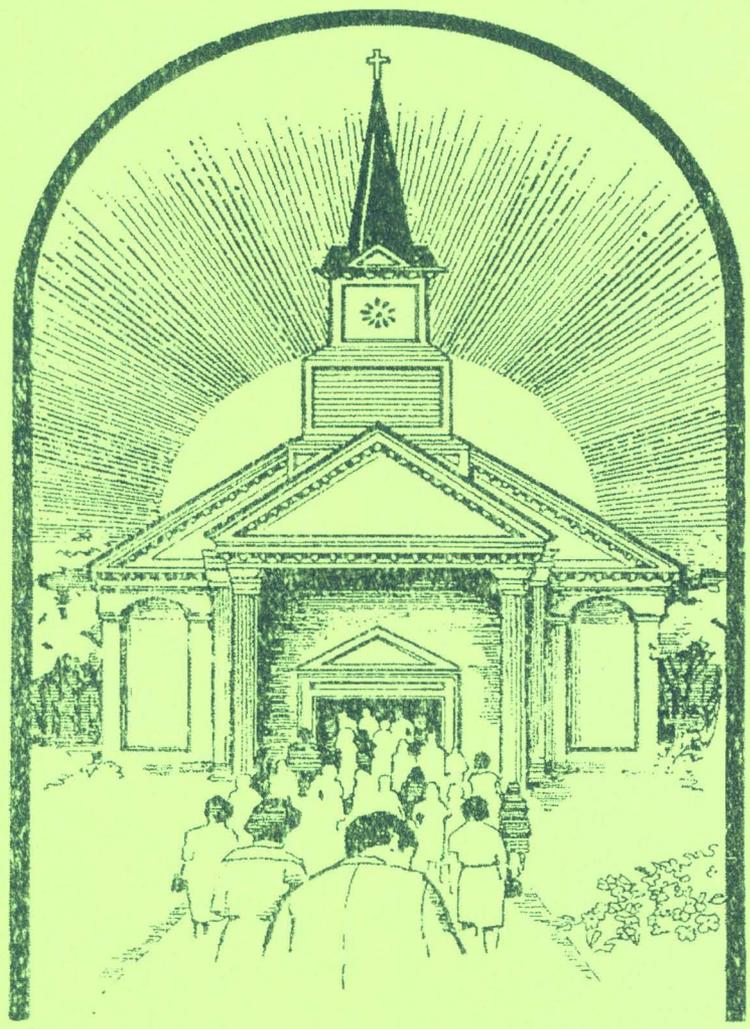


2005

2006
MINUTES & DIGEST OF REPORTS
OF
THE NORTH CAROLINA ASSOCIATION OF
FREE WILL BAPTISTS

Forty-Fourth
Annual Session
June
5 & 6
2006



PARKER'S CHAPEL
FREE WILL BAPTIST CHURCH
2241 OLD PACTOLUS RD.
GREENVILLE, NORTH CAROLINA
27834

Rick Cason

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NORTH CAROLINA ASSOCIATION OF FREE WILL BAPTISTS CONSTITUTION

THE PREAMBLE

The purpose of this organization shall be the establishment and maintenance of a voluntary association of autonomous Free Will Baptist churches, quarterly meetings (or any other meetings), district associations or conferences or any and all additional organizations - area, district or statewide that may be deemed essential to the prosecution and promotion of the general purpose and program of this Association. Included also in the purpose of this Association is affiliation with the National Association of Free Will Baptists, the adoption of *The Treatise of the Faith and Practice of Free Will Baptists*, and cooperation in its world-wide ministry. This Association holds unswerving loyalty to the inspired Word of God as our infallible rule of faith and practice.

Article I: Name

This Association shall be known as *The North Carolina Association of Free Will Baptists*. However, informally the term "*State Association*" may be used.

Article II: Composition

This Association shall be composed of its officers, of standing boards, ordained and licensed ministers who are in good standing with a conference or association affiliated with this body, together with three (3) delegates elected from each conference or association and one (1) delegate from every fifty members or fraction thereof from each local church which is in good standing with a conference or association affiliated with this body.

Article III: Meetings

Section 1: This association shall convene in regular annual session **Monday and Tuesday after the first Sunday** in June, and at a place determined by the Association in session.

Section 2: In the event of an emergency resulting from a cancellation of the place approved by the Association while in annual session, the Executive Board of the Association shall have the power to make a substitute choice of a suitable location for the annual meeting.

Section 3: Should a called session be deemed essential, the Executive Board shall have authority to issue and publicize a called session of the State Association: said call shall be publicized not less than two (2) weeks in advance of the session.

Section 4: The qualified members in attendance at any regular or called session shall constitute a quorum.

Article IV: Officers

The officers of this Association shall consist of the members of the Executive Board, the Board of Trustees, the Board of Youth Ministry, the Board of Missions Ministry, the Board of Care for the Aged Ministry, and the Board of the Bible Book Store Ministry.

Article V: Boards

Section 1: This Association shall establish the following standing boards.

The Executive Board
The Board of Trustees
The Board of Youth Ministry
The Board of Missions Ministry
The Board of Care for the Aged Ministry
The Board of the Bible Book Store Ministry

Section 2: The Executive Board shall consist of Moderator, Assistant Moderator, Clerk, Treasurer and three (3) members at large elected by the Association.

Section 3: The Board of Trustees shall consist of three (3) members elected by the Association.

Section 4: The following boards shall each be composed of five (5) members elected by the Association. The Board of Youth Ministry, the Board of Missions Ministry, the Board of Care for the Aged Ministry, and the Board of the Bible Book Store Ministry.

Article VI: Discipline

This association has no judicial or appellate powers conflicting with the independence of the local church or bodies constituting this Association.

Article VII: Amendments

This constitution may be amended by two-thirds Majority vote of the members present and voting at a session of the Association, provided the proposed amendment is presented to the body one day in advance.

Article VIII: Dissolution

In the event of the dissolution of this Association, any assets of the organization then remaining shall be conveyed to the National Association of Free Will Baptists.

NORTH CAROLINA ASSOCIATION OF FREE WILL BAPTIST BY-LAWS

Article I: Membership

Section 1: Membership in this Association shall be through application of a duly constituted district association (or conference). A credentials committee shall examine the application and make other investigation it deems appropriate. A credentials committee shall make a recommendation to the association as to the action to take, regarding the application. The decision on the application shall be by majority vote of delegates present and voting.

Section 2: Each church holding membership in an affiliated association shall automatically be a member of this association.

Article II: Representation

Section 1: Each district association holding membership in the State Association shall send a report of statistics on a form provided by the Association to every annual session of the Association. Failure to report for two successive sessions of the association may be the basis for dismissal from the association by a majority vote of members present and voting.

Section 2: Seating of delegates shall be through recommendation of a credentials committee. Any potential delegate whose credentials are not recommended for approval by the Credentials Committee may be seated only by a majority vote of seated delegates who are present and voting.

Article III: Duties of Officers

Section 1: The Executive Board shall: (1) arrange the program for the annual sessions of the Association, (2) fill vacancies which may occur on any board between sessions of the Association, (the person duly elected by the Association), (3) promote the work of the Association, (4) review the annual reports and proposed budgets of all boards before they are presented to the Association, (5) provide for and give general supervision to a church bond program and other similar service ministries and, (6) employ and supervise a Promotional Director, whose duties shall be as follows:

A. Administrative. To administer the affairs of the Executive Board within the authority delegated by the board. He shall fulfill all duties commensurate with his office and present plans and procedure to the board which he feels would be effective in promoting the work within the Association.

B. General Promotion. To show through general promotion the correlation and interrelation of all the ministries of the State Association and National Association. It is expected that he will promote impartially the total program of work as devised by all standing boards.

C. Public Relations. To keep in close contact with pastors, district associations, and local church leaders. He shall represent the State Association to other bodies when in the interest of the Association.

D. Publications. To serve as editor-in-chief of The Witness. He shall direct the production of other promotional material as may be approved by the Executive Board.

E. Stewardship. To provide a stewardship education that will serve to produce increased support for the state ministries through the "State Program" and/or other methods of giving by Associations, churches, and individuals.

F. Arranging the Annual Association. To expedite the planning of the annual Association program, arrange for the enrolling of ministers and delegates and distribute the printed minutes of the Association.

G. Other Duties. To perform other duties as may be assigned by the Executive Board. It is understood that the Promotional Director is to have no official or ex-officio status on any standing board or committee of the Association, except as may be specifically provided by action of the Association.

H. The Promotional Director shall serve as historian for the Association. It shall be his responsibility to gather articles and materials for the historical collection. He also shall publish a history of Free Will Baptists, especially as it relates to the history of the Free Will Baptists in North Carolina, and shall update the publication periodically.

The Executive Board may advise and assist other boards of the Association. The Executive Board is not authorized to act for the Association except as provided by the Constitution and By-Laws of the Association, or as specifically directed by the Association.

NORTH CAROLINA ASSOCIATION OF FREE WILL BAPTIST BY-LAWS

Section 2: The Board of Trustees shall be legal custodian of all property belonging to the Association, except in the case of the standing boards of the Association, which by action of the association are authorized to incorporate.

Section 3 The Board of Missions Ministry, the Board of Care for the Aged Ministry, the Board of Youth Ministry, the Board of Retirement and Insurance Ministry and the Board of the Bible Book Store Ministry each shall promote the work within the State as would generally be recognized as coming within the purview of the respective board. Each board shall: (a) be responsible to the State Association for all their actions, (b) propose by-laws for the government of their respective work, (the by-laws of each board shall be presented to the Association for approval), (c) make an annual report of its accomplishments to the Association, and (d) prepare a budget of proposed expenditures which shall be presented to the Association for approval.

Section 4: The moderator shall, (1) preside at meetings of the Association and Executive Board, (2) call meetings of the Executive Board of his own volition or upon request of at least three members of the Executive Board, (3) appoint such committees as are created without provision for their selection, (4) fulfill whatever responsibilities that may be commensurate with the office or that may be delegated by the Association.

Section 5: The assistant moderator shall preside at the request of, or in the absence of the moderator, and assist the moderator in such manner as may be requested.

Section 6: The clerk shall prepare minutes of the proceedings of all meetings of the Association or the Executive Board and preserve an accurate record of said proceedings in a book provided for this purpose, and shall handle such official correspondence as may be directed by the Association. He shall, through the Executive Board, arrange for the printing of the minutes.

Section 7: The Treasurer shall hold in trust all money that belongs to the Executive Board of the Association and same by order of the Association, the Executive Board, or any standing board or subordinate general organization invested with the authority to authorize the disbursement of funds. He shall keep an account of all funds received and disbursed and make an annual report to the Association.

Article IV: Election of Officers and Board Members

Section 1: No person shall hold membership on more than one standing board at the same time.

Section 2: All officers shall be elected by the body. A nominating committee shall be elected at the beginning of each session. After their report is presented, additional nominations for any office may be made from the floor. The general officers shall be elected for a period of two (2) years. No person shall serve in more than one (1) elected position in the Association at the same time, and no one having served a full term shall be elected to succeed himself more than once.

Section 3: The officers of Moderator and Assistant Moderator shall be filled on an alternating basis, from the eastern and western part of the state: Durham shall be the dividing line. When the Moderator is elected from one section, his assistant shall be elected from the other.

Article V: Terms of Office

Section 1: The three (3) members at large elected to the board, shall each have a term of office of three (3) years with their terms arranged so that one (1) member's term expires annually.

Section 2: The members of the Board of Missions Ministry, the Board of Care for the Aged Ministry, the Board of Youth Ministry, and the Board of the Bible Book Store Ministry shall each have a term of office of five (5) years with their terms arranged so that one (1) member's term expires annually.

Section 3: The members of the Board of Trustees shall each have a term of office of three (3) years with their terms arranged so that only one member's term expires annually.

Article VI: Committees

Section 1: Various committees shall be constituted when need arises, by the State Association or the Executive Board. The number of members of a committee shall be determined by the establishing body (State Association or Executive Board). Committee members shall be appointed by the moderator unless otherwise provided by the action creating the committee. Committee members shall serve for the length of time provided, until their work has been completed, until they are released, or their successors are chosen.

NORTH CAROLINA ASSOCIATION OF FREE WILL BAPTIST BY-LAWS

Section 2: The following committees shall be appointed annually to serve during the session of the State Association.

A. The credentials committee of three (3) members. This committee shall examine all letters to the Association, applications for membership in the Association, and credentials of the various delegates. The committee shall make recommendations to the Association regarding the seating of delegates and the action to take on applications for membership in the Association.

B. The resolutions committee whose duty it shall be to screen resolutions that are presented. Only resolutions determined by this committee to be worthy are to be presented to the Association by the committee.

C. The finance committee which shall receive and account for all funds received with letters or through offerings during the Association.

Article VII: Honorarium and Reimbursements

Section 1: The Clerk shall receive as honorarium \$300.00 annually.

Section 2: Members of standing boards, or duly constituted committees, may be reimbursed for expenses in attending board meetings within the state, exclusive of the annual Association Meeting, at the rate of 31 cents per mile (may claim road distance if traveling by airplane). In addition if over-night travel is required, reimbursements may be made for actual meals and lodging expenses. No employee of any board may be reimbursed for any travel in excess of this amount.

Article VIII: Quorum

A simple majority of a board or committee shall constitute a quorum.

Article IX: Proxy

No voting shall be done by proxy in meetings of the State Association. Proxy representation shall be accepted for meetings of the Executive Board provided the proxy is designated in writing by the board member or by oral communication between the member and the moderator.

Article X: Parliamentary Authority

The meeting of the State Association shall be governed by the rules of parliamentary law as set forth in **Robert's Rules of Order**, except in the case of those rules which are superseded by rule of this Association.

Article XI: Amendments

These By-Laws may be amended by, (1) majority vote of the members present and voting, provided the amendment is presented on day prior to the vote, (2) by a two-thirds majority of those present and voting if immediate action is to be taken as soon as debate has been completed.

**FORTY-THIRD ANNUAL MEETING OF
THE NORTH CAROLINA ASSOCIATION OF FREE WILL BAPTIST
Cramerton Free Will Baptist Church
June 5-6, 2005**

Convened Monday morning at 10:00 a.m.

Proceedings:

Opened with singing *Leaning On the Everlasting Arms* led by Zachary Bell.

Moderator Nate Ange introduced the host pastor, Danny Dwyer. Brother Dwyer welcomed everyone and gave instructions concerning the facilities and led in prayer.

Moderator Nate Ange acknowledged the visitors.

The moderator made the following committee appointments:

- | | |
|--------------------------|------------------------|
| • Digest Committee | Obituary Committee |
| • Steve Cayton, chairman | Dennis Wiggs, chairman |
| • David Robinson | Edwin Hill |
| • Virgil Nolen | Elisha Fish |

Resolution

- W. H. Calvert, chairman
- Frank Rice
- Léonard Bowers

The floor was opened for nominations for the nominations committee. The following were elected.

Nominating Committee

- Milton Hollifield
- Rick Cason
- Henry Potter
- James Messer
- B. L. Efirid

The business session was concluded and Robert Harris was recognized to preside over the morning worship services.

Zachary Bell led in singing *The Solid Rock*.

Southeastern Free Will Baptist College's *Sound of Praise Team* presented special music..

Promotional Director, Jim Marcum, brought the first message.

Title: Strange Fire

Text: Leviticus 8:1-5, 18, 34-35; 9:1, 23;10:1-2

Following the message, Zachary Bell led in singing Blessed Assurance.

Southeastern Free Will Baptist College's *Sound of Praise* sung and Robert introduced Jerry McClaim, pastor of Trinity Hill Free Will Baptist Church, Nebo, NC.

Title: No Fire - "Elsie, How Did You Do It"

Text: 1 Samuel 6:7-15 (7,10)

Dismissed for lunch at 12:15 and reconvened at 1:50.

Monday Afternoon Session

Opened with Zachary Bell leading *There is Power In The Blood*.

Nate Ange Presented the Moderators message.

Title: We Need An Inescapable Presence of God

Text: Habakkuk 2:9-3:2

The moderator recognized the standing delegates.

Steve Cayton gave a partial Digest report and it was moved, second, and carried to receive the report. Gerald Fowler, the clerk, was recognized to give the Executive Board report. The executive Board recommends to the Body: To refund to the Book Store the \$22,000 it put into the purchase of the land in Greenville, NC and it be allotted thus: \$15,000 for James Stancill's unpaid salary and \$7,000 for improvements.

Promotional Director, Jim Marcum, was recognized to give the Promotional Department report. Moved, second, and carried to receive the report.

Brent Patrick gave the treasurer's report as found on page fourteen of the Digest of Reports. It was moved, second, and carried to receive the report.

Rick Cason, chairman of the Book Store Board, brought the Book Store report and James Stancill gave a written report. It was moved, second, and carried to receive the report.

A motion was and carried unanimously to refund to the Book Store the \$22,000 it put into the purchase of the land in Greenville, NC and it be allotted thus: \$15,000 for James Stancill's unpaid salary and \$7,000 for improvements.

Betty Hill was recognized to give the report from Women Active for Christ. A motion was and carried to receive the report as a matter of information. She, also, gave the Leah Waddell Scholarship report which was received as a matter of information.

Rocky Reese came and gave the Board of Care report. It was moved, second, and carried to receive the report.

Alan Austin delivered the report from the Youth Relations board. A motion was moved, second and carried to receive the report.

The moderator recognized Eugene Hales to give the Home Missions Report. He announced that Ral Alsbrook had turned in his resignation.

Joshua Baer gave a report from Southeastern Free Will Baptist College.

The following brought greetings from the National Offices:

Executive Department: Keith Burden, National Executive Secretary

International Missions: Doug Little

Free Will Baptist Bible College: Matt Pinson, President

Sunday School Department and Randall House: Keith Kenemer

Free Will Baptist Foundation: David Brown

Missionary appointee, Mitch Donahue, was recognized to give a report.

Monday Evening Session

Zachary Bell opened the session by leading *Crown Him*.

A joint choir consisting of Meadow Brook, First Church - Gastonia, and Cramerton sung a medley. Christian Powell welcomed those in attendance and called on David Welch to lead in prayer. A Trio from Meadow Brook sung while the offering was being received. After the congregation sung *How Firm a Foundation*, a men's quartet sung. Brother Lorenza Stox, Pastor of Parker's Chapel F W B Church, Greenville brought a message:

Title: Effective Fire

Text: Isaiah 5

The session was closed with and altar call and prayer.

Tuesday Morning Session

The Tuesday morning session opened with the missions service. Zachary Bell led in singing *He Keeps Me Singing*. Johnny Hudson called on B. L. Eford to lead in prayer. Johnny Hudson welcomed everyone and introduced vice-chairman Tim Rabon. Tim Rabon brought the chairman's remarks. Eugene Hales came and receive the mission's offering and Johnny Hudson returned and introduced Pat Hall and Bob Edmonson who gave reports of their works. After a girls trio from Free Will Baptist Bible College sang

to songs, Bob Edmonson brought the missions message:

Title: David God's Choice, Not Man's

Text: 1 Samuel 16:1-13

At 11:15 the business session resumed.

The following brought greetings from the National Offices and other organizations

Board of Retirement: Ray Lewis

Home Missions: Larry Powell

Gateway Christian College: Karl Sexton

Harvest Children's Home: James Steppes

A motion was moved, second and carried to adopt the budget (on page 42 of the digest of reports) for the Home Missions Department.

Steve Cayton gave the final digest report.

Pastors	88
Other Ministers	27
Missionaries	3
Delegates	11
<u>Visitors</u>	<u>35</u>
TOTAL	154

It was , second and carried to receive the report.

Leonard Bowers gave the resolutions report. The following resolutions were adopted:

CONCERNING TERRI SHAVIO'S DEATH

Whereas, there has been a deadly precedent set in the Terri Shavio case, and

Whereas, the means by which she died is nothing short of euthanasia,

Be it therefore resolved, that the Piedmont Association stand in opposition to men playing God, and

Be it further resolved, that we pray for the judges, and all others who had a hand in this murderous act.

APPRECIATION

Whereas, Cramerton Free Will Baptist Church has generously held the Forty-third Annual Session of the North Carolina State Association of Free Will Baptist

Be it therefore resolved, to show them our appreciation by everyone giving them a rising vote of thanks.

Obituary Committee Report given by Dennis Wiggs.

The following names were placed into record: Patricia Holt Allen, Rick Ernest Allen, Edith Bobbitt, Dorothy Brown, Joyce Holt, Jessie Burford, Rev. Larue Davis, Lester House, and Harold Sawyer. A moment of silence and a prayer of thanksgiving were made on behalf of these individuals.

Nominating Committee Report

by: Henry Potter

The following were elected to serve the North Carolina State Association:

Board of Trustees: Phil Smith (elected 1st time 2002)

Missions Board: Randy Stone (elected 1st time 2005)

Board of Care For the Aged Ministry: Rudolph Outlaw (elected 1st time 2005)

Board of Youth Relations: Sherman Branch (elected 1st time 2005)

Bible Book Store Board: B. L. Efird (elected 1st time 2005)

**N.C. Association of Free Will Baptists
2005 - 2006 Officers and Board Members**

Promotional Office

Promotional Director: Jim Marcum

Executive Board

Moderator: Rev. Nate Ange (2 nd Term)	2006
Assistant Moderator: Rev. Tim Young (2 nd Term)	2006
Treasurer: Rev. Brent Patrick (1 st Term)	2006
Clerk: Rev. Gerald Fowler (1 st Term)	2006
Member at Large: Rev. Christian Powell (1 st Term)	2007
Member at Large: Rev. Robert Harris (2 nd Term)	2008
Member at Large: Rev. Lorenza Stox (2 nd Term)	2006

Board of Trustees

Chuck Overcash (3 rd Term)	2006
Phil Ange (2 nd Term)	2007
Phil Smith (2 nd Term)	2008

Mission Board

Jeff Jones (2 nd Term)	2006
John Hudson (Filling an Unexpired Term)	2007
Eugene Hales (2 nd Term)	2008
Tim Riggs (1 st Term)	2009
Randy Stone (1 st Term)	2010

Board of Care for the Aged Ministry

Rocky Reese	2006
Leonard Lindsey	2007
Billy Poe Jones	2008
Doug McGee	2009
Rudolph Outlaw	2010

Bible Book Store Board

Virgil Nolen	2006
Billy Keith (unexpired term of Brent Patrick)	2007
Tim McFatter	2008
W.H. Calvert	2009
B.L. Efirm	2010

Youth Relations Board

Zachary Bell	2006
Sherman Branch (Kent Nelson's Unexpired term)	2007
Allan Austin	2008
David Mizzell	2009
Nelson Koonce	2010

**Minutes of the Semi-annual Executive Board for the
North Carolina Association of Free Will Baptist.**

2/27/2006 Comfort Suites, Cary NC

Present:

Nate Ange, Moderator, Tim Young, Assistant Moderator, Brent Patrick, Treasurer, Gerald Fowler, Clerk, Christian Powell, Member-at-large, Lorenza Stox, Member-at-large, Robert Harris, Member-at-large.

The moderator opened with a devotion from Luke 10:25-28.

The minutes were read and approved. A meeting was scheduled with Billy Keith, chairman of the Book Store Board, to get an update from the last meeting we had with him. The meeting was scheduled for 2/28/2006 at 10:30 a.m.

1st item of business:

Treasurer's Report was given by Brent Patrick

- Moved, second, and carried to receive this report.
- Moved, second, and carried to take interest from to 2005 (approximately \$10,000) on the Money Management account (FWB Foundation, Nashville, TN) and transfer it to the Promotional Department's vehicle account for the purchase of a new vehicle for the Promotional Director.
- Moved, second, and carried to transfer the interest from the Money Management account (FWB Foundation, Nashville, TN) and transfer it to the Promotional Department's vehicle account on a yearly basis.
- Moved, second, and carried to transfer the balance from the BB&T savings account to the Money Management Account (FWB Foundation, Nashville, TN).

2nd item of business:

A request was received from a church for the NC Assn. to loan them enough money to pay off their loan at 6% interest. It was decided not to recommend this to the body for the following reasons:

1. We're not a lending association.
2. We would not be able to loan money to our mission works who, because of their lack of longevity in being in operation, could not borrow money from a bank.
3. It could effect the interest being paid to the Promotional Department that is being used help with operational expense.

3rd item of business:

The Promotional Director's Report was given.

- Moved, second, and carried to receive the report.
- Moved, second, and carried to give the authorize the Promotional Director to set up a self-insured medical account in accordance with Internal Revenue Service rules.
- Moved, second, and carried for Brent Patrick, Treasurer and Gerald Fowler, Clerk, to write a letter to the churches not supporting the Promotional Department requesting them to contribute specified amount to the department.

- Moved, second, and carried to adopt the budget with changes for 2007.

4th item of business:

The program for the state meeting at Parkers Chapel was reviewed and approved.

5th item of business:

Moved, second, and carried to recommend to annual meeting at Parkers Chapel the following constitutional change:

Amend Article VI: Discipline by adding a second paragraph which reads:

The association will withdraw fellowship from any district association that has any churches within it that:

1. Recognize homosexuality as an accepted life style. Genesis 2:24; Romans 1:26-29; 1 Corinthians 5:1, 6:9; 2 Thessalonians 4:1-8
2. Allows same sex marriages to be preformed on it's premises.
3. Has a pastor that performs or condones same sex marriages.

This constitutional change is recommended by the Christian Law Association¹ to prevent being sued for sexual discrimination if we ever have to dismiss a district association over this issue. It will be a prior stated belief and not a reactionary move to an immediate situation.

The meeting closed with a prayer session.

2/28/2006 Landmark Free Will Baptist Church Cary, NC

Present:

Nate Ange, Moderator, Tim Young, Assistant Moderator, Brent Patrick, Treasurer, Gerald Fowler, Clerk, Christian Powell, Member-at-large, Lorenza Stox, Member-at-large, Robert Harris, Member-at-large.

We met with Billy Keith and got an update concerning the Book Store. He reported the Book Store had a profit of \$4,658.00 for the year 2005. He presented the CPA's written report.

ALL BOARDS MEETING, LANDMARK FREE WILL BAPTIST CHURCH, CARY, NC

2/28/2006 11:00 A. M.

Reporting for the Missions Board: Tim Riggs

Reporting for the Board of Care: Rocky Reese

Reporting for the Youth Relations Board: Zachary Bell

Reporting for the Book Store Board: Billy Keith

Reporting for the Promotional Department: Jim Marcum

¹Christian Law Association P. O. Box 4010 Seminole, FL 33775-4010

TREASURER'S REPORT

to the
2006 State Meeting
of the
NC Association of Free Will Baptists

(Fiscal Year Reporting: January - December 2005)

Savings Account - BB&T

Beginning Balance, January 1, 2005		\$27,685.95	
Deposits:			
Interest Payments (Jan. - Dec.)	\$181.75		
Withdrawals:			
Withdrawal to Bible Book Store - 6/9		\$22,000.00	
Service Charges (July - Sept.)		<u>\$45.19</u>	
Ending Balance, December 31, 2005			\$5,822.51

Money Management Trust - FWB Foundation

Beginning Balance, January 1, 2005		\$229,381.89	
Add: Interest Earnings (Jan. - June: 4.30%)		\$4,931.71	
Interest Earnings (July - Dec.: 4.50%)		<u>\$5,272.06</u>	
Ending Balance, December 31, 2005			\$239,585.66

Money Management Trust (*Glad Tidings Loan*) - FWB Foundation

Beginning Balance, January 1, 2005		\$44,443.23	
Deposits:			
Loan Payments Made	\$36,799.99		
Interest Earnings (Jan. - June: 4.30%)	\$1,268.59		
Interest Earnings (July - Dec.: 4.50%)	<u>\$1,745.59</u>		
Total Deposits		<u>\$39,814.17</u>	
Ending Balance, December 31, 2005			\$84,257.40

Glad Tidings FWB Church Loan (\$179,500)

Payments (Jan. - Dec. 2005):			
Interest	\$5,587.05		
Principal	\$11,178.51		
Additional Principal	<u>\$20,034.43</u>		
Total Payments		\$36,799.99	
Beginning Balance of Principal, January 1, 2005		\$148,457.27	
Less: Principal Payments		<u>\$31,212.94</u>	
Remaining Balance of Principal, December 31, 2005			\$117,244.33

North Carolina Association of Free Will Baptists

Rev. Jim Marcum, Associational Minister

Dear Pastors, Delegates and Fellow Free Will Baptists:

Greetings and welcome to our *Forty-Fourth Annual Session of the North Carolina Association of Free Will Baptists*. I want to personally thank Brother Stox and Parker's Chapel Free Will Baptist Church for so graciously agreeing to host this meeting. I want to also take this opportunity to personally thank Brother Sam Harris for coordinating all of our State Meeting music.

Today marks the beginning of my tenth year as the Free Will Baptist Promotional Director of the great state of North Carolina. As always, it has been an honor and privilege to serve our pastors and people. Thank you for your support, your encouragement, and for allowing me to serve in this capacity.

In 2005 the Promotional Department ministry had the opportunity to preach in approximately 60 different churches and visit all of our associations at one time or another. Involved in the preaching was 3 revivals and one association meeting. The only disappointment was having only two saved. However, it was a privilege to share the gospel and the value of all of our state ministries to our pastors and people.

Last year I made a commitment to operate the office from an offensive position rather than a defensive position. That has been accomplished. Our own web site has been developed and our first minister's retreat was scheduled and twenty-eight pastors registered. We had a wonderful time of fellowship, singing and eating. We also had our hearts stirred by the preaching of Rev. Milton Hollifield, Dr. Melvin Worthington and Evangelist Rudolph Outlaw. The next minister's retreat is scheduled for September 18 - 20, 2006 at Camp Joshua in Albemarle. I hope that you will sign up. We are going to have a great time.

This has been a very productive year and yet the finances continue to be troubling. It seems that periods of crisis are arising more often. I have been blessed to be invited into new churches and gain new supporters, but at the same time others are eliminating the Promotional Office from their giving with no explanation. With an explanation I can correct my errors or offenses. I trust that you will help me in this area (Galatians 6:1).

Please continue to pray for me as I travel, preach and share the ministries of our state with our people. God is doing great things in our midst and I am grateful to be a part of it.

Sincerely,

Brother Jim

NC Free Will Baptist Promotional Director

NC FWB PROMOTIONAL OFFICE

2005 Income Budget Activity

Promotional Office Income for 2005	\$77,493.59
State Representation Fees for 2005	<u>\$6,770.00</u>
Total	\$84,263.59

Office Expenses	Actual	Budget	Results
Telephone	\$2,813.61	\$3,800.00	\$986.39
Supplies	\$694.89	\$1,500.00	\$805.11
Postage	\$639.92	\$1,200.00	\$560.08
Equipment	\$1,438.99	\$1,500.00	\$61.01
The Witness	\$758.42	\$2,300.00	\$1,541.58

Travel Expenses			
Gas	\$2,404.52	\$3,000.00	\$595.48
Car Maintenance	\$1,016.51	\$2,000.00	\$983.49
Auto Insurance	\$1,000.58	\$1,000.00	-\$0.58
Motels/Meals	\$1,500.05	\$1,700.00	\$199.95
National Association	\$1,295.30	\$2,000.00	\$704.70
Conferences	\$180.00	\$1,000.00	\$820.00

Compensation Expenses			
Housing	\$25,000.00	\$25,000.00	\$0.00
Salary	\$15,555.79	\$15,555.79	\$0.00
Taxes & SS	\$8,330.77	\$8,330.77	\$0.00
Medical	\$6,370.44	\$6,370.44	\$0.00
Retirement	\$6,000.00	\$6,000.00	\$0.00
Life Insurance	\$337.00	\$337.00	\$0.00

Miscellaneous Expenses			
Executive Board	\$1,492.02	\$2,000.00	\$507.98
State Meeting	\$971.35	\$2,000.00	\$1,028.65
Clerk Honorarium	\$300.00	\$300.00	\$0.00
Miscellaneous	<u>\$408.27</u>	<u>\$1,000.00</u>	<u>\$591.73</u>

Total	\$78,508.43	\$87,894.00	\$9,385.57	<u>\$87,894.00</u>
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Budget Gain or Loss	-\$3,630.41
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2005 Financial Contributors
NC FWB Promotional Office

Envelope #	Name	Amount
	Arrington Heights FWB Church	\$1,070.92
	Avery's Creek FWB Church	\$100.00
	Beacon Baptist Church, Raleigh	\$1,363.38
	Ben Avenue FWB Church, Kannapolis	\$448.25
	Bethel FWB Church, Nebo	\$300.00
	Bridgeton FWB Church	\$242.15
	Calvary FWB Church, Durham	\$864.00
	Calvary FWB Church, Jacksonville	\$560.00
	Calvary FWB Church, Rutherford Coll	\$400.00
	Calvary FWB Church, Swannanoa	\$500.00
	Canton FWB Church, Canton, NC	\$550.00
	Cardinal Village FWB Church, Jackson	\$100.00
	Cedar Grove FWB Church, Williamstc	\$300.00
	Cedar Hill FWB Church, Asheville	\$1,721.00
	Charity FWB Church, Wendell	\$75.00
	Christian Life FWB Church, Thomasvi	\$100.00
	Cove City FWB Church, Cove City	\$569.00
	Cramerton FWB Church	\$701.44
	Davis FWB Church, Davis	\$500.00
	East Belmont FWB Church	\$100.00
	Emmanuel FWB Church, Dallas	\$100.00
	Faith FWB Church, Goldsboro	\$4,600.00
	Faith FWB Church, Greensboro	\$50.00
	Faith FWB Church, Morganton	\$253.90
	Faith FWB Church, Rockingham	\$1,684.00
	Faith FWB Church, Washington	\$600.00
	Fellowship FWB Church, Micro	\$1,500.00
	First FWB Church, China Grove	\$542.22
	First FWB Church, Hubert	\$677.50
	First FWB Church, Landis	\$200.00
	First FWB Church, Marion	\$720.00
	First FWB Church, Morehead City	\$125.00
	First FWB Church, Richlands	\$450.00
	First FWB Church, Washington	\$800.00
	Five Points FWB Church, Washington	\$275.00
	Gethsemane FWB Church, Marion	\$100.00
	Glad Tidings FWB Church, Asheboro	\$492.65
	Glenwood FWB Church, Rockingham	\$200.00
	Grace FWB Church, Rocky Mount	\$240.00
	Harriette Memorial FWB Chr., Forest	\$2,741.77

Envelope #	Name	Amount
	Hilltop FWB Church, Fuquay-Varina	\$1,114.00
	Holly Grove FWB Church, Waynesville	\$250.00
	Homer's Chapel FWB Church, Black Mt	\$950.00
	Hope FWB Church, Plymouth	\$200.00
	Horton Road FWB Church	\$150.00
	Immanuel FWB Church, Durham	\$1,123.00
	Kendale Acres FWB Church, Sanford	\$500.00
	Landmark FWB Church, Cary	\$900.00
	Liberty FWB Church, Ayden	\$1,532.22
	Madison Heights FWB Church, Lexington	\$150.00
	Maple Street FWB Church, Rockingham	\$1,200.00
	Maranatha FWB Church, Greenville	\$612.28
	Matthews FWB Church, Matthews	\$1,053.24
	Meadowbrook FWB Church, Black Mt	\$2,245.10
	Mt. Calvary FWB Church, Hookerton	\$1,145.00
	Mt. Calvary FWB Church, Marion	\$1,288.75
	Mt. Carmel FWB Church, Lexington	\$1,648.45
	Mt. Olive FWB Church, Plymouth	\$600.00
	NC FreeWill Baptist Women's Auxilia	\$2,592.00
	New Beginning FWB Church, Elm City	\$1,525.00
	New Freedom FWB Church, Turkey	\$150.00
	North View FWB Church, Statesville	\$100.00
	Nowling Chapel FWB Church, Morgantown	\$387.42
	Oak Grove FWB Church, Elm City	\$715.56
	Parker's Chapel FWB Church, Greenville	\$2,400.00
	Peace Chapel FWB Church, Washington	\$225.00
	Peace FWB Church, Henderson	\$100.00
	People's Church	\$150.00
	Pilgrim FWB Church, Lexington	\$186.00
	Pleasant Acres FWB Church, New Bern	\$760.00
	Prince of Peace FWB Church, Kannapolis	\$600.00
	Reidsville FWB Church	\$202.60
	Robertson Creek FWB Church, Bostic	\$100.00
	Rocky Pass FWB Church, Nebo	\$2,836.39
	Ruth's Chapel FWB Church, New Bern	\$1,100.00
	Salem FWB Church, Old Fort	\$500.00
	Sandy Acres FWB Church, Columbia	\$1,327.88
	Shady Grove FWB Church, Durham	\$2,000.00
	Sharon FWB Church, Gastonia	\$600.00
	Shelby FWB Church, Shelby	\$300.00
	Sheraton Park FWB Church	\$175.00
	Sherwood Forest FWB Church, New Bern	\$2,613.76
	Southside FWB Church, Hickory	\$940.00
	St. John FWB Church, Goldsboro	\$1,000.00
	Stacy FWB Church, Stacy	\$400.00

Envelope #	Name	Amount
	Swannanoa FWB Church, Swannanoa	\$900.00
	Tippetts Chapel FWB Church, Clayton	\$795.52
	Trinity FWB Church, La Grange	\$400.00
	Trinity Hill FWB Church, Nebo	\$550.00
	Union Chapel FWB Church, Chocowin	\$2,200.00
	Unity FWB Church, Greenville	\$750.00
	Unity FWB Church, Smithfield	\$200.00
	Victory FWB Church, Goldsboro	\$410.00
	Victory FWB Church, Leland	\$100.00
	West Calvary FWB Church, Smithfield	\$375.00
	West Duplin FWB Church, Warsaw	\$450.00
	White Oak Hill FWB Church, Bailey	\$1,364.47
	Wildwood FWB Church, Wilson	\$1,184.00
	Zephyr Hills FWB Church, Asheville	\$248.77

Grand Total: \$77,493.59

**NC FWB Promotional Office
Account Balances
1/01/06 – 5/23/06**

BB & T Checking Account		\$ 432.16
BB & T Savings Account		\$ 13,440.79
NC Auto Fund Balance	\$ 11,648.20	
NC Benevolent Fund Balance	\$ 549.19	
NC Promotional Fund Balance	\$ <u>1,675.56</u>	
	\$ 13,440.79	
Total Assets		\$ 13,872.95

2006 Financial Contributors
NC FWB Promotional Office

Envelope #	Name	Amount
	Arrington Heights FWB Church	\$88.93
	Beacon Baptist Church, Raleigh	\$532.13
	Ben Avenue FWB Church, Kannapolis	\$100.00
	Calvary FWB Church, Rutherford Coll	\$465.00
	Cedar Hill FWB Church, Asheville	\$473.00
	Clyde FWB Church, Clyde	\$93.00
	Cove City FWB Church, Cove City	\$75.00
	Cramerton FWB Church	\$84.55
	East Belmont FWB Church	\$100.00
	Faith FWB Church, Goldsboro	\$4,000.00
	Faith FWB Church, Washington	\$200.00
	First FWB Church, Hubert	\$250.00
	First FWB Church, Landis	\$60.00
	First FWB Church, Morehead City	\$75.00
	First FWB Church, Richlands	\$300.00
	First FWB Church, Washington	\$200.00
	Five Points FWB Church, Washington	\$250.00
	Gethsemane FWB Church, Marion	\$28.46
	Glad Tidings FWB Church, Asheboro	\$268.40
	Glenwood FWB Church, Rockingham	\$350.00
	Going Home FWB Church, Marion	\$100.00
	Harriette Memorial FWB Chr., Forest	\$150.00
	Hilltop FWB Church, Fuquay-Varina	\$1,150.00
	Immanuel FWB Church, Durham	\$203.00
	Landmark FWB Church, Cary	\$225.00
	Liberty FWB Church, Ayden	\$696.00
	Maple Street FWB Church, Rockingha	\$600.00
	Maranatha FWB Church, Greenville	\$172.45
	Matthews FWB Church, Matthews	\$93.98
	Meadowbrook FWB Church, Black Mt	\$545.14
	Mt. Calvary FWB Church, Hookerton	\$485.00
	Mt. Carmel FWB Church, Lexington	\$333.57
	Mt. Olive FWB Church, Plymouth	\$200.00
	NC FreeWill Baptist Women's Auxilia	\$25.00
	Oak Grove FWB Church, Elm City	\$149.54
	Parker's Chapel FWB Church, Greenv	\$600.00
	Peace Chapel FWB Church, Washingt	\$125.00
	Pisgah FWB Church, Canton	\$200.00
	Pleasant Acres FWB Church, New Bel	\$187.50
	Prince of Peace FWB Church, Kannap	\$200.00

Envelope #	Name	Amount
	Rocky Pass FWB Church, Nebo	\$495.00
	Ruth's Chapel FWB Church, New Bern	\$300.00
	Salem FWB Church, Old Fort	\$100.00
	Shady Grove FWB Church, Durham	\$1,300.00
	Sharon FWB Church, Gastonia	\$200.00
	Shelby FWB Church, Shelby	\$200.00
	Sheraton Park FWB Church	\$50.00
	Southside FWB Church, Hickory	\$50.00
	Stacy FWB Church, Stacy	\$100.00
	Swannanoa FWB Church, Swannanoa	\$225.00
	Union Chapel FWB Church, Chocowin	\$1,100.00
	Unity FWB Church, Greenville	\$225.00
	Victory FWB Church, Goldsboro	\$115.00
	West Calvary FWB Church, Smithfield	\$100.00
	West Duplin FWB Church, Warsaw	\$160.00
	Zephyr Hills FWB Church, Asheville	\$98.00

Grand Total: \$19,252.65

NC FWB PROMOTIONAL OFFICE PROPOSED BUDGET

January - December 2007

INCOME

State Representation Fees		\$6,770.00
Promotional Income		<u>\$86,930.00</u>
TOTAL INCOME		\$93,700.00

EXPENSES

OFFICE

Telephone		\$3,800.00
Supplies		\$1,500.00
Postage		\$1,500.00
Equipment		\$1,000.00
The Witness		<u>\$2,300.00</u>
<i>Total</i>		\$10,100.00

TRAVEL

Gas		\$3,500.00
Car Maintenance		\$2,000.00
Auto Insurance		\$1,000.00
Motels / Meals		\$1,700.00
National Association		\$2,500.00
Conferences		<u>\$1,000.00</u>
<i>Total</i>		\$11,700.00

COMPENSATION

Housing		\$25,000.00
Salary		\$16,263.48
Taxes & SS		\$8,438.00
Medical		\$8,561.52
Retirement		\$7,000.00
Life Insurance		<u>\$337.00</u>
<i>Total</i>		\$65,600.00

MISCELLANEOUS

Executive Board Expenses		\$2,000.00
State Meeting Expenses		\$2,000.00
Clerk Honorarium		\$300.00
Miscellaneous Expenses		<u>\$2,000.00</u>
<i>Total</i>		\$6,300.00

TOTAL EXPENSES		<u>\$93,700.00</u>
NET INCOME (LOSS)		<u><u>\$0.00</u></u>

**NORTH CAROLINA ASSOCIATION OF FREE WILL BAPTISTS
2005-2006 MINISTER'S BENEVOLENT FUND MEMBERSHIP**

Carolyn Barnes	Bernice Hanna	Rudolph Outlaw
Richard Barnes	Earl Hanna	Guy Owens
A.B. Brown	Eleanor Hart	Nancy Owens
Beverly Brown	Gordon Hart	Sterl Paramore
Gary Brown	Fred Hersey	Dann Patrick
Talmage Brown	Betty Hill	Johnny Pike
Velma Brown	Edwin Hill	Billy Poteat
Ruth Bumgarner	Mary Elizabeth Hollifield	Gail Poteat
Etta Butler	Milton Hollifield	Dale Pryor
Georgia Calvert	Van Dale Hudson	Steve Pryor
William Calvert	Jason Hurt	Jerry Rackley
Frank Cantrell	Lynn Hurt	Rita Rackley
Marie Cantrell	Ricky Jacobs	John Reed
Fred Carraway	Beulah Jenkins	Ann Reynolds
James Carrington	Henry Jenkins	Ted Reynolds
Anna Childers	Renee Jenkins	Luther Sanders
David Cole	Tim Jenkins	Candy Shannon
Ted Cole, Jr.	Irene Ward Keener	Steve Shannon
Ted Cole III	Charles Keith	Jerry Shehan
Mylissa Cole	Bill Kellum	Betty Shephard
L.D. Creech	Christine Kellum	Leon Simmons
Elizabeth Dills	Janette Lambert	Mary Kathlene Simmons
Wayne Dills	Jack Lassiter	Bobbie Smith
Hilda Dixon	Ernest Laxton	Mildred Smith
James Dixon	Judy Laxton	Troy Smith
Ted Dixon	David Lee	Bobbie Smith
Carol Dixon	George Lee	Frances Stancill
Dean Dobbs	Maurine Lee	James Stancill
Rubena Dobbs	Loretta Lilly	James Stepps
Gladys Durham	Tom Lilly	Linda Stepps
Robert Durham	Peggy Lindsey	Dolly Stox
Mary Agnes Eason	Leonard Lindsey	Lorenza Stox
Nathan Eason	Jim Marcum	Ann Sumerlin
Freeman Edwards	Vicki Marcum	Willie Sumerlin
Glenda Fulcher	Tim McFatter	Roger Tripp
Barbara Haas	Anita Messer	Sybil Tripp
Joe Haas, Sr.	Howard Messer	Betty Wiggs
Lillian Hall	Harry Mintz	Dennis Wiggs
Julius Hall	Elsie Morgan	

NC Free Will Baptist Minister's Benevolent Fund

Since its inception our Minister's Benevolent Fund has been a blessing and a comfort to many workers whose spouse has gone on to be with the Lord. It is not just the money that provides help in a time of need, but the cards and the letters of their fellow laborers provides immeasurable comfort to their hurting soul. The Minister's Benevolent Fund is not about getting, but giving.

Let me take this moment to especially thank those who have been a part of this encouraging ministry for many, many years. Many of you will never receive on this earth, as much from this fund as you have invested. But the Lord will make up the difference. He always does. Thank you again.

The last eight months have been difficult. During this time we have had five preachers and one preacher's wife to leave us for their heavenly home. Four of our preachers departed within four months. This has been financially difficult for some of our people, but everyone has kept up. Thank you for your faithfulness.

The following is a list of those dear saints who have departed from us in the past eight months. Pray for their families that they have been left behind.

Rev. A.C. Morgan	September	2005
Rev. Robert Hagler	December	2005
Rev. W. L. Kell	February	2006
Rev. Wiley Shepard	February	2006
Rev. Louis Lambert	March	2006
Mrs. Frank (Bertha) Davenport	April	2006

Balance as of May 23, 2006

\$ 549.19

THE BIBLE BOOK STORE OF DURHAM, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2005

PREPARED BY:
WINSTON, WILLIAMS & CREECH, LLP
102 WEST SPRING STREET
OXFORD, NC 27565

**THE BIBLE BOOK STORE OF DURHAM, INC.
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DECEMBER 31, 2005**

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Winston, Williams & Creech, LLP

Certified Public Accountants

Members
American Institute of
Certified Public Accountants

Members
North Carolina Association of
Certified Public Accountants

James P. Winston II, CPA
Gary L. Williams, CPA
Leonard R. Creech, Jr. CPA

Carleen P. Evans, CPA
Jennifer T. Reese, CPA
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Bible Book Store of Durham, Inc.
P. O. Box 15850
Durham, North Carolina

We have audited the accompanying statement of financial position of The Bible Book Store of Durham, Inc., (a nonprofit corporation) as of and for the years ended December 31, 2005 and 2004 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of The Bible Book Store of Durham, Inc. as of December 31, 2005 and 2004 and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Winston, Williams & Creech, LLP

Winston, Williams & Creech, LLP
Certified Public Accountants

Oxford, North Carolina
February 11, 2006

FINANCIAL STATEMENTS

THE BIBLE BOOK STORE OF DURHAM, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2005 AND 2004

	2005	2004
ASSETS		
CURRENT ASSETS		
Cash	\$ 3,744	\$ 5,651
Accounts Receivable - Trade	16,606	10,102
Accounts Receivable - Employee	3,271	882
Inventory	165,872	166,871
Total current assets	189,493	183,506
Furniture, Fixtures, Equipment and Leasehold Improvements, net of accumulated depreciation and amortization	2,066	6,298
TOTAL ASSETS	\$ 191,559	\$ 189,804
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Gift Certificates Payable	\$ 870	\$ 682
Layaways Payable	404	33
Accounts Payable	12,009	16,057
Payroll Taxes Payable	3,749	4,260
Sales Taxes Payable	2,821	2,124
Accounts Payable - Employee	400	-
Total Current Liabilities	20,253	23,156
TOTAL LIABILITIES	20,253	23,156
UNRESTRICTED NET ASSETS	171,306	166,648
TOTAL LIABILITIES AND NET ASSETS	\$ 191,559	\$ 189,804

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

THE BIBLE BOOK STORE OF DURHAM, INC.
STATEMENTS OF ACTIVITIES
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
UNRESTRICTED NET ASSETS:		
REVENUE		
Sales - Awards & Prizes	\$ 1,505	\$ 1,886
Sales - Bibles	59,228	48,642
Sales - Books	62,929	64,091
Sales - Cards	15,875	14,596
Sales - Church Supplies	85,298	57,429
Sales - Curriculum	75,373	45,484
Sales - VBS	20,728	14,372
Sales - Randall House	247,721	247,406
Sales - Gifts	21,045	19,004
Sales - Miscellaneous Supplies	9,935	9,040
Sales - Music	14,886	14,398
Sales - Teaching Aids	8,907	9,567
Sales - Video	5,230	5,251
Sales - Imprinting	2,491	2,105
Sales - Freight	23,830	22,992
Sales - RHP Out of State	2,259	-
Sales - Tax Exempt (Free Tax Sales Day)	619	-
Sales - Video Rental	3	-
Less: Discounts	(4,641)	(3,352)
Less: Refunds	(129)	(612)
Total Sales	653,092	572,299
Returned Check Fees (Charges)	-	-
<u>TOTAL REVENUE</u>	<u>653,092</u>	<u>572,299</u>
COST OF GOODS SOLD		
Beginning Inventory	166,871	184,957
Purchases	414,090	352,995
Freight and Shipping	15,082	14,344
Total Available for Sale	596,043	552,296
Less Ending Inventory	(165,872)	(166,871)
Total Cost of Goods Sold	430,171	385,425
GROSS PROFIT	<u>\$ 222,921</u>	<u>\$ 186,874</u>
OTHER INCOME		
Donations	22,960	1,374
Sales Tax Refund	137	115
TOTAL OTHER INCOME	<u>23,097</u>	<u>1,489</u>

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

THE BIBLE BOOK STORE OF DURHAM, INC.
STATEMENTS OF ACTIVITIES
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
PROGRAM SERVICE EXPENSES		
Salaries and Wages	\$ 125,422	\$ 110,618
Housing Allowance	18,349	15,025
Travel Allowance (Motel & Meals)	910	1,227
Automobile Mileage	885	1,092
Payroll Taxes	11,000	9,627
Insurance - Group Medical	13,661	12,846
Accounting and Legal	3,830	3,737
Advertising	729	700
Bank Service Charges	3,289	2,436
Board Expenses	520	656
Contracted Services	560	602
Depreciation	4,231	4,346
Donations - Board of Retirement Rewards Program	172	1,140
Dues and Subscriptions	60	-
Equipment Lease	499	462
Insurance - Other	2,664	2,783
Maintenance and Repairs	2,004	1,325
Office Supplies	2,936	2,663
Other Supplies	527	141
Postage	2,266	2,525
Rent	27,614	27,525
Property Taxes	1,869	1,803
Licenses and Permits	329	291
Common Area Maintenance	4,216	3,153
Telephone	4,597	5,577
Utilities	5,708	5,628
Computer Software and Support	1,849	1,641
Internet Service	388	95
Miscellaneous Expense	276	983
TOTAL PROGRAM SERVICE EXPENSES	<u>241,360</u>	<u>220,647</u>
 DECREASE IN UNRESTRICTED NET ASSETS	 4,658	 (32,284)
NET ASSETS - Beginning of Year	<u>166,648</u>	<u>198,932</u>
NET ASSETS - End of Year	<u>\$ 171,306</u>	<u>\$ 166,648</u>

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

THE BIBLE BOOK STORE OF DURHAM, INC.
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	\$ 646,588	\$ 574,902
Cash Received From Donations	22,960	1,374
Cash Received from Sales Tax Refund	137	115
Cash Paid for Merchandise and Services	(546,170)	(465,023)
Cash Paid to Employees	(125,422)	(110,618)
	<u>(1,907)</u>	<u>750</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal paid on debt	<u>-</u>	<u>-</u>
Net Cash Used by Financing Activities	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,907)	750
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>5,651</u>	<u>4,901</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 3,744</u>	<u>\$ 5,651</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in Net Assets	\$ 4,658	\$ (32,284)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Depreciation	4,231	4,346
(Increase) Decrease in Accounts Receivable - Trade	(6,504)	2,866
Increase in Accounts Receivable - Employee	(2,389)	(882)
Decrease in Inventory	999	18,086
Increase (Decrease) in Accounts Payable	(4,048)	7,048
Increase (Decrease) in Gift Certificates	188	(131)
Increase (Decrease) in Layaways Payable	371	(235)
Increase (Decrease) in Payroll Taxes Payable	(511)	1,790
Increase in Sales Tax Payable	698	146
Increase in Accounts Payable-employee	400	-
	<u>(6,565)</u>	<u>33,034</u>
Total Adjustments		
NET CASH PROVIDED (USED) BY OPERATIONS	<u>\$ (1,907)</u>	<u>\$ 750</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**THE BIBLE BOOK STORE OF DURHAM, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

NOTE 1 – NATURE OF ACTIVITIES

The accompanying financial statements include the accounts of The Bible Store of Durham, Inc., a subordinate member organization of the North Carolina Association of Free Will Baptists. The corporation is exempt from federal income taxes under the Internal Revenue Code Section 501 (c)(3). The primary function of the corporation is supplying Sunday School and other Christian literature to the Free Will Baptist Churches in the southeastern states. The corporation also maintains an inventory of Christian literature for sale to the general public. The offices of The Bible Book Store of Durham, Inc. are located in the North Duke Crossing in Durham, North Carolina.

NOTE 2 - SUMMARY OF SIGNICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the corporation are maintained on the accrual method. Under this method, revenues are recognized when earned rather than when collected and expenses are recognized when the obligation is incurred rather than when it is paid.

Basis of Presentation

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

Bad Debts

Bad Debts are written off using the direct write-off method. Therefore, these financial statements do not include any allowance for doubtful accounts. The direct write-off method is not considered to be materially different from the allowance for doubtful accounts method as required by generally accepted accounting principals.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At this time, the Corporation does not have any temporarily or permanently restricted net assets.

Estimates

The preparation of the 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.

**THE BIBLE BOOK STORE OF DURHAM, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

Inventory

Inventory consists of Bibles, Sunday School literature, supplies, cards, musical cassettes, books and other Christian Literature and is valued at cost under the first-in, first-out method. Inventory is taken annually on December 31 of each year.

Cash and Cash Equivalents

Cash and cash equivalents include all petty cash funds of the corporation and cash deposited with banks in the form of checking accounts, savings accounts, money market accounts and short-term certificates of deposits with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Property and Equipment

Property and equipment are recorded at original cost. Items that do not substantially improve or extend the life of an asset are expensed when paid. Items that do substantially extend the life of an asset and major improvements are capitalized and depreciated over the estimated useful life of an asset. Property and equipment are depreciated under the Straight Line Method over the following estimated useful lives:

Furniture and Fixtures	5 - 7 Years
Office Equipment	5 - 7 Years
Leasehold Improvements	5 - 10 Years

NOTE 3 - LEASE OF BUILDING

The corporation has an operating lease agreement for the store premises expiring in November 2009. In addition to the minimum rent, the lease provides for contingent rentals of 3.5% of gross sales in excess of amounts specified in the lease agreement. No additional rent was required for the lease year ending December 31, 2005. The lease requires specified payments for maintenance, property taxes and insurance. Rent expense amounted to \$27,614 for the year ending December 31, 2005.

Future minimum lease payments, including common area maintenance and taxes, under the non-cancelable operating lease at December 31, 2005, excluding contingent rentals and executory costs, are as follows:

<u>Year</u>	<u>Rent</u>	<u>CAM</u>	<u>Taxes</u>	<u>Total</u>
2006	\$ 28,373	\$ 2,461	\$ 1,437	\$ 32,271
2007	29,214	2,461	1,437	33,112
2008	30,085	2,461	1,437	33,983
2009	<u>28,333</u>	<u>2,461</u>	<u>1,437</u>	<u>32,231</u>
Total	<u>\$ 116,005</u>	<u>\$ 9,844</u>	<u>\$ 5,748</u>	<u>\$ 131,597</u>

NOTE 4 - EXEMPTION FROM INCOME TAXES

The Bible Book Store of Durham, Inc., a subordinate member organization of the North Carolina Association of Free Will Baptists, is a nonprofit corporation exempt from federal and State income taxes under Internal Revenue code Section 501(c)(3). Therefore, no provision for income taxes has been made in these financial statements.

**THE BIBLE BOOK STORE OF DURHAM, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

NOTE 5 - HOUSING, SOCIAL SECURITY, TRAVEL AND RETIREMENT ALLOWANCES

The manager of the Bible Book Store of Durham, Inc. receives an allowance for housing each month in addition to his salary. The total housing allowance paid to the manager for the year ending December 31, 2005 and December 31, 2004 was \$18,349 and \$15,025, respectively

NOTE 6 - RECLASSIFICATIONS

Certain amounts in the prior year statements have been reclassified for comparison purposes to conform with the current year presentation.

Winston, Williams & Creech, LLP
Certified Public Accountants

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American Institute of
Certified Public Accountants

Members
North Carolina Association of
Certified Public Accountants

James P. Winston II, CPA
Gary L. Williams, CPA
Leonard R. Creech, Jr. CPA



The CPA. Never Underestimate The Value.™

Carleen P. Evans, CPA
Jennifer T. Reese, CPA
Elizabeth H. Jackson, CPA

102 W. Spring Street
P.O. Box 1366
Oxford, NC 27565
office (919) 693-5196
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e-mail: wwinston@nc.rr.com

February 11, 2006

To the Bible Book Store, Inc. Board of Directors

We have audited the financial statements of Bible Book Store, Inc. for the year ended December 31, 2005, and have issued our report thereon dated February 11, 2006. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated January 5, 2006, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting standards. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of the Bible Book Store, Inc. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Bible Book Store, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2005. We noted no transactions entered into by Bible Book Store, Inc. during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of depreciation of capital assets is based on management's estimate of the remaining useful lives of the assets. We evaluated the key factors and assumptions used to develop the remaining useful lives of the assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on Bible Book Store, Inc's financial reporting process (that is, cause future financial statements to be materially misstated). We proposed several adjustments in the ordinary course of the audit, which have subsequently been posted by management

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Bible Book Store Inc.'s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the Board and management of Bible Book Store, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Winston, Williams & Creech, LLP

Winston Williams & Creech, LLP
Certified Public Accountants
February 11, 2006

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To the Board of Directors
The Bible Book Store of Durham, Inc.
Durham, North Carolina

We have compiled the accompanying Budgeted Statements of Revenue, Expenses, and Changes in Fund Equity for the year ended December 31, 2006, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying budgeted financial statement and, accordingly, do not express an opinion or any other form of assurance on it.

Management has elected to omit the summaries of significant assumptions and accounting policies required under established guidelines for presentation of prospective financial statements. If the omitted summaries were included in the budgeted information, they might influence the users conclusions about the Company's budgeted information. Accordingly, this budgeted information is not designed for those who are not informed about such matters.

Winston, Williams & Creech, LLP

Winston, Williams, & Creech, LLP
Certified Public Accountants
Oxford, North Carolina
February 11, 2006

**THE BIBLE BOOK STORE OF DURHAM, INC.
 BUDGETED STATEMENT OF REVENUE, EXPENSES
 AND CHANGES IN FUND EQUITY
 BUDGET FOR THE YEAR ENDED DECEMBER 31, 2006**

	BUDGET
	2006
REVENUE	
Sales - Awards & Prizes	\$ 2,000
Sales - Bibles	70,000
Sales - Books	70,000
Sales - Cards	17,000
Sales - Church Supplies	90,000
Sales - Randall House	365,000
Sales - Gifts	25,000
Sales - Miscellaneous Supplies	12,000
Sales - Music	16,000
Sales - Teaching Aids	9,000
Sales - VBS	25,000
Sales - Video	7,500
Sales - Imprinting	2,500
Less: Discounts	(2,000)
	709,000
Total Sales	709,000
Finance Charges	-
Returned Check Fees (Charges)	-
	709,000
TOTAL REVENUE	709,000
COST OF GOODS SOLD	
Beginning Inventory	162,170
Purchases	463,680
Freight and Shipping	15,000
	640,850
Total Available for Sale	640,850
Less Ending Inventory	(180,000)
	460,850
Total Cost of Goods Sold	460,850
GROSS PROFIT	\$ 248,150

THE BIBLE BOOK STORE OF DURHAM, INC.
BUDGETED STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND EQUITY
BUDGET FOR THE YEAR ENDED DECEMBER 31, 2006

OPERATING EXPENSES	
Salaries and Wages	128,000
Housing Allowance	16,800
Retirement	1,200
Travel Allowance (Motel & Meals) & Board Expense	1,900
Automobile Rental & Mileage	1,500
Payroll Taxes	12,000
Insurance - Group Medical	14,000
Accounting and Legal	4,000
Advertising	800
Bank Service Charges	3,200
Board Expenses	600
Common Area Maintenance	4,200
Contracted Services	600
Depreciation	4,000
Donations	100
Dues and Subscriptions	100
Insurance - Workers Compensation	1,500
Insurance - Other	1,500
Interest Expense	-
Maintenance and Repairs	2,000
Office Supplies	3,000
Postage	2,200
Rent	28,373
Janitorial Supplies	100
Property Taxes	1,800
Other Taxes & Licenses	600
Telephone	5,000
Utilities	5,500
Equipment Rent	500
Computer Software and Support	2,500
Miscellaneous Expense	500
	248,073
TOTAL OPERATING EXPENSES	248,073
NET OPERATING INCOME (Forward)	77
OTHER INCOME	
Donations	5,000
Interest Income	100
Sales Tax Refund	100
	5,200
TOTAL OTHER INCOME	5,200
EXCESS OF REVENUES OVER EXPENSES	5,277
NET ASSETS - Beginning of Year	171,306
NET ASSETS - End of Year	\$ 176,583

NC State Home Mission Board

The year 2005 was a good year for North Carolina Home Missions. Our giving was generous and God certainly met the need for the year's challenges.

Bro. Bob Edmonson and the Glad Tidings mission in Asheboro continue their vision with soul winning, discipleship and development of church leaders. They have plans in place to reduce their debt. Standing with them is vital to the completion of their goal.

Bro. Pat Hall and the Cape Fear mission continues to build stability. Their facilities have been completed. They are well built, very flexible and both appealing and beautiful. Please continue to support this good work of Gospel preaching and soul winning.

Bro. Fred Carroway has been selected as our new missionary to Roanoke Rapids. He began May 1, 2006. Fred has a great heart for the work and an exciting vision. Fred works hard, is a people person and will build a good work for God to bless. Have him in your church and hear his vision and feel his heart for the work.

We are blessed to have these men obeying the great commission with deep devotion. Their works would not be possible without the faithful giving of our churches throughout our state. Thank you for all the gifts given toward North Carolina Home Missions.

Respectfully Submitted

Board Members: Jeff Jones, Gené Hales, John Hudson, Tim Riggs,
Randy Stone

Please send all donations to:
NC State Home Missions of FWB
Rev. Eugene Hales, Treasurer
PO Box 621
Matthews, NC 28106-0621

2005 Contributors

Ahoskie FWB Church - Ahoskie, NC	\$764.00
Amory First FWB Auxiliary	\$400.00
Arrington Heights FWB Church - Lexington, NC	\$255.42
Ms. Carol Atwell	\$650.00
Beacon Baptist Church - Raleigh, NC	\$4,508.68
Bethany FWB Church - Norfolk, VA	\$58.10
Bethany Prim. SS Class - Norfolk, VA	\$18.25
Bethel FWB Church - Kinston, NC	\$1,435.00
Calvary FWB Church - Durham, NC	\$561.36
Calvary FWB Church - Jacksonville, NC	\$3,910.27
Canton FWB Church - Canton, NC	\$650.00
Cardinal Village FWB Church Jacksonville, NC	\$1,000.00
Cedar Grove FWB Church - Williamston, NC	\$673.00
Cedar Hill FWB Church - Asheville, NC	\$1,013.00
Clyde FWB Church - Clyde, NC	\$900.00
Coastal Assoc. of FWB	\$677.00
Cove City FWB Church - Cove City, NC	\$2,325.00
Cramerton FWB Church - Cramerton, NC	\$2,010.00
Davis FWB Church - Davis, NC	\$225.00
Emmanuel FWB Church - Jacksonville, NC	\$2,890.00
Emmanuel FWB Church - LaGrange, NC	\$120.00
Fairview FWB Church - Marion, NC	\$3,706.78
Faith FWB Children's Church - Rockingham, NC	\$690.00
Faith FWB Church - Carrollton, VA	\$224.00
Faith FWB Church - Goldsboro, NC	\$9,957.50
Faith FWB Church - Kannapolis, NC	\$1,505.00
Faith FWB Church - Maysville NC	\$4,119.29
Faith FWB Church - Rockingham, NC	\$1,560.00
Faith FWB Church - Washington, NC	\$2,400.00
Faith Baptist Church - Morristown, TN	\$901.37
Fellowship FWB Church - Micro, NC	\$35.00
First FWB Church - Amory, MS	\$599.46
First FWB Church - Beaufort, NC	\$2,487.98
First FWB Church - Checotah, OK	\$3,154.69
First FWB Church - China Grove, NC	\$563.16
First FWB Church - Hubert, NC	\$1,083.34
First FWB Church - Jacksonville, NC	\$960.00
First FWB Church - Morehead City, NC	\$150.00
First FWB Church - Reidsville, NC	\$50.65
First FWB Church - Washington, NC	\$8,456.25
First FWB Church - Church Hill, TN	\$3,062.16
Five Points FWB Church - Washington, NC	\$1,078.00

2005 Contributors

Friendship FWB Church - Coats, NC	\$656.29
Rev. & Mrs. William Fulcher	\$50.00
Mr. & Mrs. John Gallagher	\$375.00
Garner FWB Church - Garner, NC	\$600.00
Gateway FWB Church - Virginia Beach, VA	\$6,506.63
Glad Tidings FWB Church - Asheboro, NC	\$810.00
Goshen FWB Church, Mt. Holly, NC	\$2,437.62
Mr. & Mrs. Donald Graham	\$140.00
Great Bridge FWB Church - Chesapeake, VA	\$750.00
Grifton FWB Church - Grifton, NC	\$290.00
Harriett Memorial FWB Church - Forest City, NC	\$1,670.29
Haven FWB Church - Raleigh, NC	\$5,086.00
Hilltop FWB Church - Fuquay-Varina, NC	\$5,895.00
Rev. & Mrs. Milton Hollifield	\$50.00
Mr. & Mrs. Rodney Holloman	\$280.00
Homer's Chapel FWB Church - Black Mt., NC	\$1,250.00
Hope FWB Church - Plymouth, NC	\$1,011.85
Immanuel FWB Church - Durham, NC	\$10.00
Immanuel FWB Church - Winterville, NC	\$60.00
Landmark FWB Church - Cary, NC	\$9,338.96
Liberty FWB Church - Greenville, NC	\$1,267.78
Lighthouse FWB Church - Siler City, NC	\$300.00
Lowell FWB Church - Lowell, NC	\$1,100.00
Maccipine FWB Church - Fountain, NC	\$1,000.00
Maranatha FWB Church - Greenville, NC	\$1,271.54
Marion First FWB Church - Marion, NC	\$1,182.43
Matthews FWB Church - Matthews, NC	\$580.00
Meadowbrook FWB Church - Black Mountain, NC	\$5,928.54
Mt. Calvary FWB Church - Hookerton, NC	\$1,024.74
Mt. Olive FWB Church - Plymouth, NC	\$3,800.00
National Co-op	\$340.00
NC FWB Womans Auxilary	\$2,226.25
NC State Association Meeting (Cash)	\$630.50
NC State Association of FWB	\$25.00
New Beginning FWB Church - Elm City, NC	\$1,525.00
Northview FWB Church - Statesville, nC	\$50.00
Nowling Chapel FWB Church - Morganton, NC	\$1,088.28
Oak Grove FWB Church - Durham, NC	\$2,773.20
Oak Grove FWB Church - Elm City, NC	\$665.56
Ms. Evelyn Owens	\$80.00
Pamlico Assoc. of FWB	\$1,000.00

2005 Contributors

Parkers Chapel FWB Church - Greenville, NC	\$3,500.00
Peace Chapel FWB Church - Washington, NC	\$390.00
Peace FWB Church - Wilson, NC	\$2,000.04
Pleasant Acres FWB Church - New Bern, NC	\$2,550.00
Prince of Peace FWB Church - Kannapolis, NC	\$240.00
Prospect FWB Church - Dunn, NC	\$4,293.00
Mr. & Mrs. David Rackley	\$180.00
Mr. & Mrs. Eustace Riggs	\$30.00
Mr. & Mrs. Mark Riggs	\$100.00
Mr. & Mrs. Tim Riggs	\$50.00
Roaring Creek FWB Church - Newland, NC	\$282.55
Rocky Pass FWB Church - Marion, NC	\$2,889.59
Ruth's Chapel FWB Church - New Bern, NC	\$7,389.00
Sandy Acres FWB Church - Columbia, NC	\$2,236.06
Shady Grove FWB Church - Durham, NC	\$2,000.00
Sherwood Forest FWB Church - New Bern, NC	\$6,304.77
Mr. & Mrs. Phillip Smith	\$50.00
Stacy FWB Church - Stacy, NC	\$800.00
Tabernacle FWB Church - Kinston, NC	\$305.00
Temple FWB Church - Greenville, NC	\$1,600.00
Tippett's Chapel FWB Church - Clayton, NC	\$587.30
Travelers Rest FWB Church - Clarksville, FL	\$420.00
Trinity FWB Church - Greenville, NC	\$2,500.43
Union Chapel FWB Church - Chocowinity, NC	\$5,422.00
Unity FWB Church - Greenville, NC	\$6,685.70
Unity FWB Church - Smithfield, NC	\$4,270.00
Victory FWB Church - Goldsboro, NC	\$2,390.30
West Calvary FWB Church - Smithfield, NC	\$1,955.00
West Duplin FWB Church - Warsaw, NC	\$190.00
White Oak Hill FWB Church - Bailey, NC	\$3,876.38
Wildwood FWB Church - Wilson, NC	\$2,624.00
	\$204,698.04

**NC State Home Mission Board of Free 2005 Year End Financial Report for North
Carolina**

Free Will Baptist Home Missions

1/1/05 - 12/31/05

Income/Expense		
Income		
	Beginning Balance	12,352.87
	Account Transfer	15,049.42
	CD Savings	2,211.70
	Gifts Received	204,698.04
	Pass Through	<u>1,507.00</u>
Total Income		235,819.03
Expense		
	Retirement 403B	3,600.00
	Board	2,536.59
	Asheboro	72,705.15
	Charlotte	37,487.87
	Wilmington	102,497.26
	Pass Through	1,507.00
	Office	<u>1,759.42</u>
Total Expense		<u>222,093.29</u>
Net Income		<u><u>13,725.74</u></u>
Savings For New Work		40,000.00

Proposed Budget for 2006

Asheboro	\$75,000
Wilmington	\$100,000
New Work	\$35,000
Board Expense	\$2,000
Office/Postage	\$3,500
Total Budget	\$215,500

**NC Association of Free Will Baptist
Youth Relations Board**

April 26, 2006

The Youth Relations Board is excited about this past years events. Your youth and children have impacted our denomination with their learning and knowledge of Gods Word. These are young people who can make a difference in the Kingdom of God in the years to come. It is our goal to encourage and equip young people to impact the world for Christ.

This past year we saw a wonderful group of youth come to share their abilities. The State Youth Competition was hosted by the Unity FWB Church in Greenville, NC on May 20 and 21, 2005. The Board registered about 70 young people in various categories. Many of these went on to represent this state and their churches on the national level in Louisville, KY. Many of these came back to NC with trophies where they placed and several winners. Thanks to all who participated in competition in 2005.

This years event is shaping up to be just as exciting. State Youth Competition will be hosted by the Meadowbrook FWB Church in Black Mountain, NC, on May 19 and 20, 2006. Several have already registered and we look forward to a great time as these again share with us what they have learned this past year. This is always an exciting event and hope you will prepare to attend. Competition along with other activities are planned for this weekend event.

This past year we had a member, Kevin Woolard, resign from the board and we will be replacing him along with one more this year to serve in this capacity.

We as the Youth Relations Board realize that much of what is accomplished in and through our youth and children is promoted by parents, pastors and youth workers. We are here to assist you in any way we possibly can to help you reach your goals. Please call on us at any time if we can help. It is our desire to see the youth of this state involved in the work of the Kingdom.

Respectfully Submitted,
Zachary Bell
David Mizelle
Allan Austin
Sherman Branch

**NC Association of Free Will Baptist
Youth Relations Board
2005 Financial Report
January 01 - December 31**

Balance as of December 31, 2004 **\$ 2,875.54**

Deposits

Gifts Received	\$ 1810.93	
Competition Fees	<u>\$ 2395.00</u>	
		\$ 4205.93

Expenses

Travel	\$ 942.93	
Competition Supplies	\$ 17.99	
SYC Judges	\$ 650.00	
NYC Fees	<u>\$ 1510.00</u>	
		\$ 3120.92

Balance as of December 31, 2005 **\$ 3960.55**

**NORTH CAROLINA WOMEN ACTIVE FOR CHRIST
TREASURER'S REPORT
2005-2006**

Balance Brought Forward May 1, 2005		\$5,585.03
Receipts		
Received From Districts	\$67,937.36	
2005 Meeting and Offerings	\$2,304.53	
		<u>\$70,241.89</u>
		\$75,826.92
Disbursements		
WNAC Designated Gifts	\$54,706.61	
WNAC 2006 Membership Fees (590 Members)	\$8,850.00	
Other designated	\$2,049.25	
2005 Special Emphasis Project	\$2,584.00	
Gifts Disbursed at 2005 Meeting		
Mick & Rachel Donahus	\$825.00	
Bible Book Store	\$200.00	
Leah Waddell Scholarship	\$100.00	
WNAC	\$125.00	\$1,250.00
Mileage & Misc State Officers Expense	\$563.71	
		<u>\$70,003.57</u>
		\$5,823.35

WNAC STATE RETREAT

Receipts	\$10,831.00	
Disbursements		
	\$8,260.70	<u>\$2,570.30</u>
Love Offering Diane Bridgeman	\$716.06	
Love Offering Vision Building Fund-Uruguay in honor of Molly Barker	\$1,280.00	
Balance in Checking Account April 27, 2006		\$8,393.65

State Project Totals (2005-2006)

Vision Building Fund - Uruguay (Goal \$7500.00)	\$9,672.57	
Shane Wilson - Purchase of Church Building (Goal \$2500.00)	\$6,589.83	
Free Will Baptist Bible College - Renovations	\$3,383.97	
Southeastern Free will Baptist College - Purchase of Salad Bar (College goal is \$2000.00)	\$1,886.21	

Respectfully submitted

Sheila Keith, Treasurer

**The Leah Waddell Scholarship Fund Report
April 12, 2005 - April 17, 2006**

History

The North Carolina State Association established this scholarship fund in 1964. This fund is one of the oldest, if not the oldest, continuously funded scholarships at Free Will Baptist Bible College.

The scholarship is in memory of Mrs. Leah Waddell, the late wife of the Reverend Eugene Waddell. She was a 1954 alumnus of Free Will Baptist Bible College. The amount was set at \$75.00 to be awarded annually to a worthy North Carolina student. The revised guidelines changed the amount to \$500, if funds are available. Descendants of Leah Waddell may be included in the scholarship.

The college administration determines the recipients based on financial need. Usually juniors and seniors are given preference. Approximately 125 students have received aid since the 1964-65 school year.

Response of 2005's Recipient

"I am mailing this letter to first thank you for your dedication to and generosity toward FWBBC and its students. I would like to offer my hand in appreciation for the financial aid that has been offered to me this year through your giving. Contributors like you assist students to attend the Bible College ..."

Wilson, NC

Financial Report

Balance brought forward April 12, 2005	\$ 33.37
Receipts	419.00
Offering at 2005 WAC Convention	100.00
Blue Ridge Association	100.00
Coastal Association	55.00
Palmer Association	12.00
Pamlico Association	100.00
Randall Association	52.00

Total disbursements (April 2006) 400.00

Free Will Baptist Bible College for student

Balance on hand April 17, 2006 52.37

Scholarship Fund Committee
Betty Hill, Eureka Rackley, Betty Wiggs

North Carolina Association of Free Will Baptists Annual Election of Officers and Board Members 2006

Executive Board

Moderator: Replacing Nate Ange (2nd Term) 2008

Tim Young

Assistant Moderator: Replacing Tim Young (2nd Term) 2008

Rick Cason

Treasurer: Replacing Brent Patrick (1st Term) 2008

" "

Clerk: Replacing Gerald Fowler (1st Term) 2008

" "

Member at Large: Replacing Lorenza Stox (2nd Term) 2009

Jim Marcus

Board of Trustees

Replacing Charles Overcash (3rd Term) 2009

Earl Hanna

Missions Board

Replacing Jeff Jones (2nd Term) 2011

Jim Madley

Board of Care for the Aged Ministry

Replacing Rev. Rocky Reese (1st Term) 2011

" "

Bible Book Store Board

Replacing Virgil Nolen (1st Term) 2011

" "

Replacing Tim McFatter * (Filling Unexpired Term) 2008

Darvy Hensley

Board of Youth Relations

Replacing Zachary Bell (1st Term) 2011

Ty Bell

Jason James

Adam Carter

Tim Archer

*Rev. Tim McFatter no longer Pastors a National Free Will Baptist Church

