	117,223
Net investment in property, plant and equipment	<u>1,014,868</u>	<u>932,921</u>
Total net assets	<u>1,052,404</u>	<u>1,050,144</u>
	<u>\$ 1,120,883</u>	<u>1,285,734</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, 1999 and 1998**

1998	<u>Unrestricted Funds</u>			1999	
	Operations	Departments	Capital Stewardship	Totals	Totals
<b>Revenues:</b>					
<b>Totals</b>					
Building rental and other revenues	\$ 243,948	0	0	243,948	243,948
Sale of property: (note 3)					
Interest income	0	0	0	0	0
Gain recognized	0	0	0	0	0
Contributions, net of campaign expenses	0	0	6,881	6,881	11,430
Reimbursement from departments	0	326,471	0	326,471	334,055
Other	1,492	0	0	1,492	4,924
Recovery of doubtful accounts	0	0	0	0	97,500
Net assets released from restrictions and departmental reimbursements	333,352	(326,471)	(6,881)	0	0
<b>Net revenues</b>	<b>578,792</b>	<b>0</b>	<b>0</b>	<b>578,792</b>	<b>691,857</b>
<b>Expenses:</b>					
<b>Expenses incurred for departments:</b>					
Employee benefits	173,499	0	0	173,499	181,269
The Together Way Plan	11,940	0	0	11,940	23,855
Leadership Conference	21,206	0	0	21,206	23,397
Property and liability insurance	22,827	0	0	22,827	32,449
Telephone	19,530	0	0	19,530	16,427
Mailroom and other	58,863	0	0	58,863	68,552
Interest expense - telephone	3,246	0	0	3,246	1,392
	311,111	0	0	311,111	347,341
<b>Building operating expenses:</b>					
Salaries	48,651	0	0	48,651	37,010
Payroll taxes	3,453	0	0	3,453	2,831
Employee benefits	13,240	0	0	13,240	12,544
Janitorial services	25,546	0	0	25,546	24,139
Depreciation	77,231	0	0	77,231	73,100
Amortization of loan costs	2,889	0	0	2,889	325
Audit and legal	5,087	0	0	5,087	5,853
General insurance	14,731	0	0	14,731	12,210
Interest expense	6,838	0	0	6,838	18,092
Supplies and office expense	7,133	0	0	7,133	5,973
Utilities / telephone	23,269	0	0	23,269	25,313
Repairs and maintenance	21,472	0	0	21,472	16,623
Mailroom and other	15,881	0	0	15,881	11,226
	265,421	0	0	265,421	245,239
<b>Total expenses</b>	<b>576,532</b>	<b>0</b>	<b>0</b>	<b>576,532</b>	<b>592,580</b>
<b>Increase in net assets</b>	<b>2,260</b>	<b>0</b>	<b>0</b>	<b>2,260</b>	<b>99,277</b>
<b>Net assets at beginning of year</b>	<b>1,050,144</b>	<b>0</b>	<b>0</b>	<b>1,050,144</b>	<b>950,867</b>
<b>Net assets at end of year</b>	<b>\$ 1,052,404</b>	<b>0</b>	<b>0</b>	<b>1,052,404</b>	<b>1,050,144</b>

See accompanying notes to financial statements.

**BUILDING SERVICES FUND OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
Statements of Cash Flows  
Years ended December 31, 1999 and 1998**

	<u>1999</u>	<u>1998</u>
<b>Cash Flows from Operating Activities</b>		
Net increase in net assets	\$ 2,260	99,277
Adjustments to reconcile net increase in net assets to net cash provided (used) by operating activities :		
Depreciation and amortization	77,231	73,100
Amortization of loan costs	2,889	325
Recovery of doubtful accounts	0	(97,500)
(Increase) decrease in:		
Receivables	110,358	5,172
Prepaid expenses	(545)	0
Increase (decrease) in:		
Accounts payable and accruals	(5,743)	3,310
Rents collected in advance	0	(6,114)
<b>Net operating activities</b>	<b>186,450</b>	<b>77,570</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of equipment	(699)	(52,770)
<b>Net investing activities</b>	<b>(699)</b>	<b>(52,770)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from debt related to telephone system	0	44,003
Repayment of debt	(161,368)	(96,553)
<b>Net financing activities</b>	<b>(161,368)</b>	<b>(52,550)</b>
<b>Net increase (decrease) in cash</b>	<b>24,383</b>	<b>(27,750)</b>
<b>Cash and cash equivalents, at beginning of year</b>	<b>617</b>	<b>28,367</b>
<b>Cash and cash equivalents, at end of year</b>	<b>\$ 25,000</b>	<b>617</b>
<b>Supplemental disclosures:</b>		
Interest paid	\$ 10,084	20,230

See accompanying notes to financial statements.



**BUILDING SERVICES FUND OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
Notes to Financial Statements  
December 31, 1999 and 1998**

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.

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. 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.

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

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

**Compensated Absences**

Employees of the Fund are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Fund's policy is to recognize the cost of compensated absences when actually paid to employees.

**(2) Notes Payable and Long-term Debt**

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

	<u>1999</u>	<u>1998</u>
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, and by the furniture held by the various departments within the National Office Facility. This mortgage requires minimum monthly payments of \$11,970 including principal and interest, with final payment scheduled for June 2000. The Fund makes additional principal payments as cash flow permits. Further, the note provides for revision of the interest rate annually.	\$ 34,225	188,006
8.5% installment note to the Free Will Baptist Foundation secured by telephone system. This installment obligation requires monthly payments of \$903 including principal and interest, with final payment scheduled for August 2003.	34,026	41,613
	68,251	229,619
Less scheduled current maturities of notes payable, long-term debt	42,483	135,563
Long-term portion	<u>\$ 25,768</u>	<u>94,056</u>

The following is a schedule, by years, of maturities of long term debt as of December 31, 1999.

	<u>Long-Term Debt</u>
2000	\$ 42,483
2001	8,988
2002	9,781
2003	6,999
Total maturities of notes payable and long-term debt	<u>\$ 68,251</u>



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

**(3) 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 \$2,358 in 1999 and \$1,591 in 1998. 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.

**(4) Accounts Receivable and Allowance for Master's Men Outstanding Balance**

In prior years an allowance for doubtful collection of amounts owed by the Master's Men was recorded in the financial statements for services provided, such as monthly rent, insurance and other costs of operations. In April of 1999 Master's Men paid their obligation to the Fund in full, accordingly the remaining allowance has been reversed as of December 31, 1998 and taken into revenues. No additional allowance for potential uncollectible accounts is considered necessary.

**(5) Presentation of Financial Statements**

Certain amounts as reported in the 1998 financial statements have been reclassified to conform to current year presentation.

**2001  
Projected  
Building Services Budget**

	1999	2000	2001
<b>PROJECTED INCOME</b>			
Square Footage (20,329 @ \$1.00 = \$20,329.00 mo.)	\$243,948.00	\$243,948.00	\$243,948.00
<b>Total Income</b>	<u>\$243,948.00</u>	<u>\$243,948.00</u>	<u>\$243,948.00</u>
<b>PROJECTED EXPENSES</b>			
Audit & Legal	\$6,000.00	\$10,000.00	\$10,000.00
General Supplies	3,500.00	3,500.00	5,000.00
Insurance (Plant)	13,000.00	18,000.00	18,000.00
Janitorial Services	21,000.00	25,000.00	30,000.00
Janitorial Supplies	2,500.00	2,500.00	2,500.00
Mail Room	6,500.00	6,500.00	12,000.00
Mail Truck	3,500.00	3,000.00	3,000.00
Maintenance (General/Emergency)	15,000.00	30,000.00	37,086.01
Payroll Taxes (Employer's S.S.)	3,066.55	3,813.25	4,395.15
Postage Meter/UPS	1,000.00	1,000.00	1,500.00
Retirement	1,654.85	1,946.94	2,305.43
Salaries	40,085.70	49,846.36	57,452.97
Telephone	4,500.00	4,500.00	4,500.00
Utilities	25,000.00	28,797.27	29,000.00
Home Missions' Note Payable		36,963.92	.00
Principal & Interest Payments			.00
Principal	70,549.97	34,225.85	.00
Interest (8.0%)	15,923.78	2,738.07	.00
Insurance (Employee)	11,167.15	11,259.55	12,745.88
Network Expense	.00	4,000.00	10,000.00
Christmas Bonus/Extra Week's Salary	.00	900.00	1,104.86
Other	.00	2,420.71	3,357.70
<b>Total Expenses</b>	<u>\$243,948.00</u>	<u>\$243,948.00</u>	<u>\$243,948.00</u>



## BUILDING SERVICES SALARY BREAKDOWN

	1999	2000	2001
<b>Maintenance Superintendent</b>			
Salary	\$22,803.12 (4%)	\$23,715.24 (4%)	\$24,663.85 (4%)
Social Security	1,744.44 (7.65%)	1,814.22 (7.65%)	1,886.78 (7.65%)
Insurance	7,971.74	7,971.74	9,097.36
Dental	586.22	586.22	626.87
Health	7,024.32	7,024.32	8,109.29
Life/Disability	361.20	361.20	361.20
Retirement	1,140.16 (5%)	1,185.76 (5%)	1,233.19 (5%)
	\$33,659.46	\$34,686.96	\$36,881.18
<b>Receptionist</b>			
	40%		
Salary	\$10,293.78 (4%)	\$15,223.60 (4%)	\$21,444.80 (4%)
Social Security	787.47 (7.65%)	1,164.61 (7.65%)	1,640.53 (7.65%)
Insurance	3,195.41	3,287.81	3,648.52
Dental	234.53	222.42	238.00
Health	2,809.73	2,777.28	3,116.12
Life/Disability	151.15	288.11	294.40
Retirement	514.69 (5%)	761.18 (5%)	1,072.24 (5%)
	\$14,791.35	\$20,437.20	\$27,806.09
<b>Receptionist</b>			
Salary (52 days)	\$0.00 (4%/8.40 hr.)	\$3,635.84 (4%/8.74 hr.)	3,781.44 (4%/9.09 hr.)
Social Security	.00 (7.65%)	.00 (7.65%)	289.28
	\$0.00	\$3,913.98	\$4,070.72
<b>Part-time Worker</b>			
Salary (104 days)	\$6,988.80 (4%/8.40 hr.)	\$7,271.68 (4%/8.74 hr.)	\$7,562.88 (4%/9.09 hr.)
Social Security	534.64 (7.65%)	556.28 (7.65%)	578.56 (7.65%)
	\$7,523.44	\$7,827.96	\$8,141.44

## Master's Men Report

Jesus challenges us to open our eyes to the fields and see the opportunities of harvest (John 4:35). That is especially true when the need of winning men to the Lord is considered. In America there are approximately 94 million males age 18 and older. Of that number only about 26 million attend a church service on a typical weekend. Research also indicates that only about 27 million men read some portion of the Bible each week. The other 67 million do not open God's word even though 80% of them own at least one Bible. Only 30 million of those men profess to be born again Christians. That leaves 60 million plus American men who need to be reached with the gospel of Jesus Christ.

Many believe that a tremendous revival has taken place in the decade of the 90's among American men. Data gathered by the Barna Research Group tells a different story. Since 1991 their surveys indicate that church attendance, Bible reading, Sunday School attendance, volunteering at church, and giving to the church has all decreased among men. Though some men individually have made significant progress in their spiritual growth, current trends demonstrate that the majority is in spiritual decline.

Perhaps one of the greatest challenges of the twenty-first century church will be effectively reaching out to and winning American men to Jesus. Failure to make the evangelism of men a priority will continue to have a detrimental effect on our homes, communities, churches, and denomination. If current trends continue in our society, millions of children will grow up without having the influence of a godly father in their home or a godly man in their life. Future generations of Free Will Baptist will face a serious shortfall of leadership unless men are evangelized and equipped to serve the Savior.

That is why Master's Men Ministry is needed. Our department seeks to assist our pastors, churches, and national departments to do all that we can to reach men and their families with the gospel.

This year marks the forty-fifth year of the existence of the Department of Master's Men. As we continue to labor we are seeking to accomplish several things. First, we are working hard to raise the awareness of our pastors and churches of the great need to develop and implement local church ministries and strategies that will result in the winning of men to Christ. Secondly, we are providing opportunities for the training of leaders through workshops and published resources. Thirdly, we are continuing to develop Bible study materials for our local churches to use in their spiritual development of their men. In 1999 the first two Bible studies of the Direction Bible Study Series were released. The studies entitled, "Become A Man Who Prays" and "Pure Man" have been very well received. The third in this series has just been completed. It is titled, "Winning Men," and focusing on equipping our men to do personal evangelism.

This past year (1999) has been busy but blessed. In March of 1999 the Master's Men Department achieved debt free status by paying off our indebtedness to Free Will Baptist Building Services. In October the National Master's Men Department launched "Operation Saturation" in Pittsburgh, Pa. Men from five states rallied to assist missionary Tom Jones in placing the gospel in approximately 2500 homes. The event not only encouraged the missionary and mission church, it also challenged the



men from the participating churches to see their responsibility in reaching out to their own communities with the gospel. One pastor wrote and said:

"Our men are eager to do something like this here in our community now. In the weeks before "Roll Call Sunday," we are going to have our own "Operation Saturation" and reach every home in our area with the gospel. Thank you for this wonderful opportunity. We received far more out of it than we put into it."

I believe the potential of "Operation Saturation" is tremendous. On September 30, 2000 we are planning a National Operation Saturation event. This event is for every Free Will Baptist. Simultaneously at Home Missions Sites we will be saturating communities with packets of materials about our missionary churches along with a clear presentation of the gospel.

Because of the Lord's provision, Master's Men has recently increased its staff. Mr. Kenneth Akers has been employed to serve as the Director of Ministry Development. He will be responsible to work closely with pastors and seek to enlist new churches into the National Master's Men program. He will also be available to provide training sessions for pastors and key laymen to equip them to start and implement men's ministry in the local church.

Finally, let me say that we praise the Lord for His abundant blessings in this past year and we sincerely appreciate each one who supported Master's Men.

Serving the Master,  
Tom Dooley  
General Director

## Summary of 1999 Board Activity

### March 30, 1999

The board of Master's Men met at the offices of Master's Men. The board voted to pay off the debt owed to Free Will Baptist Building Services (\$93,480.34). A recess was taken to bring Executive Secretary Melvin Worthington to our office and officially present him with a check for \$95,000. The Budget for 2000 was presented and approved.

### July 21, 1999

The board of Master's Men met at the National Convention in Atlanta, Georgia. The board approved the beginning of a new "Build A House" project to be directed by board member John Fowlkes. A job description for the position of Director of Ministry Development was presented and approved by the board.

### December 8, 1999

The board of Master's Men met at the offices of Master's Men. The board of Master's Men officially endorsed the National Operation Saturation. Reports were heard concerning the Direction Bible Study Series, Family Enrichment Conferences, and the Pittsburgh Operation Saturation event.

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

Antioch, Tennessee

Financial Statements

December 31, 1999

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

### CONTENTS

	Page
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, 1999 and 1998, 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, 1999 and 1998 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 15, 2000

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,

	1999	1998
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 5,849	\$ 3,189
Trust account - Build A House campaign	869	15,774
Trust account - Lifetime membership	103,563	101,992
Investments	206,474	146,088
Accrued interest receivable	539	4,129
Inventories	0	0
Cash value of endowment insurance	3,794	4,085
Total current assets	\$321,088	\$275,257
NOTES RECEIVABLE (Note 4)	53,000	17,000
PROPERTY AND EQUIPMENT, net (Note 2)	9,560	8,671
CAPITALIZED LEASE, net (Note 3)	2,310	2,511
Total assets	\$385,958	\$303,439
<b>LIABILITIES AND FUND BALANCE</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$3,098	\$93,379
Deferred revenue (Note 5)	1,560	796
Accrued expenses	514	144
Total current liabilities	\$5,172	\$94,319
FUND BALANCE (DEFICIT) (Note 6)	\$206,567	\$47,897
Unrestricted	174,219	161,223
Restricted		
Total capital	\$380,786	\$209,120
Total liabilities and capital	\$385,958	\$303,439

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,

	<u>1999</u>		<u>1998</u>	
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
<b>REVENUE</b>				
Dues from members	\$ 11,118	\$ 0	\$ 11,118	\$ 9,230
Cooperative program	57,925	0	57,925	55,037
Merchandise sales	987	0	987	449
Interest and dividend income	15,172	0	15,172	7,054
Gain (loss) on sale of investments	59,890	0	59,890	2,854
Gifts and other income	171,151	15,235	186,386	191,638
	<u>\$316,243</u>	<u>\$ 15,235</u>	<u>\$331,478</u>	<u>\$266,262</u>
<b>EXPENSES</b>				
Salaries and wages	\$ 61,631	\$ 0	\$ 61,631	\$ 33,374
Payroll taxes and employee benefits	12,640	0	12,640	6,069
Cost of sales and printing	8,419	0	8,419	6,059
Travel expense	15,039	0	15,039	6,288
Conferences and conventions	4,610	0	4,610	4,491
Office expense	5,217	0	5,217	2,282
Postage	2,939	0	2,939	1,054
Promotion expense	22,582	0	22,582	17,961
Rent expense	20,292	0	20,292	16,910
Professional fees	675	0	675	950
Bookkeeping expense	975	0	975	825
Depreciation	1,531	0	1,531	976
Amortization	201	0	201	201
Interest expense	0	0	0	0
Insurance expense	0	291	291	0
Dues, subscriptions and fees	822	0	822	2,569
Master's Hands construction expense	0	0	0	0
Missions projects	0	1,948	1,948	0
	<u>\$157,573</u>	<u>\$ 2,239</u>	<u>\$159,812</u>	<u>\$100,009</u>
<b>REVENUES OVER (UNDER) EXPENSES</b>	<u>\$158,670</u>	<u>\$ 12,996</u>	<u>\$171,666</u>	<u>\$166,253</u>
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<u>47,897</u>	<u>161,223</u>	<u>209,120</u>	<u>42,867</u>
<b>RETAINED EARNINGS, ENDING</b>	<u>\$206,567</u>	<u>\$174,219</u>	<u>\$380,786</u>	<u>\$209,120</u>

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

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

**STATEMENT OF CASH FLOWS**  
Years ended December 31,

	<u>1999</u>	<u>1998</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Revenue over (under) expenses	\$171,666	\$166,253
Adjustments to reconcile to net cash		
Depreciation	1,531	976
Amortization	201	201
Gain on sale of investments	(59,890)	(2,854)
Changes in assets and liabilities		
Change in inventories	0	540
Change in accrued interest receivable	3,590	(1,530)
Change in accounts payable	(90,281)	(19,576)
Change in deferred revenue	764	(810)
Change in accrued expenses	370	(907)
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<u>\$27,951</u>	<u>\$142,293</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Reductions (additions) to trust accounts	\$13,334	\$5,323
Additions to investments	(125,121)	(166,076)
Sales of investments	124,625	22,842
Reductions (additions) to cash value of insurance	291	(324)
Additions to property and equipment	(2,420)	(1,390)
<b>NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>	<u>\$ 10,709</u>	<u>\$(139,625)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Addition to notes receivable	\$(53,000)	\$ 0
Proceeds from notes receivable	17,000	0
<b>NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES</b>	<u>\$(36,000)</u>	<u>\$ 0</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>\$ 2,660</u>	<u>\$ 2,668</u>
<b>CASH AT BEGINNING OF YEAR</b>	<u>3,189</u>	<u>521</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 5,849</u>	<u>\$ 3,189</u>

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



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

**NOTES TO FINANCIAL STATEMENTS  
December 31, 1999**

**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.

**INVESTMENTS** - The investments are valued at the lower of cost or market. For gifts, the cost is determined by the fair market value of the security at the time of the gift.

**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,:

	<u>1999</u>	<u>1998</u>
Equipment and furniture	\$27,460	\$25,040
Less: accumulated depreciation	17,900	16,369
Property and equipment, net	<u>\$ 9,560</u>	<u>\$ 8,671</u>

**NOTE 3 - CAPITALIZED LEASES**

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

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

**NOTES TO FINANCIAL STATEMENTS  
December 31, 1999**

**NOTE 4 - NOTES RECEIVABLE**

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

	<u>1999</u>	<u>1998</u>
Note receivable from John Fowlkes, Vilonia, Arkansas; 7%; dated 11/8/99; due on demand	\$53,000	\$ 0
Note receivable from John Fowlkes, Vilonia, Arkansas; 9%; dated 4/21/95; due on demand	0	17,000
	<u>\$53,000</u>	<u>\$17,000</u>

**NOTE 5 - DEFERRED REVENUE**

Deferred revenue consists of dues, golf tournament fees, and meal tickets received for future years as of December 31, 1999 and 1998.

**NOTE 6 - RESTRICTED FUND BALANCE**

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

	<u>1999</u>	<u>1998</u>
Mission projects	\$ 6,648	\$ 8,566
Build A House campaign	48,676	33,556
Lifetime Membership	105,808	105,723
Master's Hands projects	12,450	12,450
Endowment insurance	637	928
	<u>\$174,219</u>	<u>\$161,223</u>



## Proposed Budget for 2001

Expenses			
<b>Office Operations</b>		<b>Assistant Director</b>	
Rent	\$20,292	Salary	\$ 43,200
Equipment and Supplies	8,000	Retirement	2,160
Telephone	3,000	Insurance	8,400
Postage	2,800	<b>Total</b>	<b>\$ 53,760</b>
<b>Total</b>	<b>\$34,092</b>	<b>Office Staff</b>	
<b>Accounting</b>		Salaries	\$ 22,500
Bookkeeping	\$ 900	FICA	1,395
Audit	1,500	Medicare	330
<b>Total</b>	<b>\$ 2,400</b>	Insurance	0
<b>Resource Development</b>		<b>Total</b>	<b>\$ 24,225</b>
Attack Newsletter	\$ 8,400	<b>Total Salaries</b>	<b>\$138,045</b>
Direction Bible Studies	4,000	<b>Ministry Development</b>	
Printed Materials	2,600	Convention Booth	\$ 1,000
Postage	3,400	Family Enrichment Conference	1,000
<b>Total</b>	<b>\$18,400</b>	Master's Men Leadership Training	3,000
<b>Travel</b>		<b>Total</b>	<b>\$ 5,000</b>
Travel	\$16,300	<b>Total Expenses</b>	<b>\$218,437</b>
Board Travel	3,000	<b>Income</b>	
<b>Total</b>	<b>\$19,300</b>	Dues Income	\$ 40,000
<b>Salaries</b>		Rest of the Family Offering	1,000
<b>General Director</b>		The Together Way	64,200
Salary	\$30,600	Softball	4,000
Housing	19,800	Golf	4,000
Retirement	2,460	Gifts	89,900
Insurance	8,400	Family Enrichment Conference	2,000
<b>Total</b>	<b>\$61,260</b>	Promotional Sales	2,000
		Resource Sales	2,000
		Endowment Income	9,337
		<b>Total Income</b>	<b>\$218,437</b>

## Salary Breakdown

Director	1999	2000	2001
Salary	\$39,911	\$28,200	\$30,600
Housing	0	19,800	19,800
Retirement	1,945	2,400	2,460
Insurance	8,925	8,000	8,400
Social Security	2,921	0	0
<b>Total</b>	<b>\$53,702</b>	<b>\$58,400</b>	<b>\$61,260</b>

## Home Missions Report on 1999

### Greetings:

The year 1999 has surpassed all previous years in the history of the National Home Missions Department. The following twenty-one couples were sent to the field: Chang Hyo Choo, Baldwin Park, CA; Alexandre Drozdov, Rockford, IL; Gary Elder, Madison, MS; Chris Fannin, Puerto Rico; Clayton Hampton, Clarksville, TN; Ki Sun Hwang, Los Angeles, CA; Gustavo Jasso, Memphis, TN; Woo-Jong Kang, Gardena, CA; Sun Gug Kim, Los Angeles, CA; Soon Young Lee, Glen Burnie, MD; Tim Lewis, Ogden, UT; Charles Lotz, Northglenn, CO; Dr. Thomas Marberry, Reynosa, MX; Rick Morris, Chandler, AZ; David Roy, Puerto Rico; Vitali Rozhko, Santa Barbara, CA; Todd Smith, Aiken, SC; Dr. Mark Braisher, Overland Park, KS; Dr. Andrei Chirine, Philadelphia, PA; Victor Nafatyuk, Charlotte, NC; Duck-Chun Lee, Atlanta, GA. To God be the glory!

- \* The Home Missions Department established a new income record of \$4,311,131.77.
- \* This was the first year for our new magazine, **AIM** (Advancing in Missions).
- \* The Foreign Missions Department and the Home Missions Department joined together in printing a world prayer guide. The two departments also jointly sponsored a speaker, Ron Owen, at the national convention who lifted and challenged our hearts to worship.
- \* We had another great missionary training conference of approximately 130 missionaries and pastors attending.
- \* We had the following five missionary churches to go self-supporting: Ron MacMillan, Plymouth, MA; Mark Thomas, Greeley, CO; Odis Whitehead, Jacksonville, FL; Cliff Donoho, Davenport, IA; Curtis Alligood, Pinellas Park, FL.
- \* C.E.L.F. approved twenty-three new loans totaling \$3,838,846.42!
- \* Goals for 2000 - \* Rev. Richard Atwood has accepted the post of Director of Ministry and Helps and will be assisting our pastors and churches. His first assignment will be to launch a new program, *1000 In 2000*, to place the gospel in one million homes in 2000. He will also assist in *Operation Saturation*, a project that will be of tremendous help in every home missions church.
- \* The Home Missions Department and Free Will Baptist College will be joining forces in starting a mission church in Nashville, Tennessee, to help train future pastors and church planters.

The Home Missions Department needs your prayers and financial help as we continue to advance in the cross-cultural ministry. Presently, we have twelve Korean and five Russian Free Will Baptist mission churches, plus a host of Hispanic churches. We must keep advancing on all fronts. Church planting must be a priority. It is our greatest method of fulfilling the Great Commission.

In His service,

Trymon Messer  
General Director



## A Synopsis of Minutes of Home Missions Board Meetings for 1999

### May 4, 1999

MSC that the Home Missions Department sponsor the video "Who Are Free Will Baptists?" with the Media Commission for a cost of approximately \$5,000. The commission also has a promotional video that our missionaries can use to help in promoting their work.

MSC that the Board discussed starting a Division of Ministry and Helps and to begin researching and collecting ideas for developing a plan to minister to our pastors and churches.

### July 21, 1999

MSC to approve Soon Lee as Korean cross-cultural missionary to Glen Burnie, MD.

### September 22, 1999

Director Trymon Messer discussed the flood situation in North Carolina as a result of Hurricane Floyd. A motion was made by Lynn Wood and seconded by Ken Dodson to send \$5,000 from Home Missions to Jim Marcum, Promotional Secretary for North Carolina. The money is to be given to the Free Will Baptists who were victims of the flood. The motion was carried.

### December 6, 1999

MSC to accept the two recommendations of the Personnel Committee as follows: Appoint Mark Braisher as missionary to Overland Park, Kansas. Appoint Duck Chun Lee as missionary to Atlanta, Georgia, pending approval of license by his local conference.

MSC to accept Victor Nafatyuk as missionary to Charlotte, North Carolina, and that he join Goshen Free Will Baptist Church, be licensed to preach and come under the watch care, guidance, and training of Harold Blankenship.

MSC that the Board send letters of commendation to the following six missionaries for their leadership and hard work in establishing a self-supporting Free Will Baptist church:

Tom Hunt	March 2000
Danny Keen	April 2000
Ron MacMillan	January 2000
Jose Rodriguez	March 2000
Mark Thomas	January 2000
Odis Whitehead	February 2000

MSC to approve Vitali Rozhko as a cross-cultural joint project with California. As per our Board meeting of May 3-5, 1999, he was sent back to California for their approval and was approved.

MSC to send a letter of appreciation and commendation to Thomas and Wilma Marberry for the great job they are doing in the transition as President of the Seminary of the Cross in Reynosa, Mexico.

MSC to commend the Oklahoma TSP for including Home Missions in

their program.

MSC to commend Dr. Paul Park for his hard work as Representative of the Korean cross-cultural ministry and for his good report. Also, we need to commend him for his translation of the Free Will Baptist Treatise as well as our 13 follow-up lessons into the Korean language.

MSC to commend Leonid Morgun for the outstanding work that he is doing as Representative of the Russian cross-cultural ministry and for the good report that he submitted to our Board. Also, we need to commend him for his translation of the Free Will Baptist Treatise into the Russian language.

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

December 31, 1999 and 1998

### Contents

#### Financial Statements

	Page
Independent auditor's report .....	1
Statements of financial position .....	2
Statements of activities .....	3
Statements 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



HINTON, WARREN,  
DENNEY & WALLACE

CERTIFIED PUBLIC ACCOUNTANTS  
THE VOLUNTEER BLDG.  
SUITE 100  
319 PLUS PARK BLVD.  
NASHVILLE, TN 37217-1005  
(615) 366-5100

Partners  
DAVID C. HINTON, CPA  
ROBERT RAY WARREN, CPA  
WILLIAM H. DENNEY, CPA  
LARRY BRUCE WALLACE, CPA

Members  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
TENNESSEE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the 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 statements 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, 1999 and 1998, and the related statements of activities and cash flows for the years 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 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 statements 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 Board of Home Missions of the National Association of Free Will Baptists of the United States of America, Inc. as of December 31, 1999 and 1998 and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

*Hinton, Warren, Denney & Wallace*

February 15, 2000

BOARD OF HOME MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
OF THE UNITED STATES OF AMERICA, INC.  
Statements of Financial Position  
December 31, 1999 and 1998

	1999	1998
<b>ASSETS</b>		
<u>Assets</u>		
Cash - Note 9	\$ 2,856	\$ 269,123
Investments	415,626	18,511
Investments in Church Extension	1,448,050	1,263,060
Loan Fund - Note 6	108,000	150,000
Accounts receivable - related party - Note 6	5,129	4,957
Inventory - Note 1		
Property and equipment, at cost		
less accumulated depreciation of \$96,992	152,206	157,520
(\$82,918 in 1998) - Notes 1 & 2	2,914	5,829
Capitalized lease - Note 3		
	<u>\$2,134,781</u>	<u>\$1,869,000</u>
<b>LIABILITIES AND NET ASSETS</b>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 19,728	\$ 32,395
Deferred compensation - Note 4	158,981	123,475
	<u>178,709</u>	<u>155,870</u>
Total liabilities		
<u>Commitments</u> - Notes 7 & 8		
	876,494	392,273
<u>Net assets</u>		
Unrestricted	1,079,578	1,320,857
Temporarily restricted - Note 5	1,956,072	1,713,130
Total net assets	<u>\$2,134,781</u>	<u>\$1,869,000</u>
Total liabilities and net assets		

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.  
Statements of Activities  
For the Years Ended December 31, 1999 and 1998

	1999	1998
<u>Unrestricted</u>		
Revenue:		
Cooperative program	\$ 120,665	\$ 183,245
Designated contributions	537,384	521,053
Management fees - Note 6	120,000	107,816
Interest income	105,561	82,929
Donation of stock	252,194	270,251
Gain on sale of investment	96,210	26,228
Gain on value of investment	46,518	8,708
Gain (loss) on disposal of property and equipment		118
Net assets released from restrictions:		
Restrictions satisfied by payments	3,600,214	2,775,328
Total revenue	4,878,746	3,975,676
Expenses:		
Administrative expenses	794,311	1,097,208
Missionary expenses	3,600,214	2,775,328
Total expenses	4,394,525	3,872,536
Increase in unrestricted net assets	484,221	103,140
<u>Temporarily restricted</u>		
Revenue:		
Cooperative program	718,172	811,055
Designated contributions	2,640,763	2,264,645
Net assets released from restrictions:		
Restrictions satisfied by payments	( 3,600,214)	( 2,775,328)
Increase (decrease) in temporarily restricted net assets	( 241,279)	300,372
Total increase in net assets	242,942	403,512
Net assets - beginning of year	1,713,130	1,309,618
Net assets - end of year	\$1,956,072	\$1,713,130

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.  
Statements of Cash Flows  
For the Years Ended December 31, 1999 and 1998

	1999	1998
<u>Operating activities</u>		
Increase in net assets	\$ 242,942	\$ 403,512
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	18,235	16,292
Amortization	2,915	2,914
Donation of investment	( 252,194)	
(Gain) loss on disposal of property and equipment		( 118)
(Gain) loss on disposal of investment	( 96,210)	( 26,228)
(Gain) loss on value of investment	( 46,518)	( 8,708)
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	42,000	( 60,000)
(Increase) decrease in inventories	( 172)	3,569
Increase (decrease) in accounts payable and accrued expenses	( 12,667)	7,280
Increase (decrease) in deferred compensation	35,506	( 32,809)
Net cash provided (used) by operating activities	( 66,163)	305,704
<u>Investing activities</u>		
Redemption of investments	736,477	422,921
Acquisition of investments	( 923,660)	( 640,431)
Proceeds on sale of property and equipment		118
Purchases of property and equipment	( 12,921)	( 6,263)
Net cash used by investing activities	( 200,104)	( 223,655)
<u>Financing activities</u>		
	-0-	-0-
Net cash used by financing activities	-0-	-0-
Increase (decrease) in cash and cash equivalents	( 266,267)	82,049
Cash and cash equivalents at beginning of years	269,123	187,074
Cash and cash equivalents at end of years	\$ 2,856	\$ 269,123

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



BOARD OF HOME MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
OF THE UNITED STATES OF AMERICA, INC.  
Notes to the Financial Statements  
December 31, 1999 and 1998

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. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of 509(a) of the Internal Revenue Code. There was no unrelated business income for 1999.

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 statements presentation follows the recommendations of the Financial Accounting Standards Board in its Statements 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.

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, 1999 and 1998

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

Investments in Church Extension Loan Fund

Investments consist of investments in the Church Extension Loan Fund. Investments are stated at cost, which approximates market value at December 31, 1999 and 1998.

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 statements of activities as net assets released from restrictions. The Organization has no permanently restricted net assets.

Property and equipment and depreciation

The Organization follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$500 and an estimated useful life of at least two years. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows.

Automobile	5 years
Office furniture and equipment	3 - 20 years

The net property and equipment balance has been recorded as a separate component in unrestricted net assets.

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.

Investments

Investments are composed of equity securities and are valued at fair value.



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, 1999 and 1998

Note 2 - Property and equipment

A summary of property and equipment is as follows:

	1999	1998
Land - Puerto Rico	\$105,000	\$105,000
Automobile	36,222	36,222
Office furniture & equipment	107,976	99,216
	249,198	240,438
Less: Accumulated depreciation	( 96,992)	( 82,918)
	<u>\$152,206</u>	<u>\$157,520</u>

Note 3 - Capitalized leases and change in accounting estimate

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 were to be amortized over a period of twenty years. The Board of Home Missions voted to begin amortizing the remaining balance after a period of five years, beginning in 1996. Amortization expense for the years amounted to \$2,915 (\$2,914 in 1998).

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.

	1999	1998
Balance at beginning of the year	\$123,475	\$156,284
Contribution for the year:		
Missionaries	27,954	27,602
Administrative employees	13,389	12,624
Transfer and terminations	( 13,226)	( 73,035)
Adjustment	7,389	
Balance at end of the year	<u>\$158,981</u>	<u>\$123,475</u>

BOARD OF HOME MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
OF THE UNITED STATES OF AMERICA INC.  
Notes to the Financial Statements  
December 31, 1999 and 1998

Note 5 - Restrictions on net assets

Temporarily restricted net assets are available for the following purposes:

	1999	1998
Missionaries	\$1,079,573	\$1,319,716
Church Extension Loan Fund	5	1,141
	<u>\$1,079,578</u>	<u>\$1,320,857</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 \$120,000 (\$107,816 at December 31, 1998) 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 \$1,448,050 (\$1,263,060 at December 31, 1998). 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.

The Board of Home Missions has a receivable from the Church Extension Loan Fund for unrestricted earnings during the year. The balance on this receivable at year end was \$108,000 (\$150,000 at December 31, 1998).



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, 1999 and 1998

Note 7 - 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 (\$50,220 in 1998). The term of the lease will expire when all mortgages on the building are satisfied, which approximates nine years.

The future minimum lease payments are as follows:

2000	\$ 50,220
2001	50,220
2002	50,220
2003	50,220
2004	50,220
Thereafter	<u>154,845</u>
	<u>\$405,945</u>

Note 8 - Commitments

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

Note 9 - Concentration of credit risk

The Board maintains cash deposits in excess of the federally insured amount of \$100,000. At December 31, 1999, the excess amount over the federally insured limit was \$-0- (\$169,123 in 1998). The Board has a cash management agreement with a local bank which invests any excess cash overnight in U.S. Government Securities under a repurchase agreement. Any cash not insured should, under the terms of this agreement, be collateralized by U.S. Government Securities.

The Board also has \$1,448,050 (\$1,263,060 in 1998) invested in a demand note of the Church Extension Loan Fund. This note is uninsured.

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, 1999 and 1998

Note 10 - Fair values of financial instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, investments in Church Loan Fund, receivables and payables: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Investments: The fair value of investments is based on quoted market price for those investments.

Note 11 - Investments

Investments are stated at fair value and consist of equity securities:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Equity securities	<u>\$369,108</u>	<u>\$415,626</u>	<u>\$ 46,518</u>

Investment return is summarized as follows:

Net realized and unrealized income	<u>\$142,728</u>
------------------------------------	------------------



SUPPLEMENTARY INFORMATION

HINTON, WARREN,  
DENNEY & WALLACE  
CERTIFIED PUBLIC ACCOUNTANTS  
THE VOLUNTEER BLDG.  
SUITE 100  
319 PLUS PARK BLVD.  
NASHVILLE, TN 37217-1005  
(615) 366-5100

Partners  
DAVID C. HINTON, CPA  
ROBERT RAY WARREN, CPA  
WILLIAM H. DENNEY, CPA  
LARRY BRUCE WALLACE, CPA

Members  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
TENNESSEE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT  
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 audits of the basic financial statements of the Board of Home Missions for 1999 and 1998 appears on page 1. We conducted our audits 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 audits 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.

*Hinton, Warren, Denney & Wallace*

February 15, 2000

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 Years Ended December 31, 1999 and 1998

	1999	1998
<u>Administrative expenses</u>		
Salaries and wages	\$ 223,386	\$ 206,336
Payroll taxes	11,213	8,809
Housing allowance and employee benefits	73,211	84,710
Employee savings	19,778	12,624
Cost of literature	1,161	3,462
Promotion expense	33,119	40,564
Utilities	9,325	8,582
Office expense	25,290	25,068
Printing and postage	163,048	109,055
Rent expense	50,220	50,220
Professional fees	8,963	22,655
Auto and travel expense	50,013	50,649
Board meeting expense	14,612	17,927
Insurance expense	39,104	34,666
Telephone	11,953	9,689
Amortization	2,915	2,914
Together Way Office	7,522	7,451
Miscellaneous	31,243	18,816
Depreciation	18,235	16,292
Build My Church		366,719
Total administrative expenses	<u>794,311</u>	<u>1,097,208</u>
<u>Missionary expenses</u>		
Salary and wages	2,467,734	1,959,720
Employee savings	27,785	27,602
Promotion expense	10,292	3,556
Printing and postage	106,642	78,831
Literature	48,272	50,627
Auto and travel expense	244,739	230,319
Insurance expense	46,851	70,779
Missionary land & buildings	494,933	208,011
Designated contributions	79,365	76,557
Miscellaneous other expense	73,601	69,326
Total missionary expenses	<u>3,600,214</u>	<u>2,775,328</u>
Total expenses	<u>\$4,394,525</u>	<u>\$3,872,536</u>

See accountants' report on supplementary information.



# **Home Missions Department Proposed Faith Budget for 2001**

	2000	2001
<b>Missionary Maintenance</b>		
Salaries	\$2,213,400.00	\$2,500,000.00
Travel & Promotion	230,000.00	240,000.00
Employee Savings	30,000.00	31,000.00
Postage And Printing	50,000.00	85,000.00
Miscellaneous	40,000.00	20,000.00
Land & Building Fund	520,000.00	500,000.00
Total	\$3,083,400.00	\$3,376,000.00
<b>Missionary Assistance</b>		
Printing & Postage	\$135,000.00	140,000.00
Telephone	9,600.00	10,000.00
Board Member Expense	15,200.00	15,000.00
Auditing & Legal	20,000.00	13,000.00
Literature	2,000.00	2,000.00
Together Way Office	9,000.00	4,000.00
Supplies	25,000.00	25,000.00
Missionary Training	20,000.00	20,000.00
Total	\$235,800.00	\$229,000.00
<b>Administration</b>		
Salaries	\$245,900.00	\$265,000.00
Housing	40,800.00	55,000.00
Payroll Taxes	9,000.00	10,000.00
Employee Savings	12,000.00	14,000.00
Insurance	40,000.00	45,000.00
Utilities	8,000.00	10,000.00
Total	\$355,700.00	\$399,000.00
<b>Evangelism and Church Growth</b>		
Auto & Travel	\$50,000.00	50,000.00
Promotion	40,000.00	45,000.00
Revivals	12,000.00	20,000.00
Roll Call Sunday	1,500.00	1,500.00
Total	\$103,500.00	\$116,500.00
<b>Plant</b>		
Office Space	\$48,600.00	50,220.00
Equipment & Supplies	15,000.00	15,000.00
Depreciation	20,000.00	19,280.00
Total	\$83,600.00	\$84,500.00
Cross-Cultural Ministry	\$220,000.00	\$295,000.00
Total Faith Budget	\$4,100,000.00	\$4,500,000.00

	<b>Salaries</b>		
	1999	2000	2001
<b>General Director</b>			
Salary	\$47,927.04	\$55,053.47	\$57,495.60
Housing	10,800.00	6,000.00	6,000.00
Utilities	1,588.61	1,650.00	1,700.00
Savings	3,007.60	3,052.67	3,174.78
Insurance:			
Travel	60.00	60.00	60.00
Life	283.20	283.20	283.20
Health	4,898.70	5,386.80	5,494.53
Dental	375.12	396.72	404.65
<b>Totals</b>	\$68,940.27	\$71,882.86	\$74,612.76
Office car furnished			
<b>Director of Development:</b>			
Salary	\$31,827.00	\$28,953.31	\$30,975.45
Housing	16,800.00	21,600.00	21,600.00
Utilities	1,894.07	1,900.00	2,000.00
Savings	2,480.77	2,527.66	2,628.77
Insurance:			
Travel	60.00	60.00	60.00
Life	283.20	283.20	283.20
Health	3,159.40	3,577.20	3,648.74
Dental	204.56	216.36	220.68
<b>Totals</b>	\$56,709.00	\$59,117.73	\$59,117.73
Office car furnished			
<b>Director of Missionary Assistance:</b>			
Salary	\$35,427.00	\$36,153.31	\$38,175.44
Housing	13,200.00	14,400.00	14,400.00
Utilities	2,736.57	2,850.00	2,950.00
Savings	992.26	1,011.06	1,051.50
Insurance:			
Travel	60.00	60.00	60.00
Life	283.20	283.20	283.20
Health	6,704.08	7,372.08	7,519.52
Dental	509.92	569.88	581.27
<b>Totals</b>	\$59,913.03	\$62,699.53	\$62,699.53
Office car furnished			
<b>Director of Ministry Helps:</b>			
Salary		\$27,948.62	\$35,775.44
Housing		14,600.00	16,800.00
Utilities		2,800.00	2,900.00
Savings		850.97	1,051.50
Insurance:			
Travel		60.00	60.00
Life		212.40	283.20
Health		3,686.04	7,519.32
Dental		284.94	581.27
<b>Totals</b>		\$50,442.97	\$64,970.73
Office car furnished			

\*from March 15, 2000



**Bookkeeper:**

	1999	2000	2001
Salary	\$30,665.31	\$31,830.72	\$33,103.94
Payroll Taxes	5,752.78	5,686.45	5,977.45
Savings	1,597.07	1,591.53	1,655.19
Insurance:			
Life	193.20	193.20	193.20
Health	2,576.14	2,832.84	2,889.49
Dental	204.56	216.36	220.68
<b>Totals</b>	<b>\$40,989.06</b>	<b>\$42,351.10</b>	<b>\$44,039.95</b>

**Publications Editor:**

Salary	23,171.90	24,985.76	25,985.19
Payroll Taxes	4,350.54	4,353.38	4,664.36
Savings	1,186.25	1,249.28	1,299.25
Insurance:			
Life	193.20	193.20	193.20
Health	2,576.14	2,832.84	2,889.49
Dental	204.56	216.36	220.68
<b>Totals</b>	<b>\$31,682.59</b>	<b>\$33,830.82</b>	<b>\$35,252.17</b>

**Loan Fund Secretary:**

Salary	\$20,653.40	\$21,371.35	\$22,226.20
Payroll Taxes	5,961.97	5,974.02	6,152.30
Savings	1,056.36	1,068.56	1,111.31
Insurance:			
Life	193.20	193.20	193.20
Health	3,159.40	3,577.20	3,648.74
Dental	204.56	216.36	220.68
<b>Totals</b>	<b>\$31,228.89</b>	<b>\$32,400.69</b>	<b>\$33,552.43</b>

**Secretary:**

Salary	\$12,419.82	\$23,090.56	\$24,014.18
Payroll Taxes	1,752.94	3,895.15	4,301.58
Savings	228.29	461.81	480.28
Insurance:			
Life	96.60	193.20	193.20
Health	1,313.74	2,832.84	2,889.49
Dental	103.46	216.36	220.68
<b>Totals</b>	<b>\$15,914.85*</b>	<b>\$30,689.92</b>	<b>\$32,099.41</b>

\*from June, 1999

**Secretary/CELF Bookkeeper:**

Salary	\$28,824.94	\$30,337.99	\$31,551.50
Payroll Taxes	5,831.00	6,133.60	6,388.61
Savings	1,496.50	1,516.89	1,577.57
Insurance:			
Life	193.20	193.20	193.20
Health	2,576.14	2,832.84	2,889.49
Dental	204.56	216.36	220.68
<b>Totals</b>	<b>\$39,126.34</b>	<b>\$41,230.88</b>	<b>\$42,821.05</b>

**Proposed State Goals for 2001  
Home Missions Department**

State	2001 Goal
Alabama	\$ 375,000
Alaska	10,000
Arizona	30,000
Arkansas	275,000
California	145,000
Canada	4,000
CELF	95,000
Colorado	85,000
Florida	110,000
FWB Foundation	7,000
Georgia	130,000
Hawaii	500
Idaho	10,000
Illinois	85,000
Indiana	50,000
Iowa	1,500
Kansas	25,000
Kentucky	70,000
Louisiana	80,000
Maine	5,000
Maryland	45,000
Massachusetts	5,000
Michigan	125,000
Mississippi	75,000
Missouri	210,000
Montana	1,000
New Hampshire	1,000
New Jersey	1,000
New Mexico	15,000
North Carolina	320,000
Ohio	130,000
Oklahoma	350,000
Oregon	25,000
Other Income	250,000
Other States	5,000
Pennsylvania	75,000
Puerto Rico	7,000
South Carolina	175,000
South Dakota	1,000
Tennessee	565,000
Texas	75,000
Utah	2,000
Virginia	135,000
Virgin Islands	55,000
Washington	4,000
West Virginia	75,000
Wisconsin	20,000
WNAC	125,000
Wyoming	35,000
<b>Total</b>	<b>\$4,500,000</b>



CHURCH EXTENSION LOAN FUND

December 31, 1999 and 1998

Contents

Financial Statements

Page

Independent auditor's report .....	1
Statements of financial position .....	2
Statements of activities .....	3
Statements of cash flows .....	4
Notes to the financial statements .....	5-10

*HINTON, WARREN,  
DENNEY & WALLACE*

CERTIFIED PUBLIC ACCOUNTANTS  
THE VOLUNTEER BLDG.  
SUITE 100  
319 PLUS PARK BLVD  
NASHVILLE, TN 37217-1005  
(615) 366-5100

Partners  
DAVID C. HINTON, CPA  
ROBERT RAY WARREN, CPA  
WILLIAM H. DENNEY, CPA  
LARRY BRUCE WALLACE, CPA

Members  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
TENNESSEE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the  
Church Extension Loan Fund  
Antioch, Tennessee

We have audited the accompanying statements of financial position of the Church Extension Loan Fund (a nonprofit organization) as of December 31, 1999 and 1998, and the related statements of activities and cash flows for the years 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 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 the Church Extension Loan Fund as of December 31, 1999 and 1998 and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

*Hinton, Warren, Denney & Wallace*

February 15, 2000



CHURCH EXTENSION LOAN FUND  
Statements of Financial Position  
December 31, 1999 and 1998

<u>ASSETS</u>			
<u>Assets</u>	1999	1998	
Cash - Note 6			
Notes receivable - Notes 1, 4 & 8	\$ 515,253	\$ 1,583,133	
Bonds receivable	12,685,795	10,653,920	
Accrued interest receivable	77,575	71,379	
Investments in Free Will Baptist Foundation - Notes 1 & 4	102,154	85,580	
Investments	1,546,823		
Property and equipment - at cost, less accumulated depreciation of \$17,687 (\$12,737 in 1998) - Notes 1 & 2		332,062	
	12,481	17,431	
Total assets	<u>\$14,940,081</u>	<u>\$12,743,505</u>	
 <u>LIABILITIES AND NET ASSETS</u>			
<u>Liabilities</u>			
Accounts payable - related party - Note 4	\$ 108,000	\$ 150,000	
Accounts payable - Build by Church Project	70,000		
Accrued interest	131,653	118,880	
Revocable and irrevocable trusts - Note 9	1,668,490	659,058	
Deferred compensation - Note 10	374,417	318,472	
Notes payable - Notes 3, 4 & 8	<u>11,027,549</u>	<u>10,008,985</u>	
Total liabilities	<u>13,380,109</u>	<u>11,255,395</u>	
<u>Net assets</u>			
Unrestricted	<u>1,559,972</u>	<u>1,488,110</u>	
Total net assets	<u>1,559,972</u>	<u>1,488,110</u>	
Total liabilities and net assets	<u>\$14,940,081</u>	<u>\$12,743,505</u>	

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

CHURCH EXTENSION LOAN FUND  
Statements of Activities  
For the Years Ended December 31, 1999 and 1998

	<u>Unrestricted</u>	
	1999	1998
Revenue:		
Designated contributions - Note 5	\$ 71,564	\$ 445,006
Investment income	120,829	69,061
Interest income on notes receivable	1,101,914	955,599
Gain on value of investments		55,344
Management fee	7,017	4,408
	<u>1,301,324</u>	<u>1,529,418</u>
Expenses:		
Interest expense	862,261	700,152
Office expense	13,123	9,934
Auto and travel	34,761	20,406
Management fee - Note 4	120,000	104,000
Promotion	5,019	19,919
Postage	2,198	1,675
Professional fees	9,150	5,665
Depreciation	4,950	5,659
Build My Church Project expense	70,000	
Transfer to Free Will Baptists Home Missions	<u>108,000</u>	<u>150,000</u>
	<u>1,229,462</u>	<u>1,017,410</u>
Increase in net assets	71,862	512,008
Net assets - beginning of year	<u>1,488,110</u>	<u>976,102</u>
Net assets - end of year	<u>\$1,559,972</u>	<u>\$1,488,110</u>

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



CHURCH EXTENSION LOAN FUND  
Statements of Cash Flows  
For the Years Ended December 31, 1999 and 1998

	1999	1998
<u>Operating activities</u>		
Increase in net assets	\$ 71,862	\$ 512,008
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	4,950	5,659
Gain on value of investments		( 55,344)
Changes in operating assets and liabilities:		
(Increase) decrease in accrued interest receivable	( 16,574)	( 9,666)
Increase (decrease) in accounts payable	28,000	60,000
Increase (decrease) in accrued interest payable	12,773	22,741
Increase (decrease) in deferred compensation	55,945	57,815
Net cash provided by operating activities	<u>156,956</u>	<u>593,213</u>
<u>Investing activities</u>		
Donated stock received		( 276,719)
Proceeds from sale of investments	332,062	
Purchase of investments	( 1,546,823)	
Collection on notes receivable	1,824,955	1,031,019
Additions to notes and bonds receivable	( 3,863,026)	( 2,264,170)
Net cash used in investing activities	<u>( 3,252,832)</u>	<u>( 1,509,870)</u>
<u>Financing activities</u>		
Addition to trusts	1,011,123	13,602
Termination of trusts	( 1,691)	( 1,412)
Additions to notes payable	2,276,404	2,147,639
Repayment of notes payable	( 1,257,840)	( 754,862)
Net cash provided by financing activities	<u>2,027,996</u>	<u>1,404,967</u>
Increase (decrease) in cash and cash equivalents	( 1,067,880)	488,310
Cash and cash equivalents at beginning of year	<u>1,583,133</u>	<u>1,094,823</u>
Cash and cash equivalents at end of year	<u>\$ 515,253</u>	<u>\$1,583,133</u>
<u>Supplemental disclosures</u>		
Interest received	<u>\$1,199,973</u>	<u>\$1,009,293</u>
Interest paid	<u>\$ 849,488</u>	<u>\$ 677,411</u>

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

CHURCH EXTENSION LOAN FUND  
Notes to the Financial Statements  
December 31, 1999 and 1998

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. In addition, the Fund has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 1999.

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 Statements 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.



CHURCH EXTENSION LOAN FUND  
Notes to the Financial Statements  
December 31, 1999 and 1998

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

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.

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 statements of activities as net assets released from restrictions. The Fund has no temporarily restricted or permanently restricted net assets.

Property and equipment and depreciation

The Fund follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$500 with a useful life of at least two years. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Automobile	5 years
Office equipment	5 years

The net property and equipment balance has been recorded as a separate component in unrestricted net assets.

Investments

Investments are composed of equity securities and are valued at quoted market price.

Investments in Free Will Baptist Foundation

Investments in Free Will Baptist Foundation are composed of three money market type trust accounts maintained by the Foundation. These trust accounts are comprised of U.S. Government securities.

-6-

CHURCH EXTENSION LOAN FUND  
Notes to the Financial Statements  
December 31, 1999 and 1998

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

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 9.5% 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:

	\$ 556,214
2000	611,417
2001	672,099
2002	738,803
2003	812,128
2004	9,295,134
Thereafter	<u>\$12,685,795</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.

Note 2 - Property and equipment

A summary of property and equipment follows:

	1999	1998
Automobile	\$ 18,200	\$ 18,200
Office equipment	<u>11,968</u>	<u>11,968</u>
	30,168	30,168
Accumulated depreciation	( 17,687)	( 12,737)
	<u>\$ 12,481</u>	<u>\$ 17,431</u>

-7-



CHURCH EXTENSION LOAN FUND  
Notes to the Financial Statements  
December 31, 1999 and 1998

Note 3 - Notes payable

Notes payable consist of 5 1/2 - 7% unsecured demand notes from individuals and churches. The proceeds of these notes are then loaned to churches to help them purchase land and buildings. The Board of Trustees change the interest rates on these notes payable as other interest rates change.

Note 4 - Related party transactions

The Fund paid the Board of Home Missions of the National Association of Free Will Baptists, Inc. a management fee of \$120,000 (\$104,000 at December 31, 1998) to reimburse the Board of Home Missions for salary, rent and other expenses paid by the Board. The Board of Home Missions has invested in the note payable of the Fund. The balance of this note payable to the Board of Home Missions at year end was \$677,867 (\$705,130 at December 31, 1998). The Fund had accounts payable to the Board of Home Missions in the amount of \$108,000 (\$150,000 at December 31, 1998).

The Fund holds a note receivable from the National Association of Free Will Baptists, Inc. in the amount of \$34,226 (\$188,006 at December 31, 1998). This note is secured by a deed of trust note.

The Fund also has \$1,546,823 (\$-0- in 1998) invested in three trust accounts of the Free Will Baptist Foundation. This investment is uncollateralized.

Note 5 - 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. The total amount given for the first phase of the Build My Church program has reached \$1,000,000. In accordance with the provisions of the program payments totaling \$70,000 were made subsequent to year end to the land funds of two Home Mission's Churches from the interest earned on loans made with Build My Church contributions. The liability for these payments has been recorded on this financial statement. A second phase of the Build My Church program has begun. When the total amount given through the second phase of Build My Church program reaches \$1,000,000, then the interest earned from the loans made with the program will be used to assist the Cross Cultural Ministry and the Home Missions General Fund. The total amount given through the end of the year is \$1,522,055 (\$1,450,491 at December 31, 1998).

CHURCH EXTENSION LOAN FUND  
Notes to the Financial Statements  
December 31, 1999 and 1998

Note 6 - Concentration of credit risk

The Fund maintains cash deposits in excess of the federally insured amount of \$100,000. At December 31, 1999, the excess amount over the federally insured limit was \$415,253 (\$1,483,133 in 1998). The Fund has a cash management agreement with a local bank which invests any excess cash overnight in U.S. Government Securities under a repurchase agreement. Any cash not insured should, under the terms of this agreement, be collateralized by U.S. Government Securities.

The Fund also has \$1,546,823 (\$-0- in 1998) invested in three trust accounts of the Free Will Baptist Foundation. These trust accounts are unsecured.

Note 7 - Fair value of financial instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, accrued interest receivable, investment in Free Will Baptist Foundation, payables, accrued interest payable and deferred compensation: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Notes receivable and bonds receivable: Based on current interest rates, the carrying value approximates the fair value of the notes receivable and bonds receivable at December 31, 1999 and 1998.

Notes payable and trusts: Based on current interest rates, the carrying value approximates the fair value of the notes payable and trusts at December 31, 1999 and 1998.

Note 8 - Concentration

Included in notes receivable at December 31, 1999 are twelve loans which total \$4,633,363 (nine loans which total \$3,511,353 in 1998). This one balance represents 36.52% (32.96% in 1998) of total notes receivable.

Notes payable include forty-seven notes which total \$7,375,384 or 66.88% (forty notes which total \$6,198,061 or 61.92% in 1998) of total notes payable. Of these forty-seven (forty in 1998) notes payable, two total \$1,177,867 or 10.68% (two notes total \$1,205,130 or 12.04% in 1998) of total notes payable.



CHURCH EXTENSION LOAN FUND  
Notes to the Financial Statements  
December 31, 1999 and 1998

Note 9 - Revocable and irrevocable trusts

Ten irrevocable and four revocable charitable remainder trusts pay interest at 6-9% per year. The principal of these trusts was used to make mortgage loans. Interest expense for the year ended December 31, 1999 amounted to \$109,741 (\$55,513 at December 31, 1998).

Note 10 - 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, 1999 was \$34,196 (\$28,378 at December 31, 1998).

Note 11 - Investments

Investments at December 31, 1998 were stated at fair value and consisted of equity securities:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Equity securities	<u>\$276,719</u>	<u>\$332,062</u>	<u>\$ 55,344</u>

Investment return was summarized as follows:

Net unrealized gain	<u>\$ 55,344</u>
---------------------	------------------

## Board of Retirement & Insurance

Every year is a journey of faith for the Board of Retirement. How will prospective participants respond to the plan? What will market pressures do to our investments? How many will choose to retire during the year? Will Congress change the rules affecting our operation?

Our journey was blessed again throughout 1999. New enrollees matched last year's totals of 108, a tie for record-high enrollments. A little more than one out of four participants in the plan have joined during the last five years (408 out of 1599). That is certainly moving in the right direction. However there are still a large number of our church and agency employees who are not part of the plan. We must continue adding new members by challenging individuals and their employers to join us in preparing for retirement.

Contributions and earnings continued to increase at significant rates bringing our total assets to just over \$21 million. This growth occurred while we paid out more than \$915,000 in various types of settlements.

Our stock portfolio had moderate gains through the year but bonds were racked by the worst market experienced in years. They pushed earnings down for each period, especially the second, so we credited 12.5% and 9% for Plan 1 participants, producing an annualized return of 11.03%. Our historic returns have been:

One Year, 1999-	11.031%
3 Yrs. 1997-99-	11.233%
5 Yrs. 1995-99-	13.573%
10 Yrs. 1990-99-	9.624%
Life of Plan, 1969-99-	8.936%

More participants are choosing life-time annuities as their settlement choice. That is the result of understanding the operation of our annuity program. Everyone who takes a settlement should consider the pro's and con's of each of our ten settlement choices. If you are contemplating a settlement please call the office toll free at (877) 767-7738 for a full explanation of your choices.

Our goal is to provide the best retirement plan, the best service experience, and the best settlement options to each individual in our program.

Respectfully,

William W. Evans  
 Director

## Summary of Board Meetings

### **April 27-28, 1999**

All members present except Roger Harwell. The director's report and financial report were accepted. The 2000 budget was approved. The Board reviewed the performance of the money managers. The Board elected officers and commended the members who were retiring from the board.

### **December 8, 1999**

All members were present except Ron Barber. The director's report was accepted. The Board reviewed the financial operations and performance of the money managers year to date.



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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 1999 AND 1998**

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

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT .....	1
FINANCIAL STATEMENTS	
Statements of Financial Position .....	2 - 3
Statements of Activities and Changes in Net Assets .....	4 - 7
Statements of Cash Flows .....	8 - 11
Notes to Financial Statements .....	12 - 19

Williams, Crosslin, Sparks & Vaden, P.C.

Certified Public Accountants and Consultants  
Palmer Plaza • 1801 West End Avenue, Suite 1625, Nashville, TN 37203-2513  
P. O. Box 22359, Nashville, TN 37202-2359  
615-320-5500 • Fax 615-329-9465

Independent Auditors' Report

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

We have audited the accompanying statements of financial position of the Board of Retirement and Insurance of the National Association of Free Will Baptists (the "Board") as of December 31, 1999 and 1998, 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 audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Retirement and Insurance of the National Association of Free Will Baptists as of December 31, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

*Williams, Crosslin, Sparks & Vaden, P.C.*

February 21, 2000

Member The McGladrey Network  
Worldwide Services Through RSM International



BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
STATEMENTS OF FINANCIAL POSITION

ASSETS

	<u>December 31,</u>	
	<u>1999</u>	<u>1998</u>
<b>OPERATING ASSETS</b>		
Cash and cash equivalents	\$ 22,434	\$ 23,525
Funds invested with the Free Will Baptist Foundation	18,915	14,989
Accounts receivable	-	355
Total operating assets	<u>41,349</u>	<u>38,869</u>
<b>RETIREMENT ASSETS</b>		
Cash and cash equivalents	386,673	797,713
Investment in marketable securities and instruments, at fair market value (Note C)	19,381,693	15,786,939
Accrued investment income receivable	138,420	86,648
Notes receivable, net of allowance for doubtful accounts (Note B)	<u>1,192,575</u>	<u>2,216,586</u>
Total retirement assets	<u>21,099,361</u>	<u>18,887,886</u>
<b>OFFICE FURNITURE, EQUIPMENT AND AUTOMOBILES, at cost, net of accumulated depreciation (Note D)</b>	<u>38,513</u>	<u>54,745</u>
<b>Total assets</b>	<u><b>\$21,179,223</b></u>	<u><b>\$18,981,500</b></u>

LIABILITIES AND NET ASSETS

	<u>December 31,</u>	
	<u>1999</u>	<u>1998</u>
<b>LIABILITIES</b>		
Annuities payable (Note F)	\$ 1,274,925	\$ 961,564
Unearned loan origination fees	18,751	26,751
Accounts payable, accrued expenses and other liabilities	<u>12,590</u>	<u>18,791</u>
Total liabilities	<u>1,306,266</u>	<u>1,007,106</u>
<b>NET ASSETS</b>		
Unrestricted:		
Operations:		
Operating funds	14,837	9,580
Designated for future asset purchases	18,915	14,989
Net invested in equipment	<u>38,512</u>	<u>54,745</u>
Operating net assets	<u>72,264</u>	<u>79,314</u>
Retirement accounts:		
Net assets available for participants	19,769,902	17,865,415
Designated as reserve funds	20,791	21,665
Designated as annuity reserve funds	<u>10,000</u>	<u>8,000</u>
Retirement net assets	<u>19,800,693</u>	<u>17,895,080</u>
Total net assets	<u>19,872,957</u>	<u>17,974,394</u>
Total liabilities and net assets	<u><b>\$21,179,223</b></u>	<u><b>\$18,981,500</b></u>

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, 1999 AND 1998

	1999		
	Retirement Accounts	Operations	Total
SUPPORT, REVENUE AND OTHER ADDITIONS			
Contributions from participants	\$ 1,694,541	\$ -	\$ 1,694,541
Investment income:			
Gains of investment portfolio:			
Net realized gains	505,207	-	505,207
Net unrealized gains (losses)	599,805	-	599,805
	1,105,012	-	1,105,012
Interest and dividends from investments (net of investment fees):	714,886	-	714,886
Total investment income	1,819,898	-	1,819,898
Income earned from interest bearing notes:			
Interest income	165,471	-	165,471
Loan origination fees earned	8,000	-	8,000
Total income earned from interest and loan origination fees	173,471	-	173,471
Forfeitures and late charges	1,268	-	1,268
Gifts	-	60,578	60,578
Reimbursement from Free Will Baptist Foundation	-	27,000	27,000
Miscellaneous income	668	4,914	5,582
Total Additions	3,689,846	92,492	3,782,338
Allocation for operations	( 252,560)	252,560	-
Net additions after allocation for operations	3,437,286	345,052	3,782,338

- 4 -

	1998		
	Retirement Accounts	Operations	Total
	\$ 1,527,119	\$ -	\$ 1,527,119
	1,505,032	-	1,505,032
	( 910,525)	-	( 910,525)
	594,507	-	594,507
	536,473	-	536,473
	1,130,980	-	1,130,980
	276,592	-	276,592
	8,503	-	8,503
	285,095	-	285,095
	1,187	-	1,187
	-	57,342	57,342
	-	22,000	22,000
	-	4,116	4,116
	2,944,381	83,458	3,027,839
	( 254,371)	254,371	-
	2,690,010	337,829	3,027,839

See accompanying notes to financial statements.

- 5 -



BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - Continued  
YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999		
	Retirement Accounts	Operations	Total
EXPENSES AND OTHER DEDUCTIONS			
Withdrawals by participants	\$ 1,395,436	\$ -	\$ 1,395,436
Insurance deductions from participants accounts	47,043	-	47,043
Income allocated to annuitant obligations	86,558	-	86,558
Salaries	-	101,824	101,824
Housing	-	47,840	47,840
Fringe benefits	-	56,229	56,229
Travel and promotional	-	17,009	17,009
Office supplies and expense	-	27,779	27,779
Occupancy	-	50,199	50,199
Board members expense	-	13,770	13,770
Legal and auditing	-	13,929	13,929
Depreciation	-	18,794	18,794
Miscellaneous	2,636	4,729	7,365
Total deductions	<u>1,531,673</u>	<u>352,102</u>	<u>1,883,775</u>
Increase (decrease) in net assets	1,905,613	( 7,050)	1,898,563
Net assets at beginning of year	<u>17,895,080</u>	<u>79,314</u>	<u>17,974,394</u>
Net assets at end of year	<u>\$19,800,693</u>	<u>\$ 72,264</u>	<u>\$19,872,957</u>

	1998		
	Retirement Accounts	Operations	Total
EXPENSES AND OTHER DEDUCTIONS			
Withdrawals by participants	\$ 1,246,487	\$ -	\$ 1,246,487
Insurance deductions from participants accounts	44,359	-	44,359
Income allocated to annuitant obligations	61,582	-	61,582
Salaries	-	98,191	98,191
Housing	-	45,999	45,999
Fringe benefits	-	53,461	53,461
Travel and promotional	-	17,498	17,498
Office supplies and expense	-	21,414	21,414
Occupancy	-	49,070	49,070
Board members expense	-	11,392	11,392
Legal and auditing	-	12,431	12,431
Depreciation	-	17,153	17,153
Miscellaneous	2,919	6,034	8,953
Total deductions	<u>1,355,347</u>	<u>332,643</u>	<u>1,687,990</u>
Increase (decrease) in net assets	1,334,663	5,186	1,339,849
Net assets at beginning of year	<u>16,560,417</u>	<u>74,128</u>	<u>16,634,545</u>
Net assets at end of year	<u>\$17,895,080</u>	<u>\$ 79,314</u>	<u>\$17,974,394</u>

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, 1999 AND 1998

	1999		
	Retirement Accounts	Operations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from:			
Contributions from participants and employers	\$ 1,694,541	\$ -	\$ 1,694,541
Gifts	-	60,578	60,578
Income earned from interest and loan origination fees	165,471	-	165,471
Investment income	663,114	-	663,114
Forfeitures and late charges	1,268	-	1,268
Reimbursement from Free Will Baptist Foundation	-	27,000	27,000
Miscellaneous income	668	5,269	5,937
Cash paid for:			
Supplies and employees	( 49,178)	(340,010)	( 389,188)
Withdrawal of funds by participants	( 1,395,436)	-	( 1,395,436)
Income allocated to annuitant obligations	( 86,558)	-	( 86,558)
Net cash provided (used) by operating activities	<u>993,890</u>	<u>(247,163)</u>	<u>746,727</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of office furniture and equipment	-	( 2,562)	( 2,562)
Investments:			
Purchases of investment securities	(19,839,665)	-	(19,839,665)
Funds invested with Free Will Baptist Foundation	( 200,000)	( 3,926)	( 203,926)
Proceeds from sale of investment securities	17,549,923	-	17,549,923
Notes receivable:			
New loans made	( 107,003)	-	( 107,003)
Collection of notes receivable	<u>1,131,014</u>	<u>-</u>	<u>1,131,014</u>
Net cash used by investing activities	<u>( 1,465,731)</u>	<u>( 6,488)</u>	<u>( 1,472,219)</u>

	1998		
	Retirement Accounts	Operations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from:			
Contributions from participants and employers	\$ 1,527,119	\$ -	\$ 1,527,119
Gifts	-	57,342	57,342
Income earned from interest and loan origination fees	276,592	-	276,592
Investment income	529,311	-	529,311
Forfeitures and late charges	1,187	-	1,187
Reimbursement from Free Will Baptist Foundation	-	22,000	22,000
Miscellaneous income	-	3,031	3,031
Cash paid for:			
Supplies and employees	( 49,635)	(312,739)	( 362,374)
Withdrawal of funds by participants	( 1,246,487)	-	( 1,246,487)
Income allocated to annuitant obligations	( 64,501)	-	( 64,501)
Net cash provided (used) by operating activities	<u>973,586</u>	<u>(230,366)</u>	<u>743,220</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of office furniture and equipment	-	( 29,010)	( 29,010)
Investments:			
Purchases of investment securities	(21,138,947)	-	(21,138,947)
Funds invested with Free Will Baptist Foundation	-	( 3,730)	( 3,730)
Proceeds from sale of investment securities	19,772,185	-	19,772,185
Notes receivable:			
New loans made	( 117,814)	-	( 117,814)
Collection of notes receivable	<u>701,710</u>	<u>-</u>	<u>701,710</u>
Net cash used by investing activities	<u>( 782,866)</u>	<u>( 32,740)</u>	<u>( 815,606)</u>

See accompanying notes to financial statements.



BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
STATEMENTS OF CASH FLOWS - Continued  
YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999		
	Retirement Accounts	Operations	Total
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Allocation for operations	(252,560)	252,560	-
Net additions to annuities payable	<u>313,361</u>	<u>-</u>	<u>313,361</u>
Net cash provided by financing activities	<u>60,801</u>	<u>252,560</u>	<u>313,361</u>
Net increase (decrease) in cash	(411,040)	( 1,091)	(412,131)
Cash and cash equivalents at beginning of year	<u>797,713</u>	<u>23,525</u>	<u>821,238</u>
Cash and cash equivalents at end of year	<u>\$ 386,673</u>	<u>\$ 22,434</u>	<u>\$ 409,107</u>
<b>RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Increase in net assets	\$ 1,905,613	\$( 7,050)	\$ 1,898,563
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities			
Depreciation and amortization	-	18,794	18,794
Allocation for operations	252,560	(252,560)	-
Gains on investment transactions	(1,105,012)	-	(1,105,012)
Decrease in accounts receivable	-	355	355
Decrease (increase) in accrued investment income	( 51,772)	-	( 51,772)
Increase (decrease) in accounts payable, accrued expenses and other	501	( 6,702)	( 6,201)
Decrease in loan origination fees	<u>( 8,000)</u>	<u>-</u>	<u>( 8,000)</u>
Total adjustments	<u>( 911,723)</u>	<u>(240,113)</u>	<u>(1,151,836)</u>
Net cash provided (used) by operating activities	<u>\$ 993,890</u>	<u>\$(247,163)</u>	<u>\$ 746,727</u>

- 10 -

	1998		
	Retirement Accounts	Operations	Total
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Allocation for operations	( 254,371)	254,371	-
Net additions to annuities payable	<u>395,163</u>	<u>-</u>	<u>395,163</u>
Net cash provided by financing activities	<u>140,792</u>	<u>254,371</u>	<u>395,163</u>
Net increase (decrease) in cash	331,512	( 8,735)	322,777
Cash and cash equivalents at beginning of year	<u>466,201</u>	<u>32,260</u>	<u>498,461</u>
Cash and cash equivalents at end of year	<u>\$ 797,713</u>	<u>\$ 23,525</u>	<u>\$ 821,238</u>
<b>RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Increase in net assets	\$ 1,334,663	\$ 5,186	\$ 1,339,849
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities			
Depreciation and amortization	-	17,153	17,153
Allocation for operations	254,371	(254,371)	-
Gains on investment transactions	( 594,507)	-	( 594,507)
Decrease in accounts receivable	-	( 355)	( 355)
Decrease (increase) in accrued investment income	( 7,162)	-	( 7,162)
Increase (decrease) in accounts payable, accrued expenses and other	( 5,276)	2,021	( 3,255)
Decrease in loan origination fees	<u>( 8,503)</u>	<u>-</u>	<u>( 8,503)</u>
Total adjustments	<u>( 361,077)</u>	<u>(235,522)</u>	<u>( 596,629)</u>
Net cash provided (used) by operating activities	<u>\$ 973,586</u>	<u>\$(230,366)</u>	<u>\$ 743,220</u>

See accompanying notes to financial statements.

- 11 -



BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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. The Board maintains this retirement pension plan pursuant to Section 403(b) of the Internal Revenue Code of 1986, which is an exempt church plan under the provisions of the code.

Accrual Basis and Financial Statement Presentation

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

The Board classifies its revenue, expenses, gains, and losses into three classes of net assets based on the existence or absence of donor-imposed restrictions. Net assets of the Board and changes therein are classified as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Board and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that are maintained permanently by the Board. Generally, the donors of these assets permit the Board to use all or part of the income earned on the related investments for general or specific purposes.

BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The amount for each of these classes of net assets is presented in the statements of financial position, and the amount of change in each class of net assets is displayed in the statements of activities and changes in net assets. The Board had no temporarily or permanently restricted net assets at December 31, 1999 and 1998.

Further, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Retirement Pension Plan

Under the terms of the retirement pension plan which the Board maintains, contributions may be made to the Plan through employer contributions, salary reduction contributions, voluntary employee contributions and general contributions. The participant may elect from two plan types. Plan 1 requires employer contributions for such employee to be at least 5% of the employee's compensation. Plan 2 requires the total of employer contributions, salary reduction and voluntary employee contributions to be at least 3% of the employee's compensation. A third plan exists that members may enter initially upon employment or when they lose eligibility to participate in Plan 1 or 2. Minimum contributions required by this plan are \$10 per month and can be made by any of the plan's contribution means. Total employer contributions and salary reduction contributions that may be made for a participant in any year shall not exceed the limits imposed by IRS Code Sections 402(g), 403(b) and 415.

Each participant's account is credited with contributions made by and on behalf of the participant. Allocations of Plan earnings are based on account balances and the plan elections made by each participant, as defined in the Plan, on the last day of each adjustment period. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

On retirement, death or disability, participants receive payment of their individual vested account balances based on options and provisions as defined in the Plan. Benefits are recorded when paid.

Although it has not expressed any intent to do so, the Board has the right under the Plan, with the approval of the Association, to terminate the Plan. In the event of Plan termination, participants will become 100% vested in their accounts.



BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments

Investments in marketable securities are reported at fair value with gains and losses included in the statement of activities and changes in net assets. Investments in marketable securities are valued at current quoted or estimated market value. Non-marketable investments are carried at cost unless a permanent loss of value has occurred.

Office Furniture, Equipment and Automobiles

Office furniture, equipment and automobiles are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets, generally 6 years for automobiles and 5 - 10 years for furniture and equipment.

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 statements of cash flows, the Board 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.

Loan Origination Fees

A one-time origination fee for 4% for each new church loan is charged to borrowers to cover service fees throughout the life of the loan. These loan origination fees are amortized to revenue over the life of the related loan.

Uses of Estimates in the Preparation of Financial Statements

Judgment and estimation is exercised by management in certain areas of the preparation of financial statements. The more significant areas include the collectibility of notes receivable, the determination of fair value of investments, and the recovery period for office furniture, equipment and automobiles. Management believes that such estimates have been based on reasonable assumptions and that such estimates are adequate. Actual results could differ from those estimates.



BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998

**B. NOTES RECEIVABLE**

Following is a summary of notes receivable:

	<u>1999</u>	<u>1998</u>
Participant notes (net) secured by retirement account balances	\$ 30,456	\$ 92,959
Churches and agency notes secured by related real property	<u>1,192,119</u>	<u>2,153,627</u>
	1,222,575	2,246,586
Less allowance for doubtful accounts	<u>( 30,000)</u>	<u>( 30,000)</u>
	<u>\$ 1,192,575</u>	<u>\$ 2,216,586</u>

The notes bear interest at various rates from 3.0% to 15% and mature at various dates from 2001 through 2012.

**C. INVESTMENTS IN MARKETABLE SECURITIES AND INSTRUMENTS**

A summary of investments at market value and cost, is as follows:

	<u>1999</u>		
	<u>Market Value</u>	<u>Cost</u>	<u>Appreciation</u>
Investments:			
Certificate of deposit	\$ 35,000	\$ 35,000	\$ -
Mutual funds	2,632,633	2,670,768	( 38,135)
Common stocks	9,153,974	8,033,768	1,120,206
U.S. Government issues	7,311,241	7,651,451	( 340,210)
Fixed income bonds	48,845	116,031	( 67,186)
Investment with Foundation	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total Investments	<u>\$19,381,693</u>	<u>\$18,707,018</u>	<u>\$ 674,675</u>

For 1999, total investment income relating to marketable securities and instruments amounted to \$1,819,898 and consisted of investment gains of \$1,105,012 and interest and dividends of \$714,886. Investment income represented yields of 10.35% and 10.58% based on the average market value and average cost of such investments for 1999.

	<u>1998</u>		
	<u>Market Value</u>	<u>Cost</u>	<u>Appreciation</u>
	\$ 35,000	\$ 35,000	\$ -
	2,092,543	2,008,029	84,514
	5,762,172	6,145,354	(383,182)
	7,871,999	7,498,383	373,616
	25,225	25,032	193
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$15,786,939</u>	<u>\$15,711,798</u>	<u>\$ 75,141</u>



BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998

C. INVESTMENTS IN MARKETABLE SECURITIES  
AND INSTRUMENTS - Continued

Total investment income relating to marketable securities and instruments amounted to \$1,130,980 for 1998 and consisted of investment gains of \$594,507 and interest and dividends of \$536,473. Investment income represents yields of 7.63% and 7.92% based on the average market value and average cost of such investments for 1998.

Investment and brokerage fees totaling \$123,846 and \$102,615 for 1999 and 1998, respectively, were netted against interest and dividends from investments.

D. OFFICE FURNITURE, EQUIPMENT, AND AUTOMOBILES

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

	<u>1999</u>	<u>1998</u>
Office furniture and fixtures	\$ 40,685	\$ 40,562
Computer equipment	55,767	59,626
Automobiles	<u>19,500</u>	<u>19,500</u>
	115,952	119,688
Accumulated depreciation	<u>( 77,439)</u>	<u>( 64,943)</u>
	<u>\$ 38,513</u>	<u>\$ 54,745</u>

E. LEASE AND OCCUPANCY EXPENSE

Under the terms of a lease agreement with an affiliate, the Board leases 3,933 feet of office and storage space for \$1.00 per square foot per month. The lease can only be terminated after any and all mortgages are paid in full on the premises. In addition, the Board pays additional expenses related to their share of operating and maintenance costs of the building. Total lease payments and additional operating and maintenance costs related to the lease were \$50,199 and \$49,070 for the years ended December 31, 1999 and 1998.

BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998

F. 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. As of December 31, 1999 and 1998, the recorded liability amounted to \$1,274,925 and \$961,564, respectively, which management believes is sufficient to provide benefits over the life expectancy of the annuitants.

G. INFORMATION REGARDING FINANCIAL INSTRUMENTS

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, or notes receivable and investments are not secured by mortgages or guaranteed by the United States Government.

The following table summarizes the Board's accounting risk of loss as of December 31, 1999:

	<u>Account Balance</u>	<u>Amount Insured/ Secured</u>	<u>Amount of Accounting Risk of Loss</u>
Notes receivable, net of allowance for doubtful collections	\$ 1,192,575	\$ 1,192,575	\$ -
Cash and cash equivalents	216,041	203,031	13,010
Funds invested with the Free Will Baptist Foundation	17,989	17,989	-
Fixed income bonds	45,845	-	45,845
Short-term liquid investments	193,067	193,067	-
Short-term note with Free Will Baptist Foundation	200,000	200,000	-
Certificates of deposit	35,000	35,000	-
Mutual funds	2,632,633	-	2,632,633
Common stocks	9,153,974	-	9,153,974
U.S. Treasury notes and bills	<u>7,311,241</u>	<u>7,311,241</u>	<u>-</u>
	<u>\$20,998,365</u>	<u>\$9,152,903</u>	<u>\$11,845,462</u>



BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998

H. RELATED PARTY TRANSACTIONS

The Board provided office space and certain administrative services to the Free Will Baptist Foundation, Inc. The Foundation reimbursed the Board \$27,000 and \$22,000 for these services during the years ended December 31, 1999 and 1998, respectively.

Board of Retirement and Insurance  
Proposed Budget for 2001

	1998 Budget	1998 Actual	1999 Budget	1999 Actual	2000 Approved	2001 Proposed
Salaries	\$ 96,465	\$ 98,191	\$ 97,105	\$101,825	\$106,147	\$110,642
Employee Benefits	51,200	53,461	53,569	56,229	59,233	62,382
Housing	46,000	46,000	47,840	47,840	49,754	51,744
Travel/Promotion	17,000	17,137	19,000	15,213	19,250	19,250
Auto Maintenance	1,000	1,307	1,000	1,796	1,500	1,500
Future Purchases	3,000	3,000	3,000	3,000	3,000	3,000
Hardware/Software Future Purchases	0	0	0	0	0	12,000
Plant Fund	53,000	49,070	53,000	50,199	53,000	53,000
Office Expense	26,000	19,168	26,000	25,118	26,000	28,000
Equipment	30,000	29,009	10,000	2,562	10,000	4,000
Publications	10,000	2,950	10,000	0	12,250	12,250
Dept's Share of Ins. Premium	0	0	0	15	0	0
Board Expense	12,500	12,139	14,000	13,770	15,000	15,000
Together Way	1,000	1,098	1,000	749	1,400	1,400
Legal	16,000	12,651	18,000	13,929	18,000	3,500
Auditing						12,000
Miscellaneous Operating Expenses	1,500	1,362	2,500	1,800	1,100	2,000
Education/Training	4,000	3,286	5,000	2,661	6,500	8,000
Total	\$368,665	\$349,828	\$361,014	\$336,705	\$382,134	\$399,668



## Board of Retirement and Insurance Salary and Benefits Breakdown

### Bill Evans:

	1999	2000	2001
Salary	\$25,518.57	\$26,539.32	\$28,789.43
Housing/Utilities	22,880.00	23,795.20	24,747.01
Social Security/Medicare	8,742.60	9,092.30	9,456.00
Retirement	3,387.90	3,523.42	3,664.35
Insurance	5,888.04	6,742.31	7,312.57
Life	739.20	739.20	841.20
Hospitalization	4,534.08	5,281.20	5,710.01
Dental	340.20	407.88	396.72
Disability	274.56	314.03	364.64
Note: Office Car Furnished			
<b>Total</b>	<b>\$66,417.11</b>	<b>\$70,835.37</b>	<b>\$73,969.36</b>

### Ray Lewis

Salary	\$17,756.88	\$18,467.15	\$20,254.85
Housing/Utilities	24,960.00	25,958.40	26,996.74
Social Security/Medicare	7,716.27	8,079.18	8,345.92
Retirement	2,990.18	3,109.79	3,161.50
Insurance	3,377.52	3,937.92	4,201.97
Life	565.20	660.96	660.96
Hospitalization	2,384.40	2,777.28	3,002.81
Dental	185.52	222.48	216.36
Disability	242.40	277.20	321.84
*Note: Office Car Furnished			
<b>Total</b>	<b>\$56,800.85</b>	<b>\$60,564.13</b>	<b>\$62,960.97</b>

### David Brown

Salary	\$33,205.35	\$34,533.57	\$36,730.34
Social Security/Medicare	5,998.13	6,379.69	6,487.58
Retirement	2,324.37	2,417.35	2,514.04
Insurance	6,936.12	8,432.04	9,037.65
Life	403.20	403.20	403.20
Hospitalization	5,856.00	7,227.48	7,814.40
Dental	488.52	585.84	569.88
Disability	188.40	215.52	250.17
<b>Total</b>	<b>\$48,463.98</b>	<b>\$52,546.72</b>	<b>\$54,769.61</b>

### Diana Harris

Salary	\$20,623.95	\$23,920.00	\$24,867.60
Social Security/Medicare	1,708.43	1,829.88	1,866.48
Retirement	1,443.68	1,674.40	1,674.40
Insurance	3,055.80	3,858.12	3,724.32
Life	361.20	361.20	361.20
Hospitalization	2,384.40	2,777.28	3,002.81
Dental	193.20	585.84	216.36
Disability	117.00	133.80	143.95
<b>Total</b>	<b>\$26,831.86</b>	<b>\$31,742.40</b>	<b>\$32,132.80</b>

\*\*Disability Insurance is .059 per \$100

## Free Will Baptist Foundation

The Free Will Baptist Foundation is a ministry of helps. During the past year we were asked to assist several individuals, families, local churches and other ministries.

A lady wanted to provide a gift to her widowed sister. This sister and her husband had spent their working years serving Free Will Baptists. The widow's retirement income was limited. Though in her 70's, she worked regularly to provide a few of the extras so pleasant in life. The caller could not provide a large gift, and feared the little she could provide would be totally consumed if special care or other needs arose. After some consideration a plan was put into action which accomplished the following:

### The caller received

- A tax deduction for the charitable gift portion of the transfer.
- Assurance that the stream of income will go to her sister as long as she lives.
- Assurance that the principal of the gift cannot be attached for health needs.

### The widow receives

- A regular quarterly income ("gift" from her sister) for life, of which the majority is tax free.
- A constant reminder of her family's love and the power of God to provide.

### Free Will Baptists receive

- The remainder following the widow's death (benefits will be distributed according to the donor's directions)

A pastor called requesting help managing surplus funds by his church. As with many of our churches their surplus was small and they could never tell when some or all of it might be needed. Bank CDs were not suitable for them and savings account interest was very low. Could the Foundation help them? We suggested an arrangement which provided them:

- An agreement invested in government-backed guaranteed investments
- An attractive rate of interest
- Quick access with no withdrawal penalty
- The opportunity to add any amount at any time and as often as they wished, earning the same rate
- Assurance that the service cost goes to a Free Will Baptist ministry

The Foundation exists to help our people and ministries achieve their God-given purpose, both today and in the future. Those needs are unique and personal for each. The Foundation seeks to tailor a solution for each individual need.

The financial report indicated a significant growth this year. However, much of that is due to short term funds added to the revocable trust fund.

Our field representative, Brother Frank Giunta, retired in June of last year. As projected when Frank came on board, we did slip into red ink



after three years, not nearly as quickly as expected. Since his retirement we have maintained the operation with office staff only. Several have sought the position since his retirement.

At present I am seeking to develop a semi-voluntary staff of key individuals who can be mobilized to help spread the word and explain various gift options.

Leroy and Lou Schudder from northeast Arkansas and William (Buddy) and Martha Morris of Statesboro, Georgia have stepped forward already. They came for two days of intensive training earlier this month. Fred Warner, representative of Foreign Mission attended also.

From \$0 to \$8.3 million in the first 20 years. If the vision for what the Foundation can do for and through our people and ministries continues to take hold we have not seen anything yet. I want to reach \$10 million by year end and hopefully \$25,000,000 within the next five.

Will you help us help your church, friends and family in this great task?

## Free Will Baptist Foundation Summary of Board Meeting

**April 26, 1999**

Annual Meeting—All members or proxies present except Roger Harwell. The director's report and financial report were accepted. The 2000 budget was approved. The Board discussed changes in the endowment allocations. The board elected officers and commended the members who were retiring from the board.

## FREE WILL BAPTIST FOUNDATION, INC.

### FINANCIAL STATEMENTS

DECEMBER 31, 1999 AND 1998

## FREE WILL BAPTIST FOUNDATION, INC.

### Table of Contents

	Page
INDEPENDENT AUDITORS' REPORT .....	1
FINANCIAL STATEMENTS	
Statements of Financial Position .....	2 - 3
Statements of Activities .....	4 - 5
Statements of Cash Flows .....	6
Notes to Financial Statements .....	7 - 12



Williams, Crosslin, Sparks & Vaden, P.C.  
Certified Public Accountants and Consultants  
Palmer Plaza • 1801 West End Avenue, Suite 1625, Nashville, TN 37203-2513  
P.O. Box 22359, Nashville, TN 37202-2359  
615-322-5500 • Fax 615-329-9465

Independent Auditors' Report

The Board of Directors  
Free Will Baptist Foundation, Inc.

We have audited the accompanying statements of financial position of the Free Will Baptist Foundation, Inc. (the "Foundation") as of December 31, 1999 and 1998, and the related statements of activities 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 audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Free Will Baptist Foundation, Inc., as of December 31, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

*Williams, Crosslin, Sparks & Vaden, P.C.*

March 1, 2000

Member The McGladrey Network  
Worldwide Services Through RSM International



FREE WILL BAPTIST FOUNDATION, INC.  
STATEMENTS OF FINANCIAL POSITION

ASSETS

	<u>December 31,</u>	
	<u>1999</u>	<u>1998</u>
Cash and cash equivalents	\$ 228,436	\$ 513,267
Accrued earnings receivable	86,062	48,630
Other accounts receivable	1,687	-
Investments, at fair market value (Note B):		
Certificates of deposit	281,559	347,000
U.S. Government instruments	5,907,897	3,596,996
Common stocks	781,393	526,467
Real estate investments	567,010	515,464
Mutual funds	398,977	231,174
Corporate bonds	93,798	20,280
Resale estate held for resale	-	75,000
Unimproved land held for resale	-	2,000
Total Investments	<u>8,030,634</u>	<u>5,314,381</u>
Notes receivable (Note C)	<u>38,737</u>	<u>62,410</u>
Total assets	<u>\$8,385,556</u>	<u>\$5,938,688</u>

- 2 -

LIABILITIES AND NET ASSETS

	<u>December 31,</u>	
	<u>1999</u>	<u>1998</u>
<b>LIABILITIES</b>		
Liabilities to beneficial owners:		
Interest bearing revocable and savings trusts (Note D)	\$6,280,027	\$4,058,678
Future gift interests payable (Note E)	877,350	881,621
Funds held for Free Will Baptist Foreign Missions	6,754	6,706
Accrued earnings payable	-	6,757
Total liabilities	<u>7,164,131</u>	<u>4,953,762</u>
<b>NET ASSETS</b>		
Unrestricted	50,320	18,367
Permanently restricted (endowment) (Note F)	<u>1,171,105</u>	<u>966,559</u>
Total net assets	<u>1,221,425</u>	<u>984,926</u>
Total liabilities and net assets	<u>\$8,385,556</u>	<u>\$5,938,688</u>

See accompanying notes to financial statements.

- 3 -



FREE WILL BAPTIST FOUNDATION, INC  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999		
	Unrestricted	Permanently Restricted	Total
<b>REVENUE AND SUPPORT</b>			
Investment income:			
Interest and dividends, net of investment fees	\$ 395,547	\$ -	\$ 395,547
Realized net gains on sale of investments	66,602	-	66,602
Unrealized net gains (losses) from investments	44,967	-	44,967
Earnings added to permanently restricted endowments	( 22,535)	22,535	-
Total Investment Income	<u>484,581</u>	<u>22,535</u>	<u>507,116</u>
Support through "The Together Way" Plan and Other Contributions	25,275	182,011	207,286
Interest income - notes receivable	3,920	-	3,920
Endowment income	562	-	562
Miscellaneous	<u>183</u>	<u>-</u>	<u>183</u>
Total Revenue and Support	<u>514,521</u>	<u>204,546</u>	<u>719,067</u>
Allocations of earnings to revocable trusts, savings trusts, beneficiaries and annuitants	(407,390)	-	(407,390)
Revenue and Support after Allocations	<u>107,131</u>	<u>204,546</u>	<u>311,677</u>
<b>EXPENSES</b>			
Reimbursement to the Board of Retirement of National Association of Free Will Baptists	27,000	-	27,000
Salaries	19,675	-	19,675
Equipment expense	1,295	-	1,295
Travel and promotion	14,739	-	14,739
Office expense	1,708	-	1,708
Publications	740	-	740
Training and education	1,075	-	1,075
Legal and auditing	6,851	-	6,851
Interest expense	667	-	667
Miscellaneous	<u>1,428</u>	<u>-</u>	<u>1,428</u>
Total Expenses	<u>75,178</u>	<u>-</u>	<u>75,178</u>
Increase (decrease) in Net assets	31,953	204,546	236,499
Net Assets at Beginning of Year	<u>18,367</u>	<u>966,559</u>	<u>984,926</u>
Net Assets at End of Year	<u>\$ 50,320</u>	<u>\$1,171,105</u>	<u>\$1,221,425</u>

- 4 -

	1998		
	Unrestricted	Permanently Restricted	Total
Investment income:			
Interest and dividends, net of investment fees	\$ 325,084	\$ -	\$ 325,084
Realized net gains on sale of investments	170,422	-	170,422
Unrealized net gains (losses) from investments	(128,027)	-	(128,027)
Earnings added to permanently restricted endowments	( 7,030)	7,030	-
Total Investment Income	<u>360,449</u>	<u>7,030</u>	<u>367,479</u>
Support through "The Together Way" Plan and Other Contributions	23,906	34,878	58,784
Interest income - notes receivable	1,990	-	1,990
Endowment income	195	-	195
Miscellaneous	<u>59</u>	<u>-</u>	<u>59</u>
Total Revenue and Support	<u>386,599</u>	<u>41,908</u>	<u>428,507</u>
Allocations of earnings to revocable trusts, savings trusts, beneficiaries and annuitants	(300,368)	-	(300,368)
Revenue and Support after Allocations	<u>86,231</u>	<u>41,908</u>	<u>128,139</u>
EXPENSES			
Reimbursement to the Board of Retirement of National Association of Free Will Baptists	22,000	-	22,000
Salaries	43,613	-	43,613
Equipment expense	13,134	-	13,134
Travel and promotion	12,405	-	12,405
Office expense	3,794	-	3,794
Publications	1,718	-	1,718
Training and education	5,201	-	5,201
Legal and auditing	6,500	-	6,500
Interest expense	-	-	-
Miscellaneous	<u>2,164</u>	<u>-</u>	<u>2,164</u>
Total Expenses	<u>110,529</u>	<u>-</u>	<u>110,529</u>
Increase (decrease) in Net assets	( 24,298)	41,908	17,610
Net Assets at Beginning of Year	<u>42,665</u>	<u>924,651</u>	<u>967,316</u>
Net Assets at End of Year	<u>\$ 18,367</u>	<u>\$966,559</u>	<u>\$ 984,926</u>

See accompanying notes to financial statements.

- 5 -



FREE WILL BAPTIST FOUNDATION, INC.  
STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	1999	1998
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Cash received for:		
Contributions	\$ 25,275	\$ 23,906
Interest and dividends	358,115	316,904
Other income	4,665	2,244
Cash paid to suppliers and employees	( 81,935)	( 145,910)
Allocations of earnings to revocable trusts, savings trusts, beneficiaries and annuitants	( 407,390)	( 300,368)
Net cash used by operating activities	( 101,270)	( 103,224)
<b>CASH FLOWS FROM PERMANENTLY RESTRICTED (ENDOWMENT) ACTIVITIES</b>		
Contributions	182,011	34,878
Investment income reinvested, net of realized and unrealized gains or losses on security transactions	-	7,030
Net cash provided by permanently restricted (endowment) activities	182,011	41,908
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Notes receivable advances	-	( 41,613)
Principal payments received on notes receivable	23,673	17,162
Proceeds from sale of investment securities	2,275,146	2,127,538
Purchases of investment securities	(4,881,517)	(2,644,410)
Net cash used by investing activities	(2,582,698)	( 541,323)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from additions, net of withdrawals, to future gift interest, revocable and savings trusts	2,217,078	765,904
Net change in funds held for Free Will Baptist Foreign Missions	48	( 735)
Net cash provided by financing activities	2,217,126	765,169
Net (decrease) increase in cash	( 284,831)	162,530
Cash and cash equivalents at beginning of year	513,267	350,737
Cash and cash equivalents at end of year	\$ 101,270	\$ 513,267
<b>RECONCILIATION OF INCREASE IN NET ASSETS TO CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 236,499	\$ 17,610
Less increase in net assets considered capital additions	( 182,011)	( 41,908)
Realized and unrealized gains on investment transactions	( 111,569)	( 42,395)
Decrease (increase) in accrued investment income	( 37,432)	( 8,180)
Increase (decrease) in accrued earnings payable	( 101,270)	( 28,351)
Net cash used by operating activities	\$ ( 123,805)	\$ ( 103,224)

See accompanying notes to financial statements.

FREE WILL BAPTIST FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Free Will Baptist Foundation, Inc. (the Foundation) is operated under the auspices of the National Association of Free Will Baptists, Inc.

Accrual Basis and Financial Statement Presentation

The financial statements of the Foundation have been prepared using the accrual basis of accounting.

The Foundation classifies its revenue, contributions, expenses, gains, and losses into three classes of net assets based on the existence or absence of donor-imposed restrictions. Net assets of the Foundation and changes therein are classified as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

The amount for each of these classes of net assets is presented in the statement of financial position and the amount of change in each class of net assets is displayed in the statement of activities. The Foundation had no temporarily restricted net assets at December 31, 1999 and 1998.



FREE WILL BAPTIST FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

The Foundation is exempt from income taxes.

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

Use of Estimates in the Preparation of Financial Statements

Judgment and estimation is exercised by management in certain areas of the preparation of financial statements. The more significant areas include the collectibility of notes receivable and determination of fair value of investments. Management believes that such estimates have been based on reasonable assumptions and that such estimates are adequate. Actual results could differ from those estimates.

Investments

Investments in marketable securities are reported at fair value with gains and losses included in the statement of activities. Investments in marketable securities are valued at current quoted or estimated market value. Nonmarketable investments are carried at cost unless a permanent loss of value has occurred.

Liabilities to Beneficial Owners

The Foundation has recorded liabilities for assets they held as trustee, intermediary, custodian or agent for beneficial owners of income or remainder interests. Generally, the Foundation's liability is limited to assets held within a specific trust or account.



FREE WILL BAPTIST FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998

B. INVESTMENTS

A summary of investments at market value and cost, is as follows:

	1999		
	Market/ Stated Value	Cost	Appreciation (depreciation)
Investments:			
Marketable Securities:			
Certificate of deposits	\$ 281,559	\$ 250,171	\$ 31,388
U.S. Government instruments	5,907,897	6,266,245	(358,348)
Common stocks	781,393	752,720	28,673
Mutual funds	398,977	312,296	86,681
Corporate bonds	93,798	98,552	( 4,754)
Real estate investment trust	567,010	500,000	67,010
Total Marketable Securities	<u>8,030,634</u>	<u>8,179,984</u>	<u>(149,350)</u>
Other Investments:			
Real estate held for resale	-	-	-
Unimproved land held for resale	-	-	-
Total Other Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$8,030,634</u>	<u>\$8,179,984</u>	<u>\$(149,350)</u>

Total investment income amounted to \$507,116 for 1999, consisting of investment gains of \$111,569 and interest and dividends of \$395,547. This investment income represents yields of 7.60% and 7.57% based on the average market value and average cost of such investments for 1999.

Total investment income amounted to \$367,479 for 1998, consisting of investment gains of \$42,395 and interest and dividends of \$325,084. This investment income represents yields of 7.29% and 7.49% based on the average market value and average cost of such investments for 1998.

	1998		
	Market Stated Value	Cost	Appreciation (depreciation)
Investments:			
Marketable Securities:			
Certificate of deposits	\$ 347,000	\$ 347,000	\$ -
U.S. Government instruments	3,596,996	3,422,125	174,871
Common stocks	526,467	615,524	( 89,057)
Mutual funds	231,174	221,508	9,666
Corporate bonds	20,280	20,254	26
Real estate investment trust	515,464	500,000	15,464
Total Marketable Securities	<u>5,237,381</u>	<u>5,126,411</u>	<u>110,970</u>
Other Investments:			
Real estate held for resale	75,000	80,000	( 5,000)
Unimproved land held for resale	2,000	2,000	-
Total Other Investments	<u>77,000</u>	<u>82,000</u>	<u>( 5,000)</u>
Total Investments	<u>\$5,314,381</u>	<u>\$5,208,411</u>	<u>\$ 105,970</u>



FREE WILL BAPTIST FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998

C. NOTES RECEIVABLE

Notes receivable consists of obligations from related parties as follows:

	1999	1998
7.125% to 9.00% notes receivable relating to the St. Sebastien church development project in France guaranteed by the Foreign Missions Board of the National Association of Free Will Baptists and paid in full during 1999.	\$ -	\$14,000
11.5% note receivable due in monthly installments of \$230 through 2001, relating to the purchase of a copy machine by the Board of Retirement and Insurance of the National Association of Free Will Baptists.	4,711	6,797
8.5% note receivable due in monthly installments of \$903 through 2003, relating to the purchase of a phone system by the National Association of the Free Will Baptists, Inc.	34,026	41,613
	<u>\$38,737</u>	<u>\$62,410</u>

D. INTEREST BEARING REVOCABLE AND SAVING TRUSTS

The Foundation maintains revocable trusts and savings trusts which totaled \$6,280,027 and \$4,058,678 at December 31, 1999 and 1998, respectively. The trusts pay interest to the trust beneficiaries. The rate of interest paid is dependent upon the amount of income earned from the related investments. Withdrawal from the accounts, which may require a 90 day notice, is without penalty, and the trusts are without maturity.

E. FUTURE GIFT INTERESTS PAYABLE

The Foundation maintains charitable unitrusts amounting to \$276,451 and \$285,006 and gift annuities amounting to \$600,899 and \$596,615 as of December 31, 1999 and 1998, respectively. These future gift interests pay interest at specified rates ranging from 5.0% to 8.7%.

FREE WILL BAPTIST FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998

F. PERMANENTLY RESTRICTED NET ASSETS - ENDOWMENT

Permanently restricted net assets (endowment) 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 the related investments. As of December 31, 1999 and 1998, the permanently restricted endowment funds totaled \$1,171,105 and \$966,559, respectively.

G. 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 fees of \$27,000 and \$22,000 for 1999 and 1998, respectively.

H. INFORMATION REGARDING FINANCIAL INSTRUMENTS

The Foundation has an accounting risk of loss in the areas of cash and cash equivalents and investments to the extent they are not insured or guaranteed by a governmental agency. The Foundation may also be at risk of loss with respect to the market values of other investments. The following table summarizes the Foundation's accounting risk of loss at December 31, 1999:

	Account Balance	Amount Insured/ Secured	Amount of Accounting Risk of Loss
Cash and cash equivalents	\$ 110,479	\$ 100,000	\$ 10,479
Short term liquid investments	117,956	117,956	-
Certificates of deposit	281,559	281,559	-
U.S. Government instruments	5,907,898	5,907,898	-
Common stock	781,393	-	781,393
Mutual funds	398,977	-	398,977
Corporate bonds	93,797	-	93,797
Real estate investment	567,010	-	567,010
	<u>\$8,259,069</u>	<u>\$6,407,413</u>	<u>\$1,851,656</u>



## Free Will Baptist Foundation Budget

	Actual 1998	Approved 1999	Actual 1999	Approved 2000	Proposed 2001
<b>Income</b>					
The Jogether Way	\$22,899	\$21,000	\$24,310	\$24,000	\$25,000
Gifts	1,007	1,200	965	1,000	1,000
Interest Income	3,109	4,500	2,720	2,500	4,500
Endowment	195	600	562	300	500
Miscellaneous	59	100	183	100	100
Management Fees	50,685	70,000	78,391	70,000	85,000
<b>Total</b>	\$77,954	\$97,400	\$107,131	\$97,900	\$116,100
<b>Expenses</b>					
Salaries & Benefits	\$61,613	\$47,700	\$19,675	\$45,000	\$29,150
Salary Reimbursement	0	22,000	22,000	32,000	32,000
Travel & Promotion	12,405	20,000	14,740	20,000	20,000
Office Expense	3,794	5,000	1,708	5,000	4,000
Rent	4,000	5,000	5,000	8,000	8,000
Printing	500	5,000	0	6,000	6,000
Publications	1,718	1,200	738	1,200	1,200
Training & Education	5,201	5,000	1,075	5,000	6,000
Auditing	6,500	6,825	6,825	7,000	7,500
Legal	0	600	27	1,000	250
Equipment	13,134	0	1,295	1,000	1,000
Miscellaneous	1,155	1,000	2,095	1,000	1,000
<b>Total</b>	\$110,020 (32,066)	\$119,325 (21,925)	\$75,178	\$132,200 (34,300)	\$116,100

## Free Will Baptist Foreign Missions Digest of Reports – 2000 By James Forlines, General Director

### *The River*

*a song recorded by Steve Green*

*The River calls we can't deny, a step of faith is our reply.  
We feel the Spirit draw us in. The water's swift. We're forced to swim.  
We're out of control, and we go where He flows.*

*Danger awaits at every turn. We choose a course. We live and learn.  
As we surrender to His will, we're at peace, but we're seldom still.  
He is in control, and we go where He flows.*

*There's a River ever flowing, widening, never slowing.  
And all who wade out in are swept away.  
When it ends and where it's going, like the wind no way of knowing,  
Until we answer the call to risk it all and enter in.*

CCLI# 1421101

The heart of God is to redeem to Himself those from every people group on earth (Revelation 5:9). The call to take a step of faith was not given only to Abraham, Moses, and the prophets of old. God is calling us. He is calling us to quit playing it safe and simply depend on Him to use us to make a difference in this world—a difference far greater than any we could ever make on our own.

### 1999 – A Year of Progress

By the end of 1999 Free Will Baptist Foreign Missions was working in some way in 15 countries. In 11 of them we have missionaries: Brazil, Central Asia (precise country not named for security reasons), France, India, Ivory Coast, Japan, Panama, Russia, Spain, South Korea and Uruguay. In two countries (Cuba and Nepal) we have no missionaries, but we work closely with national pastors. In two restricted access countries (Mongolia and China) we use creative means to place Christian servants among them.

We currently support 114 missionaries. They are joined by 150 ordained national pastors and 236 licensed and lay pastors. At the end of 1999 we were sponsoring seven Bible institutes (Brazil—two, Cuba, France, Ivory Coast, Panama and Russia). A total of 111 students are studying for ministry opportunities. Already in the first half of 2000 we have begun new training institutions in India and South Korea. We are truly multiplying our effectiveness. The swelling ranks of national workers bode well for Free Will Baptist works around the world.

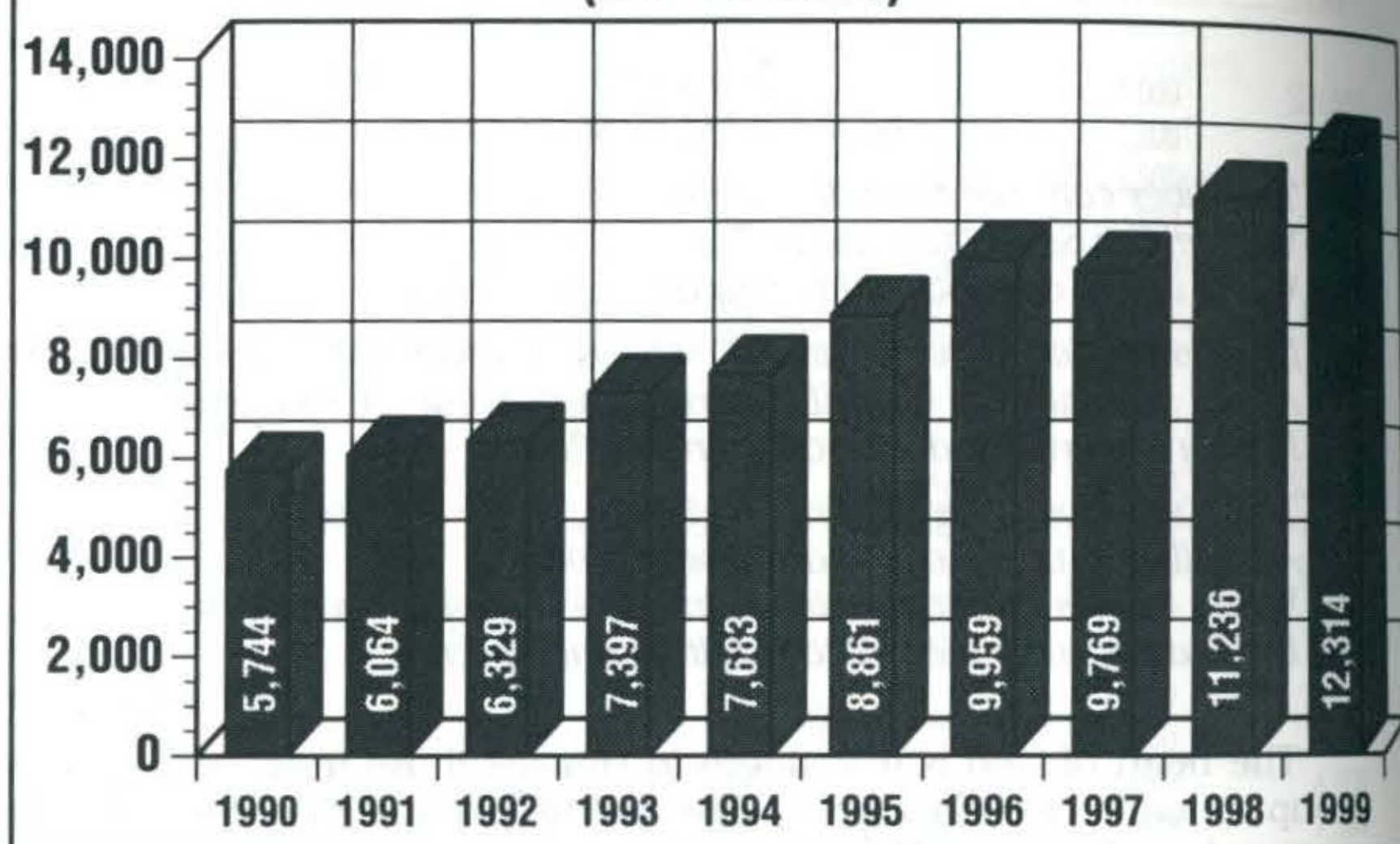
We can now report 202 organized churches (106 in 1998) and 335 mission works (258 in 1998). A total of 1,344 conversions were reported and an average Sunday attendance of 12,314 (a 9% increase over 1998). That average represented a decade of growth of 114% over the 5,744 average in 1990. Free Will Baptists on foreign mission fields did actually double in a decade!

Exciting things and spiritual warfare are occurring in Panama. Two couples, the Eddie Bowermans and the Justin Banks, have been appointed to reach the Kuna Indian tribe there. The Panamanian Association



Figure 1

### Overseas Attendance Growth (Last 10 Years)



appointed a Panamanian couple, Raul and Damaris Sanes, to join the effort. This marks the first time a cross-cultural team has been formed by Free Will Baptists to reach an unreached people group. Much prayer is needed for this team. Struggles and setbacks threaten their mission.

The Cuban church saw nearly 400 people make professions of faith. The total attendance remains above 2,000 and over 500 people gathered for their annual convention. A second class for training national workers was started at the Cedars of Lebanon Bible Seminary, so for the first time since its reopening two classes are running concurrently.

Brazil reported 144 converts in 1999. The field council is bracing for a new infusion of missionaries. Three new couples should be on the field before the end of 2000. A new comprehensive field strategy is being developed to reach this fifth largest country in the world. Fern Phillips, a retired schoolteacher from Arkansas, moved to Belo Horizonte, Brazil, to teach school and assist in the church planting effort. She is an example of a new breed of professional volunteers. Many others should follow her example.

The countries of Spain, Uruguay, France, and Japan continue to be resistant to the gospel. Free Will Baptists are still resolved to shine the light in these darkest of places. Last year 51 people accepted Christ through Free Will Baptist ministry in these countries. The ground is shaking. God is moving. "For the weapons of our warfare are not carnal, but mighty through God to the pulling down of strong holds" (2 Corinthians 10:4).

The church in Ivory Coast continues its path toward maturity and autonomy. The Bible institute had six graduates. These join the ranks of national workers who have pushed the average attendance in churches in Côte d'Ivoire to almost 3,000. The hospital in Doropo continues to function well under Ivorian leadership.

Brother Carlisle Hanna maintains a ministry in India which began nearly half a century ago (1952). The faithful service of Carlisle and his wife Marie, who died in 1998, (as well as that of others who labored in India) has been richly rewarded. We now have 4,436 people worshipping each week in Free Will Baptist churches in India. In 1999 alone 474 people accepted Christ and were baptized.

Historical firsts were attained by Free Will Baptist Foreign Missions in 1999. Free Will Baptists responded to the needs of the 1.2 billion people in the Muslim world. Kevin Stacy and Charity Van Winkle were the first to answer the call to a difficult assignment in a completely Muslim culture. We trust many others will follow their example.

Mike and Cathy Corley are the initial missionaries from Free Will Baptist Foreign Missions to go to Russia. Their facilitating ministry is proving very valuable. Over 350 young people attended the youth conference in Chelyabinsk, and Russian pastors used a helicopter to take the gospel to the Khanty in the permafrost region of Siberia. Dr. Garnett Reid became the first American professor to teach at the Bible institute in Chelyabinsk sponsored by Free Will Baptists.

On January 1, 1999, Drs. John and Esther Chang became the first Korean Free Will Baptist foreign missionaries. Dr. John's goals are to build a Free Will Baptist church in Seoul, coordinate the founding of a Free Will Baptist denomination in Korea, and establish the Asia Free Will Baptist Theological Seminary to train workers for Korea and unreached areas of Asia. We thank the Lord for his vision.

### 1999 - Financial Summary

During 1999 our Free Will Baptist people responded to God's prompting to financially support foreign missions efforts by giving \$5,380,656.84. Of this amount, 63% was given through 1,582 churches.

Figure 2

### Income for 1999

\$5,380,656

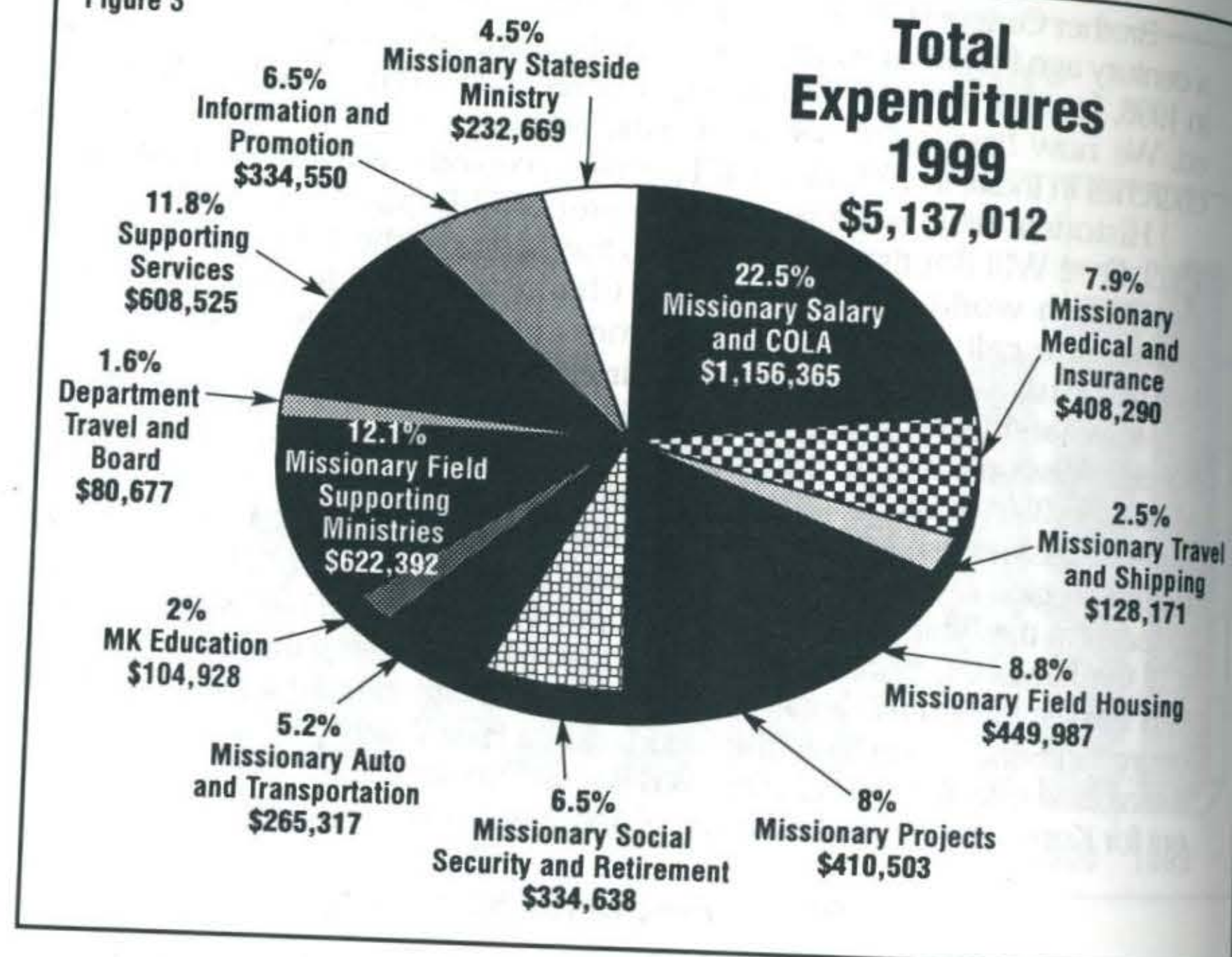
1.9%  
Interest/Gains  
\$100,790

35.1%  
Other Groups and  
Individuals  
\$1,889,001

63%  
Church Giving  
\$3,390,865



Figure 3



Through the cooperation of our missionaries and staff we were able to keep our expenses at \$5,137,013.24. This means that our income was \$243,643.60 more than our expenses. This is noteworthy when it is realized that giving was \$961,514.26 **under** budget.

We are thankful for all 1,582 churches that supported our ministry last year. They are all-important members of the body of Christ. We want to pay special tribute to those very generous churches which gave more than \$10,000 in 1999.

### 62 Churches Gave Over \$10,000 in 1999

Donelson FWB Church	Nashville, TN	\$80,675.40
Central FWB Church	Royal Oak, MI	\$63,361.16
Norman First FWB Church	Norman, OK	\$59,859.71
Limestone FWB Church	Limestone, TN	\$58,599.70
First FWB Church	Russellville, AR	\$56,087.43
Unity FWB Church	Greenville, NC	\$50,950.62
Piney Grove FWB Church	Guin, AL	\$38,906.81
First FWB Church	Albany, GA	\$32,047.77
Bethany FWB Church	Broken Arrow, OK	\$28,174.30
Cofer's Chapel FWB Church	Nashville, TN	\$28,110.05
Fellowship FWB Church	Kingsport, TN	\$27,749.78
Horse Branch FWB Church	Turbeville, SC	\$25,772.70
Cross Timbers FWB Church	Nashville, TN	\$23,513.48
Bay Branch FWB Church	Timmons, SC	\$22,027.00

Heritage FWB Church	Gilbert, AZ	\$21,500.00
Calvary Fellowship FWB Church	Fenton, MO	\$21,431.31
Ina FWB Church	Ina, IL	\$20,700.00
Peace FWB Church	Florence, SC	\$19,560.00
Hannon FWB Church	Liberal, MO	\$19,365.87
Bethany FWB Church	Timmons, SC	\$19,228.38
Bethel FWB Church	Kinston, NC	\$18,674.00
First FWB Church	Ada, OK	\$17,626.44
Immanuel FWB Church	Durham, NC	\$17,537.00
Garner FWB Church	Garner, NC	\$17,494.88
Westside FWB Church	Johnsonville, SC	\$17,247.16
First FWB Church	Jacksonville, NC	\$16,993.94
Sherwood Forest FWB Church	New Bern, NC	\$16,854.89
Unity FWB Church	Smithfield, NC	\$15,761.55
Allen Chapel FWB Church	Batesville, AR	\$15,620.04
First FWB Church	N. Little Rock, AR	\$15,298.29
Bethel FWB Church	South Roxana, IL	\$15,286.21
First FWB Church	Star City, AR	\$15,177.24
Rejoice FWB Church	Owasso, OK	\$14,900.13
Faith FWB Church	Goldsboro, NC	\$14,781.12
First FWB Church	Beaufort, NC	\$14,218.82
Fellowship FWB Church	Park Hills, MO	\$14,205.37
Free Will Baptist Church	Townsend, DE	\$13,438.98
Winfield First FWB Church	Winfield, AL	\$13,094.98
First FWB Church	Florence, SC	\$12,798.35
Mt. Olive FWB Church	Guin, AL	\$12,651.48
Parker's Chapel FWB Church	Greenville, NC	\$12,645.50
Oak Park FWB Church	Pine Bluff, AR	\$12,619.61
Tippett's Chapel FWB Church	Clayton, NC	\$12,617.77
Verdella FWB Church	Liberal, MO	\$12,547.88
Piney Grove FWB Church	ChIPLEY, FL	\$12,452.29
Bethlehem FWB Church	Ashland City, TN	\$12,438.40
New Hope FWB Church	Joelton, TN	\$12,124.93
First FWB Church	Farmington, MO	\$11,900.00
First FWB Church	Locust Grove, OK	\$11,785.66
Poplar Spring FWB Church	Iuka, MS	\$11,544.90
Sand Hill FWB Church	Coward, SC	\$11,517.76
Fulton FWB Church	Fulton, MS	\$11,368.14
First FWB Church	Vernon, AL	\$11,288.98
Phillip's Chapel FWB Church	Northport, AL	\$11,210.61
First FWB Church	Darlington, SC	\$11,033.00
Mt. Zion FWB Church	Pell City, AL	\$10,922.94
New Haven FWB Church	Ernul, NC	\$10,743.67
Bellview FWB Church	Colquitt, GA	\$10,669.62
Temple FWB Church	Greenville, NC	\$10,497.50
Temple FWB Church	Darlington, SC	\$10,475.00
Good Springs FWB Church	Pleasant View, TN	\$10,208.71
Heritage Temple FWB Church	Ashland, KY	\$10,120.38

Special recognition also is due the top 10 states in giving to Free Will Baptist Foreign Missions:



1. Tennessee	\$734,505.12
2. North Carolina	\$615,901.99
3. Missouri	\$469,701.94
4. Arkansas	\$449,974.51
5. Oklahoma	\$426,771.58
6. South Carolina	\$349,807.07
7. Mississippi	\$336,508.07
8. Alabama	\$325,110.32
9. Georgia	\$241,942.36
10. Michigan	\$161,001.29

These states are to be commended for reaching or surpassing their suggested goals in 1999:

1. Nebraska	\$ 8,088.10	588.2%
2. Mississippi	\$336,508.07	407.9%
3. Alabama	\$325,110.32	144.8%
4. Arkansas	\$449,974.51	138.3%
5. West Virginia	\$132,803.00	111.4%
6. Missouri	\$469,701.94	111.4%
7. Maryland	\$ 60,454.25	109.9%
8. Georgia	\$241,942.36	105.6%
9. South Carolina	\$349,807.07	101.8%
10. Texas	\$ 87,839.03	100.9%
11. Florida	\$130,797.94	100.5%

### 1999 - Stateside Developments

Rumblings of the stirring power of the Holy Spirit are being heard all over the world. Some of His powerful moving is felt right here in the United States, among us! Free Will Baptist Home and Foreign Missions joined together in 1999 to produce a World Prayer Guide. It encourages prayer according to an Acts 1:8 model: for your Jerusalem, Judea, Samaria, and the ends of the earth. To date nearly 10,000 have been distributed.

Perhaps no greater demonstration of the unity existing between these departments could be seen than in the seminar last year at the National Association, "Uniting Our Vision Through Prayer" (sponsored jointly by Home and Foreign Missions). Reverend Ron Owens shared a powerful message. He reminded us that our desire for world evangelism must be rooted in our worship of God.

Within the administration of Free Will Baptist Foreign Missions major staff reorganization has occurred. The board has already taken steps to retool the home office for a major denominational mobilization for world evangelism. The vision is simple:

- (1) Challenge a whole generation of Free Will Baptist young people to find their role in God's plan to reach the nations.
- (2) Create *Professional Volunteer Networks* for adults across the country to find how God can use them and their careers to reach the unreached.
- (3) Provide the channel for a surging number of retirees to make an

eternal difference in the sunset years of life by personally getting involved in God's plan to reach every people group with the gospel.

- (4) Mobilize churches which have not yet sensed the call to be involved in reaching the untold millions with the gospel.
- (5) Double the Free Will Baptist missionary force around the world through such mobilization efforts.

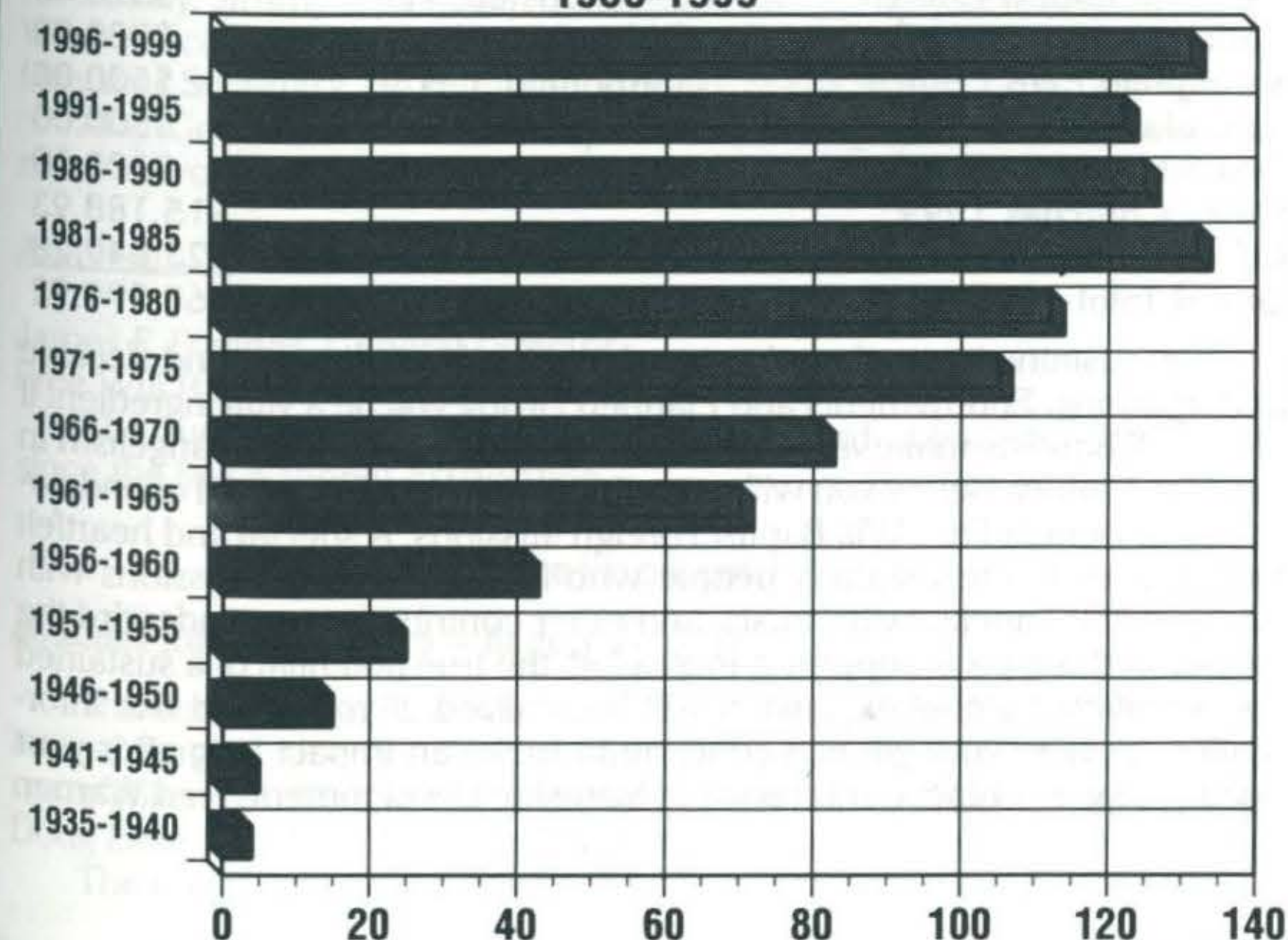
Figure 4 below shows the growth of missionary personnel in five-year increments since Laura Belle Barnard went to India in 1935. Periods of significant advancement and seasons of retreat are noticeable. May God grant us and future generations (should the Lord tarry His coming) the privilege to look back on the first decade of the 21st century and praise God for a unique period of profound advancement.

The board concluded that such a major mobilization effort couldn't be accomplished without a refocusing of the home office staff. This includes hiring additional personnel and increasing the administrative budget to \$1,380,201.07. If adopted, this would be 18.4% of the total 2001 mission budget. The board feels that this pivotal investment is essential to create the dynamic for a fundamental change in perception among Free Will Baptists. That involves clarifying the global mandate and the urgency for each person to find his or her role in accomplishing it.

This budget will not be met without a quantum leap in funding for Support Services. If our job is done effectively, the denomination will see the vital role the home office plays in world evangelism and will be willing to fund it.

Figure 4

### Growth of Foreign Missionary Personnel 1935-1999





In the past 10 years the average April World Missions Offering has been under \$75,000. To underwrite the entire Support Services budget of \$1,380,201.07 it is estimated that \$200,000 will be needed from the 2001 April World Missions Offering. Someone once said, "Attempt something so great for God that if He is not in it, it will fail." This is our attempt.

Below is a list of churches which gave over \$500 in the World Missions Offering in 1999.

### Churches Giving Over \$500 to WMO in 1999

Forest Valley FWB Church	Springfield, OH	\$6,353.60
Unity FWB Church	Greenville, NC	\$4,064.10
Fellowship FWB Church	Kingsport, TN	\$2,422.79
Cool Springs FWB Church	Norman Park, GA	\$1,278.00
White Oak Hill FWB Church	Bailey, NC	\$1,053.37
Double Branch FWB Church	Unadilla, GA	\$1,000.00
West Tulsa FWB Church	Tulsa, OK	\$1,000.00
Limestone FWB Church	Limestone, TN	\$1,000.00
Cross Timbers FWB Church	Nashville, TN	\$873.00
First FWB Church	Ypsilanti, MI	\$850.00
East Nashville FWB Church	Nashville, TN	\$741.00
Peace FWB Church	Wilson, NC	\$695.82
Cofer's Chapel FWB Church	Nashville, TN	\$675.05
Horton Heights FWB Church	Nashville, TN	\$653.00
Bethlehem FWB Church	Ashland City, TN	\$646.05
Calvary FWB Church	Salem, IL	\$645.00
First FWB Church	Tampa, FL	\$564.55
Porter FWB Church	Portsmouth, OH	\$527.00
Free Will Baptist Church	Christiansted, VI	\$520.43
Cedar Springs FWB Church	Jakin, GA	\$500.00
Springfield FWB Church	Springfield, OH	\$500.00
Kendale Acres FWB Church	Sanford, NC	\$500.00
First Bible FWB Church	New Castle, IN	\$500.00
Other Churches 1999		\$15,188.93
Other Sources 1999		\$23,849.23
Grand Total 1999		\$68,599.92

Any sustained growth and expansion must have a strong and sizeable underpinning. Endowments and Planned Giving will be a vital ingredient if Free Will Baptists make a significant contribution for world evangelism in the 21st century. Below you will see a three-year running record of endowments to benefit Free Will Baptist Foreign Missions. A special and heartfelt thanks goes to the visionary people who included Foreign Missions with planned gifts, stocks, wills, trusts, and other contributions to undergird the future. As this type of support is increased, the true potential of a sustained and significant global expansion will be realized. If you would like information on how your gift can continue to make an impact long after your death, please contact our Director of Stateside Development, Fred Warner.

### Endowments to the Benefit of Foreign Missions

Year	Unrealized Total Endowments	Anticipated Planned Gifts	Total Endowments	Annual Earnings
1997	\$282,753.65	\$239,532.08	\$522,285.73	\$28,888.54
1998	287,091.86	235,717.96	522,809.82	21,180.00
1999	325,837.93	230,225.07	556,063.00	29,462.29

### Tribute to a Dedicated Staff

The role of the home office staff is two-fold and very simple: (1) take care of as many details as possible to allow our frontline missionaries to concentrate on reaching people for Christ and building His Church and (2) mobilize the denomination to take seriously God's call for each Christian to find his or her role in taking the gospel to the ends of the earth. Your board and home office staff take these responsibilities seriously. We exist to serve you as a denomination, as well as our missionaries.

No one could ever have a better staff than we have in the Department of Foreign Missions. We are 100% dedicated to being a part of a worldwide evangelistic team which is making a difference for Christ.

I would like to close this portion of my report by paying tribute to three couples who have made a profound impact on Free Will Baptist Foreign Missions.

Bill Reagan finishes his 12th year as a member of the Board of Foreign Missions this year. He and Lois have been an inseparable team. They have encouraged missionaries and home office staff alike. They will be missed.

In August of 1999 Ken Eagleton passed away. He and Marvis went to Brazil in the year I was born. They served for over 41 years with the Mission and their impact will be felt until eternity.

Finally, Jimmy and Janie Aldridge served for 22 years in Ivory Coast, West Africa. For the next 15 years Jimmy served in the position of Overseas Secretary. He retired in January of this year.

May God send us other couples with an equal desire and commitment to world evangelism.

As a Fellow Laborer,

James F. Forlines, General Director  
Free Will Baptist Foreign Missions

The succeeding summaries will show board action over the period since the last National Association.

### Board Meetings and Actions

#### Missions Retreat Meeting - August 9-12, 1999

The board met at Free Will Baptist Bible College in conjunction with the annual Foreign Missions Retreat. Members present were Bill Jones, chairman; Milton Worthington, vice-chairman; Bill Van Winkle, David Williford, Doug Little, and Terry Eagleton. The following actions were taken:

The board approved the funding to open a Bible institute in Coimbatore,



Tamil Nadu, India.

Leaves of absence were granted to Paul and Tammy Gentuso and Ginger Harrison through August 31, 2000.

The board asked the General Director to communicate to Free Will Baptist Bible College their desire for consideration of a name change for the college. This would facilitate the placement of graduates in restricted access countries around the world.

### **Semi-Annual Meeting – December 8-9, 1999**

The semi-annual meeting of the board was held at the National Offices building. All board members were present.

They appointed David and Annette Aycock and Andy and Andrea Moore to serve as career missionaries to Brazil.

Kim Zegelen was appointed as a career overseas associate to ICA in Côte d'Ivoire.

The board approved Justin and Leslie Banks to serve for one year in Panama.

They granted overseas assistant status to Shane Davison for a two-year term to ICA in Côte d'Ivoire.

Micah Derby was granted overseas assistant status for a one-year term to France.

The board approved 17 college students to serve as overseas apprentices for the summer. Thirty-one high school students were selected to serve with TEAM (Teens Equipped and Active in Missions). Two TEAMS will be sent to Brazil and one will go to Panama.

The board approved the recommendation of General Director James Forlines for a comprehensive staff reorganization. The following were appointed:

Director of Mobilization and Recruitment:	Eddie Payne
Director of Stateside Development:	Fred Warner
Director of Public Relations:	Don Robirds
Director of Financial Operations:	Rob Conley
Director of Field Operations:	To be named later
Director of Member Care:	To be named later

A one-year leave of absence was granted to Robert and Judy Bryan effective August 1, 2000.

The board approved a plan to allocate the Info/Promo deficit to eligible missionary accounts through 12 monthly installments in the 2000 calendar year.

The board accepted the retirement of Jimmy Aldridge as Overseas Secretary. They also expressed their appreciation for 22 years of missionary service in Côte d'Ivoire and over 15 years as Overseas Secretary.

### **Called Meeting – January 17-18, 2000**

A called meeting was held by the board at the National Offices building. All members were present.

Steve Lytle was appointed as Director of Field Operations.

The board delegated to the administrative staff the responsibility to provide health insurance for all eligible missionaries.

The board interviewed Bobby and Geneva Poole concerning the field council's development of a comprehensive field strategy in Brazil.

### **Phone Conference – February 9, 2000**

A conference call of the board was held with the following members on line: Bill Jones, chairman; Milton Worthington, vice-chairman; David Shores, Bill Reagan, David Williford, Bill Van Winkle, Doug Little, and Terry Eagleton.

They approved the purchase of two buildings in Kyonggi-do, South Korea (east of Seoul), for the Asia Free Will Baptist Theological Seminary.

### **Phone Conference – March 1, 2000**

A conference call of the board was held with the following members on line: Bill Jones, chairman; David Shores, Sherwood Lee, Bill Van Winkle, and Doug Little.

The men approved a contract between Free Will Baptist Foreign Missions and the Free Will Baptist Mission of Korea relative to the property purchased in Kyonggi-do, South Korea.

### **Annual Meeting – May 1-4, 2000**

The annual meeting of the board was held at the National Offices building. Sherwood Lee had to leave early due to a death in his church. All other board members were present.

The board approved Heather Hasty for a two-year assignment in China in connection with ChinaSource.

Charolette Tallent was reassigned to France as a career missionary.

The board approved Tonya Blanchard and Shannon Little as overseas assistants for one year in Japan.

The resignation of Dr. Paul and Tammy Gentuso was accepted.

The board accepted a Memorandum of Understanding between Free Will Baptist Foreign Missions and Free Will Baptist Bible College concerning mutual involvement in developing a new paradigm of missions training. This will involve a missionary in residence at FWBBC to be provided by FWBFM. Criteria were adopted for Free Will Baptist Foreign Missions to provide a missionary in residence to other Free Will Baptist colleges.

The board accepted the wording of a cooperative agreement between Free Will Baptist Foreign Missions and Global Foundation.

The General Director was authorized to obtain funding and subsidize the attendance of official delegates to the International Fellowship of Free Will Baptists in Nashville in 2001. These funds will be channeled through the International Fellowship.

The board accepted the 1999 audit as presented by Hinton, Warren, Denney and Wallace, CPAs.

The board agreed to combine the Information and Promotion fund with the Support Services fund. They merged the current 7% Information and Promotion assessment with an additional 2% for Support Services beginning in January of 2001. Thus, 9% of the eligible career missionary accounts will be equally allocated for Support Services.

The board established the Professional Volunteers Fund and the French Pastoral Training Fund.

They adopted a year 2001 budget of \$7,090,003.26 plus VISION projects of \$864,500 for a total budget of \$7,954,503.26.



The board expressed their deep appreciation to Bill Reagan for 12 years of distinguished service as a board member.

The board elected the following officers:

Chairman - Doug Little

Vice-Chairman - Milton Worthington

Secretary - David Shores

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

December 31, 1999 and 1998

Contents

Financial Statements

	<u>Page</u>
Independent auditor's report .....	1
Statements of financial position .....	2
Statements of activities .....	3
Statements 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

**HINTON, WARREN,  
DENNEY & WALLACE**  
CERTIFIED PUBLIC ACCOUNTANTS  
THE VOLUNTEER BLDG.  
SUITE 100  
319 PLUS PARK BLVD.  
NASHVILLE, TN 37217-1005  
(615) 366-5100

Partners  
DAVID C. HINTON, CPA  
ROBERT RAY WARREN, CPA  
WILLIAM H. DENNEY, CPA  
LARRY BRUCE WALLACE, CPA

Members  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
TENNESSEE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying statements of financial position of the Board of Foreign Missions of the National Association of Free Will Baptists (a nonprofit organization) as of December 31, 1999 and 1998, and the related statements of activities and cash flows for the years 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 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 the Board of Foreign Missions of the National Association of Free Will Baptists as of December 31, 1999 and 1998 and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

*Hinton, Warren, Denney & Wallace*

March 27, 2000



BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Statements of Financial Position  
December 31, 1999 and 1998

ASSETS

	1999	1998
Cash and cash equivalents - Notes 1 & 2	\$ 905,025	\$1,031,179
Investments in trusts - Notes 1 & 2	1,121,988	1,089,814
Investments - Notes 2 & 10	168,300	91,596
Accounts receivable from employees and missionaries - Note 2	162,637	199,458
Other receivables, net of allowance for doubtful accounts of \$33,738 (\$33,738 in 1998)		4,091
Property and equipment, at cost, net of accumulated depreciation - Notes 1 & 3	116,775	205,051
Deposit - Korea building	351,200	
Prepaid expenses	3,304	6,674
Total assets	<u>\$2,829,229</u>	<u>\$2,627,863</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 305,505	\$ 309,357
Supplemental retirement insurance payable	293,279	260,504
Accrued severance pay payable	154,111	152,692
Total liabilities	<u>752,895</u>	<u>722,553</u>
Commitments - Notes 7 & 8		
Net assets (deficit):		
Unrestricted	( 209,434)	( 174,457)
Temporarily restricted - Note 4	2,284,558	2,078,557
Permanently restricted - Note 4	1,210	1,210
Total	<u>2,076,334</u>	<u>1,905,310</u>
Total liabilities and net assets	<u>\$2,829,229</u>	<u>\$2,627,863</u>

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

BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Statements of Activities  
For the Years Ended December 31, 1999 and 1998

	1999	1998
<u>Unrestricted</u>		
Revenue:		
Contributions - Notes 1 & 5	\$ 895,926	\$ 786,195
Investment income	25,247	102,083
Gain on investments	76,704	31,099
Gain on disposal of property & equipment	19,286	5,355
Net assets released from restrictions:	<u>4,177,940</u>	<u>4,222,880</u>
Restrictions satisfied by payments	<u>5,195,103</u>	<u>5,147,612</u>
Total revenue		
Expenses:	165,389	149,246
Informational and promotional	87,384	90,524
Travel and board	799,367	764,670
Administrative	4,035,622	3,969,324
Missionaries	142,318	253,556
VISION campaign	<u>5,230,080</u>	<u>5,227,320</u>
Total expenses	<u>( 34,977)</u>	<u>( 79,708)</u>
Decrease in unrestricted net assets		
<u>Temporarily restricted</u>		
Revenue:	4,383,941	4,558,846
Contributions - Notes 1 & 5		
Net assets released from restrictions:	<u>( 4,177,940)</u>	<u>( 4,222,880)</u>
Restrictions satisfied by payments	<u>206,001</u>	<u>335,966</u>
Increase in temporarily restricted net assets		
<u>Permanently restricted</u>		
Revenue:		1,210
Contributions - Notes 1 & 4		1,210
Increase in permanently restricted net assets		
Total increase in net assets	171,024	257,468
Net assets - beginning of year	<u>1,905,310</u>	<u>1,647,842</u>
Net assets - end of year	<u>\$2,076,334</u>	<u>\$1,905,310</u>

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



**BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 1999 and 1998**

	1999	1998
<b>Operating activities</b>		
Increase in net assets	\$ 171,024	\$ 257,468
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	57,277	53,469
Bad debts	( 76,704)	( 7,738)
Gain on investments	( 19,286)	( 31,099)
Gain on disposal of property and equipment	( 19,286)	( 5,355)
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	40,912	( 131,881)
Decrease (increase) in prepaid expenses and deposits	( 347,830)	( 2,259)
Increase (decrease) in accounts payable and accrued expenses	30,342	85,739
Net cash provided (used) by operating activities	( 144,265)	233,820
<b>Investing activities</b>		
Purchases of equipment	( 76,738)	( 128,098)
Proceeds from sale of equipment	127,023	26,500
Purchases of investment	( 32,174)	( 334,588)
Proceeds of investment redeemed	69,818	
Net cash provided (used) by investing activities	18,111	( 366,368)
<b>Financing activities</b>		
Net cash provided by financing activities	-0-	-0-
Increase (decrease) in cash and cash equivalents	( 126,154)	( 132,548)
Cash and cash equivalents at beginning of year	1,031,179	1,163,727
Cash and cash equivalents at end of year	\$ 905,025	\$ 1,031,179
<b>Supplemental noncash investing and financing information</b>		
Purchases of equipment	\$ 76,738	\$ 128,098
Less: Loan payable	-0-	-0-
	\$ 76,738	\$ 128,098

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, 1999 and 1998**

**Note 1 - Organization and summary of significant accounting policies**

The Board of Foreign Missions of the National Association of Free Will Baptists 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. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of 509(a) of the Internal Revenue Code. There was no unrelated business income for 1999 and 1998.

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 Statements presentation follows the recommendations of the Financial Accounting Standards Board in its Statements 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-



BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Notes to the Financial Statements  
December 31, 1999 and 1998

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 Statements of Activities as net assets released from restrictions.

Property and equipment and depreciation

The Organization follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$500 and an estimated useful life of at least two years. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Automobiles	5 years
Office furniture and equipment	3 - 10 years

The net property and equipment balance has been recorded as a separate component in unrestricted net assets.

Investments

Investments are composed of equity securities and are valued at quoted market price.

Investments in Trusts

Investments in Trusts are composed of five trusts established and maintained by the Free Will Baptist Foundation. The Foundation invests the two largest trusts in debt securities and preferred stock and values the trusts at market value. The remaining trusts are invested in government securities and valued at cost, which approximates market value.

Cash and cash equivalents

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

-6-

BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Notes to the Financial Statements  
December 31, 1999 and 1998

Note 2 -

Summary of significant concentrations of financial instruments

As of December 31, 1999 and 1998, the Board had deposits with a financial institution located in the United States and the Board of Retirement and Insurance of the National Association of Free Will Baptists located in Antioch, Tennessee. Accounts at the financial institution are insured up to \$100,000 by the Federal Deposit Insurance Corporation. The Board has a cash management agreement with a local bank which invests any excess cash overnight in U.S. Government securities under a repurchase agreement. Any cash not insured should, under the terms of this agreement, be collateralized by U.S. Government securities. 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 and other receivables which are uninsured. The following is a summary of those deposits, accounts receivable and the corresponding risk of accounting loss:

	December 31, 1999		
	Account Balance	Amount Insured/ Secured	Amount of Accounting Risk of Loss
Interest bearing deposit accounts with financial institution	\$ 905,025	\$100,000	\$ 805,025
Total cash and cash equivalents	905,025	100,000	805,025
Interest bearing deposits on account with the Board of Retirement and Insurance of the National Association of Free Will Baptists	1,121,988		1,121,988
Common stock	168,300		168,300
Total investments	1,290,288		1,290,288
Accounts receivable from employees and missionaries	162,637		162,637
Total	\$2,357,950	\$100,000	\$2,257,950

	December 31, 1998		
	Account Balance	Amount Insured/ Secured	Amount of Accounting Risk of Loss
Interest bearing deposit accounts with financial institution	\$1,031,179	\$100,000	\$ 931,179
Total cash and cash equivalents	1,031,179	100,000	931,179
Interest bearing deposits on account with the Board of Retirement and Insurance of the National Association of Free Will Baptists	1,089,814		1,089,814
Common stock	91,596		91,596
Total investments	1,181,410		1,181,410
Accounts receivable from employees and missionaries	199,458		199,458
Other receivables	4,091		4,091
	203,549		203,549
Total	\$2,416,138	\$100,000	\$2,316,138

-7-



BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Notes to the Financial Statements  
December 31, 1999 and 1998

Note 3 - Property and equipment

A summary of property and equipment is as follows:

	1999	1998
Office furniture and equipment	\$ 55,952	\$ 55,951
Cameras and projectors	85,293	94,464
Automobiles	82,300	150,200
Computer equipment	61,186	105,990
	284,731	406,605
Less: Accumulated depreciation	( 167,956)	( 201,554)
	<u>\$116,775</u>	<u>\$205,051</u>

Depreciation expense, computed utilizing the straight-line method amounted to \$57,277 (\$53,469 in 1998).

Note 4 - Restrictions on net assets

Temporarily restricted net assets are available for the following purposes:

	1999	1998
Missionaries	\$2,165,526	\$1,907,513
VISION campaign	119,032	171,044
	<u>\$2,284,558</u>	<u>\$2,078,557</u>

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

Permanently restricted assets are restricted to:

MK Scholarship Endowment	\$ 1,210	\$ 1,210
--------------------------	----------	----------

Note 5 - 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.

Note 6 - 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 \$86,196 (\$81,958 in 1998). 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.

BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Notes to the Financial Statements  
December 31, 1999 and 1998

Note 7 - Lease

The Board entered into a lease agreement on October 1, 1990 with the National Association of Free Will Baptists for office and storage space. The term of the lease is until all mortgages on the building are satisfied, which is approximately eight years. The rent expense for the year was \$74,988 (\$74,988 in 1998).

The future minimum lease payments are as follows:

2000	\$ 74,988
2001	74,988
2002	74,988
2003	74,988
2004	74,988
Thereafter (estimated)	<u>231,213</u>
	<u>\$606,153</u>

Note 8 - 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 95 (88 in 1998) employees on a self-insured basis. The Board has a stop loss policy with Boston Mutual Life Insurance for individual claims in excess of \$25,000. During the year the Board paid \$337,093 (\$233,221 in 1998) in benefit payments and \$85,855 (\$67,209 in 1998) in stop loss premiums.

The Board has entered into an Indemnity and Hold Harmless Agreement with First American National Bank. As part of the agreement, First American National Bank will guarantee to Citibank that it will honor checks written on the Board of Foreign Missions' First American National Bank account by the Board of Foreign Missions' Cote d'Ivoire Mission employees up to \$20,000 per check. In exchange, the Board of Foreign Missions will indemnify and hold harmless First American National Bank from any and all claims, liabilities, actions or causes of action that arise as a result of First American National Bank's agreement to guarantee checks to Citibank.



BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS  
Notes to the Financial Statements  
December 31, 1999 and 1998

Note 9 -

Fair values of financial instruments

The following methods and assumptions were used by the Board in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, investments in trusts, receivables and payables: The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

Investments: The fair value of investments is based on quoted market price for those investments.

Note 10 -

Investments

Investments are stated at fair value and consist of equity securities:

	December 31, 1999		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equity securities	<u>\$ 65,775</u>	<u>\$168,300</u>	<u>\$102,525</u>

Investment return is summarized as follows:

Net realized and unrealized income	<u>\$ 76,704</u>
------------------------------------	------------------

	December 31, 1998		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equity securities	<u>\$ 65,775</u>	<u>\$ 91,596</u>	<u>\$ 25,821</u>

Investment return is summarized as follows:

Net realized and unrealized income	<u>\$ 31,099</u>
------------------------------------	------------------

-10-

SUPPLEMENTARY INFORMATION

*HINTON, WARREN,  
DENNEY & WALLACE*

CERTIFIED PUBLIC ACCOUNTANTS  
 THE VOLUNTEER BLDG.  
 SUITE 100  
 319 PLUS PARK BLVD  
 NASHVILLE, TN 37217-1005  
 (615) 366-5100

Partners  
 DAVID C. HINTON, CPA  
 ROBERT RAY WARREN, CPA  
 WILLIAM H. DENNEY, CPA  
 LARRY BRUCE WALLACE, CPA

Members  
 AMERICAN INSTITUTE OF  
 CERTIFIED PUBLIC ACCOUNTANTS  
 TENNESSEE SOCIETY OF  
 CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT 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 audits of the basic financial statements of the Board of Foreign Missions of the National Association of Free Will Baptists for 1999 and 1998 appears on page 1. Those audits were 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 is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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.

*Hinton, Warren, Denney & Wallace*

March 27, 2000



**BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS**  
Schedule of Functional Expenses  
For the Years Ended December 31, 1999 and 1998

	1999	1998
Informational and promotional expenses:		
Video and audio visual	\$ 8,630	\$ 5,768
Heartbeat	31,652	40,776
Other publications expense	16,343	
Postage	42,088	36,569
Publicity	23,458	32,934
Telephone	11,615	7,012
Dues	280	282
Paper and supplies	8,155	1,518
Togather Way Program	5,778	
Retreat	7,163	7,826
Tracts and books	3,572	6,643
Seminar and training	2,025	5,335
Convention expense	4,630	4,583
Total informational and promotional expenses	165,389	149,246
Travel and board expenses:		
Department auto	21,682	21,083
Board members	14,903	15,294
Administrative - overseas travel	5,984	
Department insurance	3,234	2,169
Department travel	33,575	45,164
Travel insurance	248	372
Honorariums	500	891
Missions promotion	5,950	1,453
Recruiting and candidate expense	1,308	4,098
Total travel and board expenses	87,384	90,524

See accountants' report on supplementary information.

-12-

**BOARD OF FOREIGN MISSIONS OF THE  
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS**  
Schedule of Functional Expenses  
For the Years Ended December 31, 1999 and 1998

	1999	1998
Administrative expenses:	\$ 327,094	\$ 345,738
Salaries	94,600	84,000
Housing	27,500	20,758
Social Security	16,078	13,590
Employer payroll taxes	20,224	20,069
Retirement	41,160	42,217
Hospitalization	1,490	
Office travel allowance	9,187	7,346
Legal and professional	74,988	74,988
Office rent	1,351	
Off-site storage expense	5,599	5,608
Computer software expense	3,718	4,337
Office equipment	2,403	1,920
Maintenance of office equipment	17,826	10,740
Office supplies		3,810
Estate expenses	3,333	1,077
Bank service charges	963	485
Office help	1,735	
Staff recognition	6,450	
COLA indexes	136	
Benevolence	203	
Staff retreat	8,309	28,247
Miscellaneous	57,277	53,469
Depreciation		7,738
Bad debts		5,483
Info-promo transfers	77,743	33,050
Project expenses	799,367	764,670
Total administrative expense		
Missionary expenses:	856,566	1,053,485
Ivory Coast	389,204	374,384
France	200,070	176,002
India	629,859	695,747
Brazil	496,117	443,085
Japan	317,316	257,603
Panama	313,388	364,392
Spain	323,625	283,023
Uruguay	99,806	82,835
Commonwealth of Independent States	65,241	47,783
Unreached people	126,398	
Korea	67,889	117,379
Overseas Apprentices	56,431	64,695
Other projects	93,712	8,911
Missionary medical	4,035,622	3,969,324
Total missionary expenses		
VISION campaign expenses	142,318	253,556
Project expenses	142,318	253,556
Total VISION campaign expenses		
Total expenses	\$5,230,080	\$5,227,320

See accountants' report on supplementary information.

-13-



## Free Will Baptist Foreign Missions 2001 Budget Summary

### Fields and Projects

Ivory Coast	\$1,383,406.17
Brazil	847,505.98
France	481,299.23
India	207,873.42
Japan	711,800.86
Korea	482,821.07
C.I.S.	120,392.63
Unreached peoples	65,673.35
Panama	359,488.11
Spain	441,405.64
Uruguay	392,835.71
Cuba	25,000.00
Other fields	145,000.00
Projected missionary appointments	200,000.00
Retired missionaries	2,400.00
Other anticipated opportunities	250,000.00
<b>Total fields and projects</b>	<b>\$6,116,902.17</b>

### Administrative

Administration	1,380,201.07
Less: missionary/project allocations - 9% (407,099.99)	
Net Administration	973,101.08

### Total Operational

\$7,090,003.26

### Additional Approved VISION Projects

France - church building at Nantes	\$ 93,000.00
India - church buildings	80,000.00
Cuba - churches/rest home	50,000.00
Panama - down payment on house	7,500.00
Uruguay - new church property	150,000.00
Uruguay - Malvin	70,000.00
Brazil - Barbacena	50,000.00
Brazil - Belo Horizonte	15,000.00
Brazil - Marincek	25,000.00
Brazil - Evangelandia	20,000.00
Brazil - Sao Jose	30,000.00
Brazil - David Aycock church plant	50,000.00
Brazil - Lar Nova Vida	15,000.00
Russia - Seminary Building	105,000.00
Russia - Seminary Video Equipment	4,000.00
Administrative - Projects	50,000.00
Anticipated opportunities	50,000.00
<b>Total VISION</b>	<b>\$864,500.00</b>

### Total Budget

\$7,954,503.26

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

## Salary Breakdown Staff Reorganized No Historical Comparison Possible

	1999	2000	2001
<b>General Director - Vehicle Provided</b>			
Salary	33,438	31,576	32,839
Housing and Utilities	20,000	24,000	24,960
Social Security	8,617	8,962	9,321
Retirement	2,672	2,779	2,890
Insurance	5,430	5,974	8,099
<b>Total Dept. Expense to Employ</b>	<b>70,157</b>	<b>73,291</b>	<b>78,109</b>
<b>Director of Public Relations - Vehicle Provided</b>			
Salary	28,600	32,076	33,359
Housing and Utilities	11,400	12,000	12,480
Social Security	6,450	7,108	7,392
Retirement	2,000	2,204	2,292
Insurance	7,363	8,099	8,099
<b>Total Dept. Expense to Employ</b>	<b>55,813</b>	<b>61,487</b>	<b>63,623</b>
<b>Director of Field Operations - Vehicle Provided</b>			
Salary	25,000	29,077	30,240
Housing and Utilities	15,000	15,000	15,600
Social Security	6,450	7,108	7,392
Retirement	2,000	2,204	2,292
Insurance	5,430	8,099	8,099
<b>Total Dept. Expense to Employ</b>	<b>53,880</b>	<b>61,488</b>	<b>63,623</b>
<b>Director of Stateside Delelopment - Vehicle Provided</b>			
Salary	26,800	29,077	30,240
Housing and Utilities	13,200	15,000	15,600
Social Security	6,450	7,108	7,392
Retirement	2,000	2,204	2,292
Insurance	5,430	5,974	5,974
<b>Total Dept. Expense to Employ</b>	<b>53,880</b>	<b>59,362</b>	<b>61,498</b>
<b>Director of Financial Operations - Vehicle Provided</b>			
Salary	40,000	44,081	45,844
Social Security	6,373	7,024	7,305
Retirement	2,000	2,204	2,292
Insurance	7,363	8,099	8,099
<b>Total Dept. Expense to Employ</b>	<b>55,736</b>	<b>61,408</b>	<b>63,540</b>
<b>Director of Recruitment &amp; Mobilization - Vehicle Provided</b>			
Salary	21,600	29,076	30,240
Housing and Utilities	14,400	15,000	15,600
Social Security	2,902	7,108	7,392
Retirement	1,800	2,204	2,292
Insurance	2,827	3,110	3,110
<b>Total Dept. Expense to Employ</b>	<b>43,529</b>	<b>56,498</b>	<b>58,634</b>
<b>Director of Member Care - Vehicle Provided</b>			
Salary	.00	29,076	30,240
Housing and Utilities	.00	15,000	15,600
Social Security	.00	7,108	7,392
Retirement	.00	2,204	2,292
Insurance	.00	5,974	5,974
<b>Total Dept. Expense to Employ</b>	<b>.00</b>	<b>59,362</b>	<b>61,498</b>



## Free Will Baptist Bible College Report

Free Will Baptist Bible College closed a good year with 42 seniors graduating on May 11. This year's graduating class represented 18 states and one foreign country. The testimonies of five of the graduates were honoring to the Lord and each expressed a deep appreciation for the impact the College had made on their lives.

Two high school graduates, Miss Nicole Crowe and Miss Suzanne McVay, were awarded the Presidential Honors Scholarship for high achievement in high school. These scholarships total \$8,000, with \$2,000 awarded each year for four years. Scholarships were also awarded to eight pastoral students. Scholarships were awarded to students in missions, music, business and other majors. The total awards this year amounted to more than \$42,000. These scholarships have been made possible by the many friends of the College.

The College had a higher than expected number of incoming freshmen for the fall semester of 1999. Present numbers indicate another good year for enrollment.

Exciting things are happening, not only in student's lives, but also in the area of relocation. We now have a buyer for the present campus and hope to finalize the sale by the end of this year. If the sale is finalized by year-end, construction will begin in January or February 2001, with plans to be on the new campus for the opening of school in 2002.

These are exciting and demanding days for your College. We need your support and encouragement for the task. Thank you for standing with us.

Respectfully submitted,

Tom Malone, President

## Free Will Baptist Bible College Board of Trustees Synopsis of Minutes

### December 8-9, 1999

The Board of Trustees of FWBBC met on campus December 8 and 9. All members were present. The Board reviewed reports from all department heads, with special attention to the capital campaign report from the Office of Stewardship Development.

The Board met with the Missionary TECH Team concerning plans, drawings, proposals, etc., for the new campus. The Relocation Committee gave an update on recent developments, cost projections, time line, etc. for the upcoming relocation.

The Board gave considerable time and discussion to the possibility of a new name. It was unanimously adopted to propose a name change: **Palmer College - the Free Will Baptist Bible College.**

### May 8-10, 2000

The College Board of Trustees met on campus May 8-10. The President and each department head gave their end of year report. The Board adopted each report and spent a time of prayer with each person reporting. The Board approved the employment of Mr. Ben Franklin in the English department, replacing Mr. Michael Karounos, who resigned to pursue a doctorate.

The Board received the 1999-2000 financial statements and approved the 2000-2001 budget. The relocation report was very positive as announcement was made of the sale of the present campus. The sale is conditioned on the developer getting approval of the neighbors for his proposed development.

## Financial Aid Report A Comparison of Data

Program	1998-1999		1999-2000	
	Number	Amount	Number	Amount
Institutional Loans	98	\$ 108,706.60	94	\$ 139,036.27
College-Administered Scholarships	83	57,208.54	106	64,307.68
Federal Pell Grants	128	206,640.00	115	206,006.00
Federal SEOG Grants	46	22,240.00	24	16,655.00
Federal Work-Study	18	19,987.44	10	16,987.44
Federal Stafford Loans (Sub)	169	550,540.74	181	570,758.50
Federal Stafford Loans (Unsub)	42	141,385.00	38	103,311.00
Federal Plus Loans	23	108,044.91	33	182,802.07
TSAA Grants	6	10,179.00	11	22,269.00
Robert C. Byrd Honors			1	1,500.00
Campus Workers	80	136,700.00	78	103,800.00
Alternative Loans	Not reported 1998-99		6	18,168.00
Total		\$1,328,732.23		\$1,445,600.96



## Registration Report Annual Report, 1999-2000

Enrollment .....367

### Enrollment Breakdowns

#### By State

Alabama .....24	Kansas .....2	Oklahoma .....7
Arizona .....1	Kentucky .....11	South Carolina .....13
Arkansas .....29	Louisiana .....2	South Dakota .....2
California .....2	Michigan .....17	Tennessee .....89
Florida .....11	Mississippi .....5	Texas .....4
Georgia .....25	Missouri .....17	Virginia .....7
Illinois .....33	New Mexico .....1	West Virginia .....2
Indiana .....8	North Carolina .....29	
Iowa .....1	Ohio .....7	* Foreign (10) .....18

(The student body represents 25 states and 10 foreign countries.)

#### By Classification

Freshmen .....149	Juniors .....60	Special .....8**
Sophomores .....91	Seniors .....59	

[\*\* Includes those who have not graduated from high school, college graduates who are taking additional courses, etc.]

#### Other Categories

New .....98	Male .....186	FT .....298
Continuing .....185	Female .....181	PT .....69
Returning .....28	Ministerial .....*61	Single .....312
Transfer .....48	Missionary .....32	Married .....55
Other .....8	Free Will Baptist .....328	Dormitory .....250
	Other .....39	Town .....117

(\* Includes PT and YM)

#### \*Foreign (18)

Albania .....1	Côte d'Ivoire .....3	Panama .....2
Bahamas .....3	Japan .....1	Russia .....1
Brazil .....1	Korea .....2	Spain .....1
Canada .....3		

### Welch Library

Total books, bound volumes, microforms, sound recordings,  
video-cassettes, instructional materials, etc. ....95,400

## 1999-2000 FINANCIAL REPORT

**Free Will Baptist  
Bible College**  
3606 West End Avenue  
Nashville, Tennessee 37205

615/383-1340  
Fax: 615/269-6028  
www.fwbcc.edu

**HHA** Hill, Harper & Associates  
Certified Public Accountants

Terry A. Hill  
Ernest R. Harper

### Independent Auditors' Report

The Board of Trustees  
Free Will Baptist Bible College:

Business and Executive Center  
751 Old Hickory Boulevard  
Nashville, TN 37205  
TEL: 615/377-3451

We have audited the statements of financial position of Free Will Baptist Bible College as of May 31, 2000 and 1999, 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 College'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 Free Will Baptist Bible College as of May 31, 2000 and 1999, and its changes in net assets and cash flows for the years then ended in conformity with generally accepted accounting principles.

*Ernest R. Harper*

July 3, 2000



# FREE WILL BAPTIST BIBLE COLLEGE

## Statements of Financial Position

May 31, 2000 and 1999

Assets	2000	1999
<b>Current assets:</b>		
Cash and cash equivalents	\$ 332,872	203,935
Accounts receivable:		
Student accounts, net of allowance for doubtful accounts of \$6,000 in 1999 and 1998	30,273	22,386
Pledges	33,700	42,650
Employee and other	34,910	40,489
Prepaid expenses	10,320	6,994
Inventories	41,012	41,743
<b>Total current assets</b>	<b>483,087</b>	<b>358,197</b>
<b>Non current assets:</b>		
Cash restricted for endowments	484,787	436,844
Cash restricted for student loans	548,182	517,710
Cash held under life income agreements	5,000	5,000
Campaign pledges	411,800	365,900
Investment securities, at market value	132,670	138,496
Loans to students, less allowance for doubtful loans of \$15,000	191,158	214,973
<b>Total non current assets</b>	<b>1,773,597</b>	<b>1,678,923</b>
<b>Property, plant and equipment:</b>		
Investment in property, plant and equipment	6,117,135	5,783,031
Accumulated depreciation	2,669,860	2,499,658
<b>Net property, plant and equipment</b>	<b>3,447,275</b>	<b>3,283,373</b>
<b>Total assets</b>	<b>\$ 5,703,959</b>	<b>5,320,493</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 171,431	83,029
Notes payable to individuals	165,543	163,893
Student deposits and agency funds	52,312	43,807
Accrued salaries	112,656	102,439
Deferred revenues — summer school and other	20,564	9,388
<b>Total current liabilities</b>	<b>522,506</b>	<b>402,556</b>
<b>Net assets:</b>		
Unrestricted funds	3,514,497	3,410,685
Temporarily restricted funds	479,151	366,536
Permanently restricted funds	1,187,805	1,140,716
<b>Total net assets</b>	<b>5,181,453</b>	<b>4,917,937</b>
<b>Total liabilities and net assets</b>	<b>\$ 5,703,959</b>	<b>5,320,493</b>

See accompanying notes to financial statements.

# FREE WILL BAPTIST BIBLE COLLEGE

## Statements of Activities and Changes in Net Assets

For the years ended May 31, 2000 and 1999

	2000			Total	Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	2000	1999
	Funds	Funds	Funds		
<b>Revenues:</b>					
Tuition and fees	\$ 1,706,782	—	—	1,706,782	1,516,238
Federal grants and contracts	—	33,756	—	33,756	32,386
Private gifts	917,732	332,835	50,241	1,300,808	1,586,860
Endowment income	5,761	17,444	—	23,205	21,326
Investment income	12,038	55	7,763	19,856	19,981
Unrealized gain (loss) on investments	—	—	(5,826)	(5,826)	47,349
Sales and services of					
auxiliary enterprises	1,047,490	—	—	1,047,490	960,354
Other sources	18,879	—	(5,089)	13,790	34,561
	3,708,682	384,090	47,089	4,139,861	4,219,055
<b>Net assets released from restrictions</b>	<b>271,475</b>	<b>(271,475)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total revenues</b>	<b>3,980,157</b>	<b>112,615</b>	<b>47,089</b>	<b>4,139,861</b>	<b>4,219,055</b>
<b>Expenditures:</b>					
<b>Educational and general:</b>					
Instruction	1,043,004	—	—	1,043,004	936,318
Academic support	308,362	—	—	308,362	295,622
Student services	376,198	—	—	376,198	373,163
Operation and maintenance of plant	376,597	—	—	376,597	395,150
Institutional support	866,835	—	—	866,835	944,598
Scholarships and fellowships	76,354	—	—	76,354	65,470
<b>Total educational and general expenditures</b>	<b>3,047,350</b>	<b>—</b>	<b>—</b>	<b>3,047,350</b>	<b>3,010,321</b>
<b>Auxiliary enterprises:</b>					
Dormitories	281,683	—	—	281,683	289,294
Dining hall	430,820	—	—	430,820	401,357
Bookstore	104,417	—	—	104,417	96,416
Snackshop	12,075	—	—	12,075	22,808
<b>Total auxiliary enterprises expenditures</b>	<b>828,995</b>	<b>—</b>	<b>—</b>	<b>828,995</b>	<b>809,875</b>
<b>Total expenditures</b>	<b>3,876,345</b>	<b>—</b>	<b>—</b>	<b>3,876,345</b>	<b>3,820,196</b>
<b>Increase in net assets</b>	<b>103,812</b>	<b>112,615</b>	<b>47,089</b>	<b>263,516</b>	<b>398,859</b>
<b>Net assets at beginning of year</b>	<b>3,410,685</b>	<b>366,536</b>	<b>1,140,716</b>	<b>4,917,937</b>	<b>4,519,078</b>
<b>Net assets at end of year</b>	<b>\$ 3,514,497</b>	<b>479,151</b>	<b>1,187,805</b>	<b>5,181,453</b>	<b>4,917,937</b>

See accompanying notes to financial statements.



# FREE WILL BAPTIST BIBLE COLLEGE

## Statements of Cash Flows

For the years ended May 31, 2000 and 1999

	2000				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
	Funds	Funds	Funds	2000	1999
<b>Cash flows from operating activities</b>					
Cash collected from students	\$ 2,766,066	-	-	2,766,066	2,468,571
Federal grants	-	32,670	-	32,670	32,204
Pell grants considered to be agency fund transactions	-	203,031	-	203,031	202,865
Private gifts and grants	926,682	42,641	-	969,323	991,775
Endowment income	5,761	17,444	-	23,205	21,326
Investment income	12,038	55	-	12,093	11,751
Other revenues	25,544	-	-	25,544	23,314
Cash paid for scholarships, to vendors and for payroll	(3,518,807)	(185,361)	-	(3,704,168)	(3,672,304)
Cash paid for Pell grants	-	(203,031)	-	(203,031)	(202,865)
<b>Net operating activities cash flows</b>	<b>217,284</b>	<b>(92,551)</b>	<b>-</b>	<b>124,733</b>	<b>(123,363)</b>
<b>Cash flows from investing activities</b>					
Expended for plant assets	(153,976)	(86,114)	-	(240,090)	(132,654)
Student notes receivable advances	-	-	(44,453)	(44,453)	(153,670)
Student note receivable collections	-	-	59,472	59,472	178,325
<b>Net investing activities cash flows</b>	<b>(153,976)</b>	<b>(86,114)</b>	<b>15,019</b>	<b>(225,071)</b>	<b>(107,999)</b>
<b>Cash flows from capital activities</b>					
Campaign pledges receivable collected	-	64,840	-	64,840	22,889
Gifts received for:					
Endowments and student loans	-	-	50,241	50,241	121,690
Proposed new campus	-	179,454	-	179,454	176,206
Other student loan transactions:					
Interest income on student loans	-	-	7,404	7,404	22,365
Investment income	-	-	7,763	7,763	8,230
Collection costs and other transactions	-	-	(3,662)	(3,662)	(8,760)
<b>Net capital activities cash flows</b>	<b>-</b>	<b>244,294</b>	<b>61,746</b>	<b>306,040</b>	<b>342,620</b>
<b>Cash flows from financing activities</b>					
Retirement of notes payable and long term debt:					
Related to plant assets	-	-	-	-	(7,701)
Interfund activities	65,629	(65,629)	-	-	-
Notes payable for student loans	-	-	1,650	1,650	(8,348)
<b>Net financing activities cash flows</b>	<b>65,629</b>	<b>(65,629)</b>	<b>1,650</b>	<b>1,650</b>	<b>(16,049)</b>
<b>Net increase in cash and cash equivalents</b>	<b>128,937</b>	<b>-</b>	<b>78,415</b>	<b>207,352</b>	<b>95,209</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>203,935</b>	<b>5,000</b>	<b>954,554</b>	<b>1,163,489</b>	<b>1,068,280</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 332,872</b>	<b>5,000</b>	<b>1,032,969</b>	<b>1,370,841</b>	<b>1,163,489</b>

# FREE WILL BAPTIST BIBLE COLLEGE

## Statements of Cash Flows, continued

For the years ended May 31, 2000 and 1999

	2000				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
	Funds	Funds	Funds	2000	1999
<b>Cash and cash equivalents consist of the following:</b>					
Current assets	\$ 332,872	-	-	332,872	203,935
Non current assets:					
Cash restricted for endowments	-	-	484,787	484,787	436,844
Cash restricted for student loans	-	-	548,182	548,182	517,710
Cash held under life income agreements	-	5,000	-	5,000	5,000
<b>Total cash and cash equivalents</b>	<b>\$ 332,872</b>	<b>5,000</b>	<b>1,032,969</b>	<b>1,370,841</b>	<b>1,163,489</b>
<b>Reconciliation of increase in net assets to net operating activities cash flows</b>					
Increase in net assets	\$ 103,812	112,615	47,089	263,516	398,859
Transactions considered to be capital additions:					
Gifts for endowments and student loans	-	-	(50,241)	(50,241)	(121,690)
Proposed new campus	-	(179,454)	-	(179,454)	(176,206)
Campaign pledges receivable collected	-	(64,840)	-	(64,840)	(22,889)
Change in Campaign pledges receivable	-	(45,900)	-	(45,900)	(264,400)
Net other transactions from student loan funds	-	-	(2,709)	(2,709)	(13,039)
Depreciation	170,202	-	-	170,202	163,320
Unrealized (gain) loss on investments	-	-	5,826	5,826	(47,349)
Net interfund transfers	(86,114)	86,114	-	-	-
(Increase) decrease in current assets:					
Accounts receivable:					
Student accounts, net of allowance	(7,887)	-	-	(7,887)	615
Pledges	8,950	-	-	8,950	(9,900)
Employee and other	6,665	(1,086)	-	5,579	(6,446)
Inventories	731	-	-	731	(575)
Prepaid expenses	(3,326)	-	-	(3,326)	2,910
Increase (decrease) in current liabilities:					
Accounts payable and accrued expenses	(5,647)	-	35	(5,612)	(14,438)
(Net of plant asset liabilities)	8,505	-	-	8,505	(9,443)
Student deposits and agency funds	10,217	-	-	10,217	(3,499)
Accrued salaries	11,176	-	-	11,176	807
Deferred revenues	-	-	-	-	-
<b>Net operating activities cash flows</b>	<b>\$ 217,284</b>	<b>(92,551)</b>	<b>-</b>	<b>124,733</b>	<b>(123,363)</b>

See accompanying notes to financial statements.



# FREE WILL BAPTIST BIBLE COLLEGE

## Notes to Financial Statements

May 31, 2000 and 1999

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

#### Basis of Financial Statement Presentation

The financial statements of the College have been prepared on the accrual basis of 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 in June 1993. This has been accomplished by classifying fund transactions into three categories of net assets: unrestricted net assets which have no donor-imposed restrictions, temporarily restricted net 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:

Reporting prior to SFAS No. 116 and 117 Fund Group	Reporting in compliance with SFAS No. 116 and 117 Net Asset Group
Unrestricted current funds	Unrestricted
Restricted current funds	Temporarily restricted
Annuity (life income) funds	Temporarily restricted
Loan funds	Permanently restricted
Endowment funds:	
True	Permanently restricted
Scholarship	Permanently restricted
Quasi	Unrestricted
Plant funds:	
Unexpended plant funds	Temporarily restricted
Net investment in plant	Unrestricted
Agency funds	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.

# FREE WILL BAPTIST BIBLE COLLEGE

## Notes to Financial Statements, continued

### (1) Summary of Significant Accounting Policies, continued

#### Pledges Receivable (note 8)

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.

#### Investments

Investments are reported at market value to comply with Financial Accounting Standards No. 124, "Accounting for Certain Investments of Not for Profit Organizations."

#### 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.

#### 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.

#### 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.

#### Compensated Absences

Employees of the College are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The College's policy is to recognize the cost of compensated absences when actually paid to employees.



# FREE WILL BAPTIST BIBLE COLLEGE

## Notes to Financial Statements, continued

### (1) Summary of Significant Accounting Policies, continued

#### Fair Value of Financial Instruments

The carrying value of cash, accounts receivable, accounts payable and accrued expenses approximate fair value because of the short maturity of these instruments. The carrying values of liabilities are not materially different from the estimated fair values of these instruments.

#### Financial Statement Presentation

Certain reclassifications have been made to the amounts as reported in the prior year to conform to current year presentation. These reclassifications had no effect on reported net assets.

### (2) Investments — Marketable Securities

Investment securities are stated at market value. 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	Unrealized Cumulative Gains
Balance May 31, 2000				
Common stocks	\$ 38,224	132,670	94,446	94,446
Balance May 31, 1999				
Common stocks	\$ 38,224	138,496	100,272	100,272
Unrealized loss due to change in the cumulative change in market value pools			\$ (5,826)	

### (3) Net Assets Released From Restrictions

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

Expenditures made for donor imposed restrictions:

Private scholarships	\$ 47,199
Supplemental Educational Opportunity Grant	17,762
College Work Study Program	15,994
Equipment capitalized	3,911
Other instructional and institutional	6,437

Proposed new campus related costs:

Capitalized expenditures	\$ 86,114
New campus land maintenance and expense	4,504
Campaign office expense	89,554
Allocation to unrestricted gifts (see note 8)	180,172

Net assets released from restrictions \$ 271,475

Pell grants to students amounting to \$203,031 and \$202,865 for 2000 and 1999, respectively, 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.

# FREE WILL BAPTIST BIBLE COLLEGE

## Notes to Financial Statements, continued

### (4) Remaining Net Assets of Temporarily Restricted Funds

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

	2000	1999
Proposed new campus	\$ 411,800	301,779
Scholarships	48,419	43,985
Life income funds	4,725	4,725
Other instructional and institutional	14,207	16,047
	\$ 479,151	366,536

### (5) Net Assets

Net assets of the College consist of the following as of May 31, 2000 and 1999:

	2000			1999
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operations	\$ 161,236	—	—	161,236
Net investment in plant assets	3,353,261	—	—	3,353,261
Life income funds	—	4,725	—	4,725
Unexpended funds restricted for:				
Operating purposes	—	62,626	—	62,626
Plant facilities	—	411,800	—	411,800
Student loan funds	—	—	570,348	570,348
True endowment funds	—	—	184,628	184,628
Scholarship endowment funds	—	—	432,829	432,829
Total net assets	\$ 3,514,497	479,151	1,187,805	5,181,453

### (6) Property, Plant and Equipment and Capitalized Leases

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

	2000	1999
Land	\$ 296,519	296,519
Land and costs incurred, proposed new campus	664,834	423,970
Buildings	3,412,885	3,397,385
Equipment	1,284,882	1,242,677
Library Books	458,015	422,480
	6,117,135	5,783,031
Accumulated depreciation and amortization	2,669,860	2,499,658
Net investment in plant	\$ 3,447,275	3,283,373

Depreciation and amortization charged to expenditures was \$170,202 and \$163,320 in 2000 and 1999, respectively.

### (7) Notes Payable to Individuals

Permanently Restricted Funds — Student Loan Funds  
5% demand notes payable to individuals

	2000	1999
	\$ 165,543	163,893



# FREE WILL BAPTIST BIBLE COLLEGE

## Notes to Financial Statements, continued

### (8) Relocation Campaign and New Campus

#### Proposed Sale of Existing Campus and Pledges Receivable

##### Relocation Campaign and New Campus

The College began its Relocation Campaign in March 1998. The Campaign's purpose is to secure pledges and cash contributions totaling \$12,000,000, to be collected over the next five years. The \$12,000,000 is to fund operating expenses amounting to \$6,000,000 (an average of \$1,200,000 annually; i.e. gifts may be allocated to unrestricted net assets based on the difference between \$1,200,000 of gifts budgeted and the amount of gifts actually received for unrestricted operations in any given year) and to relocate and construct the new campus located in Joelton, Tennessee amounting to \$6,000,000. When all criteria for relocation have been met, the present campus will be sold (see following) 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 the Relocation Campaign and bank debt.

##### Proposed Sale of Existing Campus

As of the balance sheet date (May 31, 2000) the College had executed a "Letter of Intent" with a prospective purchaser for the existing campus. Subsequent to the balance sheet date, the "Letter of Intent" was converted to a "Contract to Purchase the Existing Campus". The current contract required the prospective purchaser to make a refundable deposit in the amount \$100,000 for the option to terminate the contract within a ninety day period from the time the College has determined that the Relocation Campaign is progressing satisfactorily and that the necessary zoning changes will be made for the new campus. The prospective purchaser also has the contractual right to obtain two additional option periods of thirty days each for a deposit of \$100,000 each.

If the contract is ratified by both parties, after a closing date the College will lease from the purchaser the existing campus until the new campus construction is completed.

##### Pledges Receivable

Pledges receivable are recorded at estimated realizable value after an allowance for potential uncollectible pledges. Further, pledges receivable expected to be collected in years after the next fiscal year are discounted to their present values of future cash flows using an 8% interest factor. The following summarizes pledges receivable as of May 31, 2000 and 1999.

##### Unrestricted Operations:

The College receives post dated check books, deposited monthly for general operations, which are collectible over a one to three year period and are considered fully collectible.

Less present value of future cash flows discounted at 8%.

	2000	1999
	\$ 34,300	43,250
	(600)	(600)
	<u>\$ 33,700</u>	<u>42,650</u>

##### Relocation Campaign

Remaining pledges outstanding from the "Claim the Land Campaign" for the purpose of securing land for the Joelton, Tennessee campus.

Uncollected pledges relating to the "Relocation Campaign" for the joint purpose of general operations and relocation to and construction of the new campus in Joelton, Tennessee.

Less allowance for uncollectible pledges

Less present value of future cash flows discounted at 8%

	2000	1999
	604,300	459,100
	604,300	475,700
	(120,900)	(58,300)
	(71,600)	(51,500)
	<u>\$ 411,800</u>	<u>365,900</u>

# FREE WILL BAPTIST BIBLE COLLEGE

## Notes to Financial Statements, continued

### (9) 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 held and managed by SunTrust, Inc., 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, 2000 and 1999.

	2000	1999
<b>Reconciliation of benefit obligations:</b>		
Benefit obligation at beginning of year	\$ 1,913,243	1,828,160
Service cost	77,426	71,895
Interest cost	141,724	127,331
Participant contributions	-	-
Plan amendments	-	-
Loss due to actuarial experience	35,698	54,532
Gain due to changes in actuarial assumptions	(266,868)	(144,929)
Benefits paid to plan participants	(27,490)	(23,746)
Benefit obligation at end of year	<u>\$ 1,873,733</u>	<u>1,913,243</u>
<b>Reconciliation of asset value:</b>		
Plan assets at beginning of year	\$ 1,855,533	1,626,826
Actual return of plan assets	198,340	197,757
Employer contributions	72,986	54,696
Benefits paid to plan participants	(27,490)	(23,746)
Plan assets at end of year	<u>\$ 2,099,369</u>	<u>1,855,533</u>
<b>Reconciliation of funded status:</b>		
Funded status at end of year (liability)	\$ 225,636	(57,710)
Unrecognized net transition obligation asset	(99,648)	(124,559)
Unrecognized prior service cost	64,890	86,521
Unrecognized net (gain) or loss	(194,882)	78,728
Amount included in accounts payable and accrued expenses	<u>\$ (4,004)</u>	<u>(17,020)</u>
<b>Accumulated benefit obligation at end of year</b>	<u>\$ 1,593,736</u>	<u>1,591,894</u>
<b>Vested benefit obligation at end of year</b>	<u>\$ 1,569,427</u>	<u>1,553,226</u>
<b>Reconciliation of unrecognized net loss:</b>		
Unrecognized loss at beginning of year	\$ 78,728	230,204
Amount of loss recognized during the year	-	(3,536)
Loss due to actuarial experience	35,698	54,532
Gain due to changes in actuarial assumptions	(266,868)	(144,929)
Gain due to assets	(42,440)	(57,543)
Unrecognized (gain) or loss at end of year	<u>\$ (194,882)</u>	<u>78,728</u>



# FREE WILL BAPTIST BIBLE COLLEGE

## Notes to Financial Statements, continued

### (9) Pension Plan, continued

#### Net periodic benefit cost:

Service cost at end of year	
Interest cost on projected benefit obligation	
Expected return on plan assets	
Amortization of transition obligation	
Amortization of prior service costs	
Amortization of net loss	
Net periodic benefit cost	

	2000	1999
\$	77,426	71,895
	141,724	127,331
	(155,900)	(140,214)
	(24,911)	(24,911)
	21,631	21,631
	-	3,536
\$	59,970	59,268

#### Assumptions used for determination of net pension cost:

Assumed discount rate	
Rate of compensation increase	
Expected long-term rate of return	
Actuarial valuation method	

7.50%	7.00%
4.00%	4.00%
8.50%	8.50%
Projected	Projected
Unit Credit	Unit Credit

#### Assumptions used for determination of end of year obligations:

Assumed discount rate	
Rate of compensation increase	
Expected long-term rate of return	
Actuarial valuation method	

8.50%	7.50%
4.00%	4.00%
N/A	N/A
Projected	Projected
Unit Credit	Unit Credit

### (10) 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 risk of accounting loss for funds amounting to approximately \$961,500 since the balance at certain financial institutions is greater than the insurable limit. The College also owns marketable securities received by gifts which are subject to accounting risk of loss amounting to the recorded balance.

## SUMMARY OF FINANCIAL INFORMATION

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

### Unrestricted Funds Surplus Budget

Total Unrestricted Funds Revenues for the year ending May 31, 2000, amounted to \$3,980,157. Total Expenditures were \$3,876,345, providing a \$103,812 surplus of income over expenses.

### Cash Flow Statement

The combined cash flow of the College's operating, investing, capital and financial activities showed cash and cash equivalents increasing \$128,937 in Unrestricted Funds, no change in Temporarily Restricted Funds, and increasing \$78,415 in Permanently Restricted Funds for a cumulative cash flow increase of \$207,352.

### Unrestricted Giving

Private gifts provided \$917,732 in Unrestricted Funds Revenues. Of that amount, \$905,072 was provided from General Fund gifts, \$11,905 from Estate gifts, and \$755 from special gifts.

### General Fund Giving Keeps Tuition Costs Down

Because of above-mentioned General Fund gifts, FWBBC students were in essence "awarded" \$110 for every semester hour taken in 1999-2000. Or, unrestricted General Fund gifts kept the cost of tuition per semester hour at \$189, instead of \$299. This gift subsidy saved each student taking 30 semester hours (15 hours per semester) a total of \$3,300 this past academic year.

### Financial Obligations

The College is free of long-term debt. Notes Payable to Individuals (the proceeds are restricted for the purpose of providing low-interest student loans) amounts to \$165,543. The College has sufficient cash and savings in the student loan program to completely liquidate these notes, but chooses to keep the funds available as part of its financial aid program.

### Assets to Debt Ratio

FWBBC's assets to debt ratio is extremely good. Total assets amount to \$5,703,959. Our liability (listed in "Financial Obligations" above) comes to \$165,543, giving a 34.46 to 1 ratio. Adding all other liabilities brings the total to \$522,506, and gives a 10.92 to 1 ratio.

THIS INFORMATION IS NOT PART OF THE AUDITOR'S REPORT



# SUMMARY OF FINANCIAL INFORMATION (continued)

## Relocation Campaign Update

In March, 1998, the college entered into a five-year, \$12 million capital campaign for the purpose of providing \$6 million in operating (General Fund/Unrestricted Fund) revenues and \$6 million for relocating and constructing a new campus in Joelton, Tennessee.

Since March, 1998, the campaign has raised \$4,829,331 in cash, pledges and commitments (both written and verbal). Of that amount, \$2,529,331 has been expended to operate the school, create and fund the campaign office, retain a campaign consultant, an architect, various engineers, etc. The remaining \$2,300,000 is in the form of campaign pledges and commitments (of which gross pledges as recorded in the financial statements amount to \$604,300 (see Note 8), and non-recorded, written and verbal commitments of approximately \$1,700,000).

The \$12 million campaign is a combined endeavor:

The first part of the campaign goal is \$6 million necessary for the operational funding of FWBBC. Even without the campaign, the college would budget \$1.2 million per year in unrestricted gifts. In order to avoid competition for operating (Unrestricted Fund) gifts, the college established one-half of the campaign total to be available for up to \$1,200,000 per year, for 5 years, in unrestricted funds. In 1999-00, the total came to only \$905,072, with no allocation from campaign funds.

The second part of the campaign goal is to raise another \$6 million for the relocation and construction of the new Joelton campus. These funds, along with the future sale of the West End Avenue campus, are designed to provide sufficient capital for the move.

## SPECIAL NOTE - URGENT NEED:

Heavy construction is scheduled to begin in early 2001. The Bible College is deeply appreciative for over \$500,000 in cash gifts received toward the \$6 million goal. However, because this time period is less than a year away, there is an urgent need for a massive infusion of cash gifts to meet construction costs. According to estimates, a minimum \$2,000,000 cash is needed in the next few months in order to remain on schedule and work toward Phase I construction.

THIS INFORMATION IS NOT PART OF THE AUDITOR'S REPORT

# FREE WILL BAPTIST BIBLE COLLEGE Proposed Budget for the Year Ending May 31, 2001 As Compared to Actual as Summarized for the Year Ended May 31, 2000

## Current Unrestricted Funds

	Proposed Budget May 31, 2001	Actual May 31, 2000
Revenues:		
Tuition & fees	2,030,939	1,706,782
Gifts:		
Together/Capital Campaign	1,200,000	905,072
Estates & Misc.	21,000	12,660
	8,000	5,761
Endowment income	16,000	12,038
Investment income	1,085,000	1,047,490
Sales and services of auxiliary enterprises		
	0	18,879
Other sources	120,000	271,475
Net Assets Released From Restrictions	4,480,939	3,980,157
Total revenues		
Expenditures:		
Educational & general:		
Instruction	1,141,546	1,043,004
Academic support	458,640	308,362
Student services	465,888	376,198
Operation and maintenance of plant	490,533	376,597
Institutional support	1,049,713	866,835
Scholarships/Contingency	0	76,354
Total educational and general expenditures	3,606,320	3,047,350
Auxiliary enterprises:		
	874,619	828,995
Expenditures:		
	4,480,939	3,876,345
Total expenditures		
Surplus/(Deficit)	0	103,812

THIS INFORMATION IS NOT PART OF THE AUDITOR'S REPORT



# General Fund Gift Goals — 2000-2001

State	Goals
Alabama (AL)	\$ 72,600.00
Alaska (AK)	
Arizona (AZ)	1,560.00
Arkansas (AR)	84,960.00
California (CA)	7,080.00
Colorado (CO)	720.00
Connecticut (CT)	1,560.00
Delaware (DE)	3,240.00
Florida (FL)	34,920.00
Georgia (GA)	92,520.00
Hawaii (HI)	
Idaho (ID)	100.00
Illinois (IL)	32,640.00
Indiana (IN)	9,000.00
Iowa (IA)	720.00
Kansas (KS)	360.00
Kentucky (KY)	17,160.00
Louisiana (LA)	2,520.00
Maine (ME)	1,680.00
Maryland (MD)	600.00
Massachusetts (MA)	120.00
Michigan (MI)	32,280.00
Minnesota (MN)	
Mississippi (MS)	22,080.00
Missouri (MO)	50,760.00
Montana (MT)	
Nebraska (NE)	360.00
Nevada (NV)	
New Hampshire (NH)	
New Jersey (NJ)	
New Mexico (NM)	360.00
New York (NY)	
North Carolina (NC)	258,710.00
North Dakota (ND)	
Ohio (OH)	21,840.00
Oklahoma (OK)	22,560.00
Oregon (OR)	
Pennsylvania (PA)	600.00
Rhode Island (RI)	
South Carolina (SC)	65,640.00
South Dakota (SD)	100.00
Tennessee (TN)	282,480.00
Texas (TX)	13,200.00
Utah (UT)	
Vermont (VT)	
Virginia (VA)	23,280.00
Washington (WA)	840.00
West Virginia (WV)	8,520.00
Wisconsin (WI)	50.00
Wyoming (WY)	
Canada	840.00
Virgin Islands (VI)	1,440.00
W.N.A.C.	5,520.00
Other	24,480.00
<b>Total</b>	<b>\$ 1,200,000.00</b>

# Free Will Baptist Bible College Salary Breakdown

	1998-99	1999-00	2000-01
<b>President *</b>			
Salary	\$54,354	\$56,354	59,172
Social Security	4,158	4,311	4,526
Retirement	2,718	2,536	2,958
Medical Insurance	2,400	2,107	2,528
Life Insurance	240	240	240
	<b>\$63,870</b>	<b>\$65,548</b>	<b>\$69,424</b>
<b>Academic Dean</b>			
Salary	\$43,015	\$45,015	47,266
Social Security	3,291	3,444	3,616
Retirement	2,151	2,026	2,363
Medical Insurance	2,400	2,107	2,528
Life Insurance	240	240	240
	<b>\$51,097</b>	<b>\$52,832</b>	<b>\$56,013</b>
<b>Advancement Director Relocation Campaign</b>			
Salary	\$36,208	\$38,208	40,118
Social Security	2,770	2,923	3,069
Retirement	1,810	1,719	2,006
Medical Insurance	2,400	2,107	2,528
Life Insurance	240	240	240
	<b>\$43,428</b>	<b>\$45,197</b>	<b>\$47,961</b>
<b>Stewardship Development Director</b>			
Salary	\$31,013	\$35,000	\$36,225
Social Security	2,372	2,678	2,771
Retirement	1,551	1,575	1,811
Medical Insurance	2,400	2,107	2,528
Life Insurance	240	240	240
	<b>\$37,576</b>	<b>\$41,600</b>	<b>\$43,575</b>
<b>Treasurer</b>			
Salary	\$41,607	\$43,607	\$45,787
Social Security	3,183	3,336	3,503
Retirement	2,080	1,962	2,289
Medical Insurance	2,400	2,107	2,528
Life Insurance	240	240	240
	<b>\$49,510</b>	<b>\$51,252</b>	<b>\$54,347</b>

Salary includes housing allowance where applicable.

\* vehicle provided



## Sunday School and Church Training Report

This year has been another busy year in the ministry of developing and publishing Free Will Baptist Sunday school literature.

We recently purchased a new imagesetter which will enhance our graphics and production departments.

Our presence on the Internet is showing an increase in inquiries and sales. Both Free Will Baptists and non-Free Will Baptists are responding to our web page at [www.randallhouse.com](http://www.randallhouse.com)

We continue to work with other national departments and print two of our national magazines. We print stewardship materials and *The Free Will Baptist Yearbook* complimentary for our Free Will Baptist churches. We have committed to print 300,000 pieces of material for *Operation Saturation*, set for September 30, 2000, and will be sharing in the promotion of this project.

This year we began to give our own Spanish curriculum to our Spanish Free Will Baptist churches that serve under the Home and Foreign Mission Departments and other Spanish speaking Free Will Baptist churches in our denomination. We have budgeted free printing for our new Russian and Korean churches. We have signed letters of permission for them to print about 15 of our books. We have been given permission to reprint 5 of Dr. Hack Bong Chung's books for the Korean market in the U.S.A. Dr. Chung is a professor at our new seminary in Korea under the direction of the Foreign Missions Department.

It has been my desire to print and mail a book on doctrine or growth, free of charge—once a year, to every Free Will Baptist minister. We want to do our part in keeping our doctrine pure, increasing our convictions set forth in our Treatise. Since we do not have the resources at Randall House Publications alone, we have established a Trust so churches and individuals can contribute to this project. Contributions may be sent to the **Randall Minister's Fund**, Free Will Baptist Foundation, P. O. Box 5002, Antioch, TN 37011-5002, earmarked for this fund. It is our desire for this fund to be well established and self-perpetuating from its interest income enabling its purpose.

We have established the **Dr. Roger C. Reeds Scholarship Fund** which will be a part of the Heritage Endowment Fund at Free Will Baptist Bible College to honor his years of dedicated service to Randall House Publications and our denomination. Friends may also contribute to this scholarship fund by contacting Mrs. Peggy Hampton at Free Will Baptist Bible College, P. O. Box 50117, Nashville, TN 37205.

This year we will release *The Quest for Truth* written by F. Leroy Forlines and an updated version of the *Free Will Baptist History* by Dr. Bill Davidson entitled **A Free Will Baptist History**. Also, *Two Views of the Millennium*, one book containing *The Apocalypse* by Douglas Simpson and *The Unsealed Book* by Wade Jernigan has been released. The remaining *Randall Commentary* series has been assigned to writers. We are excited about our new endeavor with Lightning Source, a division of Ingram—the world's largest distributor of books, which will enable us to fill many requests for titles that have been out of print. We will bring back about 87 books such as *Romans* by Dr. Robert Picirilli, *Biblical Systematics* by F. Leroy Forlines, and *The Future* by Dr. Cecil Sanders. We also put *Biblical Systematics* (printed in Russian), about thirty of our Spanish teacher guides, and five Korean books from Dr. Hack Bong Chung into our American market. This company is a print-on-demand company able to

print one book or thirty-five, etc. with the cost per book remaining the same. We will not have to print and store such a large inventory with this method. This will also enable our products to be added to the databases of Spring Arbor, Barnes and Noble, and Amazon, giving us a much larger marketing area.

Our full-color magazine, *Outreach* for Sunday school and church growth, is filled with ideas and helps for the local church. It continues to be well accepted throughout our denomination. This beautiful and informative publication is sent free of charge to every pastor, church, and interested individual.

We will see a number of employees retire this next year so pray that their replacements will be as joyful and dedicated as these people have been. Ray Sanders, one of our graphic artists, continues to battle cancer.

We have had a profitable year, but we are writing off nearly \$400,000 in product, which will enable us to reposition for the future.

Please pray for us as we investigate new ventures and continue to progress.

Alton E. Loveless  
General Director

## 1999-2000 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. Our first meeting was in Atlanta, Georgia during the meeting of the National Association of FWB. Board officers and standing committee members were elected for the coming year. Dean Jones gave a report on the youth services and activities for the week. He noted that the requirement for nametags added to the safety of our young people.

Our second meeting took place in Nashville, TN following the Leadership Conference. We heard reports from our General Director, Creative Director (formerly Editor-in-Chief), Treasurer and NYC Director. The Board voted to establish a \$1000 scholarship fund at FWBNC in honor of Dr. Roger Reeds. This will begin in the year 2000. The Board also approved the purchase of computer to plate equipment. The cost was projected to be approximately \$150,000. Several individuals were approved as writers for RHP and one new book was approved for printing. Speakers for the 2000 NYC were approved at this meeting.

Our third meeting took place at the Oklahoma FWB State Office Building, Oklahoma City, Oklahoma April 17 and 18, 2000. The theme for the 2001 ministry year and NYC was adopted and the name of the Youth Ministries Division was changed to Children and Student Ministries (serving young people and those who work with them). The Board reviewed the auditor's report and voted to accept it. This included a complete write-off of the Spanish curriculum and other items of insignificant value. The 2001 proposed budget was adopted. The Board voted that the format of proposed budgets be changed to enhance ease of reading and comparison with past, present and future expense records and budgets. Two individuals were added to the approved writers list. The Board approved the establishment of a trust fund to print and mail a book annually to each pastor free of charge. The Board approved a 4% increase in the General Director's salary and housing.



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

**Financial Statements**

**December 31, 1999**

**(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 Sheet	2
Statement of Activity and Changes in Net Assets	3
Statement of Cash Flow	4
Notes to Financial Statements	5-7

**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 sheet of Sunday School and Church Training Board and Randall House Publications as of December 31, 1999, and the related statements of activity and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 Sunday School and Church Training Board and Randall House Publications as of December 31, 1999, and changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

*Hill, Harper & Associates, P.C.*

March 15, 2000



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

**Balance Sheet**

December 31, 1999

<u>Assets</u>	
Current assets:	
Cash and interest bearing deposits	\$ 387,014
Certificates of deposit	50,000
Cash invested with the Free Will Baptist Foundation	150,000
Accounts receivable:	
Trade, net of allowance for doubtful accounts of \$7,000	125,602
Employees and other	3,143
Total receivables	128,745
Inventory, at lower of cost (first-in, first-out method) or market	422,336
Deferred charges and prepaid expenses	13,464
Total current assets	1,151,559
Property, plant and equipment and capitalized leases, at cost:	
Land	110,341
Building	712,470
Printing service equipment	471,336
Office and administrative equipment	551,060
Automobiles and trucks	51,698
Less accumulated depreciation and amortization	1,896,905
Net property, plant and equipment and capitalized leases	1,330,816
	566,089
	\$ 1,717,648
<u>Liabilities and Net Assets</u>	
Current liabilities:	
Accounts payable	\$ 70,783
Accrued expenses	40,610
Due to affiliated organization	1,472
Total current liabilities	112,865
Long term debt	95,000
Note payable	95,000
Total long term debt	1,509,783
Unrestricted net assets	\$ 1,717,648
Commitments	
See accompanying notes to financial statements.	

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

**Statement of Activity and Changes in Net Assets**

For the Year Ended December 31, 1999

Revenues:	
Net sales:	
Curriculum	\$ 1,967,311
Randall House books	67,386
Merchandise	32,121
Vacation Bible School	29,024
Bookstore	368,098
Printing	157,197
Other sales	49,812
Net sales	2,670,949
Freight and handling	118,272
Other income	61,249
Youth income from conferences and related services	154,401
Interest income	9,732
Commission income on hymnal sales	42,434
	3,057,037
Expenses:	
Cost of sales:	
Inventory at beginning of year	909,780
Merchandise purchases	247,629
Depreciation	48,000
Editorial	361,865
Printing production	791,037
Spanish department	24,359
	2,382,670
Less inventory at end of year	422,336
	1,960,334
Selling, general and administrative:	
Administrative	123,593
Bookstore	120,434
Bookkeeping	230,824
Building	142,115
Sales and promotion	149,698
Shipping	211,765
General	178,010
Youth department:	
Conferences and related services	134,671
General and administrative	124,349
Depreciation	57,311
Interest expense, including finance charges	718
	1,473,488
Total expenses	3,433,822
Decrease in net assets	(376,785)
Net assets, beginning of year	1,886,568
Net assets, end of year	\$ 1,509,783
See accompanying notes to financial statements.	



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

**Statement of Cash Flows**

For the Year Ended December 31, 1999

**Cash Flows from Operating Activities**

Decrease in net assets	
Adjustments to reconcile decrease in net assets to net operating activities	\$ (376,785)
Depreciation and amortization	105,311
(Increase) decrease in:	
Receivables	40,233
Inventories	487,444
Deferred charges and prepaid expenses	210
Increase (decrease) in:	
Accounts payable	(26,698)
Accrued expenses	(10,655)
Due to affiliated organization	1,043
Net operating activities	220,103

**Cash Flows from Investing Activities**

Cash invested with Free Will Baptists Foundation	(50,000)
Proceeds from certificate of deposit	50,000
Purchase of equipment	(34,102)
Net investing activities	(34,102)

**Cash Flows from Financing Activities**

Proceeds from long term debt	95,000
Net financing activities	95,000
Net increase in cash	281,001

Cash at beginning of year	106,013
Cash at end of year	\$ 387,014

Supplemental disclosures:	
Interest, including finance charges paid	\$ 718

See accompanying notes to financial statements.

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

**Notes to Financial Statements**

December 31, 1999

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**

The Board adopted Statement of Financial Standards (SFAS) No. 117 "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Board 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, if any. In addition, the Board is required to present a statement of cash flows. As permitted by this new statement, the Board discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the classes of net assets required.

**Accrual Basis**

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

**Inventories**

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

**Property, Plant and Equipment**

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

**Income Taxes**

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

**Cash and Cash Equivalents**

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

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



# SUNDAY SCHOOL AND CHURCH TRAINING BOARD AND RANDALL HOUSE PUBLICATIONS

## Notes to Financial Statements, continued

### Fair Value of Financial Instruments

The carrying value of cash, accounts receivable, inventory, accounts payable and accrued expenses approximate fair value because of the short maturity of the instruments. The carrying values of liabilities are not materially different from the estimated fair value of these instruments.

### Compensated Absences

Employees of the Board are entitled to paid sick days and personal days off, depending on job classification, length of service and other factors. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Board's policy is to recognize the cost of these compensated absences when actually paid to employees.

### (2) 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. Further, funds invested with the Free Will Baptist Foundation in the amount of \$100,000 are subject to risk of accounting loss. Cash and certificates of deposit deposited in a local bank are insured by the F.D.I.C. up to a maximum of \$100,000.

### (3) 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 Baptists. 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.

#### 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 December 31, 1999 the Board was warehousing approximately 34,000 hymnals with an estimated replacement value of \$442,000. The following summarizes the transactions under this agreement as of December 31, 1999.

	1999	Since Inception
Amount due to Executive Office at beginning of period	\$ 429	-
Total sales of hymnals	81,638	490,152
Less total fees earned	(43,472)	(245,459)
Less remittances made to the Executive Office	(37,123)	(243,221)
Amount due to (from) Executive Office at end of period	\$ 1,472	1,472

#### 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 December 31, 1999 the Board was warehousing approximately 10,000 hymnals with an estimated replacement value of \$100,000.

# SUNDAY SCHOOL AND CHURCH TRAINING BOARD AND RANDALL HOUSE PUBLICATIONS

## Notes to Financial Statements, continued

### (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 expense amounted to \$32,833 for the year ended December 31, 1999. 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) Inventory

During the year ended December 31, 1999 the Board determined that inventory previously classified as long term had become without significant value. This inventory consisted primarily of Spanish and other miscellaneous items. The effect of writing off this inventory amounted to \$394,871 and is reflected as costs of goods sold in the accompanying financial statements.

### (6) Note Payable

The Board has a note payable with interest at 8.00%, which is payable in monthly installments of \$1,932 (principal and interest) until December 2004. The note is secured by a certificate of deposit. The proceeds from the note will be used to purchase a piece of equipment.

A summary of maturities is as follows:

Year ended December 31	Amount
2000	16,164
2001	17,506
2002	18,959
2003	20,533
2004	21,838
	<u>95,000</u>



**Budget  
2001**

**Revenues**

Total Sales	\$3,147,603.85
Other Income	
Freight & Handling	130,000.00
Commission on Hymnals	75,000.00
Youth Division	174,500.00
Miscellaneous Income	20,000.00

**Total Revenues** \$3,547,103.85

**Cost of Sales**

Cost of Outside Purchases	\$397,000.00
Editorial/Graphic Arts	413,900.00
Printing Production	762,400.00
Spanish	28,100.00

**Total Cost of Sales Expenses** \$1,601,400.00

**General Expenses**

Youth Division	\$294,317.00
Sales Division	208,500.00
Bookstore	128,300.00
Denominational Ministries	128,000.00
Administration	138,850.00
Accounting	252,900.00
Shipping	239,700.00
Building	168,030.00
General Expenses	311,500.00

**Total General Expenses** \$1,870,097.00

**Grand Total of all Expenses** \$3,471,497.00

**Total Revenues** \$3,547,103.85

**Working Capital** \$ 75,606.85

**Budget 2001  
Sunday School Literature**

Quantity	Description	Cost	Revenue
3,998	Nursery Teacher	4.10	16,391.80
17,035	Make N Do	2.45	41,735.75
14,272	My Bible Lesson Cards	2.45	34,966.40
4,683	Nursery-Preschool Flannelgraph	9.99	46,783.17
2,638	Nursery-Preschool Teaching Pictures	9.99	26,353.62
8,461	Preschool Teacher	4.10	34,690.10
24,189	Preschool Student	2.45	59,263.05
35,602	Preschool Companion	2.45	87,224.90
24,305	Picture Lesson Cards	2.45	59,547.25
7,070	Bible Times	2.79	19,725.30
9,778	Primary Teacher	4.10	40,089.80
38,242	Primary Student	2.45	93,692.90
50,837	Primary Companion	2.45	124,550.65
3,053	Memory Verse Packet	9.50	29,003.50
9,079	Primary Days	2.79	25,330.41
3,641	Primary-Junior Flannelgraph	9.99	36,373.59
3,774	Primary-Junior Teaching Pictures	9.99	37,702.26
12,205	Junior Teacher	4.10	50,040.50
55,675	Junior Student	2.45	136,403.75
52,376	Junior Companion	2.45	128,321.20
8,822	Junior Counselor	2.79	24,613.38
5,399	Turning Point Teacher	4.10	22,135.90
2,126	Turning Point Packet	9.99	21,238.74
25,035	Turning Point Student	2.45	61,335.75
12,649	Teen Power	2.79	35,290.71
7,741	Horizon Teacher	4.10	31,738.10
2,441	Horizon Packet	9.99	24,385.59
37,440	Horizon Student	2.45	91,728.00
39,740	Bible Teacher	4.10	162,934.00
14,093	Bible Challenge	2.45	34,527.85
18,777	Visitor's Lesson Leaflets	2.45	46,003.65
5,144	Power For Living	2.79	14,351.76
17,972	Depth	2.45	44,031.40
103,047	Bible Scholar	2.45	252,465.15
226,329	Bible Scholar LP	2.60	588,455.40
378	Bible Teacher Cassette	19.99	7,556.22

**Total Sunday School Literature Sales**

\$2,590,981.50



# C.T.S. Literature

Quantity	Description	Cost	Revenue
358	Helpers Leader's Guide	4.10	1,467.80
932	Helpers Packet	4.10	3,821.20
705	Discovers Leader's Guide	4.10	2,890.50
2,097	Discovers Packet	5.40	11,323.80
631	Learners Leader's Guide	4.10	2,587.10
2,550	Learners Student	2.45	6,247.50
555	Adventurers Leader's Guide	4.10	2,275.50
3,319	Adventurers Student	2.45	8,131.55
900	Destination Reality	14.95	13,455.00
8,857	Focus Student	2.60	23,028.20
7,916	Lifeline Student	2.45	19,394.20
<b>Total C.T.S. Literature Sales</b>			\$ 94,622.35
<b>Total Sunday School &amp; C.T.S. Sales</b>			\$2,685,603.85
<b>Less Discounts to Bookstores</b>			\$ (440,000.00)
<b>Grand Total Literature Sales</b>			\$2,245,603.85
<b>Other Sales and Income</b>			
	Spanish Curriculum		\$35,000.00
	RHP Books		85,000.00
	Merchandise		50,000.00
	Bulletin Service		32,000.00
	Bookstore Sales		400,000.00
	Printing Sales		180,000.00
	Miscellaneous Sales		120,000.00
<b>Total Other Sales &amp; Income</b>			\$ 902,000.00
<b>Total All Sales</b>			\$3,147,603.85
<b>Other Income</b>			
	Freight & Handling		\$130,000.00
	Commission on Hymnals		75,000.00
	Youth Division		174,500.00
	Miscellaneous Income		20,000.00
<b>Total Other Income</b>			\$ 399,500.00
<b>TOTAL REVENUE</b>			\$3,547,103.85

# Expenses

<b>Cost of Outside Purchases</b>		
Curriculum	\$62,000.00	
Merchandise	15,000.00	
Bookstore	250,000.00	
Depreciation	70,000.00	
	<u>\$397,000.00</u>	
<b>Editorial/Graphic Arts</b>		
Salaries	\$250,000.00	
Housing	33,000.00	
Travel	2,000.00	
Supplies	10,000.00	
Curriculum Development	1,000.00	
Writer's Fees	35,000.00	
Equipment Maintenance	1,000.00	
Color Separations	12,500.00	
Freelance Artwork	6,000.00	
Conventions & Seminars	2,500.00	
Dues & Subscriptions	300.00	
Postage	100.00	
Telephone	1,000.00	
FICA	15,000.00	
Retirement	9,200.00	
Insurance	35,000.00	
Miscellaneous	300.00	
	<u>\$413,900.00</u>	
<b>Printing Production</b>		
Salaries	\$210,000.00	
Travel	1,000.00	
Pressroom Supplies	22,000.00	
Pressroom Equipment Maintenance/Parts	12,000.00	
Pressroom Stock	120,000.00	
Pressroom Ink	9,500.00	
Bindery Supplies	4,000.00	
Bindery Maintenance/Parts	3,500.00	
Outside Printing	410,000.00	
Telephone	1,000.00	
FICA	15,000.00	
Retirement	8,000.00	
Insurance	28,000.00	
Camera Supplies	6,000.00	
Camera Maintenance	500.00	
Camera Film-Negatives	2,500.00	
Plates	9,000.00	
In House Printing	(100,000.00)	
Dues & Subscriptions	100.00	
Miscellaneous	300.00	
	<u>\$762,400.00</u>	
<b>Spanish</b>		
Salaries	\$16,000.00	
Travel	400.00	
Supplies	300.00	
Equipment Maintenance	300.00	

In House Printing	100.00
Translation	1,000.00
Postage	400.00
Telephone	2,200.00
FICA	1,400.00
Retirement	800.00
Insurance	5,000.00
Dues & Subscriptions	100.00
Miscellaneous	100.00
	<u>\$ 28,100.00</u>
<b>Total Cost of Sales</b>	\$1,601,400.00

# General Expenses

<b>Youth Division</b>		
Salaries	\$ 78,000.00	
Housing Allowance	16,000.00	
Entertainment	500.00	
Travel	10,000.00	
Supplies	3,000.00	
In House Printing	5,000.00	
NYC 2001	70,000.00	
Truth & Peace 2001	42,000.00	
NYET 2001	5,000.00	
Fund Raising Expense	3,500.00	
National Youth Workers' Retreats 2001	17,250.00	
Conventions & Seminars	300.00	
Dues & Subscriptions	400.00	
Postage	4,000.00	
Telephone	2,500.00	
FICA	5,867.00	
Retirement	4,000.00	
Insurance	14,000.00	
Miscellaneous	4,000.00	
Truth & Peace2 2001	9,000.00	
	<u>\$294,317.00</u>	
<b>Sales Division</b>		
Salaries	\$ 48,000.00	
Housing	12,000.00	
Entertainment	200.00	
Travel	5,000.00	
Supplies	7,000.00	
Advertising & Promotion	35,000.00	
Printing & Color Separations	6,000.00	
In House Printing	35,000.00	
Dues & Subscriptions	1,500.00	
Postage	36,000.00	
Telephone	1,000.00	
FICA	2,200.00	
Retirement	1,600.00	
Insurance	10,000.00	
Conventions & Seminars	6,000.00	
Miscellaneous	2,000.00	
	<u>\$208,500.00</u>	



Bookstore	
Salaries	\$ 90,000.00
Entertainment	100.00
Travel	2,500.00
Supplies	1,500.00
In House Printing	1,000.00
Equipment Rental	3,000.00
Postage	600.00
Telephone	1,500.00
FICA	7,000.00
Retirement	2,000.00
Insurance	14,000.00
Advertising & Promotion	4,500.00
Dues & Subscriptions	400.00
Miscellaneous	200.00
	<u>\$128,300.00</u>

Denominational Ministries	
Outreach Magazine	\$ 30,000.00
Church Directory	25,000.00
Spanish Literature Gifts	20,000.00
Stewardship Lessons	15,000.00
Together Way Printing	7,000.00
Korean Printing	2,000.00
Russian Printing	2,000.00
Scholarships	2,000.00
RHP Ministers' Fund	25,000.00
	<u>\$128,000.00</u>

Administrative	
Salaries	\$ 73,000.00
Housing Allowance	26,000.00
In House Printing	200.00
Entertainment	1,200.00
Travel	12,000.00
Auto Expense	1,000.00
Auto Lease	5,600.00
Supplies	2,000.00
Equipment Maintenance	100.00
Equipment Rental	1,750.00
Conventions & Seminars	300.00
Dues & Subscriptions	300.00
Postage	500.00
Telephone	1,200.00
FICA	1,900.00
Retirement	5,000.00
Insurance	6,500.00
Miscellaneous	300.00
	<u>\$138,850.00</u>

Customer Service/Accounting/Business Office	
Salaries	\$165,000.00
Royalties	10,000.00
Equipment Rental	400.00
Supplies	6,000.00
Equipment Maintenance	3,500.00
Dues & Subscriptions	300.00

Postage	4,000.00
Telephone	16,000.00
FICA	12,000.00
Retirement	3,500.00
Insurance	30,000.00
Travel	1,500.00
In House Printing	400.00
Miscellaneous	300.00
	<u>\$252,900.00</u>

Shipping	
Salaries	\$ 85,000.00
Supplies	19,000.00
Equipment Maintenance	3,400.00
Equipment Rental	7,000.00
Freight	95,000.00
Postage	7,000.00
Telephone	1,000.00
FICA	6,000.00
Retirement	2,000.00
Insurance	14,000.00
Miscellaneous	300.00
	<u>\$239,700.00</u>

Building	
Salaries	\$ 55,000.00
Housing	.00
Supplies	10,000.00
Equipment Maintenance	3,500.00
Building Maintenance	11,000.00
Utilities	50,000.00
Insurance(Building)	21,000.00
Telephone	830.00
FICA	4,000.00
Retirement	2,400.00
Insurance	10,000.00
Miscellaneous	300.00
	<u>\$168,030.00</u>

General Expenses	
Auto Expense	\$ 3,500.00
Supplies	1,000.00
Equipment Maintenance	10,500.00
Equipment Rental	7,000.00
Equipment/Lease/Purchase	100,000.00
Bad Debt	3,500.00
Board Travel & Expense	13,000.00
Legal & Auditing	10,000.00
Taxes	13,000.00
Payroll Services	5,500.00
Interest Expense	8,500.00
Debt Retirement	50,000.00
Service Charge Expense	8,000.00
Depreciation	60,000.00
Miscellaneous	18,000.00
	<u>\$ 311,500.00</u>

**Total General Expenses** \$1,870,097.00

## Salaries

### General Director

	1999	2000	2001
Salary	\$36,341.63	\$37,795.34	\$39,307.15
Housing and Utilities	22,504.87	23,405.06	24,341.26
Social Security	4,499.46	4,681.83	4,869.10
Retirement	3,117.40	3,117.40	3,117.40
Insurance:			
Medical	5,805.00	6,140.70	375.12
Dental	581.88	765.36	6,140.70
Disability		375.12	765.36
	<u>\$72,850.24</u>	<u>\$76,280.81</u>	<u>\$78,916.09</u>

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

### Editor-in-chief

	1999	2000	2001
Salary	\$24,374.62	\$25,186.29	\$25,941.88
Housing Allowance	17,139.20	17,709.93	18,241.23
Social Security	3,175.81	3,281.56	3,380.01
Retirement	2,015.00	2,015.00	2,015.00
Insurance:			
Life	164.76	164.76	164.76
Medical	5,805.00	6,140.70	6,500.00
Dental	581.88	765.36	765.36
Disability	213.00	270.24	270.00
	<u>\$53,469.27</u>	<u>\$55,533.84</u>	<u>\$57,278.24</u>

### Youth Division Director

	1999	2000	2001
Salary	\$17,736.00	\$18,806.12	\$19,370.30
Housing Allowance	14,400.00	14,400.00	14,832.00
Social Security	2,458.40	2,540.26	2,616.47
Retirement	1,560.00	1,560.00	1,560.00
Insurance:			
Life	85.20	85.20	85.20
Medical	5,805.00	6,140.70	6,500.00
Dental	581.00	765.36	765.36
Long-term Care	18.00	18.00	18.00
Disability	165.00	217.92	217.92
	<u>\$42,808.60</u>	<u>\$44,533.56</u>	<u>\$45,965.25</u>



## Cost Comparisons 2000

	SP	GL	ST	**UGP	AY	DCC	RHP
Nursery Teacher	4.89	4.99	4.69	1.45	4.89	4.89	3.90
Teacher's Resource Packet	9.99	10.99	9.99	6.25	10.99	10.99	9.99
Pupil's Handwork	2.79	2.79	2.69	1.45	2.79	2.79	2.25
Bible Lesson Cards	2.59	.00	.00	.85	2.79	.00	2.25
Preschool Teacher	4.89	4.99	4.69	1.45	4.89	4.89	3.90
Teacher's Resource Packet	9.99	10.99	10.99	6.25	10.99	10.99	9.99
Preschool Student	2.79	.00	.00	1.45	.00	2.79	2.25
Preschool Workbook	2.79	2.79	2.69	.00	2.79	2.79	2.25
Picture Lesson Cards	.00	.00	1.99	.85	2.79	.00	2.25
Primary Teacher	4.89	4.99	4.69	1.45	4.89	4.89	3.90
Visual Packet	9.99	10.99	10.99	6.25	10.99	10.99	9.99
Primary Student	2.79	.00	.00	1.45	2.79	2.79	2.25
Primary Workbook	.00	2.79	2.69	1.35	2.79	2.79	2.25
*Memory Verse Packet	.00	.00	.00	.00	.00	.00	8.99
Junior Teacher	4.89	4.99	4.69	1.45	3.85	4.89	3.90
Visual Packet	9.99	10.99	10.99	6.25	.00	10.99	9.99
Junior Student	2.79	.00	.00	1.70	3.10	2.79	2.25
Junior Workbook	.00	2.79	2.69	1.70	3.00	.00	2.25
Teen Teacher	4.89	16.99	4.69	1.55	4.85	4.89	3.90
Visual Packet	9.99	.00	10.99	.00	.00	10.99	9.99
Teen Student	2.79	.00	3.19	1.70	3.10	2.79	2.40
Teen Workbook	.00	.00	.00	.00	.00	.00	***.00
High Teen Teacher	4.89	16.99	4.69	1.75	4.85	4.89	3.90
Visual Packet	.00	.00	10.99	.00	.00	10.99	9.99
High Teen Student	4.89	.00	3.19	1.70	3.10	2.79	2.40
High Teen Workbook	.00	.00	.00	.00	.00	.00	***.00
Lifeline (Teen Devotional)	.00	.00	.00	.00	.00	.00	*2.25
Bible Teacher (Young Adult)	.00	.00	.00	1.85	4.85	4.99	3.90
Bible Challenge	.00	.00	.00	0.00	.00	.00	2.30
Bible Teacher	4.99	19.99	4.69	3.80	4.85	4.99	3.90
Bible Scholar	2.79	6.99	2.69	1.85	3.45	2.79	2.30
Bible Scholar Large Print	3.89	.00	3.49	.00	4.10	2.99	2.45
Depth (Adult Devotional)	.00	.00	1.99	.00	.00	2.79	*2.30
Visual Packet	9.99	.00	10.99	.00	.00	10.99	.00
Visitor's Lesson Leaflet	.00	.00	.00	.00	2.85	2.79	2.30

SP = Scripture Press

ST = Standard

AY = Free Will Baptist Press

GL = Gospel Light

\*\*UGP = Union Gospel Press

DCC = David C. Cook

RHP = Randall House Publications

\*Produced only by 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.

\*\*\*The Teen course student book contains both the former student book and handbook. This gives you both books for the price of one.

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 from Randall House Publications.

## Commission for Theological Integrity Report

The purpose of this commission is: (1) To alert our people of theological trends that could threaten our theological integrity as a denomination, (2) To prepare materials that will contribute to the continued preservation of the theological integrity of the denomination, and (3) As need and opportunity arise, to conduct seminars on subjects which are pertinent to the purpose of the commission.

On November 4-5, 1999, we sponsored our fourth annual Theological Symposium. It met at Hillsdale Free Will Baptist College, Moore, Oklahoma. Papers were read on a variety of subjects. The interest was good. There was a lively, healthy interaction during the meeting. Many said, "This was the best symposium that we have had." This year's Theological Symposium will be conducted at Free Will Baptist Bible College in Nashville, Tennessee. It will begin Thursday night, November 2, and go through Friday night, November 3.

At this year's National Association we will conduct a seminar on "The Four Views of the Lord's Supper." It will be conducted by Thomas Marberry, president of The Way of the Cross Seminary in Mexico.

We are happy to announce that as we enter this new century and new millennium, we have produced the first issue of our theological journal which is entitled *Integrity: A Journal of Christian Thought*. As an introduction to you, the "Preface" to the journal will be printed below.

We thank you for the privilege of serving you.

In His Service,

Leroy Forlines, Chairman

Paul Harrison, Secretary

Daryl Ellis

Jeff Manning

Matt Pinson

## Preface

The first Theological Symposium met on October 25-26, 1996, at Free Will Baptist Bible College in Nashville, Tennessee. We were greatly encouraged by the attendance, the interest and the quality of the papers that were read. We made a decision to continue these meetings annually. On alternate years we have met at Hillsdale Free Will Baptist College in Moore, Oklahoma. Our fourth Theological Symposium convened at Hillsdale on November 4-5, 1999.

The papers that have been presented and the interest that has been shown have convinced us that we have many among us who are well equipped to wrestle with difficult subjects and deal with important issues. Yet few people will do in-depth research and struggle with difficult ideas and issues if they do not have an opportunity to present their findings to others. Until the present time, the annual Theological Symposium has been the only format in our denomination for a person to present researched papers and have them critiqued by others.

As we reflected upon the interest manifested by those who have attended our annual Theological Symposium and the quality of the papers that were presented, the members of the Commission for Theological Integrity became convinced that the time has arrived for us to publish a theological journal. This will provide another format for sharing the benefits of those who pay the price



of doing in-depth research and thinking. The journal will help us connect to a much wider audience than we have been able to in the past. We want to furnish pertinent material for pastors, those in leadership positions and those among the laity who would like to be informed and stay in touch with what is happening in the field of biblical and theological life and thought.

The publication of this journal is a joint venture of the Commission for Theological Integrity, Free Will Baptist Bible College, Hillsdale Free Will Baptist College and Randall House Publications. The Commission is greatly indebted to these institutions for their cooperation and support. Without their help the publication of this journal would not be possible.

Free Will Baptists have a rich heritage. We are greatly indebted to those who have made it possible for us to reach the present time with a sound, biblically based theology. God has used some of His choicest servants to help us stay on the right course while many in the theological world were led astray. The present time is presenting us with new and difficult challenges. We must equip ourselves for these challenges.

When the church in the Western World entered the twentieth century, it was challenged by secular modernism and theological liberalism. The twentieth century was a time of both losses and gains for conservative Christianity. Modernism, with its denial of divine revelation and its denial of a place for miracles in world-view thinking, influenced many in the direction of naturalism. As modernism influenced the theological world, many moved toward theological liberalism. As a result of the influence of modernism, theological liberalism denied special divine revelation and the possibility of miracles. There was no place for the Bible to be viewed as an objective, authoritative, divine revelation. There was no place for the miraculous virgin birth of Christ, no place for the deity of Christ, no place for Jesus' miracles and no place for the miraculous bodily resurrection of Christ.

Many theological institutions became seriously corrupted by liberalism. In the 1920s it became evident that theological liberalism had devastated many theological seminaries. Ministerial students found it increasingly difficult to find conservative seminaries to attend. In order to meet this challenge, God raised up leaders who founded many Bible Colleges, Christian liberal arts colleges and theological seminaries that were committed to the fundamentals of the faith.

The results of the devastating influence of theological liberalism could be seen by a visit to a library. I can remember the experience that I had as a student at Free Will Baptist Bible College from 1948-1952. I noticed that most of the scholarly, conservative theological works had been written in the previous century. That has changed, however. I will illustrate in two areas. More good academic works defending biblical inerrancy and the biblical view of creation have been produced since 1970 than had been produced in the history of the world before 1970. Many good, sound theological schools now exist that a ministerial student can attend for his ministerial training.

It seemed that just as the Christian theological world was about ready to be able to deal effectively with secular modernism and theological liberalism, the battle strategy of the enemy changed. As we look back now, we know that this change began to be seen on the grass roots level about 1960. A paradigm shift was taking place in the secular world. Modernism was being replaced by postmodernism. By 1990 postmodernism had become the major secular force that shapes our culture. Modernism is not absent from our culture, but it is no longer reigning as king in secular thought and life.

In dealing with postmodernism, we have to learn to present Christian truth to those who do not believe that truth exists. We have to uphold the law of non-contradiction convincingly to those who do not believe it. We must be convincing about sin, guilt, judgment, hell, the necessity and provision of atonement through Christ if people are to be saved. We must persuade even those who reject the concept that there is moral truth that judges people to be guilty and condemned. We must convincingly show these same people that this atonement is applied on the condition of faith in Jesus Christ alone and that this is the only way that this atonement can and will be applied. We must also uphold the ideals of beauty and excellence to those who think that beauty exists only in the eye of the beholder. We must not capitulate to the idea that one thing is as good as another in the area of ideals. We must convincingly present the fact that Christianity is a rationally consistent worldview and that it is the only rationally consistent worldview. We must do this with those who reject the possibility of a rational worldview. We must stand for the truth with conviction and compassion and in a respectful manner.

The era from 1960-1990 was a transition in the secular culture from modernism to postmodernism. It was a time of confusion. It took us a while to come to grips with the fact that a paradigm shift had taken place. As we enter the twenty-first century, it is clear that we have a different set of problems than was the case when we entered the twentieth century.

Were it not for the fact that Jesus Christ has told us, "I will build my church" (Matthew 16:18), we might be in despair. But we are on the winning team. When we stand for God's truth, we have God the Father, God the Son, God the Holy Spirit, the Word of God and the fact that we are speaking to those who are in the image of God on our side. For those who will hear the bad news that human beings are under the wrath of God for their sins (Romans 1:18; 3:23; 6:23; Revelation 21:8), we have the good news that Jesus Christ has made atonement for their sins (Romans 3:25-26), and that salvation is offered freely to everyone on the condition of faith (John 3:16, 18, 36; Acts 16:31; Romans 3:28; Ephesians 2:8-9). We have the message of God's truth to minister to people's emptiness, their lostness, their hurts and their pain.

We are living in times when Free Will Baptist distinctives should be taught and emphasized. The last half of the twentieth century has been a time during which Calvinism has strengthened its hand in the conservative theological world. I believe that the time has come for Classical Arminianism to make itself known and its influence felt in the theological world. We must let people know that "free-will theism" (with its God who is less than omniscient) is a departure from Classical Arminianism and Scripture. We must present well-researched and well-thought out works that present the Classical Arminian view of conditional election, unlimited atonement, resistible grace and conditional security. We must also renew our commitment to our doctrine of the church and encourage scholarship that affirms it and helps us better understand it.

It is our hope and our prayer that God has called *Integrity: A Journal of Christian Thought* into existence for such a time as this. We encourage you to read, evaluate and think critically about the articles. Let us know what your observations are. Pray for us.

Commission for Theological Integrity  
Leroy Forlines, Chairman



**Commission for Theological Integrity  
2001 Proposed Budget**

<b>Income</b>	
Together Way Plan	\$ 2,500.00
Miscellaneous Gifts	240.00
Interest on Bank Account	60.00
<b>Total Income</b>	<b>\$ 2,800.00</b>
<b>Expenses</b>	
Bookkeeper	\$ 200.00
Office Supplies	75.00
Annual Meeting	1,125.00
Seminars	1,400.00
<b>Total Expenses</b>	<b>\$ 2,800.00</b>

**Commission for Theological Integrity  
January - December 31, 1999  
Financial Report**

**Bank Balance - January 1, 1999**

**\$2,742.25**

**Income**

Gifts/The Together Way/Rest of the Family Offering

Alabama	\$ 30.09
Arizona	0.71
Arkansas	503.82
California	36.67
Canada	0.47
Florida	38.45
Georgia	79.62
Illinois	87.92
Indiana	212.08
Iowa	7.83
Kansas	0.95
Kentucky	17.31
Louisiana	0.11
Maryland	26.51
Michigan	94.95
Mississippi	17.01
Missouri	410.76
New Mexico	1.34
North Carolina	73.69
Ohio	97.19
Oklahoma	346.17
South Carolina	1.66
Tennessee	249.20
Texas	41.82
Virginia	0.21
Washington	0.13
West Virginia	210.44

**\$2,587.11**

Interest on Bank Account

18.50

"Integrity—A Journal of Christian Thought" Gifts

1,110.83

Hillsdale Symposium Registration/Papers

305.00

Symposium Papers Purchased

182.50

**\$4,203.94**

**Total Income**

**Expenses**

Bookkeeping

\$ 200.00

Digest of Reports

114.64

Convention Seminar

586.49

Hillsdale Symposium

2,559.47

Journal Planning Meeting

1,605.52

Miscellaneous Office

18.06

**\$5,084.18**

**Total Expenses**

**Bank Balance - December 31, 1999**

**\$1,862.01**



## Media Commission

To advance the cause of Christ, the Media Commission serves churches and denominational agencies by providing access to and assistance with professional quality media tools for communication, evangelization and edification.

Your Media Commission prayerfully adopted this purpose statement in December 1998. Hours of researching past documents, interviewing denominational leaders and prayerful consideration of direction were poured into that statement. The Commission feels this is an honorable and worthy representation of the goals our denomination would have us seek to fulfill.

Shortly after the Commission adopted this statement of purpose, a concept was created to help the local church in its outreach ministry. The Church Video Brochure is an idea that could immediately introduce who Free Will Baptists are and improve the possible preconceived images of a guest in our churches.

At that point funding was the major setback. Thanks to the National Home Missions Department, we were able to produce the core video and at the National Convention in Atlanta began taping pastors' footage for this project. To date, more than 40 videos have been produced! To God be the glory!

Additionally, inquiries about other services have increased dramatically over the last year. Because all of the Commission members serve as volunteers, and as yet we have no paid staff, we again find ourselves at a crossroad.

In order to adequately and effectively assist our churches, associations and agencies, we feel it is time to hire a staff. We feel that a small staff is both prudent and productive.

Currently, the Media Commission receives one half of one percent (.5%) of the undesignated gifts that reach the National Offices. During the ten-year period from 1989-98, the average Together Way funds have been \$837.47 annually. While this is helpful, we are grossly mistaken if we feel that media can be helpful with such few resources.

The Media Commission feels we can be self-supporting in a period of three years. In other words, the Media Commission would begin to produce and sell our own products; both within our denomination and without, just as Randall House does.

In order to accomplish this, we are beginning a campaign to Raise The Standard of Free Will Baptists everywhere! We can be proud of who we are, where we have come from and where we are going! Please consider ways to help us further the cause of Christ and raise the standard and banner of Free Will Baptists through our various media resources.

Because of Christ,

Steve Faison, Chairman (GA)  
Doug Kite, Secretary/Treasurer (NC)  
Bill Gardner (TN)  
Ron Hunter (FL)  
Mike Jones (SC)

## Media Commission 1999 Financial Report

### Income

#### Together Way

Alabama	\$ 29.42
Arkansas	503.50
Arizona	.59
California	36.67
Florida	38.32
Georgia	57.83
Illinois	66.96
Indiana	7.59
Iowa	7.83
Kansas	.95
Kentucky	17.19
Louisiana	.11
Maryland	26.51
Michigan	94.41
Missouri	408.67
Mississippi	17.01
North Carolina	71.67
New Mexico	1.25
Ohio	96.31
Oklahoma	345.00
South Carolina	.90
Tennessee	212.28
Texas	41.83
Virginia	.17
West Virginia	210.35
Canada	.44

Total Together Way	\$ 2,293.76
Church Video	10,125.00
Other Donations/Projects	809.05
Interest	136.74

### Total Income

**\$ 13,364.55**

### Expenditures

Church Video Project	\$ 5,078.37
Convention Expenses	910.41
Digest of Reports	76.43
Postage	20.47
Printing	325.00
Production	195.00
Promotion	395.00
Telephone	886.32
Commission Expenses	32.10

### Total Expenditures

**\$ 7,919.10**



### Media Commission Proposed 2001 Budget

Salaries	112,000
Director	
Graphic Artist (Part Time)	
Office Manager	
Auto Lease or Purchase/Insurance	6,000
Travel	15,000
Copier Lease	1,800
Postage	7,000
Self Promotion	31,000
Rent	6,000
Telephone	6,000
Resource Material/Subscriptions	1,000
Seminars	2,000
Office Supplies	3,000
Commission Member Travel	4,000
National Expense	3,000
Misc.	2,200
<b>Total</b>	<b>\$200,000</b>

### Music Commission

The Free Will Baptist Music Commission is responsible for helping to meet the music and worship needs of our denominational churches around the globe. This involves the training of musicians, holding music workshops, leading worship and providing music publications for our churches.

The Music Commission continues to sponsor an annual Music Workshop at the national convention (Wednesday at 1:30 pm). Participants at this workshop receive more than \$200 in free music and recordings. This is the 10th year we have sponsored a booth and sold music specifically targeted to the needs of our local churches.

We are pleased to announce the creation of a partnership between the Free Will Baptist Music Commission and Candela Music Press, a division of the Lorenz Publishing Company, Dayton, OH. At our annual meeting in August 1999, the Music Commission met with Reiff Lorenz of The Lorenz Corporation for the purpose of investigating possibilities of joint publishing efforts between the two groups. After considerable discussion, it was agreed that the Free Will Baptist Music Commission would endorse Candela Music as the official music publisher for our denomination. As such, the Music Commission has complete creative and artistic control over anything published by Candela Music Press for our denomination. Our first publication was *Worthy of Praise*. We have plans to publish two mini-musicals this year: "Thanksgiving Praise" (a relatively simple SATB work for orchestra and choir) and "I Will Be the One," a commitment to world missions and evangelism.

We praise God for what He is doing. Please continue to pray for our ministry and support our labors by making available to your congregation our publications and training workshops.

Sincerely,

Randy Sawyer      Scott Bullman  
Vernon Whaley      Doug Little  
Bill Gardner

### Music Commission

#### Financial Statement

January - December 1999

<b>Beginning Balance</b>		\$4,913.09
<b>Income</b>		
Co-op	\$1,863.49	
Family Ministry Offering	50.59	
Music Sales	17,292.84	
Reimbursement Income	150.00	
States and Churches		
Alabama	28.60	
Mississippi	10.00	
South Carolina	.73	
Texas	44.40	
Fellowship Church, TN	197.19	
Roaring Creek Church, NC	6.81	
	287.73	
Loan F.W.B. Foundation	15,000.00	
<b>Total Income</b>		<b>\$39,557.74</b>
<b>Expenses</b>		
National Convention	1,950.33	
Music Commission Meeting	1,621.87	
National Building Expense	1,046.23	
Music Project 98	2,500.00	
Music Project 99	18,445.33	
	20,945.33	
Loan Payment	8,240.73	
Office Expense	324.80	
<b>Total Expenses</b>		<b>(34,129.29)</b>
<b>Ending Balance</b>		<b>\$ 5,428.45</b>

### Proposed Budget for 2001

<b>Income</b>			<b>Expenses</b>		
Co-op	\$ 2,000.00		National Convention	\$ 1,000.00	
Family Ministry Offering	25.00		Purchase of Music	2,725.00	
Music Sales	2,000.00		Board Meetings	1,500.00	
States and Churches	350.00		Office Expense	650.00	
Tracks and CD sales	27,000.00		Loan Payment	15,500.00	
Loan	15,000.00		National Choir Project	25,000.00	
<b>Total Income</b>		<b>\$46,375.00</b>	<b>Total Expenses</b>		<b>\$46,375.00</b>



## 2000 Historical Commission Report

The Commission's current major project is to publish a Free Will Baptist historical guidebook. Dr. Darrell Holley will coordinate the multi-year project. The guidebook will include places of historical interest, resources and other data.

One of the Commission's on-going projects is to help furnish a "history" room on the new campus at Free Will Baptist Bible College. We are coordinating that effort with the FWBBC librarian.

We are also preparing guidelines for grants by individuals who are doing historical research regarding Free Will Baptists. The guidelines will be in place by the 2001 national convention.

We encourage associational clerks, both state and district, to send copies of minutes to the Historical Collection at Free Will Baptist Bible College.

### Free Will Baptist Historical Commission Financial Report, 1999

Balance on hand December 31, 1998 \$18,615.65

#### Deposits for 1999:

Together Way (Designated and Undesignated)	\$2,157.58*
Interest (First American National Bank)	598.05
Arkansas State Association (toward repaying loan)	1,100.00
<b>Total</b>	<b>\$ 3,855.63</b>

\*checks deposited were for October 1998 through September 1999

#### Expenditures for 1999:

Check 1029: Enterprise Travel (Marberry travel)	206.50
Check 1030: Thomas Marberry (travel)	154.33
Check 1031: Paul Kennedy (travel)	655.31
Check 1032: Executive Office (Digest Fee)	38.21
<b>Total</b>	<b>\$ 1,054.35</b>

Balance in bank December 31, 1999 \$21,416.93

### 2001 Budget

#### Income

Gifts (The Together Way)	\$2,000.00
Interest (First American Bank)	800.00
Loan Repayment (Arkansas State Assoc.)	2,000.00
<b>Total</b>	<b>\$4,800.00</b>

#### Expenses

Books, materials, labor for Historical Commission	\$2,000.00
Historical Guidebook Project	500.00
Research Grant	1,000.00
Travel	1,250.00
Executive Office (Digest Fee)	50.00
<b>Total</b>	<b>\$4,800.00</b>

# Minutes of the Sixty-Fifth Annual Session of the Women Nationally Active for Christ Convention of the National Association of Free Will Baptists when convened in Anaheim, California July 17-18, 2000



WNAC  
P. O. Box 5002  
Antioch, TN 37011-5002

#### Executive Committee

**President**  
Debe Taylor  
103 Chisholm Trail  
Hot Springs, AR 71913  
Phone: 501-760-4824  
e-mail: taylorgolf@juno.com

**Vice President**  
Joanne King  
426 Woodlawn Extension  
Cramerton, NC 28032  
Phone: 704-827-9772

**Secretary**  
Diana Bryant  
2156 54th Avenue  
Vero Beach, FL 32966  
Phone: 561-567-1956  
e-mail:  
dbryant4@compuserve.com

#### Members at Large

Yvonne Brown  
4881 East Normal  
Fresno, CA 93703  
Phone: 559-456-2879  
e-mail:  
yvonnebrown2000@cs.com

Debbie Burden  
P. O. Box 183  
Locust Grove, OK 74352  
Phone: 918-479-2584  
e-mail: lgfwb@sstelco.com

Dawn Sweeney  
1001 Lisa Drive  
Church Hill, TN 37642  
Phone: 423-357-5420  
e-mail: dswhee32437@aol.com

#### Executive Secretary-Treasurer

Marjorie Workman  
1408 Revenna Court North  
Antioch, TN 37013  
Phone: 615-366-0573  
e-mail: Marjorie@nafwb.org

**Theme:** Opportunities: A Door Ajar

**Scripture:** Revelation 3:8

**Hymn:** "Anywhere With Jesus"

**Music Coordinator:** Sue Myers

**Pianist:** Donna VanHorn

**Organist:** Sue Huntley

#### Proceedings

##### WNAC Seminars

Monday, July 17, 2000

Joanna Felts spoke at the WNAC seminar held at the Hilton Anaheim, California Pavilion on Monday afternoon at 1:30. 126 women attended as she spoke about her experience with cancer. She offered encouragement and instruction for dealing with this

common and overwhelming disease. Dawn Sweeney presided.

Marjorie Workman presided at the 3:00 WNAC Leaders Meeting. 67 state, district, and local officers met to hear Judy Posner, Deborah Honeycutt, and Rhonda Hodges share ideas and "how to's" for planning women's retreats.

#### Tuesday Morning Business Session

July 18, 2000

President Debe Taylor welcomed women to the 65th Annual Session of the Women Nationally Active for Christ. Sue Myers led the congregation in singing "Count Your Blessings," "Jesus Christ Our Lord," and "He is Lord." She then presented a solo, "Just Be There."

Debbie Burden introduced missionary Elaine Holland for the morning devotion. Elaine spoke about "Doors of Opportunity" and noted that when we are given open doors of opportunity to share Christ we have the choice to close the door, peek in, or boldly go through. She shared some ways that the women in Bouna are witnessing in their area.

California President Melba Hibbard welcomed the women to California. She asked the California Executive Committee to stand, and thanked all the women of California for their hard work.

CoLaborer Editor Rhonda McReynolds presented the Creative Arts awards. They are:

##### Poetry

1st Place  
2nd Place  
3rd Place  
4th Place

*Clutter*  
*Reaching*  
*Missionary Traveling Song*  
*Sunday Afternoon Prayer*

Freeda Lucas  
Beulah Morlan  
V.G. Bucchold  
Ruth Bivens

Cromona, KY  
Monett, MO  
Osteen, FL  
Puerto Rico

##### Articles

1st Place  
2nd Place  
3rd Place  
4th Place

*The Chef*  
*Ready Set Go*  
*Tropical Depression*  
*Serena Grace*

Alice Grant  
Cheryl Akers  
Carla Fannin  
Karen Collier

Lancaster, OH  
Jacksonville, FL  
Puerto Rico  
Fair Grove, MO

##### Programs

1st Place  
2nd Place  
3rd Place  
4th Place

*Five Nobodies*  
*Getting Out Those Tough Stains*  
*Woman Evangelist*  
*Reflections of God's Grace*

Cheryl Akers  
Ruth Bivens  
Joan Warren  
Pam Hackett

Jacksonville, FL  
Puerto Rico  
Oilton, OK  
Boiling Springs, SC

##### Plays

1st Place  
2nd Place  
3rd Place  
4th Place

*A Friend Like No Other*  
*Gossip Zone*  
*Salvation to the World*  
*Naomi's God*

Sara Kilgore  
Lori Marshall  
Lori Marshall  
Rachel Sekulich

Limestone, TN  
Glendale, AZ  
Glendale, AZ  
Brunswick, GA

Joanne King led in prayer to open the business session. She gave the Credentials Committee report. MSC to receive the report and seat the delegates.



Marjorie Workman gave the Executive Secretary's report. She also introduced the new WNAC full-color brochure. MSC to receive her report.

MSC to accept the Resolutions Committee report given by Laurie Horne, chairman, and to vote on it item by item.

MSC to adopt item 1.

MSC to adopt item 2.

MSC to adopt item 3. (Note that the adoption of this item required that it be tabled until next year.)

MSC to adopt the Appreciation Committee Report given by Mary Neal.

MSC to adopt the report of the Registration Committee given by Delois Loveless.

Business session was adjourned.

### **WNAC Missionary Service**

Tuesday, July 18, 11:00 a.m.

Sue Myers led the congregational singing, and the Sunrise Quartet from the First FWB Church in Fresno, CA brought the special music. Annette Aycock, Missionary to Brazil, brought the morning message. She related a series of events that happened to her on the way to the mission field and in her first few months there. She related these events to the question, "What is your level of commitment to missions?" She challenged everyone with the statement, "Nothing is ever good enough until we are all going."

The annual WNAC Fellowship Luncheon followed the service and was held in the Pacific A Room of the Hilton Anaheim. Pat Clary spoke and challenged the men and women present to consider the life of Esther and to be surrendered and willing to let God do big things in their lives.

### **Committee Reports**

#### **Credentials Committee Report**

We the Credentials Committee submit the following report: The following 19 state conventions have submitted reports and paid dues: Alabama, Arkansas, California, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. The following three districts with no state conventions have submitted reports and paid dues: First Arizona, Kansas, and New Mexico. The following three local groups with no district or state conventions have submitted reports and paid dues: Kennewick, Washington; St Croix, Virgin Islands; Buhl, Idaho. In addition, there were 44 delegates from local groups who

are in good standing with their representing higher body (district or state) and have paid a representation fee of \$5 each.

Respectfully submitted,

Joanne King, Chairman, NC

Phyllis York, KY

Melba Hibbard, CA

Pam Flannagin, FL

### **Resolutions Committee Report**

1. We recommend that WNAC decorate and furnish the Mission House to be built by the Foreign Missions and Master's Men Departments on the campus of Free Will Baptist Bible College.

2. We recommend that we grant up to three scholarships of \$1000 each from the Cleo Pursell Foreign Student Scholarship Fund whenever the Foreign Missions Department makes the request.

3. Whereas our constitution does not specify the number of years a WNAC Executive Committee member may serve:

Be it resolved that:

A member of the WNAC Executive Committee may:

Serve a total of four terms (eight years)

Be re-elected after a period of one term (two years)

(WNAC Executive Committee members' terms of service will begin at the adoption of this resolution.)

We further recommend that this resolution be tabled until 2001.

(Resolution Number 3 submitted by the 2000 Nominating Committee.)

Respectfully submitted:

Laurie Horne, Chairman, NC

Judy Puckett, OK

Becky Gwartney, MO

Dianne Worthington, MI

Sandy Mounts, OH

### **Appreciation Committee Report**

We the Appreciation Committee submit the following recommendations:

We wish to express our sincere thanks to the following people whose efforts will make this year's convention and sessions a success:

1. The Executive Committee

2. The WNAC staff: Marjorie Workman, Yvonne Hampton, Rhonda McReynolds, and Martha Harris

3. Our hostesses, the California Women Active for Christ,



and for their generous hospitality. We appreciate the fellowship luncheon and the centerpieces.

4. The musicians.
5. Our speakers: Joanna Felts for the seminar, Elaine Holland for the devotion, Annette Aycock, our Missionary Speaker, and Pat Clary for speaking at the WNAC Fellowship Luncheon.

Respectfully submitted,

Mary Neal, Chairman, IN

Tina Williams, AL

Brenda Housley, AR

Suzanne Lewis, IL

Judy Posner, TX

### Registration Committee Report

We your Registration Committee submit the following partial report:  
Number of Persons Registered:

WNAC National Officers (Standing Delegates) .....	6
State Presidents (Standing Delegates) .....	13
State Field Workers (Standing Delegates) .....	2
State Delegates (Elected by State, District or Local) .....	85
Local WNAC Delegates paying representation fee of \$5 ...	44
<b>TOTAL DELEGATES</b> .....	<b>150</b>
Visitors .....	394
Home and Foreign Missionaries .....	27
<b>Grand Total Registered</b> .....	<b>571</b>

Respectfully submitted,

Delois Loveless, Chairman, TN

Barbara Samms, WV

### Synopsis of Minutes of WNAC Executive Committee

Sunday, July 16, 2000

The Executive Committee of Women Nationally Active for Christ met in the Manhattan Room of the Hilton Anaheim on Sunday, July 16, 2000. The committee members present were: President Debe Taylor, Vice President Joanne King, Secretary Diana Bryant, Members at Large Debbie Burden, Dawn Sweeney, and Yvonne Brown, and Executive Secretary Marjorie Workman. Also present was Administrative Assistant Yvonne Hampton.

After the meal, Yvonne Hampton brought the devotion based

on the Miracles in the Gospel of John, pointing out that God takes the ordinary and does extraordinary things with them.

Marjorie presented the new WNAC brochure to the board, gave her report and reviewed the agenda for the week. There was discussion concerning dues and ideas for supporting the work.

MSC that we present the following resolutions to the Resolutions Committee and recommend that it be presented to the body:

We recommend that WNAC decorate and furnish the Missions House to be built by the Foreign Missions and Master's Men Departments on the campus of Free Will Baptist Bible College.

We recommend that we grant up to three scholarships of \$1000 each from the Cleo Pursell Foreign Student Scholarship Fund whenever Foreign Missions makes the request.

The June financial reports were examined.

MSC to use the WNAC logo on the brochure as our permanent logo.

We decided on the amount of the honorariums for the luncheon and seminar speakers. We agreed to decide on seminar speaker honorariums on a yearly basis. We discussed speakers for the 2001 National Convention in Detroit.

### Tuesday and Wednesday, December 7-8, 1999

The Executive Committee met at the Regal Maxwell House Hotel in Nashville, TN at 3:30 p.m. All members of the Committee were present except Dawn Sweeney. The Western Retreat was discussed.

The meeting re-convened at the WNAC conference room on Wednesday with all Executive Committee members present: Marjorie Workman, Debe Taylor, Joanne King, Diana Bryant, Debbie Burden, Dawn Sweeney, and Yvonne Brown. Joanne King gave a devotion on our theme for the coming year, "Sharing Hope and Healing." She used John 11, "I am the Resurrection and the Life." In this passage she noted the unbearable situation of the family, the unchanging love of the Savior, and the unparalleled power of God. We can depend on God's power to help us share hope and healing.

Marjorie Workman gave her report.

The committee approved CoLaborer editor Rhonda McReynolds and Marjorie Workman to attend the EPA Convention in May, 2000.

The committee endorsed participation in "Operation Saturation" in cooperation with Home Missions and Master's Men in September of 2000.

The Executive Secretary was authorized and encouraged to accept invitations from cross cultural or foreign works as funds are available.

The committee discussed the idea of regional workshops. A



pilot leadership workshop will be pursued.

The 2001 budgets was approved.

The Executive Secretary was authorized to pay, at her discretion, employee severance pay.

Honorariums were set for convention speakers.

Convention and retreat budgets were approved.

The following themes were adopted under the general theme of "New Horizons:"

2001	Sharing Hope and Healing	Colossians 1:27
2002	For Such a Time as This	Esther 4:14
2003	Lifting Up Our Eyes	Psalms 121:1
2004	Great Expectations	Psalms 62:5
2005	Let Us Pursue	Hosea 6:3

Plans were made for the 2000 convention in Anaheim, California. The theme will be "Sharing Hope and Healing," (Colossians 1:27). Speakers will be Elaine Holland, Annette Aycock and Pat Clary.

Plans were made for the WNAC Ridgecrest retreat, September 14-16, 2000. The theme will be "Keys for Growth," (II Peter 3:18). Guest speakers will be Gail Smith, Ft. Lauderdale, Florida and Rebecca Pugh, Millington, Tennessee.

## Report of Women Nationally Active for Christ

to the National Association of Free Will Baptists

in the *Digest of Reports*, July 2000

By Marjorie Workman, Executive Secretary-Treasurer

Rejoicing is always better than lamenting. Psalm 86:12, "I will praise thee, O Lord my God, with all my heart: and I will glorify thy name for evermore." We have some reasons to rejoice.

We rejoice that in 1999:

- Giving through WNAC to Home Missions was up.
- Giving to the Cleo Pursell Foreign Student Scholarship Fund was up.
- You gave \$49,271 in gifts to the Missionary Provision Closet.
- Forty-three inquiries came for new or reorganizing groups. Another sixteen have come since the beginning of the new millennium.
- 632 local groups reported 6,499 dues paying members.
- The number of inquiries for materials for Actionette groups grew. We want our young girls and teens prepared and trained for missions outreach. We will have materials ready for these young groups for the year 2001. Thanks to Dr. Mary Ruth Wisehart, retired Executive Secretary-Treasurer of WNAC, for coordinating these materials.
- The Lord sent Rhonda McReynolds as the new *CoLaborer* magazine editor. The best way to encourage her is to pray for her and subscribe to the magazine. Currently 9,484 of you do subscribe.

Check out our new full color brochure for attracting women to partner with WNAC for a global outreach. The design is especially targeted to appeal to the younger woman.

Though I would rather rejoice, there are some things to lament. We lament:

- That many women in their twenties and thirties are not a part of WNAC.
- That there are many women who do not subscribe to the *CoLaborer* magazine, the only Free Will Baptist magazine for women.
- The loss of Suzanne Franks who served faithfully as editor of *CoLaborer* magazine for the past five years. We wish her well in her ministry at Randall House Publications.
- That all avenues of income to support the WNAC office are down.
- That many women who remain active in local ministry do not see the benefit of paying their national dues.

But as Paul said to the Corinthian believers, I can also say, "I rejoice therefore that I have confidence in you in all things" (II Corinthians 7:16). I am confident that making you aware of these things will give you reasons to rejoice and, at the same time, challenge you to take a more active role in sharing the responsibilities of keeping WNAC alive and well.



WOMEN NATIONALLY ACTIVE FOR CHRIST  
(An Auxiliary of the National Association of Free Will Baptists)

December 31, 1999 and 1998

Contents

Financial Statements

	<u>Page</u>
Independent auditor's report .....	1
Statements of financial position .....	2
Statements of activities .....	3-4
Statements of cash flows .....	5
Notes to the financial statements .....	6-10

HINTON, WARREN,  
DENNEY & WALLACE  
CERTIFIED PUBLIC ACCOUNTANTS  
THE VOLUNTEER BLDG.  
SUITE 100  
319 PLUS PARK BLVD  
NASHVILLE, TN 37217-1005  
(615) 366-5100

Partners  
DAVID C. HINTON, CPA  
ROBERT RAY WARREN, CPA  
WILLIAM H. DENNEY, CPA  
LARRY BRUCE WALLACE, CPA

Members  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
TENNESSEE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Executive Committee of the  
Women Nationally Active for Christ

We have audited the accompanying statements 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, 1999 and 1998, and the related statements of activities and cash flows for the years 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 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 misstatements. 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 statements 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 Women Nationally Active for Christ as of December 31, 1999 and 1998 and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

*Hinton, Warren, Denney & Wallace*

February 11, 2000



WOMEN NATIONALLY ACTIVE FOR CHRIST  
 (An Auxiliary of the National Association of Free Will Baptists)  
Statements of Financial Position  
December 31, 1999 and 1998

<u>ASSETS</u>		
	<u>1999</u>	<u>1998</u>
Cash	\$166,109	\$105,317
Certificate of deposit		70,000
Accounts receivable - Note 1	6,914	8,069
Inventory - Note 1	12,240	9,600
Notes receivable, net of allowance for doubtful accounts of \$1,871 (\$1,871 in 1998)	10,091	10,767
Accrued interest receivable	2,105	1,882
Property and equipment at cost, less accumulated depreciation of \$29,153 (\$26,075 in 1998) - Notes 1 & 2	14,093	13,457
Capitalized lease - Note 3	5,648	6,139
Total assets	<u>\$217,200</u>	<u>\$225,231</u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable and accrued expenses	\$ 19,854	\$ 31,944
Deferred revenue - Note 9	37,731	38,416
Total liabilities	<u>57,585</u>	<u>70,360</u>
Commitments - Notes 5 & 7		
Net assets		
Unrestricted	18,713	28,722
Temporarily restricted	128,269	114,433
Permanently restricted	12,633	11,716
	<u>159,615</u>	<u>154,871</u>
Total liabilities and net assets	<u>\$217,200</u>	<u>\$225,231</u>

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

-2-

WOMEN NATIONALLY ACTIVE FOR CHRIST  
 (An Auxiliary of the National Association of Free Will Baptists)  
Statements of Activities  
For the Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<u>Unrestricted</u>		
Revenue and other support:		
Dues and fees	\$ 66,573	\$ 71,990
Designated contributions	299,520	327,690
Magazine and literature sales	85,962	81,615
Convention and retreat income	14,273	19,498
Gifts and offerings	62,273	64,971
Interest income	2,479	1,558
Net assets released from restrictions:		
Satisfaction of program restrictions	657	13,534
Total revenue and other support	<u>531,737</u>	<u>580,856</u>
Expenses:		
Salaries and wages	98,866	99,454
Payroll taxes and employee benefits	28,798	23,453
Cost of magazine and literature printing	29,758	43,017
Travel and promotion	5,828	6,545
Conventions and retreats	23,406	27,124
Office expense	12,161	9,945
Postage	4,597	3,281
Rent expense	24,600	24,600
Professional fees	3,988	3,730
Administrative expense	305	203
Depreciation	3,078	2,825
Amortization	491	491
Bad debt expense		1,239
Insurance expense	708	64
Dues and subscriptions	160	251
Special projects	898	5,669
Continuing education	2,643	1,760
Designated contributions	299,147	328,087
Miscellaneous	2,314	8,017
	<u>541,746</u>	<u>589,755</u>
Increase (decrease) in unrestricted net assets	( 10,009)	( 8,899)

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

-3-



WOMEN NATIONALLY ACTIVE FOR CHRIST  
(An Auxiliary of the National Association of Free Will Baptists)  
Statements of Activities  
For the Years Ended December 31, 1999 and 1998  
(Continued)

	<u>1999</u>	<u>1998</u>
<u>Temporarily restricted</u>		
Gifts and offerings	\$ 8,371	\$ 13,792
Interest income	6,122	4,628
Net assets released from restrictions:		
Satisfaction of program restrictions	( 657)	( 13,534)
Increase (decrease) in temporarily restricted net assets	<u>13,836</u>	<u>4,886</u>
<u>Permanently restricted</u>		
Gifts and offerings	<u>917</u>	<u>1,401</u>
Increase in permanently restricted net assets	<u>917</u>	<u>1,401</u>
Total increase (decrease) in net assets	<u>4,744</u>	<u>( 2,612)</u>
Net assets - beginning of year	<u>154,871</u>	<u>157,483</u>
Net assets - end of year	<u>\$159,615</u>	<u>\$154,871</u>

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)  
Statements of Cash Flows  
For the Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<u>Operating activities</u>		
Increase (decrease) in net assets	\$ 4,744	(\$ 2,612)
Adjustment to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	3,078	2,825
Amortization	491	491
Bad debts		1,239
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	1,155	( 1,428)
(Increase) decrease in inventory	( 2,640)	3,443
(Increase) decrease in accrued interest receivable	( 223)	773
Increase (decrease) in accounts payable	( 12,090)	2,284
Increase (decrease) in deferred revenue	( 685)	7,875
Net cash provided (used) by operating activities	<u>( 6,170)</u>	<u>14,890</u>
<u>Investing activities</u>		
Purchase of equipment	( 3,714)	( 1,396)
Collection of loans receivable	4,076	4,134
New loan made	( 3,400)	( 1,000)
Redemption of certificate of deposit	<u>70,000</u>	<u>10,000</u>
Net cash provided (used) by investing activities	<u>66,962</u>	<u>11,738</u>
Increase (decrease) in cash and cash equivalents	60,792	26,628
Cash and cash equivalents at beginning of years	<u>105,317</u>	<u>78,689</u>
Cash and cash equivalents at end of years	<u>\$166,109</u>	<u>\$105,317</u>

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

-5-



WOMEN NATIONALLY ACTIVE FOR CHRIST  
(An Auxiliary of the National Association of Free Will Baptists)  
Notes to the Financial Statements  
December 31, 1999 and 1998

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. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of 509(a) of the Internal Revenue Code. There was no unrelated business income for 1999 and 1998.

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 statements presentation follows the recommendations of the Financial Accounting Standards Board in its Statements 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.

WOMEN NATIONALLY ACTIVE FOR CHRIST  
(An Auxiliary of the National Association of Free Will Baptists)  
Notes to the Financial Statements  
December 31, 1999 and 1998

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 statements of activities as net assets released from restrictions.

Property and equipment and depreciation

The Organization follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$500 with a useful life of at least two years. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Equipment	5 - 20 years
-----------	--------------

The net property and equipment balance has been recorded as a separate component in unrestricted net assets.

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 \$1,871 (\$1,871 in 1998).



WOMEN NATIONALLY ACTIVE FOR CHRIST  
(An Auxiliary of the National Association of Free Will Baptists)  
Notes to the Financial Statements  
December 31, 1999 and 1998

Note 1 - Organization and summary of significant accounting policies - Continued  
Cash equivalents

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

Inventory

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

Note 2 - Property and equipment

A summary of property and equipment follows:

	1999	1998
Equipment	\$ 43,247	\$ 39,532
Less: Accumulated depreciation	( 29,154)	( 26,075)
	<u>\$ 14,093</u>	<u>\$ 13,457</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 years amounted to \$491 (\$491 in 1998).

Note 4 - Restrictions on net assets

Temporarily restricted net assets are available for the following purposes:

	1999	1998
Student Loan	\$109,743	\$102,451
Foreign scholarship	8,515	6,589
Free Will Baptist College Organ Fund	10,011	5,393
	<u>\$128,269</u>	<u>\$114,433</u>

Permanently restricted assets are restricted to:

Endowment Trust	<u>\$ 12,633</u>	<u>\$ 11,716</u>
-----------------	------------------	------------------

WOMEN NATIONALLY ACTIVE FOR CHRIST  
(An Auxiliary of the National Association of Free Will Baptists)  
Notes to the Financial Statements  
December 31, 1999 and 1998

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 eight years. The rent expense for the years amounted to \$24,600 (\$24,600 for the year ended December 31, 1998).

The future minimum lease payments are as follows:

2000	\$ 24,600
2001	24,600
2002	24,600
2003	24,600
2004	24,600
Thereafter (estimated)	75,850
	<u>\$198,850</u>

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 years amounted to \$4,004 (\$4,139 in 1998). 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.



**WOMEN NATIONALLY ACTIVE FOR CHRIST**  
 (An Auxiliary of the National Association of Free Will Baptists)  
**Notes to the Financial Statements**  
 December 31, 1999 and 1998

**Note 8 - 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, 1999 the excess amount over the federally insured limit was \$-0- (\$-0- in 1998).

The Organization also has \$110,871 (\$21,578 in 1998) on deposit with the Free Will Baptist Foundation. These funds are uninsured.

**Note 9 - Deferred revenue**

Deferred revenue resulted from magazine subscriptions received for 2000 issues.

**Note 10 - Fair values of financial instruments**

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, accounts receivable, accrued interest receivable, payables, and deferred revenue: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Notes receivable: Based on current interest rates, the carrying value approximates the fair value of the notes receivable at December 31, 1999 and 1998.

**Gifts to Missions/Missionary Objectives**  
**January 1, 1999 to December 31, 1999**

Cash Gifts		\$158,487.00
Foreign Missions	135,331.26	
Sent Direct	23,155.36	
Home Missions		107,417.00
Sent Direct Not Available		
State Projects		31,107.00
Bible Colleges		7,460.00
Memorial SL Fund		2,106.00
Other Gifts		26,470.00
Foreign Student Sch	1,926.06	
Mission Objectives	24,543.55	
Provision Closet		7,120.00
WNAC Operating Exp		100,052.00
Gen Fund Offering	20,914.45	
Emphasis Offering	12,247.24	
Endowment Fund	917.00	
Dues	65,973.00	
Non Cash Gifts		
Provision Closet		42,152.00
Total Cash and Non-cash Gifts		\$482,371.00

**1999 Top Ten Contributors to WNAC**

General Fund Offering		Emphasis Offering		Combined	
1. Tennessee	\$ 3,452.77	1. Tennessee	\$ 2,135.64	1. Tennessee	\$ 5,588.41
2. Arkansas	2,517.70	2. Arkansas	2,000.05	2. Arkansas	4,515.75
3. Missouri	2,482.80	3. North Carolina	1,288.53	3. Missouri	3,601.31
4. Georgia	1,739.80	4. Georgia	1,135.31	4. Georgia	2,875.11
5. North Carolina	1,516.32	5. Missouri	1,118.61	5. North Carolina	2,804.85
6. Oklahoma	1,375.70	6. South Carolina	825.57	6. Oklahoma	2,079.93
7. Ohio	1,315.76	7. Oklahoma	704.23	7. South Carolina	1,711.30
8. Virginia	1,189.16	8. Alabama	697.00	8. Ohio	1,607.76
9. South Carolina	885.73	9. Texas	614.00	9. Virginia	1,479.16
10. Texas	677.95	10. Florida	352.10	10. Alabama	1,357.00



## WNAC Salary Breakdown

	1999	2000	2001
<b>Executive Secretary-Treasurer</b>			
Salary	\$32,740.92	\$33,395.00	\$34,395.00
Social Security/Medicare	2,552.85	2,555.00	2,631.22
Retirement	1,668.53	1,670.00	1,719.75
Insurance	3,208.62	3,010.20	3,778.98
Travel/Life	270.00	283.20	272.40
Hospital	2,718.22	2,524.80	3,257.77
Dental	220.40	202.20	248.81
Christmas Bonus	629.63	642.00	661.44
Total Salary and Benefits	\$40,800.55	\$41,272.20	43,186.39
<b>Executive Assistant</b>			
Salary	\$23,547.00	\$24,489.00	\$25,489.00
Social Security/Medicare	1,836.07	1,874.00	1,949.91
Retirement	1,177.35	1,225.00	1,274.45
Insurance	2,973.40	2,920.20	3,718.98
Life	193.20	193.20	212.40
Hospital	2,559.80	2,524.80	3,257.77
Dental	220.40	202.20	248.81
Christmas Bonus	453.83	471.00	490.17
Total Salary and Benefits	\$29,987.65	\$30,979.20	\$32,922.51
<b>Editor</b>			
Salary	\$22,137.65	\$23,023.00	\$23,135.00
Social Security/Medicare	1,758.66	1,761.00	1,769.83
Retirement	664.13	1,151.00	694.05
Insurance	2,960.20	2,907.00	3,718.98
Life	193.20	180.00	212.40
Hospital	2,559.80	2,524.80	3,257.77
Dental	220.40	202.20	248.81
Christmas Bonus	425.72	443.00	444.90
Total Salary and Benefits	\$27,946.36	\$29,285.00	\$29,762.76
<b>Bookkeeper</b>			
Salary	\$18,477.61	\$19,217.00	20,217.00
Social Security/Medicare	1,440.71	1,470.00	1,546.60
Retirement	554.33	960.00	1,010.85
Insurance	3,131.32	2,920.20	3,718.98
Life	193.20	193.20	212.40
Hospital	2,718.22	2,524.80	3,257.77
Dental	220.40	202.20	248.81
Christmas Bonus	355.34	370.00	388.79
Total Salary and Benefits	\$23,959.31	\$24,937.20	\$26,882.22

## WNAC Receipts for January-December 1999

States	State Programs	Colleges	General Fund	Dues	Emphasis Offering	Endow. Trust	Together Way	Rest of Family	Foreign Student Scholar	Provision Closet	Foreign Missions	World Missions	Home Missions	Missions Objectives	Student Loan	Totals
Alabama	3,619.02	305.00	660.00	3,893.00	697.00	125.00		62.20	135.00	145.00	3,474.41	510.00	6,523.40	1,260.31	422.00	21,831.34
Arizona				570.00	65.00			11.49	300.00	1,161.00	1,596.26	79.34	85.00	25.00	25.00	890.83
Arkansas	18,761.94	371.66	2,517.70	7,660.00	2,000.05			29.82			500.00	2,476.95	22,346.75	2,528.00	207.00	61,957.13
California			187.98	370.00	159.00					105.00		196.52	1,894.25			3,412.75
Canada								2.98								2.98
Florida	1,197.00	180.00	524.00	1,650.00	352.10			11.83	80.00		606.00	192.30	463.00	944.00	53.00	6,253.23
Georgia	7,529.07	655.00	1,739.80	4,670.00	1,135.31			166.35	182.00	85.00	6,954.80	1,104.30	3,288.99	1,816.36	247.00	29,573.98
Illinois			452.25	1,670.00	64.70			89.07		225.00	7,064.14	556.13	7,341.39	180.00	15.00	17,657.68
Indiana				460.00	40.00		300.91			75.00	440.00	133.80	314.90	386.00		2,150.61
Iowa							160.00									160.00
Kansas			5.00	290.00	22.50						218.88		141.00			677.38
Kentucky		28.00	360.00	2,850.00	175.00			11.23	120.00		13,346.44	958.11	11,409.56	1,496.58	91.00	30,845.92
Maryland		448.20	475.00	660.00	65.00						1,100.00	105.00	1,937.00	185.00		4,975.20
Michigan			585.93	2,240.00	168.00			49.78	20.00	57.00	873.00	37.60	1,652.00	400.00		5,915.31
Mississippi			367.00	1,620.00	118.61						5,463.20	323.50	1,926.90	1,811.00	10.00	11,689.60
Missouri		605.50	2,482.80	4,490.00	1,118.61			194.15	84.80	1,225.00	5,898.92	1,648.69	10,075.26	2,223.10	117.97	30,164.80
New Mexico			38.60	140.00	35.00			8.04			164.25	40.00	289.05			714.94
N. Carolina		3,192.39	1,516.32	6,990.00	1,288.53	31.00		186.12	96.70	173.50	26,632.49	1,843.21	6,982.08	960.88	208.50	50,101.72
NW/Wash.								12.25								12.25
Ohio		75.00	1,315.76	2,530.00	292.00			81.62	94.06	918.68	7,078.14	654.44	6,362.95	1,213.00	50.00	20,665.65
Oklahoma			1,375.70	8,690.00	704.23			109.12	216.00	676.83	6,555.24	2,328.20	5,849.76	539.87	50.00	27,280.95
South Carolina		310.00	885.73	5,450.00	825.57			69.01		1,270.00	14,505.15	1,049.80	5,780.93	3,011.57	399.50	33,707.26
Tennessee		1,189.17	3,452.77	4,400.00	2,135.64	425.00	550.67	247.81	552.50	476.33	8,559.85	3,014.15	5,312.89	4,972.88	184.67	35,424.33
Texas		100.00	677.95	2,260.00	614.00					486.30	2,363.96	413.80	2,806.03	250.00		9,977.04
Virgin Islands				100.00												100.00
Virginia			1,189.16	940.00	290.00		74.47	3.79	45.00	40.00	3,024.61	601.77	4,020.00	390.00	25.00	10,643.80
West Virginia			105.00	1,380.00				6.49								1,491.49
Retreat																1,227.80
	31,107.03	7,459.92	20,914.45	65,973.00	12,247.24	917.00	1,086.05	1,353.15	1,926.06	7,119.64	117,063.65	18,267.61	107,416.98	24,543.55	2,105.64	419,500.97



**Women Nationally Active for Christ**  
**P. O. Box 5002**  
**Antioch, Tennessee 37011-5002**

**Suggested Budget**  
**For the year Ending December 31, 2001**

**Estimated Income**

General Fund Offering	\$ 35,000.00
Convention Offering	1,800.00
Convention Expense Gift	8,000.00
Delegate Fees	500.00
Dues	76,000.00
Interest Income	7,100.00
Literature Sales	13,000.00
Magazine Subscriptions	81,000.00
Miscellaneous	3,500.00
Rest of the Family Offering	2,000.00
WNAC Emphasis Offering	13,000.00
<b>Total Income</b>	<b>\$242,900.00</b>

**Estimated Expense**

Salaries	\$103,236.00
Employee Benefits	29,518.00
Payroll Tax Expense	7,898.00
Employee Retirement	4,699.00
Health and Life Insurance	14,936.00
Christmas Bonus	1,985.00
Insurance—General & Workers' Compensation	1,000.00
Legal and Professional Services	4,000.00
Convention Expense	8,000.00
Executive Committee Expense	5,000.00
Co-Laborer Magazine Expense	36,500.00
Mailing	3,600.00
Miscellaneous	500.00
Printing	29,900.00
Postage	3,600.00
Miscellaneous Expense	2,696.00
Office Rent	24,600.00
Office Supplies and Materials	3,500.00
Phone	5,000.00
Postage	4,000.00
Printing	2,500.00
Service Contracts	1,200.00
Subscriptions	150.00
Travel and Promotion	4,500.00
Continuing Education	2,000.00
Equipment (additions and repairs)	3,000.00
Special Projects	500.00
<b>Total Expense</b>	<b>\$242,900.00</b>

## The General Board Report

The General Board of the National Association of Free Will Baptists met Monday, July 17, 2000, in the Anaheim Convention Center, Anaheim, California. As a result of this meeting, we offer the following information and recommendations:

1. We heard the reports of the Executive Office, WNAC, Master's Men Department, Home Missions Department, Board of Retirement, Free Will Baptist Foundation, Foreign Missions Department, Free Will Baptist Bible College, Sunday School and Church Training Department, Commission for Theological Integrity, Media Commission, Music Commission and Historical Commission. We recommend that the reports be received and the budgets adopted as each is given.
2. We recommend that a written procedure be placed in the Treatise regarding the election of the Executive Secretary. The following procedure would be inserted in the Treatise on page 63 at the end of Section 15 and read as follows:

The procedure for election of the Executive Secretary shall be:

- (1) The Executive Committee shall serve as a search committee to screen potential candidates.
- (2) The Executive Committee shall recommend one candidate to the General Board.
- (3) The General Board shall recommend one candidate to the National Association.
- (4) The Executive Secretary shall be elected by a majority vote of the National Association.

If this procedure is adopted, it will necessitate a change in the By-Laws (page 61, Section 11) as follows:

The procedure for the election of officers of the National Association shall be as follows: The Nominating Committee shall be appointed by the moderator one year in advance. The committee shall consist of seven members, shall meet at least three months prior to the annual session, and present at least one name for each vacant office, excepting the General Board **and Executive Secretary**. The funding of the committee shall come from the convention fund. A brief resume shall be submitted with each nomination.

3. After reviewing Item #1 of the 1999 Resolutions Committee Report, we recommend that we retain our present system of site selection for the national convention.
4. We recommend Oklahoma City, Oklahoma, as the site for the July 18-22, 2010, national convention.
5. WHEREAS,  
the annual session of the National Association of Mexico will assemble the latter part of July 2000,  
AND WHEREAS,  
a recommendation will be presented to their Association as an appendix to the *Treatise* of Mexico pledging their adherence to the



position of the autonomy of the local church,  
 AND WHEREAS,  
 the Mexico Association has contacted an attorney to give assistance  
 in a revision of their constitution to clarify local church autonomy,  
 AND WHEREAS,  
 the new association has submitted an appeal to the Executive Com-  
 mittee, without following proper procedure,  
 BE IT THEREFORE RESOLVED:

- We recommend that they address their grievances in the local district association and National Association of Mexico in compliance with the *Treatise*.
- That the National Association of Free Will Baptists of the United States of America encourage the National Association of Free Will Baptists in Mexico to follow through with the above recommendations.
- That we assure them of our prayers and concern.
- That no investigative committee be sent at the present time, thus allowing them time to correct their own problems.

## Credentials Committee Report

We, the Credentials Committee, have examined the letters from the following states, districts and local churches and found them to be in order as presented below.

1. From the following state associations which are entitled to be represented by five delegates: Alabama, Arkansas, California, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Michigan, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Virginia, West Virginia.  
 \*Texas owes for all but one of its churches.
2. From the following district associations entitled to be represented by three delegates:  
 Arizona, Canada, Colorado, Louisiana, Mid-Atlantic, New Jersey, New Mexico, Northeast and Northwest.  
 \*Mexico has not paid representation fees for any of its churches.
3. From the following local churches entitled to be represented by one delegate: Hawaii, Montana, Puerto Rico, Virgin Islands and 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 standing boards be seated if properly registered.
6. We recommend that the delegates from the state of Texas and country of Mexico be seated provided representation fees for all churches are paid, or that assurance for full payment of representation fees is given to the executive office.

Submitted by Your Credentials Committee

George Harvey, Jr. (AZ) – Chairman  
 William Smith (GA)  
 Jim Patton (KY)  
 Tim Owen (FL)  
 Brent Nix (NW)



## Nominating Committee Report

### *Bible College Trustees*

- 2006 Replacing Richard Barnes (VA), Richard Barnes (VA)  
Replacing Gary Fry (MO), Gary Fry (MO)  
Replacing Howard Price (GA), A. C. Allen (SC)

### *Foreign Missions Board*

- 2006 Replacing William Reagan (CAN), Randy Wilson (OK)  
Replacing Douglas Little (AR), Douglas Little (AR)  
Replacing Milton Worthington (MI), Milton Worthington (MI)

### *Home Missions Board*

- 2001 Replacing Richard Atwood (TN), Matt Upton (CA)  
2005 Replacing Ken Dodson (MO), Robert Thebeau (MO)

### *Sunday School and Church Training Board*

- 2005 Replacing Billy Hanna (GA), Edwin Hayes (OH)  
Replacing Dennis Wiggs (NC), Dennis Wiggs (NC)  
Replacing Jeff Crabtree (CAN), Jeff Crabtree (CAN)

### *Commission for Theological Integrity*

- 2005 Replacing Daryl Ellis (IL), Daryl Ellis (IL)

### *Media Commission*

- 2005 Replacing Doug Kite (NC), Doug Kite (NC)

### *Music Commission*

- 2005 Replacing Vernon Whaley (TN), Chris Truett (NC)

### *Historical Commission*

- 2005 Replacing Darrell Holley (TN), Darrell Holley (TN)

### *General Board*

- 2001 Replacing Stephen Robinson (AZ), George Harvey, Jr. (AZ)  
Replacing Millard Sasser (FL), Tim Owen (FL)

- 2002 (to be elected in 2000)

North Carolina (replacing Jim Marcum)	Jim Marcum
Northeast Association (replacing Jim Nason)	Jim Nason
Northwest Association (replacing Brent Nix)	Brent Nix
Ohio (replacing Delmar Sparks)	Delmar Sparks
Oklahoma (replacing Jack Richey)	Ernest Harrison
South Carolina (replacing Joe Cagle)	Sigbee Dilda
Tennessee (replacing Charles Thigpen)	Charles Thigpen
Texas (replacing Thurmon Murphy)	Keith Woody
Virginia (replacing Glen Johnson)	Glen Johnson
West Virginia (replacing Carl Vallance)	Carl Vallance

### *Executive Committee*

- 2001 Replacing Millard Sasser (FL), Rick Cash (AL)  
2003 Replacing Delmar Sparks (OH), Glen Johnson (VA)  
Replacing Jack Richey (OK), Ernest Harrison (OK)  
Replacing Charles Thigpen (TN), Charles Thigpen (TN)

### *General Officers*

(to be elected in 2000)

Moderator: Replacing Carl Cheshier (OK), Carl Cheshier (OK)  
Assistant Moderator: Replacing Tim York (KY), Tim York (KY)  
Clerk: Replacing Keith Burden (OK), Keith Burden (OK)  
Assistant Clerk: Replacing John Hibbard (CA), John Hibbard (CA)

Nathan Ruble (MO) – Chairman  
Rick Cash (AL)  
Doice McAlister (CA)  
Delmar Sparks (OH)  
Keith Woody (TX)  
Ernest Harrison (OK)  
Sherwood Lee (SC)

## Resolutions Committee Report

Whereas, the California State Association of Free Will Baptists has given us a warm welcome to the 64th session of the National Association of Free Will Baptists in Anaheim, California,

Be it therefore resolved that we give a rising vote of thanks to acknowledge our appreciation for every kindness and consideration shown to us during the session.

Ernie Lewis (IL) – Chairman  
Charles Thigpen (TN)  
Jack Richey (OK)  
Fred Hanson (CAN)  
Mike Mounts (OH)

## Free Will Baptist National Convention Registration Report

The 2000 Anaheim Convention registered the following:

National Convention	2,124
Ordained Ministers	431
Ordained Deacons	73
Local Church Delegates	38
State Delegates	72
Home Missionaries	64
Foreign Missionaries	27
National Board Members	41
Licensed Ministers	16
Visitors	1,362
National Youth Conference	1,733
Women Nationally Active For Christ	586
<b>Total Registered</b>	<b>4,443</b>



## 2000 National Youth Conference Report

The 2000 National Youth Conference met for its 33<sup>rd</sup> annual conference in Anaheim, California, July 16-20. The theme of I Press Toward the Goal was emphasized in many ways. A total of 962 participants were registered.

A total of 431 competitive entries were conducted during the four day conference, with a total of 907 young people participating in the competitive activities. A complete list of NYC winners will be sent to each state office.

Worship services were conducted for Preschool (ages 3-5), with an average of 30 attending, Children (1st-3rd grade) and Tweeners (4th-6th grade) with an average of 200 attending, and Youth (7th-12th grade) with an average of 600 attending Sunday Morning and Sunday through Tuesday nights, with Jonathan Yandell, Casey Cariker, Chris Wilhite, Matt Upton, and Rick Locklear speaking. Over 200 decisions were made, including several for salvation.

Over 400 students participated in Impact Anaheim, our area service projects. The five service project opportunities included the Anaheim Food Bank, Anaheim Extended Care, Southwest Community Center, Second Harvest Garden and a graffiti removal project. Individuals and entire youth groups joined these projects.

A total of 31 workshops were presented during the conference for children, youth, children's workers and youth workers.

We will not leave the city of Anaheim untouched. Rather, we leave having given many tiring hours to improve the lives of others and having shared the love of Jesus with them. We also leave with many people knowing that Christ makes a difference in the lives of our students.

The 34th annual National Youth Conference is scheduled for Detroit, Michigan in July 2001 where our theme will be . . . *Go . . . No Retreats . . . No Reserves . . . No Regrets!*

## Report of the Special Committee on Mexico

Having examined the *Treatise* and heard representatives from both parties in Mexico, we believe that the aggrieved party made a reasonable effort to resolve their differences regarding perceived irregularities in the Mexican National Association and made proper appeal to the Executive Committee of this body (*Treatise*, Part V, "By-Laws," sec. 28, pp. 66-67; Part IV, chap. III, sec. IV, A.4-B, pp. 49-50).

We therefore conclude that the best interests of both parties in Mexico would be served if the Executive Committee of this body mediate between the two groups.

Nathan Ruble, chairman  
Leroy Forlines  
David Joslin  
Gene Norris  
Matt Pinson

## Obituary Committee Report

The following names were submitted in sympathy and precious memories of their lives, labor, and love for our Lord Jesus Christ.

### Alabama

Ray Birmingham, deacon

### Arkansas

Herman Greenwood, minister  
Darwin Kelton, minister

### Florida

Charles Bryant, minister

### Georgia

Lewis Williams, minister

### Illinois

Jim Neal, deacon

### Indiana

Samie L. Adkins, minister

### Mississippi

Terry Goin, minister

### Missouri

John Schebaum, minister

### North Carolina

James K. Childers, minister  
Bronco West, minister  
Lester Conneer, deacon

### Ohio

Lucian Mounts, minister  
Quentin England, minister  
Orville Roberts, minister  
Woodrow Hayes, deacon

### Oklahoma

Tommy Roberts, minister  
Clayton Crafton, minister  
I.L. Florence, minister  
Jim Dowdy, deacon  
Bo Ward, deacon

### Tennessee

Carl Reese Bowser, minister

### West Virginia

Basil Bright, minister  
Garland Becket, minister  
Huling Brown, minister  
E. Persinger, minister  
George Williams, minister  
Gordon Conley, minister  
Densil Cline, minister

Carl Vallance (WV) – Chairman  
Henry Van Kluyve (NC)  
David Sutton (OK)  
Ron Parker (1st LA)  
Dale McCoy (KS)



## Budget Committee Report

The National Association of Free Will Baptists, Inc. has approved in this convention the following budgets for 2001:

Executive Office (Includes:)		\$	700,640.25
Administrative	\$ 390,000.00		
Contact	93,105.00		
Convention	217,535.25		
Free Will Baptist Bible College			4,480,939.00
(Includes \$1,200,000.00 in unrestricted gifts)			
Foreign Missions			7,090,003.26
(Does not include \$864,500 Vision Projects)			
Home Missions			4,500,000.00
Master's Men			218,437.00
Retirement and Insurance			399,668.00
Free Will Baptist Foundation			116,100.00
Sunday School and Church Training			3,547,103.85
Commission for Theological Integrity			2,800.00
Historical Commission			4,800.00
Music Commission			46,375.00
Media Commission			200,000.00
<b>Total</b>		\$	<b>21,306,866.36</b>

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 Administrative Budget above Designated gifts, not to exceed 45% 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%
Media Commission	0.5%
<b>Total</b>	<b>100.0%</b>

Respectfully Submitted, Your Servants

Melvin Worthington, Executive Secretary  
 Tom Malone, President of Free Will Baptist Bible College  
 James Forlines, General Director of Foreign Missions Department  
 Trymon Messer, General Director of Home Missions Department  
 Bill Evans, General Director of Retirement and Insurance Department  
 Tom Dooley, General Director of Master's Men Department  
 Alton Loveless, General Director of Sunday School and Church Training Department

## Educational Task Force Report

NASHVILLE, TN—The Educational Task Force authorized by delegates to the National Association in Atlanta (July 1999) launched its first series of meetings in December 1999, according to Chairman Melvin Worthington. The exploratory session met December 10-11 after the Leadership Conference to formulate plans and set parameters.

Members elected Georgia pastor Matt Pinson as clerk. When the task force is ready to present its findings, the final report will be drafted by Bill Davidson, Douglas Simpson and Matt Pinson.

The task force will seek to address concerns raised by six questions:

1. Why aren't our colleges attracting 90%+ of Free Will Baptist college students? What can we do to attract our students to our colleges?
2. How can we cooperate more and foster greater complementarity and sharing among our colleges?
3. How can we cooperatively employ creative, entrepreneurial means to increase our level of educational effectiveness (e.g., educational technology, adult education, cross-cultural education)?
4. What steps must we take to establish a Free Will Baptist seminary to educate our pastors more effectively for ministry?
5. How can we better fund our educational institutions?
6. How do we view Christian education as a denomination?

The purpose of the task force, as understood by its members, is two-fold: (1) to define the educational needs and problems with the current system, and (2) to formulate a strategy with which to address them.

In order to find answers to the six questions and to fulfill its purpose, the task force approved three committees: the Survey Committee, chaired by Tim Eaton; the College and Seminary Committee, chaired by Randy Sawyer; the Funding Committee, chaired by Dan Parker.

Each committee was assigned specific responsibilities, and each informed the other task force members how they plan to proceed—some with surveys, some with campus visits to other institutions, some with study of literature in the field and more.

The Educational Task Force will reconvene in January 2001.

Respectfully Submitted,

Melvin Worthington, Chairman  
 Tom Malone  
 Carl Cheshier  
 Wendell Walley  
 Thomas Marberry  
 Milton Fields  
 Tim Eaton  
 E. T. Hyatt

A. B. Brown  
 Marco Antonio Mendoza Gonzales  
 William Davidson  
 Douglas Simpson  
 Daniel Parker  
 Matthew Pinson  
 Randall Sawyer



# Statistical Report Reporting Period 1999

	Associations	Number Reporting	Churches	Number Reporting	City	Rural	Full-Time Pastors	Bi-Vocational Pastors	Baptisms	Reported 1998 Membership	Members Added	Members Lost	Net Membership Gain/Loss	Actual 1999 Membership	Reported 1999 Membership	Combined Income of All Churches
Alabama	14	13	171	160	76	75	91	39	400	17,447	860	458	402	17,849	18,881	1,396,564
Arizona	1	1	8	8	7	1	6	2	40	310	37	34	3	313	283	616,502
Arkansas	15	15	222	208	103	119	100	97	708	19,657	1,271	548	723	20,380	20,443	18,201,536
California	8	7	62	52	55	8	39	12	581	3,244	349	132	217	3,461	2,904	2,770,839
Canada	1	1	10	10	3	7	2	8	7	263	10	6	4	267	280	270,565
Colorado	1	1	6	6	6		6		17	159	35	37	(2)	157	204	253,622
Florida	9	9	71	70	39	32	44	27	208	5,846	384	197	187	6,033	5,972	2,209,936
Georgia	10	10	123	119	47	76	86	34	245	9,429	423	187	236	9,665	9,426	5,063,522
Hawaii			1	1	1				14	54	21	21	0	54	54	75,564
Idaho	2	2	7	7	7		3	4	76	268	17	13	4	272	245	150,723
Illinois	7	6	44	40	22	17	23	15	149	3,334	214	89	125	3,459	3,467	2,064,700
Indiana	3	2	26	20	16	4	12	8		975			0	975		
Iowa																
Kansas	2	2	8	8	8		7	1	91	131	96	4	92	223	234	152,611
Kentucky	10	10	150	149	36	114	29	76	1,047	16,994	1,156	527	629	17,623	15,745	2,681,730
Louisiana	1	1	2	2	2		2		8	65	8	1	7	72	72	52,083
Mid-Atlantic Assoc	1	1	8	8	2	6	7	1	121	1,935	86	18	68	2,003	795	806,235
Mexico																
Michigan	6	4	44	44	34	10	36	8	188	3,536	211	135	76	3,612	2,969	1,424,214
Mississippi	3	3	51	40	17	34	27	24	190	3,391	259	79	180	3,571	3,423	1,265,570
Missouri	18	18	184	179	95	89	103	74	717	15,299	1,019	487	532	15,831	15,227	8,179,806
Montana			1	1	1		1		2	14	5	2	3	17	16	
New Jersey	1	1	2	2									0	0		
New Mexico	1	1	4	4	3	1	2	2		72	5	2	3	75	43	36,468
North Carolina	8	8	191	191	81	110	122	69	1,180	20,411	1,517	682	835	21,246	20,120	8,871,687
Northeast Assoc.	1	1	3	3	1	2	3		4	150	11	5	6	156	196	
Northwest Assoc.	1	1	6	6	6		5		86	328	75	17	58	386	320	301,725
Ohio	19	19	148	147	67	81	58	90	912	10,058	843	468	375	10,433	10,019	5,341,841
Oklahoma	22	22	239	229	134	88	131	82	955	24,048	1,514	490	1,024	25,072	21,944	9,154,476
Puerto Rico	1	1	2	2	2		2			20	30	20	10	30	70	15,000
South Carolina	7	7	118	118	38	80	77	41	657	8,793	830	242	588	9,381	5,821	4,471,064
South Dakota																
Tennessee	9	9	225	192	94	126	118	87	859	22,726	1,146	523	623	23,349	21,784	
Texas	6	6	52	4	27	15	23	19	173	2,053	196	82	114	2,167	2,096	1,195,791
Virgin Islands			1	1	1		1			200			0	200		
Virginia	8	7	101	90	37	59	40	56	328	4,793	304	272	32	4,825	6,775	2,481,967
West Virginia	20	20	180	180	51	129	73	103	578	9,304		63	(63)	9,241	9,271	1,368,074
Wisconsin			1	1	1				8	42			0	42	35	13,557
Totals	216	209	2,472	2,302	1,120	1,283	1,279	979	10,549	205,349	12,932	5,841	7,091	212,440	199,134	80,887,972

# Statistical Report Reporting Period 1999

	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	20	36	15,713,020	8,997	1,413	702	119	243	32	453	6	6	4			
Arizona	7	2	3,028,000	417	154	70	34	11		4						1,061,100
Arkansas	50	71	50,876,860	10,833	2,493	1,176	200	342	47	543	4	4	4			
California	19	21	25,767,800	3,902	308	275	54	91	26	104		6	8		1	
Canada	3	4	1,308,885	340		95		6	3	17						
Colorado	4		1,775,000	206		15		7								
Florida	29	40	14,777,140	3,070	449	516	163	112	18	124	5	2	2	1		
Georgia	36	51	26,621,100	4,802	996	745	153	154	28	409	2	2	2			3,500,000
Hawaii	1	1	3,500,000	64	45			1								
Idaho	2	4	1,279,468	250		8		13	2	5	1					
Illinois	19	14	13,078,000	2,476	608	281	112	64	11	107			1	2		
Indiana								40						3		
Iowa																
Kansas	1	1	1,499,650	188		48	11	10	1	4						
Kentucky	15	6	18,529,500	7,951	875	496	33	399	38	300			1	2		
Louisiana	1		750,000	46				3				1	1			
Mid-Atlantic Assoc	7	4	2,477,700	783	10	62		9	4	12						
Mexico																
Michigan	10	11	8,055,100	1,566	30	230	43	63	9	52	1					
Mississippi	7	27	5,794,700	2,186	556	220	100	56	8	128	1	2	2	1		650,000
Missouri	47	48	39,782,548	9,711	1,148	792	227	287	49	359	5	4	3	2	1	
Montana			150,000	30				1								
New Jersey																
New Mexico		2	460,000	59		12		5	1	4						
North Carolina	68	57	39,581,500	13,388	1,737	1,392	471	282	93	460	27	13	11	1	1	
Northeast Assoc.	1	1		145	22			3		8						
Northwest Assoc.	4		3,023,500	332		28		6		3			1	2		
Ohio	27	19	34,874,561	8,917	197	546	115	353	18	245			1	1		
Oklahoma	59	67	61,156,254	20,009	2,090	1,122	246	400	53	534	5	5	5		1	3,750,000
Puerto Rico			3,000	80				2		2						
South Carolina	48	20	7,837,000	3,889	371	441	270	189	25	134			5	4	3	200,000
South Dakota																
Tennessee	160	72	38,997,400	13,312	1,625	1,064	183	380	60	552	7	2	2	2	1	
Texas	15	11	7,367,580	1,270	130	234	15	72	9	90				1	1	
Virgin Islands		1				10	6	2	2	2			1	1		
Virginia	27	11	20,264,003	4,140	543	562	88	192	22	262	1	1	1			
West Virginia	10	10	19,558,000	8,318	545	665	94	430	23	365						
Wisconsin	1		109,000	32				1								
Totals	698	612	467,996,269	131,709	16,345	11,807	2,737	4,229	582	5,282	68	59	61	11	5	9,161,100